

Annual Report 2014



Inspiring People. Shaping the Future.

| BertelsmannStiftung

Annual Report 2014

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Inspiring People.
Shaping the Future.

Dear Friends,

Last year, as we observed the 25th anniversary of the fall of the Berlin Wall, I remembered with deep gratitude the events of 1989 and the positive changes that have resulted from them. Today, Germany is stronger, more modern, more constructive and more cosmopolitan than ever before. The same is true of Europe, which continues its efforts to overcome internal divisions, expand the EU and dismantle economic barriers.

Today I wonder: Where will we be 25 years from now? Undoubtedly we can expect to face equally daunting challenges in the form of four megatrends: globalization, demographic change, increasing social inequality and the digitalization of practically everything. Many researchers anticipate a transformation of historic proportions, comparable only to the Industrial Revolution two centuries ago.

We must prepare ourselves for these challenges. We must identify solutions for tomorrow by leveraging knowledge and making strategic choices today. The Bertelsmann Stiftung is working to do exactly that – and we're not alone. From our headquarters in Gütersloh we are participating in an ever-widening network that brings together the globe's brightest and best. In some of our projects, as many as 300 experts from around the world cooperate to address a single issue. Our goal is to learn from what people elsewhere have experienced when addressing today's challenges and to make use of those insights to benefit Germany and Europe. Moreover, we want to pool this knowledge in order to expand on it and pass it on – for the wellbeing of everyone in the world.

In view of that, we are fortunate to be a private foundation affiliated with a company. Again last year this allowed us to finance numerous projects from our budget of nearly €70 million, based on dividends from Bertelsmann SE. In the years ahead, this will allow us to continue being a reliable partner to others, one with high standards who takes a long-term perspective on pressing social issues. And we'll be able to do so independently of public subsidies, political considerations, economic interests and short-term trends.

Our 2014 Annual Report offers an overview of our current projects and the outcomes of the past year. I invite you to look more deeply into the different topics we address. To make this easier, we have completely redesigned the Bertelsmann Stiftung website and expanded our social dialogue fora. Together they serve as a knowledge portal and a platform for social networking and for engaging directly with our experts – covering all the issues that continue to be important to you and to us. Please visit us at www.bertelsmann-stiftung.de and feel free to share any feedback you might have.

Sincerely,

A handwritten signature in black ink, consisting of a large, stylized 'A' followed by 'D' and 'G'.

Aart De Geus

Executive Board

The Executive Board is the team that guides the Bertelsmann Stiftung, sharing responsibility for our programs and for our international affiliates in Brussels, Barcelona and Washington, DC.







Aart De Geus

Aart Jan De Geus was born in 1955. He studied law at Erasmus University in Rotterdam, earning a Master of Laws degree, then pursued post-graduate studies in labor law at the University of Nimwegen. In 1980, he accepted a position with the Christelijk Nationaal Vakverbond (CNV), a trade union confederation in the Netherlands, before becoming a partner in the Amsterdam management consulting firm Boer & Croon in 1998.

From 2002 to 2007, he served under Prime Minister Jan Peter Balkenende as minister of social affairs and employment. In 2007, he was named deputy secretary-general of the Organisation for Economic Co-operation and Development (OECD) with responsibility for public governance.

He joined the Bertelsmann Stiftung Executive Board on September 1, 2011, overseeing projects relating to Europe, employment and globalization. He has served as chairman and CEO of the Bertelsmann Stiftung since August 5, 2012.

*“We live in a world that can be,
and is waiting to be, transformed.”* Aart De Geus

One of the Bertelsmann Stiftung’s key goals is helping achieve an economic order that creates prosperity for all. Is the situation in Germany today as good in this regard as many media reports indicate, or is there still a fundamental need to take action?

At the Bertelsmann Stiftung we don’t base our assessment of the situation solely on the financial news or the stock market; rather, we evaluate objective data and facts that deal with every area of life. We have developed our own instrument – the Social Justice Index – to assess the social balance in each of the EU member states based on 35 criteria. Germany has risen slightly in this international ranking when it comes to social justice. Though the upward trend reflects the robust development of the labor market in particular, it can also be seen in other areas, such as education, social integration and health. Despite these improvements, Germany, Europe’s largest economy, produces only average results in many important areas. For example, income inequality has risen sharply in the past 20 years. Significant challenges also remain in the area of employment. The entrenchment of a “dual labor market” is one critical example. Policymakers should therefore focus on helping people move from temporary and part-time work to standard full-time jobs. The introduction of a nationwide minimum wage has thus been a first corrective step.

Can we sit back and relax because things are going well, or is this just a momentary trend? New crises seem to be arising all around Germany.

That’s the real challenge. As globalization makes clear, Germany is not an island that can seek protection by isolating itself from others. Our future prosperity is closely tied to that of our neighbors and to other parts of the world. Our analysis shows a widening divide between Europe’s north and south, and between its young and old. We therefore believe the growing social gap could lead to social tensions, not to mention loss of trust in society and its institutions. If the imbalance worsens, the EU’s efforts to increase integration within Europe will be increasingly at risk, and with that, Germany’s prosperity. The Bertelsmann Stiftung is

therefore convinced that Europe’s policymakers should focus much more on the issue of social justice. As any rational analysis of the data shows, solidarity among Europeans is both necessary on a human level and is in our own best interests. And this is true not only for Europe, but for the entire global community. Therefore, we continually analyze trends in industrialized, emerging and developing countries so we can help shape globalization in a way that allows everyone to enjoy economic growth and political stability.

In terms of increasing prosperity and stability, is the Bertelsmann Stiftung focusing on any trends that are particularly relevant for Germany?

We often look at what is likely to happen in coming decades, instead of focusing only on the short or medium term. To that end, in the future we will be placing greater emphasis on digitalization’s impact in every area of life and on the wide-ranging shifts resulting from demographic change. In terms of the economy and employment, many experts are speaking, not without reason, of a second Industrial Revolution with as yet unforeseen consequences. However, a number of developments are already discernible: Employees must now have expanded skill sets, old jobs are disappearing, new ones are being created, work processes are being transformed and companies – even entire industries – must begin working together. Employers now offer more flexible working conditions, and job security is becoming more tenuous. Demographic change will have equally tangible, far-reaching effects, on everything from the robustness of our social security systems and the role women and older people play in the workplace, to the relationship between young and old. We live in a world of profound, indeed historic, change – but also in a world that can be, and is waiting to be, transformed. As a think tank and nonprofit foundation, the Bertelsmann Stiftung will continue to embrace this as its mission in the years ahead.



Financial Conference in Washington, DC

A world out of balance

The global economy has begun recovering, but growth is not assured. Participants at the annual conference organized by the Bertelsmann Foundation North America and the *Financial Times* warned of structural weaknesses and geopolitical risks.

The economic engines on both sides of the Atlantic are thrumming again – but uncertainty persists. In the United States, there are new jobs in industry, and the energy sector is booming. The eurozone is celebrating Greece’s return to the capital market; the issuance of its first government bonds since its sovereign debt crisis began was a success. But how stable is the upturn? How well can it withstand growing economic imbalances and geopolitical tensions?

At the sixth annual Bertelsmann Foundation-*Financial Times* conference, cautious optimism was coupled with serious doubts. The participants debated which world regions and industries will generate future growth and how the United States and Europe can share in that growth. Above all, there was concern about whether structural weaknesses and political crises such as Russia’s encroachment in Ukraine could plunge the world back into chaos.

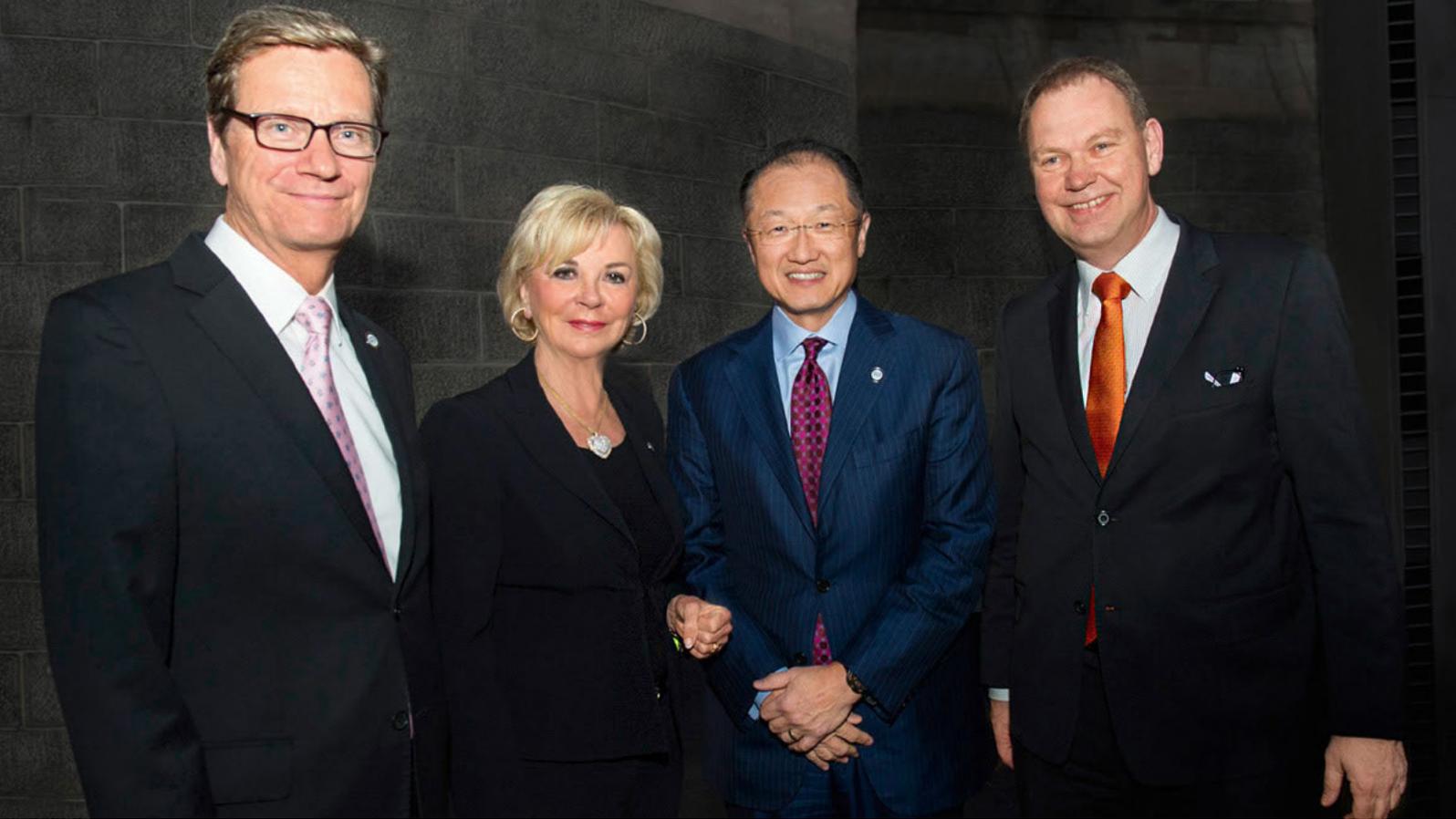
On the eve of the conference, World Bank President Jim Yong Kim urged his listeners to view the campaign against global poverty as part of the quest for more growth. Speaking in the National Portrait Gallery in Washington, DC, he said, “You might think that the notion of inclusive growth is just a nice idea, but now there is clear evidence that high levels of poverty are a drag on economic growth.”

The conference itself, entitled “A World Out of Balance: A Surplus of Politics, a Deficit of Ideas,” was held on April 10 in the Andrew W. Mellon Auditorium. Conference participants also expressed hope that new momentum for the global economy would come from developing and emerging nations. They also discussed strategies that Europe and the US could deploy to prepare their economies for the future.

Attendees from the United States included high-ranking current and former advisers to the Obama administration as well as Republican Congressman Charles Boustany. Europe and Latin America were represented by Pier Carlo Padoan, Italy’s finance minister; Ali Babacan, deputy prime minister of Turkey; Agustín Carstens, governor of the Bank of Mexico; and Jürgen Stark, former chief economist of the European Central Bank.

Upturn in the United States

Participants agreed that the situation is decidedly more positive than it was a year ago. The recovery in the United States has solidified; the eurozone is out of the woods. Even so, *Financial Times* Assistant Editor and Columnist Gillian Tett, moderator of the first panel discussion, asked whether economic growth and productivity increases will remain robust enough to ensure sufficient jobs and a high standard of living.



OPPOSITE World Bank President Jim Yong Kim warned that high levels of poverty are a drag on economic growth.

ABOVE Discussed the opportunities and risks facing the global economy: (left to right) former German Foreign Minister Dr. Guido Westerwelle, Liz Mohn, World Bank President Jim Yong Kim and Aart De Geus.

Structural weaknesses

Charles Dallara, chairman of the Americas at the Partners Group, saw few promising prospects for Europe. While appreciative of Greece's successful bond issue, he noted that "market sentiment has gotten ahead of the reality. Aside from Germany, there's virtually no other major economy in the eurozone that is growing more than one percent." He viewed the United States as better positioned to drive global growth, with sectors such as biotechnology, wind energy and heavy machinery giving the country an advantage. The boom in the extraction of shale gas will also drive innovations in the energy sector, he said.

Adam Posen, president of the Peterson Institute for International Economics and former member of the Bank of England's Monetary Policy Committee, was more pessimistic. Calling shale gas "massively overhyped," he noted that its extraction did not require high technology. He expressed concern that the innovative power of the economy worldwide has slowed. For example, he noted, it's not clear that inventions such as 3D printing will have the same transformative effect that the Internet had.

Growth and innovation need a stable environment, but the economies of the US and Europe suffer from structural weaknesses. Even in good times, income and prosperity are unequally distributed. Long-term unemployment and

declining wages have become a perennial problem. According to Jason Furman, head of the Council of Economic Advisers, this is why President Barack Obama advocates raising the minimum wage, something that "would benefit 28 million people."

The panelists also discussed whether monetary policy and financial systems are better prepared for future shocks. The consensus was that the reforms prescribed by the Group of Twenty have made global financial institutions less vulnerable than before the crisis. Meanwhile, central banks, especially the Federal Reserve, face the difficult task of initiating a departure from the expansionary monetary policy of the crisis years, participants said. None of the panelists was willing to predict when this would happen - or how raising interest rates would affect the global economy.

Lowering trade barriers

According to US Congressman Charles Boustany, the US and the EU should use the planned Transatlantic Trade and Investment Partnership (TTIP) to ensure future growth by creating a free-trade area. He pointed out that, on average, jobs created by trade are better paid than non-export-oriented jobs. Boustany, a Republican, applauded President Obama for putting this on the agenda but said the president must do more to win over Democrats who are skeptical of free trade.



Ali Babacan, deputy prime minister of Turkey.



Dr. Christopher Clark, professor of modern European history at the University of Cambridge.

Persuasion is needed on both sides of the Atlantic. In the US, as in Europe, a slim majority believes that TTIP would be good for their own economy, according to a Pew Research Center survey commissioned by the Bertelsmann Foundation North America. However, there is also deep-seated mistrust on both sides when it comes to creating uniform standards. Only 3 percent of Europeans have confidence in American data protection measures – a statistic that may reflect fallout from the NSA affair.

In a complexly interdependent world, uncertainty and mistrust are a dangerous mixture. What, for example, are the implications if China ceases to grow? How dangerous is Russia's show of power in Ukraine? "What is happening in Ukraine is very, very worrying," said Turkish Deputy Prime Minister Ali Babacan. Italian Finance Minister Paolo Carlo Padoan warned in turn that an exacerbation of the crisis would have consequences both in terms of trade and financial flows.

It will not, however, escalate into war, according to Dr. Christopher Clark, professor of modern European history at the University of Cambridge. His book *The Sleepwalkers: How Europe Went to War in 1914* has been generally

understood as a warning that war in Europe is possible, even 100 years after the outbreak of World War I. Yet despite the many parallels, the current crisis is also decidedly different in that communication among Western governments is better institutionalized and the Cold War has left Russia weakened, he said.

Yet Clark had one more message for his audience. "The specter of 1914 is useful and compelling as a reminder to us of how terrible the costs can be when ... conversation stops," he warned. It's a message that is, of course, not instructive for politicians alone, but for financial policy-makers and central bankers as well.

Text by Sabine Muscat, originally published in *change – The Bertelsmann Stiftung Magazine* (2/2014)



European Neighbourhood Conference at the Hamburger Bahnhof – Museum for Contemporary Art in Berlin: (left to right) Juris Poikāns, Latvia's ambassador-at-large for the Eastern Partnership; Prof. Michael Köhler, director of the European Commission's Directorate General Development and Cooperation – EuropeAid; Aart De Geus, chairman and CEO of the Bertelsmann Stiftung; Joachim Fritz-Vannahme, director of the Bertelsmann Stiftung program Europe's Future; Dr. Thomas Bagger, head of policy planning at the German Federal Foreign Office; Wojciech Zajączkowski, head of policy planning at the Polish Foreign Ministry.

European Neighbourhood Conference

To remain competitive and viable in the age of globalization, the 28 member states of the EU need to strategically redefine their relationship with their southern and eastern neighbors. Given that the European economy is resource dependent – with well over 60 percent of its energy supplied by Russia and the Middle East – and that European societies are ageing, the EU must work more closely with its neighbors to the east and south in the interests of ensuring a sustainable economy.

Once a year, the European Neighbourhood Conference convenes high-level decision makers in cooperation with regional partners. The focus alternates each year between the southern and the eastern neighborhood.

Increasing labor mobility

Which obstacles restrict the mobility of workers across borders? What can be done to help job seekers move from one EU member state to another to find work? These and other questions were addressed at a panel discussion in Brussels organized by the Bertelsmann Stiftung to present findings from the study *Harnessing European Labour Mobility*.

The study was carried out to examine and evaluate the major imbalances in Europe's labor markets. While southern European countries are plagued by high unemployment as a result of the recent crisis, many jobs in the northern countries remain unfilled. Increasing cross-border mobility could improve the employment situation and keep many people from experiencing social exclusion. Building on five scenarios depicting how things might look in the year 2025, the study offers concrete policy recommendations for promoting the cross-border mobility of workers.



Discussing the study *Harnessing European Labour Mobility* in Brussels: Józef Niemiec of the European Trade Union Federation, European Commissioner László Andor and Aart De Geus.

PROGRAM

Shaping Sustainable Economies

The year 2014 was not just a time of political uncertainty; social and political crises also left their marks. The Shaping Sustainable Economies program is therefore responding to a number of current issues, including the mediocre economic outlook, mounting social tensions and the dissolution of political systems in Germany's neighboring regions. A key goal is to develop an effective, practical model for ensuring economic and social progress, one that not only addresses today's challenges but also creates opportunities for the future.

This requires new, holistic approaches that provide economic growth while also accounting for quality of life and social participation. What we need is a new "growth agenda" that not only meets the needs of current generations, but also gives rise to economic, political, social and ecological systems that future generations can rely on.

The principles of sustainability, good governance and social justice must guide the actions that society takes. Moreover, for a market economy to be sustainable, it must balance social, economic and environmental concerns while adapting to global changes.

We embrace this national and international challenge. To that end, we draft evidence-based proposals for national and global strategies. We then develop them further in cooperation with national and international experts, as well as political, business and social leaders.



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Projects:

Global Economic Dynamics: Costs and Benefits of Globalization

It is important that we gain a better understanding of globalization's economic consequences in general, as well as its impact on national economies and individual lives. Using econometric models, we carry out macroeconomic analyses to assess the costs and benefits of economic globalization.

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Global Economic Dynamics: Interdependencies and Their Consequences

This project creates data labs to collect and analyze data that can provide a better understanding of the dynamics of the global economy. Focus areas include the relationships, interdependencies and communication among countries. Interactive visualizations are used to present complex issues in an accessible manner.

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Global Economic Symposium

Since 2010, the Bertelsmann Stiftung has participated in the annual Global Economic Symposium (GES) organized by the Kiel Institute for the World Economy. The GES is a forum for interdisciplinary dialogue among academics, business leaders, policy-makers and representatives of civil society, allowing them to discuss global challenges and develop concrete responses.

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Inclusive Growth for Germany

This new project investigates the relationships between economic performance and social cohesion and develops options for a sustainable growth agenda for Germany. The focus is on four key questions: What are the drivers of economic performance

in times of constant change? How can the state redefine its role as a key player in times of limited public spending? How can economic and social policies be developed that permit every member of society to access the opportunities growth provides? How can growth's monetary and non-monetary dividends be distributed fairly – now and in the future?

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Strategies for Transformation and Development (BTI)

The Bertelsmann Stiftung's Transformation Index (BTI) assesses the quality of political systems, economic development and governance in 129 developing and transition countries. The objective is to identify successful strategies for strengthening democracy and promoting good governance.

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Sustainable Governance Indicators

Our Sustainable Governance Indicators (SGI) allow us to assess and compare the long-term viability of developed market-based democracies in the OECD and the EU. They provide the empirical data, in-depth analysis and international benchmarks that policymakers need to strategically advance reforms. As part of the SGI project, a new EU Social Justice Index was introduced in 2014 to provide an annual comparison of social justice indicators in all 28 EU member states.

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The Transformation Thinkers Reunion in Gdańsk for young leaders from developing and transition countries.

Developing Successful Sustainability Strategies

This project identifies best practices in developing sustainability strategies in national and international contexts. It also raises awareness of such strategies in Germany, for example by implementing them in the state of North Rhine-Westphalia. The project is sponsored by the state's Ministry for Climate Protection, Environment, Agriculture, Nature Conservation and Consumer Protection.

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Economic Dynamics and Employment

This project generates ideas for expanding job markets in Germany and Europe and making them more flexible. Its strategies help promote the mobility of workers in the European Union, improve employment opportunities for older workers, create sustainable pension systems and stabilize employment in a time of widespread digitalization.

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2014 Program Report



The 2014 *Globalization Report* examines 42 countries to see who benefits most from globalization.



The 2014 BTI took a detailed look at democracy in 129 developing and transition countries.



The Sustainable Governance Indicators (SGI) measure the quality of governance in the 41 OECD and EU member states.

Project: Global Economic Dynamics (GED)

Our project work in 2014 focused on analyzing how growth is affected by increasing globalization and the EU's single market. Findings were disseminated nationally and internationally through the media, policy briefs, lectures, discussion events and a new digital information format (GED Shorts). In addition, GED VIZ, a new web tool for visualizing global economic dynamics, was also developed.

Project: 2014 Global Economic Symposium (GES)

Held from September 6 to 8, the 2014 Global Economic Symposium drew more than 800 high-ranking global representatives from the political, business, academic and social spheres to Kuala Lumpur, Malaysia, where they discussed "Restructuring Economies - Transforming Societies." The Bertelsmann Stiftung hosted a total of seven sessions on various topics, during which participants discussed and developed concrete proposals for sustainable economic and social development.

Project: Inclusive Growth for Germany

This project, launched in 2014, identifies the potential tensions and conflicting interests that could hamper creating an inclusive growth agenda for Germany. It also develops strategies for introducing a framework that would make it possible to implement economic and sociopolitical reforms and that would stimulate public debate. In addition, a new publication evaluates federal and state investment activities in terms of their impact on inclusive growth.

Project: Strategies for Transformation and Development (BTI)

From Brazil and Turkey to Ukraine and Thailand, people all around the world took to the streets to protest in 2014. The sources of their discontent were the abuse of power, corruption, social exclusion and growing inequality, as well as the lack of opportunities for political participation. As long as democratization processes and inclusive growth remain sporadic and effective reforms are denied, such demands for good governance will

undoubtedly continue. The reports and data in the Bertelsmann Stiftung's 2014 Transformation Index (BTI) support this conclusion, and the BTI analyses and findings attracted considerable international attention as a result. The index also appeared in Spanish for the first time, published by the Argentinian think tank CADAL. The Next Generation Democracy project, carried out together with the Club of Madrid, is highlighting innovative approaches for promoting democracy around the world.

Project: Sustainable Governance Indicators (SGI)

Sustainable policy outcomes, robust democratic structures and long-term policymaking perspectives are the key objectives by which the Sustainable Governance Indicators (SGI) project examines governance mechanisms in the 41 OECD and EU member states. Not only did the overall SGI findings attract considerable national and international attention in 2014, so did the new EU Social Justice Index, which is based on SGI data and which was released for the first time as part of the new Social Inclusion Monitor Europe (SIM) project. The Social Justice Index reveals a negative trend in most of the EU states, with the gap in social justice between northern and southern Europe clearly growing in the wake of the financial and economic crisis, as has intergenerational inequality, to the detriment of the young.

Project: Developing Successful Sustainability Strategies

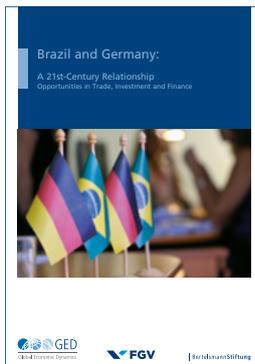
The strategy recommendations developed in 2014 for creating a sustainable North Rhine-Westphalia focus on the topics of sustainable consumption by young people, sustainable participation by seniors and sustainable public-sector budgets in times of limited government spending. In addition, the topic of civic engagement among young people was discussed in Baden-Württemberg, Brandenburg, Hesse, North Rhine-Westphalia and Thuringia in the context of those states' sustainability strategies.

Project: Economic Dynamics and Employment

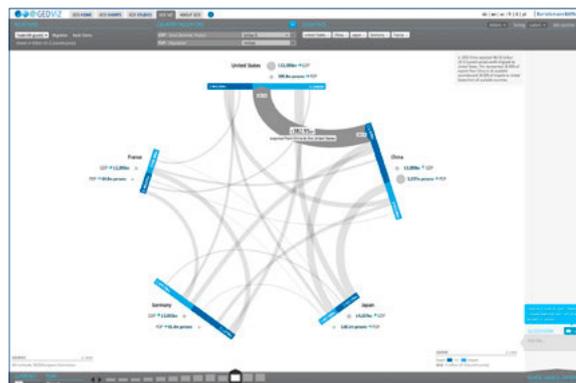
The digitalization of the economy will have far-reaching consequences – including for the world of work. The specific challenges stemming from this development were addressed in a number of expert dialogues on topics such as Industry 4.0 and the trend toward a divided job market. Policy recommendations for improving labor mobility in Europe were developed in a joint task force with the Centre for European Policy Studies and discussed in Brussels during presentation of the study *Harnessing European Labour Mobility*. The conference “Pension Reform – Between Demographic Change and the Financial Market Crisis” and the hearing in the German Bundestag on “Flexible Retirement Based on the Scandinavian Model” addressed the question of how Germany’s national pension system could be made more sustainable in light of demographic change.



How can policymaking focus on promoting happiness and wellbeing? That was the topic addressed by the British Legatum Institute in Berlin as it discussed the latest research on the subject.



This study was carried out in cooperation with the Brazil-based Fundação Getúlio Vargas. It analyzes economic opportunities in trade and finance between Brazil and Germany.



The GED-VIZ app displays trade relations between countries using an innovative interface.

PROGRAM

Europe's Future

Europeans can look back with pride on half a century of peaceful integration. But in a rapidly changing world, this success does not guarantee a bright future. The European Union needs to vigorously pursue its goal of "unity in diversity," particularly in view of the continuing economic crisis and the numerous conflicts and wars in its immediate neighborhood. Only an effective, cohesive Europe will be able to hold its own internationally, preserving its values and defending its interests.

How can Europe's political union be better organized, strengthening its ability to act? A European system of government must be structured as a federal democracy in which the separation of powers is ensured and citizens are given a bigger say than in the past. We also believe completing the single market will provide the stimulus for growth that the European economy needs. In addition, the Economic and Monetary Union must be stabilized, flanked by a Fiscal and Banking Union. In this regard, how Europe shapes its social policies is of central importance, for they are the key to maintaining broad-based support for the European project.

The Bertelsmann Stiftung actively supports the process of European integration by drafting recommendations for forward-looking European policies in both internal and external affairs.



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Projects:

Strengthening Europe

In view of low voter turnout, the rise of populist and anti-European parties, and the fallout from the economic crisis, the EU must improve its ability to take effective action – since that is the only way it will regain the trust of its citizens. In the Strengthening Europe project, we investigate how the division of responsibilities between the EU and its member states could be made more efficient and citizen-oriented. We also develop strategies for completing the Economic and Monetary Union and for improving social cohesion within Europe.

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Connecting Europe

The countries bordering the European Union are highly diverse, and both the EU and its neighbors have a mutual interest in coexisting peacefully and working together to build a common future. This applies all the more in times of crisis and conflict, which many of the EU's neighboring countries are currently experiencing. In our Connecting Europe project, we develop strategies that can help the European Union improve relations with its neighbors. The exchange of knowledge, experiences and opinions at the personal level is especially important in this regard.
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Brussels office

In addition to contributing to the Europe's Future project, our Brussels office functions as a liaison between the Bertelsmann Stiftung and European institutions, interest groups and media. The Brussels office conveys findings from the Bertelsmann Stiftung's work to our European partners, and in turn reports on European policy developments that are relevant to the foundation's work. To do so, the office organizes events and bilateral meetings and maintains contact with international media representatives.
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2014 Program Report

Strengthening Europe

We produced a series of analyses for the European Parliament elections held in May 2014. In particular, *The Populist Networks*, which examined the extent to which European populists connect through the Internet, received widespread attention.

Together with the European Commission, we hosted a conference on June 20 in Brussels entitled “Economic Shock Absorbers for the Eurozone. Deepening the Debate on Automatic Stabilizers.” Some 150 experts attended, including European Commissioner László Andor and former Italian Prime Minister Enrico Letta. The participants discussed how the eurozone can be stabilized and the Economic and Monetary Union completed.

Two Bertelsmann Stiftung programs, Europe’s Future and Shaping Sustainable Economies, launched a joint project in 2014: the Social Inclusion Monitor Europe. Drawing on the Social Justice Index and the Reformbarometer, two studies to be published annually, the project will allow us to assess social justice and reform efforts in the 28 EU member states.

On November 13, the New Pact for Europe, co-initiated by the Bertelsmann Stiftung, published its second report, which includes detailed recommendations for improving cooperation among the EU, its member states and its citizens. As its next major integration project, the New Pact for Europe has proposed the creation of an Energy Union.

Connecting Europe

In view of the crisis in Ukraine, the Bertelsmann Stiftung and the Konrad Adenauer Foundation organized an event on March 1 in Paderborn that focused on Ukraine and Europe. Participants included Member of the European Parliament Elmar Brok and, by video link, Ukrainian presidential candidate Vitali Klitschko.

Our project work also addressed the situation in Tunisia, which is considered one of the Arab Spring’s success stories. We organized several events in Berlin and Brussels over the course of the year, and participants included German Foreign Minister Frank-Walter Steinmeier and Tunisian Prime Minister Mehdi Jomaa. The discussion at the events focused on what had been achieved and the challenges that await the young democracy.



A panel discussion on the European Neighbourhood Policy with German Foreign Minister Dr. Frank-Walter Steinmeier and Tunisian Prime Minister Mehdi Jomaa in Berlin.

In cooperation with the Heinz Nixdorf Foundation, we hosted the first-ever Young Leaders for Europe Academy, successor to the Summer Academy on Europe, from June 23 to 26. Joined by international experts, 32 participants from 14 countries discussed possibilities for realigning the European Neighbourhood Policy.

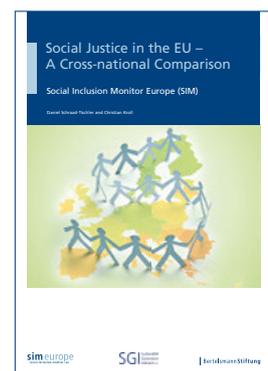
On November 27, the Bertelsmann Stiftung hosted the European Neighbourhood Conference in Berlin. More than 100 participants discussed what the EU and its neighbors expect of a future European Neighbourhood Policy, as well as the instruments and institutions necessary to make the policy effective.

In tandem with these events, we published a number of policy briefs, including “Language, Identity, Politics – The Myth of the Two Ukraines,” “A Challenge for Liberal Democracy – How to Understand the Russian Intervention in Ukraine” and “Ostpolitik 2014 – Fünf Missverständnisse zwischen Deutschen und Polen” (Ostpolitik 2014 – Five Misunderstandings between Germans and Poles).

Brussels office

In June, Henning von Stein became head of the Brussels office, succeeding Thomas Fischer, who left the Bertelsmann Stiftung after more than 14 years.

In addition to a panel discussion in January on the TTIP transatlantic free-trade agreement and the presentation in April of a study on labor mobility, the Brussels office successfully launched two new event series in 2014. The Dinner Debates offer participants an opportunity to discuss current topics with renowned experts in a small group. At the Brussels Breakfast Briefings, Bertelsmann Stiftung staff present results from their work and discuss them with Brussels experts.



The programs Europe’s Future and Shaping Sustainable Economies published a study that introduced a new instrument for monitoring social inclusion.



The Young Leaders for Europe Academy succeeded the Summer Academy Europe.



Liz Mohn

Following the death of her husband, Reinhard Mohn, Liz Mohn represents the fifth generation of the Bertelsmann/Mohn family, owner of the Bertelsmann media group. She is vice-chairwoman of the Bertelsmann Stiftung's Executive Board and its Board of Trustees. She is also chairwoman of the Bertelsmann Verwaltungsgesellschaft Executive Board and a member of the Supervisory Board at Bertelsmann SE. She serves as president of the German Stroke Foundation, an organization she founded, and chairs the board of the Liz Mohn Foundation for Culture and Music. In addition, she chairs the Board of Trustees of the Association of German Music Schools.

In 1999, she became the first female member of the Club of Rome from Germany. In 2000, she received Germany's Cross of Merit, First Class, and in 2008 the organization Atlantik-Brücke selected her as the first woman to receive the Vernon A. Walters Award. In 2010, she was also honored with the Global Economy Prize by the Kiel Institute for the World Economy. She received an ECHO Klassik award in 2002 and again in 2012. In 2013, she was named an officer of the French Legion of Honor.

*“In times like these, we need to take responsibility,
build trust and exercise leadership.”* Liz Mohn

What challenges does our world face today?

The world is going through radical change. As crises multiply – from the financial crisis, to nearly 450 wars and conflicts around the globe, to new health risks – the challenges become more complex, creating a climate of uncertainty and helplessness. Furthermore, globalization and digitalization are changing the world in ways that humankind has undoubtedly never before experienced. The unpredictability of events demands innovative forms of cooperation and conflict resolution. Hierarchical leadership and outdated organizational structures are becoming less and less effective when it comes to creative problem solving. The future will be about networking and collaborating, across cultures and sectors. This means we must reconsider who – governments, businesses, civil society organizations, individuals – is responsible for what.

What are the responsibilities of the business community and of individual companies?

The business community can provide innovation and growth, helping to secure jobs and ensure prosperity. On the other hand, companies must respond responsibly to today’s changes and their consequences. They must ask themselves how sustainable their processes are. Which occupations are going to disappear? How many new jobs will digitalization create? Employees at all levels are feeling a growing sense of disorientation and powerlessness in light of the changes disrupting business models, organizational cultures and career paths. Future leaders will need the appropriate skills, of course, but their organizations will also have to offer the right conditions if they are to lead effectively. In our executive training programs and projects promoting corporate social responsibility, the lessons learned about participation and the delegation of responsibility, and about sustainability in global value creation chains, offer guidelines for today’s leaders.

How is social cohesion affected in times of radical change?

The economic and social changes we are experiencing are making society more diverse in terms of the nationalities, cultures and religions found there. They are also expanding people’s attitudes toward life and work. Preserving traditions and respecting values are two things society can do to maintain quality of life for everyone and to promote peaceful coexistence. Many challenges can be met only if everyone works together. The findings of our Social Cohesion Radar and our Religion Monitor confirm the importance of mutual understanding, social participation and equal opportunity for increasing tolerance and solidarity. A society needs three things to function: trust, role models and dialogue across national and linguistic borders, such as the dialogue we promote with our German-Israeli Young Leaders Exchange and our Asian-European Young Leaders Forum. And we must not underestimate the power of music and the arts to build bridges of understanding. Cultural activities and music education must therefore be included in our educational landscapes.

Which questions are most pressing in a global, digital world?

How can we preserve cultural identity in a global economy and consumer society? How does digitalization affect people? Given the events changing the world around them, many people are unsettled about the future. They are looking for something that feels like home. Rituals can help here. We can’t cut people off from their cultural roots and we must allow them to determine how they live their lives. For this to happen, we have to talk openly about values. We also have to talk about leadership – in politics, business and society – since, given the challenges, leadership is becoming a scarce resource. On the other hand, we have to make it possible for people to choose responsibly how they want to live. Building trust and taking responsibility are two sides of the same coin when it comes to making our global, digital world a little more peaceful, just and humane.



My Best Practice Award

Just relax and listen to your heart

As part of the My Best Practice Competition, the Bertelsmann Stiftung honored the Healthy Children Network in the district of Dahme-Spreewald. An on-site visit.

Gurgling happily, Rudi spreads his arms and sails through the air – from his mother, Mandy Ziege (32), to the lap of Kathrin Pätzold (47). There, the one-year-old settles in, quite at ease. After all, he has known Pätzold since he was born. Herself the mother of three children (aged 27, 25 and 10), she is Rudi's godmother. As one of more than 60 men and women currently part of the Healthy Children Network in the district of Dahme-Spreewald near Berlin, she exemplifies the African saying that “it takes a village to raise a child.”

Volunteer network

The project is organized by the Dahme-Spreewald Hospital, which brings together everyone in the district involved in the health and education of children. The project's concept is quite simple: Families who are expecting a child or have a newborn baby can join the network and be assigned a godmother or godfather. Volunteer godparents have considerable personal experience with issues such as children's health, infant care and family matters in general. In addition, they attend 11 training sessions that familiarize them with the network. Subjects range from health topics, medical checkups and legal issues to interacting with infants and early intervention.

“It's a complete package, and we also routinely offer theme nights on current topics. The godparents, and of course the parents too, can keep building their knowledge and skills,” explains coordinator Sandra Kempe (36), who is hosting the meeting of volunteers that the two godmothers are attending. Anyone who decides to serve as a godparent starts by participating in the training sessions. Only then do the volunteers begin spending time with a family. “They're required to make 10 visits in three years,” Kempe explains. “But usually they develop such a close and trusting relationship that they don't bother counting how often they're there.”

The network has helped more than 300 families since it was founded in 2007. Currently, 113 are being assisted. “The whole thing is completely voluntary,” says Kempe. “We serve families from all walks of life, teenagers as well as older first-time mothers. Many are referred by midwives, prenatal consultants or gynecologists. Only a few come from the social welfare or child services office.” In other words, they are not “problem families,” but people like Mandy Ziege, a human resources officer and mother of three children aged 3, 2 and 1. She did not turn to the network until Rudi was born. Since then, she too has become a godmother to a three-month-old baby. It's a case of give and take. “My parents and in-laws actually live here in the



OPPOSITE The finalists and winners of the 2014 My Best Practice Competition, with Liz Mohn.

ABOVE To help young families, the Healthy Children Network in Dahme-Spreewald brings together everyone in the district involved in the health and education of children. The Bertelsmann Stiftung recognized the initiative for effectively responding to social change.

village too, but they start to worry when we have questions. So it's simpler to just ask our godmother." Kathrin Pätzold smiles. "In our case, questions about baby care were never the point," she says. "After all, Rudi is Mandy's third child. We were more likely to talk about sibling rivalry, jealousy and whether the kids should stay at the table until everyone has finished or if it's okay to let them eat sweets."

Don't get so uptight about things, just relax and enjoy your baby – that's the message both godmothers would like to get across to the families they support. "Looking back, I was sorry I worried so much about everything with my first child, instead of just taking it easy and appreciating it," says Ziege. Pätzold adds, "Many parents forget to relax and follow their instincts. There's such an information overload these days that people look everything up on the Internet and then start worrying about it. I always say, read half as much and listen to your heart."

The danger of too much information

The others in the circle nod. "As soon as you're pregnant, you get two tote bags full of information, leaflets and pamphlets. At the same time, that somehow takes away your intuition. When you have a godmother, there's a back-and-

forth and you can talk about things," says network staff member Ines Güdel (31), who has a 13-month-old son and who lives in Berlin, where she sometimes misses the interaction made possible by the network.

Because of demographic change, people are having children later and there are often no grandparents nearby to help out. Similar to the flood of online information, that has provided young families with an even wider range of options: toddler playgroups, parent education classes, courses in baby swimming, baby gymnastics, baby massage – the list goes on. Kerstin Musculus (37), an office worker and mother of two (4 years and 9 months), has a godparent and also serves as one, helping families find the program that is right for them. She is enthusiastic about the network. "First I did the training, and then my second child was born," she says. "I got involved because, after my first child, I felt the need to pass on what I had learned. Sometimes all that's needed is a little nudge."

Birgit Kloas (47) is the godmother to Musculus and her daughter Helene. And she definitely has a wealth of experience to pass on, since she became pregnant for the first time at 15. "Of course, it wasn't planned," she says. "At the time, I would have loved to have someone outside my own family to help me. My parents were already quite old. They



New parents appreciate the sense of security a godmother can provide. Godparents attend training sessions that address topics such as communication skills, infant care, child health and early intervention.

had adopted me when they were 45.” Her family supported her. And at the time, the social structures in East Germany were quite different. An unintended pregnancy was not a sufficient reason for dropping out of school. “The structures were more rigid than today,” she says. “Also, my parents were retired and had time to help, so I was able to finish school and my vocational training. I really wanted to be a primary school teacher, but I would have had to stay at the training center from Monday to Friday. Then I had an opportunity to become a pediatric nurse. That’s been my career for more than 25 years now. It was a good decision.”

Her teenage pregnancy did not keep Kloas from wanting to have more children – on the contrary. In addition to her daughter, now 31, she had two planned children, who are now 25 and 10 years old. “All girls,” she says with a smile. And she secretly looks forward to the next baby in the family. “But they’re waiting a while to give me grandchildren,” Kloas says.

Godparents must be a good fit

Over the years, Kloas has been godmother to 10 families. She still helps six of them. “I want to give them a sense of security,” she says. Naturally she is the godmother who was called when a very young woman in labor arrived at the hospital that organizes the network. It was one of those hidden pregnancies, kept secret for nine months. “Now things are going well. The young woman’s parents

were there right away, the family is sticking together,” says Kloas. “Someone who has just had her first child from an unwanted pregnancy needs something quite different from me than a woman does who has just given birth to twins or who became pregnant later in life. At 15, I was much more relaxed about everything. I had no clue about complications. At 37, it was different. It was more intense, but I could enjoy everything more, too.”

When godparents are assigned, the network team looks closely to see who fits. “We have a couple of pediatric nurses available, as well as parents of twins and people who themselves were older when they became parents,” explains coordinator Kempe. “One mother doesn’t know how to cook, so for her we chose a godmother who really enjoys cooking. Now they cook together. Everyone has their own story.”

Text by Tanja Breukelchen, originally published in change – The Bertelsmann Stiftung Magazine (2/2014)



Other prizeworthy initiatives

In addition to the Healthy Children Network in Dahme-Spreewald, two other participants in the competition were recognized.

BioMARKT Roland Geist GmbH Homes and Jobs for People with Disabilities

At their market in Öhringen east of Heidelberg, BioMARKT proprietor Roland Geist and his wife have provided jobs for people with multiple disabilities. They also founded the project **Homes and Jobs for People with Disabilities in Öhringen**. The market now employs three women who use wheelchairs and whose multiple disabilities kept them from completing a conventional vocational training program. First as interns and then as regular employees, they learned on site how to do the work required at the market, occasionally receiving special assistance. Now they largely work independently, preparing snacks, cakes and ready-to-eat salads. They also serve customers at the wheelchair-accessible bakery counter.

They live in nearby shared housing assisted by helpers, an arrangement they worked out themselves. These opportunities have made it possible for the three women to live and work as they choose, participating in society on their own terms.

inallermunde kommunikation Leutkirch Railway Station

In 2005, Christian Skrodzki, a co-owner of the advertising agency inallermunde kommunikation, developed a plan to rescue and refurbish the railway station in Leutkirch near Munich. Built in 1889 and now listed as a historic monument, the station was falling apart and threatened with demolition. A community foundation was therefore established, making it possible for 700 people to invest €1.1 million to restore the building. **Community members also volunteered more than 4,000 hours of their time** to renovate the railway station. In addition to creating a website, Skrodzki and his colleagues served as ambassadors and coordinators for the project. The station now houses a restaurant with a micro-brewery, various design and media companies and an information center.

PROGRAM

Discovering Music

Singing and other kinds of music are a primal form of human communication, something cultural policies need to take into account, particularly in an era of increasing globalization. Music is a universal language that touches us, moves us and connects us, regardless of our age, gender or background. As a result, music can be an especially powerful inspiration for promoting learning, social participation and mutual understanding – between cultures as well as between nations. It fascinates even the very youngest among us. Exploring the world of sounds, experimenting with different tones and noises, singing songs together, playing games that combine music and motor skills – all of these activities promote personal development and a sense of belonging.

Because we consider music fundamental to holistic education, the Bertelsmann Stiftung uses music-related projects to enrich children's musical experiences and enable them to pursue their own interests in this area. Our projects expand the role of music in schools and childcare facilities, thereby making it an ongoing part of children's everyday lives and a source of new ways of learning.

Our NEUE STIMMEN program increases international understanding by promoting the principle of tolerance of individual and cultural differences. Through the NEUE STIMMEN International Singing Competition, the Bertelsmann Stiftung offers talented young singers from all over the world the chance to pursue their dream of having a career in the world of opera. Through the NEUE STIMMEN Master Class and Lied Master Class, we continue to support singers as they develop professionally, thereby helping to preserve and advance this venerable musical tradition.



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Projects:

MIKA – Music in Childcare Every Day

This pilot project seeks to give all children access to music, thereby taking a holistic approach to their education and development. Focusing on activities in childcare centers and on teacher training, it works with universities, training colleges, childcare providers and other organizations to develop new ways of making music a regular feature in every childcare facility. www.bertelsmann-stiftung.de/mika
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Musical Primary School

Approximately 400 schools in Hesse, Berlin, Bavaria, Thuringia, Lower Saxony and North Rhine–Westphalia have committed themselves to helping more stu-

dents experience more music in more subjects. In these schools, music is valued as an essential part of daily life and learning, becoming the source of a holistic and participative school development process. The project is conducted in cooperation with local educational authorities.

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NEUE STIMMEN

International Singing Competition

Founded by Liz Mohn in 1987, the NEUE STIMMEN International Singing Competition is widely recognized as one of the premier international forums for opera singers. The competition seeks out talented young singers, offers support and helps them launch national and international careers. The competition takes place every two years. Preliminary auditions are held all over the world, followed by a week of semifinals and finals in Gütersloh.

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NEUE STIMMEN Master Class

Inaugurated in 1997, the NEUE STIMMEN Master Class is held every two years, alternating with the singing competition. Its goal is to promote the careers and personal development of talented opera singers even after the competition ends.

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NEUE STIMMEN Lied Master Class

In addition to the singing competition and master class, the program now organizes the NEUE STIMMEN Lied Master Class, first held in 2012. Concluding with multiple concerts, it is designed to cultivate this longstanding musical tradition and encourage audiences to discover the richness and beauty of the lied.

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2014 Program Report

MIKA – Music in Childcare Every Day

This year, having successfully completed their training, MIKA representatives began implementing the project in practice. Bielefeld University of Applied Sciences also began offering a concentration in “Music Development in Primary Education” as part of its standard curriculum. In addition, the Neuss Declaration, developed in cooperation with the North Rhine-Westphalia State Music Academy, the NRW State Association of Music Schools and the Peter Gläsel Foundation, now anchors the MIKA concept at the strategic policy level. After having been launched at the Citizens Festival hosted by Germany’s president in 2014, the transfer of the project’s Mobile Music Workshop to other regions of the country began at the start of 2015 in cooperation with business partners and civil society organizations.

Musical Primary School

This school development project welcomed a second round of schools in Lower Saxony in 2014. Nationwide, some 400 schools are involved in the Musical Primary School project, in which more than 200,000 children have now participated. Networks that bring together training staff, state-level coordinators and educational authorities continue to monitor and improve the quality of the project’s offerings. This is supported by an online survey of the project’s activities that was made available to participating schools starting in 2014. The project’s offerings, which attracted considerable attention at the Citizens Festival hosted by Germany’s president, are being further refined in light of current policy issues such as language teaching, inclusive learning, social integration and Germany’s need for high-quality, full-day school programs.

NEUE STIMMEN International Singing Competition

Concluding the 2013 competition, the first-place winners performed at a concert in Berlin in early 2014. Preparations began in mid-2014 for the 2015 competition, with the project team coordinating 26 preliminary auditions around the globe and developing promotional and informational materials. In order to provide the competition’s talented young singers with long-term support as they continue on their career



paths, the project carried out research, interviews and surveys on the topics of career coaching and agents. Reflecting the goal of offering ongoing support, the slogan “Creating Careers” was added to the NEUE STIMMEN logo. The NEUE STIMMEN website was also redesigned. Additional activities were organized for former NEUE STIMMEN participants, including a press conference at the Glyndebourne festival and the appearance of prize-winners on the television show “Stars of Tomorrow” and at other events, such as an AIDS benefit concert and the Citizens Festival hosted by Germany’s president.

NEUE STIMMEN Master Class

In October 2014, American soprano Cheryl Studer joined artistic director Gustav Kuhn, tenor Francisco Araiza and movement coach John Norris to coach participants in the 10th Master Class.

Twelve talented singers from Mexico, Romania, Germany, Slovakia, the United States, Canada, Italy, Georgia, Korea, Brazil and Lithuania had the opportunity to perfect their skills, learn from one another and, as one of the event’s lasting benefits, begin building a network. In addition, open sessions provided an informative look at how the instructors and singers work. Performing at the closing concert in the foyer of the Bertelsmann Stiftung, the singers demonstrated their new skills to some 300 guests from the worlds of business, society and the arts.

NEUE STIMMEN Lied Master Class

The third NEUE STIMMEN Lied Master Class was held in November 2014, led by German baritone Dietrich Henschel. Afterwards, the four participants gave concerts in Gütersloh and Berlin to showcase what they had learned.

To sponsor Mobile Music Workshops, Volkswagen Commercial Vehicles provided three red Caddys that take music educators to daycare centers and schools. Dr. Eckhard Scholz, CEO of Volkswagen Commercial Vehicles, presented Liz Mohn with a key symbolizing the company’s support.



Each school taking part in the Musical Primary Schools project receives a certificate.



The NEUE STIMMEN Master Class allows up-and-coming opera singers to perfect their skills, learn from one another and begin networking.

PROGRAM

Living Values

In modern societies, individuals are largely on their own when it comes to defining their values. They are faced with an increasing amount of information, transmitted at ever greater speeds. In addition, the world of work is becoming more and more dynamic, while societal institutions – family, church, political parties and businesses – are changing as well, often becoming less important than they once were. Many societies today are becoming more heterogeneous, as people live in close proximity to others with very different value systems. Conflict is one potential result. In light of the various interest groups, lifestyles and values present today, polarization is increasing.

Against this background, it's important to ask what the necessary conditions are for ensuring social cohesion. After all, a cohesive society is the precondition for satisfaction and fulfillment, on both the personal and collective levels. A free, open and heterogeneous society must be founded on certain basic values that allow for diversity and that permit people to develop to their full potential. In a heterogeneous society, agreement on fundamental values can only be achieved through open communication. Mindful of these issues, we are examining how a number of countries are faring in terms of their social cohesion. We are also looking at the role religion and other institutions play in the development of key values. In particular, we are interested in learning more about how young people develop their values and how role models affect them as they do so.

The role that values play when people of different backgrounds and beliefs enter into dialogue is also a fundamental consideration in our efforts to promote German-Israeli relations. Our goal is that people of different views will understand each other better and, in turn, be better able to address the common challenges they face.



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Projects:**Social Cohesion Radar**

The project carried out the first-ever analysis of how social cohesion is changing in Germany, comparing individual states to see how the situation there has developed since reunification. The project also offers international comparisons and systematic analyses of the causes and consequences of social cohesion, both when it is present and when it is lacking. Inequality and diversity are two areas of special interest.
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Religion Monitor

The Religion Monitor investigates how religious beliefs impact cohesion in societies that differ in their religious, ethnic, cultural and social composition. It explores the conditions under which religion strengthens or undermines social cohesion, the relevance of religion for developing values in the modern world, the tensions engendered by religious diversity and how these tensions can be resolved. Findings are based on surveys conducted in industrialized countries and countries with significant immigrant populations.

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Imparting Values Through Role Models

Psychological research has shown the importance of role models for imparting values to children and young people and for promoting social cohesion. Numerous projects are already focusing on role models as a key factor in developing values. In this project, we are working with other organizations and institutions to develop standards in this area. We are therefore identifying good practices at the national and international level, networking practitioners and initiating our own pilot project.
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German-Israeli Young Leaders Exchange

Young Germans and Israelis find it particularly difficult to relate to one another, owing to their history and differences in their life circumstances. This project, which promotes interaction and dialogue, seeks to build a network of young people to serve as a foundation for the long-term relationship between the two countries.
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2014 Program Report

Project: Social Cohesion Radar

In 2014, our project work focused on a study on social cohesion in Germany, published in May, which examines trends in the 16 German states. The results show that, overall, cohesion in Germany has risen slightly in the past 25 years. Today, it is strongest in Hamburg and least evident in the eastern German states, although it has increased there too. However, rather than diminishing in the past 25 years, the gap between east and west has grown. The findings show that greater prosperity, less risk of poverty, a younger population and an urban environment help increase social cohesion. Furthermore, a special analysis of the project's international study carried out with Eurofound has shown that, in Europe, income inequality weakens cohesion and leads to a decline in subjective wellbeing.

Project: Religion Monitor

The revised Religion Monitor, which explores the relationship between religion, values and social cohesion, was also used to carry out follow-up evaluations focusing on the topic of Islam. Published in January 2015, these special analyses looked in particular at stereotypical perceptions of Islam in Germany and other Western nations. They examined how people view Islam, the living conditions of Muslims in Germany, and social capital in a religiously diverse society.

Project: Imparting Values Through Role Models

Through studies, workshops and expert opinions, the project analyzed the concept of the role model in terms of social significance, function and impact, using aspects of both social and developmental psychology. Building on initial research that examined projects in Germany dealing with the issue of role models, an international study was conducted to identify best practices. Project work in 2014 focused on establishing a nationwide network of practitioners in the area of role models and values. The network held two meetings in its inaugural year.



The Bertelsmann Stiftung and Eurofound presented their joint study *Social Cohesion and Well-Being in the EU* in Brussels.

Project: German-Israeli Young Leaders Exchange

In 2014, we further developed the content and methodology used in our first survey, conducted in 2007, which examined how Germans and Israelis perceive one another. The changes were made so we can more precisely identify on an ongoing basis the trends and factors influencing attitudes. The survey was repeated in both countries in 2013 and augmented by a follow-up survey in 2014. The findings are scheduled for publication in early 2015.

Marking the 50th anniversary of the establishment of diplomatic relations between Israel and Germany, the Bertelsmann Stiftung and Deutschlandradio developed a special program which was broadcast in early 2015. Three discussion events are planned, addressing the topics of how Germans and Israelis perceive one another, the role of religion in Israel and Germany, and the experiences of Israelis in Germany.



A Religion Monitor study examines religious diversity, social capital and social cohesion.



Social Cohesion Radar presented its first comparison of social cohesion in Germany's 16 states.

PROGRAM

Business in Society

Sustainable business activity is critical for ensuring that social progress is socially just. Business organizations have special responsibilities in this regard. They can contribute to sustainable social development through resource-efficient products and production methods, technological and social innovations, and socially responsible, employee-oriented activities. More than ever before, the business community must find new ways of balancing economic, environmental and social objectives. Positioned between the business community, political sphere and civil society, individual companies can help shape their local environments and promote social cohesion.

The Business in Society program is developing new approaches that make clear how the role of business is changing in a globalized world. Working closely with the relevant organizations and institutions, we test innovative methods for integrating the business community into political and social processes. We also support companies as they develop sustainable approaches to corporate management. This includes implementing employee-oriented, family-friendly human resources policies that reflect demographic changes, as well as getting involved in the community, in educational activities and in projects aimed at promoting integration.



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Projects:

Expert Commission on Living and Working in Germany

Given the fundamental changes that are taking place in the German economy and society, the expert commission is seeking new ideas for forward-looking responses. In various future scenarios, it examines the issues of leadership, social participation and the challenges of the modern workplace.

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Exploratory Project: Cooperation Compass for Sustainable Economies

Carried out jointly with GIZ, the German development agency, this one-year exploratory project is laying the groundwork for a Cooperation Compass, a management tool that will allow companies to collaborate using a comprehensive system of evidence-based knowledge.

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Regional Corporate Responsibility

With its innovative “responsible partners” approach, this project helps small and mid-sized businesses work with a range of partners to address challenges in their communities, such as demographic change, the shortage of skilled workers and the integration of individuals of immigrant background. The Bertelsmann Stiftung is scaling the approach to 15 regions throughout Germany as part of the Social Responsibility in SMEs program, which is being implemented by the German Ministry of Labor and Social Affairs and financed by the European Social Fund. This project was successfully concluded in 2014.

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INQA Audit for a Sustainable Corporate Culture

Companies demonstrate social responsibility by creating a fair, employee-oriented working environment. Supported by both the business community and trade unions, the INQA Audit for a Sustainable Corporate Culture encourages companies and other organizations to create working conditions that are stable and fair. Sponsored by Germany’s Ministry of Labor and Social Affairs, the project is collaborating with the Demographic Network and the Great Place to Work institute.

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Benchmarking CSR – Corporate Responsibility Index

How do companies make sustainability part of their everyday activities? This index seeks to reconcile society’s expectations with the conditions that govern corporate actions. The data-driven measurement and management tool provides companies with practical recommendations for effective sustainability management.

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2014 Program Report

Expert Commission on Living and Working in Germany

In 2014, the members of the commission continued their work, discussing forward-looking leadership structures and consolidating their findings in an extensive scenario-creation process. The scenarios describe Germany's development up to the year 2025. They focus on changes in the world of work and on social cohesion, as well as related aspects such as new methods of political participation and current challenges in education.

By the end of year, the commission had developed recommendations for promoting social development. The recommendations will be published in early 2015.

Cooperation Compass for Sustainable Economies

Partnerships with companies are regarded as a promising approach to solving social problems, such as poverty and demographic change, and thus to ensuring sustainable social development. But which success factors determine whether such partnerships are effective? Moreover, which challenges do such partnerships face, and which steps can be taken to overcome the challenges? As an evidence-based management tool, the compass is designed to strengthen the quality and efficacy of partnerships with private enterprise. As a diagnostic and planning tool, it offers practitioners a quick and easy method of evaluating their joint efforts and identifying solutions that meet their specific needs.

Regional Corporate Responsibility

Among the highlights in 2014 was the recognition of small and mid-sized businesses with the My Best Practice Award. This initiative is intended to draw public attention to the many ways companies are involved in their communities and to encourage them to do more, beyond donating money. By showcasing successful projects and good examples, the competition encourages other companies to get involved. Presented by the Bertelsmann Stiftung in cooperation with Unternehmen für die Region e.V., the award honors corporate initiatives that make use of specialized know-how to develop creative solutions to social challenges in the region.



INQA Audit for a Sustainable Corporate Culture

On July 2, 2014, the German Minister of Labor and Social Affairs Andrea Nahles and Liz Mohn, vice-chairwoman of the Bertelsmann Stiftung Executive Board, recognized seven companies for their successful participation in the new INQA Audit for a Sustainable Corporate Culture. The audit encourages companies to implement concrete measures for improving working conditions, since a sustainable corporate culture is crucial if businesses are to remain competitive over time.

Benchmarking CSR – Corporate Responsibility Index

In a series of regional workshops, CSR managers at participating companies discussed success factors critical for effective CSR management. This was also the focus of a national conference held in November in Berlin, where project representatives presented key findings from the initial survey phase. They also discussed current developments and future challenges for including CSR activities in value creation processes. The second survey phase has now begun.

Andrea Nahles, Germany's minister of labor and social affairs, joined Liz Mohn to recognize seven companies for their successful participation in the INQA Audit for a Sustainable Corporate Culture.



The INQA Audit encourages companies and other organizations to create working conditions that are stable and fair.



A brochure provides information on the successfully concluded project Responsible Partners in Germany.

COMPETENCE CENTER

Leadership and Corporate Culture

Globalization and digitalization are putting considerable pressure on companies to transform their product development and distribution processes. At the same time, hierarchies are giving way to networks, and traditional employment models are being replaced with flexible working procedures, communication tools and decision-making processes. All of this is making effective leadership more challenging – not least because employees' expectations of how they want to live and work are also changing.

If managers are to respond to today's diverse HR structures, employment options and attitudes toward work, they must be able to delegate, promote participation and engage in dialogue. Driving change in a way that fosters economic success and social responsibility requires innovative forms of cooperation and conflict management. As managers deal with these change processes, they often come to experience a sense of disorientation and powerlessness. The debate about effective leadership must therefore include a discussion of current leadership conditions in addition to modern methods for developing management skills.

The competence center's goal is to assist managers in preparing their organizations for future challenges while exercising responsible leadership. Its studies and surveys increase transparency about the conditions necessary for ensuring organizational success. The center also develops and disseminates innovative methods for addressing diversity issues within the corporate culture. In addition, it offers executive training and an alumni network that allow managers to reflect on their leadership values and skills.



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Projects:

Executive Training

Executive training courses encourage "next leaders" to develop their leadership skills and make the most of opportunities for shaping their organization's corporate culture. Topics include "Management and Corporate Culture" and "Women and Cultural Change," which is targeted specifically to female executives.

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Gender-Oriented Leadership

Corporate cultures must change if more women are to rise to permanent positions of leadership, an issue that must be addressed by business leaders and women themselves. The project's publications, studies and training courses are designed to achieve this goal.

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Study: New Perspectives on Corporate Culture: The Key to Sustainable Success

In 2003, three companies – the BMW Group, Hilti and Novo Nordisk – were chosen as finalists for the Carl Bertelsmann Prize in recognition of their exemplary corporate cultures. Ten years later, this study, conducted in cooperation with the Reinhard Mohn Institute, is investigating leadership and organizational culture in terms of developmental trends and success factors at seven European companies.

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Study: Leadership in Flexible Work Environments

Conducted jointly with Fraunhofer IAO, this study draws on surveys and case studies to evaluate the opportunities and risks involved in blurring the boundary between private life and the world of work. The goal is to provide recommendations for improving leadership development programs.

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Bertelsmann Stiftung Leadership Series

The project is conducting a survey of leading managers, asking them about the current business climate, economic conditions, employee attitudes and their personal wellbeing. The results are compiled and published as project bulletins. <https://creating-corporate-cultures.org>
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Agenda for a Modern HR Policy

The project develops strategic solutions for forward-looking personnel policies and a values-oriented corporate culture. Results are communicated in the magazine *side step* and other publications.
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2014 Program Report

Project: Executive Training

In response to considerable demand, the project hosted two seminars for female executives on the topic “Women and Cultural Change.” Speakers included Brigitte Ederer, Austrian Railways; Simone Menne, Lufthansa; Tina Müller, Opel; and Dr. Sigrid Evelyn Nikutta of Berlin’s transport authority BVG. Speakers at the executive training session on “Management and Corporate Culture” included Olaf Koch, Metro Group; Prof. Hermann Bühlbecker, Lambert; Thomas Winkelmann, Germanwings; and Lencke Wischhusen of the Young Entrepreneurs association. New to the curriculum was the topic “Leadership of the Future.”

Some 180 Executive Training alumni convened in Berlin to discuss the topic of exercising power responsibly. Speakers included BDI President Ulrich Grillo, philosopher Richard David Precht and former European Commissioner Viviane Reding. Responses to a survey on the topic of power testified to its positive uses for driving change and German managers’ awareness of the need to use it responsibly.

Project: Gender-Oriented Leadership

The five-volume publication *Führungsfrauen - wie man sie findet und wie man sie bindet (Women in Leadership - How to Find and Keep Them)* presents comprehensive findings on the subject, along with recommendations for successfully changing corporate cultures. Based on current research and interviews with women in middle management, it illuminates the key factors for helping female professionals develop further: leadership, corporate culture, HR management and work-life balance. Equal opportunity is only possible if managers are aware of the situation female employees face, thereby enabling them to respond appropriately.

Study: New Perspectives on Corporate Culture: The Key to Sustainable Success

Based on a combination of document analysis, on-site visits and interviews with employees at all levels, this study identifies current trends and best practices for developing corporate culture. It also documents the factors needed for creating a corporate culture that leads to success. These include the distillation and consistent implementation of core values; increasing professionalization and continuity among managers;

providing employees with the freedom to innovate; and promoting interaction among shareholders, governance bodies and employee representatives. The final report will be published in 2015, containing case studies on BASF, BMW, B. Braun, Henkel, Hilti, ING-DiBa and Nestlé.

Bertelsmann Stiftung Leadership Series

The spring and fall survey of 1,200 executives was conducted in cooperation with the United Leaders Association. In addition to unsatisfactory career opportunities, respondents expressed dissatisfaction with less equitable working environments, tighter resource allocation and increasing bureaucracy. Overall, attitudes toward the economic situation and corporate climate were less positive in 2014.

Study: Leadership in Flexible Work Environments

Fraunhofer IAO conducted online surveys as well as workshops and accompanying in-depth interviews with corporate executives. The results indicate the motivational effect of flexible work arrangements, but also the increased level of communication and coordination required by management. The final report was published in early 2015.

Project: Agenda for a Modern HR Policy

Based on a workshop looking at changes in the work environment, a project brochure was published recommending the introduction of better diagnostic tools, the clarification of leadership roles and measures for increasing “recovery skills.” An issue of the magazine *side step* dedicated to “Being Powerful” examined changing power structures.



BDI President Ulrich Grillo talked with participants at the Executive Training alumni meeting in Berlin.



Invitation to the Executive Training alumni meeting.



A five-volume publication offers recommendations on how to successfully recruit and retain female executives.

PROGRAM

Germany and Asia

Asia is certain to leave its mark on the 21st century. The rapid changes taking place there, especially in China and India, are altering the global balance of power. For Germany, this brings both opportunities and risks. Whether the issues are labor market developments or immigration policy, resource security or the competition for talent, Germany's success in meeting the major challenges of the future will largely depend on events in Asia. In order to find the right responses, political, business and social leaders need a solid understanding of the causes and consequences of what is happening there.

The Germany and Asia program analyzes the changes taking place in Asia in order to develop recommendations for German and European policymakers. It promotes an objective and constructive dialogue on the ramifications of Asia's development and ensures that the relevant issues are given due consideration in discussions of Germany's future. The program uses academic studies, policy briefs and public events to help individuals and organizations in Germany gain a better understanding of what is happening in the east. It also helps them to network with each other and to cooperate with partners in Asia so that both sides can benefit from their growing interdependence. Through these efforts, the Bertelsmann Stiftung is helping to build a solid foundation for relations between Germany and its Asian partners.



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Liz Mohn and German President Joachim Gauck met at the conference on vocational training held in Bangalore, which marked the start of a campaign promoting vocational training in India.

Projects:

Asia Policy Briefs

In the foundation's Asia Policy Briefs, Bertelsmann Stiftung authors and international experts analyze political and economic developments in Asia and their implications for Germany and Europe.
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Events

Events such as the Asia Briefings and the Asia Europe Economic Forum provide an opportunity to discuss the major challenges facing Asia and Europe. Political, business and social leaders use the gatherings to exchange views on current issues and share their expertise with the audience.

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Studies

How does the rise of Asia affect Germany? Where does it offer opportunities and where does it entail risks? The program carries out studies that examine developments in Asia's major countries and that advance strategies for better cooperation.
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Young Leaders Forum

The Asian-European Young Leaders Forum, organized every two years by the Bertelsmann Stiftung and the Asia-Pacific Committee of German Business, allows young leaders from Asia and Europe to come together and discuss future challenges. The contacts made there continue after the forum is over and are further supported by alumni meetings.
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2014 Program Report

Vocational education is one of the greatest social challenges facing India, since the country must train 500 million workers by 2020. This was the focus of a vocational training conference held in Bangalore in February 2014 entitled **“How to Tackle the Skills Mismatch in India: A Company-Driven Approach.”** Speakers included German President Joachim Gauck. Attended by business leaders, politicians and academic experts from India and Germany, the event was a joint initiative of Liz Mohn and N. R. Narayana Murthy, founder of the Indian IT company Infosys.

In November, the Bertelsmann Stiftung and the Asia-Pacific Committee of German Business (APA) hosted the second **Asia-Europe Young Leaders Forum**, this time in Vietnam. The event brought 28 young decision makers from Asia and Europe to Ho Chi Minh City to discuss shared challenges and the importance of the middle class in driving economic, political and social change. The participants met with German Minister for Economic Affairs Sigmar Gabriel and Liz Mohn.

In May, policymakers, business leaders and academic experts met in Berlin for the 10th **Asia Europe Economic Forum (AEEF)**. The event was entitled “Asia and Europe in Times of Global Change.” The AAEF takes place regularly in cooperation with six leading European and Asian think tanks.

The **Asia Briefings** series serves as a German forum for discussing current developments in Asia. In September, participants took stock of the policies of India’s new prime minister, Narendra Modi, after his first 100 days in office. Attendees included Thomas Matussek, former German ambassador to India, and Milan Vaishnav, an associate in the South Asia Program of the Carnegie Endowment for International Peace in Washington, DC.

Six issues of the foundation’s **Asia Policy Briefs** appeared in 2014. Topics included the rise of Asia’s middle class, the electoral victory of Indonesia’s new president Joko Widodo, China’s direct investments in Germany, the elections in India and Myanmar’s political transformation. www.bertelsmann-stiftung.de/asien



The 2014 Asia-Europe Young Leaders Forum in Vietnam brought together 28 participants from Asia and Europe. One of their discussion partners was Sigmar Gabriel, Germany’s vice-chancellor and economics minister.



In the 2014/06 Asia Policy Brief, experts explore how Asia’s rapidly growing middle class will affect politics in the region.

Bertelsmann Stiftung International

Trilogue Salzburg

Dedicated to the topic “A Habitat for Entrepreneurship – Creating a Culture of Innovation,” the 2014 Trilogue Salzburg examined issues related to corporate social responsibility. It was the 13th time the Bertelsmann Stiftung invited international decision makers and thought leaders from politics, business and the arts to exchange ideas in Salzburg, Austria.

Led by Dr. Wolfgang Schüssel, former Austrian chancellor, the participants agreed that entrepreneurship and innovation are critical to sustainable growth and social development in Europe. Through the creation and development of products and services, entrepreneurship and creativity play a key role in ensuring social and economic wellbeing for everyone in society.

The participants once again concluded the event with the Salzburg Recommendations, meant for Europe’s policymakers.

The Trilogue Salzburg brings together political, business, social and cultural leaders once a year.

The goal of the meeting is to promote an interdisciplinary and intercultural discussion of global developments and the challenges they pose.

The 2014 Salzburg Recommendations are available at www.bertelsmann-stiftung.de/trilogue



Participants at the 2014 Trilogue Salzburg.

German-Spanish Forum

In advance of the biennial German-Spanish Forum, 40 political, business and cultural leaders from Germany and Spain convened in Berlin at the end of May 2014. Hosted by Banco Santander, the ICO Fundación and the Bertelsmann Stiftung, they exchanged views on future developments in both countries. The participants agreed that the economic crisis had not affected how Germans and Spaniards view each other and that German-Spanish relations are in fact quite stable.



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Since its founding in 2002, the German-Spanish Forum has become one of the major platforms allowing representatives from both countries to exchange views. Representatives of both countries also meet regularly between forums. www.bertelsmann-stiftung.de/german-spanish-forum



The panel included Román Escolano (left), president of the Instituto de Crédito Oficial, Madrid.



Carmen Martínez Casho, Spanish secretary of state for communication; Matias Rodriguez Inciarte, second vice chairman and executive director, Banco Santander; Liz Mohn, vice-chairwoman of the Bertelsmann Stiftung Executive Board (left to right).



Dr. Jörg Dräger

Jörg Dräger received a PhD in theoretical physics from Cornell University in Ithaca, New York. After beginning his career with the management consulting firm Roland Berger, he became executive director of the Northern Institute of Technology in Hamburg.

In 2001, at the age of 33, he took office as Hamburg's minister of science and research, and later also as its minister of health and consumer protection. In 2008, he was appointed to the Executive Board of the Bertelsmann Stiftung, where he is responsible for the areas of education, integration, democracy and digitalization. He also serves as director of the CHE Centre for Higher Education.

“We must carefully weigh the opportunities and risks of digitalization, while remaining open to progress.” Dr. Jörg Dräger

Dr. Dräger, migration is currently a topic of great concern to many people in Germany. What does the Bertelsmann Stiftung bring to the debate?

Most people understand that because of Germany’s demographic situation, we urgently need immigrants. Yet this is a very emotional issue. Precisely for that reason, we need to know the facts. One study we commissioned reviewed the financial benefits of immigration and found that non-Germans already pay more into the country’s tax and social security systems than they draw from them.

The “triple win” concept is important when it comes to immigration. In 2014, we conducted an international search for ways of managing immigration that are both effective and fair in that they meet the needs of destination countries, countries of origin and the migrants themselves. We also looked for an internationally recognized individual who has demonstrated outstanding leadership when it comes to migration. We therefore selected Prof. Rita Süßmuth to receive the 2015 Reinhard Mohn Prize in honor of her pioneering efforts as chairwoman of Germany’s Commission on Immigration and as a member of the UN Global Commission on International Migration.

You and your team have long been recognized as experts in the area of migration and integration. Which other fields have you explored in the last year?

One of our goals in 2014 was to learn more about participation in our digitized world. As digitalization spreads into every aspect of our lives, it also affects each of the Bertelsmann Stiftung’s program areas. Changes have long been evident in the business world and in private life, but we have only begun to understand the trend and its medium- to long-term consequences for society. Policymakers and social leaders must do more to address how digitalization impacts our lives.

For example, consider the huge potential of digital learning. For many people, it can provide easier access to knowledge and personalized learning opportunities, thereby helping them get ahead. Or consider the health-care sector. A smartphone or tablet can be used to gather data that can help each of us stay healthy. Yet insurance companies are already willing to offer discounts if they’re allowed to monitor whether we’re getting enough exercise. We need to carefully weigh the opportunities and risks of digitalization while both strengthening every citizen’s data sovereignty and remaining open to progress as a society. We plan to devote even more attention to such questions in the years ahead.

What else will the Bertelsmann Stiftung be focusing on in the future?

We need to continue increasing the impact our work has. Political reforms, for example, require not only good ideas but also strategic implementation, and the latter often receives too little attention. It is important to remember that change management methods used in the business world may not be entirely appropriate in the political arena. That’s why we often use the ReformCompass, the user-friendly strategy tool developed by the Bertelsmann Stiftung, to balance the sometimes conflicting goals of effective problem-solving, supportive communication and policy implementation.

Our early childhood education projects are a good example of how we do this. For years, we have brought together the key players – practitioners, administrators, policymakers and researchers. By facilitating dialogue and providing solid facts, we make it easier for them to recognize where improvements are needed and which solutions are practicable. That has allowed us to help initiate reforms that have broad-based support and are therefore more likely to be implemented. Our analyses and efforts to improve the quality of early childhood education facilities have made us a valued partner for decision makers and interest groups. Some states in Germany are now investing millions to improve staffing at early childhood education facilities. That is the result of a long process of discussion and dialogue – and a highly satisfactory outcome.



New Classrooms

Tailor-made learning fun

A teacher stands in front of a classroom full of students and everyone is learning the same thing. That is how young people have been instructed for centuries, a model that has rarely been questioned despite its drawbacks. The US-based organization New Classrooms is revolutionizing how math is taught in New York City. Classroom walls have been removed, textbooks thrown out. Each student now receives an individualized learning plan, tailored to meet his or her specific needs – a new plan every day.

For a long time Elizabeth Karbach didn't get it at all. Algebra equations were often reason enough for the 11-year-old's brown eyes to fill with tears of frustration. "I was totally confused about what I was supposed to do with the x ," the delicate young woman says, playing with the small gleaming star that adorns her sleeveless jeans jacket. She wants to become a dancer. Why, then, does she need to be able to calculate the circumference of a circle or understand laws of distribution? She found math so pointless that her skills were soon lagging behind those of her classmates. Then, in the sixth grade, she started going to the David A. Boody School, an intermediate school located in New York's borough of Brooklyn. For the last three years, the nonprofit organization New Classrooms has been revolutionizing the subject of math there, together with the teachers and school principal Dominick D'Angelo. They tore down classroom walls, threw out textbooks and revitalized the centuries-old teacher-student relationship.

The new approach is called School of One/Teach to One: Math, and Elizabeth took to it quickly. It wasn't hard, since she was allowed to learn the material as quickly or slowly as her brain could process it. When helping students like

Elizabeth understand how to raise " $a + b$ " to the power of two, School of One believes virtually any method is appropriate: traditional instruction with one or more teachers, smaller learning groups, video instruction or individualized online exercises done at home or in school. For Elizabeth it suddenly clicked and determining x was as easy as pirouetting in front of the mirror in dance class. "I've learned in life is that if you're good at something, then you like it," she says in a charmingly precocious way. "And since I started being good in math, I like it too." She hasn't, however, given up her dreams of being a dancer.

Phenomenal success

Elizabeth and her school in Brooklyn are just two of the success stories achieved by New Classrooms. Over the last three years, the organization's efforts to tailor math learning to reflect each youngster's needs has proven phenomenally successful. Before School of One was introduced at Boody in the 2010/2011 school year, the performance of the sixth graders was 1 percent below the average for comparable schools in New York City. By the time the same children had completed the eighth



ABOVE School of One/Teach to One: Math allows students to learn in smaller groups. Sometimes another student can explain a problem best.

BELOW Joel Rose, cofounder of New Classrooms, in front of math books that no longer get used. His staff read through 80,000 lessons to find the 10,000 needed for the ground-breaking system.

grade, their test results were 11 percent above the city-wide average. And that was true even though the state of New York, along with almost all other states in the US, had introduced the Common Core State Standards, demanding benchmarks designed to ensure students have the skills they need to go on to college. The results of the standardized online test Measures of Academic Progress (MAP), used to assess students' learning development, were even more impressive: The improvement in students' math skills at Boody during the preceding school year was an incredible 20 percent above the national average.

Joel Rose hardly looks like a revolutionary. The cofounder and director of New Classrooms is wearing a dark blue sports coat over an open collar, has friendly laugh-lines around his eyes and likes to use images when he explains things. "If your job description says you have to start flying, circle a few skyscrapers and land again right here, you won't be able to," he says pointing out the large windows of his office on Broadway, which, from the 30th floor, offer a spectacular view of Manhattan. That's how Rose felt back when he was teaching fifth-graders in

Houston. "When we started on a new chapter, half of the class understood it, but the other half didn't. What was I supposed to do the next day? Bore half of my students by repeating everything, or just ignore the other half and keep going? In the traditional classroom setting, it's impossible to address an individual student's strengths and weaknesses," he explains.

Individualized learning plans

Many attempts at reform concentrate on introducing modern technologies, such as iPads, smartboards, on-demand videos and websites, into the classroom. They are all very effective instruments, Rose says, but they won't do away with the traditional model of "one teacher and 30 kids in a box." Learning in the 21st century should be different, he believes. "We asked ourselves how we could rebuild and restructure school around the needs of each individual student," Rose explains. "What does the role of the teacher look like? How can we use state-of-the-art technology as effectively as possible? How should we utilize the space? How should we structure the time?" Those questions led to answers and the result is School of One/Teach to One: Math.

Yet New Classrooms didn't start from square one. When you visit the organization's Manhattan office, you can take a peek into a windowless room that houses bookcases stuffed floor to ceiling with the relevant literature. The math whizzes from New Classrooms ploughed through 80,000 lessons, selecting 10,000 that meet a predetermined set of criteria. Every new learning point, such as calculating the surface area of a parallelogram, can be taught using eight different methods or "modalities": live instruction, group work with peers, online tutoring and videos, to name just a few. At the end of each day, students are given an "exit slip" after taking a brief online test to see if they have learned the required material. The system checks to see who needs to keep learning and who can go on to the next lesson. Algorithms calculate which method would be most effective in helping each student learn the material in question and even recommend a modality for the following day.

Intermediate School 228 David A. Boody, to give the institution its full due, is named after David Augustus Boody, a 19th-century mayor of Brooklyn, and it makes a welcoming impression. The solid brick building was built in the 1930s, its cherry-red front door is wide open, there are no metal detectors and someone has taken the effort to trim a boxwood hedge on the small lawn into the shape of the building's street number. Located in the neighborhood known as Sheepshead Bay, it looks on the inside like many of the schools found in New York. The hallways are painted green and illuminated by fluorescent lighting; the carpeting is stained from use. When the earsplitting bell sounds signaling that class is over, the doors fly open and the corridors fill with teenagers who use their pent-up energy calling out to each other at the top of their lungs. The

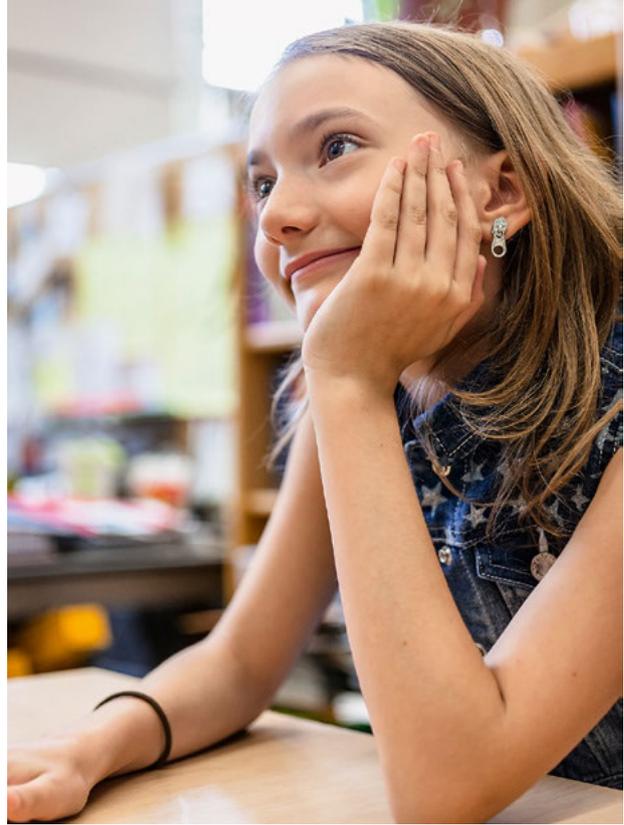
names of the approximately 1,000 students, aged 11 to 14, are as diverse as the faces themselves, names like Nelson Chah, Smaa Hussein and Nanci Vazquez. Of the total student body, 14 percent are African-American, 24 percent Hispanic, 34 percent Asian and 28 percent white. Many of the children have recently arrived in the United States. Few are from well-to-do families; 80 percent are entitled to a subsidized lunch. Many of their parents are on welfare and do not have the money for a school uniform, let alone someone to tutor a child whose English is not what it should be.

Yet when you go upstairs to the second floor where math is taught, you enter a whole new world: School of One, a gigantic room that takes up the entire floor of the building. On the recommendation of New Classrooms, school principal D'Angelo had the walls taken out of the classrooms in order to create a light, open space. That allows a relatively small number of teachers to monitor the numerous stations set up for the various modalities, and the lack of walls makes it easier for students to move from one station to the next. Different colored chairs and partitions that can be closed are used to delineate the different working areas.

Math at their own pace

When it's time to start, rock music fills the air as if a party is about to begin, but things remain civilized all the same. Young people slowly saunter in and look for their names on one of the large monitors that would not be out of place in an airport departure hall. That's where the day's activities are listed for each student. "I'm not so fast, which is why I really like online lessons," says 11-year-old Loredana Nicolazzi. "We sit at a computer and watch the videos, wearing headphones so we don't bother anyone else. I write everything down at my own pace and can hit the pause button whenever I want." Students from all three of the grades present at Boody work together at the same time. Some eighth-graders are still working on fractions, while a few sixth-graders are already aces in geometry and therefore tackling material usually not covered until seventh grade.

What 12-year-old Samantha Sidransky likes most is working in a group with her peers. "If I don't understand something, then I can just ask again. My grades have really gone up thanks to School of One. Last year I was only able to solve a few really basic math problems, but today I can do 25 in half an hour," she says. Daniel Contreras is in the seventh grade. "At first I was a bit surprised since they do everything here using computers, but that means you don't have to keep track of a bunch of papers or carry heavy books around. My grades have improved since I've been able to learn at my own pace. I'm a very independent person," he says with a 12-year-old's unshakable confidence.



Thanks to School of One, 11-year-old Elizabeth Karbach finally learned to solve algebra equations. Since then she says math is fun.

The daily routine has also completely changed for the school's approximately 15 math teachers – and for the better. Kelly Basacchi, who is relatively new in the classroom, tests her students' comprehension after she works out the surface area of an ellipse on a whiteboard. "Who got the same answer I did? Thumbs up or down," she calls. A fair number of thumbs point skyward. She then goes over and sits next to those who were not as successful, while the others move on. "We all have our own style of teaching," says the young woman with the long curly hair. "For example, if I explain something and they don't understand it, then it's possible someone else will be teaching it to them tomorrow in a completely different way." It's clear that Basacchi likes her students. In her t-shirt and leggings she doesn't look all that much older than they are. Becoming a good teacher was always her goal, she says, and School of One is perfect for her as a novice instructor. "At traditional schools the teachers are often on their own. Here we all work together and are constantly discussing how do deal with certain students or the best way to communicate a certain lesson. Since there are no walls separating us I can sometimes hear the approach the others are taking. I think, 'That's a good idea,' and start using it when I'm teaching," she explains. And even though she only gets the next day's teaching schedule at 5 p.m. or so, after the students have turned in their exit slips, she always knows exactly which student is having trouble with what.



Teacher Kelly Basacchi can respond much better to her students now that she knows the difficulties each one is having.

A complete game changer

No one is more satisfied with School of One's success than Dominick D'Angelo. "None of my teachers say they want to go back to the traditional classroom," the principal explains, sitting in his cluttered office on the school's ground floor. "And why would they? School of One is a complete game changer. We've eliminated all the lesson planning, data analysis, homework and tests. The material is given to us. It makes the job so much easier and the teachers can focus on what they do best: teaching." He has been Boody's principal for seven years. He wears a suit and tie and would look right at home in a film set in New York's Italian-American community. His eyes betray a touch of mischief and when he's particularly proud of something, his voice grows quiet. "We've happened upon a goldmine here - you know, like during the gold rush back in the Wild West," he says, almost whispering. He was the one who pushed Joel Rose to use Boody as a pilot site for School of One.

The first School of One pilot project in New York started in 2009. The same year, *Time* magazine declared it to be one of the year's best inventions. It was the first time that classroom teaching made *Time's* fabled list. These days, 15 schools throughout the country are using School of One/Teach to One: Math, some of them in areas challenged by major social problems, such as Chicago. Throughout the country, New Classrooms is teaching math to some 6,000 students, helping them improve their chances of completing school and going on to college. "Our team has done

what no one else has managed to do before: provide thousands of children with an individualized learning plan - a new one, every single day," Rose says, looking down at the streets of Manhattan. "And we're still working hard to improve it." In his own way, it seems he has indeed learned how to fly.

Text by Katja Guttmann, originally published in *change - The Bertelsmann Stiftung Magazine* (3/2014)



At the beginning of class, overhead monitors display what each student will be working on.

PROGRAM

Integration and Education

Diversity is now the norm in German society, with its increasing number of immigrants – something that is both a challenge and an opportunity. Everyone in Germany, no matter what their background, deserves an equal chance to contribute, and a good education is what makes contributing possible.

We are committed to establishing a culture that welcomes newcomers to Germany and encourages them to get involved. We develop innovative, practice-oriented solutions that manage migration fairly, deal effectively with diversity and promote inclusion. We also work to ensure that young people, whatever their background, realize their potential by succeeding in school and assuming social responsibility. We therefore support educators and schools in their efforts to meet the individual needs of every child.



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Projects:

Immigration and Diversity

Based on international analyses, we are developing strategies for a sustainable immigration and integration policy. At the same time, we are examining how Germany can do more to welcome and recognize immigrants, including increasing awareness of the opportunities immigration offers. We also support the work done by the Expert Council of German Foundations on Migration and Integration. claudia.walther@bertelsmann-stiftung.de



The 2014 publication *Chancenspiegel (Equity and Excellence Monitor)* examines equity and performance in the German school system, focusing in particular on regional differences.

2015 Reinhard Mohn Prize: “A Fair Deal on Talent – Fostering Just Migration Governance”

We are carrying out a worldwide search for initiatives and best practices that provide a “triple win” for countries of origin, destination countries and immigrants. We are also working to identify an internationally recognized individual to receive the prize, someone committed to ensuring migration flows are managed fairly in both the national and the international context.

najim.azahaf@bertelsmann-stiftung.de

Learning in Diversity

Together with our partners from the political, economic and social spheres, we are helping to create a fair and effective educational system in Germany. We are cooperating with educational representatives at the state level to establish a culture that takes into account each student's unique needs. To do so, we focus on improving teacher training, expanding the number of all-day schools in Germany and helping children with and without special needs to learn together. Together with the German government's commissioner for matters relating to disabled persons and the German Commission for UNESCO, we use the Jakob Muth Award to recognize inclusive schools and educational networks for their achievements in this area. www.jakobmuthpreis.de
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All Kids Are VIPs

“Diversity Is Our Strength” is this competition's motto as it encourages young people to develop ideas for promoting social integration in school and in society at large. Celebrity ambassadors of non-German heritage visit schools that have submitted winning ideas. www.allekidsindvips.de
bojana.pajic-rickerts@bertelsmann-stiftung.de

2014 Program Report

Projects: Immigration and Diversity and 2015 Reinhard Mohn Prize

The book *Vielfältiges Deutschland (Diverse Germany)* sums up our achievements in promoting integration in recent years. In view of ongoing demographic change and the growing international competition for skilled workers, we are now focusing on the issue of immigration and how it can be managed in ways that are both effective and fair.

To commence our international search for an individual to receive the Reinhard Mohn Prize, we partnered with the OECD in March to convene experts from five continents for a discussion of migration. In April, the Expert Council of German Foundations on Migration and Integration issued its annual report, calling on Germany to develop a national action plan on migration. In June, we joined other national and international foundations to organize “An Agenda for Shared Prosperity,” a conference that brought together more than 300 experts in Berlin to discuss how countries with significant immigration inflows make newcomers feel welcome. We then studied initiatives promoting the equitable governance of migration in Canada, the United States, Sweden, Germany, the Netherlands and the Philippines. The results of our research were compiled in autumn and, after much deliberation with experts, our Executive Board used them to choose the recipient of the 2015 Reinhard Mohn Prize. In addition, we released a ReformCompass publication on migration and a study of the fiscal benefits of immigration, which confirmed that non-Germans pay more into Germany’s tax and social security systems than they receive from them. With experts from universities and communities, we discussed ways to develop regional initiatives for welcoming students from abroad.

Projects: Diversity in Education and Jakob Muth Award for Inclusive Schools

In January, we presented the Jakob Muth Award in Hamburg. Participating in the ceremony for the first time was Verena Bentele, Germany’s commissioner for matters relating to disabled persons. In March, we served as a partner in the Inclusive Education Summit hosted by UNESCO in Bonn. In September we presented Vielfalt fördern (Engaging Every Student), our professional development initiative for teachers, to all regions in North Rhine-Westphalia that had not



Learning together – with or without disabilities: At the elementary school in Wolperath-Schönau near Bonn, everyone masters challenges by learning together. This school, along with two other schools and one school network, received the 2013/2014 Jakob Muth Award in recognition of exemplary teaching and learning.

previously participated in it, laying the groundwork for the initiative’s expansion. Teacher representatives were included in the expansion planning, and initial evaluations have shown that the initiative has had a positive impact.

In the summer, we published an interim report on the increase in the number of Germany’s all-day schools. Another 2.8 million all-day slots are still needed, and the pace of expansion has slowed. We convened a group of experts to develop criteria for creating high-quality all-day schools and formed a group charged with promoting inclusive education.

The 2014 edition of *Chancenspiegel (Equity and Excellence Monitor)* was published at year’s end. Despite some progress, success in school in Germany still depends on socio-economic background, and educational opportunities vary widely from one region to another. Candidates for the 2014/2015 Jakob Muth Award included 60 individual schools and five networks comprising more than 250 schools.

All Kids Are VIPs

In July, State Minister Aydan Özoğuz joined Liz Mohn to honor six youth projects, selected from more than 100 applicants, for their commitment to social integration and cohesion. At the end of the year, the All Kids Are VIPs celebrity ambassadors, including soccer star Gerald Asamoah and rock band Culcha Candela, began visiting participating projects. In addition, a training program was launched to assist the young people in their project work.



The professional development initiative Vielfalt fördern (Engaging Every Student) has published the results of its initial evaluation.



The winners of the All Kids Are VIPs Competition can look forward to a visit from a celebrity ambassador.

PROGRAM

Learning for Life

Opportunities in Germany's vocational education and training system are not equally accessible to everyone. Even with the appropriate qualification, too many young people cannot find an apprenticeship position and those of immigrant background often encounter prejudice. In addition, inclusion of young people with disabilities is still rare. Reforms are therefore needed. A government-funded system guaranteeing training would provide opportunities even for previously unsuccessful applicants. The option of extending, accelerating or interrupting vocational training would increase flexibility, as would the possibility of completing an apprenticeship in stages. Young people with impairments or disabilities need to receive training in recognized occupations, preferably at real-world businesses. Moreover, Germany needs to establish the completion of a vocational training program as the minimum standard for young people leaving the educational system.

Highly qualified individuals in Germany have many opportunities for further education at their disposal, while less-qualified workers, immigrants and people in temporary or part-time jobs often do not. Less-qualified workers therefore need systematic support that gives them access to practical, individualized further education opportunities so they can experience success early on. On-site educational counseling must also be made available that provides comprehensive information and networked resources geared to specific target groups. Official recognition of skills – acquired formally or informally – would encourage people to take advantage of these opportunities and would make it easier for the less qualified to participate in society and get ahead.

With our projects in the areas of vocational training and further education, we are promoting an excellent and equitable educational system, one that ensures individual learning and helps overcome social disadvantages.



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Projects:

Vocational Training: Opportunities for Everyone

Launched in 2013, this project is working on several levels to make Germany's vocational education system more equitable and effective. Its main focus is an initiative that brings together state-level authorities and the Federal Employment Agency to formulate positions on current challenges relating to vocational education. Topics include integration, inclusion and possibilities for moving between vocational and academic pathways.

In addition, we are developing a monitor to show how effective and fair vocational training systems are in Germany's 16 states. Finally, on the international level we are working to encourage the development of practice-oriented training systems.

www.chance-ausbildung.de
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ReformCompass

It takes more than a good idea to achieve reform; content and process are equally important for success. The ReformCompass therefore provides a clear and comprehensive set of questions designed to aid reformers throughout the public sector. The goal is to help agents of social change improve their ability to develop effective strategies. A textbook was also published on this subject, written by Dr. Jörg Dräger, Christina Tillmann and Frank Frick.

www.reformkompass.de
henrik.brinkmann@bertelsmann-stiftung.de
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Further Education for All

Lifelong learning is a challenge – for the individual, the educational system and the business community. But everyone can learn, regardless of any negative educational experiences they may have had in the past. In this project we develop practical career advisory programs and effective learning opportunities. We also work to ensure that informal and non-formal job qualifications are recognized. The goal is to make further education more accessible to the educationally disadvantaged, thereby opening new avenues to career development.

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2014 Program Report

Project: Vocational Training: Opportunities for Everyone

In 2014, this initiative focused on the importance of inclusion in vocational training. Working with the Federal Employment Agency and educational authorities in eight states, we developed a position paper formulating concrete measures to improve vocational training access for young people with disabilities. In addition, a representative survey of businesses shed light on their current experiences training young people with disabilities and on the government subsidies for which they were eligible.

Project: ReformCompass

The Bertelsmann Stiftung and its project partners have made the ReformCompass available online in German and English at www.reformkompass.de. University students, instructors and individuals engaged in reform can access this strategic instrument, along with selected tools, case studies, teaching materials and other resources. The ReformCompass has proved successful in teaching and practice, and both contexts have been used to develop it further. Partners in Germany include the Humboldt University of Berlin, the University of Potsdam, the NRW School of Governance and the Harz University of Applied Sciences. International partners are Princeton University in the United States, the Belgrade Fund for Political Excellence (BFPE) in Serbia and the Netherlands School of Public Administration. In addition, a manual entitled *Wie politische Ideen Wirklichkeit werden (How Political Ideas Become Reality)* was published in November.

Project: Further Education for All

This project examines key areas relating to a more equitable further education system.

In the first area, personalized learning – learning by using digital technologies, for example – the preliminary findings of a study on *Adult Learners in Digital Learning Environments* were presented to a group of experts in Brussels. The study was conducted for the European Commission in partnership with Ecorys UK. At the same time, with the help of a survey of more than 1,000 participants conducted in partnership with the Leibniz Centre for



Opportunities for everyone: If Germany's vocational training system were more flexible, more young people with special needs would be able to find an apprenticeship position.

Lifelong Learning, we began developing the wb-web learning portal for adult education practitioners. The goal is to promote best practice, particularly in regard to the educationally disadvantaged.

In the second area, educational counseling, we are working with seven charitable organizations to develop a potential-analysis tool for use in counseling immigrants.

In the third area, recognizing qualifications, a study analyzed the best approaches used in eight European countries to recognize informally and non-formally acquired skills. To raise awareness of challenges in the area of further education, we worked with the Leibniz Centre to develop an information atlas at the regional level and organized an accompanying workshop with national education experts.



A Bertelsmann Stiftung survey documents the experiences German companies have had training young people with disabilities.



Experts from the Bertelsmann Stiftung and other organizations discuss further education using Facebook and the blog www.blog.aus-und-weiterbildung.eu.

PROGRAM

Effective Investments in Education

Our projects seek to promote fair educational opportunities right from the start. From the moment they are born, children learn every minute of the day, wherever they are. The family – the most important learning environment – has an enormous impact on a child’s development. Children need strong families along with high-quality childcare centers and schools.

Policymakers, public administrators and civil society face the common challenge of guaranteeing that children can develop to their full potential and that equal opportunities are available to all. The social environments experienced by children and their families – especially early education facilities such as childcare centers – play a crucial role in this regard and are therefore the focus of our project work.

Our program addresses the question of how to invest in education effectively in order to create quality infrastructure and help families. Achieving equal educational opportunity requires an unequal allocation of resources. Until now, however, there has been a lack of knowledge and transparency about which resources are needed for ensuring high-quality educational opportunities that are also fair – and where those resources must be deployed. In our projects, we therefore provide a foundation for strategic, evidence-based management practices and quality-development activities, especially in the field of early education. We are committed to policies that are child-centered. We also advocate for dovetailing family and educational policies to make them more successful. We make challenges transparent and develop strategies and management tools that allow for effective investments.



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Projects:

State by State: Monitoring Early Childhood Education

Early participation in high-quality educational programs gives children an opportunity to make the most of their strengths. This requires the appropriate settings and structures. Our website and annual report provide all of the relevant facts and figures, making direct state-by-state comparisons of Germany’s early childhood educational systems possible.

www.laendermonitor.de
kathrin.bock-famulla@bertelsmann-stiftung.de

A Bertelsmann Stiftung publication in question-and-answer format discusses how to improve quality at childcare centers.



KECK: Community Development – Opportunities for Children

Children’s opportunities for education and participation are unevenly distributed within each community. KECK therefore provides free tools that show what conditions are like in individual neighborhoods. This allows experts to exchange information and ideas locally, and communities to develop high-quality learning environments for all children.

www.keck-atlas.de
christina.kruse@bertelsmann-stiftung.de

KiTa ZOOM – Financing Childcare Facilities Effectively

Equal educational opportunities for all children are the foundation of an equitable educational system. At the same time, each child is unique and needs individualized learning experiences. This project offers innovative planning tools to ensure that childcare centers are well equipped to provide high-quality, individual attention to each child.

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Families and Education: Creating Child-Centered Policies

The family – no matter what form it takes – is the most important setting for a child’s development. Family policies must be more child-centered and ensure all children have the opportunity develop to their full potential. In this project, we seek effective methods for combating child poverty and providing infrastructure that meets the needs of families.

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Transatlantic Forum on Inclusive Early Years

This network of 14 international foundations organizes conferences for policymakers and public administrators. Discussions with academic experts and practitioners address innovative strategies for reform and for providing equal educational opportunities to children from immigrant and low-income families.

www.inclusive-early-years.org
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2014 Program Report

Project: State by State: Monitoring Early Childhood Education

Current data on www.laendermonitor.de show the latest trends in Germany's states with regard to social participation, funding and educational quality in early childhood education and care (ECEC). Particular attention is given to the structures within which ECEC centers operate. Focus areas include staffing formulas and educational resources as key factors for ensuring high quality. For the first time, we calculated the level of public funding required to ensure appropriate, uniform staffing levels at every ECEC center throughout Germany. In addition, we made a proposal for public funding at the national level. Our project report is now recognized as a standard reference for decision makers, providing the facts that underpin policymaking debates, parliamentary hearings and position papers.

Project: KECK: Community Development – Opportunities for Children

A network of 16 communities in 8 German states is now working with the KECK atlas: Amberg, Dessau-Rosslau, Duisburg, Euskirchen, Glinde, Gladbeck, Heilbronn, Herne, Jena, Mülheim/Ruhr, Nienburg/Weser, Oberbergischer Kreis, Rosenheim, Vechta, Wöhrden and Worms. The project's online tool can be used by any community free of charge. Also free is the project tool KOMPIK (www.kompik.de), which many childcare centers are using to carry out structured observations that support children's individual development. The pilot communities of Herne and Rosenheim are combining the information provided by KECK and KOMPIK to explore the relationship between the local environment (KECK) and children's development (KOMPIK). Experts interpret the data on site at the neighborhood level. The findings serve as the basis for developing need-based resource management strategies and youth welfare programs that reflect young people's actual social environments. Communities and childcare centers report regularly on their experiences in a number of project publications. A solution-oriented pamphlet addresses the issue of child poverty as a community challenge.



Children need high-quality childcare centers and schools in addition to strong families.

Project: KiTa ZOOM – Financing Childcare Facilities Effectively

The project launched workshops in Brandenburg that are allowing state- and local-level government representatives to meet with community organizations, educational associations and practitioners to develop a common strategy for improving conditions at childcare facilities. Three pilot regions – Potsdam, Brandenburg an der Havel, and Märkisch Oderland – are participating in KiTa ZOOM, using the project's funding concept, simulation tool and system for determining operating costs to develop fact-based budgets for early childhood facilities. In addition, a nationwide representative study examined the quality and cost of midday meals at ECEC centers. The first of its kind, the study found that the meals met recognized standards at only one out of three facilities, leading the authors to call for mandatory national standards.

Project: Families and Education: Creating Child-Centered Policies

The study *Alleinerziehende unter Druck* (*Single Parents under Pressure*) shows that half of all German children whose families are eligible for social assistance are living with just one parent. Precisely these families need additional support, but social policies have actually increased the pressure on single parents in recent years. According to another study, the national pension system also places families at a disadvantage, limiting their financial resources even further. All of this makes clear that Germany's family policies need to be revised. In consultation with an interdisciplinary group of experts, the project team has therefore developed a paper that lays the basis for new, child-centered family policies.



In Germany, one child in five is growing up in poverty. A practical guide helps communities address the consequences.



Single-parent households in Germany are five times as likely to receive social assistance as two-parent households.

PROGRAM

Future of Democracy

Representative democracy is under pressure to change. Voter turnout is declining, political parties are losing members, government representatives lament that their influence and effectiveness are increasingly limited, and the public has less and less confidence in the ability of policymakers to make decisions and solve problems. At the same time, more people would like to get involved in the decision-making process, and the political culture in Germany has become more participatory. The time has come, therefore, to make the country's system of representative democracy broader and more inclusive. By integrating forms of direct democracy and processes that increase participation, the country can transform what is a purely representative system into one that is much more diverse.

The Future of Democracy program is therefore working to develop, test and implement new methods of citizen participation that are as timely, inclusive and solution-oriented as possible. The program's activities focus on innovative and web-based methods that can promote direct and deliberative civic participation at all levels of government and as part of large-scale public infrastructure projects.

In addition, the program addresses important challenges facing democracies as a result of globalization, demographic shifts and digitalization. Focus areas include increasing participation, making Germany's democracy as inclusive as possible, promoting intergenerational justice in democratic decision-making processes and providing support for government institutions as democracy becomes more globalized and international.



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A project report examines how civic participation was increased during a road-building project in the northern German city of Waren.



Projects:

Engaging Citizens in Governance

As social selectivity in Germany increases, political inequality is growing as well. At the same time, the country's political culture has become more participatory, while demographic change is altering the age structure of the electorate. All of these developments are posing new challenges to Germany's representative democracy. The Engaging Citizens in Governance project is examining these challenges and developing responses. christina.tillmann@bertelsmann-stiftung.de

Citizens Forum

Developed in partnership with the Heinz Nixdorf Foundation, the Citizens Forum is a new approach to civic engagement: an innovative, web-based opportunity for people to participate in politics at the community level. Since 2013, every community in Germany has been able to organize its own Citizens Forum to promote community-level participation. The project also develops innovative methods for increasing citizen participation in large-scale public infrastructure projects. The methods are implemented and evaluated in real-world settings. www.buerger-forum.info
anna.renkamp@bertelsmann-stiftung.de

Civic Dialogue

In cooperation with the German Adult Education Association, the Bertelsmann Stiftung has developed a new approach to engaging with the public. The goal of the project is to develop a uniform, innovative procedure at Germany's adult education centers for encouraging deliberative democracy. www.vhs-buergerdialog.de
anna.renkamp@bertelsmann-stiftung.de

Students Budget

This project has developed and tested processes that enable young people to play an active role in shaping school life. www.schuelerhaushalt.de
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2014 Program Report

Project: Engaging Citizens in Governance

In 2014, the project released the first comprehensive empirical study of the effects of greater civic participation on democracy in Germany. One of the study's core findings was that the various forms of political participation do not compete with, but complement and reinforce one another. It also found that greater direct and deliberative citizen participation also strengthens representative democracy.

Another study identified five facts about the long-term viability of democracy in light of demographic change. The study resulted from widespread fears that democracy might suffer because of demographic change, since the short-term interests of the older generation could take precedence over the future prospects of the young. However, the study found that younger people are more pragmatic, issue-oriented and situational in their political decisions than older people, who tend to be more influenced by ideology and long-term considerations.

A third study addressed how people view the Bundestag, Germany's parliament, and examined that body's approach to debate and answering questions. The findings made clear that the Bundestag has a visibility problem. Germans are paying less and less attention to its activities, and media coverage of the debates that take place there is also diminishing. To increase visibility, the study developed an alternative model for how the Bundestag responds to questions – one that allows citizens to participate.

Project: Citizens Forum

Since early 2014, every community in Germany has had access to a planning tool and standardized dialogue platform that allows it to design, organize and implement a Citizens Forum locally (www.buerger-forum.info). In 2014, five pilot communities in Germany used these new resources to plan and conduct their own events.

Various pilot projects were also carried out to develop, test and evaluate new ways of encouraging citizen involvement in major public infrastructure projects. In cooperation with the state of Lower Saxony, for



At the final event of the Civic Dialogue on “Our Europe” held in Berlin, 150 participants of various ages discussed their recommendations with Peter Altmaier, chief of staff at the Federal Chancellery.

example, the project team initiated a dialogue forum, integrating it into the process for extending the A33 highway, a process that for many years had not included input from the public. The project team also worked with the state of Mecklenburg-Western Pomerania to include civic participation from the very start in plans to build a bypass road there. Both pilot projects were concluded and evaluated in 2014, and the lessons learned can now be applied to future infrastructure projects.

Project: Civic Dialogue

In cooperation with the German Adult Education Association and local adult education centers, the project conducted Civic Dialogues throughout Germany. Proposals developed on the topic “Our Europe” were presented to national policy-makers in early 2014 and discussed at a final event in Berlin. Protocols and planning aids were also developed so that Civic Dialogues can be offered throughout the country by the national association.

Project: Students Budget

Students Budgets were developed and implemented in even more communities across Germany. A national service center for increasing youth participation was also recruited to help other cities and towns implement Student Budgets.



A study on “visible democracy” proposed a new way for Germany's parliament to respond to questions.



The program publishes a policy brief discussing current topics and the outcomes of its work.

PROGRAM

CHE Centre for Higher Education

Germany's higher education institutions are using their autonomy to develop their own identities and to expand beyond their traditional roles. Yet they also face a key challenge: the fact that going to university is now the norm in Germany. That means in addition to dealing with a growing number of students, they must also serve a more diverse student population.

In 1994, the Bertelsmann Stiftung and the German Rectors' Conference founded the nonprofit Centre for Higher Education (CHE) as a means of encouraging and implementing change. CHE seeks to improve the quality, performance and diversity of higher education institutions in Germany and Europe. It collaborates with a variety of partners to develop and test new ideas for the higher education system. In addition, it works to enhance transparency in research and teaching, having introduced Europe's most highly regarded university ranking, among other innovations. CHE also identifies examples of good practice and promotes reform, while taking a critical look at the risks, opportunities and outcomes of change processes. Finally, as Europe creates a uniform university system, CHE continues to expand its network of international contacts and partnerships. CHE celebrated its 20th anniversary in 2014. In honor of the occasion, it published a supplement to *duz*, the national magazine for universities, entitled "Higher Education as the Norm" and hosted a conference on the same subject in Berlin.

The CHE is headed by co-directors Prof. Dr. Frank Ziegele and Dr. Jörg Dräger.



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Projects:

CHE University Ranking

The annual CHE University Ranking is published each spring in cooperation with the German weekly *Die Zeit*. It is the most comprehensive assessment available of universities in Germany, Austria and Switzerland. A free Internet tool also allows users to define their own parameters and identify the university that is most appropriate for their needs.
www.che-ranking.de
petra.giebisch@che.de

U-Multirank International University Ranking

U-Multirank, the multidimensional tool for ranking higher education institutions worldwide, went online in May 2014. It was developed on behalf of the European Commission in collaboration with international partners.
www.umultirank.org
gero.federkeil@che.de

Online Guide: Studying Without University-Entrance Exams

The CHE website www.studieren-ohne-abitur.de provides information for individuals who would like to study at the university level but lack the required educational background. Among other services, the website explains the requirements in each of Germany's states.
www.studieren-ohne-abitur.de
sigrun.nickel@che.de

Teacher Training Monitor

This online platform assists educators responsible for planning teacher training by ensuring greater transparency during the first phase of training.
www.monitor-lehrerbildung.de
melanie.rischke@che.de

Digitalization of Teaching

CHE is highlighting the opportunities made possible by online learning – along with its risks. It is also developing specific recommendations for higher education in Germany.
www.che.de/digitalisierung
julius-david.friedrich@che.de

Professional Education and Training

The CHE Faculty Management Forum, introduced in 2000, is an interuniversity continuing education program for executives at higher education and research institutions. It conducts 10 to 15 workshops each year, as well as several year-long programs.
www.hochschulkurs.de
jutta.fedrowitz@che.de

FIFTH – Research at Universities of Applied Sciences

FIFTH allows CHE to address recent developments affecting universities of applied sciences. Funded by the German Ministry of Education and Research, the project focuses on research and Third Mission activities at those institutions.
www.fifth-projekt.de
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2014 Program Report

2014 CHE University Ranking

In the 2014 CHE University Ranking, information was updated for the subjects of law, social work, media sciences, economics, business informatics, business engineering and business law. The results were published in May in the *ZEIT Studienführer (Study Guide)* and online. The ranking provided information on more than 2,500 departments at over 300 higher education institutions. In December, the results of a survey of master's students studying either business administration or economics were added to the online CHE ranking and published in the magazine *ZEIT CAMPUS*. In April, the CHE University Ranking was deemed "IREG approved" by the International Ranking Expert Group.

U-Multirank International University Ranking

A new international ranking system called U-Multirank, the first to include higher education institutions of all kinds, published its initial findings in May. It includes rankings of universities as a whole, as well as of individual subjects. The subjects in 2014 were mechanical engineering, electrical engineering, IT, physics and business administration. Published in English, the free report includes information on more than 850 universities in 74 countries, as well as more than 1,000 subjects and more than 5,000 programs.

Online Guide: Studying Without University-Entrance Exams

The online guide www.studieren-ohne-abitur.de offers a detailed overview of the requirements for studying at university in each of Germany's states, as well as a regularly updated databank covering developments at both the national and state level. The integrated database lists more than 6,000 degree programs open to individuals with non-traditional backgrounds. The 2014 findings attracted considerable public attention.

Teacher Training Monitor

Jointly organized by the Bertelsmann Stiftung, CHE, the Deutsche Telekom Foundation and the Stifterverband für die Deutsche Wissenschaft, this project offers a comparative overview of facts and figures relating to the first phase of teacher training, as well as articles on select topics.



The CHE Centre for Higher Education celebrated its 20th anniversary in 2014.

A brochure on the strategic recruitment of future teachers was published in April.

Digitalization of Teaching

This project monitors international trends and develops strategies and recommendations for Germany's higher education institutions. Together with the Stifterverband für die Deutsche Wissenschaft and the German Rectors' Conference, CHE is participating in a project examining issues relating to digitalization that began in January 2014.

Professional Education and Training

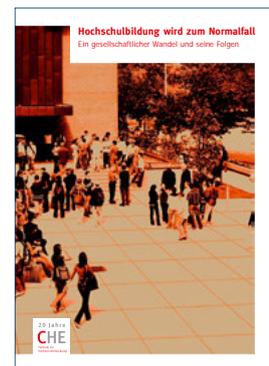
Unique in Germany, the program Führung als Chance (Leadership as Opportunity) was carried out by CHE and the German Rectors' Conference in 2014 for the second time. The program offers three three-day workshops over the course of 12 months, giving vice presidents from higher education institutions the opportunity to improve their management skills and discuss their experiences with their peers. CHE continued to offer year-long programs on topics such as faculty and quality management, and human resources development at universities. In December, CHE celebrated its 20th anniversary, hosting a two-day conference in Berlin. The conference examined the topic "Higher Education as the Norm" and its implications for universities and policymakers.

FIFTH – Research at Universities of Applied Sciences

This project makes the research activities and the regional and social involvement of higher education institutions both visible and quantifiable. In 2014, it published initial working papers and launched a website (www.fifth-projekt.de), the only online site in Germany dedicated to research at universities of applied sciences.



The results of the CHE University Ranking are published online and in a print edition.



"Higher Education as the Norm" and the challenges it presents were the focus of CHE publications and events in 2014.

Dr. Brigitte Mohn



Born in 1964, Dr. Brigitte Mohn is the daughter of Bertelsmann Stiftung founders Liz Mohn and the late Reinhard Mohn (1921–2009). She studied political science, art history and German philology at the universities of Bamberg, Munster and Augsburg, earning a Master of Arts in 1991 and subsequently a doctorate. In 2001, she earned an MBA from the Otto Beisheim School of Management (WHU) in Koblenz and the Kellogg Institute in the United States.

Her career has included positions with the Kiel Institute for World Economics; Bantam, Doubleday and Dell Publishing in New York; McKinsey in Hamburg; and Pixelpark in Switzerland.

From 2002 to 2013, she served as chairwoman of the German Stroke Foundation's Executive Board. She has been chairwoman of its Board of Trustees since 2014.

In 2002, she became director of the Health program at the Bertelsmann Stiftung. She has been a member of the Bertelsmann Stiftung Executive Board since January 1, 2005.

“Communities are the place where citizens, private enterprise, government and civil society interact.

This is where we can test solutions.” Dr. Brigitte Mohn

Dr. Mohn, what was your focus during the past year?

Germany is facing costly challenges. Social, demographic and ecological developments all mean we must do more than merely further develop the solutions the country’s social economy has already produced, we must also try new strategies. If they prove successful, the next step is to integrate them into existing structures and apply them in systemically relevant ways.

Working with partners in politics, business, government and civil society, we gained a better understanding in 2014 of how to cooperate in order to solve urgent social problems. We focused first on structural adjustments and combating youth unemployment and child poverty, as well as on nursing and home care and new approaches to social participation.

What kinds of cross-sectoral cooperation are you involved in?

In the area of social impact investments (SII) – the idea that it’s possible to tackle complex social problems with the help of private capital – we launched a wide variety of cooperative efforts and interdisciplinary dialogues, both within Germany and internationally.

For example, the Bertelsmann Stiftung represented German civil society in the international Social Impact Investment Taskforce, which addressed how SII capital is used in the social economies of the G7 countries. The taskforce was advised by the National Advisory Board for Germany, which is led by the Bertelsmann Stiftung and made up of representatives of the social economy, financial sector, foundations, academia and government. The National Advisory Board also developed its own ideas for new approaches to funding in the German context. Working with 40 experts from 36 organizations, we determined that SII capital is needed particularly for innovation, prevention and scaling good ideas, for example in the areas of vocational training and employment.

Likewise, we worked with the OECD to create a robust database on markets for SII in the G7 countries. The Bertelsmann Stiftung also received €75,000 from the EU to work with partners to develop and test new financial instruments in Germany. We are looking to the high-tech startup scene for inspiration here.

All of this sounds very conceptual ...

True – in this phase, the conceptual work sets the stage for future activities. At the same time, we are working with communities and civil society to examine the feasibility of new, impact-oriented financial instruments – social impact bonds, for example. Communities are a key player addressing social challenges, not only in the area of SII, but also when it comes to promoting civic engagement, coordinating social services and establishing regional budgets for nursing and home care. Communities are the place where citizens, private enterprise, government and civil society interact. This is where we can test solutions and scale up the ones that work.



Civil Society in Germany

Working together to achieve new goals

Attracting new members with innovative websites, departing from traditional paths, taking on new challenges, putting unconventional ideas to work – more and more charitable organizations are working for a better future. Visits to two German cities show what community groups are now accomplishing.

Where do Turks come from? The little boy looked up at Otto Herr, wide-eyed. Herr – tall, thin, gray-haired, neatly dressed, with a strong voice – looks like someone who knows a lot. “But on that occasion, I had to pass,” he said. “I couldn’t help my young friend, and I felt bad about that.” He is seated in the cafeteria of Astrid Lindgren Elementary School, located in the western section of Ratingen near Düsseldorf – a neighborhood often dismissed as a problem area. Herr had a long career in sales, then came retirement. “Suddenly, I had a lot of time on my hands,” he says. He knew that he wanted to make good use of his free time, so he began mentoring children who weren’t born into a life of privilege. Children from families in which ambition, education and learning are often rare commodities. Immigrant children from homes where little German is spoken. And children from German families who have been so neglected that they are hardly capable of speaking when they enter school.

As a mentor, Herr helps six- to ten-year-olds improve their speech and reading, and ultimately how to learn. He thus gives them a chance at a better education and a better life. Right now, he’s sitting in a room adjacent to the classroom with Leonie (7), whose parents are from Russia. “Have we looked at this picture book before?” he asks. Leonie smiles

shyly and shakes her head. For one hour, she has her mentor’s full attention. “In the beginning, I was really worried about this one-on-one situation,” says Herr. “After all, you first have to develop trust. And you’re constantly being surprised by difficulties rooted in cultural differences or even just human nature, and that’s not easy either. You have to find a way to respond, using your imagination and common sense.” That’s how Herr found an answer for the little Turkish boy. “I went home and read up on Turkish history, and I learned that the Turks migrated from Central Asia,” he explains. “Then I came back and told him what I had found out, which made him eager to learn more. That was a good feeling.”

Three or four times a week Herr goes to the school, where 92 percent of the children are of non-German heritage. The neighborhood has improved in recent years, thanks to rehabilitated buildings, social and cultural projects, successful government initiatives and a dynamic civil society that has begun responding to local challenges.

One example is Ratingen’s mentoring association (www.mentoringratingen.de), founded in 2005 by the city and the company LEG Arbeitsmarkt- und Strukturentwicklung GmbH. When the association was founded, Ina Bisani



ABOVE Volunteers are essential to a vibrant civil society. A growing number of community groups are getting involved, with new ideas and programs. The mentoring association in Ratingen has 140 active members who provide help with language skills and reading.

BELOW Kulturloge distributes tickets for museums, plays, concerts and movies to people who could not otherwise afford them.

was working at the company, a state-owned subsidiary of LEG NRW, itself a development corporation owned by the state of North Rhine-Westphalia. As the largest owner of rental property in the western section of Ratingen, LEG NRW had a stake in improving the community's living conditions. "Children don't read these days. They have no access to books, which are the doorway to education and the world," says Bisani, the mentoring association's current president. "Our mission is to promote language skills and literacy, with the help of people who want to make a difference. We know the children's strengths and weaknesses, and we work with them. But we're not some off-the-shelf tutoring service. We're an enrichment program."

Time for volunteering

The association has 140 mentors who volunteer at 13 schools, serving 280 children each year. Several times a year, the association organizes advanced training sessions and workshops on topics such as attention deficit disorder and the use of media. At monthly meetings, mentors share their ideas and experience. Many are already retired, so they have more time to give. "Some mentors stay with the children from first to fourth grade, and many keep in touch even after that," says Bisani. Andrea Heil, a teacher at

Astrid Lindgren, is convinced that the program is effective. "The children view this as a reward, not as punishment," she says. "They appreciate having someone's undivided attention for an extended period of time. As their speech and reading improve, they become more self-confident. And that shows up very clearly in the classroom."

Many of the mentors have favorite stories to tell about their experiences over the years. Monika Glaubitz-Becker, a self-employed personnel consultant, tells of a Turkish girl who eventually decided that she wanted to go to university and study literature. And the mentors learn as well: about the Alawites, Islam, Russia, the Arabic language, the origins of the Turkish people or "interpersonal relationships," as Glaubitz-Becker puts it. Leaving the neighborhood, it's hard to miss the high-rise buildings in which many of the school's students live. Freshly painted white, they look almost heavenly.

New perspectives

The mentoring association in Ratingen is one of many community groups founded to meet a need, solve a problem or respond to the new possibilities offered by a society in transition. The Linden Dudes, a group of basketball



Helping others: Sabine Münch of the Catholic Women's Welfare Service describes to participants in a German language course what Kulturloge has to offer.

players from Hannover, are another example. Their well-designed website (www.lindendudes.de) describes their mission: "We want to do more than just play basketball; we want to make a difference. Basketball is a global language, and we want to take advantage of that! The first project we decided to help fund is called Basketball Artists School. It was started in Windhoek, Namibia, with support from people in Germany." Long-established groups like the gymnastics association in Frankfurt am Main organize midnight events that offer young people an alternative to parties and alcohol. Unconventional ideas come to life in the intercultural urban farming project called Himmelbeet (Sky Patch) in Berlin (www.himmelbeet.com), which features a huge community garden, a workshop, an outdoor cafe and even beehives, all supported and enjoyed by people from all walks of life. Not to mention groups like the Berliner Kneipenchor (www.berliner kneipenchor.de), a very different take on the traditional choral societies of yesteryear. The singers meet in the pubs of Germany's capital city, and the choir has had a waiting list since its founding in 2010.

These are but a few of many examples across Germany, which has more than 600,000 civil society organizations. Of those, 580,294 – or 97 percent – are registered associations. Supported by their members, most are independent, funded by dues and donations. Public funds make up just 10 percent of their financing. Seventy-eight percent rely entirely on volunteers, with no full-time staff. Approximately 25 percent are devoted to sports, 14 percent to education and childcare and 18 percent to culture and the media. Overall, 17.5 million people are involved in the country's various community organizations.

Cultural opportunities for all

One particularly innovative organization is Kulturloge, a national association that facilitates access to cultural events. Based on the principle that culture is a human right, as the organization asserts in its mission statement, the program is now active in 25 German cities and towns. One of these is Wuppertal (www.kulturlogewuppertal.de), a city known in recent years for teetering on the edge of bankruptcy and for having implemented drastic cuts in social services and cultural offerings. The neo-Gothic facade of the town hall in Elberfeld, which has been part of Wuppertal for almost 100 years, is hardly visible. Hidden behind scaffolding and tarps, this historic landmark now symbolizes a city where construction sites are everywhere. Kulturloge is located on the second floor. Not all such programs in Germany are so prominently placed. But in Wuppertal, Mayor Peter Jung is now the program's sponsor, highlighting its importance to the city. "We offer tickets for museums, theaters, concerts and movies to people who have very little money and would ordinarily be unable to afford cultural activities," says Detlef Erlenbruch, president of the Wuppertal Lions Club. These service clubs, whose motto is "We serve," focus on social and charitable activities. The service clubs originated in the United States in 1917 and have been active in Germany since the early 1950s. The local club established the Kulturloge in Wuppertal. "We were immediately impressed by the concept. It's a very good fit with the Lions Club tradition," says Uwe Maedchen. In addition to heading the local organization, he serves on Kulturloge's national committee and is helping to establish a branch in Cologne. "One of our major concerns is assisting people in need without embarrassing them."



Anticipation: Picking up their tickets at the box office, Sibel Kemertas, Sultan Akkus and Nuran Perincek (left to right) look forward to a performance at the Wuppertal Opera House.

Kulturloge works with social service organizations, such as Caritas, that have daily contact with people needing support. They arrange for interested individuals to register with Kulturloge, where the names of “guests” are stored in a database according to their cultural interests. In Wuppertal, tickets are provided by 20 to 25 cultural organizations. These include municipal institutions, like the opera house, as well as small private theaters and businesses like the multiplex group CinemaxX. Nine volunteers then distribute the tickets by calling individuals who have expressed an interest. So far, 1,600 people have registered with Kulturloge. The organization gives away 100 or so tickets every month – providing people with the opportunity to leave their everyday cares behind and, for a short while, experience a different world.

“People pick up their tickets at the box office, just like anyone else. They’re not treated like second-class citizens,” says Maedchen. Enno Schaarwächter manages the municipal theater in Wuppertal, which also participates in the project. “It’s hugely important for us to offer cultural opportunities to people who would ordinarily lack access to them,” he says. “After all, that’s our mission. And it helps us to broaden our base beyond our traditional clientele, adding another generation of people who will support us in the future.”

Maria Brum opens the door of the CinemaxX movie theater, located near the Wupper River and the city’s historic cable railway. A petite, energetic woman, she walks across the brightly lit lobby to the ticket office. Her daughter tags along. Brum, who has seven children, came to Germany from Russia in 2000. Her youngest daughter, also named Maria, is nine years old. “We’ve already

attended a number of concerts and plays,” says the mother. “Today we’re going to see a movie. I can’t afford to do that without a bit of help.” Her daughter smiles and takes the tickets as the two head toward the entrance. “I’ll tell you something,” says the mother in Russian. “Sometimes a little bit of culture can really lift your spirits.” That may sound trite – but it’s the plain and simple truth.

Text by Ingo Petz, originally published in *change – The Bertelsmann Stiftung Magazine* (1/2014)

PROGRAM

Communities for Better Living

Communities are where people feel at home. And while laws are needed to provide the framework for pursuing important social goals, such as ensuring everyone has the opportunity to participate in and contribute to society, actually achieving those goals requires collective action at the community level. Germany's communities, however, are facing ever more daunting challenges. Demographic change, for example, is requiring them to fundamentally rethink their strategies. Their populations are shrinking, ageing and becoming more diverse. Disparities are mounting between regions that are growing and those that are losing population. With our Community Roadmap, we provide transparency and recommendations for community leaders.

Social disparities are also increasing within Germany's communities. The state, its citizens, civil society and businesses must work together if communities are to meet the challenges they face. The goals of two of our initiatives active in this area are reflected in their names: Local Network for Education and Leave No Child Behind.

The costs of the growing social divide are also causing many communities to take on excessive debt. The Bertelsmann Stiftung is working to ensure that communities have access to the financial resources that will allow them to address current and coming challenges.



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Local Network for Education: The Life Cycle

Projects:

Local Government Congress

The Local Government Congress is held every two years as a forum for community-level leaders and policymakers. It allows us to present our latest project results and discuss issues communities currently face. www.kommunalkongress.de
thorsten.hellmann@bertelsmann-stiftung.de

Community Roadmap – Communities Shaping Demographic Change

The project's key feature is the website www.wegweiser-kommune.de, where we offer communities sociodemographic data, strategic action plans and examples of best practice. www.wegweiser-kommune.de
carsten.grosse.starmann@bertelsmann-stiftung.de

Reforming Local Government Finances

In some regions of Germany, local budget crises have become entrenched. With our publication *Kommunaler Finanzreport (Report on Community Finances)* and our Community Guide, we provide data and proposals for reforming local-level finances. www.doppikvergleich.de
www.wegweiser-kommune.de
rene.geissler@bertelsmann-stiftung.de

Leave No Child Behind!

Community Prevention in NRW

In partnership with North Rhine-Westphalia's state government, we help communities focus on prevention in their programs for children, youth and families. www.kein-kind-zuruecklassen.de
karl.janssen@bertelsmann-stiftung.de

Local Network for Education

This network is a joint initiative of the German Ministry of Education and Research, some 180 German foundations and 46 communities. The goal is to promote networking among those active in education at the community level. www.lernen-vor-ort.info
anja.langness@bertelsmann-stiftung.de

2014 Program Report

Local Government Congress

Preparations were made for the Bertelsmann Stiftung's ninth Local Government Congress to be held on March 16-17, 2015. The topic, "State of the State and Nation – Strengthening the Financial Basis, Ensuring Funding," is designed to draw attention to local government finances.

Community Guide – Communities Shaping Demographic Change

The Community Guide website has been redesigned, with the structure of its database and information reconfigured to accommodate the increasing use of tablet devices. In connection with this re-launch, the Community Guide also started a blog, which had more than 4,000 user visits after just a few months. The project also prepared a new population forecast with data through 2030, for publication in the first quarter of 2015.

As part of its international exchange on the topic of shrinking and ageing populations, the project participated in an event organized by the German Marshall Fund on "Cities in Transition" and a cooperative project with TU Dortmund University on "Shrinking Cities in Japan."

Reforming Local Government Finances

The steadily increasing social expenditures of local governments are not only evidence that Germany's national family and social policies are misguided, they are also causing many communities to take on excessive debt. In 2014, we therefore explored options for targeted financial assistance from the federal government.

The city of Detroit's bankruptcy ranks among the most spectacular local-level budget crises. By examining its causes, course and consequences, we want to help heavily indebted communities in Germany avoid the same fate.

The European Union's plans to introduce harmonized European Public Sector Accounting Standards (EPSAS) are causing concern. In response, the Bertelsmann Stiftung and KGSt, a national association of local-level administrators, have filed an expert opinion regarding its legal and economic impact.



Leave No Child Behind! Community Prevention in NRW

Two and a half years after the pilot project began in North Rhine-Westphalia, State Premier Hannelore Kraft and Dr. Brigitte Mohn hosted a conference with more than 400 attendees, assessing what the project had achieved so far. The bottom line: It pays to invest in prevention, which works when it is supported by community leaders. Initial research findings suggest that applying the right preventive measures can significantly improve educational opportunities for disadvantaged children. The key is having a prevention network that begins early and anchors specifically tailored, successive programs in institutions and various social settings.

Local Network for Education

The project assisted the foundation's three focus communities – Freiburg, Aachen and Leipzig – in their efforts to improve educational management at the community level. The five-year initiative concluded with an event at the Parliamentary Society in Berlin.

Since 2009, the three communities have created the key conditions for effective education management by monitoring the educational system, improving transitions and establishing an independent counseling program. Since autumn of 2014, the German Ministry of Education and Research has sponsored the nationwide dissemination of project outcomes. Together with state-level educational authorities and leading community organizations, some 50 foundations joined the Bertelsmann Stiftung in preparing for the dissemination phase.

Leave No Child Behind! is having an impact. NRW State Premier Hannelore Kraft (left) and Dr. Brigitte Mohn (right), member of the Bertelsmann Stiftung Executive Board, took stock of the project's successes. They are shown here with moderator Asli Sevim.



In its first few months, the Community Guide blog had more than 4,000 user visits.

PROGRAM

Improving Healthcare – Informing Patients

Germany's healthcare system is considered one of the best in the world, but it is under great pressure because of rising costs. Reforms are needed to ensure that high-quality, affordable healthcare will continue to be available over the long term. At the same time, the system must focus on its key constituency: the people who finance it as members of health plans and those who use it as patients. Those requiring care also need readily understandable, reliable information if they are to act as responsible, empowered patients.

The Bertelsmann Stiftung is committed to ensuring Germany has an effective, inclusive healthcare system that guarantees everyone, regardless of social status, access to appropriate care. Meeting the new demands being put on the system will require having both a stable financial foundation and structures that deliver the care that is actually needed. Our aim is to provide patients with understandable, objective information and ensure their perspective is taken into account during the policymaking process.



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Topics examined in the 2014 Healthcare Monitor include homeopathy, the quality of primary care, and the early detection of cancer.

Projects:

Weisse Liste – Comparing Healthcare Providers

The Weisse Liste (White List) website helps patients find the right hospital, physician or nursing care. By creating transparency about the quality of healthcare providers, it encourages them to provide better care. The portal is a joint project of the Bertelsmann Stiftung and the umbrella associations of the major patients' and consumers' organizations.
www.weisse-liste.de
timo.thranberend@bertelsmann-stiftung.de

Healthcare Fact Check

The Healthcare Fact Check is helping Germany's healthcare system become more patient-centered. It provides facts and figures, sheds light on regional variations and develops solutions to structural shortcomings. It also provides clear, practical information that helps patients make informed choices.
www.faktencheck-gesundheit.de
claudia.haschke@bertelsmann-stiftung.de

Healthcare Monitor

The Gesundheitsmonitor (Healthcare Monitor) regularly interviews people about their experiences with Germany's healthcare system. By highlighting the perspective of those who pay for and use the system, the project provides policymakers with information that would otherwise be lacking.
www.gesundheitsmonitor.de
jan.boecken@bertelsmann-stiftung.de

Regional Budget for Nursing and Home Care

A regional budget for care-related services can help communities play a formative role in this area and counter the impending shortage in care.
www.bertelsmann-stiftung.de/pflege-vor-ort
stefan.etgeton@bertelsmann-stiftung.de

2014 Program Report

Weisse Liste – Comparing Healthcare Providers

Since June 2014, individuals in Germany requiring nursing care and their family members have been able to use the Weisse Liste (White List) website to find information about in-home care. At www.weisse-liste.de/pflegedienst, they can find information about services and quality for approximately 13,000 service providers. Together with the nursing care planner published in 2013, users can now calculate anticipated costs even before contacting a service provider. The website upgrade received support and funding from the German Consumer Protection Ministry.

The website now covers the full spectrum, from care provided by physicians and hospitals to nursing and home care. The site's existing resources were also continually expanded in 2014, with numerous communications measures carried out to increase awareness of the site and frequency of use. The Weisse Liste nonprofit organization, a wholly-owned subsidiary of the Bertelsmann Stiftung, is responsible for operating and improving the existing search tools. It also licenses partners who want to incorporate the Weisse Liste into their own websites, with license fees serving as the basis for the project's nonprofit business model.

Healthcare Fact Check

With three Fact Checks published in 2014, the project again demonstrated that healthcare in Germany does not always meet existing needs. The Fact Check on depression concluded that three out of four patients with severe depression do not receive appropriate treatment. The Fact Check on physician density found that doctors in rural areas will continue to serve considerably more patients than those in cities. Finally, the Fact Check on regional differences determined that certain forms of treatment are administered far more frequently in some regions than in others, and that these differences remain constant over time. The latter findings were presented at an event cosponsored by the OECD that highlighted detrimental regional differences in 13 countries.



Dr. Divya Srivastava of the OECD and Dr. Brigitte Mohn welcome participants to the international conference on “Regional Variations in Healthcare Services.”

Additional “Fact Boxes” were also made available in 2014. These resources are intended to help patients make decisions on health-related issues such as antibiotic treatment and tonsillectomies.

Healthcare Monitor

How do people in Germany experience the country's healthcare system? Where do they see a need for reform? As in the past, the 2014 Healthcare Monitor sheds light on these and other questions, providing policymakers, researchers and the public with meaningful data for improving healthcare. Topics include early detection of cancer, the quality of primary care, joint decision-making by physicians and patients, and homeopathy. This has been a joint project of the Bertelsmann Stiftung and the statutory health fund BARMER GEK since 2011.

Regional Budgets for Nursing and Home Care

The 2012 Bertelsmann Stiftung analysis *Pflegereport 2030 (Nursing Care in 2030)* demonstrated the growing need for nursing and home care in Germany. The study showed that without timely action to counter the trend, the country will experience a shortage of some 500,000 caregivers in 2030. This fact has given rise to the concept of regional budgets for care-related services, which would give communities access to the funds generated by Germany's statutory insurance for nursing and home care, while also giving them responsibility for managing that care. The goal is to close the “care gap” by promoting local options for in-home care.



A Weisse Liste campaign draws attention to the topic of physician evaluations. For each evaluation, €1 goes to a foundation that uses humor to promote healing.



The Healthcare Fact Check on depression takes an in-depth look at an important topic.

PROGRAM

Civil Society

Society fundamentally relies on people who are willing to take responsibility and contribute their time, knowledge and material resources to serve the common good. A strong and active civil society promotes civic engagement, solidarity, trust, inclusion, diversity and democracy. It has tremendous power to impart values and a sense of community. What's more, it provides a wide range of services, every day and everywhere we look – in cultural institutions, daycare facilities, hospitals, nursing homes, faith communities, fire departments, sports clubs, environmental organizations, professional associations and international partnerships, among other places.

Today's civil society is flexible. At the same time, it is well organized, bringing together foundations, community groups and other organizations to form networks that extend beyond national borders. Civil society in Germany is diverse – as diverse as the many opportunities people have for getting involved. Together with our partners, we are working to improve conditions for civic engagement by increasing transparency, promoting partnerships and collaboration, evaluating the socioeconomic impact of charitable activities, and publicizing and honoring examples of good practice. Not least, we are identifying new global trends and exploring the issues that will shape tomorrow's world.



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Projects:**“jungbewegt – Your Contribution Counts.”**

The “jungbewegt” project aims to create structures that promote civic engagement among young people, regardless of their background or education level. It builds networks that allow educators, childcare providers, community groups and policymakers to exchange ideas and experience. The project also offers training sessions and background materials.
sigrid.meinhold-henschel@bertelsmann-stiftung.de

Effektⁿ – Growth and Impact in Civil Society

Effective solutions exist for many of society's problems. This project is designed to share knowledge and develop tools that can increase social impact.
gerald.labitzke@bertelsmann-stiftung.de

Social Investment

The project Social Investment: Financing Social Change is exploring how social investment can be used to promote prevention, innovation and scaling in Germany's social economy.
jake.benford@bertelsmann-stiftung.de

Building Local Synergies

Social services in Germany's communities are provided by a variety of institutions, organizations and volunteers. In consultation with the people served, this project is developing new models of impact-oriented cooperation designed to improve the quality of social services.
www.synergien-vor-ort.de
alexander.koop@bertelsmann-stiftung.de

Children.Giving.Future.

Numerous public, private and nonprofit organizations in Germany are working on behalf of young people and their families. The conferences organized by Children.Giving.Future. at the community and regional level support their efforts and promote networking.
www.kinder-stiften-zukunft.de
susanne.bendicks@bertelsmann-stiftung.de

Committed Communities

The goal of this project is to strengthen Germany's civil society at the local level by providing information and support to local institutions.
www.engagiertestadt.de
mahnken@koerber-stiftung.de

Placing Civil Society on the Economic Map

This project is compiling a comprehensive, regularly updated database on the work done by foundations, community groups and nonprofit organizations.
www.ziviz.info
bettina.windau@bertelsmann-stiftung.de

PHINEO gAG – act to impact

PHINEO provides detailed reports, handbooks for donors and individualized consulting services for social investors. The Bertelsmann Stiftung has been supporting PHINEO in its analytical and consulting activities since it was founded.
www.phineo.org | andreas.rickert@phineo.org

Social Value International (formerly Social Impact Analysts Association)

How can social organizations assess the impact of their work? And how can investors target their resources most effectively? These are the questions addressed by the Social Impact Analysts Association founded in London in 2011, renamed Social Value International (SVI) in 2014.
www.siaassociation.org/tag/social-value-international/
jake.benford@bertelsmann-stiftung.de

2014 Program Report

“jungbewegt – Your Contribution Counts.”

Training sessions for teachers, childcare providers and youth workers were held to put proven strategies for promoting civic engagement into practice. The number of participating educational institutions has grown significantly and now includes some 90 childcare facilities, schools and youth centers. Evaluations have demonstrated that the project’s initiatives are effective and worth disseminating.

Effektⁿ – Growth and Impact in Civil Society

With more than 14,000 downloads, our free e-book on disseminating good ideas was well received. Approximately 60 experts exchanged ideas on the topic using the website www.opentransfer.de. Three new training courses were launched in partnership with the Deutsche StiftungsAkademie, the Social Entrepreneurship Akademie and Impact Hub Vienna.

Social Investment

The National Advisory Board for Germany, chaired by Brigitte Mohn, drafted recommendations for further developing a market for social impact investments. Mohn also represented German civil society in the G7’s Social Impact Investment Taskforce. In addition, the project examined the feasibility of working with Germany’s communities to implement investment models in the areas of senior living, employment and child and youth welfare.

Building Local Synergies

Administrative bodies in Germany rarely include the public when planning and implementing public services. The study *Koproduction in Deutschland (Coproduction in Germany)* offers many examples of innovative practices in Germany and elsewhere.

Children.Giving.Future.

The city of Munich hosted another Children.Giving.Future. conference on the topic of inclusive education. Changes in the project’s organization were designed to make it easier for cities and communities to hold such conferences.

Committed Communities

The project is developing a network to promote volunteer activities in 50 German cities and towns. Project partners are the German Ministry for Family Affairs, Senior Citizens, Women, and Youth, the BMW Foundation Herbert Quandt, Generali Zukunftsfonds, the Herbert Quandt Foundation, the Körber Foundation and the Robert Bosch Foundation.

Placing Civil Society on the Economic Map

Data from the project survey were evaluated in the areas of international cooperation, communities and sports, and for individual German states. Project publications addressed the topics of youth, education and civil society, and structures for civic engagement.

PHINEO gAG – act to impact

In partnership with Spiegel Online, PHINEO published a study of transparency at 50 major nonprofit organizations. In addition, some 700 nonprofits benefited from free analyses, and 185 projects received a social-impact seal of approval. Foundations, businesses and institutions such as the World Bank received customized impact analyses and reports on strategic philanthropy.

Social Value International / Social Impact Analysts Association

The Toronto conference on “Talking Data – Measurement with a Message” looked at ways to collect, analyze and present social data. In cooperation with the University of California Los Angeles, the SIAA research group presented initial findings from an analysis of social impact investments. The merger with the international activities of the SROI Network was successfully completed in mid-2014.



The National Advisory Board for Germany develops recommendations for social impact investing.



One project publication examines how civil society is getting involved in education.



Foundations and communities can improve how they work together, as this step-by-step guide shows.

International Affiliates



IN BARCELONA Fundación Bertelsmann

IN WASHINGTON DC Bertelsmann Foundation North America

IN BRUSSELS Europe's Future Program and Brussels Office

INTERNATIONAL AFFILIATES

Fundación Bertelsmann in Barcelona

In light of Spain's high rate of youth unemployment, the Fundación Bertelsmann undertook a strategic realignment in early 2014. It is now devoting considerable technical and substantive expertise to this issue, which is of critical importance to Spain, and supporting the country's educational authorities and business community in providing better long-term opportunities for young people in the areas of education and employment.

Based on Germany's dual educational system, the alliance for vocational training brings together a network of stakeholders from the business, political, academic and social spheres to develop and implement pilot projects that can effectively increase employment. In addition to developing the alliance, the Fundación Bertelsmann is involved in projects for promoting occupational orientation and improving programs to "train the trainer." As part of these projects, cooperative agreements have been concluded with major Spanish institutions, including the CEOE confederation of employer associations and the Prince of Girona Foundation, as well as with representatives of the automotive and chemical industries. In addition, agreements to launch pilot projects have been reached with 27 educational centers in Andalusia, Catalonia and Madrid. A "career passport" developed specifically for Spain helps students, teachers and parents navigate the process of selecting the right career path. Supplementing this tool is a career advising handbook, which the Fundación Bertelsmann presented together with Spain's State Secretary for Education Montserrat Gomendio on October 28. These manuals are designed to



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The Fundación Bertelsmann team with Liz Mohn, Prof. Dr. Gunter Thielen, Francisco Belil and Dr. Jörg Habich

provide young people with better career counseling early on and to improve the quality of vocational training.

On June 2, the Fundación Bertelsmann organized an event dedicated to Europe's experiences with a "youth guarantee" in order to explore how such a guarantee might benefit Spain. International experts, policymakers and representatives of employers' associations and trade unions discussed how this European initiative to combat youth unemployment might be structured to address Spain's unique situation.

Fundación Bertelsmann
Travessera de Gràcia, 47-49
08021 Barcelona
Tel.: +34 93 268-7444
www.fundacionbertelsmann.org



Participants in the discussion of how Spain could benefit from a "youth guarantee" included (left to right) Oriol Homs, social researcher at Notus - Applied Social Research; Antoni Reig, director general of youth employment for the autonomous community of Catalonia; Nieves Ramos, president of the association of business organizations for reintegration; Liz Mohn; Cándido Méndez, secretary general of the trade union UGT; and Francisco Belil.

INTERNATIONAL AFFILIATES

Bertelsmann Foundation North America

The work of the Bertelsmann Foundation North America focuses on transatlantic relationships and economic developments in Latin America. Areas of particular interest in 2014 were the negotiations for a Transatlantic Trade and Investment Partnership (TTIP), tensions between Germany and the United States in the wake of the NSA affair and an analysis of emerging markets in Latin America, the “Pacific Pumas.”

The Bertelsmann Foundation is an independent affiliate of the Bertelsmann Stiftung. It offers an international platform for its parent foundation’s projects and for expanding networks with US-based partners from various sectors of society.



Annette Heuser
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German Finance Minister Dr. Wolfgang Schäuble discussed economic issues at an event organized by the Bertelsmann Foundation in Washington, DC.

Again last year, the high point of the Bertelsmann Foundation’s activities was its annual conference on financial issues, organized in cooperation with its media partner, the *Financial Times*, for the sixth time. Entitled **“A World Out of Balance: A Surplus of Politics, a Deficit of Ideas,”** the 2014 conference brought together over 100 participants to discuss steps for stronger and more inclusive global growth. Panelists included Italian Finance Minister Pier Carlo Padoan, Turkish Deputy Prime Minister Ali Babacan, former European Central Bank Executive Board Member and Chief Economist Jürgen Stark, Commerzbank Chairman of the Board of Managing Directors Martin Blessing, White House Council of Economic Advisers Chairman Jason Furman, and US Congressman Charles Boustany. On the eve of the conference, World Bank President Jim Yong Kim welcomed guests to the event’s reception for US-based partners.

The Bertelsmann Foundation was actively involved in the debate surrounding TTIP. Discussions focused on possible advantages and disadvantages of such an agreement for both the United States and the European Union. A key goal was facilitating a wide-ranging and transparent exchange of views in Washington and Brussels with stakeholders from throughout society. In addition, TTIP Town Hall meetings were held in Texas and Pennsylvania, providing an opportunity for representatives of trade unions, consumer groups and the business community, as well as interested citizens, to learn about and discuss the proposed agreement.

In October, the Bertelsmann Foundation organized an event featuring German Finance Minister Wolfgang Schäuble. Discussion focused on current developments in the eurozone and the need to find a balance between structural reform and the avoidance of further spending and deficits. These issues were also on the agenda at a high-level meeting



The sixth annual conference hosted by the Bertelsmann Foundation North America and the *Financial Times* looked at the global regions and industries that will play a major role in future growth. Participants included Aart De Geus (left), chairman and CEO of the Bertelsmann Stiftung, and US Congressman Charles Boustany (right).

organized by the Bertelsmann Foundation in Frankfurt in November. At that gathering, former US Treasury Secretary Timothy Geithner underscored the importance to the United States of a monetarily stable and economically strong Europe, as well as the need for quick, wide-scale investment in European infrastructure programs.

With the publication of the study ***Pacific Pumas: An Emerging Model for Emerging Markets***, the Bertelsmann Foundation intensified its focus on economic developments in Latin America. The study analyzes the economic and political successes of the four members of the Pacific Alliance: Chile, Colombia, Mexico and Peru. These nations are enormously important as role models for other countries in the region.

Other activities in 2014 included:

- Further developing the **International Nonprofit Credit Rating Agency (INCRA)**, for example through presentations at the World Bank Borrowers Forum in Cartagena, Colombia, and at a meeting of the EU Economic and Financial Committee's Sub-Committee on EU Sovereign Debt Markets (ESDM)
- The **Congressional European Parliament Initiative (CEPI)**, which in 2014 brought members of the US Congress together with European Parliament staff members for the fifth time
- A briefing in Washington focusing on current developments in Ukraine that included a delegation of members of the European Parliament

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The Bertelsmann Foundation North America website contains the latest information about studies and events.

INTERNATIONAL AFFILIATES

Bertelsmann Stiftung in Brussels

With its office in Brussels, headquarters of the EU institutions, the Bertelsmann Stiftung has positioned itself as a European think tank. The work of the office is guided by the three principles that underlie the foundation's international activities: learn, connect and transfer.

- The Brussels team monitors developments in Europe that are relevant to the foundation's work in Germany and communicates them back to the experts there.
- It also supports the foundation as it expands its partnerships with leading think tanks and other organizations throughout Europe.
- Finally, it contributes the Bertelsmann Stiftung's expertise to the political debate in Brussels and offers suggestions for reforms in EU member states.

The goal of the foundation's activities in Brussels is to promote awareness of the Bertelsmann Stiftung as a source of new ideas. The Brussels team achieves this by cooperating closely with the major EU institutions and with experts from the foundation's programs and projects. Topics addressed by the Brussels office include overcoming the euro crisis, achieving a competitive, socially just market economy and developing strategies for building an effective, democratic Europe.



Aart De Geus, chairman and CEO of the Bertelsmann Stiftung, warned of the danger of increasingly powerful anti-European parties.

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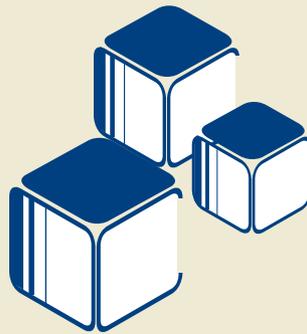
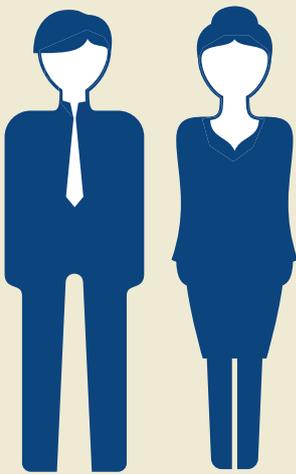


Henning vom Stein
Head of Brussels Office
Europe's Future Program
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At the Brussels Think Tank Dialogue, representatives of leading Brussels-based organizations discussed challenges facing the EU.

Facts and Figures 2014



FINANCIAL INFORMATION
HUMAN RESOURCES
COMMUNICATIONS
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FACTS AND FIGURES 2014

Financial Information

Total expenditures

Expenditures for the 2014 fiscal year totaled €77.9 million. This includes endowments and donations to affiliated nonprofit institutions totaling €9.8 million. Since its inception, the Bertelsmann Stiftung has invested roughly €1.2 billion in nonprofit work.

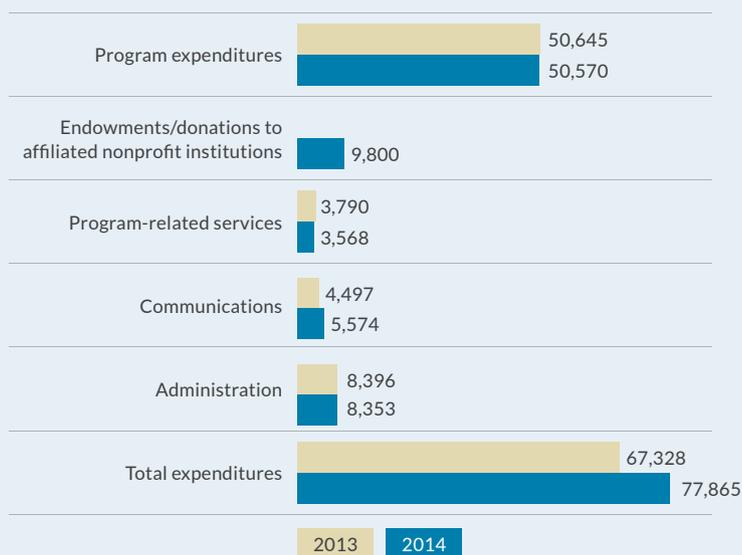


Wilhelm-Friedrich Uhr,
Senior Vice President
Corporate Operations at the
Bertelsmann Stiftung

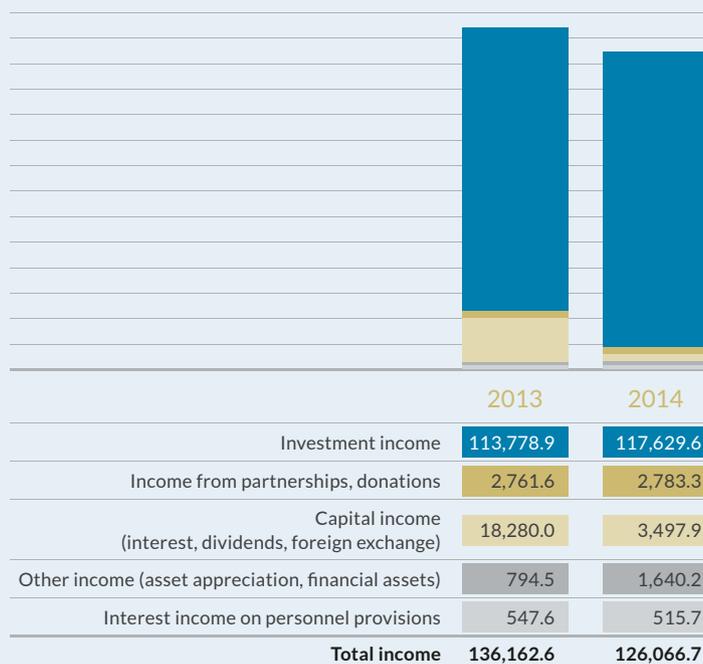
Total expenditures (€, thousands)

Programs	2014	2013
Bertelsmann Stiftung International ¹⁾	5,975	4,967
CHE Centre for Higher Education	1,687	1,676
Germany and Asia	1,398	996
Europe's Future ¹⁾	3,329	2,095
Integration and Education	3,067	2,697
Competence Center Leadership and Corporate Culture	1,232	1,224
Living Values	1,334	1,947
Communities for Better Living	4,558	4,800
Learning for Life	3,189	2,290
Discovering Music	2,247	2,500
Shaping Sustainable Economies	5,140	7,447
Business in Society	3,834	3,491
Improving Healthcare - Informing Patients	5,064	5,841
Effective Investments in Education	2,265	2,367
Future of Democracy	2,125	2,383
Civil Society	4,126	3,924
	50,570	50,645

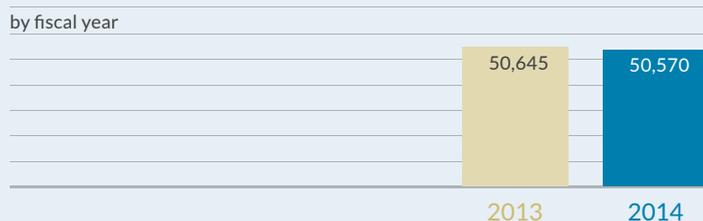
¹⁾ The Brussels office has been part of the Europe's Future program since 2014 (previously: Bertelsmann Stiftung International).



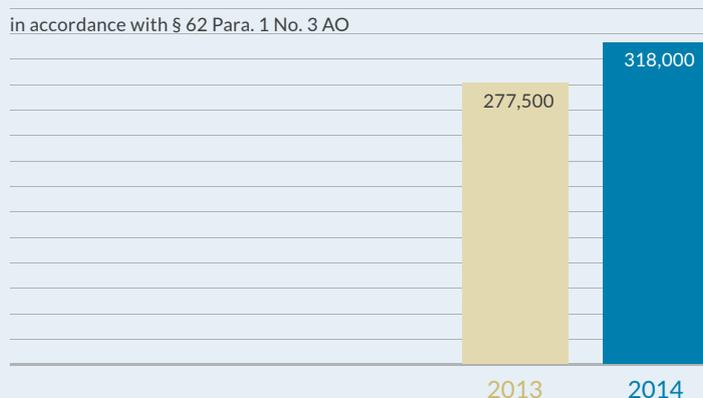
Sources of income* (€, thousands)



Program expenditures* (€, thousands)



Reserves* (€, thousands)



Program expenditures

The Bertelsmann Stiftung invested €50.6 million directly in program activities in fiscal year 2014, reaching the level of the previous year.

Funding the foundation's activities

The Bertelsmann Stiftung finances its project work primarily through income from its indirect holdings in Bertelsmann SE & Co. KGaA, which generated funds of €117.6 million in fiscal year 2014. Additional funds are available to the Bertelsmann Stiftung from its cooperative partnerships, such as those with other nonprofit organizations, and from the management of its financial reserves. In the 2014 fiscal year, the foundation's financial resources totaled approximately €126.1 million.

Reserves

Under its bylaws, the Bertelsmann Stiftung is required to transfer funds into an unrestricted reserve fund in accordance with Section 62 Para. 1 No. 3 of the German Fiscal Code (Abgabenordnung, AO). An additional €40.5 million was transferred in fiscal year 2014, so that the reserve fund held €318 million as of December 31, 2014.

Asset management strategy

The goal of the Bertelsmann Stiftung's asset management strategy is to sustain the organization's assets over the long term while generating ongoing interest and dividend income. Both objectives are pursued using widely diversified investments and a balanced risk-return ratio. We therefore make use of the various asset classes of stocks, bonds, real estate and, to a much lesser extent, commodities in the strategic weighting of our portfolio. Bonds - corporate, government and other public-sector issues - made up approximately 80 percent of our total holdings. In keeping with our holistic risk management approach, credit rating and maturity are key factors determining our investment choices, as is having a portfolio of investments covering a wide range of sectors. Accounting for approximately 20 percent of our holdings, the stocks we invest in are largely those of major European enterprises, but include international blue chips as well. Tactical over- and underweighting, along with new investments, are

* Financial data for 2013 audited / Financial data for 2014 not yet audited

used to respond to current trends and developments of particular importance.

This investment strategy allowed the Bertelsmann Stiftung to achieve an overall annual return in 2014 of 6.22 percent.

The Bertelsmann Stiftung Executive Board has appointed an investment committee to advise the foundation on a number of issues, including developing the foundation's asset management strategy and assessing the strategy's performance. In accordance with the foundation's asset management guidelines, the investment committee also issues recommendations for the weighting of assets. An information and reporting system for asset management activities keeps the foundation's Executive Board informed of current developments.

Statement* of the Bertelsmann Stiftung's assets and liabilities as of December 31, 2014

ASSETS (€, thousands)	Dec. 31, 2013	Dec. 31, 2014
Fixed assets		
Intangible assets and tangible assets	31,716.2	30,982.3
Financial assets:		
Shares	592,178.9	592,178.9
Investments in securities	322,548.0	363,177.0
Total fixed assets	946,443.1	986,338.2
Current assets		
Available funds	57.4	44.1
Receivables and other assets	8,687.0	635.5
Liquid assets	80,734.6	101,530.1
Total current assets	89,479.0	102,209.7
Prepaid expenses	83.1	192.5
Balance from asset management	475.3	457.5
Total balance-sheet assets	1,036,480.5	1,089,197.9
Assets held in trust	4,910.9	5,063.0
LIABILITIES (€, thousands)	Dec. 31, 2013	Dec. 31, 2014
Endowment capital	618,997.6	618,997.6
Reserves		
§ 62 Para. 1 No. 3 AO (Free reserves)	277,500.0	318,000.0
§ 62 Para. 1 No. 1 AO (Reserves in acc. with bylaws)	0.0	3,850.0
Restructured assets	13,913.3	13,913.6
Total reserves	291,413.3	335,263.6
Funds carried forward	105,510.8	111,724.0
Accrued liabilities		
Provisions for pensions	12,388.7	14,140.8
Other liabilities	4,269.2	4,363.4
Total accrued liabilities	16,657.9	18,504.2
Accounts payable		
Accounts payable for goods and services	2,970.2	3,220.2
Other accounts payable	908.7	988.3
Total accounts payable	3,878.9	4,208.5
Deferred income	22.0	0.0
Total balance-sheet liabilities	1,036,480.5	1,089,197.9
Trust accounts payable	4,910.9	5,063.0

* Financial data for 2014 not yet audited.

FACTS AND FIGURES 2014

Human Resources

Our Human Resources department focuses on people. Its contemporary HR practices create the conditions that allow the foundation's project teams to work efficiently and effectively developing innovative solutions to social challenges.

Human resources policies

The Bertelsmann Stiftung's overall strategy serves as the basis for our HR policies. The HR department's key responsibility is to recruit committed employees for the challenging work done at the Bertelsmann Stiftung and then support their ongoing professional development. The HR department also designs policies that create a partnership-based culture of working and learning.

The main areas of activity in 2014 were the annual planning of HR capacity; HR planning for ongoing activities; systematic HR development with a focus on promoting new talent and international and cultural diversity; increasing the Bertelsmann Stiftung's attractiveness as an employer; HR-related organizational development measures; and promoting work-life balance and employee health.

Strategic HR planning

One of our key goals is recruiting, supporting and retaining the brightest and best. HR planning begins as soon as project ideas are proposed, since getting our HR specialists involved at an early stage makes it possible to find the best people for a given project. A major challenge in this regard is not exceeding HR limits while keeping in mind the number of employees a project will require to achieve its goals. Ongoing dialogue with the Executive Board and senior managers makes it possible to meet that challenge.

The Bertelsmann Stiftung – an attractive employer

In 2014, 2,733 applicants expressed interest in working at the Bertelsmann Stiftung. A total of 24 new employees were hired. In addition, 56 students and recent university graduates had an opportunity to intern at the foundation and learn more about its projects.

www.karriere.bertelsmann-stiftung.de

Systematic HR development

The Bertelsmann Stiftung offers exciting professional challenges and a wide range of development opportunities. We start early to initiate a dialogue that allows employees, supervisors and HR managers to discuss personal development options, thereby determining possible career paths and suitable development measures. The aim is to prepare each employee to carry out their current and future responsibilities at the foundation. A broad portfolio of development tools is used, from strategic training, such as coaching and mentoring, to job shadowing, job rotation and assignment at one of our international affiliates. Employees also receive individualized support that increases their employability outside the foundation.

Supporting new talent – the Junior Professionals Program

The Bertelsmann Stiftung has offered its Junior Professionals Program since 2009, providing targeted support for developing new talent in the nonprofit sector. Over the course of 18 months, participants qualify as project managers with an international and interdisciplinary focus. In addition to gaining hands-on experience in various projects, Junior Professionals participate in an extensive training and mentoring program.

The program began accepting applications for the fourth time in early 2014. Almost 1,000 applications were received during the five-week submission period.

In previous years, three or four applicants were accepted into the Junior Professionals Program. The most recent pool of candidates was so strong that five applicants were accepted and began working at the foundation in September 2014. Overall, seven program graduates currently hold the position of project manager at the Bertelsmann Stiftung, and one has already advanced to the position of senior project manager.



Junior Professionals at the Bertelsmann Stiftung.

Work-life balance

Putting conditions in place that allow employees to balance professional and personal commitments not only makes the Bertelsmann Stiftung more attractive to job applicants, it also increases loyalty among existing employees and helps them maintain their health.

The foundation's HR policies are designed to promote flexibility and provide employees with comprehensive support, making it easier for them to carry out their professional duties. This includes flexible work hours, the opportunity to take a sabbatical, and possibilities for telecommuting and working part-time. The Bertelsmann Stiftung also provides individualized and affordable family support services, such as a parent/child workroom, which allows employees to bring a child to the office when necessary. In addition to supporting childcare centers in Gütersloh, the foundation offers childcare services when schools are not in session and for up to five working days per year in emergency situations. The costs are shared by the foundation and the employee making use of the services. An external family-

service agency provides information and support in finding childcare providers and home-care options for family members needing assistance.

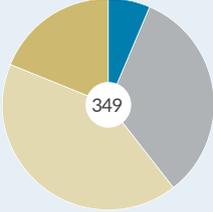
Promoting health

The topic of health is a particularly important aspect of our HR activities, especially in light of demographic changes and the increasingly rapid pace of working life. In cooperation with employee representatives, we create the conditions that promote the long-term performance and health of our employees.

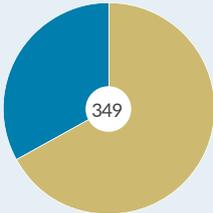
In addition to providing state-of-the-art workplaces that enhance wellbeing, the Bertelsmann Stiftung partners with health insurance companies and in-house health managers to offer a range of preventive measures. Regular health screenings that monitor cardiovascular health, thyroid function, back strength and other physical factors help employees identify potential health risks at an early stage, thereby improving their quality of life and performance at

work. In addition, in-company social services provide mental health support for all employees. Finally, an extensive exercise and wellness program promotes physical fitness, stress reduction and overall wellbeing.

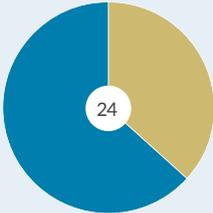
Promoting health is also a management task. Our managers are therefore trained to recognize health-threatening factors in the workplace early on and to identify appropriate solutions together with employees.



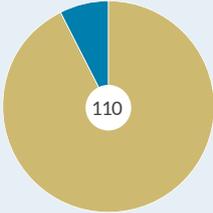
Employees		by age
23	< 30 years	average age: 42.0 years
115	30 – 39 years	
146	40 – 49 years	
65	> 50 years	



Employees		by gender
234	female	
115	male	



Senior Managers		by gender
9	female	
15	male	



Part-time		by gender
102	female	
8	male	

Of all Bertelsmann Stiftung employees, 31.5% work part-time.

FACTS AND FIGURES 2014 Communications

Maintaining transparency and ensuring openness are central principles underlying the Bertelsmann Stiftung's work. The foundation therefore provides in-depth information to anyone interested in learning more about its activities.



Klaus-Henning Groth,
Senior Vice President
Communications at the
Bertelsmann Stiftung

Media relations

Through its extensive media relations work, the Bertelsmann Stiftung informs the public about its activities and findings. In addition to issuing press releases, the press office arranges for behind-the-scenes interviews with members of the Executive Board and experts involved in the foundation's programs. We regularly invite journalists to participate in our discussions with representatives from all areas of society.

We are pleased to provide television and radio journalists with broadcast-ready video and audio materials on our events and activities.

www.bertelsmann-stiftung.de/presse

Head of Press:

André Zimmermann
andre.zimmermann@bertelsmann-stiftung.de

Contact for television and radio journalists:

Andrea Rohden
andrea.rohden@bertelsmann-stiftung.de



Press releases inform the public about the results of our project work.



Members of the Executive Board and program experts are available for background interviews.

Digital communications

Website

The Bertelsmann Stiftung re-launched its website (bertelsmannstiftung.de) in December 2014, giving it a new look and a structure that makes it easier to access our programs and projects. Our main navigation panel serves as a guide to the diverse issues we address, grouping our more than 60 projects into six categories: Shaping Democracy, Promoting Health, Vitalizing Culture, Strengthening Economies, Advancing Societies, Improving Education. A new keyword search allows users to find and order all of our books, studies, newsletters and other publications, including our magazine *change*, as well as audio and e-books. In addition, our media center makes it easy to access our image galleries, infographics and videos.

www.bertelsmann-stiftung.de

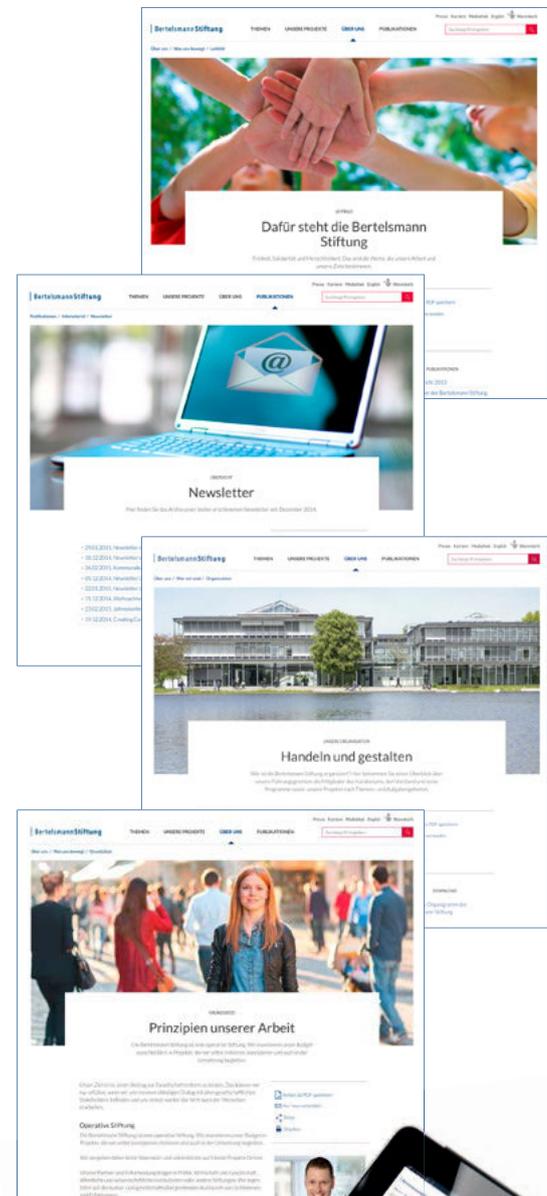
Social media

In addition to our website, we are present on social networking sites such as Facebook, Google+, SlideShare, Twitter, Xing and YouTube. These sites can also be used to contact us directly. In addition, our project teams and other specialists have their own social media profiles.

Mobile site

The foundation's website works with all mobile devices, automatically scaling to fit the screen. We support Internet Explorer 8 or above, Mozilla Firefox 30 or above, Google Chrome 35 or above and Safari 6 or above. Our app for iPad and iPhone was discontinued following the website re-launch. Our RSS feeds are available at:

www.bertelsmann-stiftung.de/de/service/rss-feeds/





Magazine and informational materials

change – The Bertelsmann Stiftung Magazine

Proposals for reform need to be explained so they can be understood by a broader public. The name of our corporate magazine, *change*, is therefore highly fitting, since the Bertelsmann Stiftung stands for social change. Our aim is to address topics that are important to, and center on, people. As the largest foundation in Europe to carry out its own project work, we seek to make our ideas and activities more visible. *change* helps us inform people about policy issues that are of critical importance to society.

change is published quarterly and has a circulation of 100,000. Each issue focuses on a specific topic and is accompanied by a digital edition, which provides additional information about our project work.

Annual report

A look back, a look ahead, contact information, facts and figures – our annual report offers an account of our activities as a nonprofit foundation, describing our work and its outcomes. It provides an in-depth look at what we do and makes our programs more transparent. In addition, it allows the members of the Executive Board to discuss their roles and describe their projects. It also allows them to provide an accounting, together with our program managers, of the foundation's activities during the past year. Our annual report is available in German and English.

Bertelsmann Stiftung – At a Glance

This brief summary provides an overview of our programs and projects.



Verlag Bertelsmann Stiftung

Making good ideas known

Innovation is what we are all about. In our books, we ask new questions and provide unexpected answers. We get involved in the political debate, analyze processes of social change and propose solutions that can help society meet its current and coming challenges.

New releases from Verlag Bertelsmann Stiftung

Published every spring, our annual catalogue provides an overview of our planned book releases, along with our backlist and e-book editions. The brochure “Publications 2015/2016” offers an overview of our English-language titles. Further information is available online at www.bertelsmann-stiftung.de/verlag www.bertelsmann-stiftung.org/publications

E-Books

All our publications are also available in electronic form. A list of digital titles and information on how to order them can be found at www.bertelsmann-stiftung.de/ebooks

Newsletter

The quarterly newsletter “Neues aus dem Verlag Bertelsmann Stiftung” (News from Verlag Bertelsmann Stiftung) provides information on current books, topics and events. To subscribe, please visit www.bertelsmann-stiftung.de/newsletter

Frankfurt Book Fair

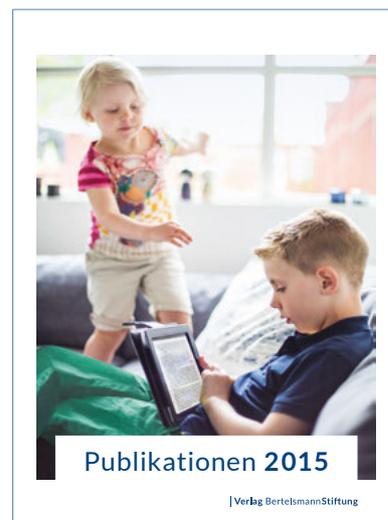
Each year Verlag Bertelsmann Stiftung has its own booth at the Frankfurt Book Fair, where it organizes a range of events. For more information, please visit: www.bertelsmann-stiftung.de/verlag

Director of Publishing:

Sabine Reimann
sabine.reimann@bertelsmann-stiftung.de



The Verlag Bertelsmann Stiftung booth at the Frankfurt Book Fair allows visitors to learn about the foundation’s latest publications.



Governance



Aart De Geus



Liz Mohn



Dr. Jörg Dräger



Dr. Brigitte Mohn

Executive Board

The members of the Bertelsmann Stiftung Executive Board are Aart De Geus (chairman), Liz Mohn (vice-chairwoman), Dr. Jörg Dräger and Dr. Brigitte Mohn.

Board of Trustees

The Board of Trustees serves as an advisory and controlling body, comparable to a supervisory board. It is made up of individuals who have demonstrated ongoing interest in the work of the foundation, as well as leadership experience and insight into social progress.

As the founder of the Bertelsmann Stiftung, Reinhard Mohn was a member of the Board of Trustees until his death on October 3, 2009.

Dr. Guido Westerwelle and Dr. Viviane Reding joined the Board of Trustees in 2014.

- Prof. Dr. Werner J. Bauer (chairman), chairman of the Supervisory Board of Nestlé Deutschland AG
- Liz Mohn (vice-chairwoman), member of the Supervisory Board of Bertelsmann SE & Co. KGaA, chairwoman of the Shareholders' Meeting and chairwoman of the Steering Committee of Bertelsmann Verwaltungsgesellschaft mbH
- Wolf Bauer, CEO of UFA Film & TV Produktion GmbH
- Dr. Wulf H. Bernotat, former chairman of the Board of Management of E.ON AG
- Dr. Ralph Heck, director of McKinsey & Company, Inc.
- Christoph Mohn, chairman of the Supervisory Board of Bertelsmann SE & Co. KGaA, chairman of the Executive Board of the Reinhard Mohn Stiftung, CEO of Christoph Mohn Internet Holding GmbH and shareholder of Bertelsmann Verwaltungsgesellschaft mbH
- Carolina Müller-Möhl, president of the Müller-Möhl Group and the Müller-Möhl Foundation and member of the Board of Directors of Orascom Development Holding AG and of Neue Zürcher Zeitung AG
- Prof. Dr. Thomas Rauschenbach, chairman and director of the German Youth Institute
- Dr. Viviane Reding, former vice-president of the European Commission and member of the European Parliament
- Rolf Schmidt-Holtz, chairman of the Supervisory Board of Just Software AG
- Dr. Wolfgang Schüssel, former chancellor of the Republic of Austria
- Dr. Jürgen Stark, former chief economist and member of the Executive Board of the European Central Bank
- Dr. Guido Westerwelle, former German foreign minister and founder of the Westerwelle Foundation for International Understanding



Prof. Dr. Werner J. Bauer
(Chairman)



Liz Mohn
(Vice-Chairwoman)



Wolf Bauer



Dr. Wulf H. Bernotat



Dr. Ralph Heck



Christoph Mohn



Carolina Müller-Möhl



Prof. Dr. Thomas
Rauschenbach



Dr. Viviane Reding



Rolf Schmidt-Holtz



Dr. Wolfgang Schüssel



Prof. Dr. Jürgen Stark



Dr. Guido Westerwelle

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