

# 2012

Annual Report – Bertelsmann Stiftung

## Inspiring People. Shaping the Future.





# 2012

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# Bertelsmann Stiftung 2012

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Inspiring People.  
Shaping the Future.

**Dear Friends,**



Having become chairman and CEO of the Bertelsmann Stiftung in August 2012, I am now pleased to present our annual report detailing the foundation's many activities over the past year. In 2012, we increased our efforts to "learn from the world" – in keeping with the motto and vision of our founder, Reinhard Mohn – and to share our ideas with the international community. Last year, the foundation focused in particular on expanding its international activities.

As a result, we are currently developing our connections in four global regions: Europe, the United States, Asia (China, India) and South America (Brazil). Our colleagues in the foundation's Brussels office and at our independent affiliates in Barcelona and Washington are providing valuable support in this effort. In regions where we do not have our own representation, we are collaborating with new strategic partners.

The Bertelsmann Stiftung is a unique institution, in that it is both a successful think tank and a foundation that initiates and carries out its own projects. It is a place where people think seriously about the future, across the boundaries of political affiliation, and work with capable partners to effect change. We share our insights with the public on critical issues for the future, provide for independent and objective evaluation of our findings and ensure that those findings are transparent. In view of that, we hope you will enter into a conversation with us regarding our ideas, analyses and proposals.

This annual report contains a comprehensive overview of those ideas, analyses and proposals, as well as additional information about our work and related topics of interest.

Finally, I would like to express my thanks to Prof. Gunter Thielen. He was named chair of the Bertelsmann Stiftung's Board of Trustees in 2001 and joined the Executive Board as its chair on January 1, 2008. Having reached the age of retirement, he relinquished his position on the Executive Board in 2012, as mandated by the foundation's articles of incorporation. The time Prof. Thielen spent leading the Bertelsmann Stiftung was characterized by a wealth of innovative ideas and global interactions. We are deeply in his debt.

Should you have any questions or suggestions regarding our annual report or our activities in general, please don't hesitate to contact us.

Sincerely,

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

Aart De Geus

## Learning from the world

Global developments related to demographic trends, trade, technology, sustainability and mobility have brought new challenges to many, including the Bertelsmann Stiftung.

Since its founding in 1977, the Bertelsmann Stiftung has operated internationally. “Learn from the world” was the watchword of our founder, Reinhard Mohn. Over the past 34 years, this approach has proved extremely successful. Particularly in recent years, however, a number of global developments – stemming from demographic trends, trade, technology, sustainability and mobility, to name just a few areas – have changed our world. Now, at the dawn of the 21st century, we must respond by expanding the foundation’s international work. To express what this means in concrete terms, we have chosen the motto “Learn, connect and transfer.”

*Learn* means that the foundation will redouble its efforts to learn from examples all over the world as it seeks to develop and implement the best possible solutions for Germany.

*Connect* underscores an awareness that many problems can no longer be solved by individual countries working alone. Change does not stop at national borders. And just as nations have responded to the global

nature of their challenges by joining forces, so too the Bertelsmann Stiftung must increasingly act within international networks.

*Transfer* reflects the Bertelsmann Stiftung’s commitment to disseminating its project results more broadly, both nationally and internationally, and making its approaches, indicators and tools available to others in the field. The decision to do this stems in no small part from the observation that in today’s world, solutions and products developed in Germany are in high demand. And, of course, it is not a one-way street: It is essential that our partners share their ideas and initiatives with the Bertelsmann Stiftung. Both sides must learn from each other.

Internationalization is a process that must take place gradually and strategically. Our Executive Board has chosen the social market economy – Germany’s post-war economic model – along with sustainable governance and education as initial topics to address in this area. Supplementing these are cross-cutting issues and methods for promoting dialogue that are international by definition. Moreover, the principle of looking beyond national borders to learn from and share with the wider world is a standard we feel compelled to meet throughout the Bertelsmann Stiftung.



Passing the baton: Prof. Gunter Thielen (right), the foundation’s departing chairman and CEO, welcomed his successor, Aart De Geus, on August 5, 2012.

In keeping with our thematic focus, we have chosen to limit our activities to clearly defined geographical areas. For now, the Bertelsmann Stiftung will expand its international connections and make its resources and methods more widely available in four global regions: Europe, the United States, Asia (China, India) and South America (Brazil).

The decision to focus the foundation's international activities on three BRIC nations – China, India and Brazil – derives from a core objective outlined in our mission statement: promoting equal participation in a globalized world. The foundation's work is thus based on a fundamental conviction that the new international power constellations forming in the wake of globalization – in both the political and economic spheres – will have an enormous effect on opportunities for social participation in Germany. If we are to provide the solutions and contextual knowledge needed to meet the challenges arising from these developments, we must both broaden our understanding of the largest emerging economies and deepen our interaction with them.

We intend to do this not by adding more offices abroad, but by creating new alliances and making new contacts. In 2012, we added four strategic partnerships: with the Asia Society, the China Center for International Economic Exchanges (CCIEE), the Fundação Getulio Vargas (FGV) and the Organisation for Economic Cooperation and Development (OECD).

The internationalization of the Bertelsmann Stiftung is taking place at a time when things are changing more rapidly than ever before and in more areas of life than ever before. New means of transport and communication are just two manifestations of this acceleration, now a hallmark of the 21st century. The whole world is moving faster, and so must we in our everyday activities at the foundation. To maintain our leadership among our peers in Europe and to advance into the globe's top tier of think tanks, the Bertelsmann Stiftung must also move at a faster pace.

Moving faster, being a leader and addressing ever more complex challenges all require finding the time and resources to focus on new issues. To put it concretely: We must complete a significant

number of our projects every year, or transfer them to other organizations, either in Germany or abroad. Only then can we launch new initiatives. We have already taken appropriate steps in this direction, as is clear from the following descriptions of our 2012 activities.

As part of its internationalization strategy, the foundation established a new project area in 2012 that focuses on the relationship between Germany and Asia. Last October, it organized the first Asian-European Young Leaders Forum in New Delhi, which examined the issue of demographic change around the world. While Europe grapples with the challenges of an aging population, countries such as India are facing the task of integrating young and rapidly growing demographic cohorts into society – whether that means the job market, the social welfare system or educational programs. At the forum, international speakers met with 32 young European and Asian leaders from the political and business spheres to discuss current problems and explore potential solutions. The event received considerable media attention, and when it was finished participants had the opportunity to present

Aart De Geus



*“Moving faster, being a leader and addressing ever more complex challenges all require finding the time and resources to focus on new issues.”*

Aart De Geus

their conclusions to approximately 600 decision makers at the Asia-Pacific Conference of German Business, as well as at a breakfast meeting with German Economics Minister Philipp Rösler. Among other recommendations, the participants called for greater international recognition of educational degrees and the introduction of bilateral agreements on migration.

The year 2012 brought with it a more international focus in other areas as well. At its annual financial conference in Washington, DC in April, the Bertelsmann Foundation North America presented its proposal for an international nonprofit credit rating agency (INCRA), drawing much media attention nationally and internationally. The foundation developed its proposal in response to increasingly vociferous criticism of the traditional credit rating agencies following the 2008 financial crisis, criticism that was heard again in 2012. In addition to employing the traditional macroeconomic criteria for sovereign-risk assessment, the model of an independent, nonprofit international agency proposed by the Bertelsmann Stiftung uses “forward-looking” indicators to evaluate a country’s current and future financial strength. These include such factors as the nation’s crisis management, investments in and development of future resources, and implementation of necessary structural reforms. Many of these indicators have already been tested for years in the context of the Bertelsmann Stiftung’s Transformation Index (BTI) and Sustainable Governance Indicators (SGI). Unlike the calculations of traditional rating agencies, those carried out by INCRA are completely transparent. The first practical test of INCRA took place in Berlin in November, when the Bertelsmann Stiftung released initial sovereign-debt ratings for Brazil, Germany, France, Italy and Japan.

2012 was also a year of music: At a gala celebration that was broadcast on Germany’s ZDF television network in October, our Musical Primary School project was awarded the ECHO Klassik Jury Award for the Fostering of Young Talent. Also in October, the NEUE STIMMEN International Singing Competition founded by Liz Mohn, who still serves as its president, celebrated its 25th anniversary. Following NEUE STIMMEN’s International Master Class and its inaugural Lied Master Class, the anniversary year was capped off by a Jubilee Concert presented on December 1 at the Gütersloh Theater. Twelve former NEUE STIMMEN participants and finalists, all internationally renowned in their areas of specialization, were joined by a special guest, baritone Thomas Hampson, for a journey through the past 25 years, expressing in music their thanks to the audience, Liz Mohn and the Bertelsmann Stiftung. Prof. Jürgen Flimm, artistic director of Berlin’s Staatsoper im Schiller Theater, was the evening’s featured speaker. Accompanied by the Bochum Symphony Orchestra under the direction of Marcus Bosch, the singers entertained the audience – along with nearly 10,000 viewers of the live-streamed concert – with their musical congratulations. Other special events rounded out the NEUE STIMMEN jubilee year, including the release of *25 Years of Neue Stimmen*, a CD recorded live; the filming of *Die Meistermacher* (The Meister Makers) by German television broadcaster WDR; and the appearance of three former contestants on the prime-time ZDF/arte television show *Stars von morgen* (Stars of Tomorrow).

With the inaugural issue of *Chancenspiegel* (Equity and Excellence Monitor) in 2012, the Bertelsmann Stiftung stimulated broad debate on ways to improve the quality of education and promote equal opportunity



Aart De Geus, Liz Mohn, South Korean Prime Minister Kim Hwang-sik and German Ambassador Hans-Ulrich Seidt (left to right) agreed to organize further events for promoting dialogue.



EU Commissioner for Employment László Andor (left) and Aart De Geus opened the conference on "Creating Second Career Labour Markets" in Brussels.

within Germany's school system. We highlighted areas in Germany that already boast high-quality full-day programs, inclusive schools and a low correlation between family background and educational success, as well as a low number of students repeating grades or failing to complete their education entirely. We also pointed out where there is a need for improvement. Like *Chancenspiegel*, our studies on other educational issues are recognized as valuable sources of data and research for policymakers, the media and experts in the field. Dr. Jörg Dräger, the Bertelsmann Stiftung Executive Board member responsible for educational programs, and his team are not only presenting ideas for ensuring all children have access to better education, they are also getting involved on a practical level. Continuing education for teachers is one example. In a partnership with education authorities in the state of North Rhine-Westphalia, the Bertelsmann Stiftung launched a program in which all of the teachers in any given school work together to make sure that instruction focuses on meeting the needs of each individual student.

Also during 2012, the Civil Society program overseen by Dr. Brigitte Mohn, member of the Bertelsmann Stiftung Executive Board, demonstrated how civic engagement can become part of every person's experience. For example, the project "jungbewegt" works with childcare centers, schools and nonschool youth programs to systematically help youngsters get involved. At this year's youth forum in Rhineland-Palatinate, young people discussed their visions of the future and what they might do to improve their living environments. At the end of the event, they presented their recommendations to the state premier. In seeking common solutions to the challenges of our time, projects in

this program area also work to strengthen cooperation among actors in the public, private and nonprofit sectors. For example, organizations and initiatives dedicated to youth work are brought together with willing sponsors as part of the project Kinder.Stiften.Zukunft (Children.Give.Future). The goal is to combat child poverty and promote high-quality education, healthy childhood environments and better career opportunities. By joining forces, all of the project's partners have a greater impact by sharing their knowledge and experience in their communities, their regions and beyond. The Bertelsmann Stiftung will continue to promote collaborative action through a range of projects and events, such as the Local Government Congress in March 2013, which will focus on how communities can work together with civil society.

The year 2012 also brought an important change in our governance: Dr. Jürgen Stark, former chief economist of the European Central Bank (ECB), and Dr. Ralph Heck, director at the management consulting firm McKinsey, were appointed to the Bertelsmann Stiftung Board of Trustees. Together with the Executive Board, the two men will be using their experience and expertise to support the Bertelsmann Stiftung and its work.

The year 2013 presents us once again with many exciting tasks and challenges. As we address them, three criteria – quality, relevance and effectiveness – will remain especially pressing if we want to create added value for society. A fourth aspect is equally imperative: that everyone at the Bertelsmann Stiftung work together as one energetic, enthusiastic team.

# Executive Board



*The team guiding the Bertelsmann Stiftung  
as it moves into the future and sharing  
responsibility for our 14 programs and  
our international offices in Brussels,  
Barcelona and Washington:*

*Dr. Brigitte Mohn, Aart De Geus (chair),  
Liz Mohn (vice-chair) and Dr. Jörg Dräger*



## In Appreciation

# Prof. Gunter Thielen: Retrospective and farewell

Prof. Gunter Thielen became chairman and CEO of the Bertelsmann Stiftung in 2008, the beginning of an era marked by strategic discernment, innovative ideas and international partnerships. He retired in August 2012.

by Wolfram Weimer



### Manager and friend

There are professions that demand an objective balance. Engineers, lawyers, physicians and the like all seek objective truths. Then there are those that require an outward balance. Politicians, judges, pastors and teachers, to name a few, must remain poised and steady at all times. But there are also professions that call for an existential balance – explorers, entrepreneurs and top-level executives, for instance. More than others, they live in a state of uncertainty and are more quickly confronted with fundamental issues. They are given to see both the grand perspective and the fragility of many aspects of life. They have a sixth sense for risks and rescues, for crashes and recoveries. At once deliberate and daring, they are the world’s risk-takers.

### An eye for opportunities

Gunter Thielen is that sort of risk-taker. When he looks at the world, he sees opportunities. He thus addresses problems not with the skeptical air of a nay-sayer, not with the quick temper of an accuser, not with the arrogance of a know-it-all or the cunning of a smooth-talking opportunist – but typically chooses instead the calm tone of a critically thinking friend. He looks expectantly at the people around him and takes a constructive approach to the world at large. What in others might be mere youthful optimism is deeply ingrained in Thielen’s character.

This rare balance of deliberation and daring, of leadership and caring is much appreciated by many, including Liz Mohn, vice-chair of the Bertelsmann Stiftung Executive Board. “The adage ‘to lead is to serve’ applies to him as it does to few others. He is a supporter and champion of the Bertelsmann Stiftung’s partnership-based corporate culture,” she says. But this would be his attitude even without Bertelsmann, because his convictions, like his loyalty, are a given. He is confident in himself and his values.



Prof. Gunter Thielen with Reinhard Mohn (1921–2009) at the awards ceremony for the 2006 Carl Bertelsmann Prize on “Active Aging in Economy and Society.”

When asked, many at Bertelsmann offer succinct descriptions: Thielen is “calm and self-assured, someone who doesn’t get upset easily,” a leader “who keeps the big picture in mind even in critical situations,” “someone with confidence who isn’t easily fooled, but who is still open to advice.” In a way, these are the hallmarks of good leadership. But what sets him apart is his unwavering sense of hope – even after so many years in the glitzy media world, with all its vanity, envy and cynicism. Gunter Thielen believes even the little things can help achieve a better world.

He is perhaps reminiscent of Dr. Bernard Rieux in Camus’ *The Plague*: the incarnation of the practical man, the helper, the man of action, who is comfortable in his own skin and neither despairs nor cuts corners, even when the situation becomes dire. Both Rieux and Thielen are friendly existentialists who, like Sisyphus, can roll stones up steep mountains day in and day out without giving up hope. And even if the stones continue to roll back down, these men start over, moving the stones again without fail. In existential terms, their credo might be: “Freedom comes from remaining true to your work and to yourself.”

## Roots in Saarland

Perhaps this constructive existentialism is an unconscious legacy of Germany’s Saarland region, where Thielen was born in 1942. Perhaps it also reflects his affinity for the natural sciences. Thielen studied mechanical engineering and economics at RWTH Aachen University, earning a doctorate in engineering. He joined BASF in Ludwigshafen in 1970, where he held a variety of executive positions. In 1976, he became technical director of the Wintershall refinery in Kassel. He came to Bertelsmann in 1980 as CEO of Maul-Belser, the rotogravure printing company in Nuremberg. He was then appointed to the Bertelsmann AG Executive Board in 1985 as head of what was then the Printing and Manufacturing division, which in 1999 became Bertelsmann Arvato AG. Under his leadership,

the division’s workforce grew from 9,000 to 30,000, and operating results increased fivefold. Despite his successes, he remained modest and unassuming. And because those character traits are an asset whose dividends ordinarily accrue to others, by 2002 he was on his way to heading the Bertelsmann Stiftung, when he was suddenly called upon to rescue Bertelsmann AG from the consequences of a less modest approach. And so, back to pushing stones uphill: consolidating operations, merging the music divisions of Sony and BMG, combining rotogravure operations with Springer in a joint venture, increasing holdings in RTL, buying back a Belgian holding company’s stake for €4.5 billion and mentoring a successor – not to mention conquering markets in Asia and Eastern Europe in his spare time. Nothing was too difficult for this engineer.

## Transition to the foundation

In January 2008, with the corporate house once again in order and infused with Thielen’s bedrock confidence, he finally took the helm at the Bertelsmann Stiftung – a fitting new beginning for an existentialist and risk-taker. But somewhat to their surprise, his colleagues saw the man of action hold his own with thinkers, the engineer surround himself with people of extraordinary intellect and talent.

Walking the tightrope of a career is always a solo act. Yet here again, Thielen held steady by remaining true to himself. He got stones rolling once again, this time in areas that were more academic, cultural and political. Moreover, he got them moving by giving others the freedom to contribute as well. “A motivated employee is a company’s best guarantee of success,” Thielen says, expressing a fundamental belief, and now he was motivating the intellectuals. As a manager, he had vehemently resisted treating employees merely as cost factors; now he supported research validating that perspective. Under his aegis, on issues such as education and social cohesion, the Bertelsmann Stiftung became a beacon.

*“We have succeeded in making our topics more widely known not only among experts, but also among the general public.”*

Gunter Thielen

He shares the foundation’s commitment to revitalizing the social market economy. “The gap between rich and poor is unacceptably large,” he explains. “The all-important middle class has been battered, something that cannot continue. Poverty has spread, shutting out one quarter of the population from German society. These people lack a basic education. And being excluded from normal life leads to disappointment and aggression. This is creating parallel societies. Today, 40 percent of people of immigrant background have not even received basic vocational training and, with that, will sooner or later be dependent on government assistance.” And so the Bertelsmann Stiftung goes to work, conducting research, offering advice, providing explanations and forming networks. All of that means it can promote transparency and present solutions – and not the simple, ideological solutions that are often advanced.

One result of Thielen’s pragmatic outlook is that open-mindedness and constructive goal-setting have become an integral part of how the foundation works. He has refused to be sidetracked by short-term political agendas.

That, too, has earned the Bertelsmann Stiftung high regard in the public sphere. Its strategies for reform are sought after, and the foundation itself is universally respected. That’s not surprising, given all that has been accomplished: Schools have been equipped with laptops, the German Learning Atlas and the CHE University Ranking now shed light on the Federal Republic’s educational performance. New rating agencies are being created for the financial markets, and new approaches to democratic participation are being implemented to promote civic engagement. During Thielen’s tenure, the Bertelsmann Stiftung has indeed moved some of Germany’s weightiest boulders.

### Leader and political thinker

And when others no longer have the confidence to consider fundamental reforms, Thielen appears with a big bold stone, calling for an overhaul of the country’s electoral system. “Germany’s national politicians are almost always campaigning for one candidate or another, and it takes up a lot of their time,” he says. “I propose that we consolidate as many state elections as possible, holding them on the same day, so we end up with longer periods between campaigns.”



At the 2006 International Bertelsmann Forum, with former German Foreign Minister and Vice-Chancellor Hans-Dietrich Genscher.



A conversation with Kofi Annan in Berlin, 2006.



At the international conference on “Responsible Sovereignty” in Berlin in 2008, with UN Secretary-General Ban Ki-moon and then German Foreign Minister and Vice-Chancellor Frank-Walter Steinmeier.



2008 Carl Bertelsmann Prize on "Integration Through Education." Celebrity ambassadors join Germany's Commissioner for Integration Maria Böhmer in promoting the Bertelsmann Stiftung's All Kids Are VIPs competition.

It thus became evident that this engineer and manager also has a deeply political bent, thinking beyond the boundaries of balance sheets, book publishing and profits. It was he who initiated the "Du bist Deutschland" (You Are Germany) campaign in 2005. He is also a member of Stuttgart Media University's Supervisory Council and a lecturer at Witten/Herdecke University. As a result, he has also broadened the scope of the Bertelsmann Stiftung's communications. "We have succeeded in making our topics more widely known not only among experts, but also among the general public. In addition, we have become much more transparent and confident in dealing with criticism. Overall, I think we're doing okay," he says, laconically summarizing the success of this proud institution. He thus hands over the reins of a Bertelsmann Stiftung that has become a think tank in the best sense of the word: a creative laboratory of free and progressive ideas that benefit society, but also a place of intellectual self-discovery, of an open exchange of ideas – much like the agora in the Athens of old.

Now he is leaving – as mandated by the foundation's articles of incorporation, which call for the chairman to retire upon reaching the age of 70. He says matter-of-factly, "I've always enjoyed it. Now is the right time

to stop. I'm leaving on the most amicable terms." There he is again, the Rieux among media managers. And because he is a Rieux, he is not actually stopping. He would like to stay involved in a few of the foundation's projects: implementing the proposal for an international nonprofit credit rating agency, designing a European employment agency, reducing youth unemployment in Spain. In addition, he is taking the helm at the Walter Blüchert Foundation in Gütersloh, an organization that assists people in need, disadvantaged youth and the children of immigrants. From now on, Gunter Thielen will be at work there, doing what he has always done: helping, building, inspiring. Moving stones, that is, and making sure no one falls by the wayside.

Wolfram Weimer is the publisher and founding editor of the magazine *Cicero*. He was previously editor-in-chief of the German newspaper *Die Welt* and of *Focus*, a national news magazine. He is the publisher of media for the business community, including the investor newspaper *Börse am Sonntag*.

Originally published in *change – The Bertelsmann Stiftung Magazine* (3/2012)



At the 2009 Citizens' Forum, with German Chancellor Angela Merkel.



At the 2011 "Back to Work" conference in Washington, DC, with Christine Lagarde, then France's minister of economic affairs and the current managing director of the International Monetary Fund.



At the 2011 conference on "The Social Market Economy as a Model for the Future," with Liz Mohn (right), vice-chair of the Bertelsmann Stiftung Executive Board, and Ursula von der Leyen, Germany's minister of labor and social affairs.

# Aart De Geus



*Many think tanks are focusing on the issue of labor market reform, including the Bertelsmann Stiftung. You have looked at it from a variety of perspectives: as a trade union representative, as the Netherlands' minister of social affairs and employment, as deputy secretary-general of the OECD and, finally, as the Bertelsmann Stiftung's chairman and CEO. Where do we stand in regard to this issue today?*

High unemployment in parts of Southern Europe as well as in France and England, combined with limited opportunities for the younger generation, is cause for concern. In contrast, Germany is in a relatively good position, thanks to the Hartz reforms it implemented a while ago. Before they took effect, unemployment was higher in Germany than in France. However, we do remain under competitive pressure from abroad. Companies must be able to react flexibly – and so must their employees. These days no one should expect to have just one employer and one job for their entire career. The challenge is to find a balance between the flexibility the labor market demands and the protection workers deserve. I believe that Germany should continue to pursue reforms that increase flexibility, but also invest in human capital while protecting employees and their rights.

*Young people have particularly poor prospects in the EU's southern member states, where the youth unemployment rate in some cases exceeds 50 percent. Do you see any solutions to this problem?*

The idea of a united Europe is, in my opinion, founded on the values of freedom, equality and solidarity. Solidarity is essential if we – the stronger economies – are to overcome the euro crisis. Rescue packages with their guarantees and payouts place a heavy burden on taxpayers in stronger countries. Yet solidarity is not a one-way street. The weaker economies in the euro zone must do their part, for example by pursuing conservative wage policies and raising the retirement age. The rescue packages cannot be allowed to take the pressure off the governments receiving aid. The less competitive economies must continue to increase their productivity through structural reforms.

The Bertelsmann Stiftung's Europe program has long been working on ways to improve Europe's prospects. We are analyzing the processes of European integration and developing recommendations for reform. With our office in Brussels and affiliate foundations in Washington and Barcelona, we already have strong networks in these regions. Furthermore, we now have partners in China, India and Brazil with whom we can cooperate closely.

## 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, and he became 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 Cooperation and Development (OECD) with responsibility for employment, entrepreneurship, social affairs, health, education and public governance.

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

*Last year's Civic Dialogue, in which German Chancellor Angela Merkel played a key role, addressed the question of Germany's economic future and how people will live here in coming years. In your opinion, will Germany's economy be based on the industrial or service sector? Will green jobs play a more significant part?*

Germany has traditionally been strong in the industrial sector, but service jobs are definitely on the rise. Take healthcare, for example. Owing to demographic trends, we will need more and more caregivers. While the number of people requiring care will grow by about 50 percent by the year 2030, about half a million full-time positions in the care sector will go unfilled, according to the foundation's most recent report on this topic. This represents a significant opportunity for creating new jobs. In addition, the job market would benefit from changes taking place in the energy sector, as OECD findings on green growth have shown. For example, the construction sector would profit from new building requirements promoting energy efficiency.

## New Momentum for Europe

# Getting countries working together instead of on their own

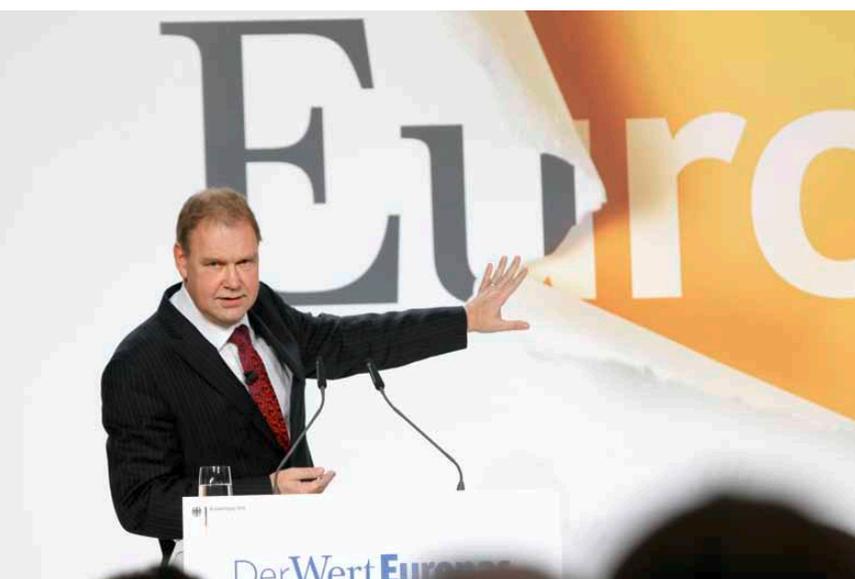
In times of crisis, international cooperation becomes increasingly important. Seeking the best solutions for Germany and Europe, the Bertelsmann Stiftung looks at innovative approaches being implemented around the world. Its networks and partnerships are designed to promote positive change.

Leading up to the conference on “The Value of Europe,” the Bertelsmann Stiftung asked people in three European countries what they thought of the EU and the euro. The results were surprisingly negative. Skepticism about the euro is rising. But there are ways out of the crisis.

“While self-confidence is increasing on other continents, self-doubts are increasing in Europe. That is something we have to change. Germany will not remain strong in the long term if Europe itself becomes the sick man.” Those were the words German Foreign Minister Guido Westerwelle used to open the conference on “The Value of Europe” held at the German Foreign Ministry in Berlin in September 2012. Co-sponsored by television broadcaster ARTE, Deutschlandfunk radio and the Bertelsmann Stiftung, the event sought to illuminate various aspects of a united Europe, namely Europe as a community of shared

values, as a currency union, as an economic power – and the Europe of tomorrow.

International specialists such as Portuguese Foreign Minister Paulo Portas, philosopher Peter Sloterdijk, Nobel Peace Prize laureate Shirin Ebadi, European Parliament member Elmar Brok and economist Beatrice Weder di Mauro engaged in a lively discussion in order to identify new ways of shaping Europe’s future. The German foreign minister urged his listeners to learn the right lessons from the crisis, saying what is needed is “more Europe,” but also “a better Europe.” He cautioned against an increased focus on national interests, protectionism and self-imposed isolation, since this is what jeopardizes prosperity. “If we want to maintain our prosperity,” he said, “then we Europeans must recognize that we are bound together by a common destiny, and that we must stand together to overcome this crisis.”



Aart De Geus, chairman and CEO of the Bertelsmann Stiftung, calls for a European dialogue.

### What do people think of Europe?

What value does Europe have if even its own citizens don’t trust it? If they view the EU and the euro as synonymous with crises and are tired of footing the bill? “We are witnessing not only a growing euro-skepticism in Germany, but also a perception gap throughout Europe,” Aart De Geus, chairman and CEO of the Bertelsmann Stiftung, said at the conference. Citing the latest findings, he pointed out that only slightly more than half of all Germans believe Germany’s membership in the EU is “more of an advantage” for them personally, while nearly a third view it as “more of a disadvantage.” The figures come from a representative survey conducted by the research institute TNS Emnid in Germany, France and Poland – the countries known as the Weimar Triangle – on behalf of the Bertelsmann Stiftung.



The discussion at the Foreign Ministry in Berlin brought together international leaders, including (left to right) German Foreign Minister Guido Westerwelle, the Bertelsmann Stiftung's Aart De Geus and Nobel Peace Prize laureate Shirin Ebadi ...

... and, on the panel, Portuguese Foreign Minister Paulo Portas.

About half of the Germans surveyed even said that their personal situation would be slightly better or much better if the European Union did not exist. Just 29 percent said their situation would be worse without the EU. In addition, 52 percent believe their own job prospects would be better or at least as good without the EU, while only 28 percent think they would be worse. Skepticism about Europe is particularly pronounced among Germans in midlife and later years and among the less educated and less affluent.

### Faith in the future of Europe

Opinions vary widely about future prospects. One-third of respondents believe that progress toward a more united Europe will continue. Just as many take a more skeptical view, with 35 percent saying the trend is in the opposite direction and 27 percent believing that the situation will remain unchanged.

Yet people in the three countries surveyed do not hold uniformly negative attitudes about Europe. In many respects, respondents in France and Poland have significantly more favorable opinions, with the majority saying that their personal situation or job prospects would be much worse without the EU. The topic of a "European identity," however, reveals major differences among the three countries. When asked "Does 'a European lifestyle' mean anything to you?" 66 percent of Poles said "yes," as did 44 percent of Germans, but only 26 percent of respondents in France said the concept was meaningful for them.

There are mixed feelings – but why? "The long period of postwar peace since 1945 has led to a gradual decline in Europe's political vision, turning Europe into a union of prosperity and consumerism," explained German philosopher Peter Sloterdijk at the conference. "Most people today are motivated not by ideas, but by the advantages life has to offer. Europe has done

a good job of distributing benefits, but as a source of inspiration, it has pretty much run dry." It is particularly significant that the Germans, once the greatest advocates of the EU and euro, now feel frustration with those two subjects more than anything else. De Geus believes that the survey is a wake-up call for politicians. "Especially in Germany, people are more negative than ever before about the EU and the euro," he said. "The situation demands a political response, a convincing plan for a deeper and better Union. The Europeans, and especially the Germans, want something that takes the place of their former currencies and the reliable nation-states of the postwar period. They want a euro that guarantees prosperity, and a consolidated EU as an anchor for stability and justice. Nothing less will truly satisfy them."

### A strong Europe must be an integrated Europe

Cohesion and not pettiness are what count, particularly in the business sphere, said Swiss-Italian economist Beatrice Weder di Mauro, and reminded her listeners that "if Europe is going to be strong, it must be integrated." Foreign Minister Westerwelle emphasized that Europe must rethink the situation, take any doubts expressed by the public seriously and look to the future. He noted that rarely has this been so important and that it was also the reason that the Future of Europe Group – an informal forum of 11 European foreign ministers – had drawn up proposals for addressing the euro's structural flaws and promoting democratic participation in Europe. "Only in a united Europe can Germany look forward to a bright future," he said. "What's crucial now is to take integration forward with unshakable resolve. That's the message the Future of Europe Group wants to get across. The road ahead will demand a good deal from all of us. That's why it's so important for us, the Europeans gathered here today, to remind ourselves that Europe is worth every effort."

## Studies Validate Proposed Reforms

# A path out of the crisis

First-rate policy solutions require in-depth analysis. The Bertelsmann Stiftung carries out studies of pressing international issues to provide politicians and other decision makers with the information they need.

### Risk of a global economic crisis

If Greece were to leave the euro zone, Europe and perhaps even the entire globe would be plunged into turmoil. This would affect not only Southern Europe and the EU member states, but the United States as well – not to mention China and other emerging economies. The result would be a global economic crisis. On behalf of the Bertelsmann Stiftung, research institute Prognos AG analyzed the financial consequences of such a crisis and, for the first time, the growth that would be lost by 2020 in Germany and the top 42 developed and newly industrialized countries.

The findings show that Greece's departure would result in economic losses for Germany of €73 billion.

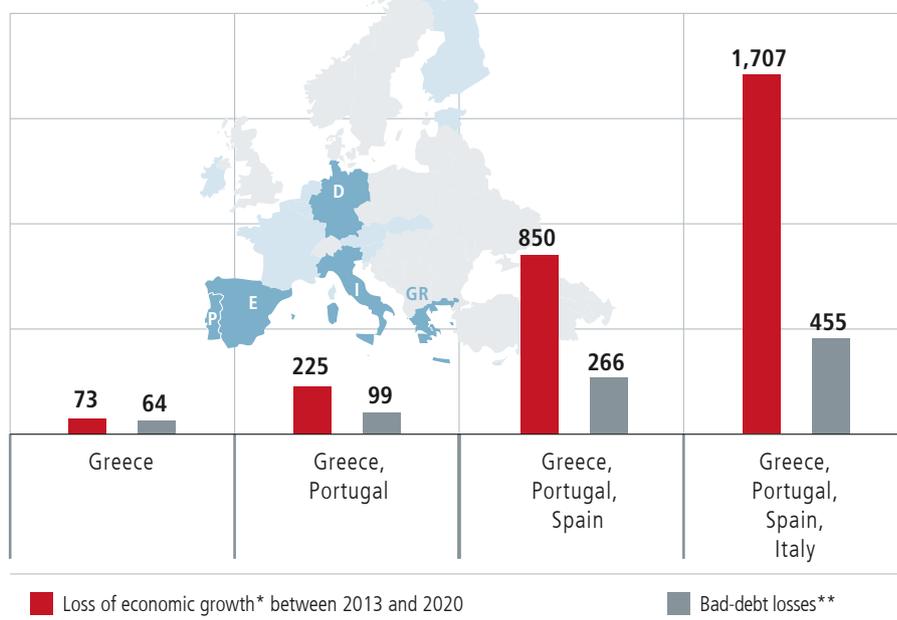
For Greece, this would mean bankruptcy, unemployment, massive devaluation of its new currency and reduced economic demand, among other consequences. If other countries, such as Portugal, Italy or Spain, were to leave the euro zone as well, losses for the world's 42 most important economies would amount to €17.2 trillion.

### New deficit rules for Europe

The fiscal compact adopted by the EU in March 2012 fails to take full advantage of the existing potential for growth. The *Maastricht 2.0* study by the Bertelsmann Stiftung and Prognos AG was particularly critical of the EU-wide “debt brake” contained in the compact, concluding that it is too restrictive over the long term and too lax over the short term, and does not take country-specific circumstances into account.

## Costs to Germany if Southern European countries declare bankruptcy and leave the euro zone

In billions of euros



\* Cumulative losses in real gross domestic product (not discounted) during the period from 2013 to 2020.

\*\* Write-off of public and private debts (e.g. from the euro rescue fund), assuming a 60-percent debt loss.

Source: Prognos AG

“Our proposal for new sovereign debt rules is much more growth-friendly than the debt brake contained in the fiscal compact. This would benefit all European countries,” explained Aart De Geus, chairman and CEO of the Bertelsmann Stiftung, as the study was released. “Using our approach, real growth could increase by some €450 billion by the year 2030.” This could have a significant effect on the debt situation in numerous European countries. The €450 billion could, for example, bring the national debts of Greece, Portugal, Ireland and Spain back down to 60 percent of GDP.

The new debt rules set out in *Maastricht 2.0* give heavily indebted countries more room for maneuver over the medium and long term than Europe’s current approach. If countries such as Greece, Portugal, Spain, Italy and Ireland are to reduce their debt to a manageable level, however, they need to cut costs in the first few years.

Sweden has shown that this is possible. In 1993, after a severe economic crisis, its national deficit was more than 11 percent of GDP. Within a short period of time, spending cuts and tax increases drastically reduced that figure. By 1997 it was only about 1.5 percent of GDP, and budget surpluses were even achieved in subsequent years. “So rapid consolidation is indeed possible, but it requires political will,” said De Geus.



Bertelsmann Stiftung studies look at what would happen if Southern European countries were to leave the EU, as well as the impact of the European debt brake.

## Program

# Europe's Future >

Europeans can look back with pride on a half century of peaceful integration. That success, however, is no guarantee that Europe will continue to be able to meet the challenges arising in a rapidly changing world. Moreover, a Europe dominated by expert elites is a thing of the past, since Europe's citizens are now clamoring for a more active role.

The European Union needs to vigorously pursue its goal of "unity in diversity," despite being hit by the worst economic crisis in memory. Whether the issue is energy or the euro, climate protection or conflicts unlike any seen before, Europe must rest on a strong foundation at home if it is to defend its interests abroad. The EU must therefore pay particular attention to how it shapes its social programs, since they will play a key role in ensuring broad-based support for its further growth. Only by promoting solidarity will Europe be able to uphold its values and defend its interests while competing with powers old and new. For much of the world, the EU is already a model of how diverse cultures can live together freely and in peace.

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:

#### United States of Europe

The financial crisis and the financial markets are putting pressure on the European Union to become even more united politically. Rather than simply enduring this situation, Europe needs to take an active role. The United States of Europe project is devising solutions and strategies for dealing with this challenge. The project focuses on strengthening Europe's democratic base, promoting social cohesion and developing the Union's economic structures. The very name of this project reflects an ambitious goal that needs to be explained and further developed as the process unfolds.

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#### Summer Academy Europe

Each year the Bertelsmann Stiftung and the Heinz Nixdorf Foundation invite next-generation leaders to participate in this one-week forum. It gives up-and-coming decision makers the opportunity to contribute to in-depth discussions of the political, economic and social developments impacting Europe.

[www.sommerakademie-europa.de](http://www.sommerakademie-europa.de)

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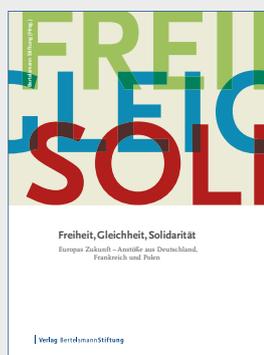
#### Europe and the Middle East

Europe is committed to international understanding with its neighbors in the Mediterranean region and the Middle East. The Bertelsmann Stiftung's Kronberg Middle East Talks provide a platform for achieving that goal, enabling Europeans to exchange views with the many key actors from this region. The talks have been organized in cooperation with partners from the region – first in Saudi Arabia, then in Morocco and in 2012 in Turkey.

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## 2012 Program Report



Freedom, equality, solidarity: In this publication, 12 reports and interviews from Germany, France and Poland discuss a shared European future.

### Project: United States of Europe

Efforts to overcome the euro crisis and strengthen the EU as an economic and political union were a major concern in 2012. European policymakers also focused on restructuring processes and developing new institutions as required by the Lisbon Treaty. In workshops, roundtable discussions and commentary by program experts, this project analyzed current debates, with findings appearing in the monthly policy brief *spotlight europe* and the magazine *Europe in Dialogue*.

The europ@school initiative, implemented in cooperation with the Heinz Nixdorf Foundation under the patronage of the state of North Rhine-Westphalia, provided suggestions for schoolteachers.

Together with the foundation's Communities for Better Living program and the government of North Rhine-Westphalia, the project also developed a system for documenting a community's "fitness for Europe." In addition, a new kind of German-French dialogue, which will continue into 2013, focused on the future of growth in Europe, particularly in Germany and France.

### Project: Summer Academy Europe

The theme of the 2012 Summer Academy Europe was Europe's role in promoting integration and democracy, both within the EU and in countries to the east and in the Mediterranean region. How can the EU do a better job of fulfilling this role? Given the euro crisis and faltering support in many countries for democracy and the rule of law, how can Europe best meet these expectations without succumbing to the pressures arising from them? In looking for answers to those questions, the Summer Academy is placing greater emphasis on interaction among Summer Academy participants and on cooperating more closely with the Bertelsmann Stiftung's other European projects.

### Project: Europe and the Middle East

The 2012 Kronberg Talks were held in Istanbul, resulting in new ideas for shaping the EU's ties to Turkey and underscoring the key role Turkey plays in the Middle East. The Europe and the Middle East project also continued to focus on the EU's neighboring states in North Africa, where broad-based movements are calling for more rights and democracy and seeking to bring an end to autocratic regimes.



Panel participants at the conference held at the Foreign Ministry in Berlin in September 2012 discussed the "value of Europe": (left to right) Joachim Fritz-Vannahme, director of the Europe's Future program; Guntram Wolff, deputy director of Bruegel (Brussels European and Global Economic Laboratory); and Dr. Jürgen Stark, former chief economist and member of the Executive Board of the European Central Bank and member of the Bertelsmann Stiftung Board of Trustees since 2012.

## Program

# Shaping Sustainable Economies >

The world's economic and social systems are being pushed to their limits by global megatrends, economic developments and social shifts – not to mention political upheaval and crises both economic and financial. In a globalized world marked by growing economic and political interdependence, new demands are being placed on the institutional framework for international business relations and national and transnational governance.

Holistic strategies are therefore needed that focus not only on economic performance, political stability and sound social and environmental systems, but also on improving the quality of life for people of all backgrounds. We believe, furthermore, that quality of life means ensuring everyone has the opportunity to live as they choose and to participate in society as fully as possible – without jeopardizing the opportunities and quality of life of future generations.

In order to create a sustainable market economy, we must balance social, economic and environmental concerns while remaining aware of ongoing global challenges and the need for effective governance. To that end, the Bertelsmann Stiftung creates evidence-based proposals on the national and global levels and develops them together with international partners, including researchers, practitioners, policymakers, business leaders and representatives of civil society.

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### Projects:

#### Future Challenges

How do global megatrends interact? And how do they impact people's lives? The online platform [futurechallenges.org](http://futurechallenges.org) is providing answers to these questions by bringing together an international network of bloggers to discuss the relevant issues from the perspective of each contributor's specific region. Supported by leading individuals and institutions around the globe, the project also carries out empirical studies and organizes conferences.

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#### Global Economic Dynamics: Costs and Benefits of Globalization

It is becoming increasingly important to gain a better understanding of globalization's economic consequences in general, as well as its specific impact on national economies and individual lives. With the help of an econometric model, we are working with Prognos AG to develop a monitoring tool that assesses in economic terms the costs and benefits of globalization.

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#### Global Economic Dynamics: Interdependencies and Their Consequences

This project creates data labs to collect and analyze information that can provide a better understanding of the dynamics of the global economy. Focus areas include the relationships, interdependencies and communications among countries. It also uses interactive visualizations to present complex issues in an accessible manner.

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#### Global Economic Symposium

The Bertelsmann Stiftung and the Kiel Institute for the World Economy have been jointly organizing the annual Global Economic Symposium (GES) since 2011. The GES is a forum for interdisciplinary dialogue among academics, business leaders, policymakers and representatives of civil society, allowing them to discuss global challenges and develop concrete responses.

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### Strategies for Transformation and Development

The Bertelsmann Stiftung's Transformation Index (BTI) assesses the quality of political systems, economic development and governance in 128 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 compare the long-term viability of the OECD's political and economic systems. They provide the empirical data, in-depth analysis and international benchmarks that policymakers need to strategically advance reforms.

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### 2013 Reinhard Mohn Prize

In keeping with the vision of Reinhard Mohn – the Bertelsmann Stiftung's founder, who died in 2009 – the Reinhard Mohn Prize is awarded every two years in recognition of innovative ideas for addressing social and political challenges. The theme of the 2013 prize is "Winning Strategies for a Sustainable Future."

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### Economic Dynamics and Employment

This project is devoted to developing employment-related innovations, re-integrating the long-term unemployed into the labor market and reducing the number of part-time and temporary positions. The goal is to help people in Germany move back into permanent, secure, full-time jobs.

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### Future Social Market Economy

This project addresses the challenges facing Germany's post-war economic model in an era of globalization. In cooperation with experts and the broader public, we identify, disseminate and discuss new approaches to social security as well as ideas for creating a 21st-century social market economy.

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At the Global Economic Symposium in Rio de Janeiro in October 2012, the Bertelsmann Stiftung Chairman and CEO Aart De Geus explained, "Global problems can only be solved globally."



At the conference on "Social Justice in the USA" in Washington, DC in March 2012: (left to right) Andrew Kohut, president, Pew Research Center; Adam Kushner, *National Journal* (moderator); Richard Trumka, president, AFL-CIO; Aart De Geus, chairman and CEO, Bertelsmann Stiftung; and Philip English, senior government relations advisor and former congressman (R-PA).

## 2012 Program Report



Both the GED study on how an exit from the euro would impact economic growth ...



... and the 2012 Transformation Index (BTI) attracted considerable international attention.

### Project: Future Challenges

In 2012, our social media project expanded its international network of bloggers. Today more than 160 contributors from 65 countries are reporting on such topics as the global effects of economic crises, transnational interdependencies related to unemployment and the ramifications of global competition for resources in rural areas.

### Project: Global Economic Dynamics

The project conducted analyses and devised strategies for addressing the euro crisis and the situation in Greece, such as the study *Maastricht 2.0 - Eine neue Finanzregel für Europa* (Maastricht 2.0 - New Financial Rules for Europe). It also calculated what the global economic consequences would be if crisis-plagued Southern European countries were to leave the euro zone. Findings were disseminated through the press, policy briefs and social media.

### Project: Global Economic Symposium

Held October 16 and 17, the 2012 Global Economic Symposium was organized by the Bertelsmann Stiftung and the Kiel Institute for the World Economy in cooperation with the Fundação Getulio Vargas. Focusing on the topic of “Growth Through Education and Innovation,” the symposium drew 600 international experts from the political, business, academic and social spheres to Rio de Janeiro, where they discussed solutions to global problems. The 2013 Global Economic Symposium will take place on October 1 and 2 in Kiel.

### Project: Strategies for Transformation and Development

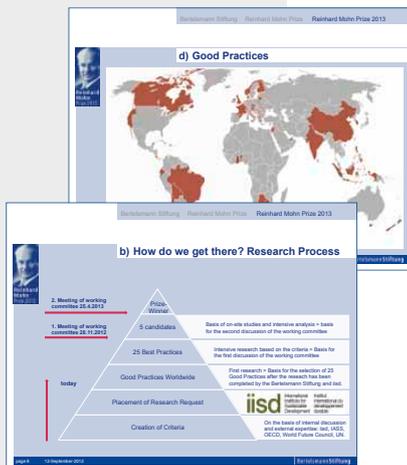
The publication of the Bertelsmann Stiftung’s 2012 Transformation Index (BTI) attracted considerable international attention. The index showed an improvement in the quality of democracy in such countries as Kenya and the Philippines, but warned of a decline in political participation and the rule of law, notably in Latin America and Eastern Europe. The special study *The Arab Spring: One Year After* concluded that unrest in the Arab world should be seen as an expression of rebellion against the old order rather than as a sustainable movement toward democracy. The inter-regional forum Transformation Thinkers was held in September 2012 bringing together young leaders from developing and transition countries.

### Project: Sustainable Governance Indicators

“Too Little of a Good Thing: Social Justice in the USA” was the topic of a conference held in March 2012 in Washington to discuss what the SGI’s social justice index had to say about conditions in the US. The project also played a major role in developing a model for an international non-profit credit rating agency (INCRA), which was introduced in April. The SGI special study *Change Ahead? Sustainable Governance in the BRICS* was published in connection with the 2012 Global Economic Symposium and received considerable attention from the international media.

### Project: 2013 Reinhard Mohn Prize

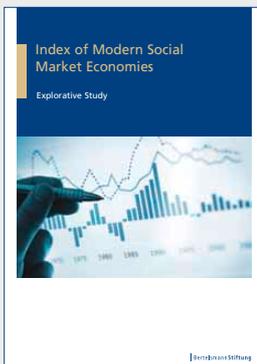
Dedicated to the topic “Winning Strategies for a Sustainable Future,” the 2013 Reinhard Mohn Prize will recognize innovative sustainability strategies that Germany and other countries can use as they develop their own policies in this area. Led by a committee of experts, an international search began in the summer of 2012 for a worthy recipient.



The international search for “Winning Strategies for a Sustainable Future” began in mid-2012.



One Bertelsmann Stiftung study examined possibilities for reforming how “mini-jobs” are used in Germany and the tax treatment of spouses.



The *Index of Modern Social Market Economies* compared eight countries.

### Project: Economic Dynamics and Employment

The project published two studies on temporary work in Germany: a detailed analysis of the issue, including the problem of unequal pay, as well as a proposal for facilitating transitions from temporary to permanent positions. Another study on low-level employment looked at possibilities for reforming how “mini-jobs” are used in Germany and the way spouses are treated under the tax code. In addition, *Mittelschicht unter Druck?* (The Middle Class: Increasingly Under Pressure?) examined long-term trends impacting Germany’s middle class. At the European level, the project focused on second-career labor markets, putting forth proposals that would enable people to continue working longer and promote a gradual transition to retirement.

### Project: Future Social Market Economy

A pilot study carried out in cooperation with the Center for Applied Research in Economics at the University of Münster tested a method for comparing social market economies in eight countries. The *Index of Modern Social Market Economies*, with individual country reports, was published at the end of 2012.

A series of public colloquiums on the future of the social market economy was held in Berlin to explore current issues relating to Germany’s labor and social policies. Seven policy briefs were also published on such topics as labor market policy, demographic change, public finance, sustainable business activities and the euro crisis.



The 2013 Reinhard Mohn Prize is conducting an international search for sustainability strategies that can be used in other countries. The international working committee met in Berlin in November 2012.

# Liz Mohn



*Mrs. Mohn, this past year you celebrated an important milestone: the 25th anniversary of the NEUE STIMMEN International Singing Competition.*

The NEUE STIMMEN competition has a special place in my heart. Through the competition we discover talented young opera singers, support them and follow their progress over a period of years. We are also dedicated to ensuring that classical music and opera continue to thrive – in Germany and all over the world. Above all, however, my goal is to promote understanding among young people from all countries, across any border or cultural barrier that may divide them. Some 1,200 talented young opera singers from all over the world participate in each of our competitions, becoming part of our community in the process. They support and learn from one another, and they find new friends and mentors. There is nothing like music to bring people together in a spirit of peace and reconciliation. It's a universal language, one that is heard and understood all over the world. Music builds bridges of understanding.

*How did the Bertelsmann Stiftung celebrate this special milestone?*

This year we again held our master classes, which take place every two years, alternating with the competition itself. In these classes, former NEUE STIMMEN participants work with internationally renowned musicians – in 2012 they included Prof. Francisco Arafa and Prof. Gustav Kuhn. Particular attention is given to vocal quality and musical expression as well as interpretation and stage presence. In celebration of our 25th anniversary, we added a master class devoted to lieder performance. It was led by renowned soprano Edda Moser, who has had close ties to our competition for many years. Our young artists were able to show what they had learned in a final concert, as well as a lieder recital that was open to the public.

The anniversary year culminated in a gala concert at the Gütersloh Theater, where 10 of our former contestants and finalists, many of whom are now performing at the world's great opera houses, sang arias from operas and operettas. Among them were Olga Bezsmertna, who won last year's competition, and 2003 winner Franco Fagioli, one of the top countertenors in the world, as well as Julia Novikova, who won the People's Choice Award in 2007. The evening's guest star was American baritone Thomas Hampson.

*What's next for NEUE STIMMEN?*

The competition will be held next year for the 15th time. Young opera singers of all nationalities are invited to submit their applications on our website between January 1 and March 31, 2013. Preliminary auditions will be held from April to August – in 22 cities all over the world. The year's events will culminate in the competition's final week in Gütersloh in October.

On March 14, 2013, the most recent prizewinners will be giving a concert in Berlin. We will continue holding our lied master class, which Austrian mezzo-soprano Angelika Kirchschrager will be teaching in 2013, in collaboration with the Konzerthaus Berlin.

## 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 conglomerate. She is vice-chair of the Bertelsmann Stiftung's Executive Board and its Board of Trustees and is a member of the Bertelsmann SE Supervisory Board. 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. She is also chair of the Board of Trustees of the Association of German Music Schools.

In 1999, she became 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.

## NEUE STIMMEN celebrates 25 years

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# International singing competition uses music to promote talented young opera singers and cross-cultural understanding

How do you discover the world's best up-and-coming opera singers? How can you help them develop personally and professionally? And how can music bring people together across all barriers to build bridges of understanding? The Bertelsmann Stiftung has been working for 25 years to do just that – with considerable success, thanks to the commitment and enthusiasm of everyone involved.

### Masterly experience

During the NEUE STIMMEN competition, the jury identifies a number of young singers whose voices and stage presence are not yet fully developed, but whose talent is unmistakable. To provide special support for these singers, the Bertelsmann Stiftung holds international master classes in the years between the NEUE STIMMEN competitions, which take place every two years.

### 2012 Master Class

It's 9:30 a.m. on a gray October morning. The small concert hall at Gütersloh's community center is gradually coming alive. Fourteen young people are taking off their shoes and forming a circle in front of the stage. "Good morning, everybody," says John Norris. An experienced acting teacher and opera director, he calmly issues instructions. He guides the young men and women through some loosening-up exercises. "Tap each other on the back," he says. "Feel your body vibrating! Make a crazy face!" For these talented young singers, all of them in stocking feet, Norris's warm-up has become a morning ritual, as familiar as reaching for a coffee cup at breakfast. But it also has a much more energizing effect: Before long the entire building seems to be vibrating. The sounds of singing and piano music can be heard coming from the small concert hall and the three conference rooms – and are even audible in the hallways. The voices of the participants in the ninth NEUE STIMMEN International Master Class – teachers as well as students – are tremendously powerful.

### Lied Master Class

Next door, on the theater's studio stage, a rehearsal open to the public has just begun, led by Edda Moser. For the first time, NEUE STIMMEN is holding a master class dedicated to singing lieder, and the world-renowned soprano is introducing four performers from Germany, the United States and South Korea to the intricacies of this classic German musical form. Before an audience of three dozen people, Julian Orlishausen rehearses Schubert's "Erlkönig," which Moser praises as "one of the world's great lieder." Impressing her is not an easy task. Every bit of advice sounds as if it were carved in stone. "When you're onstage, your power increases with your composure," she says. "Let your diaphragm do the work!" She focuses on the finest of details. "Begin singing 'säuselt' with a voiceless 's' sound," she explains. "The consonants reveal the artist's personality." The German lied is Moser's passion. "It's like an entire opera in two and a half minutes. It reflects the entire range of human emotions," she says. But the singer's pronunciation must be flawless. "Lieder recitals are often boring because the audience can't understand the singer," she tells her students. Her open master class, at any rate, is anything but boring – particularly for Orlishausen. "You quickly forget that the audience is also hearing her criticism," he says. "It's just so amazing to be able to work with her."



Xiahou Jinxu (center) has known from an early age that his life would be devoted to the opera. So the chance to take part in a master class taught by a world-class performer like Prof. Francisco Araíza is all the more important to him.



The exercises used by John Norris (right) make clear that it's not just about a singer's voice, but also about stage presence, expression and the joy of physical movement.



Edda Moser (left) demonstrates to Argentinian mezzo-soprano Guadelupe Barrientos that voice lessons can be anything but boring.

## Learning from the best

This year the NEUE STIMMEN International Singing Competition is celebrating its 25th anniversary and 14 singers from 11 countries are taking part in the master class. "In our first few years there were some wonderful singers from Eastern Europe," Prof. Gustav Kuhn, NEUE STIMMEN's artistic director, recalls. "They were followed by a wave of outstanding artists from China, Japan, Korea and eventually South America." Kuhn, too, is one of the master class instructors. He likes to work with a mirror and encourages the singers to look at themselves while they're performing. "If they look dreadful when they sing, then something's wrong," he explains.

That afternoon, Moser offers similar advice to Guadelupe Barrientos. "Relax, that's the most important thing," she says encouragingly. "After all, singing shouldn't be torture, you can't force a good performance." She gives a gentle tug upward on the Argentinian's ears. "Open up! Fill up the room!" Moser says. Barrientos interrupts her with a laugh. "My entire head is vibrating," the young mezzo-soprano explains. "It's incredible!" She is practically bursting with joy during the entire class – she's so thrilled to be here. "I feel fabulous! It's just amazing to be able to collaborate with these wonderful artists. They help us relax and get in touch with ourselves and our bodies, and work with us on our interpretation," Barrientos says. She is confident that the master class will improve her performance skills and help her "enjoy singing even more and dive down deeper into the emotions that opera conveys."

## Encouragement and hard work

"Dies Bildnis ist bezaubernd schön..." sings Xiahou Jinxu, beginning Tamino's aria in his strong tenor, and any ordinary listener would find it enchanting. "Stop!" interrupts Francisco Araíza, professor at Stuttgart's State University of Music and the Performing Arts. "The audience needs to see that you're surprised and deeply moved. Everyone in the theater should heave a sigh!" And indeed, it turns out that Jinxu can do even better. That is exactly what the competition is all about: making "neue Stimmen" – new voices – into exceptional voices. As his students sing, the Mexican-born tenor accompanies them with large, dramatic gestures as if expanding the room into infinity. "Be careful to keep your voice in the middle!" Araíza says, his eyes filling with delight. "Perfect! Exactly! Wonderful! Wow, what a voice!" he exclaims after Jinxu's performance. The young singer is beaming. "I'm very happy that the maestro is giving me so much encouragement," he says. "But I know that I still have to work very hard."

## Singing all over the world

"I'm especially excited about my lessons with Maestro Araíza," says lyric soprano Maria Celeng. She comes from a village in the southern part of Slovakia and is a member of the country's Hungarian minority. "I've learned a great deal from him, and I like how he approaches musical interpretation," she says. "I think he's wonderful – technically, musically and personally." She took sixth place at the NEUE STIMMEN competition in 2011, and the prize money helped her continue her voice studies in Munich. "I never would have thought that I would do so well," she says. "Music is my passion. I sang a lot even as a child, and it made me happy that people enjoyed my singing. When I was around 17 years old, I realized that singing was more than a hobby, and that I wanted to devote my life to it."

## How It All Began

# For a quarter of a century, the NEUE STIMMEN International Singing Competition has been dedicated to promoting high-quality opera performance.

### With Herbert von Karajan

Bertelsmann had just celebrated its 150th anniversary with events that included a gala concert by the Berlin Philharmonic Orchestra. In a conversation with Reinhard and Liz Mohn, the orchestra's conductor, Herbert von Karajan, lamented a shortage of talented young opera singers. At first it was nothing but an offhand remark. "The Bertelsmann company had promoted reading for decades. My husband and I realized that it would also be fitting to promote music," recalls Liz Mohn, president of NEUE STIMMEN. This desire, and especially the Mohns' commitment to promoting music and talented young singers, their ability to recognize a good idea and their determination to put it into practice succeeded in making the singing competition a reality. Over the next 25 years, it became a superb instrument for advancing young careers. Liz Mohn contacted officials at the Detmold College of Music, and, as Reinhard Mohn later recounted, they also sought advice from renowned experts, starting with Prof. August Everding. That led to a connection with the directors' group of the Deutscher Bühnenverein, the German theater and orchestra association.

### Participants from 70 countries

The competition was launched in 1987 – with 29 participants. "And I must say, Prof. Everding may have understood more clearly than I did that we really didn't know just what we had started," said Reinhard Mohn with typical modesty. And yet, he had already begun to recognize that the competition was not just about music; it also had a political component. "I see all of this as small steps on the path to better understanding and better cooperation on this continent," he observed back then, when the competition was still focused on promoting singers from Europe. For Liz Mohn as well, international understanding has always been an important aspect of the competition. "NEUE STIMMEN is not only a springboard for national and international singing careers," she explains, "but also an important building block for mutual understanding and communication. Music is an essential part of human nature – a common language that connects people of different backgrounds and cultures, despite the borders that divide them."



Inspired by a conversation with Herbert von Karajan, Liz and Reinhard Mohn developed a plan to help talented young singers.



Reinhard Mohn on the international singing competition: "NEUE STIMMEN represents small steps on the path to better understanding."



Renowned orchestras accompany the NEUE STIMMEN singers. In 1993 it was the Braunschweig State Orchestra.

## Opening up to the world

The competition grew, with more and more singers applying every year. And still some spoke of a dearth of up-and-coming talent. Yet as NEUE STIMMEN Artistic Director Gustav Kuhn recalls of the third competition, in 1989, “That year, participants included René Pape, Vesselina Kasarova and Roman Trekel, all of whom later became famous!” In any event, as the numbers grew and the level of talent rose, the mission of the NEUE STIMMEN competition gradually changed. It was no longer simply a matter of discovering new talent, but of identifying the very best among a great many gifted young singers.

The competition quickly established a name for itself, and soon preliminary auditions were held in cities other than Gütersloh – first in Munich, then all over Europe. In 1993, the competition began accepting singers who were studying outside Europe. In 1999, the number of talented young applicants exceeded 1,000 for the first time. Their native countries included Argentina, which provided winners three times in a row, in 2003, 2005, and 2007, and Korea, the home of the top three winners in 2009.

## Discovering talent

The competition’s rules and the transparency of those rules are among the things that make this competition so attractive to singers and its other target group – their potential employers. In 2003, NEUE STIMMEN introduced a mandatory repertoire that spans the entire history of opera, from baroque to contemporary. The competition organized all of the preliminary rounds,

with jury member Brian Dickie traveling to every venue around the globe to ensure uniform standards throughout. “In the competition and master classes, as well as our new lied master class, the focus is on guiding these talented young singers as they develop their voices, musical artistry and stage presence,” says Liz Mohn. The goal, she says, is to work with strong, like-minded partners to ensure that these rising stars enter the profession with expert guidance and enjoy their careers for many years to come.



The NEUE STIMMEN program has changed with the times. In 1987 and 2012, Max Slevogt’s painting “The Champagne Song” graced the cover.



In 2001, legendary actor Sir Peter Ustinov (right) was the competition’s guest of honor. Shown here with RTL moderator Peter Klöppel (left), Liz Mohn and Prof. Gustav Kuhn.



Talented young opera singers audition on every continent. Shown here are the 2003 Asian finalists in front of the poster for that year’s competition.



The jury always includes renowned singers such as Siegfried Jerusalem, shown here with Liz Mohn at the 2003 competition.



## Gala Concert

# A quarter century of searching for new talent

Prizewinners and celebrities, friends and supporters celebrated 25 years of NEUE STIMMEN at a gala concert. Founded in 1987 by Liz Mohn, her husband, Reinhard Mohn, and opera director August Everding, the competition is now known around the world.

It's one thing to have a good idea. Putting that idea into practice is something else entirely. And what's even better is if the idea is still going strong after 25 years – and has a bright future ahead. Prof. Holger Nolze, TV moderator and music expert, kicked off a very special evening at Gütersloh Theater: the gala concert celebrating a quarter century of NEUE STIMMEN. He welcomed to the stage the woman who, together with Reinhard Mohn, collaborated with August Everding and renowned conductor Herbert von Karajan in 1987 to establish what has since become an internationally recognized competition. Her name: Liz Mohn.

### Twenty-five years of history

Liz Mohn, vice-chair of the Bertelsmann Stiftung Executive Board and president of NEUE STIMMEN, steps onto the stage and looks out into the audience, deeply touched. Before her are some 500 invited guests: friends, colleagues, sponsors of the competition and numerous prominent representatives of the world of opera. “Twenty-five years of NEUE STIMMEN – this represents more than just a quarter century of seeking and finding new talent. It also represents 25 years of history,” she says. The last 25 years were, as she puts it, a time of “incredible success stories, moments of profound emotion and wonderful personal encounters. And I have realized again and again: Music connects people, across national and linguistic borders. It builds bridges of peaceful understanding among nations, cultures and religions.”

Liz Mohn recalls how an idea turned into a competition that today, in the course of a sophisticated selection process, brings talented young opera singers from all over the world to Gütersloh, where they perform before some of opera's best-known names during the final week of competition. In 2011 alone, preliminary auditions were held in 23 cities, located in 18 countries and on 4 continents. In addition to holding competitions every two years, NEUE STIMMEN offers regular master classes and workshops that help talented young singers develop their skills. “Our goal is to take these ‘diamonds in the rough’ and support them as they pursue long-term careers after the competition is over. More than 75 percent of NEUE STIMMEN finalists are offered professional contracts,” Mohn says onstage, before thanking her fellow members of the 10-member jury: chairman Dominique Meyer, director of the Vienna State Opera; Prof. Gustav Kuhn, director of the Tyrolean Festival Erl; Kammersänger Siegfried Jerusalem; Nicholas Payne, director of Opera Europa; Kammersängerin Anja Silja; Brian Dickie, former general director of the Chicago Opera Theater; Evamaria Wieser, artistic consultant at Chicago's Lyric Opera and the Teatro dell'Opera di Roma; Kammersänger Francisco Araíza; music critic Jürgen Kesting; and Bernd Loebe, director of the Frankfurt Opera.



American baritone Thomas Hampson with winners and other participants at the gala concert celebrating NEUE STIMMEN's 25th anniversary (above).

### From rough to sparkling

One of them, the competition's artistic director, Prof. Gustav Kuhn, joins her at the podium. "Liz, I've given it some thought, and I've decided that I want to spend another 25 years with you and NEUE STIMMEN," he says - and then turns to the audience. "You will get along beautifully with Liz Mohn if you remember that it's about people, young people, and if you put all of your heart into it. If you do, she's just the person you want to work with." Keynote speaker Prof. Jürgen Flimm, director of the Salzburg Festival since 2006 and Berlin's Staatsoper Unter den Linden since 2010, adds, "The jury for this wonderful event has always had a good ear. Names that no one heard before have become the talk of the opera world after the competition in Gütersloh."

Then some of the singers he was referring to take the stage, demonstrating that "diamonds in the rough" have indeed been transformed into sparkling jewels. The following singers perform, accompanied by the Bochum Symphony Orchestra: Liang Li, Corby Welch, Günter Papendell, Julia Novikova, Andrej Dunaev, Burak Bilgili, Franco Fagioli, Maria Virginia Savastano, Marina Ivanova, Endrik Wottrich, Nadezhda Karyazina and the winner of the 2011 NEUE STIMMEN competition, Olga Bezsmertna.



Liz Mohn and Prof. Gustav Kuhn welcoming the guests (center).  
Olga Bezsmertna, winner of the 2011 competition (below).



## Gala concert celebrating 25 years of NEUE STIMMEN



Keynote speaker: Prof. Jürgen Flimm, director of Berlin's Staatsoper Unter den Linden since 2010.



A number of prominent well-wishers recorded congratulatory messages, including Daniel Barenboim, Peter Maffay, Udo Jürgens and Henry Kissinger (top to bottom, left to right).

### Best wishes from around the globe

Joining the winners and other participants during the gala is one of the opera world's outstanding performers: baritone Thomas Hampson from the United States, who believes singing competitions are exactly the right place to find talented newcomers. "I would go so far as to say that you can't really lose a competition," he says. "You can only win."

Numerous other prominent well-wishers congratulate Liz Mohn and "her" competition through prerecorded messages. "Everything that Liz Mohn does, she does wholeheartedly," notes former US Secretary of State Henry Kissinger. According to German singer and composer Peter Maffay, "NEUE STIMMEN is making an enormous contribution to cultural enrichment and building bridges of understanding among nations. It's good that music is serving as an ambassador, and it's important that people like Liz Mohn recognized early on what culture can accomplish at the global level. It's fantastic that there are people like her who are committed to improving people's lives, and particularly the lives of coming generations." As German music

legend Udo Jürgens points out, such activities do more than just promote careers in music. "Of course, this idea benefits the young people who are introduced to music," he says. "More than that, society benefits when we provide this kind of support for young people from different cultures and religious backgrounds." And finally, as Daniel Barenboim, musical director of Berlin's Staatsoper Unter den Linden, observes, "We'll always be making music, and we'll always need new voices."

Two former winners of the NEUE STIMMEN competition are among those offering their congratulations: Vesselina Kasarova, the Bulgarian mezzo-soprano who won in 1989 and has since attracted worldwide acclaim, and that year's second place winner, René Pape, who is today a celebrated interpreter of Wagner's music. "The 1989 competition remains an unforgettable experience for me. I'm very proud that I was able to be part of it," Kasarova says. Pape adds, "Music brings people together, it overcomes divisions. I hope that many talented young people from all over the world come to Gütersloh to compete and show what they can do, then launch a career."

Julia Novikova, winner of the 2007 People's Choice Award, and 2003 semifinalist Günter Papendell performed (right), accompanied by the Bochum Symphony Orchestra under the direction of Marcus Bosch (below).



Liang Li, winner of the 1997 Special Mention Award (below).



Franco Fagioli, who placed first in 2003, with lutenist Emanuele Forni (above).



Maria Virginia Savastano (above), first-place winner in 2005, and Marina Ivanova (left), who took first place in 1993.



## Program

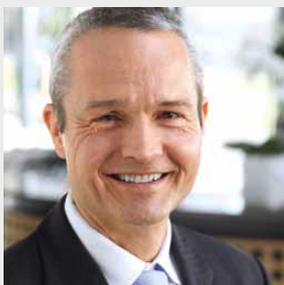
# Living Values >

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

Against this background, what are the necessary conditions for ensuring the desired degree of social cohesion? 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, permit individuals to develop to their full potential and, ultimately, ensure that society holds together. In a heterogeneous society, consensus on such 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 and looking at the role religion and other institutions are playing 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 challenges they have in common.

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### Projects:

#### Radar for Social Cohesion

This is the first in-depth international comparison to analyze trends in social cohesion. Various data sources will be used to determine the current state of social cohesion in selected industrialized countries and countries with a significant inflow of immigrants. Systematic impact analyses will show which value systems reinforce social cohesion, demonstrate where there is potential for conflict and risk, and examine the consequences when such cohesion is lacking.

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#### Religion Monitor

The redesigned 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, and which other institutions play a major role in conveying values. The Religion Monitor is based on representative surveys conducted in industrialized countries and countries with significant immigrant populations.

[www.religionsmonitor.com](http://www.religionsmonitor.com)

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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 means of developing values. In this project, we are working with other organizations and institutions to develop standards in this area. We are identifying national and international best practices and formulating principles and recommendations for projects capable of providing young people with role models.

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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. Designed to promote interaction and dialogue, this project seeks to build a network of young people that can help ensure a solid, long-term relationship between the two countries. We are placing greater emphasis on including Palestinian young leaders as well.

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Meeting at the Bertelsmann Stiftung, participants in the German-Palestinian-Israeli Young Leaders Exchange included (left to right) Dar Nadler (Israel), Sam Hussein (Palestine) and Julia Borggräfe (Germany).

## 2012 Program Report



A flyer describes the various projects that are part of the Living Values program.



Together with academic experts, we systematically analyze the causes and consequences of social cohesion.

The program's efforts in 2012 were devoted primarily to developing evidence-based instruments for analyzing social cohesion and the related role of religion and values. Our studies provide transparent information for decision makers and the interested public; we also support public discussion of social cohesion, values and religion by providing reliable data and facts. We conduct projects that promote social cohesion, and our events and publications spark an open and productive discussion of the role that values play in today's world.

### Project: Radar for Social Cohesion

The *Social Cohesion in Germany* study contains an overview of the cohesion-related issues the country is currently dealing with. Working with researchers at Jacobs University Bremen, we developed the content and methodology of our Radar gesellschaftlicher Zusammenhalt (Radar for Social Cohesion) project. To that end we combined numerous national and international data sets in preparation for our initial analyses. We also consulted with experts from academia and civil society on our efforts to compare social cohesion in different international contexts.

### Project: Religion Monitor

Designed to analyze the relationships between social cohesion, religion and values, the 2012 release of the Religion Monitor was developed in collaboration with an international team of experts working in the fields of religious studies, sociology, psychology and theology. A survey was carried out by research institute infas at the end of 2012 in the following countries: Germany, Spain, Switzerland, the UK, Sweden, France, Israel, Turkey, the US, Canada, South Korea, Brazil and India. The country comparison, along with in-depth analyses of the situation in Germany, will be published in early 2013.

### Project: Imparting Values Through Role Models

Based on studies, expert opinions and discussions with specialists, the project examined the concept of the role model in terms of its social significance, function and impact, from the perspective of social and developmental psychology. Building on initial research on projects in Germany that are based on role models, preparations were made to investigate and analyze other exemplary initiatives on the national and international levels.

### Project: German-Israeli Young Leaders Exchange

Together with the German-Israeli Future Forum Foundation, the Young Leaders Exchange is using a training course called "X-Change for Competence" to develop the leadership skills of those active in the two countries' civil society organizations. The 20 participants in the program completed three one-week training modules. The focus topic in 2012 was "Diversity."

In 2012, we improved the content and methodology used in our survey, first conducted in 2007, of the attitudes Germans and Israelis have toward one another. The goal was to draw more precise conclusions about the trends and factors that are influencing their perceptions. The survey will be carried out in both countries in early 2013 and the findings published by spring.

A pilot project was also developed and implemented to promote dialogue among German, Palestinian and Israeli young leaders, as a way of exploring possible involvement by the Bertelsmann Stiftung in this area.

## Program

# Discovering Music >

Music, including singing, is 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, music speaks directly to our emotions, fascinating even the very youngest. 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 help children develop their senses and express themselves through language and movement, thereby promoting 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 music an ongoing part of children's everyday lives and a source of new ways of learning.

Based on the principle of tolerance for individual and cultural differences, the NEUE STIMMEN program promotes international understanding. Its international singing competition, master classes, concerts and newly inaugurated lied master class foster the development of up-and-coming opera singers from all over the world, helping to cultivate 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](http://www.bertelsmann-stiftung.de/mika)  
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#### Musical Primary School

This project is helping primary schools make musical activities an essential part of school life. Approximately 300 schools in Hesse, Berlin, Bavaria, Thuringia and Lower Saxony are thus helping more teachers include more music in more subjects. Conducted in cooperation with local educational authorities, the project is creating the necessary conditions for making Musical Primary Schools a permanent part of the German educational landscape.

[www.bertelsmann-stiftung.de/musikalischegrundschule](http://www.bertelsmann-stiftung.de/musikalischegrundschule)  
[ute.welscher@bertelsmann-stiftung.de](mailto:ute.welscher@bertelsmann-stiftung.de)  
[www.facebook.com/musikbildet](https://www.facebook.com/musikbildet)

#### NEUE STIMMEN International Singing Competition

Founded by Liz Mohn in 1987, the NEUE STIMMEN International Singing Competition celebrated its 25th anniversary in the fall of 2012. For many young opera singers, this internationally recognized event, held every two years, has been a springboard to a professional career. Preliminary auditions are held all across the globe, followed by the final round in Gütersloh.

[www.neue-stimmen.de](http://www.neue-stimmen.de)  
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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.

[www.neue-stimmen.de/meisterkurse](http://www.neue-stimmen.de/meisterkurse)  
[judit.schweitzer@bertelsmann-stiftung.de](mailto:judit.schweitzer@bertelsmann-stiftung.de)

#### NEUE STIMMEN Lied Master Class

In addition to the singing competition and master class, NEUE STIMMEN now includes a lied master class, which was first held in 2012. Concluding with several concerts, its purpose is to cultivate this longstanding musical tradition and encourage audiences to discover the richness and beauty of the lied.

[www.neue-stimmen.liedmeisterklasse](http://www.neue-stimmen.liedmeisterklasse)  
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[www.facebook.com/NeueStimmenSC](https://www.facebook.com/NeueStimmenSC)

At Berlin's Konzerthaus, opera singer and moderator Rolando Villazón (center) presented Liz Mohn (left) with the ECHO Jury Award for the Fostering of Young Talent. Also present were students Aleksandra Jankovic and Martin Buchheim.

## 2012 Program Report



Liz Mohn, Gütersloh's Mayor Maria Unger and Prof. Peter Ausländer of the Bielefeld University of Applied Sciences (back row, left to right) kicked off the mobile music workshop.

### Projekt: MIKA – Music in Childcare Every Day

Developed with the Bielefeld University of Applied Sciences and the Peter Gläsel Foundation, the bachelor of arts program that allows students to major in primary education with a special focus on music has been very well received and now includes almost 30 participants. In addition, the pilot program Musik im Kita-Alltag (Music in Childcare Every Day) has become a training course for thought leaders such as instructors and coaches. In the Eastern Westphalia/Lippe region, a practice-based network of childcare centers with thriving musical programs is continuing to grow. Since the autumn of 2012, a mobile musical workshop, carried out together with the organization Musik Szene Spiel e.V., has been providing support for musical activities in childcare centers. As part of the workshop, a team of volunteers equipped with musical instruments and other materials visits childcare centers, offering new ideas for integrating music into each center's daily routine. Finally, the program encourages an exchange of views on this topic and promotes networking among interested parties by holding conferences organized with the North Rhine-Westphalia State Music Academy and other partners.

### Project: Musical Primary School

In 2012, the project received the ECHO Klassik Jury Award for the Fostering of Young Talent. Thanks to the project, some 300 schools in Germany now use music as part of a holistic approach to school development. The project's design is being further refined in light of current policy requirements relating to issues such as integration, language teaching, inclusive learning and the collaboration needed between childcare centers and primary schools. Activities to encourage networking continue, for example through meetings with educational authorities and state-level coordinators and the creation of a national network of training staff.



Eye-catching posters and brochures for the 2013 competition were printed in six languages and distributed in November 2012.

### Project: NEUE STIMMEN International Singing Competition

Early in 2012, activities were begun that focused on the 25th anniversary of NEUE STIMMEN and the gala concert to be held at the end of the year. In mid-2012, the NEUE STIMMEN website was relaunched. Preparations were also begun for the 2013 competition, including organization of 22 preliminary auditions and creation of advertising and printed materials. The high point of the year was the gala concert on December 1, which featured 12 former prizewinners and guest star Thomas Hampson. As the artists who had gathered to congratulate NEUE STIMMEN performed at the Gütersloh Theater, the event was streamed live to an audience of roughly 10,000. The jubilee year also included a press conference at the Salzburg Festival, the release of a CD celebrating 25 years of NEUE STIMMEN, a television documentary entitled *Die Meistermacher* (The Meister Makers) and the appearance of NEUE STIMMEN prizewinners on national television.



### Project: NEUE STIMMEN Master Class

Fourteen contestants from the 2011 competition attended the ninth International Master Class in October 2012. NEUE STIMMEN welcomed legendary soprano Edda Moser as an instructor and expanded the classes to include additional training modules. The master class concluded with its traditional final concert at the Bertelsmann Stiftung before an audience of 300 guests.

### Project: NEUE STIMMEN Lied Master Class

In addition to the existing master class, the program inaugurated its lied master class, taught by renowned opera singer Edda Moser. Four participants gave final concerts in Gütersloh and Berlin to demonstrate what they had learned. In cooperation with the Konzerthaus Berlin, the lied master class will be held again in 2013 and 2014, led by Angelika Kirchschräger and Christian Gerhaher, respectively.



The redesigned NEUE STIMMEN website contains information about the international singing competition, master class, lied master class and 25th anniversary events. An extensive NEUE STIMMEN community meets regularly on Facebook.



## Program

# Business in Society >

Sustainable business activity is critical for ensuring that social progress is socially just. Companies have special responsibilities in this regard. They can promote 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 a new way to balance economic, environmental and social objectives. To that end, companies positioned between the business world, political sphere and civil society must help shape their local environments and promote social cohesion.

The Unternehmen in der Gesellschaft (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 are testing innovative methods for integrating businesses into political and social processes. Moreover, we are supporting companies as they develop sustainable approaches to corporate management. This includes implementing employee-oriented, family-friendly human resources policies that are mindful of demographic changes, and accepting responsibility 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 economy and society, the commission is seeking new ideas for a future-oriented labor market that takes into account the needs of both individuals and society as a whole.

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#### Setting the CSR Framework

What can policymakers do to encourage social engagement in the business community? This project is developing approaches and tools to that end.

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#### Regional Corporate Responsibility

The issues of demographic change, the lack of skilled workers and the integration of immigrants can only be addressed by working on the regional level with all of the parties concerned. This project is developing innovative tools aimed at making companies active participants in their regions.

[www.unternehmen-fuer-die-region.de](http://www.unternehmen-fuer-die-region.de)

[gerd.placke@bertelsmann-stiftung.de](mailto:gerd.placke@bertelsmann-stiftung.de)

#### Life-Friendly Workplace

A fair, employee-oriented working environment is the tangible expression of a company's social responsibility. This project is collaborating with Germany's Ministry of Labor and Social Affairs, the Demographic Network and the Great Place to Work institute to develop and test the INQA Audit for a Sustainable Corporate Culture, which encourages companies to create equitable, secure working conditions.

[www.familienfreundlicher-arbeitgeber.de](http://www.familienfreundlicher-arbeitgeber.de)

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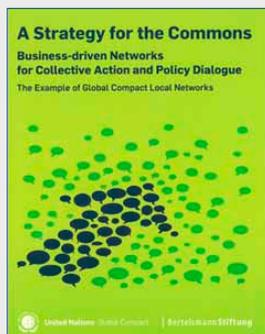
#### Corporate Responsibility Index

How do companies make sustainability part of their everyday activities? The Corporate Responsibility Index compares what society expects of the business community with the conditions that determine corporate actions. This data-based measurement and management tool provides companies with detailed recommendations for effective sustainability management.

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The Expert Commission on Living and Working in Germany gathered on November 14, 2012, for its inaugural meeting in Berlin.

## 2012 Program Report



This Bertelsmann Stiftung study highlights the role of corporate networks in promoting sustainable development.

### Project: Expert Commission on Living and Working in Germany

At the commission's inaugural meeting, its members – recognized leaders from the political, business, academic and social spheres – underscored the importance of ensuring that living and working environments are structured to reflect today's lifestyles, while also promoting social cohesion. Future meetings will focus on "Social Mobility and Participation" and "New Types of Work." The commission will also develop policy recommendations.

### Project: Setting the CSR Framework

In cooperation with the UN Global Compact, the program released a study entitled "A Strategy for the Commons: Business-driven Networks for Collective Action and Policy Dialogue." Taking the Global Compact's local networks as an example, the study examines how such networks can formulate sustainability goals and take appropriate action. It was presented to an international audience at the Corporate Sustainability Forum (June 15–19, 2012), which was part of Rio+20 – The UN Conference on Sustainable Development in Rio de Janeiro. Moreover, the project initiated a study on sector-specific CSR initiatives, in order to explore further the issue of collective action and the role of public actors.

### Project: Regional Corporate Responsibility

This project is involved in the German government's CSR program for small and medium-sized enterprises (SMEs), which is financed by the European Social Fund (ESF). A key goal is to scale up the Bertelsmann Stiftung's Partners in Responsibility initiative to include organizations throughout Germany, thereby creating networks that can pool the regional activities of SMEs and increase their effectiveness. Since the kickoff meeting on November 19, 2012 in Berlin, groups in Thuringia, Ingolstadt, Uelzen, Lippe, Rostock and Rügen have begun their work.

In addition, the project coordinates a network of all 75 project agencies participating in this ESF program. The objective is to increase knowledge and skills by encouraging participants to share their experiences, and to identify good practices. This will help ensure the topic of "CSR in Mid-sized Businesses" becomes part of the mainstream discussion in coming years.



Certificates are awarded to participants completing the Work-Life Competence training program.

### Project: Life-Friendly Workplace

Preliminary conceptual work on the INQA Audit for a Sustainable Corporate Culture was completed in cooperation with Germany's Demographic Network and the Great Place to Work institute. Funding for developing and testing this tool was provided by the German Ministry of Labor and Social Affairs. Initial pretests have begun in selected companies.

At the annual conference of the Work-Life Competence network held in Berlin on November 15–16, 2012, employers were recognized for earning the "Family-Friendly Employer" quality seal or completing a work-life competence training course. Held for the second time, the network's annual conference is devoted to identifying and disseminating innovative ideas relating to human resources.

### Project: Corporate Responsibility Index

In 2012, the project concentrated on designing the study and tools that are being used for surveying family-owned enterprises, and companies with a business volume of over €250 million. The goal is to identify the factors that are crucial for sustainable corporate management. Online data collection began at the end of the year after a test phase conducted in collaboration with researchers and practitioners.



The Corporate Responsibility Index flyer describes the project's methodology and goals.

## Center of Excellence

# Leadership and Corporate Culture >

Not only do globalization, changing values, technological progress and demographic shifts make it necessary for companies to move faster when entering new markets and developing innovative products, they also dramatically increase the pressure on organizations – and within them – to adapt in order to ensure their future competitiveness. At the same time, corporate management is becoming ever more complex and corporate leaders are facing new demands, especially when it comes to shaping corporate culture.

A values-based corporate culture is largely determined by what executives do, day in and day out. Management and corporate culture are thus both the cause and effect of an organization's cohesiveness and success. Technical knowledge, entrepreneurial experience and a desire to achieve are just some of the assets managers are expected to possess, along with social and intercultural skills. But do corporate values always match each executive's approach to leadership?

Through studies and training courses, the center of excellence helps executives:

- Reflect on how their leadership activities contribute to the company's success and their own
- Recognize opportunities for taking action within their organization
- Become more motivated and creative in developing innovative solutions
- Balance their personal career and life planning with the company's values

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### Projects:

#### Executive Training

Executive training courses on such topics as "Management and Corporate Culture" and "Life and Career Planning" are designed for next leaders, while "Women and Cultural Change" is designed for female executives. We are also engaged in building an interactive network across industries to support executives along their career paths.

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[andre.schleiter@bertelsmann-stiftung.de](mailto:andre.schleiter@bertelsmann-stiftung.de)

#### Web Portal: Creating Corporate Cultures

The new website [www.creating-corporate-cultures.org](http://www.creating-corporate-cultures.org) contains information about the latest trends in corporate culture and management and about upcoming events and publications. It also serves as a networking and discussion platform for the alumni of our executive training courses.

[www.creating-corporate-cultures.org](http://www.creating-corporate-cultures.org)  
[anja.schlenk@bertelsmann-stiftung.de](mailto:anja.schlenk@bertelsmann-stiftung.de)

#### Bertelsmann Stiftung Leadership Series

Corporate culture is the management tool of the future and therefore plays an important role in a company's success. Our events and research seek to define the basic principles of leadership and develop cutting-edge approaches to management. We make these materials available to executives, for example through the website [www.creating-corporate-cultures.org](http://www.creating-corporate-cultures.org).

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#### Agenda for a Modern HR Policy

The project's network of companies and its conferences focus on strategic approaches to human resources policy, the relationship between HR and management, and integrating HR into a values-oriented corporate culture.

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The Executive Training annual meeting in Berlin in June 2012 brought together 180 alumni to examine how emotion, intuition and logic affect leadership. Participants included (left to right) Ulrich Wickert, Christiane zu Salm, Abbot Primate Notker Wolf, Thomas Enders, Liz Mohn, Brigitte Ederer, Kai Diekmann and Prof. Gerd Gigerenzer.



## 2012 Program Report

### Project: Executive Training

Four seminars were held in 2012 at the national as well as the regional level, with over 100 executives from both large and mid-sized companies taking part. In response to the considerable demand, three of the seminars were designed exclusively for female executives. Practical insights were offered by a number of executives including Kurt Bock, BASF; Frank Appel, Deutsche Post; Karl-Ludwig Kley, Merck; Michael Otto, Otto Group; Christine Hohmann-Dennhardt, Daimler; and fashion entrepreneur Jette Joop.

The project's annual meeting was held in Berlin in June, with 180 alumni attending. Former German Finance Minister Peer Steinbrück, dinner speaker Prof. Gerd Gigerenzer and author Eckhart von Hirschhausen spoke on the topic of "Leadership at the Intersection of Emotion, Intuition and Logic." In addition, television anchorman Ulrich Wickert moderated a discussion of the role intuitive decision making plays for executives. Participants included Thomas Enders, EADS; Brigitte Ederer, Siemens; Kai Diekmann, Bild; and Notker Wolf, abbot primate of the Benedictine Confederation. An alumni survey showed that participants appreciate the project's unique approach to learning, the relevance of the seminars to actual business practices and the valuable role played by the peer-group network.



The new Creating Corporate Cultures website promotes peer-group learning and networking among executives.

### Project: Web Portal: Creating Corporate Cultures

The website [www.creating-corporate-cultures.org](http://www.creating-corporate-cultures.org) was launched, including a new process for registering for seminars. The portal disseminates the latest project findings and includes notices of publications and seminars. Over 300 alumni use it to follow up on events and to exchange information.

### Project: Bertelsmann Stiftung Leadership Series

A survey of 1,000 executives was carried out in cooperation with the German Managers' Confederation. Its findings revealed frustration with such in-house issues as inadequate career support, lack of transparency in crisis management and increasing levels of bureaucracy. Under the leadership of Prof. Gerd Gigerenzer, an expert opinion on "Leadership and Intuition" was drawn up for discussion at the Executive Training alumni meeting. A workshop on "What Women Want From Work" and a review of the relevant literature looked at women's careers and solutions to current problems; a study of gender-specific leadership is to follow.

### Project: Agenda for a Modern HR Policy

The project concluded with a network meeting on "New Freedoms and Constraints in the World of Work," which examined the many different types of employment that exist today and attitudes toward work. The study *Demographischer Wandel in Unternehmen* (Demographic Change in Companies) has found that companies are not adequately prepared for increasing numbers of older workers. The current situation and the future of HR are summarized in *Die Akte Personal* (The HR File), a publication focusing on how to revamp human resources management. Participating companies will stay in contact once the project ends.

The twice-yearly issues of the magazine *sidestep* looked at the topics of "Decision Making" and "How to Fail," underscoring the publication's uniquely interdisciplinary nature, and contained articles by a number of authors including neuroscientist Ernst Pöppel and prizewinning restaurateur Vincent Moissonier. An innovative new medium was also developed: the *New Work Book*, a combination notebook and reader on the subject of leadership and corporate



*Die Akte Personal* (The HR File) looks at current developments in human resources and what to expect in this area the future.

## Dr. Jörg Dräger



*Dr. Dräger, you are conducting a number of studies to assess equity and excellence in Germany's educational system. How is the country doing?*

Germany has really made progress since the first PISA study was published in 2001. We often lose sight of that fact. Our schools have improved. One in five students, however, continues to achieve only at the primary school level. This is still an enormous problem – for the individual and for society.

The second major problem is a lack of equal opportunity. The availability of good childcare varies considerably among Germany's states, as do access to all-day schools and opportunities to earn a university entrance diploma. There are also significant differences in the number of students who repeat a grade or transfer to a lower-level school, and in the impact socioeconomic status has on educational success. Every state has room for improvement. None ranks at the bottom in every category, just as none is doing well in every respect.

## 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 joined the Bertelsmann Stiftung as a member of its Executive Board and director of the CHE Centre for Higher Education.

*What makes for a good school?*

First, good leadership and good teachers, people who know how to meet the needs of each individual student. A good school challenges students at both ends of the spectrum, asking no more and no less than they are capable of.

This is all the more important as classrooms become increasingly diverse, which is happening for a variety of reasons: rural schools are merging, the number of immigrant children is increasing, more parents are sending their children to the most demanding schools and it is increasingly common to find children with special needs in regular classrooms. One of our main projects is therefore a professional development initiative for teachers in North Rhine-Westphalia. Working with the state's Ministry of Education, we are offering a two-year course in individualized instruction for teachers at 35 schools, with more to follow.

Schools that see diversity as normal and realize that children learn at different speeds have no need to exclude any student. Some suggest that such schools have an adverse effect on achievement, but the opposite is true. Indeed, in these schools students at the top tend to learn even more quickly.

*What kinds of reforms will improve Germany's educational system and make it more equitable?*

We have to have sufficient quality childcare, teacher training that focuses greater attention on individual needs, and more higher-quality all-day schools. All of these factors are crucial for improving learning and eliminating the link between social background and educational success.

There are, however, three things that continue to interfere with reform, in this area and others. First, we lack a clear definition of who at the federal, state and local levels is responsible for what. Second, we need reliable funding and, third, binding concepts. To overcome these shortcomings sooner rather than later, it would be very helpful to change how Germany's federalist system deals with education.

In our view, this includes increasing transparency on educational outcomes and reforming the system used for financing education. A national advisory council, for example, could bring together expertise and offer insights from researchers and practitioners. This would help answer a number of crucial questions, such as what good instruction looks like in an all-day school and how to promote inclusion.

## Reforming Germany’s Educational System

# Facts and solutions for more equity and more excellence

How can we make Germany’s educational system more excellent and equitable? The Bertelsmann Stiftung is seeking answers to this question, looking at everything from childcare facilities and schools to vocational training programs and adult education centers. Through its studies, it highlights areas where the educational system needs improvement. Through its partnerships with researchers and practitioners, it identifies solutions, then tests them in pilot projects.

### Early childhood education

#### Childcare centers need qualified personnel

As of August 1, 2013, every child in Germany over the age of one will be entitled by law to early childhood education. As a result, childcare centers will need more qualified personnel. Existing training programs and the current labor pool will not be able to meet the increased demand. Our project State by State: Monitoring Early Childhood Education has identified this problem and proposed a solution: increasing the work hours of as many part-time employees as possible. In the childcare sector, nearly 60 percent of staff members work part time, a much higher percentage than in other industries, where only about one person in three is employed on a part-time basis.

The example of Thuringia shows that efforts to encourage full-time work can be effective. In only one year, that state has increased the share of full-time employees in childcare centers from 28 to 39 percent. The state government now requires daycare providers

to determine whether staff members can increase the number of hours they work. The Bertelsmann Stiftung believes that the high percentage of part-time employees in childcare centers is problematic, since children need to establish a secure relationship with their educators and caregivers. If childcare outside the family setting is to meet quality standards, more educators and caregivers need to work full time.

#### Childhood poverty in Germany

The Bertelsmann Stiftung’s KECK Atlas has collected data on childhood poverty for 412 cities and towns in Germany, finding that although poverty among children is declining overall, there are substantial differences across geographical regions. It also shows that children under three are at greatest risk of growing up in poverty.

The differences are dramatic when we compare states. In Saxony-Anhalt, the poverty rate for children under the age of three was 33.2 percent in 2010, more than three times as high as in Bavaria. There is still a large



From early childhood education centers and schools to vocational training facilities, the Bertelsmann Stiftung is finding ways to improve Germany’s educational system.

gap between Germany's eastern and western regions, although it has declined somewhat. Data from 2009 show even greater differences between urban and rural communities. Even in Bavaria, where poverty rates are lowest, children's living conditions differ dramatically. In the district of Freising, 2.4 percent of children under the age of three grow up in poor families, while in the city of Hof the corresponding percentage is 32.4.

In every German state there are cities where one in three children under the age of three is living in poverty. The rate is over 40 percent in many cities in the eastern part of the country. The Bertelsmann Stiftung has also found that there can be a substantial poverty gap within a single city. Heilbronn and Jena are using the detailed information provided by the Bertelsmann Stiftung's new KECK atlas to analyze specific areas within cities. In some, the poverty rate of children under three is only slightly higher than 1 percent, while in others it exceeds 35 percent. In both cities, the evaluations will be used to design a way of providing targeted support for disadvantaged neighborhoods.

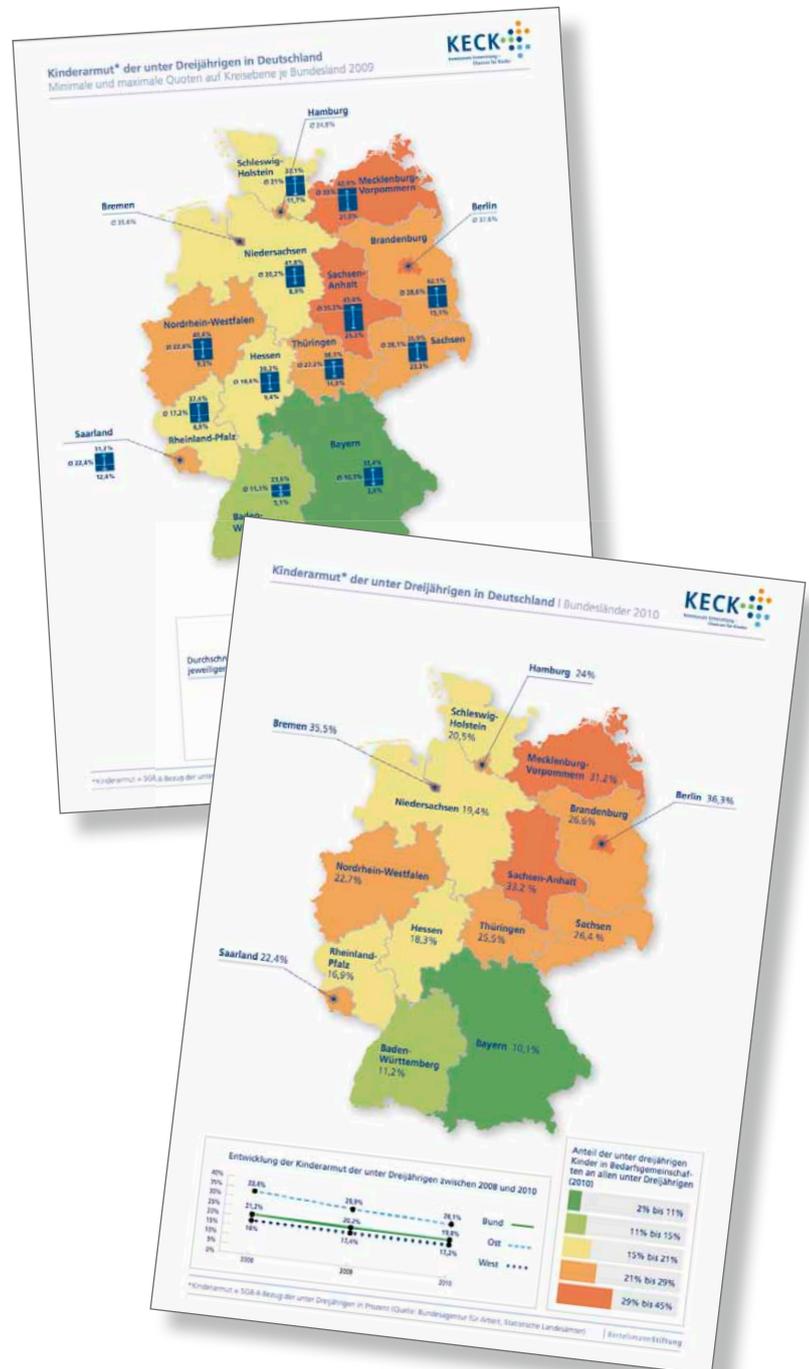
## Schools

### Equity and excellence

There are significant differences among Germany's states in terms of how likely it is that students will be able to overcome social disadvantages and develop to their full potential. This is one of the findings of *Chancenspiegel* (Equity and Excellence Monitor), a report on equity and excellence in Germany's state-level school systems that was conducted by the Bertelsmann Stiftung and the Institute for School Development Research at TU Dortmund University. The study reveals that no state ranks consistently at the top or the bottom, even if differences between states are significant.

The goal of *Chancenspiegel* is to shed light on the degree to which Germany is succeeding in ensuring equal opportunities for all. The team of scholars under the leadership of Prof. Wilfried Bos therefore examined the success of each state's school system in achieving equitable outcomes. This is the first attempt in Germany to gather concrete, comparable information that can contribute to the discussion of this issue among researchers and policymakers.

The study looks at four dimensions: integration, ease of transition from one level to another, skill development and certification. These dimensions show how effectively a school system teaches reading skills, promotes integration, compensates for social disadvantages and



prevents students from repeating a grade or dropping down to a lower-level school. They also track the number of students who are qualified to study at the university level once they complete their secondary education and the number of less-qualified students who find a vocational training position. The study thus shows how school systems are dealing with diversity: Do they challenge and foster both stronger and weaker students? Do they provide effective support for students who enter school already at a disadvantage?

### Inclusion

Germany is committed to teaching all children together, whether or not they have special needs. This is required under a UN convention that took effect in March 2009, and it represents a departure from the country's system of separate special-needs schools. In Germany, roughly half a million children with behavioral problems, learning challenges or physical disabilities require special support, and their share of the

total student population has been steadily increasing for more than 10 years. During the 2011/2012 school year, for example, 6.4 percent of children had special needs. A decade earlier the figure was 5.3 percent.

Inclusion poses major challenges for schools, and meeting them requires an adequate number of well-trained staff. The staffing needs of inclusive schools have been a matter of some dispute. For the first time, a Bertelsmann Stiftung study has quantified those needs. Over the next 10 years, allowing for demographic change, the study shows that Germany will need to add the equivalent of 9,300 full-time teachers. Relative to the 2009/2010 school year, this will increase annual costs by some €660 million when the goal of full inclusion is reached in 2020/2021. This is slightly less than 2 percent of what is spent on schools today.

The Bertelsmann Stiftung is convinced that inclusion is both necessary and affordable. However, although closing special schools will free up some funding and teaching positions, it will not be enough to close the gap. The most important prerequisite for ensuring that

inclusion is accepted and successful – in addition to a consistent focus on meeting each child’s needs – is adequate staffing, which includes teachers with both conventional and special-needs training, as well as psychologists and therapists.

### Transitions in the school system

For every student who moves up to a higher-level school in the German system, two move down, something made clear by a recent Bertelsmann Stiftung study. In the 2010/2011 school year, for example, approximately 50,000 students in grades five to ten had to move down to a less academically challenging school. Only about 23,000 students were able to move in the opposite direction.

The chances of making it to a higher level or to a different type of school entirely vary considerably by state. In Baden-Württemberg, for instance, only 1.3 percent of students transfer to a different type of school between grades five and ten, while the corresponding percentage is 6.1 in Bremen. That figure, however, tells us nothing about the direction of those transitions. In states where students rarely change school types, the ratio of upward to downward mobility may be favorable (1 to 1.5 in Baden-Württemberg) or unfavorable (1 to 5.6 in North Rhine-Westphalia). The same is true in states where such transfers are common. In Bremen, for example, only 2.4 students move down for every one who moves up; in Berlin the ratio is 7 to 1.

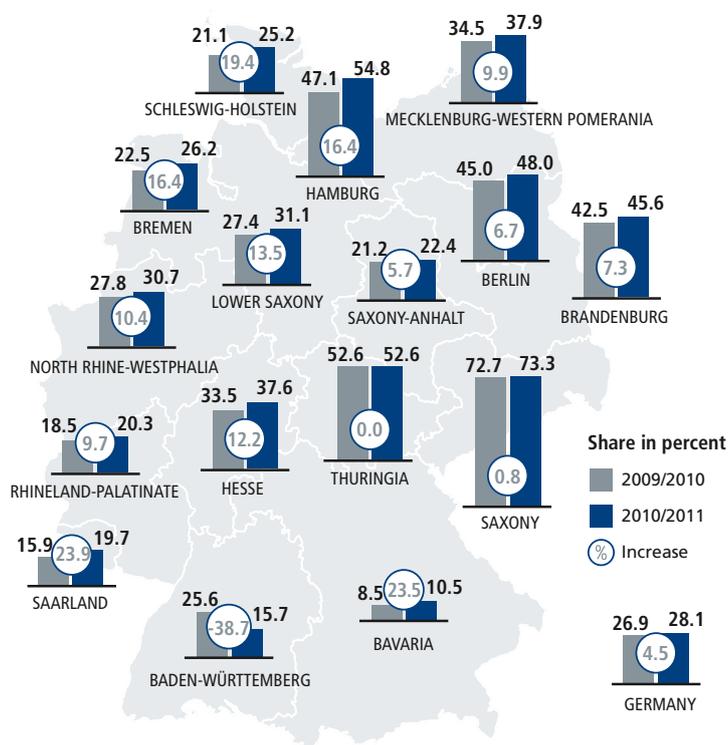
The Bertelsmann Stiftung believes that school systems should be equally open to upward transitions. Educators are far too reluctant to consider the possibility that a student might be able to transfer to a more demanding school. They therefore need to pay more attention to providing individualized support – and teachers must be trained to provide that support. It may then no longer be necessary for students to change schools or repeat a grade.

### Promoting all-day schools

All-day schools are still relatively rare in Germany. More schools are shifting to an all-day schedule, but they lack clear plans and standards. While the number of all-day schools is increasing, a recent study by the German Youth Institute on behalf of the Bertelsmann Stiftung revealed a conceptual vacuum. According to Prof. Thomas Rauschenbach, author of the study, schools are embarking on a “journey into the future without a clear objective.” As it is now, all-day schools differ dramatically: Some require participation in the full-day curriculum, while in others this is optional. There are also substantial differences when it comes to schedules, partnerships, coursework and individualized learning.

## More all-day schools

All-day students as a percentage of all students at general education schools in 2009/2010 and 2010/2011. Public and private schools\*



\*Public schools only in Hesse, Lower Saxony and Saxony-Anhalt

Source: Office of the Standing Conference of State-Level Education Ministers of the Federal Republic of Germany; Prof. Klaus Klemm



Inclusion, i.e. teaching all children in the same classroom, whether or not they have special needs, is only possible if schools are fully staffed with adequately trained personnel.

More and more schools in Germany are shifting to an all-day schedule, but they lack clear plans and standards of quality.

Any student who is unable to find a training position in Germany’s dual work-study system should still have a chance at vocational certification.

Only 13 percent of students attend an all-day school that requires participation in the full-day program. The study shows that such schools are particularly successful at encouraging social and cognitive learning. They offer better conditions for meeting the individual needs of each child than do all-day schools in which full-day participation is optional. This approach allows students to alternate between concentration and relaxation and frees them from a rigid schedule of 45-minute classes. The result is improved behavior, greater motivation and fewer grade repeaters. And there is less need for parents to help with homework.

To fulfill its potential, an all-day school needs to meet three main requirements. First, all students need to attend regularly. Second, it must provide high-quality learning opportunities. And third, it must be integrated into the educational landscape of the surrounding community. This means, for example, collaborating with childcare centers, other schools, businesses that provide vocational training, music groups and sports clubs.

## Vocational training

### Guaranteed qualification

Last year, nearly 300,000 young people in Germany were unable to find a training position once they completed their schooling and entered instead one of many transitional programs designed to prepare them for the world of work. These programs may include anything from a review of material taught in school and job-application coaching to initial work experience. All of this is helpful, in theory, but for many young people it is in effect a waste of time, since the transitional system does not provide them with a vocational degree. Every year transitional programs cost Germany some €4.3 billion and still leave 150,000 young people

without vocational qualification. As unskilled workers they then have few prospects in the labor market.

The solution: any student who is unable to find a training position in Germany’s dual work-study system should still have the opportunity to earn vocational certification. Guaranteed training for students once they complete their schooling is the key feature of a model developed by the Bertelsmann Stiftung in cooperation with nine German states and the Federal Employment Agency. In other words, the government should ensure that every young person who is unable to find a training position in a company has access to work-related training all the same. Such training should take place at a vocational school or another educational institution, include regular internships in a business setting and conclude with a standard examination. This sort of reform costs money – €1.5 billion annually, in addition to the costs of the current transitional system. However, economist Klaus Klemm has calculated that it would pay for itself, since the government would save money elsewhere. Moreover, the German economy would benefit from having as many as 150,000 additional skilled workers each year.

## Program

# Integration and Education >

Germany's population is becoming increasingly diverse. Immigration and integration are critical issues for the country's future. All people, whatever their background, must have equal access to the opportunities society has to offer – and a good education is essential to ensuring that is the case.

We are committed to establishing a welcoming mindset in Germany, an attitude that treats diversity as an opportunity and promotes immigration. Based on successful international examples, we are finding new ways to deal with the issues of immigration and integration in Germany. We also want to ensure that young people can develop to their full potential, succeed in school and take on social responsibility. As a result, we support educators and schools as they work to improve learning and promote inclusion, thereby meeting the individual needs of every child.

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The Jakob Muth Award for Inclusive Schools was given in 2012/2013 for the fourth time. One of the winners was Waldau Open School in Kassel.

### Projects:

#### Future of Integration

We find new ways to create forward-looking policies on immigration and integration. As part of Cities of Migration, an international network of foundations, and the Transatlantic Council on Migration, we work with international partners to look for approaches around the world that successfully manage immigration and promote cohesion in societies with significant immigrant populations. We then share these ideas with Germany's policymakers and civil society. We also help communities as they develop programs for promoting integration. Finally, we build leadership skills in young people who are involved in immigrant organizations.

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#### Transatlantic Council on Migration (TCM)

In cooperation with the Migration Policy Institute in the United States, we organize an international forum and draw up recommendations relating to immigration and integration.

[www.migrationpolicy.org](http://www.migrationpolicy.org)  
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#### Diversity and Education

Together with our partners from the political, economic and social spheres, we are helping create a fair and effective educational system in Germany. Together with educational representatives at the state level, we are working to establish a culture that focuses on students' individual needs, with a particular emphasis on teacher training.

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#### Jakob Muth Award for Inclusive Schools

We promote inclusiveness and quality in Germany's school system by recognizing inclusive schools for their achievements and motivating others to join the effort.

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## 2012 Program Report



The study *Deutschland, öffne dich!* (Germany, Open Up!) shows that the country needs more welcoming attitudes toward newcomers.

### Project: Future of Integration

The Bertelsmann Stiftung participated in the Integration Summit held at the German chancellery in January 2012. At a conference held jointly with the British Council and Germany's minister of state for integration, we presented ideas for promoting a culture that welcomes newcomers and for using Germany's national colors to create a "black-red-gold" card for immigrants. These proposals were published in a publication entitled *Deutschland, öffne dich!* (Germany, Open Up!). In September, we collaborated with the Fundación Bertelsmann and Citizens for Europe to hold the Brückenbauer Summer School, which brought together young leaders from organizations in Germany and other European countries that focus on migration issues. In addition, a series of publications by the Cities of Migration network presented community-level best practices from around the world. A study was also published in connection with the Demographic Summit in October, showing that immigration has primarily benefited large cities. Finally, a survey we released in December showed that people in Germany are ambivalent about immigration and believe the country must be made more welcoming to newcomers.

### Project: Transatlantic Council on Migration (TCM)

At a conference in Washington in late May, the TCM looked at the issue of irregular migration. The publication *Rethinking National Identity* outlines ways to promote social cohesion in countries with significant immigrant populations. Together with the Canadian embassy and the Heinrich Böll Foundation, the project held a conference on "Multicultural Politics" in Berlin, which produced new ideas from Canada and the UK for dealing with diversity.

### Project: Diversity and Education

In cooperation with the Institute for School Development Research at TU Dortmund University, the project published *Chancenspiegel* (Equity and Excellence Monitor), a report showing where action is needed in each German state to ensure equal educational opportunity. The Bertelsmann Stiftung project and the German Youth Institute calculated the costs of expanding the number of all-day schools that require students to participate in the full-day program, showing that more money needs to be invested in improving all-day schools. As part of the project Vielfalt fördern (Promoting Diversity), implemented in partnership with North Rhine-Westphalia's Department of Education, professional development activities for teachers were launched in five pilot regions, with a focus on individualized instruction. Five other regions have since joined this initiative. In addition, more equitable methods of distributing educational resources were discussed with state-level authorities in November.

### Project: Jakob Muth Award for Inclusive Schools

In 2012/2013, the Jakob Muth Award for Inclusive Schools was given for the fourth time. In cooperation with the German government's commissioner for the disabled, the Sinn Foundation and the German UNESCO Commission, the Bertelsmann Stiftung presented the award to Ketteler School in Bonn, Waldau Open School in Kassel and Triessnitz Primary School in Jena.



The report *Chancenspiegel* (Equity and Excellence Monitor) discusses how equal educational opportunity varies among Germany's states.



## Program

# Learning for Life >

All of us are needed – all throughout our lives! In today's knowledge and service society, education is the key to economic prosperity. Education is also essential if people are to participate fully in society, including in the political and cultural spheres. Formal, non-formal and informal learning are all equally important in acquiring the skills necessary for a self-determined life, whether they take place at school, at work, in personal or social settings. Policymakers and practitioners need to determine where educational reforms are required to make such learning possible, and then develop viable solutions and implement them effectively.

Each young person in Germany must be assured of early access to career advising opportunities and guaranteed a position in a career training program. This requires having a flexible vocational training system in place that can accommodate all youngsters in accordance with their abilities. Moreover, it must be transparent which learning opportunities are available in which locations. This way Germany's educational system can develop continuously and provide youngsters with the appropriate qualifications. The goal is to integrate young people more successfully and directly into the labor market, and to give adults precisely the training they need to play a productive role in the workplace.

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### Projects:

#### Systematic School-to-Work Transitions/ Vocational Training: Opportunities for Everyone

The project Übergänge mit System (Systematic School-to-Work Transitions) seeks to guarantee training for every young person in Germany. Partners include 16 ministries in 9 German states as well as the Federal Employment Agency. The initiative has defined five requirements for reforming Germany's school-to-work system. Additionally, the Bertelsmann Stiftung has calculated the cost of guaranteeing training for all young people.

The follow-up project Chance Ausbildung – jeder wird gebraucht (Vocational Training: Opportunities for Everyone) will be launched in 2013. A major concern is making the vocational training system more flexible, in light of demographic trends and the increasing shortage of skilled workers. Our goal is to ensure that all young people have fair access to training in accordance with their abilities.  
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#### ReformCompass

Why do some reforms and change initiatives fail, while others succeed? What factors are important in achieving a goal, whatever the policy field or type of reform? The ReformCompass assists reformers with strategic and organizational issues. It offers tools for analysis as well as learning and teaching materials. Target groups include university students, government officials and representatives of civil society who are seeking change in a variety of policy areas.

[www.reformcompass.org](http://www.reformcompass.org)

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#### Project Development: Education for All

Lifelong learning is a challenge, both for the individual and for the educational and employment system. Society should focus primarily on those who are educationally disadvantaged. To facilitate their integration into society, we must do more than ensure that educational programs are transparent. This project is therefore designing and facilitating advisory programs and learning opportunities that motivate people, as well as a system for recognizing informal and non-formal qualifications. We want to demonstrate that everyone is capable of learning successfully – even if they have had negative experiences with the educational system in the past.

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Hamburg's Mayor Olaf Scholz at the Systematic School-to-Work Transitions event in Berlin on November 12, 2012.

## 2012 Program Report



A Bertelsmann Stiftung report discusses five criteria for reorganizing school-to-work transitions.

### Project: Systematic School-to-Work Transitions/ Vocational Training: Opportunities for Everyone

During its final year, the initiative identified five main criteria for reforming the transitional system:

- Introducing a binding program of career advising
- Providing support during transitions
- Strengthening Germany's dual work-study system
- Creating work-related training opportunities
- Individualizing preparation for training

In addition, the Bertelsmann Stiftung published an expert opinion by an education economist calculating the cost of guaranteeing access to training. Such a guarantee would require a maximum of €1.5 billion per year in public funding. Both the five criteria for reform and the cost estimate were widely discussed in the media and among experts in the field. Some of Germany's states are already in the process of implementing this reform. In addition, the initiative's recommendations have been included in numerous policymaking statements, resolutions and reports.

### Project: ReformCompass

Our goal is to increase the public sector's ability to develop effective strategies. The project has been used at the national and international level for ex-ante and ex-post analyses by policymakers and nonprofit organizations. By providing background information, an analytical tool and additional educational materials, it allows university students and individuals involved in political processes to maintain a strategic overview, identify blind spots and navigate the complexities of reform processes. We are currently engaged in discussions with a variety of training institutions on ways to use the ReformCompass in teaching, research and practice.

### Project Development: Education for All

Communities today offer their residents much more than just traditional public services. They provide educational and career resources that help people develop in both personal and social contexts. At the end of 2011, the Deutscher Lernatlas (German Learning Atlas) released information on the educational requirements Germany's cities and towns must meet if they want to thrive economically and socially. In 2012, its findings were discussed at some 50 events throughout the country. One thing these activities have made clear is that local-level reports are necessary, including information on informal learning, if communities are to manage their educational offerings more effectively.



Bielefeld is the first community to generate a holistic community report on education.

Education experts at the Sociological Research Institute at the University of Göttingen collaborated with Prof. Hans Döbert of the German Institute for International Education Research on the *Kommunaler Lernreport* (Community Learning Report), an education-monitoring tool based on UNESCO's four pillars of learning: learning to know, learning to do, learning to live together and learning to be. The report looks at formal learning in educational institutions as well as non-formal and informal settings, such as theaters, museums and sport clubs. It allows any community to document its current situation, providing information on all areas of life and learning. It also makes it possible to use educational indicators to generate strategic policy recommendations. Bielefeld was the first community to develop a learning report using this method.

According to a Bertelsmann Stiftung study, students in Germany are much more likely to drop down to a lower-level school than to move up.



## Program

# Effective Investments in Education >

Our projects seek to create fair educational opportunities right from the start. From the moment they are born, children are learning every minute of the day, wherever they are. The family – the most important learning environment – has an enormous impact on a child's development. Yet society as a whole also bears responsibility for how successfully children learn and develop in educational institutions and in life. People at all levels of government and civil society therefore face the common challenge of providing the best possible support for each child and guaranteeing fair educational opportunities for all. The social environments of children and their families – especially early education programs in childcare facilities and family centers – play a crucial role in this regard, since they can broaden opportunities and minimize risks.

Our programs address the question of how to invest in education effectively. 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 they must be deployed. In our projects, we therefore provide a foundation for strategic management and quality-development activities, especially in early education, that are evidence-based. We also advocate for effective dovetailing of family and educational policy. We make challenges transparent and develop management tools that allow for effective investment. Not least, we raise awareness that, when it comes to education, cost-saving measures can prove expensive in the long run.

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### Projects:

#### Social Costs of Inadequate Education

When youngsters do not complete their schooling or vocational education, the consequences can be severe, namely a lack of job prospects for the individual and enormous follow-on costs for society, something our studies have made clear. Early and effective investment in equal educational opportunities for all children is essential if society is to avoid additional expenditures later on.

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#### 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 and has a profound effect on their development. Germany's public system of early childhood education and childcare lays the foundation for these opportunities. Our annual report and website provide all of the relevant facts and figures, making direct state-by-state comparisons possible.

[www.laendermonitor.de](http://www.laendermonitor.de)

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#### KECK: Community Development – Opportunities for Children

Within each city, children's opportunities for development and participation are unevenly distributed. For communities that want to offer effective learning opportunities to all children and allocate resources appropriately, KECK provides tools at no cost that show what life is like in specific residential areas.

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#### 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 different and needs individualized learning experiences. This project offers innovative planning tools to ensure that childcare centers are well equipped with the resources they need.

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#### Effective Investments in Education: Strengthening Families and Institutions

Secure families and quality institutions are needed if children are to have equal educational opportunities. This project shows what an effective combination of financial resources for families and investment in infrastructure might look like.

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Bertelsmann Stiftung (Hrsg.)  
**Warum Sparen in der Bildung teuer ist**  
 Folgekosten unzureichender Bildung für die Gesellschaft  
 Verlag BertelsmannStiftung

Bertelsmann Stiftung reports provide convincing arguments for investing in education.



Facts and figures on early childhood education in Germany's states can be found at [www.laendermonitor.de](http://www.laendermonitor.de).



The website [www.keck-atlas.de](http://www.keck-atlas.de) helps communities pursue policies that take into account the various social and residential factors impacting children's lives.

## 2012 Program Report

### Project: Social Costs of Inadequate Education

The project's final publication *Warum Sparen in der Bildung teuer ist* (Why Saving Money on Education Can be Expensive) calculates what a lack of educational opportunities costs German society. It also describes negative effects on social engagement, political participation and health. An international panel on "Effective Investments in Education" at the Global Economic Symposium in Brazil used the project's findings as the basis for its discussions.

### Project: State by State: Monitoring Early Childhood Education

The latest data on [www.laendermonitor.de](http://www.laendermonitor.de) once again made it possible to compare Germany's states in terms of trends in social participation, funding and early childhood education and care. One widely reported finding was that 60 percent of early childhood teachers work part time. Incentives for increasing work hours might therefore be an effective strategy for addressing the current shortage of skilled workers as Germany prepares to offer daycare to all children under the age of three. The project's findings have been the focus of considerable discussion among policymakers, unions and educational groups. Over time, it has become evident that the project's comparison of Germany's states has generated valuable ideas for achieving reforms and improving quality. An evaluation has shown that the project's data and analyses are being cited extensively in every state's policy debates, parliamentary hearings and government reports, and that the ratio of staff to children has improved as a result.

### Project: KECK: Community Development – Opportunities for Children

Since 2012, the KECK Atlas and KOMPIK observation tool have been available, free of charge, to all interested communities and childcare centers. Nienburg, Mülheim and Dessau have already begun to use KECK ([www.keck-atlas.de](http://www.keck-atlas.de)) for reporting on the various factors in residential areas influencing how children and adolescents grow up.

In addition, the pilot communities of Heilbronn, Herne and Rosenheim are examining how the information provided by KECK and KOMPIK can be used to allocate resources more equitably. Throughout Germany, the atlas has raised awareness of the high poverty rate among children under the age of three. Childcare centers in participating cities are using KOMPIK ([www.kompik.de](http://www.kompik.de)) to carry out structured observations.

### KiTa ZOOM – Financing Childcare Facilities Effectively

The project offers innovative tools for financing high-quality early childhood education systems to all interested educational authorities, communities and sponsors throughout Germany. A tool for calculating operating costs makes it possible to show how each childcare center is being funded, and a computer-based simulation provides precise information that can assist in making financial decisions. These tools are being implemented in selected pilot regions.

### Effective Investments in Education: Strengthening Families and Institutions

The project participated in expert roundtables and interdisciplinary conferences, discussing innovative research and reforms in family policy as well as possible ways of linking family and education policies. Initial studies have now been designed to take a closer look at the effectiveness of various family policies and the specific needs that families have.



## Program

# Future of Democracy >

Representative democracy is under pressure to change. 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. As in other countries, Germany needs a new culture of participation; its democratic system requires new methods of getting everyone involved. German democracy needs to be reinvigorated by including the public in decision making processes in a way that is timely and continuous and that results in specific solutions.

Our new Zukunft der Demokratie (Future of Democracy) program, launched in June 2012, brings together all of the foundation's projects that relate to political participation. Its purpose is to develop, test and implement new approaches to deliberative democracy that are as inclusive and effective as possible. Program activities focus on innovative and web-based methods for promoting civic participation at the community level and in large-scale infrastructure projects.

In addition, the program addresses important challenges democracies face as a result of globalization, demographic shifts and digitalization. Focus areas include intergenerational justice within the democratic decision-making process, wide-scale participation in an inclusive democracy, and support for government representatives and structures as democracy becomes increasingly globalized.

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### Projects:

#### Citizens' Forum

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. Following the 2011 Citizens' Forum, a pilot project jointly organized by the Bertelsmann Stiftung and the Heinz Nixdorf Foundation at the invitation of Germany's president, a standardized procedure is now being developed to encourage community-level participation. It will be made available to all German communities beginning in 2013.

[www.buergerforum2011.de](http://www.buergerforum2011.de)

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#### Civic Dialogue

In cooperation with the German Adult Education Association, the Bertelsmann Stiftung has developed a new approach to engaging with the public. In Civic Dialogues, politicians and citizens meet to discuss specific ideas and policy recommendations. The goal of the project is to develop a uniform, innovative procedure for encouraging popular participation at adult education centers throughout Germany.

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#### Engaging Citizens in Governance

This project supports politicians and administrators at the federal, state and local levels in involving the public in political processes, drawing on the international approaches and ideas identified for the 2011 Reinhard Mohn Prize. It is focusing in particular on innovative ways of encouraging citizen participation in large-scale infrastructure projects. In addition, the project has developed and tested the Bürgerkompass (Civic Compass), a new tool for citizen participation that allows people in Germany to evaluate the quality of governance and offer their own suggestions. As part of the Schülerhaushalt (Students' Budget) project, two initiatives were launched creating a process that enables young people to play an active role in shaping school life.

[www.politik-gemeinsam-gestalten.de](http://www.politik-gemeinsam-gestalten.de)

[www.schuelerhaushalt.de](http://www.schuelerhaushalt.de)

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The Dialogue on Germany's Future brought 140 people from all over the country to Berlin. German Chancellor Angela Merkel and moderator Dr. Dominik Hierlemann (second from left) conferred with participants who had been randomly selected to join them on the panel.

## 2012 Program Report

### Project: Citizens' Forum

In 2012, numerous follow-up activities took place in the communities that hosted one of the 25 Citizens' Forums held in 2011 at the invitation of Germany's president, events that welcomed a total of 10,000 participants. The project team was actively involved in assisting with these activities throughout 2012. In addition, the 2011 Citizens' Forums were systematically analyzed and evaluated, and the results summarized during workshops held in cooperation with the participating communities. The results of the evaluations are used to develop a standardized set of resources that will make it possible for every community in Germany to conduct its own web-based forum beginning in 2013.

### Project: Civic Dialogue

In cooperation with 50 adult education centers, the project conducted Civic Dialogues throughout Germany, integrating the results into the Dialogue on Germany's Future organized by the German chancellor's office. A total of more than 3,500 people took part in the Civic Dialogues, generating proposals that were discussed with the chancellor at a national event held in June 2012. Given their popularity among the public and the participating adult education centers, it was agreed that the dialogues should continue beyond 2012. Appropriate guidelines for moderation and training were developed, which will enable adult education centers to conduct their own dialogues, making them a regular feature of citizen participation at the community level.

### Project: Engaging Citizens in Governance

#### Infrastructure projects

The Bertelsmann Stiftung is conducting a variety of pilot projects to develop and test new ways of giving people a voice in infrastructure initiatives. In a Civic Dialogue in Lower Saxony, for example, the project is collaborating with state authorities to increase involvement in the planning process for extending the A33 highway that has been going on for decades, with little popular participation until recently. By providing transparent information and specific ideas for cooperation, the dialogue seeks to involve the public in the ongoing process.

In light of plans to create a bypass around the city of Waren in Mecklenburg-Western Pomerania, the project is working with state authorities on a new approach that encourages wide-scale participation right from the start. Three innovative forums were organized to discuss and evaluate ideas and findings with participants at the federal, state and local level. In autumn, the first release of a major study on innovative approaches to civic participation in infrastructure projects was presented to the public. Discussions of the study and of ways to improve it were held with experts in the field.

#### Civic Compass

In cooperation with the government of Saxony, the project implemented its first Bürgerkompass (Civic Compass) in November. Using a process designed specifically for that event, a diverse group of citizens was asked to take stock of the current situation and present suggestions for improving policies and governance. The participants personally presented the results to the state premier, who took part in the event's plenary session in Dresden. The government of Saxony has agreed to review the submitted proposals and will respond at a follow-up event in the spring of 2013.

#### Students' Budget

The project carried out Schülerhaushalte (Students' Budgets) in all of the secondary schools in Rietberg (North Rhine-Westphalia) and Wennigsen (Lower Saxony), developing a general approach and assisting in implementation. The positive response resulted in inquiries from schools and communities throughout Germany. The project team then developed manuals and training materials to allow schools to implement Students' Budgets on their own.



A brochure was published summarizing the results of the Civic Dialogues.



The Bertelsmann Stiftung released a report in 2012 on ways to increase transparency and citizen participation during planning processes for infrastructure projects.



## Program

# CHE Centre for Higher Education >

Dramatic changes are taking place at Germany's universities, which are being given greater autonomy to develop new courses of study and innovative administrative tools. In addition, they are pioneering research in new international contexts and addressing topics of growing importance, such as social responsibility and increasing university-level enrollment.

In 1994, the Bertelsmann Stiftung and the German Rectors' Conference founded the nonprofit Centre for Higher Education as a means of encouraging such change.

CHE seeks to improve the quality, performance and diversity of higher education institutions in Germany and Europe by collaborating with forward-looking partners to develop new ideas. In addition, it works to enhance transparency in research and testing, having introduced Europe's most highly regarded university ranking, among other innovations. CHE also identifies examples of good practice, taking a critical look at how current reforms are carried out as well as the risks, opportunities and outcomes of change processes. At the same time, it highlights the special contributions that universities make, with a focus on how they fulfill their social responsibility. Finally, as Europe creates a uniform university system, CHE continues to expand its network of international contacts and partnerships.

CHE is headed by co-directors Prof. 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*. Intended primarily for current and incoming students, it is the most comprehensive assessment available of universities in Germany, Austria, Switzerland and the Netherlands. A free Internet tool also allows users to select their own indicators and identify the university that is most appropriate for their needs.

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On behalf of the EU Commission and in collaboration with its international partners, CHE is developing a multidimensional global ranking system called U-Multirank, which is based on the CHE methodology. This new multidimensional approach will eliminate many of the shortcomings of current global rankings.

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#### Facts and Solutions

Alternative pathways to a university degree are necessary if there is to be greater equal educational opportunity in Germany. The CHE website [www.studieren-ohne-abitur.de](http://www.studieren-ohne-abitur.de) summarizes the relevant rules in Germany's states and offers information for individuals who would like to study at the university level but do not have the required educational background. Studies and conferences are also being used to address the topic. In addition, the website [www.monitor-lehrerbildung.de](http://www.monitor-lehrerbildung.de) is ensuring greater transparency during the first phase of teacher training.

A research project sponsored by the German Ministry of Education and Research and the European Social Fund is looking at why the number of female professors remains low. As part of this effort, CHE is identifying structural and cultural factors that can increase the representation of women. It is also developing recommendations for higher education institutions and educational authorities.

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CHE's annual University Ranking helps potential students identify the institution that best suits their needs.

## 2012 Program Report



The annual CHE University Ranking is published each year in cooperation with the German weekly *Die Zeit*.



One CHE study analyzes the opportunities and problems inherent in non-traditional pathways to a university education in Germany.

### Increasing Transparency of the Higher Education System's Performance and Structures

In 2012, CHE updated its rankings for the natural sciences, medicine, pharmaceuticals, mathematics, computer science and sports science that are published in cooperation with the German weekly *Die Zeit*. It also included information on non-German universities. In the autumn, CHE surveyed computer science graduates regarding their studies, educational history, entry into the job market and ongoing training requirements, subsequently publishing the results.

More young people without a university-entrance diploma began studying in Germany in 2012 than ever before, accounting for 2.3 percent of first-year students, a share that has doubled over the past five years. CHE carries out studies and publishes information that promote non-traditional access to a university education. In early 2013, the website [www.studieren-ohne-abitur.de](http://www.studieren-ohne-abitur.de) was launched with comprehensive information on this topic and links to specific courses of study.

The website [www.monitor-lehrerbildung.de](http://www.monitor-lehrerbildung.de) sheds light on the multifaceted area of teacher training at Germany's universities. This joint project of the Bertelsmann Stiftung, CHE, the Deutsche Telekom Foundation and the Stifterverband für die Deutsche Wissenschaft offers a comparative overview of facts and figures as well as articles on select topics.

### Optimizing Structures and Processes

Together with the Institute for Research on Higher Education Halle-Wittenberg, CHE is conducting research on the career paths of junior professors and analyzing traditional and new ways of acquiring academic credentials.

### Promoting University Autonomy

In 2012, CHE and *Financial Times Deutschland* selected a University Administrator of the Year for the fifth time: Prof. Wilfried Müller, former rector of the University of Bremen.

In cooperation with the Heinz Nixdorf Foundation and the Stifterverband für die Deutsche Wissenschaft, CHE also established a platform that allows university council members to exchange views and information. In February 2012, more than 80 university council presidents published a position paper with recommendations on how university councils should carry out their work.

### Social Responsibility at Higher Education Institutions

Initiated by the Robert Bosch Foundation, the federal government's commissioner for the new German states and CHE, the Family in Higher Education Institution best practice club ([www.familie-in-der-hochschule.de](http://www.familie-in-der-hochschule.de)) was launched to help people coordinate family activities with their university or professional responsibilities. Twelve universities in this club have developed practical tools to assist students and staff with these issues.

### International Projects

CHE was asked by the EU Commission to develop a multidimensional global ranking using the CHE methodology. With the Netherlands' Center for Higher Education Policy Studies and other international partners, CHE began conceptual work on this project in December 2012. The first ranking for the disciplines of mechanical engineering, electrical engineering, business administration and physics is scheduled for publication in 2014 and will include at least 500 universities. Within the framework of several EU projects, CHE is developing, organizing and moderating international workshops for university administrators and educational authorities, among others.

### Leadership Training and Staff Development Workshops

CHE organizes inter-institutional training courses for administrators at universities and research institutes, offering yearly programs on such topics as department and quality management.

## Dr. Brigitte Mohn



*Dr. Mohn, you have called for greater support for and broader recognition of civil society. How can society at large promote civic engagement?*

Today 38 percent of all Germans serve as unpaid volunteers in approximately 600,000 foundations, initiatives, clubs and other community groups. They take responsibility for others, offer support and provide urgently needed help. Civil society plays an important role in nearly every aspect of life. To ensure that this continues, we need to lay the groundwork for civic engagement as early as possible in people's lives – by including it in the curricula of preschools and schools, for example, and in extracurricular youth programs. That way we can instill the ideas and provide the opportunities that will result in civic engagement. If we focus on the motivation and skills of young people, we can strengthen their ability to participate throughout their lives.

Many people have very concrete ideas of how they want to be involved. For example, about one-third of Germany's volunteers are willing to care for the elderly, join a citizens' initiative or take part in other activities that address social issues. People also want to be included in political processes and the decisions that result. By getting involved, people show that they want to be heard.

## 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, Münster and Augsburg, earning a Master of Arts degree in 1991 and subsequently a doctorate. In 2001 she received an MBA from the Otto Beisheim School of Management in Koblenz and the Kellogg Institute in the United States.

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

Since 2001, she has served as chair of the German Stroke Foundation's Executive Board. In 2002, she also 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.

*What has the Bertelsmann Stiftung done in this area over the past year?*

Our numerous projects and initiatives are improving the conditions that make civic engagement possible: by encouraging transparency, evaluating the socioeconomic effects of charitable activities, drawing attention to best practices and providing additional opportunities for networking and cooperation. For example, our projects Placing Civil Society on the Economic Map and Resources for Social Investors are creating greater transparency for the third sector. The "jungbewegt" project helps young people get involved by supporting daycare facilities, schools and youth groups as they become venues for civic engagement. Our new study *Jugend in der Zivilgesellschaft* (Young People in Civil Society) analyzes the factors influencing the voluntary engagement of young people today and examines how we can encourage such activity.

*What projects lie ahead?*

Particularly noteworthy is our 2013 Local Government Congress on the topic of "The Role of Civil Society." After all, engagement starts locally, right where people live. This event therefore focuses on local politicians, who will join us in workshops and interactive forums to discuss ways of encouraging engagement in Germany's communities. Local governments have a tremendous opportunity to mine the "treasure trove" of civic engagement and shape the future of Germany's cities and towns in a positive way. But this requires coordinated planning as well as citizen-friendly communication. Every employee in every local government office must be made aware of these important tasks. This is the only way to build and maintain an infrastructure that facilitates civic engagement. We at the Bertelsmann Stiftung want to support this effort and encourage others to join us.

## Transforming Civil Society

# Living and promoting civic engagement

People have always taken responsibility for themselves and others. However, young people in particular need more encouragement and opportunities if they are to get involved – as well as recognition after they have done so. After all, social solidarity is the mainstay of democracy, the foundation of social cohesion and a key resource for the future.



Before starting her university studies in social work, Jana Mecklenborg is volunteering for a year, providing services to the homeless through a church organization in Hamburg.

### Helping others, and themselves

Civil society is changing, becoming more flexible, directed and international. Whether we are talking about volunteer work, social services, international organizations or good deeds both large and small – charitable activities must be effectively structured if they are to produce the greatest possible effect.

Before she was even out of school, 23-year-old Jana Mecklenborg knew she wanted more than just a high-paying job, she also wanted work that was really worthwhile. That's why, before beginning her university studies in social work, she has entered Germany's Voluntary Social Year program, and now works at a daytime drop-in center for homeless people sponsored by a church organization in Hamburg. The people who come to the center – referred to as "guests" – can exchange low-cost vouchers for a hot meal. They can also take a shower, pick up their mail, receive medical care, talk to a counselor and get help in navigating the social services system.

### Volunteering for a year

Mecklenborg has met a number of people at the center, among them Ole (names in the following article have been changed), who arrives for lunch every day in a dark suit and red necktie. Long out of work, he has lived for months at a men's hostel, but he does his best to keep up appearances so that others might not notice his straitened circumstances. There's also Karl, who chooses his words carefully and has seen better days. And there was an elderly gentleman who had cancer. "He was always so good-natured and kind. He took in his nephew, who drove him into debt,"

says Mecklenborg. "He had to declare personal bankruptcy. He died a while back. We made his funeral arrangements."

Their stories have touched her, and she in turn has touched their lives. She decided to volunteer for a year to bridge the gap between school and college. "I want to major in social work, and I thought it would help me choose a focus," she explains. That it would look good on her university application was a bonus, she says. Yet Mecklenborg has deferred her studies and extended her service year – because it has been so rewarding. "It's the most meaningful thing I've ever done, and I've grown so much as a person," she says.

Mecklenborg is one of about 40,000 gap-year service volunteers in Germany. These young adults, 16 to 27 years old, are committed to serving in a number of ways, such as helping others with their basic needs, working in childcare centers and assisting the disabled, elderly and ill. Some 35,000 volunteers have also signed up for Germany's Federal Voluntary Service program, established in 2011. The trend is growing and civil society in Germany is changing as a result. Moreover, people are increasingly making it their own, helping not just for the sake of helping, but in a way that makes use of their individual skills and that is personally satisfying.

### Transforming fair trade

Voluntary service programs also exist abroad, and as civil society changes, its networks are growing stronger. That's a good thing, according to Mario Martínez Oporto, 35. He represents a very different aspect of civil society, one that lays claim to a long tradition: fair trade. Born in Chile, Martínez came to Germany at the age of 24 to join Viola, who is now his wife. They met in Mexico while they both were working for nonprofit

organizations. At first, they lived near Lüneburg Heath in central Germany and dabbled in a micro-version of fair trade. “My mother in Chile sent us South American handicrafts, and we sold them at outdoor markets here,” Martínez says. Their dream, however, was to sell fair-trade goods on a larger scale. After trying a number of options, Martínez finally arrived at GEPA, the world’s largest alternative trading organization, which today generates €61.5 million annually from its global wholesale operations.

Martínez and his wife have reached their goal and now have their own GEPA World Shop. It is located in Wuppertal, one of more than 80 Fairtrade Towns across Germany. Sponsored by the organization TransFair, the Fairtrade Towns campaign brings together people from business, politics and civil society who support economic, social and ecological standards in fair trade – a movement that values its credibility above all else. For Martínez, the shop is just what he wanted. Around him is a colorful assortment of goods: rice from Asia, coffee from Latin America, honey from Mexico, fruit tea from Hungary, pottery from South Africa, singing bowls from Nepal and model cars from Madagascar made of scrap metal. In addition to GEPA products, the shop sells goods from many smaller fair trade partners such as dwp, contigo, globo and akar – organizations that are working to ensure people do not have to toil in substandard conditions and for unfair prices, just because they live in less developed countries.

Directly across from the World Shop is the Kirchen Café, also called the “World Café,” where the menu features many fair-trade items. Serving them are young people like Eloge, who comes from South Africa. Working at the café has given him an opportunity to complete his training in the hospitality industry, even though at first he spoke little German. Wuppertal is also the headquarters of GEPA, founded in 1975 by German development aid organizations KED and Misereor and the country’s then newly founded association of third-world shops. “I’ve been told that its very first product was a dried gourd from Africa with patterned carvings of small figures,” recalls Thomas Speck, CEO of GEPA. “Then there were handicrafts. Later coffee, first Indio coffee from Guatemala, then Nicaraguan coffee. And in the late 1980s, the world’s first organic tea, from Sri Lanka.”

Today, GEPA sells about 1,500 nonfood items and some 400 food products. Its 35-year history has taken a number of twists and turns. “Until 1989, GEPA was only allowed to sell goods through its world shops and action groups,” Speck recalls. “Then the firm’s partners decided that GEPA products should also be available in ordinary stores.” The idea was first tested in conventional retail outlets in Tübingen, and, in the 1990s, many products began selling in Germany’s major supermarket chains. Over the years, as consumers became increasingly interested in organic products, health food stores joined GEPA’s network of retailers as well.

From “One-World Shops” (left) to organizations such as GEPA (right), fair trade is more international than ever.



Another breakthrough came in the 1990s, as GEPA began to pay more and more attention to quality. “Before then we were primarily focused on making sure that the coffee and other goods we marketed had been purchased fairly. But whether it actually tasted good when the customer finally drank it – we didn’t have the resources to ensure that. Today, we can say with confidence that our coffee ranks among the best available in Germany, something that is true for all our other products as well.”

### Volunteer service agencies

Civil society is becoming more international, which is making people more aware of fair trade and opening up entirely new opportunities for organizations such as GEPA. It is also becoming more personal, as Jana Mecklenborg and her year of volunteer service illustrate. Finally, it is becoming more flexible. We no longer rely on a kindhearted stay-at-home mom to look after the elderly woman next door or help the youngster across the street with his homework. Those services tend to be provided instead by targeted projects specially created to bring people together.

Gieslind Brodde, 68, has found one such project. Trained as a research assistant, she is the manager of a company that organizes conferences. A widow, she is the mother of two, with four grandchildren ranging in age from two to thirteen.

“I had never even thought about volunteering,” she says, “but had always noticed that many young people needed support – which wasn’t available at school or through other official channels and which their parents couldn’t afford.” One day she saw an ad in the paper for Tandem, a mentoring project sponsored by a volunteer service agency in Essen. The idea: Adults “adopt” youngsters, starting in the seventh grade, to help them begin planning their future careers.

“I went to the agency, introduced myself and said I would like to work with a boy, because I’ve never been very good with adolescent girls,” she says with a laugh. It was a very concrete request – one that was immediately granted. “At the first meeting, nobody knew which young people would show up,” she recalls. “We had a bit of time to get to know each other, and there was one boy I liked right away. The professionals, the agency’s managers, could tell we were a good match.” That was two years ago, and Brodde and Eduard, now 14, get together at least once a week. He attends a local secondary school. His family comes from Kazakhstan, and they mostly speak Russian at home. “It turned out that Eduard needed tutoring in German,” Brodde says. She was able to provide it – and now they celebrate whenever he earns a good grade. “The volunteers always come back again. Still, it’s hard to get people interested in the first place,” Brodde explains. “They should just look at the United States – community service is popular there. Giving back is considered part of being a good citizen. It would be great if we had the same attitude here.”



A project of her own: Gieslind Brodde (right) consulted with a volunteering agency in Essen and found just the right community service project, the Tandem mentoring program.



Whether it's caring for young people, helping the poor or homeless, or transporting people with special needs, charitable organizations make a big difference in many people's lives – day in and day out.

According to bagfa, Germany's national association of volunteer organizations, there are more than 400 volunteer agencies across the country. There are more than 30 community service agencies and referral offices in the Ruhr region alone, an area where the cities are larger and communities less close-knit, giving rise to a greater need for networking and flexibility – and, above all, for motivated helpers.

The Essen agency where Gieslind Brodde found her project believes it's never too early to start, and thus created the 17/70 program, which sends students to visit people in retirement homes.

One of these young people is Charlotte. She is 17, but the woman she meets with, Magdalene Büchner, is 97 rather than 70 – a petite woman with snow-white hair and lively blue eyes. Charlotte, who is getting ready to take her university entrance exams, has visited once a week for the past six months. "I heard about the project at school," she says. "I thought, community service is never a bad idea. And it's really not all that hard to give one hour a week of your time."

### Shaping change

The time she gives is far from wasted. "We tell each other lots of stories," Büchner says. Charlotte is particularly intrigued by stories of the "old days," of how it was back when Büchner was young. How she married her husband in 1940, believing that the war would be over in six weeks or so. And then her husband's death. And how she lost everything in the war. Charlotte sits in rapt attention. "Her stories are fascinating," she says. "The fact that one world war was quickly followed by another. We learn a lot of historical facts in school, but the effects they have on actual people, there's no way you can teach that in a history lesson." Büchner nods. "Yes, Charlotte is a good listener," she says.

Charlotte always has a good feeling when she leaves the retirement home – just as Gieslind Brodde enjoys her afternoons with Eduard, Jana Mecklenborg is gratified by the smiles of her "guests" and Mario Martínez Oporto derives a sense of satisfaction from knowing that the money he earns comes from a business that is helping others. Each of them is an example of the transformation taking place in German civil society: from helping on a small scale to creating a global network of engagement.

Originally published in *change – The Bertelsmann Stiftung Magazine* (3/2012)



"It's not hard to give one hour a week of your time," says 17-year-old Charlotte, who meets regularly with 97-year-old Magdalene.



## Program

# Communities for Better Living >

It is in communities that we discover whether basic democratic concepts – freedom, responsibility, participation, goodwill, solidarity – are put into practice on a daily basis. This, too, is where each individual can help ensure these concepts remain vibrant. At the community level, it thus becomes apparent that social justice is not just an abstract idea, but rather the standard by which each individual's actions should be measured.

Germany's communities are facing a host of challenges, from demographic change in all its facets to social segregation, which is increasingly a concern in smaller towns. Moreover, financial constraints have made it all but impossible for communities to respond to these issues appropriately.

The Communities for Better Living program promotes social participation in Germany's cities and towns. Yet social, economic and cultural change in their various guises are making it more difficult for society to remain cohesive. There has also been a noticeable worsening of the conditions required for community action, and not only with respect to financial resources. It is less likely than ever before that individuals in positions of responsibility will be able to solve the problems communities face. That means everyone – citizens, policymakers, administrators, business leaders, local associations and other groups – must come together to share responsibility. After all, “communal” means getting everyone involved!

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### Projects:

#### Community Guide

The website [www.wegweiser-kommune.de](http://www.wegweiser-kommune.de) provides indicators of socioeconomic trends and population forecasts up to the year 2030 for every community in Germany with 5,000 inhabitants or more.

[www.wegweiser-kommune.de](http://www.wegweiser-kommune.de)

[carsten.grosse.starmann@bertelsmann-stiftung.de](mailto:carsten.grosse.starmann@bertelsmann-stiftung.de)

[petra.klug@bertelsmann-stiftung.de](mailto:petra.klug@bertelsmann-stiftung.de)

#### Reforming Local Government Finances

Inadequate financial resources have made it increasingly difficult for communities to take action. We offer suggestions for reforming local financial systems; our publication *Kommunaler Finanz- und Schuldenreport* (Report on Community Finances and Debt) contains data on the financial situation of Germany's cities and towns. We suggest ways to reduce community debt and propose amendments to the country's system of federal funding.

[www.doppikvergleich.de](http://www.doppikvergleich.de)

[rene.geissler@bertelsmann-stiftung.de](mailto:rene.geissler@bertelsmann-stiftung.de)

#### Local Network for Education

This network is a joint initiative of the German Ministry of Education and Research and approximately 180 German foundations. As part of the initiative, the Bertelsmann Stiftung is helping the cities of Freiburg, Leipzig and Aachen develop outstanding educational landscapes.

[www.lernen-vor-ort.info](http://www.lernen-vor-ort.info)

[heinz.frenz@bertelsmann-stiftung.de](mailto:heinz.frenz@bertelsmann-stiftung.de)

[anja.langness@bertelsmann-stiftung.de](mailto:anja.langness@bertelsmann-stiftung.de)

#### Leave No Child Behind! – Community Prevention in NRW

This pilot project, implemented in cooperation with the state of North Rhine-Westphalia, is establishing local-level “prevention networks” that help children develop to their full potential. The project evaluates the lessons learned and shares them with other communities.

[www.kein-kind-zuruecklassen.de](http://www.kein-kind-zuruecklassen.de)

[christina.wieda@bertelsmann-stiftung.de](mailto:christina.wieda@bertelsmann-stiftung.de)

#### Childcare Centers in Motion! The High-Quality, Healthy ECEC Facility

We are committed to offering children better opportunities in the areas of education and health. We assist childcare facilities in their efforts to improve educational and health quality.

[www.gute-gesunde-kita.de](http://www.gute-gesunde-kita.de)

[arne-christoph.halle@bertelsmann-stiftung.de](mailto:arne-christoph.halle@bertelsmann-stiftung.de)

#### Workshops for Communities

To meet coming challenges and equip Germany's cities and towns for the future, the Bertelsmann Stiftung offers workshops tailored to the needs of each community.

[www.workshops-fuer-kommunen.de](http://www.workshops-fuer-kommunen.de)

[wolfgang.waehne@bertelsmann-stiftung.de](mailto:wolfgang.waehne@bertelsmann-stiftung.de)

An event organized together with the NRW Ministry for Family, Children, Youth, Culture and Sport focused on the key role parents have to play. NRW Family Minister Ute Schäfer (left) with Dr. Brigitte Mohn.

## 2012 Program Report



A special report presents three scenarios illustrating the anticipated need for nursing care in Germany in 2030.



The Bertelsmann Stiftung releases state-level reports on the financial situation of Germany's communities to help them respond to current funding-related challenges.

### Project: Community Guide

The website [www.wegweiser-kommune.de](http://www.wegweiser-kommune.de) provides facts and figures on the effects of demographic change, as well as policy recommendations and examples of good practices, for all German communities with a population of 5,000 or more. As of 2012, an application for smartphones and tablets is also available to access data. Since the rapid increase in the number of the advanced elderly poses major challenges for Germany's communities, the project website now provides forecasts of what the care needs will be in the country's cities and towns in 2030. In addition, to stimulate the development of individual action plans, some 3,000 communities were analyzed and assigned to one of nine demographic categories. The classification system offers each community detailed information about its specific challenges and potential, as well as strategic responses.

### Project: Reforming Local Government Finances

In 2012, two reports on community finances and debt were compiled for the states of Mecklenburg-Western Pomerania and Bavaria. A nationwide finance report comparing data for all of Germany's states, to be published in early 2013, covers new topics such as personnel costs, taxes and financial assets.

Our Wegweiser Kommune (Community Guide) presents more than 40 indicators from which users can generate a financial report for any community with 5,000 inhabitants or more. Shortcomings in Germany's system of federal funding are also contributing to the financial crisis affecting the country's cities and towns. Based on two comprehensive expert opinions, a new position paper examines the modifications needed to update the system from the perspective of financial and constitutional law.

### Project: Local Network for Education

This project has entered its second phase, and many individual measures have been implemented in participating communities based on the lessons learned in the first phase. The measures focus on organizing educational programs in the communities and creating local alliances for education, as well as developing methods for sustaining the programs and sharing them with other communities.

### Project: Leave No Child Behind! Community Prevention in NRW

In 2012, 18 pilot communities took stock of the current situation and defined their goals for establishing prevention networks. An event sponsored jointly with North Rhine-Westphalia's Ministry for Family, Children, Youth, Culture and Sports highlighted the role parents play. A panel discussion with members of the state's Ministry for Work, Integration and Social Affairs was devoted to successful transitions from school to work. The project is scheduled to run until 2015.

### Project: Childcare Centers in Motion! The High-Quality, Healthy ECEC Facility

In order to make sure more children, caregivers and parents benefit from this successful project, a Kitas bewegen! (Childcare Centers in Motion!) initiative was established in Berlin, in cooperation with the Department of Education and 11 high-profile partners from the healthcare community. The open-ended initiative will provide support for 60 childcare centers during its initial expansion phase (2012–2014).

### Project: Workshops for Communities

Focusing on demography, integration and future-oriented policies for senior citizens, the community workshops offered in 2012 received very positive feedback in an evaluation survey. Nearly all of the respondents indicated that they would recommend our workshops to other communities.

The Bertelsmann Stiftung's Healthcare Fact Check investigates the circumstances under which a caesarean section is advisable.



## 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 consumers.

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. Our aim is to provide patients with understandable, objective information and see to it that their perspective is taken into account during the policy-making process.

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### Projects:

#### Weisse Liste – Comparing Healthcare Providers

The Weisse Liste (White List) website helps patients find the right hospital, physician or nursing home. 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](http://www.weisse-liste.de)

[timo.thranberend@bertelsmann-stiftung.de](mailto:timo.thranberend@bertelsmann-stiftung.de)

#### Healthcare Fact Check

Through the Initiative für gute Gesundheitsversorgung (Initiative for High-Quality Healthcare), the foundation promotes collaboration among experts from Germany's healthcare system. The Faktencheck Gesundheit (Healthcare Fact Check) sheds light on regional differences in healthcare services. The overall goal is to find solutions to structural deficits while providing patients with clear and accurate information.

[www.faktencheck-gesundheit.de](http://www.faktencheck-gesundheit.de)

[kerstin.blum@bertelsmann-stiftung.de](mailto:kerstin.blum@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](http://www.gesundheitsmonitor.de)

[jan.boecken@bertelsmann-stiftung.de](mailto:jan.boecken@bertelsmann-stiftung.de)

#### Stiftung Praxissiegel e. V.

Medical practices and care centers that have successfully completed the EPA (European Practice Assessment) and fulfill certain quality standards receive certification from Stiftung Praxissiegel e. V., an organization that promotes quality and transparency in the healthcare system.

[www.praxissiegel.de](http://www.praxissiegel.de)

[info@praxissiegel.de](mailto:info@praxissiegel.de)

## 2012 Program Report



### Project: Weisse Liste – Comparing Healthcare Providers

Since early 2012, the Weisse Liste (White List) online search tool gives users access to information about some 12,000 nursing homes throughout Germany, including information on availability and costs.

In February, the website’s physician search capability was expanded. Reports from people insured by AOK, BARMER GEK, and Techniker Krankenkasse now include dentists as well as primary care physicians and specialists. In December, a new version of the hospital search tool was launched. In addition to simplified searches, the website now offers information about the experiences of former patients. The information is drawn from the largest survey of patients ever conducted in Germany, a joint project of the Weisse Liste, AOK and BARMER GEK. By the end of 2012, more than one million patients had received questionnaires and over 450,000 had responded.

A new Weisse Liste nonprofit organization opened an office in Berlin in 2012. This wholly-owned subsidiary of the Bertelsmann Stiftung is responsible for operating and developing the existing search tools. In the future, the foundation will focus on expanding its information resources while continuing the strategic management of the project in cooperation with patients’ and consumers’ organizations.

The Healthcare Fact Check highlights regional differences in care and provides useful information for making care-related decisions.



### Project: Healthcare Fact Check

The initiative published two “Fact Checks” in 2012 on caesarean sections and using antibiotics to treat children, showing how and why healthcare varies throughout Germany. The project websites [www.faktencheck-antibiotika.de](http://www.faktencheck-antibiotika.de) and [www.faktencheck-kaiserschnitt.de](http://www.faktencheck-kaiserschnitt.de) offer information, interactive tools and videos to provide patients with ideas on how to improve the care they receive. Through its media relations efforts, the project prompted a lively discussion of its findings among specialists in the field.



In cooperation with the Bertelsmann Stiftung program Communities for Better Living, the project published a report on nursing care, predicting that unless policymakers take steps to counter current trends, by 2030 as many as 500,000 full-time positions in the care-giving industry will go unfilled.

### Project: 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 2012 Healthcare Monitor sheds light on these and other questions, providing policymakers, researchers and the public with meaningful data for improving healthcare. This year, the focus included specialist care in rural areas and the physician-patient relationship in outpatient care. Thanks to the partnership that began in 2011 between the Bertelsmann Stiftung and health insurer BARMER GEK, billing data for more than 8.5 million people are now available for Healthcare Monitor analyses, along with information from national surveys.



### Project: Stiftung Praxissiegel e. V.

In 2011, the quality-assurance organization Stiftung Praxissiegel e. V. certified 186 practices of family doctors, specialists and dentists, as well as medical care units. A workshop brought together researchers, policymakers and practitioners to discuss the legal framework governing quality management guidelines, along with the current state of implementation.

The Healthcare Monitor regularly surveys a representative cross-section of the German population on their experiences with the healthcare system.



## 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, international partnerships and many other areas.

Civil society in the 21st century is flexible. At the same time, it is well organized, with networks that extend beyond national borders. Its goals are as varied as the ideas that inspire them. Together with our partners, we are working to improve the conditions for civic engagement: by encouraging transparency, evaluating the socioeconomic effects of charitable activities, providing additional opportunities for networking and cooperation, and publicizing and honoring good examples. Not least, we are following new trends around the world and exploring the issues of tomorrow.

We care most deeply about civic engagement dedicated to children and youth, because what society does for its young people is crucial for its long-term future. In addition, we focus on creating favorable conditions at the local level, since that is where civil society has its greatest impact.

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### Projects:

#### "jungbewegt – Your Contribution Counts."

The "jungbewegt" project promotes civic engagement among young people. Working together with Germany's states, communities and nonprofit organizations, it supports daycare facilities, schools and youth groups as they promote civic engagement. It encourages networking and the dissemination of good practices.  
[sigrid.meinhold-henschel@bertelsmann-stiftung.de](mailto:sigrid.meinhold-henschel@bertelsmann-stiftung.de)

#### Effekt<sup>n</sup> – Growth and Impact in Civil Society

A large number of projects and organizations have found successful ways to address social problems. The dissemination of effective ideas, however, is not the norm. We therefore systematize what we know about sharing strategies for nonprofit organizations and continuing education institutions.  
[gerald.labitzke@bertelsmann-stiftung.de](mailto:gerald.labitzke@bertelsmann-stiftung.de)

#### PHINEO gAG – For Effective Engagement

PHINEO places issues relating to social engagement on the public agenda. It provides detailed reports, handbooks for donors and individualized consulting for social investors. The Bertelsmann Stiftung has been supporting PHINEO in its analytical and consulting activities since it was founded.

[www.phineo.org](http://www.phineo.org)  
[andreas.rickert@phineo.org](mailto:andreas.rickert@phineo.org)

#### Social Impact Analysts Association

How can social organizations assess the impact of their work? And how can investors target their resources most effectively? SIAA, an international association launched in London in 2011, brings social analysts together to build a knowledge base and encourage international exchange.

[www.siaassociation.com](http://www.siaassociation.com)  
[jake.benford@bertelsmann-stiftung.de](mailto:jake.benford@bertelsmann-stiftung.de)

#### Placing Civil Society on the Economic Map

Despite the importance of civil society for Germany's economic and social development, there is little reliable, current data for this sector. This project is compiling a comprehensive, regularly updated database on the role civil society plays.

[www.ziviz.info](http://www.ziviz.info)  
[alina.mahnken@bertelsmann-stiftung.de](mailto:alina.mahnken@bertelsmann-stiftung.de)

#### Children.Giving.Future.

People throughout Germany – including public, private and nonprofit organizations – are helping young people and their families, especially at the local level. Conferences organized by Children.Giving.Future. support their efforts and promote networking. The conferences are available as "ready-to-launch" events for communities and regions.

[www.kinder-stiften-zukunft.de](http://www.kinder-stiften-zukunft.de)  
[susanne.bendicks@bertelsmann-stiftung.de](mailto:susanne.bendicks@bertelsmann-stiftung.de)

Dr. Brigitte Mohn talks with participants at a “jungbewegt” event in Berlin.

## 2012 Program Report



This “jungbewegt” handbook gives young people tips on how to bring their own projects to life.

### Project: “jungbewegt – Your Contribution Counts.”

In 2012, proven strategies for promoting civic engagement were put into practice, following training sessions for teachers, childcare providers and youth workers. The result was a wide range of opportunities for youngsters. Once again, for example, more than 100 young people from Berlin and Magdeburg designed and implemented their own projects as part of the 2012 “jungbewegt” competition. In “jugendforum rlp,” an innovative initiative in Rhineland-Palatinate, young people came up with recommendations for the future of their state. The state government will incorporate the results into its policymaking activities during the current legislative term. In Saxony-Anhalt, the city of Halberstadt has also launched its first civic engagement projects for youth.

### Effekt<sup>n</sup> – Growth and Impact in Civil Society

In partnership with Hannover University, the project conducted a qualitative investigation, including 24 case studies, of the dissemination strategies used by nonprofit organizations in Germany. The results will be published as a handbook in the spring of 2013.

Working with experts from the philanthropy sector, academia and civil society, the project developed a strategy for knowledge transfer and training in the nonprofit sector. In cooperation with the University of Münster, we developed the idea for a summer academy where participants redesign curricula. We also partnered with Stiftung Bürgermut to organize a BarCamp – an open, participatory workshop – to explore issues involved in adapting projects to other settings.

### PHINEO gAG – For Effective Engagement

New analyses address the topics of childhood poverty and depression. Of the 510 projects analyzed to date, PHINEO particularly recommends 134. Along with 10 special reports, the compact PHINEO guides on microfinancing, foundation administration and development cooperation provide extensive project descriptions for donors, foundations and socially engaged companies.



### SIAA – Social Impact Analysts Association

SIAA held its annual conference in Berlin in November 2012 on the topic of “The Emerging Profession,” with more than 100 analysts in attendance. SIAA now has 161 members in 16 countries. SIAA Country Groups are currently being established in nine countries.



### Placing Civil Society on the Economic Map

In 2012, a nationwide representative survey of civil society organizations was begun in Germany, investigating the services and organizational structures of a sector that has still been little researched. The ZiviZpraxis project module asked mayors across Germany about civil society programs for children and youth. Another study surveyed 3,500 organizations in 11 communities on the topic of social engagement to benefit children and youth. The findings will be published in the spring of 2013.

### Children.Giving.Future.

Children.Giving.Future conferences were held in the cities of Erlangen, Berlin, Stuttgart and Munich, as well as in the Märkisch-Oderland district. Approximately 1,000 experts from nonprofit, public and private organizations participated in the events, initiating many cooperative projects. The Bertelsmann Stiftung provides advice and support to the local organizers of the conferences and their partners.

# Bertelsmann Stiftung International >



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## Bertelsmann Stiftung International

# Fundación Bertelsmann in Barcelona >

Since community involvement is the crucial pillar on which civil society rests, the Fundación Bertelsmann project portfolio focuses on the issue of social responsibility. We are committed to developing the institutions of government and civil society in ways that encourage people to get involved. Our programs focus on citizen participation, cultural diversity and integration in communities, schools and businesses. In addition, at our annual Dialogue and Action conference we examine issues requiring reform.

According to official figures, more than half of under 25-year-olds in Spain are currently without a job. In 2013, the Fundación Bertelsmann will develop a new portfolio of projects focusing on youth and employment. In partnership with the Bertelsmann Stiftung's Germany-based Initiative for Employment, the Fundación is building regional partnerships for promoting training and employment. It is also joining forces with Spanish partners to provide career counseling in Spanish schools, insure the quality of vocational training programs and train tutors in Spanish companies.

### Contact:



Michaela Hertel  
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fundacionbertelsmann.org

### Projects:

In Spain, **community foundations** are still a new form of civic engagement. They allow citizens to engage in philanthropy even with relatively small sums of money, thereby helping to improve the quality of life in their communities. To support this sector, we conduct case studies, provide advice on how to establish a foundation, help foundations professionalize their work, build networks and offer training.

Our project **Managing Cultural Diversity** promotes respect for people from other cultures, thereby creating the basis for integrating them successfully into the workplace and society. We identify and publicize good examples from communities, schools and businesses.

Through its **Cities of Migration** activities, the Fundación Bertelsmann promotes innovation in the area of community integration policy. We identify examples of good practice at the municipal level in partnership with the Maytree Foundation in Canada and other foundations around the world. We highlight positive approaches to integrating immigrants and showcase them at conferences, in our newsletter, on our multilingual website and in print publications.

**Eres joven, ¡triumfarás!** (All Kids Are VIPs) is a nationwide competition held in cooperation with Spain's Ministry of Education and other partners. Its objective is to encourage young people between the ages of 12 and 18, along with their parents and teachers, to participate in projects promoting the integration of students of migrant background in schools.

At our annual **Dialogue and Action** conference, we meet with representatives of all sectors of society to discuss issues of reform policy.

Fundación Bertelsmann  
Pg. Picasso, 16 · 08003 Barcelona  
Telephone: +34 93 268-7373



The Fundación Bertelsmann expanded its social media activities in 2012. Contact with the foundation is now possible via these channels:

Web: [www.fundacionbertelsmann.org](http://www.fundacionbertelsmann.org)  
Facebook: <http://www.facebook.com/FundacionBertelsmann>  
Twitter: <http://www.twitter.com/FBertelsmann>  
Scribd: <http://es.scribd.com/FBertelsmann>  
Youtube: <http://www.youtube.com/user/fundacionbertelsmann>  
Flickr: [http://www.flickr.com/photos/fundacion\\_bertelsmann](http://www.flickr.com/photos/fundacion_bertelsmann)

Speaking at the Belgian/German conference:  
former German Chancellor Gerhard Schröder (left)  
and Belgian Deputy Prime Minister and Foreign  
Minister Didier Reynders.



## Bertelsmann Stiftung International

# 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 office addresses all three dimensions of the foundation's international work. In the *Learn* dimension, it acts as a kind of early-on seismograph by identifying relevant trends and good practices throughout Europe and communicating them back to Germany. In the *Connect* dimension, the team helps the foundation expand its European partnerships with leading think tanks and nonprofit organizations. In the *Transfer* dimension, the office increases the foundation's role as a contributor of new ideas and potential solutions for reform debates in other countries and at the EU level.

The office promotes awareness of the Bertelsmann Stiftung as a source of expertise for overcoming the euro crisis and for achieving the EU Treaty's goal of creating a competitive social market economy. In doing so, our work is guided by the foundation's leitmotif of the "United States of Europe" for the future development of the EU.

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In 2012, the Brussels office focused on the social consequences of the crisis in Europe and on developing the euro zone into a true economic, fiscal and political union. At its annual **Brussels Think Tank Dialogue** with nine partners, 450 experts joined Martin Schulz, president of the European Parliament, to discuss solidarity and austerity in Europe. The annual **Belgian/German Conference** followed in April. With former German Chancellor Gerhard Schröder and Belgian Deputy Prime Minister Didier Reynders in attendance, participants looked at whether "flexicurity" approaches like Germany's Agenda 2010 might also stimulate employment during the euro crisis.

In November, at the high-level "**Conference on the Future Development of the EU,**" the office hosted a meeting between representatives of civil society and the Future of Europe Group – a group of 11 foreign ministers that has developed joint proposals for EU reform. Participants in the discussion of these proposals included seven foreign ministers, the President of the European Council, the EU Commissioner for Justice, several members of the European Parliament, the Secretary General of the international European Movement, and the Secretary General of the European Trade Union Federation.

As part of the European Year of Active Aging, the office launched – in collaboration with the European Policy Centre (EPC) – the project **Creating Second Career Labour Markets**, which developed recommendations for improving employment opportunities for older workers and presented its findings in two panel discussions. Contributors included EU Commissioner László Andor; Ursula von der Leyen, Germany's minister of labor and social affairs; and Elsa Fornero, Italy's minister of labor and social policy.

Bertelsmann Stiftung – Brussels Office  
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1040 Brussels  
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Discussion at the 2012 Brussels Think Tank Dialogue: (left to right) Paul Taylor, European Affairs editor at Thomson Reuters; Martin Schulz, President of the European Parliament; Arif Havas Oegroseno, Indonesian Ambassador to Belgium, Luxembourg and the European Union; Jean Pisani-Ferry, Director of the think tank BRUEGEL.

## Bertelsmann Stiftung International

# Bertelsmann Foundation North America >

The projects carried out by the Bertelsmann Foundation North America assess the ongoing effects of the financial crisis on Europe and the United States, and their consequences for the global economy. In 2012, the foundation also developed a new model for credit-rating agencies that is designed to promote transparency and accountability in the valuation of sovereign debt. Further focal points were the analysis of global trends related to demographic changes, migration and security, as well as advancing the development of professional skills related to and the establishment of networks in Latin America.

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

### Contact:



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annette.heuser@bfna.org



The Bertelsmann Foundation and its media partner, the *Financial Times*, held their fourth annual conference on financial issues, entitled **"Making a Comeback: A Return to Jobs & Growth."** Christine Lagarde, managing director of the International Monetary Fund, opened the event at an evening reception attended by more than 600 guests. Conference participants included Gene Sperling, director of the US National Economic Council; Chris Van Hollen, member of the US House of Representatives; Jörg Asmussen, European Central Bank Executive Board member; James Flaherty, Canadian minister of finance; and Marek Belka, National Bank of Poland president and former Polish prime minister. US Secretary of Labor Hilda Solis and her German counterpart, Ursula von der Leyen, met at the conference for the first time. Ma Weihua, president of China Merchants Bank, and Charlene Barshefsky, former United States trade representative, led a special session on China.

During the conference, the Bertelsmann Foundation unveiled its model for **INCRA**, an international non-profit credit rating agency. In November, the foundation presented the agency's initial sovereign-debt ratings for five countries at an event in Berlin.

With ongoing support from the European Commission, the foundation hosted the third class of **Congressional European Parliament Initiative** fellows. The program brings together staff members of the US Congress and the European Parliament to discuss topics of common interest.

In partnership with the China Center for International Economic Exchanges in Beijing, foundation staff members prepared the study *Cash in Hand: Chinese Foreign Direct Investment in the US and Germany*. The study *Megatrends in Global Interaction* was also published with the foundation's support.

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1101 New York Avenue, NW, Suite 901  
Washington, DC 20005  
Telephone: +1 202 384-1980

Prof. Gunter Thielen, former chairman and CEO of the Bertelsmann Stiftung; US Secretary of Labor Hilda Solis; Liz Mohn, vice-chair of the Bertelsmann Stiftung; Ursula von der Leyen, German minister of labor and social affairs; and Aart De Geus, chairman and CEO of the Bertelsmann Stiftung (left to right).

Participants in the Magnet China dialogue series included (left to right) Gu Xuewu, director of the Center for Global Studies at the University of Bonn; Helmut Schmidt, former German chancellor; and Frank Sieren, senior Asia columnist at German business daily *Handelsblatt*.



## Bertelsmann Stiftung International

# Germany and Asia >

Asia's economic strength and political influence have soared in recent years, while Europe is plagued by the debt crisis and self-doubt. This shift in the global balance of power has far-reaching implications for Germany and other countries. The country's effectiveness in addressing tasks from job security and migration policy to environmental protection depends in large part on Asia's future course and Germany's ability to find the right responses to these challenges.

As a result, the Bertelsmann Stiftung established the Germany and Asia project initiative in January 2012. It analyzes developments in Asia and offers policy recommendations for Germany and other European countries. It looks first and foremost at China and India, with Japan, Korea, Indonesia and Vietnam as additional focus areas. The objective is to strengthen Germany's readiness, politically and socially, to meet the new challenges emerging from Asia, since thorough knowledge of Asia is a key prerequisite for a forward-looking Asia policy.

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In October 2012, the Bertelsmann Stiftung held the first **Asian-European Young Leaders Forum** in New Delhi. 32 young leaders from Asia and Germany met with high-ranking policymakers, business leaders and scholars to discuss the challenge of demographic change, faced by countries in both East and West, and develop innovative strategic responses. The results were presented to 600 decision makers from politics and business at the Asia Pacific Conference of German Business. Forum participants also discussed their recommendations with German Economics Minister Philipp Rösler.

Together with the Körber Foundation and the Robert Bosch Foundation, the Bertelsmann Stiftung sponsored the **Magnet China** dialogue series as part of the German Year of Chinese Culture. At 10 events, Chinese and German participants discussed current issues ranging from China's rise in the global economy to the political transition in Beijing. Participants included former German Chancellor Helmut Schmidt and Siwei Cheng, former deputy chairman of the Standing Committee of the National People's Congress.

In the foundation's **Asia Policy Briefs**, renowned experts discuss current events and issues in Asia, such as trade and protectionism, China's environmental policy and the challenges facing the new leadership in Beijing.

Three comprehensive **studies** are investigating the long-term implications for Germany of Asia's economic rise and political transformation. To answer the question of "Who wins and who loses?" the Bertelsmann Stiftung and the Prognos research institute are analyzing the economic relationship between Germany and China. A second study is focusing on the acquisition of German companies by Chinese investors. Finally, a study comparing eight countries is looking at the influence of different political systems on development outcomes in Asia. The results of these studies will be published in 2013.

[www.bertelsmann-stiftung.de/asien](http://www.bertelsmann-stiftung.de/asien)



Aart De Geus (left), chairman and CEO of the Bertelsmann Stiftung, talking with the staff of an Indian NGO at the Asian-European Young Leaders Forum in New Delhi.

## Bertelsmann Stiftung International

# Salzburg Trilogue >

Can economic growth be socially inclusive and environmentally sustainable? That was the question posed at the 2012 Salzburg Trilogue, which was hosted by the Bertelsmann Stiftung and the Austrian Federal Ministry for European and International Affairs. The gathering brought together 30 academic, political, business and social leaders from 16 countries. Participants included EU High Representative for Foreign Affairs Catherine Ashton; Georgian Foreign Minister Grigol Vashadze; Azerbaijani Foreign Minister Elmar Mammadyarov; and WTO Director-General Pascal Lamy.

In preparation for the gathering, the Bertelsmann Stiftung and the FutureWorld Foundation asked seven think tanks from around the globe to consider questions relating to growth strategies and values and develop responses from their own country's perspective. Participating think tanks included the Brookings Institution (Washington, DC), Chatham House (London), the Observer Research Foundation (New Delhi) and Fundação Getulio Vargas (Rio de Janeiro).

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At the annual **Salzburg Trilogue**, opinion and thought leaders from the political, business and cultural spheres discuss global issues impacting the future.

The goal of the Salzburg Trilogue is to promote an interdisciplinary and intercultural exchange of views regarding global trends and the challenges resulting from those trends.

[www.bertelsmann-stiftung.de/salzburgertrilog](http://www.bertelsmann-stiftung.de/salzburgertrilog)



Participants at the 2012 Salzburg Trilogue.





# Facts and Figures

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## Facts and Figures 2012

## Financial Information &gt;

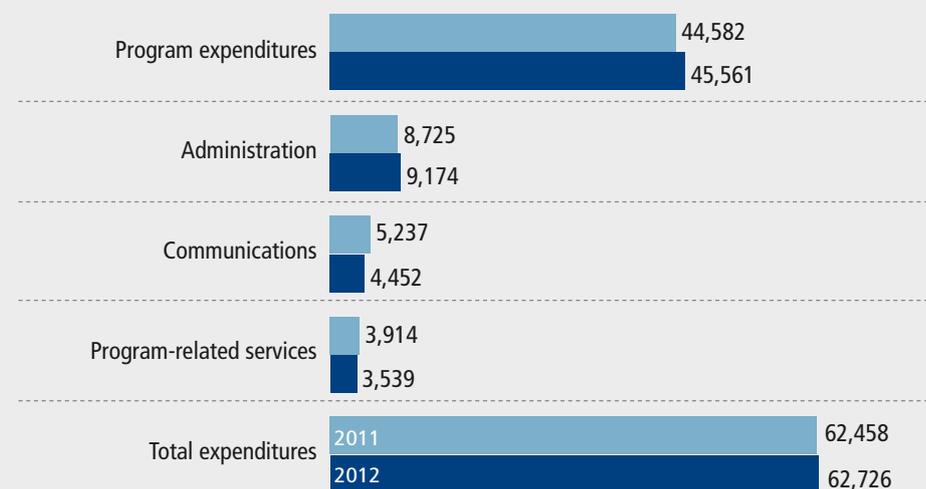
## Total expenditures

Expenditures for the 2012 fiscal year totaled €62.7 million. Since its inception, the Bertelsmann Stiftung has invested roughly €1.1 billion in nonprofit work.

## Total expenditures\* (€, thousands)

## Programs

Bertelsmann Stiftung International	5,806
Shaping Sustainable Economies	5,627
Improving Healthcare – Informing Patients	5,060
Communities for Better Living	4,581
Civil Society	3,685
Integration and Education	2,936
Business in Society	2,869
Future of Democracy	2,235
Discovering Music	2,221
Europe's Future	2,195
Learning for Life	1,984
Effective Investments in Education	1,914
CHE Centre for Higher Education	1,703
Living Values	1,556
Center of Excellence for Leadership and Corporate Culture	1,189



\*Financial data for 2011 audited/Financial data for 2012 not yet audited



Wolfgang Koeckstadt,  
director of Finance and  
Shared Services.

### Sources of income\* (€, thousands)

	2011	2012
Investment income	101,288.2	111,487.7
Capital income	4,707.6	4,282.5
Income from partnerships, donations	2,454.3	2,178.7
Other income	466.5	3,779.3
<b>Total</b>	<b>108,916.6</b>	<b>121,728.2</b>

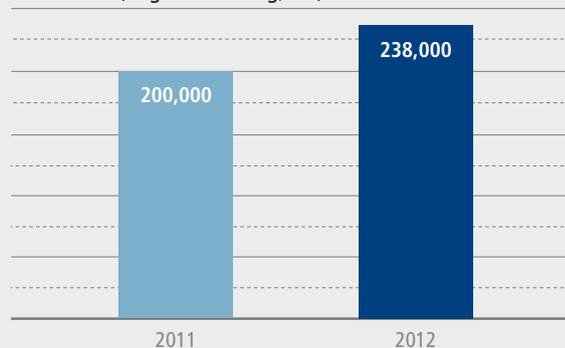
### Program expenditures\* (€, thousands)

by fiscal year



### Reserves\* (€, thousands)

in accordance with Section 58 Article 7a of the German Fiscal Code (Abgabenordnung, AO)



\*Financial data for 2011 audited/Financial data for 2012 not yet audited

## Funding

The Bertelsmann Stiftung achieves the objectives laid out in its articles of incorporation primarily through income from its holdings in Bertelsmann SE & Co. KGaA, which generated funds of approximately €111.5 million in fiscal year 2012. 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 2012 fiscal year, the foundation's financial resources totaled approximately €121.7 million.

## Program expenditures

The Bertelsmann Stiftung invested approximately €46 million directly in program activities in fiscal year 2012, an increase of some €1 million over the previous year.

## Reserves

Under its articles of incorporation, the Bertelsmann Stiftung is required to transfer funds into an unrestricted reserve fund in accordance with Section 58 Article 7a of the German Fiscal Code (Abgabeordnung, AO), until the total is twice the annual budget planned for the following fiscal year. The foundation may also transfer additional amounts into this fund at its discretion. The minimum reserve amount had already been reached in previous years. An additional €38 million was transferred in fiscal year 2012, so that the reserve fund held €238 million as of December 31, 2012.

## Asset management for unrestricted reserves

The main priorities of our investment strategy are to maintain and build the reserve fund's long-term value and to earn ongoing returns for the purpose of achieving the foundation's goals. Accordingly, we diversify our holdings by investing in a broad range of asset categories, while cautiously undertaking investments carrying more risk. Our investments are currently focused on Europe, with a rising tendency toward global investments. Most of our assets are invested in fixed-income securities. Some 38 percent is invested in government bonds and approximately 36 percent in corporate bonds. At the end of the fiscal year, our stock holdings amounted to about 11 percent of our assets; a small percentage is invested in commodities.

The foundation's unrestricted reserves are invested mainly in mixed funds that are administered by several external asset managers. Again in fiscal year 2012, this structure balanced positive and negative effects in the individual asset categories, thereby achieving a performance level of about 7 percent.

An advisory board has been appointed by the foundation's Executive Board to administer and oversee the foundation's asset management. It decides on forms of investment

and determines the composition of the asset portfolio. Another of its core duties is to regularly evaluate the assets, especially by reviewing risk diversification and performance. An information and reporting system for asset management activities keeps the Executive Board informed of current developments.

### Statement of the Bertelsmann Stiftung's assets and liabilities\* as of December 31, 2012

Assets (€ ,thousands)	Dec. 31, 2011	Dec. 31, 2012
<b>Fixed assets</b>		
Intangible assets and tangible assets	32,147.6	31,130.7
Financial assets:		
Shares	592,178.9	592,176.9
Investments in securities	179,282.3	245,375.0
<b>Total fixed assets</b>	<b>803,608.8</b>	<b>868,682.6</b>
<b>Current assets</b>		
Available funds	59.8	41.3
Receivables and other assets	25,236.3	203.7
Liquid assets	81,235.3	99,520.5
<b>Total current assets</b>	<b>106,531.4</b>	<b>99,765.5</b>
<b>Active prepaid expenses</b>	<b>37.1</b>	<b>64.8</b>
<b>Total balance-sheet assets</b>	<b>910,177.3</b>	<b>968,512.9</b>
<b>Assets held in trust</b>	<b>4,666.6</b>	<b>4,767.2</b>
<b>Liabilities (€ ,thousands)</b>	<b>Dec. 31, 2011</b>	<b>Dec. 31, 2012</b>
<b>Endowment capital</b>	<b>618,997.6</b>	<b>618,997.6</b>
<b>Reserves</b>		
Reserves in accordance with Sec. 58 Art. 71a AO	200,000.0	238,000.0
<b>Funds carried forward</b>	<b>72,564.2</b>	<b>91,831.4</b>
<b>Accrued liabilities</b>		
Provisions for pensions	10,209.3	11,218.8
Other liabilities	3,771.8	4,177.4
<b>Total accrued liabilities</b>	<b>13,981.1</b>	<b>15,396.2</b>
<b>Accounts payable</b>		
Accounts payable for goods and services	3,847.2	3,312.7
Other accounts payable	776.6	968.4
<b>Total accounts payable</b>	<b>4,623.8</b>	<b>4,281.1</b>
<b>Deferred income</b>	<b>10.6</b>	<b>6.6</b>
<b>Total balance-sheet liabilities</b>	<b>910,177.3</b>	<b>968,512.9</b>
<b>Trust accounts payable</b>	<b>4,666.6</b>	<b>4,767.2</b>

\*Financial data for 2011 audited/Financial data for 2012 not yet audited



Wilhelm-Friedrich Uhr, director of HR and Organizational Affairs at the Bertelsmann Stiftung.

## Employees >

Our projects are successful because of our employees. To ensure this success, the Bertelsmann Stiftung offers employees flat hierarchies and a corporate culture built on collaboration, along with the freedom to delegate responsibilities.

### Human resources policy

Inspiring people. Shaping the future – Participating in a globalized world. These are the objectives that guide the Bertelsmann Stiftung's human resources management. Our human resources policies therefore focus on an internationalization strategy that supports employee development. Through the Bertelsmann Foundation in Washington, DC, the Fundación Bertelsmann in Barcelona and our office in Brussels, the Bertelsmann Stiftung not only promotes an international exchange of ideas, it also provides opportunities for employees based in Gütersloh to gain experience at other locations and thereby expand their international perspective.

Our strategic human resources management is designed to further build our employees' project management skills. Opportunities such as project reviews and real-world practical training are being developed and implemented as part of our project management excellence initiative.

In keeping with the Bertelsmann Stiftung's corporate culture, we also offer personal development opportunities, flexible compensation plans, adjustable work schedules, family care options, comprehensive social services and the possibility of taking a sabbatical.

### Employee structure

Our projects are designed and initiated by the Bertelsmann Stiftung itself and our employees are deeply involved in their implementation and dissemination. In carrying out their responsibilities, employees benefit from an organizational structure and processes that are aligned with the foundation's work and subject to ongoing improvement. Overall, 76.6 percent of our 328 employees are directly associated with project activities; 23.4 percent provide additional support services.

### Recruitment and training

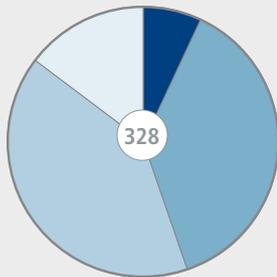
One of our key goals is recruiting, supporting and retaining the brightest and best. To that end, employee recruiting and development go hand-in-hand: Within the first few days of their joining the foundation, new employees go through a comprehensive orientation program in which they are introduced to our work and provided with networking opportunities. We speak with them early on about their individual development prospects and potential career steps.

Over the past year, 3,396 applicants expressed interest in working for the Bertelsmann Stiftung. A total of 40 new employees were hired. In addition, 48 students and recent university graduates had an opportunity to intern at the foundation and learn more about its projects.

[www.karriere.bertelsmann-stiftung.de](http://www.karriere.bertelsmann-stiftung.de)

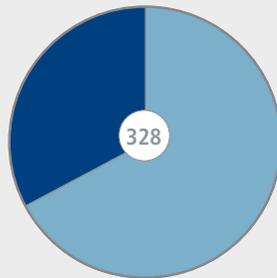
### Young Professionals

The Bertelsmann Stiftung's Young Professionals program provides targeted support for up-and-coming employees. Lasting 18 months, the program produces project managers with an international and interdisciplinary focus. Participants also enroll in a comprehensive training and mentoring program and take part in our ongoing project work. Three Young Professionals joined the Bertelsmann Stiftung in 2012. Others who recently completed the program are now working as project managers for the foundation.



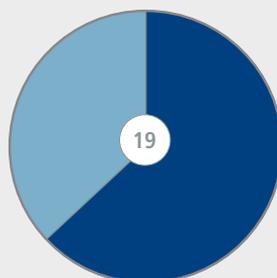
### Employees by age

23	< 30	years	average age: 41.5 years
124	30 – 39	years	
133	40 – 49	years	
48	≥ 50	years	



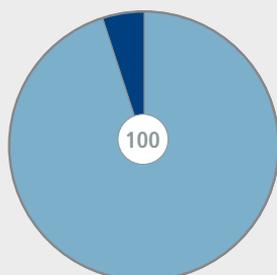
### Employees by gender

221	female
107	male



### Executives by gender

7	female
12	male



### Part-time by gender

95	female
5	male

Of all Bertelsmann Stiftung employees, 30.5% work part-time

## Partnership-based corporate culture

Core components of the Bertelsmann Stiftung's corporate culture include intensive use of leadership tools, open discussions and honest feedback. A crucial aspect of our approach involves annual meetings where employees and their supervisors have the possibility of exchanging feedback. Such leadership tools ensure continuing advancement of the Bertelsmann Stiftung's partnership-based corporate culture.

## Healthcare

Preventative healthcare plays an important role at the Bertelsmann Stiftung, and our workplace is therefore designed to meet current ergonomic standards.

Demographic changes in Germany are making it increasingly important for employees to remain healthy and productive for as long as possible. The Bertelsmann Stiftung helps achieve this goal by offering a free, comprehensive check-up to all employees over the age of 45. In-company social services provide mental health support for all employees. In addition, an extensive exercise and health program promotes physical fitness and overall wellbeing.



Having participated in a national campaign organized by B.A.U.M, the German association for environmentally friendly management, the Bertelsmann Stiftung can now call itself a "bicycle-friendly company."



### Work-life balance

Work-life balance is increasingly important to our employees. With this in mind, the foundation's human resources policy allows for flexible planning, and we provide a range of services that help employees combine having a family and a career.

When the situation allows, the Bertelsmann Stiftung offers flexible work hours, as well as the possibility of working both from home and on-site in Gütersloh. Working parents often choose to work part-time. In 2012, 30.5 percent of our employees took advantage of this option, working on average at a capacity equivalent to 60 percent of a full-time position.

An external family-service agency offers information and support in finding childcare providers and home-care options for family members needing assistance. We support daycare facilities in Gütersloh that provide care for employees' children between the ages of four months and six years. If the need arises, care is also available for up to five days at a time, when an employee is traveling on business, for example, or attending a training course. A special program provides care for school-age children when school is not in session.



The Bertelsmann Stiftung has been repeatedly recognized for its family-friendly human resources policy.

Regular employee meetings allow members of the Executive Board to inform employees about strategic planning and engage in open dialogue.



## Facts and Figures 2012

# Communications >

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

### 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 the 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](http://www.bertelsmann-stiftung.de/presse)

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Contact for television and radio journalists:

Andrea Rohden

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Liz Mohn, vice-chair of the Bertelsmann Stiftung Executive Board, was interviewed extensively during the 2012 Salzburg Trilogue (left photo).

Students from the Central College of the German Confectionery Industry in Solingen, winners of the Alle Kids sind VIPs (All Kids Are VIPs) competition, rehearse for a video with the band Culcha Candela.

[www.youtube.com/allekidssindvips](http://www.youtube.com/allekidssindvips)





Klaus-Henning Groth,  
director of Communications  
at the Bertelsmann Stiftung.

## Internet

[www.bertelsmann-stiftung.org](http://www.bertelsmann-stiftung.org)

All of the news about our work and publications that is released by Verlag Bertelsmann Stiftung can be accessed through our website, and orders may be placed online. The website can also be used to contact our experts and other employees and to make use of a variety of services. Interested parties can go online to subscribe to newsletters and *change*, our magazine, and to download images and informational materials. Well over 5,000 downloads are available free of charge. We also offer podcasts and videos on a range of subjects.

RSS feeds provide information on the latest press releases and on new publications, downloads, YouTube videos and flickr photographs.

We also publish a number of newsletters on specific topics. Further information is available at:

[www.bertelsmann-stiftung.de/newsletter](http://www.bertelsmann-stiftung.de/newsletter)

## Web 2.0

More and more people are making contact and communicating through online social networking sites such as Facebook, Twitter and XING, which now reach millions of users. Through these platforms, a number of our projects are now present on Web 2.0. They include the Alle Kids sind VIPs (All Kids are VIPs) competition, which promotes inclusive schools, and the NEUE STIMMEN International Singing Competition, as well as projects focused on social integration, demographic change and educational issues.

[www.bertelsmann-stiftung.de/Web2.0](http://www.bertelsmann-stiftung.de/Web2.0)

The Bertelsmann Stiftung has introduced apps for the iPhone and iPad that can be downloaded free of charge from Apple's iTunes store and elsewhere.

[www.bertelsmann-stiftung.de/apps](http://www.bertelsmann-stiftung.de/apps)

Director of Corporate Communications:  
Christian Rickerts  
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## change – the Bertelsmann Stiftung magazine

Proposals for reform need to be explained so that 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 more people about critical issues of social policy.

The magazine, which has a circulation of over 100,000, is published quarterly, and each issue focuses on a specific topic. Since 2011, specific topics from each issue can be examined in more depth through our “*change* | reader” e-books, which provide additional information drawn from our project work.

[www.change-magazin.de](http://www.change-magazin.de)

## 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 gives our organization a human face and makes our programs more transparent. In addition, it allows the members of the Executive Board to discuss their roles and describe their projects. Together with the program directors, they also provide an accounting of the foundation’s activities during the past fiscal year. The annual report is available in German and English.

## Bertelsmann Stiftung – At a Glance

This brief summary provides an overview of our programs and projects. It’s just one of our diverse informational offerings that are currently available online. Feel free to have a look and then contact us directly.

Director of Corporate Communications:  
Christian Rickerts  
[christian.rickerts@bertelsmann-stiftung.de](mailto:christian.rickerts@bertelsmann-stiftung.de)



## Verlag Bertelsmann Stiftung

Public awareness is critical for reform. Every year, the Bertelsmann Stiftung releases numerous publications describing its projects. In addition, it participates in current policy discussions and conducts international studies to find out what Germany can learn from other countries. These publications focus on education, politics, society, business, health and culture.

### Information about all publications

Our annual catalogue of publications contains comprehensive information about new releases, selected excerpts and an overview of the books published by Verlag Bertelsmann Stiftung, including our new e-books. In addition, the brochure “Publications 2013/2014” offers a brief overview of our English publications. More detailed information is available at:

[www.bertelsmann-stiftung.org/publications](http://www.bertelsmann-stiftung.org/publications)

### E-Books

All our publications are also offered in e-book form. A total of 190 new e-books were available in 2012. An overview of our many online platforms and ordering information can be found at:

[www.bertelsmann-stiftung.org/ebooks](http://www.bertelsmann-stiftung.org/ebooks)

### Newsletter

Information about new releases from Verlag Bertelsmann Stiftung also appears in our newsletter “Neues aus dem Verlag” (News from the Publishing House), which is available free of charge.

[www.bertelsmann-stiftung.de/newsletter](http://www.bertelsmann-stiftung.de/newsletter)

### Book fair

Each year Verlag Bertelsmann Stiftung has its own booth at the Frankfurt Book Fair, where it organizes a range of events on topics of current interest.

Director of Publishing:

Sabine Reimann

[sabine.reimann@bertelsmann-stiftung.de](mailto:sabine.reimann@bertelsmann-stiftung.de)

Once again in 2012, the Bertelsmann Stiftung increased awareness of its project outcomes by presenting publications to industry professionals at the Frankfurt Book Fair.



## Facts and Figures 2012

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# Governance >



Aart De Geus



Liz Mohn



Dr. Jörg Dräger



Dr. Brigitte Mohn

### **Executive Board**

In addition to Aart De Geus, its chair since August 5, 2012, the Bertelsmann Stiftung Executive Board includes vice-chair Liz Mohn, as well as Dr. Jörg Dräger and Dr. Brigitte Mohn.



Prof. Dr.-Ing.  
Werner J. Bauer



Liz Mohn



Wolf Bauer



Dr. Wulf  
H. Bernotat



Dr.-Ing. Ralph  
Heck



Christoph  
Mohn



Eduardo  
Montes



Prof. Dr.  
Thomas  
Rauschenbach



Rolf Schmidt-  
Holtz



Dr. Wolfgang  
Schüssel



Prof. Dr. Jürgen  
Stark

## 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 a practical 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.

Two new members were appointed to the Board of Trustees in 2012: Dr. Ralph Heck and Prof. Jürgen Stark.

- Prof. Dr.-Ing. Werner J. Bauer (chair), executive vice-president of Nestlé S.A.
- Liz Mohn (vice-chair), chair of the shareholder's meeting and of Bertelsmann Verwaltungsgesellschaft mbH
- Wolf Bauer, chief executive officer of UFA Film & TV Produktion GmbH
- Dr. Wulf H. Bernotat, former chair of the Board of Management of E.ON AG
- Dr.-Ing. Ralph Heck, director of McKinsey & Company, Inc.
- Christoph Mohn, chair of the Supervisory Board of Bertelsmann SE & Co. KGaA, CEO of Christoph Mohn Internet Holding GmbH and chair of the Executive Board of the Reinhard Mohn Stiftung
- Eduardo Montes, chair of Asociación Española de la Industria Eléctrica (UNESA), Madrid
- Prof. Dr. Thomas Rauschenbach, director and CEO of the German Youth Institute
- Rolf Schmidt-Holtz, chairman of the Supervisory Board of Just Software AG
- Dr. Wolfgang Schüssel, former chancellor of the Republic of Austria
- Prof. Dr. Jürgen Stark, former chief economist and member of the Executive Board of the European Central Bank

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Gütersloh

Executive Editor:  
Klaus-Henning Groth

Senior Editor:  
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Editing:  
Ulrike Osthus

Excerpts from *change*:  
Wolfram Weimer (pages 12–15)  
Ursula Wilimsky (pages 32–33)  
Tanja Breukelchen (pages 34–37)

Proofreading:  
Brigitte Neuparth

Translation:  
German Language Services, Seattle

English-Language Editing:  
Tim Schroder, Frankfurt/Main

Graphic Design:  
Marion Tonk

Cover Design:  
Nicole Reinisch

Printing:  
Druckerei RIHN, Blomberg

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