The Anglo-German Foundation contributes to the policy process in Britain and Germany by funding comparative research on economic, environmental and social issues and by organising and supporting conferences, seminars, lectures and publications which encourage the exchange of knowledge, ideas and best practice, both between the two countries and between researchers and practitioners.
After 36 years, and about 1000 project grants, 500 publications and 400 networking events, the Anglo-German Foundation will cease operations on 4 December 2009.

Much of 2008 was devoted to supporting our major research initiative creating sustainable growth in Europe (csge) as it moves towards its climax in 2009, and, to a lesser extent, to preparations for closure. However, we still found significant resources to maintain, through a variety of shorter-term projects, our traditional role of exploring the policy implications of immediate crises and emerging trends for Germany, the UK and the wider world. These projects (listed on pages 4 and 5) addressed such key developments as the rise of private equity and hedge funds; the evolution of China and India as global economies; and the politics of emissions trading.

During 2009 csge’s four pan-European programmes will hold academic conferences to test and refine their findings and analysis with the international research community. Subsequently, on 29 of October and on 25 of November, we will launch their work at two major policy seminars in Berlin and London, supported by the foreign ministries of both governments. These seminars will provide the platform for a series of reports designed for a wide readership. In addition, Oxford University Press will publish a major book series based on csge in 2010. It is already clear that, through the new ideas, information and insights it will provide and the new connections it will make between different (and until now often discrete) policy areas, csge will help to chart a path for policy-makers over the next ten to twenty years. Thus csge also sets the seal on the work of the Anglo-German Foundation during the past three and a half decades. The Foundation has had a substantial impact in academic, diplomatic and policy circles since it was established in 1973. It was created, by agreement between the British and German governments, to serve two objectives. The first, urgently needed in the year when the UK joined what is now the European Union, was to improve mutual knowledge between the two countries. The second was to deepen understanding of modern industrial society and its problems. Through network-building and by funding comparative research between the two countries, the Foundation has made a unique contribution not only to the excellent bilateral relationship, but also to economic and social policy in both countries and to the global social science base.

The need for policy-oriented research into the development of industrial society has not diminished over the past three decades, and the particular value of comparisons between the UK and Germany – with Europe’s biggest populations and economies and with very different social and political traditions – is clearer than ever. However, other organisations at both national and European levels are now carrying this work forward, and the need for a specific institution for this purpose is no longer so compelling.

In 2004, the Trustees, recognising that in many respects the Foundation had fulfilled its original objectives, decided to devote its remaining assets to a final, major initiative. csge will thus mark the conclusion of the active life of the Anglo-German Foundation on 4 December 2009, when its current Royal Charter expires. The Foundation will leave an enduring legacy, not only in the form of the distinctive policy guidance emerging from the innovative concept and approach of csge, but also in the vast store of knowledge and ideas stretching out behind that initiative and making it possible. This store is captured tangibly in the unique collection of over 500 publications emerging from the projects funded over the years (a full bibliography will be published in autumn 2009) and – perhaps more important – in the thriving networks of bilateral contacts among researchers and practitioners its work has fostered.

The events of October and November 2009 will provide the occasion not only for disseminating the findings of csge, but also for celebrating the Foundation’s contribution to public life over some 36 years. In the meantime, warm thanks are due to the Foundation’s staff and Trustees, and to the members of the Academic Advisory Board for csge, for their hard work and creativity during 2008.

Bryan Rigby
Chairman

Dr Ray Cunningham
Director

Board of Trustees
Our conferences, seminars and workshops enable policy-makers and advisers, practitioners, journalists and academics to discover how the UK and Germany tackle key contemporary issues and to identify potentially transferable policies and practice.

January 2008

**An Economic Experiment**

Berlin Lunchtime Meeting at DIW Berlin

with Reinhard Selten, Nobel Laureate in Economics and Emeritus Professor, Rheinische Friedrich-Wilhelms-Universität Bonn

23 January 2008

March 2008

**Arbeitsmarktintegration ethnischer Minderheiten in Europa**

Berlin Lunchtime Meeting at DIW Berlin

with Rita Süßmuth, former President of the Bundestag; Vladimír Špidla, EU Commissioner for Employment, Social Affairs and Equal Opportunities; Klaus Zimmermann, Forschungs-Institut zur Zukunft der Arbeit, Bonn; and DIW Berlin; and Martin Kahane, Forschungsinstitut zur Zukunft der Arbeit, Bonn

12 March 2008

April 2008

**Canadian Economic Performance over the Past 25 Years and Beyond**

Berlin Lunchtime Meeting at the Embassy of Canada, Berlin

with Marcel Boyer, Université de Montréal

18 April 2008

June 2008

**The Economics and Econometrics of Innovation**

Presentation of csge research papers at the 10th Summer Workshop for Young Economists organised by the Zentrum für Europäische Wirtschaftsforschung, Mannheim

9–12 June 2008

**Management Practices: Company Leaders Often Overestimate Leadership Skills**

csge Berlin Lunchtime Meeting at DIW Berlin

with Christos Genakos, University of Cambridge and Centre for Economic Performance, LSE, and Thomas Hanke, Handelsblatt

18 June 2008

July 2008

**The Emergence of China and India in the Global Economy**

Presentation of csge research papers at conference held at the Centre for Economic Performance, LSE

4–6 July 2008

**Financialisation and the Rise of Private Equity and Hedge Funds**

7th conference of the British-German Trade Union Forum, Manchester

with Dierk Hirschl, Deutscher Gewerkschaftsbund; Jürgen Hennemann, member of the Works Council of FTE automotive; Alexandra Krieger, Hans Böckler Stiftung; Adam Leaver and Karel Williams, Centre for Research on Socio-Cultural Change, University of Manchester; Paul Maloney, National Secretary, GMB; Roland Schneider, Trade Union Advisory Committee, Paris; and Janet Williamson, Trades Union Congress

16–17 July 2008

September 2008

**The Political Economy of Occupational Family Policies: Comparing Workplaces in Britain and Germany**


with Martin Seeleib-Kaiser and Timo Fleckenstein, University of Oxford

4–6 September 2008

**Resource Productivity, Environmental Tax Reform and Sustainable Growth in Europe**

Presentation of csge research paper at an international colloquium on ‘Sustainable Growth, Resource Productivity and Sustainable Industrial Policy’ at the Bergische Universität Wuppertal, with Paul Ekins, King’s College, London

17–19 September 2008

October 2008

**Letzte Chance für gute Schulen: Die 12 großen Irrtümer und was sich wirklich ändern müsste**

Berlin Lunchtime Meeting at DIW Berlin

with Ludger Wößmann, Ludwig-Maximilians-Universität, Munich, and Maximilians-Universität, Munich; Udo Zollios, Eberhard Karls Universität Tübingen; Ingoftur Blühdorn, University of Bath; Michael Koll, University of Oxford; Daniel Hough, University of Sussex; Frank Decker, Rheinische Friedrich-Wilhelms-Universität Bonn

17 October 2008

December 2008

**Fairness and the Welfare State: the Double Disconnect**

Berliner Lunchtime Meeting at DIW Berlin

with Peter Taylor-Gooby, University of Kent, and Claus Offe, Hertie School of Governance, Berlin

10 December 2008

November 2008

**The Politics of Emissions Trading in Britain and Germany**

Launch of report at a conference on ‘The European Union as a Leader in International Climate Change Politics’, Centre for European Union Studies, University of Hull

with Rüdiger K.W. Wurzel, University of Hull

18–19 September 2008

**The Political Discourse and Party-System: the 2009 Elections**

Conference at the Department of European Studies, University of Bath with Thomas Saalfeld, University of Kent; Christoph Egle, Ludwig-Maximilians-Universität, Munich; Udo Zollios, Eberhard Karls Universität Tübingen; Ingoftur Blühdorn, University of Bath; Michael Koll, University of Oxford; Daniel Hough, University of Sussex; Frank Decker, Rheinische Friedrich-Wilhelms-Universität Bonn

17 October 2008

**The Economics and Econometrics of Innovation**

Presentation of csge research papers at the 10th Summer Workshop for Young Economists organised by the Zentrum für Europäische Wirtschaftsforschung, Mannheim

9–12 June 2008

**Management Practices: Company Leaders Often Overestimate Leadership Skills**

csge Berlin Lunchtime Meeting at DIW Berlin

with Christos Genakos, University of Cambridge and Centre for Economic Performance, LSE, and Thomas Hanke, Handelsblatt

18 June 2008

**The Emergence of China and India in the Global Economy**

Presentation of csge research papers at conference held at the Centre for Economic Performance, LSE

4–6 July 2008

**Financialisation and the Rise of Private Equity and Hedge Funds**

7th conference of the British-German Trade Union Forum, Manchester

with Dierk Hirschl, Deutscher Gewerkschaftsbund; Jürgen Hennemann, member of the Works Council of FTE automotive; Alexandra Krieger, Hans Böckler Stiftung; Adam Leaver and Karel Williams, Centre for Research on Socio-Cultural Change, University of Manchester; Paul Maloney, National Secretary, GMB; Roland Schneider, Trade Union Advisory Committee, Paris; and Janet Williamson, Trades Union Congress

16–17 July 2008

**Resource Productivity, Environmental Tax Reform and Sustainable Growth in Europe**

Presentation of csge research paper at an international colloquium on ‘Sustainable Growth, Resource Productivity and Sustainable Industrial Policy’ at the Bergische Universität Wuppertal, with Paul Ekins, King’s College, London

17–19 September 2008

**Letzte Chance für gute Schulen: Die 12 großen Irrtümer und was sich wirklich ändern müsste**

Berlin Lunchtime Meeting at DIW Berlin

with Ludger Wößmann, Ludwig-Maximilians-Universität, Munich, and Maximilians-Universität, Munich; Udo Zollios, Eberhard Karls Universität Tübingen; Ingoftur Blühdorn, University of Bath; Michael Koll, University of Oxford; Daniel Hough, University of Sussex; Frank Decker, Rheinische Friedrich-Wilhelms-Universität Bonn

17 October 2008

**Fairness and the Welfare State: the Double Disconnect**

Berliner Lunchtime Meeting at DIW Berlin

with Peter Taylor-Gooby, University of Kent, and Claus Offe, Hertie School of Governance, Berlin

10 December 2008

November 2008

**The Politics of Emissions Trading in Britain and Germany**

Launch of report at a conference on ‘The European Union as a Leader in International Climate Change Politics’, Centre for European Union Studies, University of Hull

with Rüdiger K.W. Wurzel, University of Hull

18–19 September 2008

**The Political Discourse and Party-System: the 2009 Elections**

Conference at the Department of European Studies, University of Bath with Thomas Saalfeld, University of Kent; Christoph Egle, Ludwig-Maximilians-Universität, Munich; Udo Zollios, Eberhard Karls Universität Tübingen; Ingoftur Blühdorn, University of Bath; Michael Koll, University of Oxford; Daniel Hough, University of Sussex; Frank Decker, Rheinische Friedrich-Wilhelms-Universität Bonn

17 October 2008

**The Economics and Econometrics of Innovation**

Presentation of csge research papers at the 10th Summer Workshop for Young Economists organised by the Zentrum für Europäische Wirtschaftsforschung, Mannheim

9–12 June 2008

**Management Practices: Company Leaders Often Overestimate Leadership Skills**

csge Berlin Lunchtime Meeting at DIW Berlin

with Christos Genakos, University of Cambridge and Centre for Economic Performance, LSE, and Thomas Hanke, Handelsblatt

18 June 2008

**The Emergence of China and India in the Global Economy**

Presentation of csge research papers at conference held at the Centre for Economic Performance, LSE

4–6 July 2008

**Financialisation and the Rise of Private Equity and Hedge Funds**

7th conference of the British-German Trade Union Forum, Manchester

with Dierk Hirschl, Deutscher Gewerkschaftsbund; Jürgen Hennemann, member of the Works Council of FTE automotive; Alexandra Krieger, Hans Böckler Stiftung; Adam Leaver and Karel Williams, Centre for Research on Socio-Cultural Change, University of Manchester; Paul Maloney, National Secretary, GMB; Roland Schneider, Trade Union Advisory Committee, Paris; and Janet Williamson, Trades Union Congress

16–17 July 2008

**Resource Productivity, Environmental Tax Reform and Sustainable Growth in Europe**

Presentation of csge research paper at an international colloquium on ‘Sustainable Growth, Resource Productivity and Sustainable Industrial Policy’ at the Bergische Universität Wuppertal, with Paul Ekins, King’s College, London

17–19 September 2008

**Letzte Chance für gute Schulen: Die 12 großen Irrtümer und was sich wirklich ändern müsste**

Berlin Lunchtime Meeting at DIW Berlin

with Ludger Wößmann, Ludwig-Maximilians-Universität, Munich, and Maximilians-Universität, Munich; Udo Zollios, Eberhard Karls Universität Tübingen; Ingoftur Blühdorn, University of Bath; Michael Koll, University of Oxford; Daniel Hough, University of Sussex; Frank Decker, Rheinische Friedrich-Wilhelms-Universität Bonn

17 October 2008

**Fairness and the Welfare State: the Double Disconnect**

Berliner Lunchtime Meeting at DIW Berlin

with Peter Taylor-Gooby, University of Kent, and Claus Offe, Hertie School of Governance, Berlin

10 December 2008
Entrepreneurs and Risk: a Study of German and UK Entrepreneurs

Laura Wilson-Edwardes and Andreas Hoecht

This study reveals that, while the types of entrepreneurs who relocate from Germany and the UK to Spain and establish businesses there are very similar, the attitude to risk among the two national groups differs considerably. The Germans display a more classic entrepreneurial mindset, developing a realistic assessment of business risks and adequate risk mitigation strategies. The British, by contrast, do not take such an informed and well-planned approach. The authors argue that the UK government should promote entrepreneurship education and training especially in relation to entrepreneurship education and the need to understand the competence levels, language skills and the need to understand the institutional environment of the host country. The task for the German government is to overcome Germans’ fear of failure, low confidence in their entrepreneurial competence, and reported lack of entrepreneurial opportunities at home.

January 2008

Creating sustainable growth in Europe: Midpoint Policy Debates

creating sustainable growth in europe: Midpoint-Policy-Debatten

This report (produced in English and German editions) summarises the speeches, presentations and discussions at the two policy debates held in November and December 2007 in Berlin and London to mark the halfway point of the Anglo-German Foundation’s research initiative. It provides a valuable overview of the evidence and insights being developed by the four CSCE research initiatives and their implications for policy in the UK and Germany and beyond. In a provocative foreword to the report, Professor Sir Tony Atkinson, chairman of the Academic Advisory Board for CSCE, highlights some of the challenges to governments emerging from the initiative.

April 2008

Labour and the Locusts: Private Equity’s Impact on the Economy and the Labour Market

Report of the 7th British-German Trade Union Forum

The 2007 British-German Trade Union Forum examined the role of new financial actors, including private equity and hedge funds, in the economies and labour markets of the UK and Germany and their impact on trade unions. Discussion focused on the policies required to regulate the private equity industry to ensure workers’ rights, tax reform and transparency and on how can trade unions increase awareness of the consequences of failure to regulate the industry.

November 2008

The Politics of Emissions Trading in Britain and Germany

Rüdiger K.W. Wurzel

The EU’s emissions trading scheme (ETS) is considered to be one of the most important policy instruments for tackling climate change at a European level. However, while some analysts advocate emissions trading as the most cost-efficient policy instrument for this purpose, others warn that it will lead to the neoliberalisations of European environmental policies while doing little to prevent climate change. This report explains when, how and by whom emissions trading was pushed on to the political agenda in Europe; analyses who advocated and who opposed the adoption of emissions trading as a possible policy tool for meeting Kyoto targets; and assesses Britain’s successful and Germany’s unsuccessful attempts to set up domestic ETS. It also analyses the role Britain and Germany played in adopting and implementing the EU ETS and compares the politics of emissions trading in the two countries.

October 2008

Statement of the Trustees

The summarised accounts are a summary of information extracted from the full annual accounts and may not contain sufficient information to allow for a full understanding of the financial affairs of the Anglo-German Foundation. For further information the full annual accounts, the auditor’s report on those accounts and the Trustees’ annual report may be consulted. Copies of these may be obtained from the Director, Anglo-German Foundation, 34 Belgravia Square, London SW1X 8DZ

The full annual accounts were approved on 21 April 2009. The annual report and the full annual accounts will be submitted to the Charity Commission.

On behalf of the Trustees

Bryan Rigby
Chairman of the Board of Trustees
21 May 2009

Statement of the Comptroller and Auditor General to the Trustees of the Anglo-German Foundation for the Study of Industrial Society

I have examined the summary financial statements of the Anglo-German Foundation for the Study of Industrial Society which comprise the Summary Balance Sheet and Summary Operating Account on page 8.

Respective responsibilities of Trustees and auditors

The Trustees are responsible for preparing the summary financial statements in accordance with the recommendations of the charities SORP.

My responsibility is to report to you my opinion on the consistency of the summarised financial statements with the full financial statements and Trustees’ Annual Report. I also read the other information contained in the Annual Report and consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the summarised financial statements.

Basis of opinion

I conducted my work in accordance with Bulletin 1999/6 “The auditors’ statement on the summary financial statement” issued by the Auditing Practices Board for use in the United Kingdom. My report on the Foundation’s full annual financial statements describes the basis of my audit opinion on those financial statements.

M SUFFIELD
23 June 2009

for Comptroller and Auditor General
National Audit Office
Buckingham Palace Road
London SW1W 9SS

Our publications present concise, accessible findings from recent comparative research on significant contemporary political and social issues.

All these reports, and their executive summaries, are available on our website: www.agf.org.uk
## Balance sheet as at 31 December 2008

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>233</td>
<td>588</td>
</tr>
<tr>
<td>Investments</td>
<td>2,673,424</td>
<td>474,236</td>
</tr>
<tr>
<td></td>
<td>233</td>
<td>2,674,012</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>27,015</td>
<td>59,483</td>
</tr>
<tr>
<td>Investments</td>
<td>2,182,447</td>
<td>474,236</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>179,524</td>
<td>105,938</td>
</tr>
<tr>
<td></td>
<td>2,388,986</td>
<td>639,657</td>
</tr>
<tr>
<td><strong>Creditors – amounts falling due within one year</strong></td>
<td>(1,894,941)</td>
<td>(762,799)</td>
</tr>
<tr>
<td><strong>Net current assets/(liabilities)</strong></td>
<td>494,045</td>
<td>(123,142)</td>
</tr>
<tr>
<td><strong>Total assets less current liabilities</strong></td>
<td>494,278</td>
<td>2,550,870</td>
</tr>
<tr>
<td><strong>Provisions for liabilities and charges</strong></td>
<td>(158,856)</td>
<td>–</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>335,422</td>
<td>2,550,870</td>
</tr>
<tr>
<td><strong>Funds/Unrestricted funds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic reserve</td>
<td>–</td>
<td>150,000</td>
</tr>
<tr>
<td>Operating account</td>
<td>335,422</td>
<td>2,400,870</td>
</tr>
<tr>
<td></td>
<td>335,422</td>
<td>2,550,870</td>
</tr>
</tbody>
</table>

## Operating account for the year ended 31 December 2008

<table>
<thead>
<tr>
<th></th>
<th>2008 Unrestricted</th>
<th>2008 Restricted</th>
<th>2008 Total</th>
<th>2007 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><strong>Gross income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant from the United Kingdom Government</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>4,000</td>
</tr>
<tr>
<td>Environment Forum grant</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>6,769</td>
</tr>
<tr>
<td>Income from activities</td>
<td>263</td>
<td>–</td>
<td>263</td>
<td>602</td>
</tr>
<tr>
<td>Investment income</td>
<td>102,316</td>
<td>–</td>
<td>102,316</td>
<td>143,969</td>
</tr>
<tr>
<td>Other incoming resources</td>
<td>5,481</td>
<td>–</td>
<td>5,481</td>
<td></td>
</tr>
<tr>
<td></td>
<td>108,060</td>
<td>–</td>
<td>108,060</td>
<td>155,340</td>
</tr>
<tr>
<td><strong>Resources expended</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of generating funds</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment management fees</td>
<td>6,732</td>
<td>–</td>
<td>6,732</td>
<td>10,135</td>
</tr>
<tr>
<td>Cost of publication sales</td>
<td>1,189</td>
<td>–</td>
<td>1,189</td>
<td>1,843</td>
</tr>
<tr>
<td></td>
<td>7,921</td>
<td>–</td>
<td>7,921</td>
<td>11,978</td>
</tr>
<tr>
<td><strong>Charitable activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants payable – ordinary project expenditure</td>
<td>18,903</td>
<td>–</td>
<td>18,903</td>
<td>35,627</td>
</tr>
<tr>
<td>Events</td>
<td>30,601</td>
<td>–</td>
<td>30,601</td>
<td>20,751</td>
</tr>
<tr>
<td>Creating Sustainable Growth in Europe</td>
<td>1,973,509</td>
<td>–</td>
<td>1,973,509</td>
<td>777,144</td>
</tr>
<tr>
<td>Publishing</td>
<td>4,757</td>
<td>–</td>
<td>4,757</td>
<td>7,374</td>
</tr>
<tr>
<td>Project Support costs</td>
<td>225,126</td>
<td>–</td>
<td>225,126</td>
<td>148,039</td>
</tr>
<tr>
<td>Management and administration</td>
<td>184,195</td>
<td>–</td>
<td>184,195</td>
<td>121,123</td>
</tr>
<tr>
<td></td>
<td>2,437,091</td>
<td>–</td>
<td>2,437,091</td>
<td>1,110,058</td>
</tr>
<tr>
<td><strong>Total resources expended</strong></td>
<td>(2,445,012)</td>
<td>(2,445,012)</td>
<td>(1,122,036)</td>
<td></td>
</tr>
<tr>
<td><strong>Net outgoing resources before transfers</strong></td>
<td>(2,336,952)</td>
<td>–</td>
<td>(2,336,952)</td>
<td>(966,696)</td>
</tr>
<tr>
<td><strong>Other recognised gains and losses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit/(loss) on sale of investments</td>
<td>(24,064)</td>
<td>–</td>
<td>(24,064)</td>
<td>5,809</td>
</tr>
<tr>
<td>Unrealised gain/(loss) on investments</td>
<td>61,236</td>
<td>–</td>
<td>61,236</td>
<td>95,724</td>
</tr>
<tr>
<td>Exchange gain/(loss)</td>
<td>84,332</td>
<td>–</td>
<td>84,332</td>
<td>9,045</td>
</tr>
<tr>
<td><strong>Net movement in funds</strong></td>
<td>(2,215,448)</td>
<td>–</td>
<td>(2,215,448)</td>
<td>(856,118)</td>
</tr>
<tr>
<td><strong>Total funds at 1 January</strong></td>
<td>2,550,870</td>
<td>–</td>
<td>2,550,870</td>
<td>3,406,988</td>
</tr>
<tr>
<td><strong>Total funds at 31 December</strong></td>
<td>335,422</td>
<td>335,422</td>
<td>2,550,870</td>
<td></td>
</tr>
</tbody>
</table>