

Ray Cunningham

The Anglo-German Foundation
1973–2009

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Anglo-German Foundation
for the Study of Industrial Society

2009

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First published in 2009 in the UK and Germany by

Anglo-German Foundation for the Study of Industrial Society

Deutsch-Britische Stiftung für das Studium der Industriegesellschaft

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www.agf.org.uk

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ISBN: 978-1-900834-56-8

British Library Cataloguing in Publication Data.

A catalogue record for this book is available from the British Library.

Contents

Foreword by Bryan Rigby, Chairman, Anglo-German Foundation	v
Introduction	1
1 Origins	5
2 Activities	17
3 Finances	55
4 Legacy	67
Schlusswort	79
Trustees of the Anglo-German Foundation, 1973–2009	80
Staff of the Anglo-German Foundation, 1973–2009	82
Anglo-German Foundation Archives	86

Editor: Christopher Pick, London Design: doppelpunkt kommunikationsdesign, Berlin

Figures: Verena Horn (content), Marie Doherty (design) Production manager: Annette Birkholz

Printed by Druckerei Hermann Schlesener KG, Ullsteinstr. 108, Eingang D, 12109 Berlin

List of figures

Figure 1	GDP per capita (US\$, constant prices), 1973–2007	8
Figure 2	Unemployment rate as proportion of civilian labour force, 1973–2007	12
Figure 3	Female employment as proportion of total employment, 1973–2007	16
Figure 4	Life expectancy at birth, 1971 and 2005	22
Figure 5	Public expenditure on health as proportion of GDP, 1975–2005	24
Figure 6	Inflation, 1973–2008	30
Figure 7	Net annual migration, 1975–2005	36
Figure 8	Income inequality: Gini coefficient before and after taxes and transfers, mid-1980s to mid-2000s	40
Figure 9	CO2 emissions, 1973–2005	46
Figure 10	Anglo-German Foundation: defined priority funding areas, 1973–2009	52
Figure 11	Anglo-German Foundation: grant and investment income, 1974–2008	54
Figure 12	Anglo-German Foundation: grant and investment income, 1973–2009	58
Figure 13	Anglo-German Foundation: expenditure, 1974–2009	60
Figure 14	Anglo-German Foundation: expenditure per Royal Charter	62
Figure 15	Anglo-German Foundation: major grants awarded by priority funding areas, 1974–2009	64

Foreword

Over the last thirty-six years Europe, and Anglo-German relations in particular, have changed considerably. The Anglo-German Foundation has adapted to those changes while at the same time striving to continue to fulfil the intention of its founders.

During these years, the Foundation's unique contribution has been to sponsor carefully targeted collaborative and comparative research by British and German experts into common public policy concerns. The results of that research have had considerable influence on both public debate and emerging practice, and have thereby contributed significantly to mutual understanding.

The Trustees have decided that, within the limits of its resources, the Foundation has essentially achieved what it was set up to do, and that the time has therefore come to bring its work to a conclusion and to leave it to others to build on it.

The decision to conclude the Foundation's life by exploring the policies necessary to produce sustainable growth in Europe was both far-sighted and far-reaching. As with so much of its work, the conclusions present policy-makers with real challenges and future researchers with many ideas to develop.

This account by Ray Cunningham, the Foundation's final Director, records the main events in the life of the Foundation, attempts to fill in some of the background to its work, and makes a first evaluation of its achievements. I hope that it will prove to be of interest, not only to those who helped us, but also to the many more to whom the maintenance of good relations between Germany and the UK is important.

It is also one way of paying tribute to the very small band of people who served the organisation so well over the last thirty-six years: the staff and Trustees of the Foundation.

Bryan Rigby
Chairman 1998–2009
September 2009

Introduction

After thirty-six years of activity, encompassing well over 1,000 project grants, 600 publications and 400 networking events, the Anglo-German Foundation closes its doors for the last time on 4 December 2009.

The Foundation – to give it its full, sonorous title, the Anglo-German Foundation for the Study of Industrial Society – has had a substantial impact in research and policy circles since its establishment in 1973. It was created by the German and British governments to serve two objectives. The first, in the words of the Royal Charter that gives the Foundation legal existence, was to ‘promote the study and to deepen understanding of modern industrial society’ and its problems. The second objective – urgently needed in the year in which the United Kingdom joined what is now the European Union – was to improve the knowledge in each country of the social and economic institutions of the other. This objective was largely implicit rather than explicit in the text of the Royal Charter, but can clearly be discerned in both the preamble and the text of the bilateral agreement that forms the ‘First Schedule’ to the Charter. Through its funding of comparative research between the two countries, and its network-building in associated circles, the Foundation has made a distinctive contribution to both objectives: not only to the excellent bilateral relationship now obtaining, by general agreement, between the two countries, but also to ‘evidence-based’ economic and social policy in both, and beyond this to the common global social science knowledge base.

The founding Charter had a limited term of twelve years. It was subsequently renewed twice, first in 1985 and again in 1997, each time for the same term; thus the expiry of the second renewal falls in December 2009.

The need for policy-oriented research into the development of industrial society has not, of course, diminished since the Foundation was established, and the particular value of comparisons between these two countries – with the two largest populations and biggest economies in Europe, but with sharply contrasting political traditions, histories and cultures – is if anything clearer than ever. So in that sense the main purpose of the Foundation was never a finite or an achievable objective. But as the value of this kind of comparative analysis became recognised more broadly, not least because of the Foundation’s pioneering work, the task was gradually taken up (building on a continually improving knowledge base) by a number of other bodies, at both national and European level. (It would be next to impossible to establish exactly what proportion of comparative Anglo-German social science research was financed by the Foundation over its lifetime. An educated guess might be that in the first few years it amounted to over three-quarters, but is now – discounting for a moment the *csg* initiative, of which more later – probably less than one quarter.) And the secondary objective – that of improving reciprocal knowledge and understanding – was diminishing in urgency as the two societies were drawn ever further into each other’s compass by the processes of political, economic and cultural Europeanisation and globalisation. By 2004, it was becoming apparent that the two foreign ministries were finding it increasingly difficult to defend the case for the funding of a separate institution for these objectives, particularly in the light of increasing pressure on public budgets and of changing priorities for foreign policy in response to new kinds of security threats and shifting global economic patterns and balances.

Recognising the changing environment, and satisfied that the Foundation had to a remarkable degree fulfilled the mission for which it was originally established, the Trustees decided to devote the assets remaining at that point to one final major project. This would be designed to set the seal on its work and at the same time to point the way ahead for enlightened European economic and social policy in the coming decades. It would build upon the comparative knowledge between the two countries to which it had itself made such a contribution, and would exploit the Foundation’s unique breadth of networks and expertise across the social sciences, built up over the years.

Entitled *creating sustainable growth in europe*, this initiative, with a budget of over £3 million for direct research funding alone, was launched with a call for research proposals issued in May 2005. It is described in more detail in chapter 4. It was scheduled to finish in the autumn of 2009, so that the findings could be properly launched into the public debate before the expiry of the Foundation’s Charter, and with that its closure, on 4 December of that year.

The climax of this initiative therefore brings to an end the Foundation’s active life; but its work will endure. This account attempts in a few pages to summarise that rich history and to make a first evaluation, however provisional and subjective, of its legacy. That legacy will provide the source material for more considered and specialised evaluations in the future by scholars from various disciplines – comparative social policy, comparative economics, European studies, German and British history, international relations – using the publications arising from the Foundation’s work and the documentary archives.

1969

September SPD-FDP coalition elected in Germany;
Willy Brandt becomes Germany’s first post-war SPD Chancellor

1970

June Conservative government under Edward Heath elected in UK

I also hope that this short history will be of interest to the Foundation's numerous friends and supporters within the research and policy communities in both countries, and especially to current and former staff, Trustees, and grant recipients. It quotes extensively from two earlier histories, both published by the Foundation at crucial points in its development. The first, *Anglo-German Foundation for the Study of Industrial Society 1972–1978*, is an internal publication, without ISBN or publication year and not credited to an author; the second is *The Work of the Anglo-German Foundation 1973–1993*, by Dr Hans Wiener (Projects Director at the Foundation from 1977 to 1987), published in 1993. I am indebted to both books, not only because they saved me much work, but also because they provide a perspective on the development of the Foundation at different periods and a flavour of the changing attitudes and assumptions in the background. I am further indebted to Verena Horn for excellent research work, and to Barbara Beck, Christopher Pick and Bryan Rigby for valuable comments and suggestions on the text.

The figures in chapter 3 were created by Verena Horn on the basis of the Foundation's records. The figures comparing different aspects of the economic performance of Germany and the UK are designed to act as a backdrop to both the timeline of major events and the development of the Foundation's work as recorded in the main text; data from 1991 onwards refer to Germany and from 1990 (the year of reunification) and before to the former West Germany.

Ray Cunningham
September 2009

1 Origins

The Anglo-German Foundation owes its existence to the state visit to the UK by Dr Gustav Heinemann, the German Federal President, in 1972.

This was not the first post-war state visit by a German President; that had already taken place in 1958. But it came at a time when the relationship between the two countries was entering a new phase. The immediate post-war period, during which the UK had provided aid and protection to a stricken and devastated Germany, was now very clearly in the past. The German economic miracle meant that living standards had now caught up with those in Britain, and the award of the Nobel Peace Prize to Federal Chancellor Willy Brandt in 1971 symbolised the recognition of a new role for West Germany in international relations. It was time for reciprocal generosity towards the British, who – not least thanks to German support – were about to become partners in the European Community. A state visit provided a perfect opportunity for a gesture of this kind. And what better field than that of industry, where Germany was now pulling away from a still-declining Britain?

An Auswärtiges Amt document dated 13 July 1972 refers to the intention of the German government to use the occasion to propose to the British government, as an expression of the close and friendly co-operation between the two countries, and to mark the entry of the UK into the European Community, the creation of a body provisionally entitled the 'German-British Trust for Industrial Problems' or 'for the Research in Industrial Problems'. The project enjoyed the personal support of Willy Brandt, who had asked Dr Axel Möller, a former Federal Minister of Finance, to set up a German steering committee to take it forward. At this stage the committee consisted

1971

December Willy Brandt awarded Nobel Peace Prize

1972

March *The Limits to Growth* published

June First UN environment conference held in Stockholm

October State visit to the UK by Federal President Heinemann

November Brandt government re-elected

of, in addition to Dr Möller, Ludwig Rosenberg, former Chairman of the DGB (the Confederation of German Trade Unions), Carlo Graaff, a member of the Bundestag for the FDP, and Siegfried Balke, a former CSU Federal Minister and former President of the BDA (Confederation of German Employers' Associations).

The first bilateral preparatory meeting took place on 6 October 1972 in Lancaster House in London, and involved on the German side the four named above together with Karl-Günther von Hase, the German Ambassador to London, Dr Heinrich Northe, a former Ambassador, and other officials from the Auswärtiges Amt and the German Embassy. On the UK side, in addition to officials from the Foreign & Commonwealth Office, the Department of Trade & Industry, and the Cabinet Office, there were two representatives of the Trades Union Congress and two of the Confederation of British Industry. This meeting decided on the title of the Foundation and on guidelines for its eventual aims, form and structure.

The first announcement came during the state visit. On 27 October the Lord Mayor, Sir Edward Howard, and the Corporation of City of London gave a banquet for President Heinemann at Guildhall. In his address the President included the following words:

Britons and Germans today have common tasks. We have the opportunity to help construct in Western Europe a new political order which helps us to preserve the richness and variety of our traditions from self destruction. Only if we secure European peace together and together solve the common problems of modern industrial society will we preserve our rich heritage.

Peace inside Western Europe has been secured. The reconciliation of France, Britain and the other European partners with Germany is a cornerstone of this peaceful order. But also our relation to Eastern Europe is governed by the iron law that there is no longer an alternative to peaceful relations between peoples and social systems. This is especially true for our nation which is torn apart by the sharp contrast between the two social systems.

In Western Europe the old national rivalries are retreating, step by step, in the face of the common task of solving the human problems of our industrial societies. The place of concern for the balance of power is taken by the necessity to preserve the inner balance of a free society. The struggle for this inner equilibrium is arduous and slow. Interest groups, regions, parties and governments bend their efforts to pressing their special claims. This necessary process of the formation of a democratic consensus arouses no enthusiasm. It can neither move the citizen to make sacrifices, nor can it excite the imagination of the young. But we must not buy economic and social progress with a loss of confidence in our free social order.

The questioning of the purpose of our industrial society began with a challenge to the exercise of power. The thinking about the preservation of a humane environment tries to re-adjust the scales of value which have been distorted by unbridled developments in many spheres. A restless and dissatisfied young people ask whether life is worth-while in a society which threatens to stifle every effort towards improvement in the jungle of dominant interest groups. Having no real answer, some young people turn to new or outmoded substitute religions or demand the overthrow of all that was built in the past.

1973

January UK joins the European Community

March Signing of Inter-Governmental Agreement on Anglo-German Foundation

October First oil crisis begins

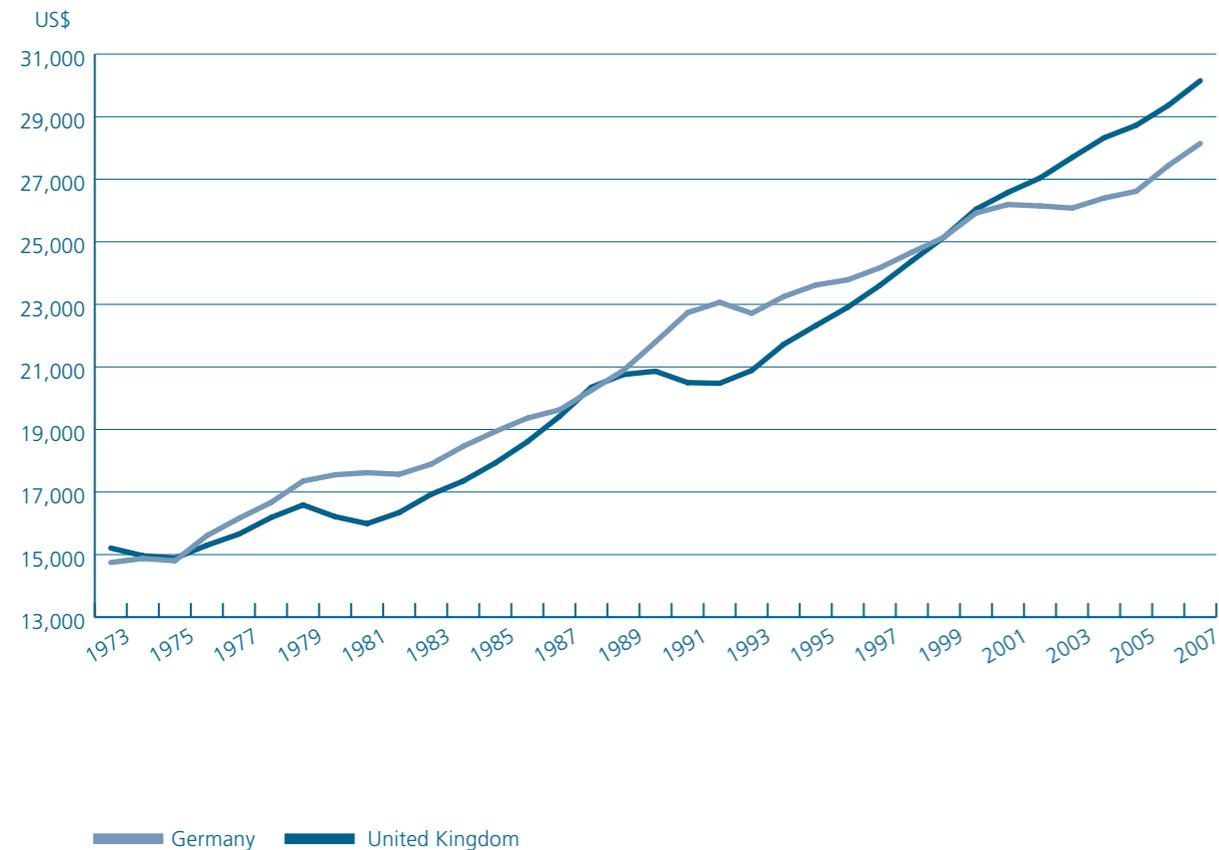
December Anglo-German Foundation established by Royal Charter

1974

February Labour government under Harold Wilson elected in UK

May Helmut Schmidt (SPD) succeeds Willy Brandt as German Chancellor

Figure 1 GDP per capita (US\$, constant prices), 1973–2007



Source: GDP (expenditure approach) from
OECD Statistics, extracted July 2009

Such questioning is not new, but it is particularly pressing today because what it comes to is whether we are not altogether on the wrong road. No generation is experiencing as much change as today's older generation. All of us, young or old, face the necessity to halt the ravaging of the resources of nature and the poisoning of our environment and food, in order to counter the hunger of millions of people which can lead to world-wide conflict. The peoples of Europe, at any rate, are challenged by these imperatives.

Europe has begun to establish a new order in its political and social life. Our two peoples can make a valuable contribution to the solution of the future problems of modern industrial society. I should be very glad if these thoughts were to guide the work of the Anglo-German Foundation for the Study of Industrial Society which we have agreed to set up in the near future.

The Federal German Government, by agreement with the parties represented in the Bundestag, has undertaken to provide, as a gesture of friendship towards Great Britain, the funds necessary to create this Foundation and to set it on its way.

I believe that it is particularly our two nations, which are among the oldest industrial nations in the world, that can together set examples for managing the tasks of the future.

The successful conclusion of further negotiations between the teams of officials from both countries led to the signing of an Inter-Governmental Agreement on 2 March 1973 by Federal Chancellor Willy Brandt on behalf of the Federal Republic of Germany and Prime Minister Edward Heath on behalf of the Government of the United Kingdom of Great Britain and Northern Ireland. This Agreement subsequently formed the First

1975

June UK referendum on EC membership (Yes vote 67%)

November First G8 summit takes place in France

Schedule of the Royal Charter of the Foundation. The Charter itself was signed and sealed on 5 December 1973 and provides the necessary incorporation of the Foundation.

The Foundation was incorporated as a charity under UK law, and had no distinct legal status under German law, because of the difficulties posed (not only then but still today) by the legal incorporation of a charitable organisation in more than one jurisdiction, and at the generous suggestion of the German government. The same generosity, allied to a prudent prioritisation of economic over purely formal or political considerations, explains the fact that the Foundation had its only executive office in the UK, and that consequently the expectation was that the Director (then with the grander title of Secretary-General) would normally be a UK national. By the same token it was expected that the Deputy Secretary-General would be a German national, and that the German office would be essentially representative in function, an arrangement that continued until a new German office with an expanded role was set up in Berlin in the year 2000.

The Royal Charter conferred certain privileges, not the least of which was that the Queen and the Federal President, her German counterpart as Head of State, reserved the right to appoint the Foundation's Patrons. The first two appointments were HRH Prince Philip, the Duke of Edinburgh, and the Federal President himself, Dr Gustav Heinemann. Thirty-six years later, the British Patron was still the same; since President Heinemann, each holder of the office of Federal President has agreed to serve as German Patron. The first history of the Foundation recounts the initial meetings:

The first Meeting of the Board of Trustees of the Foundation was held on 10th December 1973 at Lancaster House, London. At this Meeting there were present for part of the time the Rt. Hon. Peter Walker MBE., M.P., Secretary of State for Trade & Industry, H.E. the Ambassador of the Federal Republic of Germany, Herr Karl-Günther von Hase, and Mr. Anthony Royle M.P., Parliamentary Under-Secretary of State for Foreign & Commonwealth Affairs, together with officials. Taking the Chair for the first four items on the Agenda, the Secretary of State for Trade & Industry said that he was most happy that, with the grant on 5th December of its Royal Charter (which was on display), the Anglo-German Foundation for the Study of Industrial Society, which had its origin in the generous and imaginative initiative of President Heinemann, was now in a position to start its important work...

Mr. Walker said that, as former Secretary of State for the Environment and now Secretary of State for Trade & Industry, he was himself extremely conscious of the range and complexity of the problems affecting man in industrial society and it was most gratifying that two members of the European Economic Community should be working together to try to bring light on these problems.

Mr Walker conveyed a personal message of encouragement from the Prime Minister, and the German Ambassador similarly conveyed a personal message from President Heinemann. Herr von Hase confirmed that, in proposing the establishment of the Foundation and providing its initial finance, the German people had wanted to show their gratitude and friendship to the British people for the help and understanding received after the war.

1976

April James Callaghan succeeds Harold Wilson as Prime Minister

September Britain is forced to borrow money from the IMF

October Schmidt government re-elected

1977

Figure 2 Unemployment rate as proportion of civilian labour force, 1973–2007



Source: ALFS summary from *OECD Statistics*, extracted July 2009

Following the election of Sir Roger Jackling [former British ambassador to Germany] as Chairman of the Board of Trustees and Professor Dr.-Ing. Hans Leussink [former Federal Minister of Education and Science] as Deputy Chairman, H.E. the Ambassador of the Federal Republic of Germany handed to Sir Roger a cheque for £485,486.81 (DM 3 million), being the first annual contribution of his Government to the Foundation. During the remainder of this first Meeting and at the second Meeting in Bonn on 19th March 1974 the Board dealt with the necessary administrative formalities and discussed the possible areas of work to which the Foundation might make a contribution. Whilst in Bonn the Board was received by President Heinemann at the Villa Hammerschmidt [the President's official residence] and an informal discussion about the future work of the Foundation took place.

The first part of the third Meeting took place at Buckingham Palace and the British Patron, H.R.H. The Prince Philip, Duke of Edinburgh, took the Chair. In the course of the Meeting Prince Philip made a number of suggestions about the nature of the Foundation's work and its programme content, and a general discussion on these themes was held. Later in this Meeting the first project proposals were considered and three were approved. The Secretary-General and Deputy Secretary-General were appointed at this Meeting.

From 1st July 1974 Herr Walter Scheel became the German Patron, after he had taken office as Federal President. President Scheel received the Members of the Board of Trustees and discussed the work of the Foundation with them at the Villa Hammerschmidt on 20th January 1975.

1978

September Beginning of 'Winter of Discontent' – strikes in the UK

Starting with the fourth Meeting in October 1974 a pattern of three Meetings in each year was established and this pattern has been maintained...

Under the Charter, the Foundation is governed by a Board of Trustees of twelve Members, of whom six are appointed by the Chancellor of the Federal Republic of Germany and six by the Prime Minister of the United Kingdom. The Trustees appointed include former politicians and senior officials, leading businessmen, trade unionists and academics; it should perhaps be noted that the Foundation is unusual for an institution of its kind in that the academic Members of the Board constitute only one quarter of its number.

The Board of Trustees elects the Chairman and Deputy Chairman, and it decided to do so annually. An Executive Committee of four Members is also elected annually, and it includes the Chairman (who is also Chairman of the Executive Committee) and the Deputy Chairman. The Chairman is from one of the two countries and the Deputy Chairman from the other, and the Executive Committee consists of one additional Member from each.

The Chief Executive of the Foundation is the Secretary-General. This appointment is made by the Board and is normally filled by a British subject. The Board also appoints the Deputy Secretary-General, who is normally a citizen of the Federal Republic of Germany.

From the outset it was decided that the administration should remain small in number and that the Foundation would not seek to build up its own research staff. In arriving at its decisions, the Board takes the advice of a wide range of referees and consultants upon particular projects but saw no requirement for a more permanent Council of Advisors.

Looking back over thirty years later, one is struck principally by three things in this account of the origins and first constitutional meetings of the Foundation, written a few years later in 1978. First, to a modern British ear at least, the note of residual concern for the stability of democracy in the West German republic, when President Heinemann refers to the ‘necessary process of the formation of a democratic consensus... arous[ing] no enthusiasm’, is at first unexpected, but reminds one forcibly that his generation of German politicians had experienced the sweeping aside of that process and of the institutions that supported it. Second, it is interesting to note that, between the document circulated within the German Foreign Ministry in July 1972 and the speech by President Heinemann in October of the same year, the focus of the proposed body shifted from the practical-sounding ‘industrial problems’ to the more broadly philosophical ‘human problems of industrial society’; one can speculate whether this shift is the result of British influence on the plan (which would belie the usual stereotype of pragmatic Brits and philosophical Germans).

Most strikingly, though, it is quite remarkable that the constitution and first decisions proved so sound that they underwent no substantive amendments or changes for the next thirty-six years. The only formal change of note was that the title of the chief executive was changed in 2001 from ‘Secretary-General’ to ‘Director’.

1979

February Beginning of second oil crisis

May Conservative government under Margaret Thatcher elected in UK

1980

October Schmidt government re-elected

Figure 3 Female employment as proportion of total employment, 1973–2007



Source: ALFS summary from *OECD Statistics*,
extracted July 2009

2 Activities

Boundaries

The breadth of the Foundation's remit, as defined in the Royal Charter, and the range of activities explicitly authorised there, meant that the Trustees had to decide for themselves where their specific priorities would lie within the very large field they had been invited to play upon. In other words, they had to develop a programme.

Here are the relevant sections of the Royal Charter:

3. The objects for which the Foundation is established and incorporated are as follows (that is to say):

- (a) to promote the study and to deepen understanding of modern industrial society with a view to advancing the knowledge of the citizens of Our United Kingdom of Great Britain and Northern Ireland and the Federal Republic of Germany in regard to that industrial society and in the problems which arise thereout or in relation thereto, and in ways and means of resolving, circumventing, counteracting, alleviating or reducing such problems; and*
- (b) to advance and foster education and knowledge in the two States in the fields of science, technology, commerce, economics, sociology and the arts with a view to promoting and stimulating development of industrial society in a manner most beneficial to the community.*

1981

January Southern enlargement of EU begins

4. In furtherance of the foregoing objects, the Foundation shall have the power to conduct, encourage, sponsor and support within and between the two States:

- (a) research into the structure and development of modern industrial society, the safety, health, welfare and working and other environmental conditions of those engaged in industry, the relationship between employers and those employed, the involvement of persons in their work and the satisfaction to be derived therefrom, pollution and other environmental hazards attributable to or associated with industry and kindred matters; the analysis and development of the products of such research, and the collation, publication and distribution thereof;
- (b) the founding, maintenance, award and endowment of university and college professorships, readerships and lectureships, prizes, scholarships, diplomas, bursaries and other awards; the remuneration, instruction, training and support of those engaged in research work or other studies which will further the aforesaid objects;
- (c) the initiation, holding, promotion and arranging of mutual visits, exchange programmes and exchanges of knowledge generally, courses of instruction, studies, lectures, exhibitions, displays, meetings, conferences, congresses and other educational functions and facilities, and generally the provision of any services, assistance, advice and information having reference to the aforesaid objects;
- (d) the application for, soliciting, obtaining and acceptance of Governmental and other grants and collection of funds and the promotion or, procurement of subsidies, subscriptions, gifts, benefactions, donations, devises and bequests from public and

private bodies and persons towards carrying out the aforesaid objects, and the entry into any arrangement with any institution, corporation, association, firm or person, or with any Governmental or public authority, which may be calculated to further any of the aforesaid objects and to obtain any rights or privileges which may be conducive to any of such objects.

The fourth meeting of the Board, a few months into the Foundation's official life, agreed eleven fundamental 'principles of operation' to guide its work and operations. The first history of the Foundation, *Anglo-German Foundation for the Study of Industrial Society 1972–1978*, provides the background.

In October 1974, the Board of Trustees decided upon certain principles with regard to the operation of the Foundation which have provided a basis for its development. These principles have not been changed in their essentials since they were first established, although minor changes in wording have been made. These principles are that it is the purpose of the Foundation:

- *To keep in mind that it was set up as a bi-national institution by the two governments.*
- *To behave in a politically non-partisan way.*
- *To consider 'industrial society' in its widest sense, its field of interest being broadly but meaningfully defined by its title.*
- *To encourage an innovative approach and projects which do not fall into conventional categories of research or social work.*

1982

October CDU/CSU-FDP coalition under Helmut Kohl takes power in Germany

1983

March Kohl government returned in elections

June Thatcher government re-elected

- To give particular attention to problems common to the Federal Republic of Germany and to the United Kingdom and especially to comparative studies.
- To concentrate on work relating to practical problems with implications for policy-makers rather than on purely analytical research.
- To respond to applications for support but also to take the initiative in developing the programme of work.
- To keep the programme flexible and to reassess priorities as necessary to meet contemporary needs.
- To encourage publication of successful research results and the dissemination of information about conferences, visits and exchanges.
- To organise conferences and seminars of specialists, policy-makers and opinion-formers to promulgate the results of research and new ideas.
- To co-operate with other institutions in joint sponsorship of research, conferences, visits and exchanges.

The Board decided to consider only specific project proposals and it does not award prizes or fellowships. It does not provide infra-structural support for other organisations. It accepts applications for projects which are in the nature of research, or consist of conferences, seminars, pilot studies, visits or exchanges. The Foundation tries to avoid financing work which would overlap work supported by other institutions.

The Programme of the Foundation was divided into four principal areas, although of course some projects had connections with more than one area. These areas are:

- People and their Living Environment
- People and their Working Environment
- Government Economic, Industrial, and Social Policy
- The Problems of the Enterprise.

By adhering closely to the principles laid down, the Foundation has built up a programme of work through which it has established itself as a contributor to policy-making in various aspects of industrial society. In Britain, the Foundation has been described as 'One of Europe's more enterprising Research Foundations' and in Germany, a report said: '[Es] werden Unterschiede verdeutlicht, um Verständnis für die Unterschiede und eine Verständigung über die Unterschiede hinweg zu ermöglichen. Das ist eine mühsame, aber lohnende Arbeit – wenn man bedenkt, wie sehr sich Briten und Deutsche zu Beginn dieses Jahrhunderts als „Vettern“ missverstanden haben... Es spricht für den Erfolg dieser Arbeit, wenn heute in Grossbritannien die Schlagzeilen über die Entwicklung in der Bundesrepublik Deutschland auch in kritischen Lagen nicht so viel Schlagzeile haben und die Kommentare über die Deutschen oft klüger ausfallen als anderswo.' ('Differences are made plain so that an appreciation of the differences can lead to mutual understanding despite them. Such work is hard but rewarding – considering the fearful misunderstanding between the British and German "cousins" in the early part of the century... It is a sign of success that in Britain today the headlines about developments in the Federal Republic of Germany are less strident, even in critical situations, and comments about the Germans are often more sensible than elsewhere.')

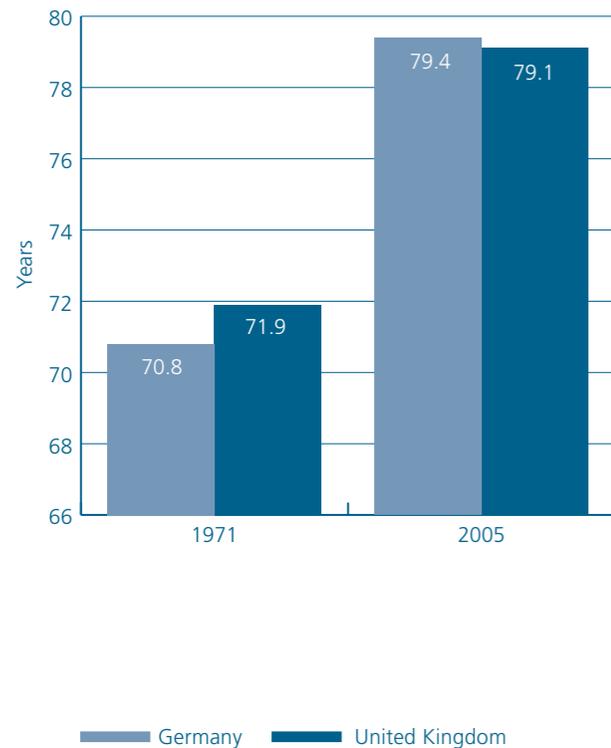
1984

November British Telecom is first major privatisation in UK

1985

December First renewal of the Royal Charter of the Anglo-German Foundation

Figure 4 Life expectancy at birth, 1971 and 2005



Source: OECD Health Data 2008, December 2008

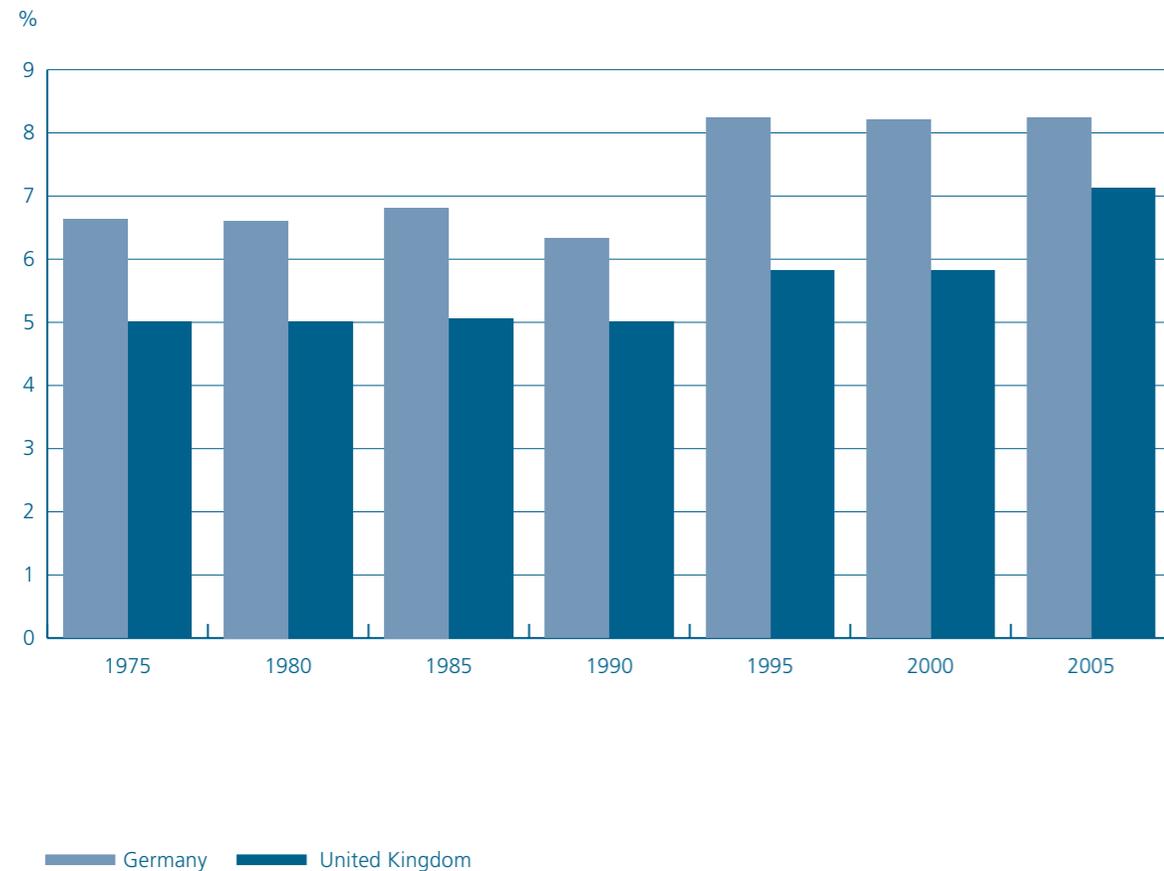
The principles have thus proved to be successful in practice and it is not at present intended to make any substantial changes, other than to concentrate the programme on fewer topics at any one time so that the greatest possible effect can be achieved with the resources at the Foundation's disposal. With the progressive emergence of more results from projects approved in earlier years, more attention is being given to publication and the dissemination of results. However, the early concentration on the analysis of comparative information has been fundamental to the development of closer working relationships between practical people in the two countries, who now have a basis of fact upon which their discussions and co-operation may be based.

Whilst the funds available for the first five years were substantial, and the guarantee of five years' funding of great value, the Foundation is still small by comparison with the major academic funding bodies and the larger foundations. It was therefore necessary to concentrate support on a characteristic portfolio of research and to make provision for the communication of results in ways which enhance the collective impact of the individual studies.

Projects can originate either from applications from individuals who have an idea, or from a Foundation initiative.

The Foundation is always prepared to consider applications for the support of projects which are relevant to the programme. Preference is normally given to projects which fall within the current list of priority topics, but particularly interesting proposals which fall outside the scope of the current list but are still within the general scope of the Foundation's work are also considered.

Figure 5 Public expenditure on health as proportion of GDP, 1975–2005



Source: Anglo-German Foundation calculations based on data from *OECD Health Data 2008*, December 2008

The Foundation tries to develop a balanced programme which includes work in all the topic areas which have been selected as priorities.

The Foundation follows the progress of the project. When it is completed, the Foundation evaluates the work and endeavours to ensure that the results are brought to the notice of those people who are concerned with the subject under investigation. This is usually done by publication and discussion of the results.

Two tests which the Foundation tries to apply are:

- *whether the project deals with a subject which is of concern to both countries,*
- *whether there is likely to be a practical outcome which will help those people who are concerned with trying to solve problems, rather than those who are concerned merely with discussing them.*

Discussion of the results of projects is almost invariably conducted with participation of people from the two countries.

The wisdom underlying the 'Principles of Operation' established at the outset is evidenced by the fact that they could be applied more or less without alteration, notwithstanding periodic reviews of the programme undertaken both internally and by the sponsoring government ministries, right up until the funding competition for the Foundation's final major project, launched in 2005. This is acknowledged in *The Work of the Anglo-German Foundation 1973–1993*, the first evaluative (as opposed to factual) historical review of the Foundation's work, undertaken by Hans Wiener in 1993.

1987

January Kohl government re-elected

June Third Thatcher government begins

Considering that it has to perform the acrobatic feat of looking over both shoulders at two governments, the Foundation has had a remarkably clear run, never the victim, let alone the cause, of disagreements between officials. There used to be a slight problem in that the Foundation was financed by the Auswärtiges Amt on the German side, while the British Foreign Office had no budget for such a purpose and the Department of Trade & Industry had to step into the breach; but in 1989 symmetry was restored, and the Foundation is now the godchild of both Foreign Offices, as it was always meant to be, and provides opportunities for collaboration between them. On the political scene, too, the Foundation has built bridges and, small though it is, Chancellors and Prime Ministers know of its existence. Ministers and other Members of Parliament and the Bundestag are kept aware of the Foundation's activities and not infrequently take part in its Anglo-German conferences. When the Foundation, along with the German Historical Institute and the German Academic Exchange Service, moved into the splendidly refurbished building in Bloomsbury Square, the Frankfurter Allgemeine Zeitung reported it under the heading 'Die zweite Botschaft in London' ['the second London embassy'].

The Foundation also plays a part in bridge-building activities on a broader base. Thus the Foundation finds friends among Members of the Bundestag and Bundesrat and of both Houses of Parliament who take an interest in each other's country, by organising and helping to finance the British-German Parliamentary Group's annual conference when it is held in the United Kingdom in alternate years.

A most important and widely reported regular Anglo-German event is the Königswinter Conference. Held for the first time in Chancellor Adenauer's days, this conference has

taken place annually ever since, alternating between Adenauer's home town on the Rhine, and Cambridge; it brings together people prominent in politics, administration, industry, academic life and journalism in Britain and Germany and helps them to gain a deeper insight into the two countries' ways of thinking. The Foundation makes a significant financial contribution to the conference, the Secretary-General is on the steering committee, and often one or other of the Trustees take part. Königswinter provides excellent opportunities for influencing opinion-formers and decision-makers with ideas emerging from the Foundation's projects. The Foundation once had a rule that no regular event should be funded for more than three years running so that it would not shut out newer kinds of activities. It was soon realised, however, that this rule had better be proved by the exception, and the Parliamentary Group and Königswinter have since been funded regularly.

Another case where the Foundation has broken its own rules is Young Königswinter, a small Anglo-German conference of up-and-coming young professional people, which has likewise been funded regularly. The organisers succeeded in making it live up to the name they had cheekily adopted, and the participants are indeed quite likely to come to the real Königswinter Conference one day.

In 1986 the Foundation inaugurated a regular event of quite a different kind. On the initiative of President Richard von Weizsäcker it established the Journalism Prize for outstanding contributions to the two countries' mutual understanding. Each year there are awards for one British and one German newspaper journalist and a single award for the electronic media. The competition naturally attracts a good deal of attention.

Not least among the links established by the Foundation are the thrice-yearly meetings of its own Board of Trustees at which the major funding decisions are made. From a British point of view it may be sad that the Trustees have found it convenient to conduct the proceedings almost entirely in English, but the meetings have proved to be a fine example of Anglo-German co-operation; the Trustees' national origins enrich the range of professional background and experience on the Board without ever being divisive. The approximate parity of representation of interests, perhaps, betrays the Foundation's German parentage: six Trustees are appointed by the German government and six by the British; at least one on each side usually comes from the foreign service and one from another branch of government, at least one is a university professor, one represents the trade unions, and one or two are company directors. This mix ensures that the funding decisions reflect no political bias and that there is little support for academic flights of fancy. If bias there is, it is in favour of down-to-earth studies which are likely to be helpful to decision-makers in politics and industry.

This excerpt refers principally to the contribution of the Foundation to the bilateral relationship, to the work, one might say, of the two sponsoring ministries. The history goes on to present, and to a limited extent to evaluate, its contribution to research across the social sciences, and thus to the work of other government ministries and policy-makers (we will come to that evaluation later). This division between the Foundation's role as an instrument of foreign policy and its role as a funder of economic and social policy research reveals one of the tensions embodied in the origins and constitution

of the Foundation, one that the interim histories understandably played down.

These tensions arise not only because the different topics and types of activity within the programme will inevitably, given finite resources, be in competition with each other, but also because the choices made will reflect different views of the hierarchy of purposes which make up the *raison d'être* of the institution. An emphasis on the contribution of the Foundation towards improving bilateral relations will probably lead to a preference for unilateral explanatory or reference works on key institutions of one country's socio-economic system, such as banking or industrial relations, over balanced comparative work (which tends to throw as much light on theoretical issues as on specific examples of practice) and to a preference for bilateral exchange events to build networks over theoretical research. An emphasis, by contrast, on the Foundation's contribution to the understanding of industrial society will work in the opposite direction. And an emphasis on the improvement of the functioning of the economy in either country will result in a preference for unilateral exploratory visits to learn from best practice. (It has to be said, however, that although exploratory or exchange visits remained in principle an activity eligible for supporting grants, the Foundation quickly found that this was not an economically efficient means of spreading knowledge among a wider target group.)

The tensions inherent in the multi-purpose, multi-stakeholder design of the Foundation were apparent even at the level of form and structure. The German Trustees more or less formally represented distinct national interest groups, and representatives of those groups were usually consulted and asked to propose new Trustees; on the UK side, although the business of identifying new Trustees was handled far more informally between the

1990

October German reunification

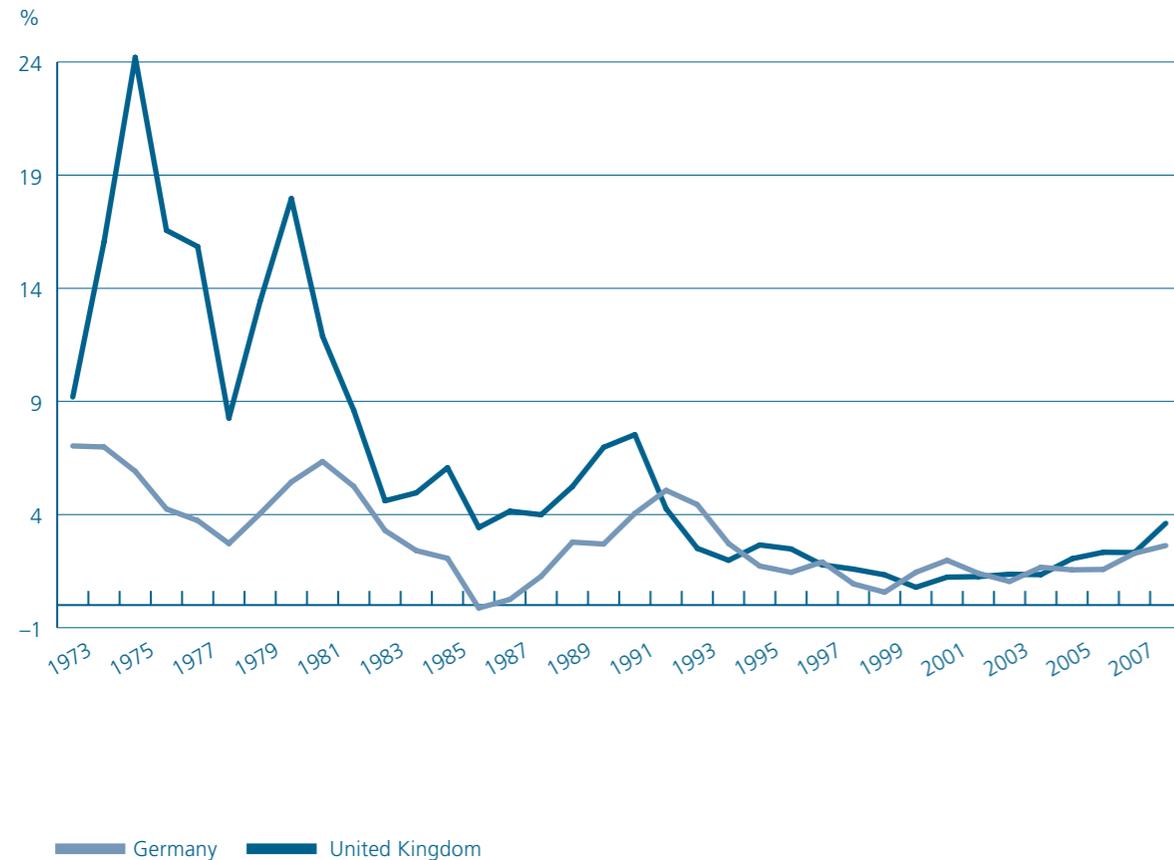
November John Major succeeds Margaret Thatcher as Prime Minister

December Kohl government re-elected in first post-reunification elections

1991

June Bundestag votes to move capital to Berlin

Figure 6 Inflation, 1973–2008



Source: Price indices from *OECD Statistics*,
extracted June 2009

Foreign & Commonwealth Office and the secretariat, care was also taken to preserve political and social balance. However, a different tension was more apparent on the UK side, that between different branches of government. When the British agreed to start providing grant income, over the second five-year cycle, they found that there was no firm basis within the legal structure of the Foreign Office to enable it to commit to a five-year grant, and the Department of Industry (later the Department of Trade & Industry) had to step in. This arrangement continued until 1989, when responsibility for the UK grant moved to the Foreign Office and symmetry between the two sponsoring government departments was finally established. But the problem symbolised one of those underlying tensions: the principal beneficiaries at government level from the Foundation's activities were certainly not the foreign ministries, but those with responsibility for social and economic policy. And the preferences of the sponsoring ministries were never likely to match perfectly either those of the other organs of government with an interest in the Foundation's work or those of the Foundation's Board or staff. More importantly, it would never prove possible in the longer term to justify the Foundation's grants in terms of its contribution to the bilateral relationship alone, or, in other words, to a narrower perception of the objectives and responsibilities of the foreign ministries. In that sense, the Foundation was indeed the 'godchild' of the two foreign ministries, who had the responsibility to guide it without the power to steer it.

The tension between the role the Foundation was expected to play in the bilateral relationship and that which it more naturally sought within public policy more widely was apparent at several points over the years. Although the Foundation's Journalism Prize,

1992

February Maastricht Treaty on European Union signed

April Major government wins UK election

June UN 'Earth summit' in Rio de Janeiro

September 'Black Wednesday' – Britain leaves ERM

introduced at the suggestion of Federal President Richard von Weizsäcker in 1986, undoubtedly contributed to closer Anglo-German understanding by rewarding excellent coverage of each country in the other's media, it never sat entirely comfortably with the rest of the programme and was quietly dropped in 2001. At about the same time, the Foundation came under strong pressure from sections of the German Foreign Ministry to divert some of its resources towards the problem of the imbalance in the numbers of young people moving between the two countries and learning the respective languages. This pressure was resisted, on the reasonable grounds that the Foundation had no expertise in youth exchanges or in language teaching and that there were plenty of other organisations with resources and a remit in these areas, but it left a slight awkwardness in relations.

The issue over which underlying tensions became most visible was probably the Königswinter conference series, which, although a keystone for many years of the bilateral relationship, had only a weak connection with academic research. As a result, it was the subject of livelier than usual discussions when the annual application for a supporting grant from the Foundation came up, with some Trustees strongly opposed on principle and others decidedly in favour. The result was an unsatisfactory compromise whereby the application was usually approved on a majority decision, but occasionally – and for the organisers, no doubt unfathomably – rejected. Over the course of the 1990s and early 2000s, the Foundation and the separate national governing bodies for Königswinter, under pressure from the two foreign ministries to 'rationalise' their financial support for the various bilateral organisations, explored the possibility of a

degree of administrative merger, but failed to reach full agreement, and the Foundation finally ceased its financial support in 2004.

Figure 15 in chapter 3 (see page 64), which shows major grants by subject area, also indicates that at first the bilateral relationship was not considered an appropriate area for the Foundation's funds, but that it grew in significance in terms of expenditure before the decision in 2004 to spend out assets liberated the Foundation from the need to look over its shoulder at its sponsors and allowed it to focus again – and with the support of both governments – on what the Board and the staff saw as its core business.

That core business, the Foundation's central activity, was perhaps most accurately and succinctly described in a project report (Shawn Donnelly, Andrew Gamble et al., *The Public Interest and the Company in Germany and Britain*) published in 2000 by the Foundation itself:

The purpose of comparative studies of national systems is to understand the nature of each national system more clearly by throwing it into sharper relief, asking unaccustomed questions of each system, and exposing what is particular and what is common in the institutional pattern and policy responses of each country. The second objective is to provide a basis for evaluating the success of particular patterns of adaptation to external economic and political changes. Germany and Britain are particularly suitable for this kind of comparison, both because of their broadly equivalent size, wealth and importance within the European Union, and because there is a long-established literature which has drawn attention to the different ways in which the legal systems, political systems, and

1993

January European 'Internal Market' completed

1994

October Fourth Kohl government begins

economic systems are organised in the two countries... Britain and Germany have sometimes been represented as two contrasting ideal types of economic and political organisation. Despite this, they also share a number of important attributes and there are persistent calls in both countries for policy borrowings in the design of economic and political institutions and in the formulation of public policy.

The tensions referred to above were never fully resolved, nor could or should they have been. In the end a disparate group of people from differing walks of life and with differing interpretations of their role had to find sufficient common ground to satisfy most of those involved most of the time; and this was undoubtedly achieved successfully, if one considers that there is minimal evidence of serious dissatisfaction within the Board, or between the Board and the staff, or between the Foundation and either or both of its sponsoring governments. Indeed, the formal reviews of the Foundation undertaken by the sponsoring ministries were always decidedly favourable (on one occasion, a senior Foreign Office contact referred to the formal review of the Foundation as the most positive document of its kind he had ever seen).

The Board of Trustees seems to have worked in almost untroubled harmony over the years, despite the different constituencies represented there. And despite the provision for a regular turnover of the membership of the Board provided by three-year renewable appointments, Trustees were generally happy to stay on if they could, and resignations during a term of appointment, or voluntary retirements, were very rare. It was flattering, and helpful for relations with government, that, although it was always understood

that serving members of government would not be considered for appointment, a considerable number of active German parliamentarians served on the Board, including several former ministers. One German Trustee had to resign when he took over the chairmanship of his political party; and another was appointed as Federal Minister in charge of a major department while serving on the Foundation's Board, but remained at his own insistence an active member of the Board while in charge of the ministry. The commitment of the Trustees to the cause is perhaps best demonstrated by two remarkable examples: Lord Croham, the former Permanent Secretary at the Treasury and Head of the Home Civil Service, has served on the Foundation's Board continuously since 1977, including sixteen years as Chairman; and the eminent German economist Carl Christian von Weizsäcker has achieved the unique distinction of serving on the Board throughout the thirty-six years of its existence.

Focus

If, then, the Foundation can make some claim to have been successful in balancing its programme of activities to meet its objectives while keeping its stakeholders happy, what of the topics addressed in those activities? Were the same tensions at play there, and were they again successfully resolved? And what might the development of the programme in terms of topics tell us about changing policy or research priorities within the two countries over the period of the Foundation's working life?

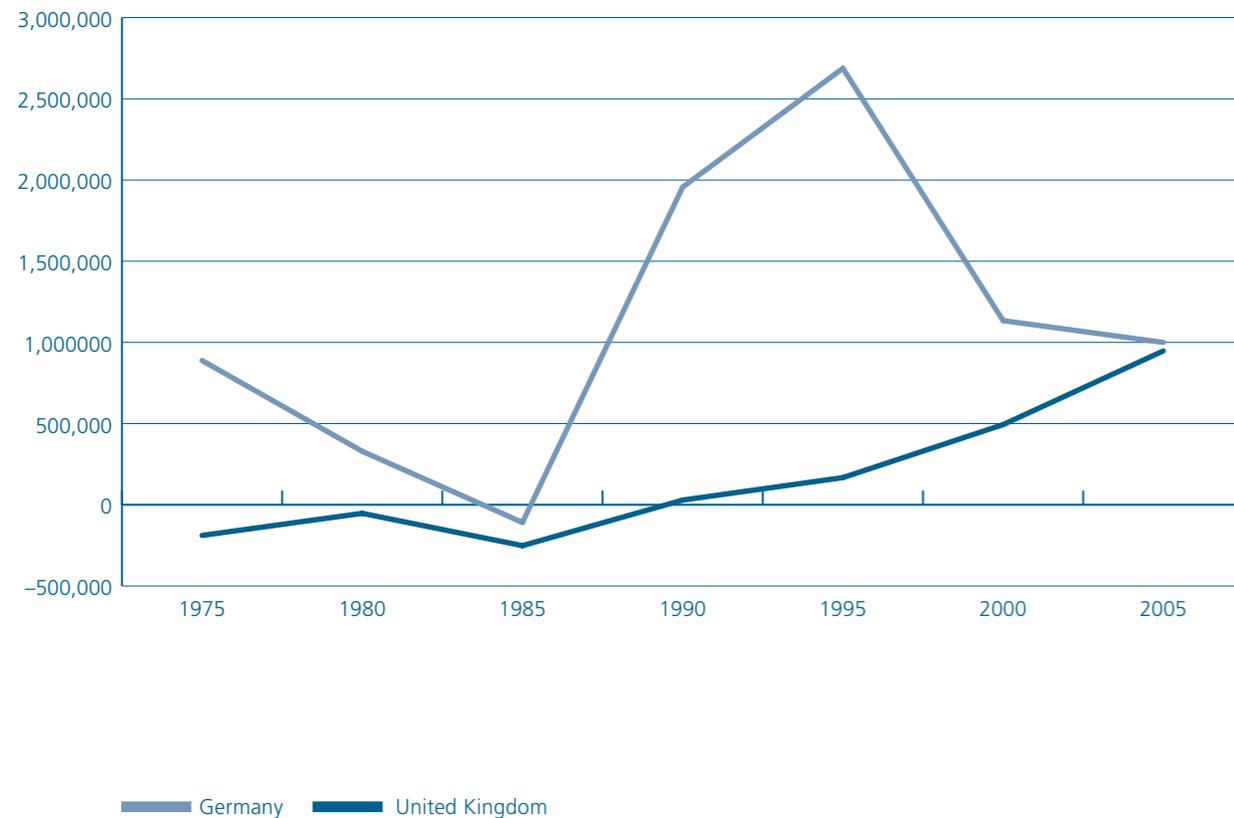
Figure 10 (pages 52–53) shows the evolution of the programme in terms of defined priority funding areas. It needs, though, to be used with caution. First, these areas do not

1995

January Austria, Finland and Sweden join EU

1996

Figure 7 Net annual migration, 1975–2005



Source: Net migration from World Bank quick query, extracted June 2009

cover all the topics examined in any period. This was partly because other topics were always eligible for consideration for major grants – and non-priority topics in fact always did receive major grant funding at any stage of the Foundation’s history (except under the final *csge* initiative) – and partly because the priority areas do not include funding under the minor grants scheme (which allowed the Director to award project grants of up to £4,000, within a total minor grants budget of £40,000 in any one year). More important, caution is needed because, throughout most of the Foundation’s history, there was a degree of ambiguity (apparent already in the extended quotation at the start of this chapter) over whether the defined thematic areas of the programme were intended to function primarily descriptively (as a means of categorising the work done) or prescriptively (as a means of concentrating the thematic focus of the programme). In that first quotation, there are references to the ‘principal areas’ of the Programme, to ‘the current list of priority topics’ and to ‘the topic areas... selected as priorities’. It seems that a selective list of narrower topics within each ‘programme area’ was made available to potential applicants, but it is also clear that this list was indicative rather than exhaustive, and that good applications on topics outside that list – and indeed outside the broader ‘areas’ – were happily considered. It remained a guiding principle for the Board that it would be a mistake to try to dictate the research or policy agendas, and that it was more sensible, within broad parameters, to follow the market.

So the range of potential topics was not only very broad to begin with, but flexible at any given time, as was only appropriate given the title of the Foundation and its liberal interpretation by the Board, as Hans Wiener makes clear:

1997

May Labour government under Tony Blair elected in UK

December Second renewal of the Royal Charter of the Anglo-German Foundation

December Kyoto Protocol signed

The subjects that come under the heading 'industrial society' span an extraordinarily wide range, from, on the one hand, the national and regional economies of highly industrialised countries like Britain and Germany, the role of the state, the management of business enterprise, industrial relations and employment, to social issues such as education, health, housing and the environment on the other. Between the mid-1970s and the late 1980s, moreover, the approach to many questions in these fields changed quite radically in both countries, and successive projects on the same topic provide an interesting historical perspective.

And this is without allowing for the differing interpretations within and between the two countries of the term 'industrial society'. Although the Board agreed at the outset to interpret the term as broadly as possible, this elides the fact that in German discourse the term *Industrie* is usually taken to mean manufacturing industry and is not practically synonymous, as 'industry' is in Britain, with 'business'. (There is, though, an interesting shadow of that idea in the problematic response that the title often provoked in Britain, along the lines of 'shouldn't you rather be studying post-industrial society?')

Interpreting the output

Not only, then, did the distinct topics under the heading of 'industrial society' span a broad and flexible range, but the term itself was capable of elastic interpretation. This makes understandable enough Hans Wiener's difficulty in trying to pull together

into an interpretable whole the work undertaken up to the eighteen-year halfway point (not that he could have known that what he called its 'coming of age' was appropriately enough its halfway point) at the end of 1992:

Looking back over some sixteen years' work, the Foundation can be well satisfied with the way it has given the study of industrial society an original and characteristically Anglo-German slant.... The various strands of this subject fall under different academic disciplines, and studies can range from the most academic to the severely practical. It was by no means obvious at the outset what kind of work would be useful in the Anglo-German context. A programme had to be built up which the Foundation could afford, and which would define its purpose as well as the subject area....

What do these studies tell us? By looking at the topics that have provided material for Anglo-German projects, we can detect some common trends. Some topics have turned out to be perennials and others not. There has been a steady stream of projects on employment, small business, education and housing. Projects on equal opportunities issues have emerged more recently, while new technology seems to have been superseded by environmental issues. Industrial relations, central to the Foundation's programme in the 1970s, were in eclipse a decade later; so too were industrial policy and regional planning, as people in both countries had come to believe less in the ability of policy-makers and planners to influence events and more in the power of market forces. But much has since changed, and subjects that had faded from view are assuming new importance in the 1990s.

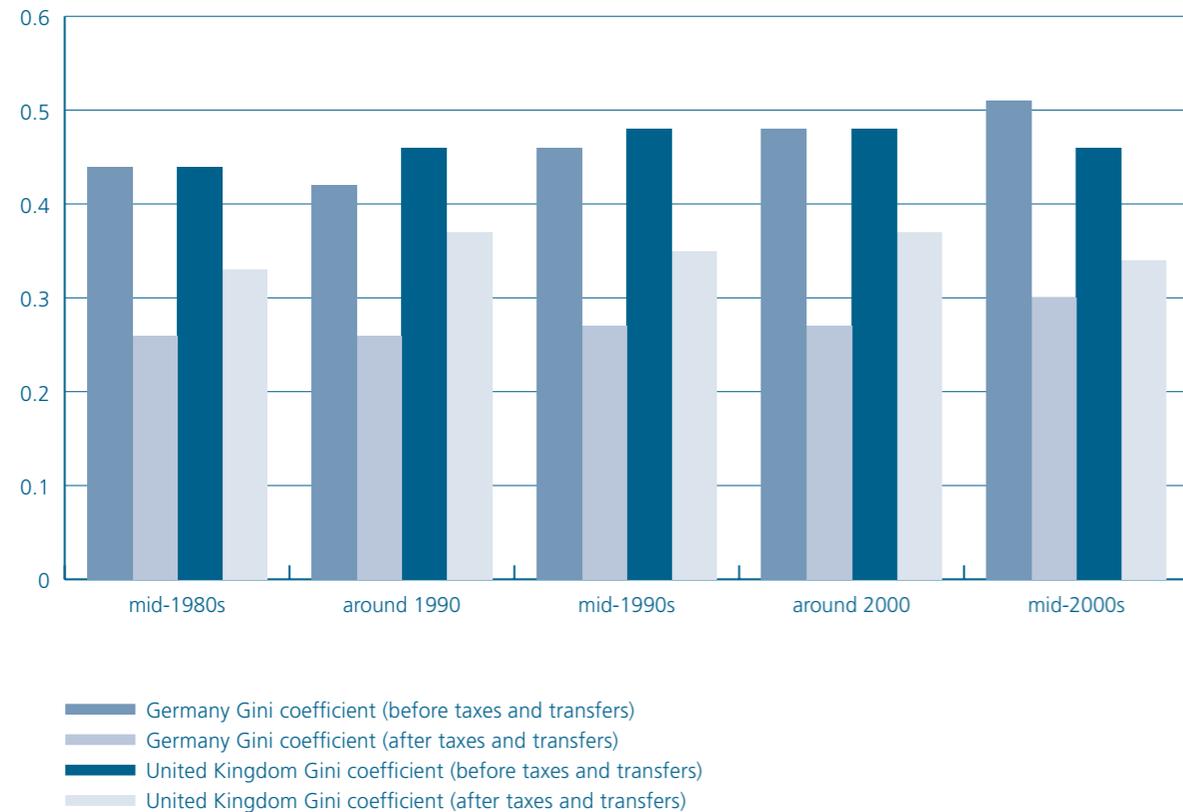
1998

June European Central Bank established in Frankfurt
October SPD-Green coalition under Gerhard Schröder elected in Germany

1999

January Launch of the Euro
June Blair-Schröder paper on *Europe – The Third Way/Die neue Mitte* published

Figure 8 Income inequality: Gini coefficient before and after taxes and transfers, mid-1980s to mid-2000s



Source: OECD Statistics, income distribution, extracted July 2009

Similarities in perceptions and attitudes were of course to be expected in countries that were, at least before the unification of Germany, so alike in their industrial development and structure, in wealth, area and population, and in their peripheral position in Western Europe. But the Foundation's work also shows up major differences between the two countries, and these are interesting and instructive. Many institutions differ quite fundamentally for reasons rooted in history, and both history and institutions affect the way people think, what they take as natural, and the way they view and tackle similar problems. Thus, in the days of grand designs, the Germans tried to plan in ways that were as far as possible marktkonform [compatible with the operation of a free market], while the British tried to go against the grain in changing regional and economic structures; now, while the Germans have left their systems alone and merely reduced the emphasis on planning, the British are trying to replace planned systems with market mechanisms. As to industrial relations, though the Foundation may claim some credit for making the British more aware of it, the German system has remained alien to the British way of thinking; British law and practice changed radically in the 1980s, but in different directions, while the German system has hardly changed at all since 1976; it will be interesting to see how the two countries meet the challenges presented by developments in the European Community.

Much of the Foundation's output seems to consist of 'German lessons for the British'. Most educated people in Britain knew of the German economic miracle, but only the cognoscenti knew much about the Federal Republic's institutions. The federal structure of government, dual company boards, works councils, industry unions, vocational education

2000

March EU's 'Lisbon Strategy' adopted

March Stock markets shaken by the bursting of the 'Dotcom bubble'

and other well-defined systems came as a revelation to many; it was clearly desirable that the British should be better informed about all this, and describing it was grist to many an author's mill. Of course German institutions are not quite as well organised as Rahmengesetzgebung [framework legislation] and Rahmenpläne [framework development planning] may make them seem, but there is an implied assumption that they are heading that way and it is tempting to conclude that 'they order things better in Germany'.

It is more difficult to spell out 'British lessons for Germans'. Though they cling to traditional and sometimes archaic forms, the British are not averse to improvisation, and they are inclined to set up new institutions when problems become acute, or when the current philosophy seems to demand it. New bodies like development corporations cut across the competences and geographical boundaries of existing authorities, organisation diagrams may be confusing and statistics inconsistent, so that it may be hard to see how, and how well, anything works. On the face of it, therefore, there is little to be learnt from the conduct of the British economy, from industrial relations, or from the highly centralised political system. But British higher education clearly has some very good features, and it will be interesting to see whether the German institutions can take the lessons on board and break with their traditions.

What Britain can teach Germany is perhaps not sufficiently in evidence in the Foundation's published output, because much of it falls in the realm of the 'soft' social sciences, and few studies in these fields are of immediate practical use to policy-makers. But one must not ignore the circumstantial evidence that so many Germans find Britain interesting and her life-style congenial; they learn that one can live quite comfortably

without aiming for perfection, and that no harm comes of tolerating institutional anomalies and a great deal of individual eccentricity. And now, in the wake of unification, Germany too has untidy structures and inconsistent legislation, and might well look to Britain for lessons on how to live with these until the disparities between the old and new Länder have been ironed out.

What is at first sight most striking now, in reviewing the programme areas from the more distant perspective of thirty-six years, and bearing in mind the caveats above, is the degree of continuity. As already mentioned, the Trustees applied the 'Principles of Operation' established by the Board in October 1974 (see page 19) more or less without alteration until 2005. What is more, the programme headings adopted at the outset correspond remarkably closely to the 'core themes' of the csge initiative launched thirty years later.

On closer inspection, discontinuities become more apparent. First, as Figure 10 (pages 52–53) shows, during the middle period of the Foundation's existence a number of topics assumed central importance in both societies that were hard to fit into the original programme headings. These included geo-political events that could hardly have been foreseen like the fall of the Berlin Wall and the end of the Cold War, but also inherent problems of industrial society that perhaps had not been recognised as such at the time – most notably, unemployment. The year 1973 was more or less the end of the post-war boom period (and the beginning of the end of the German economic miracle). Unemployment stood at about 2 per cent in the UK and about half that in Germany.

2001

June Blair government re-elected

June EU's 'Gothenburg Agenda' adopted

September Twin Towers attacked in New York

2002

January Euro introduced as cash currency

September Schröder government re-elected

But this was also the year of the first oil crisis. The good times were, if not over, then at least not quite so good; and, certainly for a substantial proportion of the working population in both countries, the era of guaranteed employment was over. The rise and fall of unemployment over the period are more or less reflected, with a considerable lag, by its explicit position in the Foundation's programme.

It could be argued more generally that in this middle period the Foundation paid more attention to the shorter-term political concerns of the day, in their distinct and fluctuating national contexts, than to the underlying longer-term characteristics or objectives common to both societies. This is supported by a breakdown of grant expenditure into topics, or 'areas', such as that given in the next chapter (see Figure 15, page 64). The four broad areas used to classify expenditure activity in the first period (1974–1993) were expanded to five and then six narrower areas in the next period (1994–2001), then remained at six over the following period (but now with five named areas together with the catch-all 'Other'), before narrowing to just three for the big initiative which was the focus of the final five-year period. And this might be considered appropriate to an organisation of this kind in the central phase of its life, moving as it were from identifying its core business in the early phase, to greater flexibility, experimentation and diversification in adulthood, and then reverting to a focus on the underlying issues in its late maturity.

Second, a certain shifting of boundaries and of terminology has taken place, which is hardly surprising. Whereas in the 1970s and on into the 1980s 'People and their Living Environment' encompassed work mainly on housing and on the polluting effects of

industry on the broader environment, and 'People and their Working Environment' was dominated by studies of comparative industrial relations, by the 1990s the two categories were more closely intertwined. Industrial relations was no longer the substantial and largely autonomous discipline it had once been, nor the fulcrum of Anglo-German exchange in the industrial sphere. In the academic world, it had largely been subsumed within sociology departments or (even more galling for some from the 'old school') within business schools. And in the policy and business worlds, especially but not only in the UK, no one was interested any more. But the working environment and the living environment were no longer so easy to separate: not only was the rising pollution of the second by the first increasingly difficult to ignore, but awareness was growing of the fundamental dependence of industrial society on environmental resources of various kinds, not least because of the oil crisis. In this sense, the programme headings of 1974 were perhaps behind the curve – after all, *The Limits to Growth* was published in 1972, and was more or less immediately recognised as heralding a crucial new perspective on industrial capitalism. The Foundation made up for this to some extent by interpreting the programme headings flexibly as developing knowledge and understanding required. But this process was slower than it might have been: 'environment' disappeared as an explicit term within the Foundation's programme between 1993 and 1998, and then again between 2002 and 2005, although of course considerable relevant work was undertaken throughout that period under other headings. It was not perhaps until the launch of the *csge* initiative in 2005 that the dependence of industrial society on the resources of the planet was adequately recognised in the Foundation's programme.

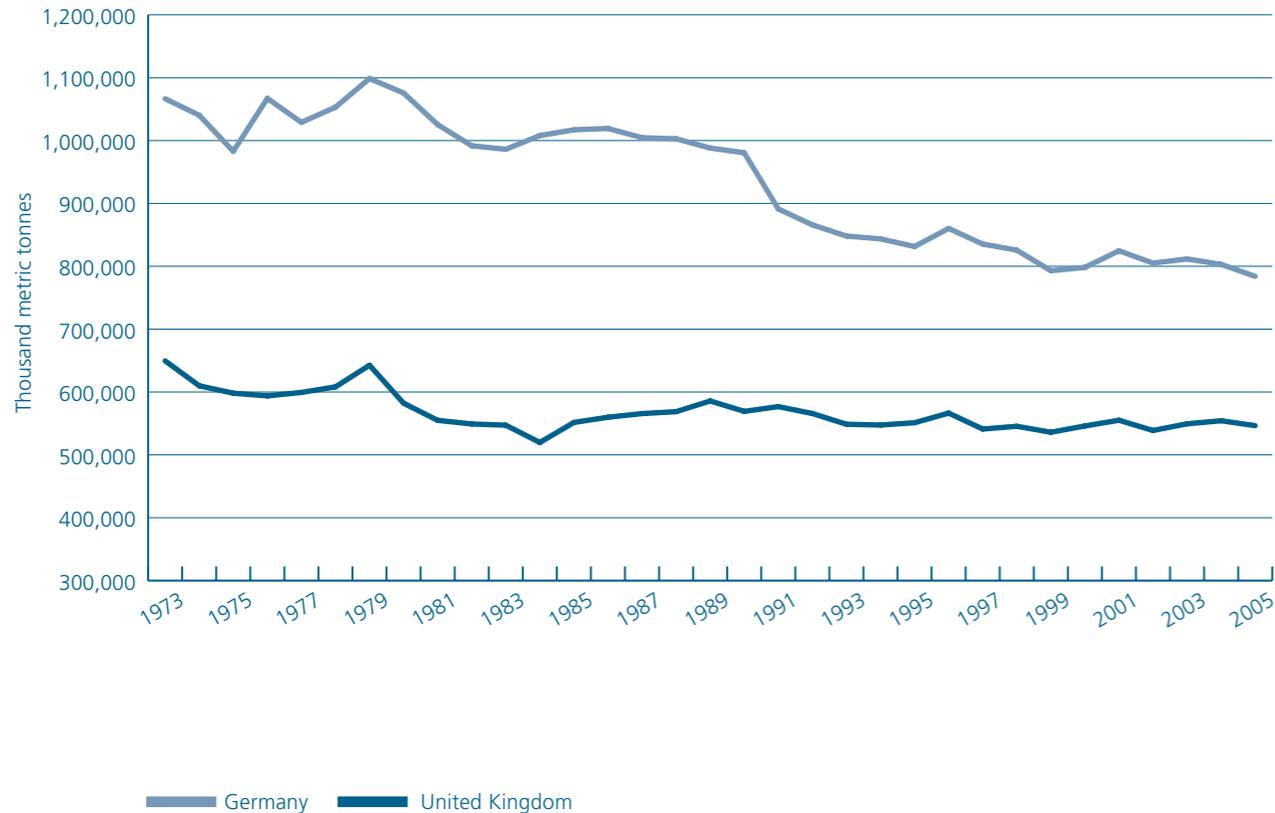
2003

March Iraq is invaded

2004

January Eastern enlargement of EU begins

Figure 9 CO2 emissions, 1973–2005



Source: CO2 emissions from World Bank quick query, extracted June 2009

So it is perhaps more accurate to see the shape of the Foundation's thematic focus over its lifespan not as linear but as circular. In the Foundation's middle period, some of the core concerns identified in the programme headings (such as unemployment or health care systems) rose up the political agenda, sometimes in one country further or more quickly than in the other, and faded away again, sometimes to come around a second or even third time (vocational training, 'new technology based firms'), reflecting the common or respective economic and political cycles in the two countries. But at the inception of the Foundation and again towards its end, the focus was on the underlying central characteristics of industrial capitalism – how wealth is created, and how its creation and distribution reflexively impact on our continuing capacity to create it – and beyond that on what President Heinemann referred to as 'the purpose of our industrial society', and what Sir Tony Atkinson in his volume of *reflections on creating sustainable growth in europe* terms 'the fundamental objectives of our societies'.

From this perspective, it is fascinating to speculate where the Foundation might have travelled had E. F. ('Fritz') Schumacher become its first Secretary-General – as apparently nearly happened. Schumacher had first come to England from Germany as a Rhodes Scholar in the early 1930s, and later returned to escape Nazism. He was initially interned as an 'enemy alien', but managed to write and publish from prison camp. His talent was spotted by John Maynard Keynes, who took him under his wing. In the post-war period, after contributing as Economic Adviser to the British Control Commission to the reconstruction of the German economy, Schumacher achieved a prominent position in the UK as an economic consultant and writer while developing his critique of

2005

January European Emissions Trading System established

June Blair government re-elected

November CDU/CSU-SPD coalition under Angela Merkel takes power in Germany

contemporary capitalism, and became internationally famous in 1973 following the publication of *Small is Beautiful*. During that same year, in the course of the preparations for the launch of the Anglo-German Foundation, he was contacted by a representative of the German Embassy in London and unofficially offered the post of Secretary-General. After due consideration he declined on the grounds that he felt he was too old for the task, and in fact he died four years later. (Acting on a suggestion from Professor Roger Morgan, I contacted Dr Rolf Breitenstein, who was Press Counsellor in the German Embassy in London at the time of President Heinemann's state visit in 1972. Dr Breitenstein confirmed that Schumacher had indeed been approached in this way.)

There is much in Hans Wiener's 1993 evaluation that can also be applied to the work the Foundation funded during its second eighteen years. But much also feels as though it comes from an earlier and different era, notably the slightly embarrassed observation that the greater part of the Foundation's output seems to consist of 'German lessons for the British'. How could this have been otherwise at that time, following the comparative trajectory of the 1970s and early 1980s, when Britain had unquestionably been the sick man of Europe while the German economy caught up and then left the British far behind? However, as Wolfgang Mommsen, a prominent modern German historian, has noted of that period (in his book *Die ungleichen Partner*, 1999):

In der Bundesrepublik war damals eine reichliche Menge von Hochmut verbreitet im Hinblick auf die wirtschaftlichen Probleme in England und namentlich die zahlreichen Massenstreiks, die die Leistungsfähigkeit der britischen Wirtschaft beeinträchtigten. In den

siebziger Jahren sprach man in der Bundesrepublik vielfach von einer „englischen Krankheit“... Dabei wurde geflissentlich übersehen, dass sich ein guter Teil der wirtschaftlichen Probleme Grossbritanniens langfristigen strukturellen Veränderungen, vor allem dem Niedergang der älteren, auf Stahl und Kohle konzentrierten Industrien, verdankte und nicht etwa nur der übergrossen Macht der Gewerkschaften oder dem angeblich schlechten Management der britischen Unternehmerschaft. Es waren dies vielmehr Probleme, die dann kaum ein Jahrzehnt später auch die BR erreichen und hier ebenfalls die Arbeitslosigkeit irritierend in die Höhe treiben sollten.

At that time, a considerable measure of arrogance was widespread in the Federal Republic with regard to the economic problems in England, and specifically to the numerous mass strikes that were impairing the productive capacity of the British economy. During the 1970s there was much talk within the Federal Republic of an 'English disease'... But people chose to overlook the fact that many of Britain's economic problems were due to long-term structural changes, above all to the decline of the older steel- and coal-based industries, and not to the excessive power of the unions or to the supposedly poor managements skills of British entrepreneurs. Rather, these were problems that were to reach the Federal Republic barely a decade later and to drive unemployment here too to disconcerting new heights. (My translation, RC)

In retrospect we can see the early 1990s as an economic turning-point in both countries. The UK was on the cusp between the years of the Thatcherite experiment in state-led Schumpeterian renewal and the ‘British economic miracle’ set in train a few years later under Blair and Brown (whether reversing or, according to your point of view, building upon Thatcher’s reforms). Germany, after a brief burst of post-unification growth, was about to enter a protracted period in which the huge achievement of incorporating the moribund economy of the former German Democratic Republic was a cause, perhaps the cause, of chronic economic constipation. So, whereas the first half of the Foundation’s life did indeed seem to consist predominantly of ‘German lessons for the British’, by the early years of this century at the latest the tables had turned, and the prevailing consensus was that the German ‘model’ was economically exhausted and politically sclerotic, and there was urgent interest in ‘British lessons for Germany’ – and no less enthusiasm for delivering those lessons. To be at a Königswinter conference in those years was to listen to an unbroken rota of experts, from both countries, calling for reform of the German model along Anglo-Saxon lines. Now, in late 2009, in the turmoil that has shaken and then sharply depressed national and international economic activity over the past two years, it is no longer so self-evident that the Anglo-Saxon model is the way forward, and the strengths of Rhineland capitalism are once again attracting attention in the UK and some measure of pride and renewed political currency in Germany.

Comparative perceptions of the health of the two societies, in economic terms at least, have undergone a see-saw movement over the life of the Foundation. But this is not to say that a long-term perspective must lead inevitably to a kind of fatalistic yin-yang

view, where one system pulls ahead only to be inevitably caught up and overtaken by the other in an endless game of leapfrog. One thing at least is clearer now than it was in 1973, and that is that the two systems are not to be seen most clearly when set only against each other, but rather as two linked entities within a much larger economic and political whole. Schumacher, with his international perspective and his concern for equitable development, would have known that.

2008

October Germany and UK enter recession

2009

September Elections in Germany – CDU/CSU remains the largest party

December Anglo-German Foundation Charter expires

December UN Climate Change Conference in Copenhagen

Figure 10 Anglo-German Foundation: defined priority funding areas, 1973–2009

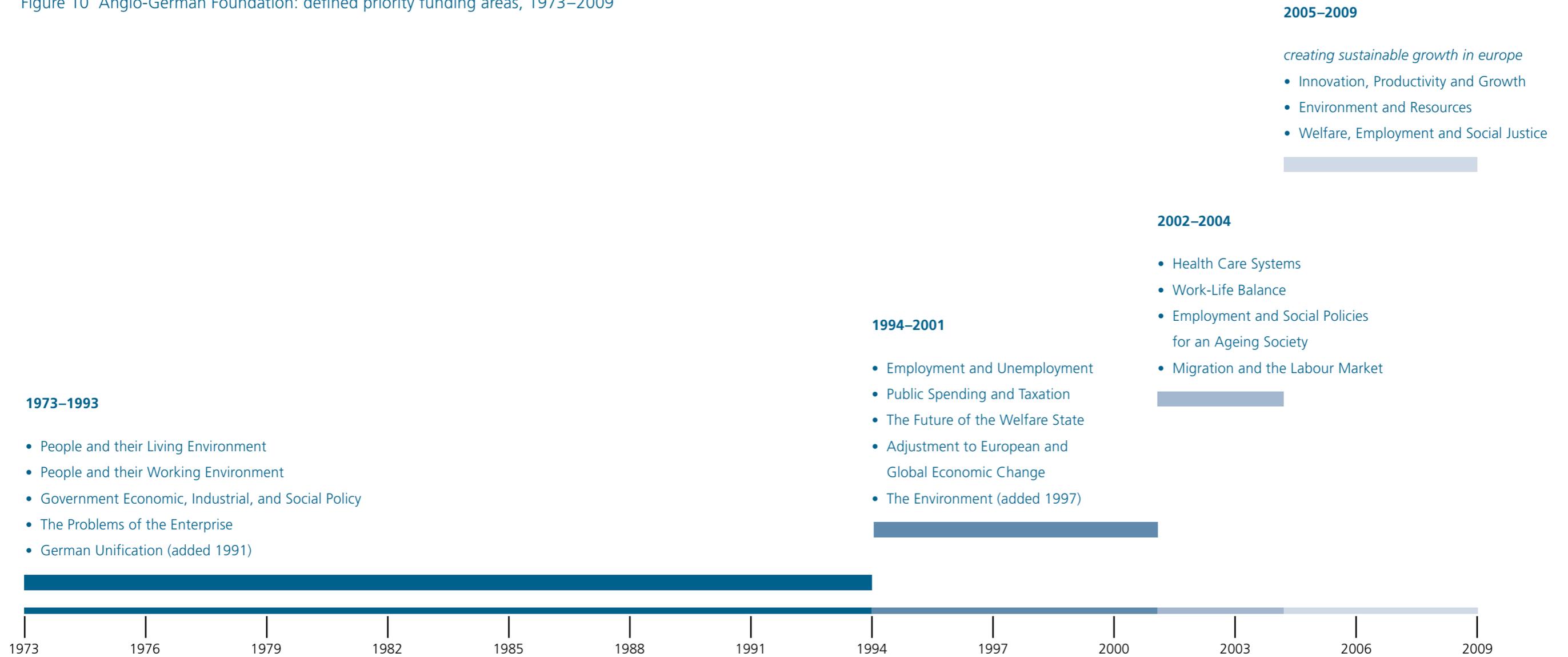
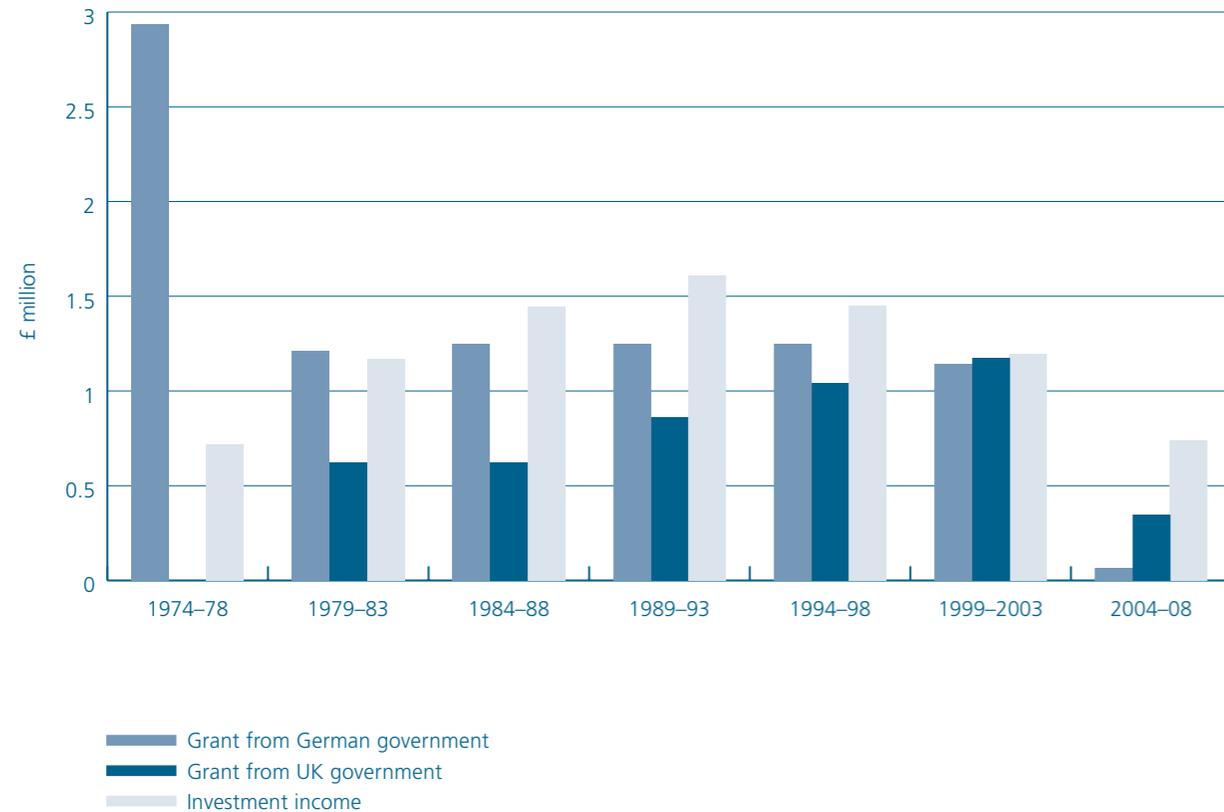


Figure 11 Anglo-German Foundation: grant and investment income, 1974–2008



3 Finances

The figures in this chapter illustrate the basic facts of the Foundation's income and expenditure. The picture they convey is largely accurate, though not entirely complete. For example, figures for non-government income show investment income only, and do not include relatively minor income streams such as publications sales. Grant income includes only core government grants, and not occasional grants (from private as well as government sources) towards specific projects.

Most important, the figures do not take account of co-funding. The Foundation was often only one of two or more funders of research projects. For considerable periods, the Board adopted co-funding as an explicit strategy in order both to ensure quality and to expand what could be achieved with the Foundation's limited resources. Foundation grants were often made subject to the applicants being able to win co-funding from other appropriate sources, public or private. In almost all these cases, the additional amounts attracted to a research project or programme did not appear in the Foundation's own accounts as either income or expenditure because the money did not pass through its bank accounts; but it can be argued that by this means the Foundation attracted a great deal of additional money and additional impact for its activities over and above the sums it awarded.

Income

As described in chapter 1, the German government was the source not only of the original idea for the Foundation but also of the initial endowment of DM15 million, spread over the first five years of activity. This was roughly equivalent to £2.5 million

in 1973 terms, or £24 million in 2009. (It should not be overlooked that the British government provided substantial help in kind through the provision, without charge to the Foundation, of office space in central London for the first nine years of the Foundation's existence.) The records of the early meetings show clearly that it was always recognised that the Foundation would be unable to distribute such sums effectively at such a rate, and that the intention was for the surplus of income over expenditure to be invested by the Board to produce an additional income stream.

The investment strategy proved so effective that by the end of that first five-year cycle it had produced over £600,000 of additional income. By that time, the Foundation had demonstrated its value sufficiently to persuade the two governments to commit to a further five years' funding, this time with the UK contributing as well, if at a lower level than Germany. The first history of the Foundation recounts the early financial arrangements:

The annual payments by the German Government continued, as originally undertaken, at the rate of DM3 million per year until 1978. In that year, Her Majesty Queen Elizabeth made a State Visit to the Federal Republic of Germany. In a speech on 22nd May 1978 at Schloss Brühl near Bonn, after referring to many examples of close relations between the two countries Her Majesty said:

The Anglo-German Foundation for the Study of Industrial Society, so generously founded by your predecessor, President Heinemann, to mark his visit to Britain in 1972

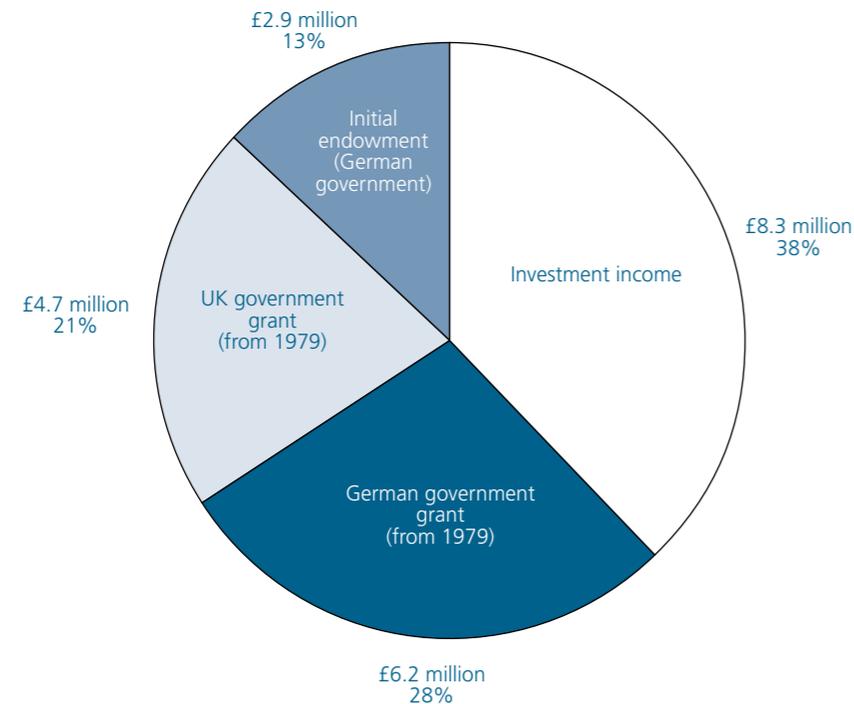
is one example. Certainly it is tackling subjects which need study, a field of complex problems with no easy solutions. I am glad that my Government has decided to recognise the importance it attaches to the work of the Foundation by making a substantial contribution every year for the next five years.

A new Inter-Governmental Agreement was signed on 31st October 1979 in Bonn by Herr Dietrich Genscher, Federal Minister for Foreign Affairs, and Lord Carrington, the British Secretary of State for Foreign & Commonwealth Affairs. This Agreement extended the Agreement signed on 3rd March 1973, and provides that in the years from 1979 to 1983 inclusive the Foundation will be supported with further annual funds of £375,000 of which two thirds will be provided by the German side and one third by the British side. The Foundation will also have available approximately £200,000 from interest on invested funds arising out of the original grant from the Federal Government.

Hans Wiener's 1993 history of the Foundation put this into a wider context:

The generosity with which the Federal Republic's government was prepared to finance independent research to provide a basis for rational policy-making and planning was characteristic of German thinking in the early 1970s. The DM 3 million provided for the Foundation has to be seen against the background of the government's endeavours at that time to make West Germany a 'good' society and not just an affluent one. Between 1971 and 1976 the Kommission für Wirtschaftlichen und Sozialen Wandel [Commission

Figure 12 Anglo-German Foundation: grant and investment income, 1973–2009

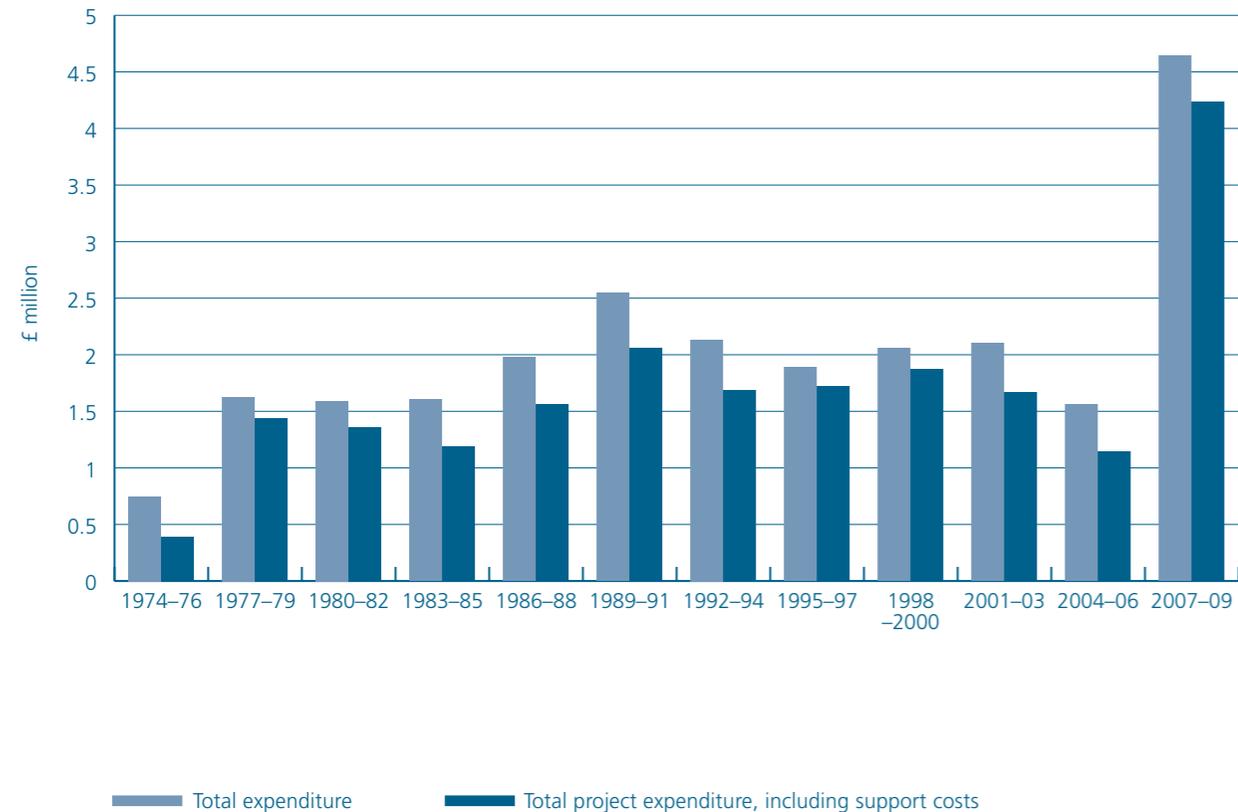


Note: These sums exclude co-funding and grants for specific projects.

for Social and Economic Change], composed of academics, trade unionists and employer representatives, with objectives faintly like those of Britain's National Economic Development Corporation, funded 140 studies in economics and social and political science at a cost of DM 10.7 million. The Foundation started out on a more modest scale, possibly under the subtle influence of the London location, but mainly because there were not yet that many good projects on offer in the fairly specialised area of Anglo-German comparative research.

Indeed, Figure 11, showing grant and investment income in five-year cycles, reveals that over the second of those cycles investment income was already the (equal) largest income stream, and would remain the largest stream over the remainder of the Foundation's active life. Another benefit of this strategy from the Foundation's perspective was that from the very beginning it could, and did, legitimately claim that it was covering its running costs (and more) from its own investments, so that all government grants were going into projects rather than paying for offices and salaries for the Foundation's staff. Figure 12 reveals the extent to which this was true: over the lifetime of the Foundation, investment income amounts to 38 per cent of total income, by a considerable margin the largest income stream if one treats the initial German government endowment as separate from subsequent grants.

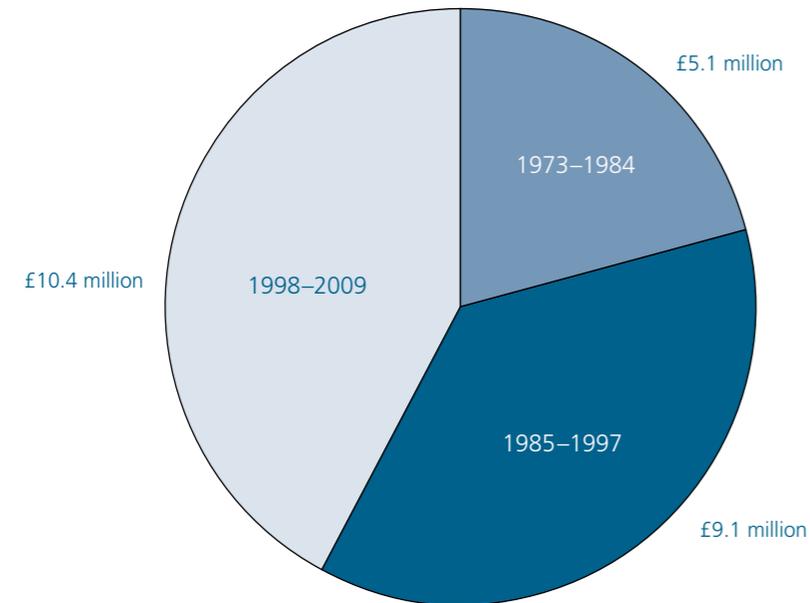
Figure 13 Anglo-German Foundation: expenditure, 1974–2009



What is also evident from Figure 11, which shows the five-yearly cycle of income, is the steady decline in income, in cash terms alone. Total income effectively levels off by 1989. As the Foundation's expenditure increased, not only because of increasing volume of activity in terms of project and event numbers but also as a result of increasing costs of research activity and, not least, inflation, so the income from investments begins to decline fairly rapidly from a high point in 1992 – almost exactly the mid-point of the Foundation's life. And this does not even take into account the very considerable effects of inflation, especially in the UK, in eroding the value of income. To quote from an internal review document from 1988: 'After allowing for the rise in the cost of living and the change in the exchange rate..., the Foundation's 1987 income was worth only one third of the 1974 figure in Britain and about two-fifths in Germany.'

So, from about the midpoint of its existence, the Foundation is beginning to erode its capital. This curve underlines the wisdom of the decision taken in 2004 to spend out the remaining assets: without a government commitment to re-stocking that capital, or to a substantial increase in the annual grants, neither of which was realistic at that point, the speed of the decline in income would have been accelerated by the erosion of capital, and the Foundation would have become unviable well before the end of any renewal of the Charter in 2009.

Figure 14 Anglo-German Foundation: expenditure per Royal Charter

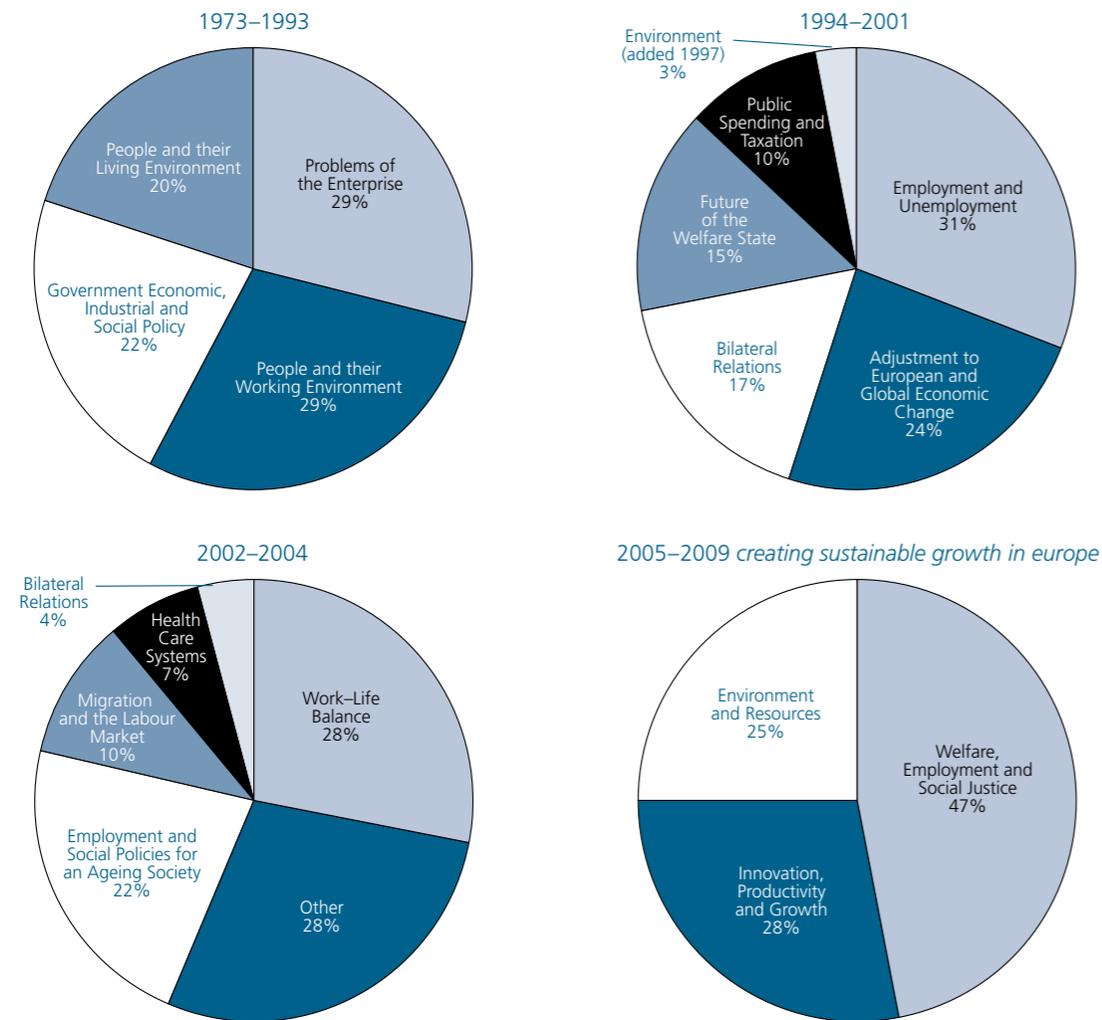


Expenditure

Figure 13, showing expenditure in three-year cycles, tells the same story from the other side of the balance sheet. Expenditure increased steadily until the 1989–1991 period, after which – as costs increase and demand remains constant, and the Board tries at first to maintain activity at the same level – the Foundation begins to eat into its assets, eventually forcing a reduction in expenditure to match the decline in income. This self-reinforcing downward movement, a vicious spiral, would have led inexorably to inactivity and irrelevance; and the decision, instead, to spend out the capital in order to be able to continue to adhere to the spirit of the original aims and objectives pulled the Foundation out of that spiral and allowed it to finish with an upward flourish. Figure 14, showing aggregate expenditure for each of the three Royal Charters, flattens the shape of the decline and rise in Figure 13, and shows that total expenditure over the third Charter period slightly exceeded that of the second (without taking inflation into account), and therefore extends but flattens the increase from the first Charter period to the second.

Figure 15, showing the proportions of expenditure devoted to the different areas of the Foundation's programme over the four distinct programme periods, is interesting in suggesting how its work reflected changing policy and research preoccupations over the total period. However, any correlations should be treated with caution, as the data cover only major grants that can be allocated to the main programme areas (which, as already explained, do not account for all expenditure), and the category definitions within one period – let alone thematic overlaps between periods – are not firm.

Figure 15 Anglo-German Foundation: major grants awarded by priority funding areas, 1974–2009



The same caution must be applied to any attempt to apportion expenditure between the two countries, as the division of costs between collaborating institutions was often fairly inexact as well as fluid; moreover, the Foundation did not keep annual financial records disaggregated into currencies, as the accounts had to be presented (to the UK's National Audit Office) only in sterling. Nevertheless, a crude breakdown of approvals by currency undertaken for two sample periods gave a rough figure of 37 per cent in Germany and 63 per cent in the UK, and there is no reason to believe that this is unrepresentative for the division over the Foundation's lifetime.

There are a number of readily identifiable reasons for this unequal outcome. The location of the secretariat in London (with only a representative rather than executive capacity in Germany until 2000) undoubtedly contributed, as it meant that it was far easier for potential UK applicants to visit the office to sound out possibilities. (It also meant, of course, that administration costs, and support costs for projects, were always higher in sterling than in DM or Euros.) Another factor was that research funding was undoubtedly harder to come by in the UK than in Germany (or indeed than in many European countries, a factor often cited as explaining the disproportionate success that UK academics have had in accessing EU research funds). In the beginning, it is probably true to say that ignorance of the German model was greater in the UK than vice versa, so unilateral explanatory projects tended to be carried out by Brits on Germany. And for the greater part of the Foundation's lifetime, the German model was generally believed to be outperforming the British, so it was assumed that there were more lessons to be learned from studying German institutions than British ones.

In retrospect, then, and given that the original impetus came from the German side, the inequality of the distribution of funds does not seem inappropriate to the founding spirit and purpose of the enterprise. And, given the success of the investment and co-financing strategies in multiplying the value and impact of the original endowment and subsequent grants, and the modest scale of the organisation for a bilateral diplomatic initiative, it would be hard to deny that it has provided value for money.

4 Legacy

In 2004, the Foundation's Board of Trustees decided that, rather than trying to prolong indefinitely the life of the institution by eking out its capital at the risk of ever-declining activity and relevance, it could better meet the original objectives enshrined in the Royal Charter by spending that capital on one final major project designed to set the seal on the work to date.

The background to this decision was in part financial. As is clear from chapter 3, the grants from the two governments, which had reached a high-point between 1997 and 2001 following the British government's decision in 1997 to match the level of the German grant, had begun to decline. Both governments were at pains to stress that the cuts were not a result of dissatisfaction with the work carried out by the Foundation. But for different reasons neither Foreign Ministry felt able any longer to justify maintaining the grant at its current levels. In the UK the driving factor was changing policy priorities, whereas in Germany it was pressure across the spectrum of public finances. At this point, the financial strategy of protecting capital to produce an independent income stream, which had served the Foundation so well in the past, became something of a political liability, as civil servants in both countries, under great pressure to find budget cuts, hit upon the fact that the Foundation did not depend day-to-day on its grants from government.

The pressure of declining income thus forced the Board to take a hard look at the Foundation's *raison d'être* and prospects, and this led to the conclusion that, although its work was still eminently useful, it was no longer as urgently necessary as had once been the case. A great deal had been achieved, and much of the work was now being

taken forward by other organisations; to the extent possible within its past and likely future resources, the Foundation could be adjudged to have largely achieved the objectives for which it was established.

creating sustainable growth in europe

The project the Trustees envisaged would be designed to build on the comparative knowledge and expert networks established in the Foundation's traditional priority areas. But it should also point forward, addressing new and coming problems rather than those of the past. It should acknowledge how the world had changed since 1973 while exploiting the unique traditions and strengths of the Foundation. Ideally, it should also attempt to draw together the various strands of work funded over the preceding three decades in order to highlight and address once more the fundamental, overarching questions of industrial society rather than, or in addition to, specific problems within specialised policy domains.

The title chosen for this final initiative – *creating sustainable growth in europe* (csge) – confronts the central challenge facing both countries over the coming decades: how to reconcile the desire for growth with environmental and social sustainability. It was decided that its methodological base should remain comparisons between the two countries, but that in acknowledgement of the changed political and economic environment this base could be extended to include other countries, within and beyond Europe, where data and experience could illuminate the questions addressed.

An international Academic Advisory Board was convened under the chairmanship of

Professor Sir Tony Atkinson, the distinguished economist and former Warden of Nuffield College Oxford, to advise the Foundation on the structure and content of the initiative. It was decided that the research should be organised in linked but largely autonomous programmes, each addressing one or more core themes within the general topic. The themes chosen were:

- innovation, productivity and growth
- environment and resources
- welfare, employment and social justice.

The initiative was formally launched in spring 2005 with a call for proposals. The research communities in Germany and the UK were invited to submit bids for programmes lasting up to three years and addressing one or more of the three core themes. The research budget for the initiative was £3 million. At the end of a rigorous selection process, the Foundation awarded grants to four programmes:

- Explaining Productivity and Growth in Europe, America and Asia (based mainly at LSE London, ZEW Mannheim and LMU Munich, and led by Professor Tobias Kretschmer, Ludwig-Maximilians-Universität Munich)
- Resource Productivity, Environmental Tax Reform and Sustainable Growth in Europe (based at six centres: King's College London (KCL); GWS Osnabrück; FU Berlin; Cambridge Econometrics; the University of Economics, Prague; and SERI, Vienna, and led by Professor Paul Ekins, then at KCL, now at University College London)

- The Economics and Politics of Employment, Migration and Social Justice (based at WZB Berlin, the Universities of Frankfurt and Hannover, and UCL and LSE London, and led by Professor Christian Dustmann, University College London)
- Sustainable Welfare and Sustainable Growth (based at Queen's University Belfast and FU Berlin and the Universities of Bremen, Edinburgh, Göttingen, Kent, Oxford and Southampton, and led by Professor Jochen Clasen, University of Edinburgh).

Research work was completed over the first half of 2009. Findings have been published in a variety of articles and papers as the programmes progressed, and the full findings will be available when the Foundation publishes a series of summary reports to accompany two closing conferences, in Berlin and London, in October and November 2009. A comprehensive account of the work and findings of all four *csge* programmes will be published in 2010 in a four-volume book series by Oxford University Press in association with the Foundation.

In several important respects, this initiative represents the culmination of the work of the Foundation over its lifetime. First, each of the four programmes is hardly conceivable without the existence of the great body of comparative Anglo-German social science that preceded it, a very considerable part of which, perhaps even the majority, was enabled either directly or indirectly by the Foundation. Second, the research teams which carried out the work under *csge* were built largely on pre-existing networks at both individual and institutional level created or maintained with the aid of Foundation funding. So the

successful completion of the four programmes is the culmination both of many years of network-building and of a systematic accretion of comparative knowledge and analysis. A third sense in which *csge* represents the culmination of the Foundation's work is in its ambition to link the discrete strands or bodies of work under the artificially self-enclosed disciplinary and policy domains across which it has been active over the years, and in the conviction that only such an integrative approach is capable of meeting the complex challenges now facing us. And only an institution with a thematic remit across the social sciences could conceive of such an ambition.

Taken together, therefore, these four programme reports, along with the analytical *reflections* on the initiative written by Tony Atkinson, represent the essence of a generation's work by the founders, Trustees, staff and researchers associated with the Anglo-German Foundation, and perhaps the key component of its overall legacy.

Publications

The wider tangible legacy, which these reports and associated *csge* outputs (including the series from Oxford University Press) will complete, consists of two archives of publications deriving from Foundation grants and initiatives, one held in Berlin at the Centre for British Studies of the Humboldt University and the other at the Library of the German Historical Institute in London (in the Bloomsbury Square building which housed the Foundation's secretariat from 1982 to 2002). (See page 86 for location information.) These archives represent a substantial resource for all social scientists employing comparative approaches, for historians of the bilateral relationship, and for all historians and social

scientists interested in the comparative development of social and economic policy in the two countries over the past four decades. It would be an almost impossible task to list and archive every single publication arising out of the Foundation's activities. The two archives are therefore restricted to the main publications arising out of projects and put into the public realm, or in some earlier cases to internal reports which although not more widely distributed constitute the only tangible output from projects; they do not include smaller reports and journal articles where more substantial or comprehensive project reports exist, nor do they include working papers of any kind. Even in this restricted form they amount to over 600 items, or an average of over seventeen items for every year of activity. A full list of all publications owing their existence to Foundation grants and activities would amount to several times that figure.

The German Historical Institute in London will also hold the Foundation's documentary archive as a resource for scholars of Anglo-German relations over the period. We are delighted that their co-operation will ensure that this valuable resource remains accessible, and particular thanks are due to the Director, Professor Andreas Gestrich.

The Foundation has compiled a catalogue of publications including everything in the two archives plus a considerable number of online reports, and this is available both in printed form (copies can be ordered from the Foundation or accessed at both institutions holding the archives) and online at the Foundation's website, as well as at those of the two archive holders.

The website itself is a very important element of the Foundation's legacy. It will be maintained actively and updated for at least three months following the formal closure

on 4 December 2009, and possibly for longer. After that time, it will continue to be accessible, even if not updated or interactive, for a minimum of five years. It has itself been preserved as a part of the British Library's electronic archive scheme for web resources which have been selected for their scholarly value or as representing an aspect of culture. 'Snapshots' of such electronic resources are taken at given points of time and will be maintained, if not in perpetuity then at least for a generation or more. The web archive can be found here: <http://www.webarchive.org.uk/ukwa/target/131080>. Further information is available from the British Library, and we thank them for including the Foundation as a part of this important resource.

It would be invidious to try to identify among those 600 and more publications the individual items that had the greatest impact or influence. It is perhaps more valid and more useful to point to a number of repeated studies on a particular comparative topic or theme – publications that constituted, in an informal sense, a 'series', a substantial and discrete body of research covering the comparative development of an economic or social institution over time. Often, a series of this kind has also been taken up by other funders and researchers. Occasionally, the aggregate of the work undertaken by the Foundation and by other institutions constitutes something approaching an analytical tradition in its own right, or at the least a fundamental resource for all subsequent work in the field. The comparative Anglo-German work on productivity initiated by Sig Prais at the National Institute for Social and Economic Research (NIESR), and taken forward subsequently by other colleagues at NIESR and elsewhere, constitutes such a series, as do repeated studies and conferences on the pivotal transition from school to work in

the two countries, or more widely on vocational training systems, or on support for new technology-based firms; these topics have featured in the Foundation's programme since the early years, and recur, sometimes involving the same researchers and/or the same institutions, sometimes taken up by others building on the earlier work, at regular intervals up until and even including the final research initiative. Comparative productivity, for example, is a core theme of the programme co-ordinated under the *csg* initiative by Professor Tobias Kretschmer, and vocational training of the programme co-ordinated by Professor Christian Dustmann. Indeed, one key dimension of this last programme is provided by a school of analysis in political economy which usually goes under the name 'Varieties of Capitalism', and which owes much to research and analysis undertaken by David Soskice and others funded in considerable part by the Foundation.

Finally, it is not too much to claim that the Foundation frequently identified or addressed topics which were considered marginal or eccentric at the time, but which subsequently became mainstream, and that the research or exchanges it funded in these areas paved the way for further work. Examples are recycling and resource conservation (*Resource Conservation: Social and Economic Dimensions of Recycling*, 1978); smoking at the workplace (*Passive Smoking*, 1992); the economics of migration (*Immigration as an Economic Asset*, 1994); environmental taxes (*Greening the Tax System in Britain and Germany*, 1995); and health care rationing (*Choices in the Allocation of Health Care Resources*, 1995).

Institutions

In addition to the printed and online publications which will survive the demise of the Anglo-German Foundation, there are a number of bilateral institutions which will outlive it and which owe their existence in whole or in part to its work.

One such is the Academic Research Collaboration programme jointly run by the British Council and the German Academic Exchange Service (DAAD), which exists to further research collaboration between young academics in Germany and the UK. When this programme was initiated in 1989, the UK government was keen on the hard sciences collaboration but less enthusiastic about the case for including the social sciences, so the Foundation stepped into the breach to support the UK social science part. It maintained this support until 2001, at which point it was correctly judged that government thinking on the UK side had changed and that the distinction would no longer be applied. The programme continues to provide valuable early stage funding across the research spectrum.

Another is the Königswinter conference series, along with its junior partner, Young Königswinter. The Foundation's contribution to these institutions has already been mentioned in chapter 2. To these should be added the British-German Forum at Wilton Park, a UK-based counterpart to Young Königswinter. All three of these pillars of the bilateral relationship continue to support the thriving networks between the two countries.

Two additional institutions of bilateral exchange and debate were initiated *ab ovo* by the Foundation, working with partner organisations. One is the British-German

Trade Union Forum, which was brought into being by the Foundation and the Friedrich Ebert Foundation and has been held alternately in the two countries since 2002 with the support of the Hans Boeckler Foundation, the British TUC and its German equivalent, the DGB. It has regularly welcomed the head of the host country's trade union movement, and sometimes the guest country's as well. The British-German Environment Forum, modelled structurally on Königswinter but focusing only on the sustainability agenda, was initiated in 1998 and, helped by moral and financial support from the British and German governments, has been held about every two years, again alternating between the two countries. It too has regularly attracted senior figures, including environment ministers from both countries.

People – the 'invisible college'

In all these cases the Foundation's financial support has initiated, developed or maintained important bilateral networks that will outlive the Foundation and thus form an integral part of its legacy. Much wider than this institutional network is what Hans Wiener described as an 'invisible Anglo-German college' which the Foundation can claim as a lasting achievement: 'This includes students, workers, politicians, administrators and industrialists who have taken part in exchange visits, a wide circle of experts who have been asked to comment on applications to the Foundation, and principally, of course, those who have taken part in Anglo-German research projects and conferences.'

Among the earliest recipients of Foundation grants, and founder-members therefore of that invisible college, are some people who were already widely known at the time,

alongside many others who became more prominent later. The list includes Michael (later Lord) Young, founder of the Open University; the pioneering environmental economist David Pearce; Frieder Meyer-Krahmer, now State Secretary at the Federal Ministry of Education and Research; Elisabeth Noelle-Neumann, founder of the Allensbach Institut; Alan (now Lord) Watson, the journalist and former Liberal Party President; Frank Heller; Norbert Klotten; Renate Mayntz; Sir Alan Peacock; Sig Prais; Wolfgang Streeck... and could be extended considerably. Suffice it to say that today there can hardly be a single researcher with a substantial reputation in the social sciences and actively interested in Anglo-German comparisons who has not taken an active part in a Foundation project or event, or in some other way contributed to and benefited from its activities, and thereby, we hope, joined that invisible college.

It is in the minds and actions of such people that the greatest part of the Foundation's legacy will reside. Let me therefore close by quoting from the *reflections* on the *csge* initiative written by Tony Atkinson, the Chair of the Academic Advisory Board:

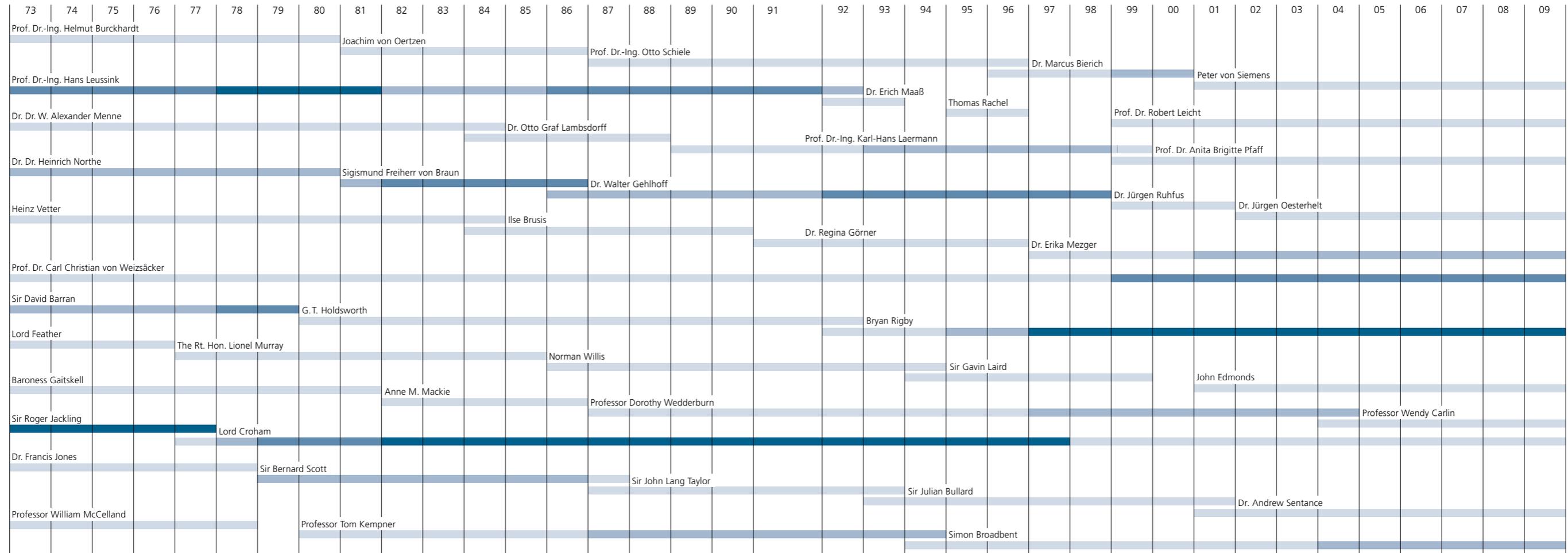
The Anglo-German Foundation is going out of existence voluntarily, but its contribution to understanding our societies will... live on. The Foundation has, over its 36 years, supported a wide variety of research on social and economic issues affecting industrialised societies, and has sought to make the lessons known to practitioners. The research will certainly go on under different auspices; and it is to be hoped that others will continue the tradition of effective dissemination established by the Foundation.

Schlusswort

... Wir sollen heiter Raum um Raum durchschreiten,
An keinem wie an einer Heimat hängen,
Der Weltgeist will nicht fesseln uns und engen,
Er will uns Stuf' um Stufe heben, weiten.
Kaum sind wir heimisch einem Lebenskreise
Und traulich eingewohnt, so droht Erschlaffen,
Nur wer bereit zu Aufbruch ist und Reise,
Mag lähmender Gewöhnung sich entrafen.

... Serenely let us move to distant places
And let no sentiments of home detain us.
The Cosmic Spirit seeks not to restrain us
But lifts us stage by stage to wider spaces.
If we accept a home of our own making,
Familiar habit makes for indolence.
We must prepare for parting and leave-taking
Or else remain the slaves of permanence.

Trustees of the Anglo-German Foundation, 1973–2009



Chairman Deputy Chairman Member of Executive Committee Trustee

Staff of the Anglo-German Foundation, 1973–2009

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Secretary-General 1974–1980

Dr Heinrich Pfeiffer

Deputy Secretary-General 1974–2000

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H. Niblock

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Administrative Officer 1974–1975

E. Martin

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Secretary 1975–1978

Dr Kurt Werner

Accountant 1975–1981

C. Marticke

Personal Assistant 1976–1977

H.E. Burgess

Personal Assistant 1977–1978

Dr Hans B. Wiener

Projects Director 1977–1987

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Personal Assistant 1979–1981

S.M. Whitmore

Publications 1979–1981

Barbara Beck

Secretary-General 1981–1991

Ingrid S. Stringfellow

Administrative Officer 1981–1985

Andrea M. Eckschlager

Secretary 1982–1985

Assistant/Conferences 1986–1987

Kay Holland

Publications 1982

Liza Hunt

Publications 1983–1984

Amanda Claremont

Publications Manager 1985–1986

Lotte Reifenberg

Accounts 1986–1998

Shirley Barry

Publications Assistant 1986–1987

Pippa Sweeney

Publications Manager 1987–1988

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Projects Director 1988–1990

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Secretary 1988–1989

Ruth Ziegler

Conference Organiser 1989–1995

Clare Haworth-Maden

Publications Officer 1989–1992

Caroline Earle

Administrative Assistant 1990–1992

Publications Officer 1992–1994

Dr Connie Martin

Secretary-General 1991–1998

Dr Ray Cunningham

Projects Director 1991–1999

Deputy Director 2000–2004

Director 2005–2009

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Christine Untereiner

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The Anglo-German Foundation has had a substantial impact in research and policy circles since it was established in 1973. It was created by the German and British governments to serve two objectives. The first – urgently needed, in the year in which Britain 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.

Thanks not least to the Foundation's pioneering work – in particular its research grants, publications and networking events – knowledge in each country of the socio-economic system of the other is now far greater, networks of exchange and co-operation in research and policy circles are far more extensive, and the value of comparative Anglo-German social science is firmly established. This work continues to develop with the support of other national and international bodies, and the Foundation's Board of Trustees therefore decided that its active life should cease on the expiry of its third Royal Charter on 4 December 2009.

This account, by the Foundation's final Director, records the essential details of its history and makes a first assessment of its achievements.

<http://www.agf.org.uk>



Anglo-German Foundation
for the Study of Industrial Society