

# Annual Report 2013



# About the CER

The Centre for European Reform is a think-tank devoted to making the European Union work better and strengthening its role in the world. The CER is pro-European but not uncritical. We regard European integration as largely beneficial but recognise that in many respects the Union does not work well. We also think that the EU should take on more responsibilities globally, on issues ranging from climate change to security. The CER aims to promote an open, outward-looking and effective European Union.

Through our meetings, seminars and conferences, we bring together people from the worlds of politics and business, as well as other opinion-formers. Most of our events are by invitation only and off-the-record, to ensure a high level of debate.

The conclusions of our research and seminars are reflected in our publications, as well as in the private papers and briefings that senior officials, ministers and commissioners ask us to provide.

The CER is an independent, private, not-for-profit organisation. We are not affiliated to any government, political party or European institution. Our work is funded mainly by donations from the private sector.

The CER's work programme is centred on eight themes:

- ★ **The euro, economics and finance**
- ★ **EU institutions and policies**
- ★ **EU foreign policy and defence**
- ★ **Britain and the EU**
- ★ **Enlargement and neighbourhood**
- ★ **China and Russia**
- ★ **Energy and climate**
- ★ **Justice and home affairs**

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THE CER IN MAY 2013  
 FROM LEFT TO RIGHT,  
 TOP TO BOTTOM:  
*Clara Marina O'Donnell,  
 Hugo Brady,  
 Katinka Barysch,  
 Susannah Murray,  
 Rem Korteweg,  
 Ian Bond, Jordan Orsler,  
 Simon Tilford,  
 John Springford,  
 Philip Whyte,  
 Catherine Hoye,  
 Charles Grant,  
 Kate Mullineux  
 and Stephen Tindale*



# Time to reform the EU

by Charles Grant

ABOVE (L TO R):  
Charles Grant  
and Enrico Letta

*Roundtable  
on 'The future  
of Italy and  
its place  
in Europe',  
London*

Ever since 2010, the travails of the eurozone have dominated the European Union. In 2014, however, the EU itself is likely to return to centre stage. This is not to say that the euro's problems are behind it; the currency still faces many problems. But the risk of eurozone break-up has receded, thanks to the European Central Bank unveiling its (still unused) 'bazooka', the Outright Monetary Transactions programme for buying sovereign bonds. In several of the troubled eurozone countries, growth – though anaemic – is returning.

The EU has been a victim of the eurozone crisis. Perhaps surprisingly, support for the euro has remained strong, even in the southern countries that have suffered severe losses of output. But opinion surveys show that the EU is much less popular than it was before the crisis. The EU, its institutions and leaders have taken the blame for the mismanagement of the eurozone and the misery that has ensued in several parts of the Union.

This unpopularity is likely to colour the European elections in May 2014. At the time of writing, it seems that about a quarter of the seats in the European Parliament may be won by anti-EU extremists of left and right. The impact of these elections on the domestic politics of countries where the populist right is likely to score well, such as Britain and France, will be considerable. The elections will boost eurosceptic forces all across Europe.

These elections are one reason why the EU will be in the spotlight in 2014. The British problem is a second reason. In January 2013 David Cameron announced that, if re-elected in 2015, he would seek to renegotiate the terms of British membership and then hold an in-or-out referendum in 2017. This is a risky strategy, given that, as I wrote in the *Financial Times* in December, "large parts of his Conservative party expect the renegotiation to deliver much more than his EU partners are likely to offer".

Gradually, the rest of the EU is waking up to the reality that Britain might leave the Union. Some countries would lament the loss of a powerful voice in favour of free trade, the single market, a smaller budget and a close transatlantic relationship. A number of others would shed few tears. But few would see a 'Brexit' as anything other than a huge event in the history of the EU, with unfathomable long-term consequences.

A third reason for a renewed emphasis on the 28-country EU, rather than the 18-country eurozone, stems from the first two. Because of the waning legitimacy of the EU, and because of the risk of a British departure, reform is moving up the EU's agenda. Not only the British government, but many others, especially in northern Europe, are keen to see EU institutions and policies reformed.

This does not mean that revolutionary change, or some kind of political union, is on its way. That would require a significant treaty revision, which is unlikely. Most governments want to avoid that path, because of the difficulty of ratifying amendments. In the long run, eurozone leaders may have to consider a modest treaty change, in order to put their currency on a more solid footing. But then EU leaders would be much less likely to amend the EU treaties, an exercise which requires 28 signatures and thus gives Britain significant leverage, than some key non-EU treaties which have smaller memberships (such as those establishing the fiscal compact and the European Stability Mechanism).

Happily, EU leaders can introduce plenty of reforms without amending the treaties. That is why in October 2013 the CER published a major report on 'How to build a modern European Union'. One of the report's main themes is the need to make the EU more accountable. We argue that giving national parliaments a bigger role could improve accountability as well as strengthen 'subsidiarity' – the principle that the EU should act only when strictly necessary. Our second key theme is the need to enhance economic efficiency. The CER would further extend the single market into services, simplify

the negotiation of free trade agreements with other parts of the world and redirect the EU's budget towards growth-boosting projects. Many of our proposals could be achieved without changing the EU's treaties.

Most of the feedback that we had on the report, at launch events and in private conversations in many capitals, was positive. In Paris, Sir Peter Ricketts, the British ambassador, hosted a breakfast discussion with French officials to discuss the report. The other three launch events were hosted by think-tanks: in Berlin, the Deutsche Gesellschaft für Auswärtige Politik held a seminar, with the Foreign Ministry's Arndt Freytag von Loringhoven responding to our proposals; in Warsaw the host was demosEuropa, and the speaker deputy foreign minister Henryka Mościcka-Dendys; and in Washington DC, the German Marshall Fund invited Professor Charles Kupchan to comment on the report.

*“Our proposal to give national parliaments a bigger role gained particular traction.”*

Some of our ideas resonated more than others. Our proposals to enhance the EU's legitimacy by giving national parliaments a bigger role gained particular traction – in Berlin, Copenhagen, the Hague, London and Warsaw, among other places (though in Brussels, some of the CER's friends in the European Parliament reacted against these ideas). We think that MPs are more likely to consider the wider European interest if they become more involved in what the EU does. We proposed strengthening the 'yellow card' procedure through which national parliaments can ask the European Commission to withdraw a proposal that breaches subsidiarity, and also adapting it into a 'green card' procedure so that national parliaments could ask the Commission to legislate.

Another part of our report that attracted notice, particularly in member-states outside the euro, was the discussion of the relationship between the 18 and the 28. Some eurosceptics and federalists argue that in the long run, the eurozone will become such a powerful body, with its own institutions, that it will start to set policy for the EU as a whole. Then membership of the EU would not be particularly attractive for Britain or a number of other countries. The non-euro countries share a common interest in making sure that the EU itself remains an important decision-making body. So do some of the eurozone's economic liberals, who note that free-marketeters have relatively more weight in the 28 than in the 18.

For the time being, there seems little prospect of a united eurozone caucusing and setting rules for the 28. The 18 are bitterly divided on many questions of economic policy, such as whether a financial transactions tax is desirable. There is no reason why an 'out' country such as Britain should not prove influential in the EU, so long as it builds alliances with countries in and out of

the euro, behaves in a clubbable way and takes the initiative in areas where it has expertise. Nevertheless our report argues that non-euro countries should ask for safeguards: if and when the treaties change, a new article should specify that the eurozone may not act in ways that endanger the single market.

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## Britain limbers up for a referendum

The single market provides the strongest argument for Britain staying in the EU. That is why the CER established a commission on the UK and the single market, which met four times during 2013. The commission has brought together a group of senior economists, business leaders and experts, including Paul De Grauwe, Richard Lambert, Peter Mandelson, Mariana Mazzucato, Chris Padilla, Jonathan Portes, André Sapir and Martin Wolf. Their job has been to consider dispassionately the evidence for the costs and benefits of British membership of the EU's single market.

*“Despite the fear that EU immigrants scrounge, they pay more in taxes than they take out in benefits.”*

The commission's report will appear in May 2014, but one interim spin-off in October – 'Is immigration a reason for Britain to leave the EU?' – proved our most widely-quoted publication of the year. In this policy brief, John Springford marshalled the factual evidence on the impact of migration on the UK, and exposed many popular myths. Despite the fear that EU immigrants scrounge off British welfare, the reality is that they tend to be young and more likely to be in work than Britons, and that they pay more in taxes than they take out in benefits and public services. Few migrants come to live on benefits: John's figures showed, for example, that only 1.9 per cent of Central European migrants who have been in Britain for less than two years claim Jobseekers' Allowance.

We continued to debate the single market with some of the key officials of the European Commission who work on it. The CER held breakfast seminars in Brussels in February with Joaquín Almunia, the competition commissioner, and in October with Robert Madelin, the director-general responsible for the digital single market.

In March, Philip Whyte took the eurosceptics' economic arguments head-on in an essay, 'Do Britain's European ties damage its prosperity?'

He pointed out that despite the supposed constraints of EU membership, the UK's markets for goods, services and labour were among the freest in the developed world. And though eurosceptics blamed many of Britain's ills on EU regulations, Philip demonstrated that a lot of Britain's long-term economic failings had nothing to do with regulation; and that the regulations that did most harm originated at home rather than in the EU. He predicted that without the anchor of EU membership, goods, services and people would move less freely across UK borders than they do at present, with an economic cost.

One particular bugbear of British eurosceptics is the EU's working time directive. They claim that it imposes a big burden on the UK economy and puts patients' safety at risk in hospitals. Katinka Barysch's policy brief of April, 'The working time directive: What's the fuss about?', showed that its impact on the private sector is limited; many British companies choose to opt out. However, British hospitals have found it harder to cope with working time limits than some on the continent, because they rely heavily on trainee doctors to care for patients out of hours. Katinka argued that if Britain pushed for reform of the directive, it would find that many EU governments were supportive.

In the specialised area of justice and home affairs, Britain is already trying to renegotiate the terms of membership. David Cameron's government has said that in 2014 it will exercise its right, under the Lisbon treaty, to opt out of 130 measures on crime and policing co-operation. The government has also said that it wants to opt back in to about 35 of the measures that really make a difference on law enforcement, such as the European arrest warrant, Europol (the police co-operation office) and Eurojust (the body that brings together prosecutors).

Hugo Brady's policy brief of January 2013, 'Britain's 2014 justice opt-out: Why it bodes ill for Cameron's EU strategy' pointed to the many difficulties that this 'cherry-picking' exercise would encounter: the UK cannot opt back in to anything without the support of its partners and



ABOVE (L TO R):  
 Charles Grant  
 and Vince Cable

*Dinner on  
 'Britain and the  
 single market',  
 London*

the Commission. Hugo correctly predicted that the Commission would make life difficult for the UK, by refusing – at the time of writing – to discuss the UK's proposed opt-back-ins. At a CER breakfast in March, Rob Wainwright, the director of Europol, pointed out that over half the cases referred to his organisation had a UK dimension.

Cameron's referendum announcement in January energised the arguments within Britain on EU membership. This debate creates difficulties for all the main British political parties – the Conservatives, because they are divided between those who would stay in the EU and those who would quit; Labour, because it knows its relatively pro-EU stance is unpopular with many of its core voters, particularly those worried about immigration; and the Liberal Democrats, because few electors share their EU-enthusiasm. Thus many of Britain's leading politicians – particularly on the pro-EU side – have been reluctant to speak out on Europe. But the CER continues to offer politicians of all parties a platform to debate, argue and attempt to convince.

In January, George Eustice, one of the more thoughtful Conservative eurosceptics, debated Sinan Ülgen, a Turkish scholar, at a CER roundtable on the possible similarities between the UK's and Turkey's positions in Europe. In the same month, Europe minister David Lidington, speaking at a CER breakfast, argued that Cameron's strategy was viable because a number of EU governments – including Germany – were willing to help the UK achieve its aims. At a CER dinner in April, Vince Cable, the secretary of state for business, and a leading

Liberal Democrat, was passionate in his defence of the positive impact of migration on the UK economy, and on the need to extend the single market. At another CER dinner in June, Ed Balls, the shadow chancellor, argued strongly for the economic benefits of Britain's EU membership. However, he warned of the social and political challenges posed by large-scale immigration from Central Europe.

For the party conference season, in the autumn, we teamed up with Business for New Europe and the eurosceptic Open Europe for a series of events on the UK-EU relationship. At the Liberal Democrats' conference in Glasgow our speakers included Scottish secretary Michael Moore MP, the *Spectator's* James Forsyth and Sarah Ludford MEP. With Labour in Brighton we had Urban Ahlin, Sweden's shadow foreign minister, as well as Emma Reynolds MP, the shadow Europe minister, and Lord Charles Falconer. In Manchester at the Conservative conference our line-up included David Lidington and two MPs with very different views on Europe: the sceptic Andrea Leadsom and the more sympathetic Margot James.

Our work on institutional reform extended beyond our report on 'How to build a modern European Union'. In October we published an essay, 'The 2014 European elections: Why a partisan Commission president would be bad for the EU', that focused on one controversial question. The main pan-European political parties want the elections to determine the next Commission president: the party with the most MEPs would have its candidate anointed. But Heather Grabbe (director of the Open

Society European Policy Institute) and Stefan Lehne (a scholar at Carnegie Europe) argued that this new system would lead to fewer able people seeking the job, and to a more partisan, and thus less legitimate Commission. The authors launched the essay at a debate in Berlin at the Stiftung Wissenschaft und Politik (SWP), with the Greens' Europe spokesman, Manuel Sarazin, speaking against their thesis.

At a roundtable in London in May we hosted Luuk van Middelaar, an adviser to President Herman Van Rompuy and the author of 'The passage to Europe' – one of the best books written on the EU in recent years. Van Middelaar argued that traditional federalist solutions cannot overcome the EU's crisis of legitimacy. Like the CER, he believes that national political systems need to become more closely plugged into the workings of the EU.

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## The euro struggles on

The euro crisis continued to dominate the CER's economic work in 2013. The intellectual debate on the eurozone shifted some way towards our longstanding analysis: that the crisis has been aggravated by an insufficient pooling of sovereignty and inappropriate macroeconomic policies. The IMF explicitly acknowledged that fiscal austerity had been excessive in the eurozone, while the Commission implicitly admitted that the troika – the Commission, the IMF and the European Central Bank – had underestimated the impact of fiscal austerity on depressed economies.

*“The eurozone remains gripped by a profound economic malaise: demand is chronically weak, productivity growth has stalled.”*

Unfortunately, economic policy followed these intellectual shifts only very slowly. When the contraction in the eurozone economy finally came to an end in the summer of 2013, a popular narrative took hold across much of the eurozone. This was that the economic situation was improving, or at least bottoming out, and the necessary institutional reforms were being put in place. True, progress was messy and imperfect, given the political difficulties. But the currency union was fundamentally on the right track. This was more or less the line taken by Didier Seeuws, Van Rompuy's chief of staff, at a CER breakfast in Brussels in April.

But the CER has consistently argued that this narrative is complacent. The eurozone remains gripped by a profound economic malaise: demand is chronically weak, productivity growth has stalled, unemployment remains at close to record levels, living standards are declining and public debt ratios are rising rapidly across much of the currency union. The threat of deflation has grown and some countries are unsustainably dependent on exports. These problems stem from the eurozone placing too much emphasis on supply-side policies and too little on economic stimulus. These issues were explored in CER insights and bulletin pieces such

as 'Europe places too much faith on supply-side policies' in January, 'A dose of inflation would help the medicine go down' in May and 'Why Germany's trade surplus is bad for the eurozone' in November.

One reason for the dire economic situation has been the weakness of the eurozone's banks, which has led to their cutting back on lending to businesses. The key elements of the 'banking union' that had been agreed by December 2013 – the supervisory mechanism and the highly-complex resolution regime – may in the short term reassure financial markets that future banking crises can be contained. But in the long run they will probably fall short of what is needed to fulfil the eurozone's stated aim of breaking the 'doom loop' of weak governments and weak banks lending to each other. In September, a CER insight, 'Banking union – or Potemkin village?' predicted this unsatisfactory outcome.

The CER's major economics report of 2013 covered the continuing stand-off between those eurozone countries pushing for mutualisation of risk (led by France and Italy) and those determined to preserve national sovereignty (led by Germany). 'The future of Europe's economy: Disaster or deliverance?' comprised essays from four leading European economists – Paul De Grauwe, George Magnus, Thomas Mayer and Holger Schmieding – who all spoke at the launch of the report at the London School of Economics (LSE) in September.

De Grauwe thought the eurozone's prospects would be dire unless its creditor nations did more to boost demand and agreed to cut the debts of hard-hit southern members. Magnus highlighted the struggle that Europe faced with ageing populations, weak productivity and huge divisions – both economic and intellectual – within the eurozone. Mayer predicted that fiscal discipline in the eurozone would crumble and that the ECB would monetise debt, prompting the Germans to launch their own parallel currency. Schmieding was the most optimistic author, arguing that eurozone economies were



finally engaging in structural reform, because they could no longer devalue or inflate their way out of trouble; and that in the long run divisions between north and south would lessen.

These themes dominated many of the events that we organised over the year. Olli Rehn, the economics commissioner, reflected the evolution of his institution's thinking when he told a CER breakfast in Brussels in November that the ECB should take the risk of deflation more seriously. He also emphasised that Germany needed to do more to strengthen its domestic economy.

In London we held roundtables with two key figures in the front line of the eurozone's battles, whose analyses were strikingly similar. In February, Pierre Moscovici, France's finance minister, gave an upbeat overview of his government's commitment to structural reform; but he underscored how hard it would be to achieve reform without both growth-orientated policies elsewhere in Europe, and a fiscal union that would include some degree of debt mutualisation. In July, Enrico Letta, the Italian prime minister, was candid about the power of the vested interests trying to block reform in Italy. But he emphasised that his government could not solve Italy's problems alone; its eurozone partners needed to share some of the risks and do more to boost economic growth across the continent.

At a breakfast seminar in June, Patrick Honohan, Ireland's central bank governor, cautioned that his country's economic revival was less secure than the headline numbers suggested. He also doubted that the Outright Monetary

Transactions would ever be used, other than in a systemic crisis when a group of countries might need its help.

Other speakers came from the opposing side of the eurozone's intellectual divide. At a CER dinner in April, Jörg Asmussen, the German member of the ECB's executive board, was sceptical of the case for a macroeconomic stimulus. But he argued that the banking union needed to be strong enough to break the 'doom loop' and that in the long run the euro could not survive without 'political union'. Then at a breakfast in September Jeroen Dijsselbloem, president of the Eurogroup and Dutch finance minister, took a Germanic line in arguing that countries with troubled banks needed to pay to put them right, before anyone else offered help. But in his support for a strong Commission role in managing the eurozone, and in his scepticism about the German idea of economic reform contracts, he showed that The Hague does not always follow Berlin.

The CER's annual economics conference at Ditchley Park explored the policy responses of European governments to the continuing crisis, and their international implications. The speakers included Marco Buti, the Commission's director-general for economics, Professor Charles Goodhart of the LSE, Thomas Mayer of Deutsche Bank, former Italian Prime Minister Mario Monti, Rachel Lomax, a former deputy governor of the Bank of England, Reza Moghadam, the IMF's director for Europe, Thomas Philippon, former economic adviser to Pierre Moscovici, and Professor Nick Crafts of Warwick University.

ABOVE:  
Ed Miliband

*Keynote speaker at the CER's 15<sup>th</sup> birthday party, London*

Some of the debates were highly polarised, notably between Germans who defended, and Germans who criticised their government's policies on the eurozone. The most memorable exchange was between the former Italian prime minister and the *Financial Times*' Wolfgang Münchau, whose columns had been critical of the performance of the Monti government.

There was little optimism over the global economic outlook. Participants feared that the recovery would be sluggish, patchy and subject to sharp reverses. Many developed countries had high debt-to-GDP ratios, which were bad for growth and difficult to reduce, while the growth models of some of the most important emerging economies looked exhausted. Some

argued that in Europe partial defaults were needed and that central banks should set interest rates at levels below inflation. Others responded that such measures would simply make matters worse by delaying necessary fiscal consolidation and supply-side reforms.

Though participants were split over whether the US Federal Reserve should end its programme of quantitative easing, they nearly all agreed that the ECB had been too cautious. This caution, many argued, was contributing to the mounting deflationary pressure in Europe. Some feared that EU leaders' piecemeal approach to dealing with the eurozone crisis risked being overtaken by events.

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## Trade and energy

At the Ditchley conference there was broad agreement that increased trade would benefit the European economy, but also – because of the propensity of some countries to export more than they import – concern that it could exacerbate macroeconomic imbalances, and hence aggravate financial instability. To its credit, the EU has been negotiating free trade agreements with several other parts of the world, such as Canada, Japan, India, Mercosur and Thailand. But the biggest prize of all is the Transatlantic Trade and Investment Partnership (TTIP), designed to improve trade and investment between the EU and the US.

question whether the US Congress is sufficiently committed. There is a real risk that without sustained political support on both sides of the Atlantic, the TTIP will founder – or be signed, but contain little of note.

The EU insists that all its FTAs include a clause that allows either party to suspend the agreement, should the other party abuse human rights. Many of the EU's prospective FTA partners, such as Canada, India and Japan, are reluctant to accept such monitoring of their performance on human rights. They will be even more reluctant when they see, as is likely, that the EU will make no comparable demand of the US in the TTIP negotiations. One of our most controversial proposals in 'How to build a modern European Union' was for the EU to separate its efforts to promote human rights from its FTAs. Unless it does so, there may never be another FTA between the EU and a developed country.

*“Without sustained political support on both sides of the Atlantic, the TTIP will founder.”*

The prospects for TTIP featured in many of our seminars in 2013. In February, we held a roundtable with Martin Donnelly, the permanent secretary of the UK Department for Business, Innovation and Skills, on transatlantic trade. In November, we and Allianz organised a major conference in Brussels on TTIP. Speakers included Karel de Gucht, the trade commissioner, Susan Schwab, a former US trade representative, and Pascal Lamy, the former director-general of the World Trade Organisation. And TTIP was the subject of the dinner discussions at both meetings of the Daimler Forum that we, the Brookings Institution and SWP convene every six months to discuss strategic questions.

One theme that emerged from all these events was that though the officials involved in the TTIP talks believe that an agreement is likely, those involved in politics, notably on the American side, are more sceptical. Some

Another source of growth in the EU could be investment in energy – whether renewables, shale gas or nuclear power. In May, Ed Davey, the UK's energy and climate secretary, spoke at a CER dinner on the economic advantages of policies that boost energy efficiency, and on how renewables enhance energy security. He also acknowledged that nuclear power could help to meet the UK's climate goals. Then in September, at a Brussels breakfast, energy commissioner Günther Oettinger defended both carbon capture and storage (CCS) and 'emissions performance standards' as mechanisms for curbing carbon emissions.

We published two policy briefs on energy. In July, David Buchan's 'Can shale gas transform Europe's energy landscape?' argued that



fracking would not have such a significant impact on Europe as it had in the US. Shale gas would boost the energy security of some European countries, but would cost much more than it did in the US. In October, Stephen Tindale's 'Europe should regulate to promote

carbon capture and storage' concluded that market mechanisms would not be sufficient to demonstrate and deploy CCS, and that regulations should be introduced to underpin the carbon market.

ABOVE:  
 (L to R)  
 Lord Kerr and  
 Mario Monti  
*CER conference  
 'Europe's  
 growth  
 strategy and  
 the world  
 economy',  
 Ditchley Park*

## The Middle East and China

For all its economic difficulties, the EU remains, potentially, a diplomatic heavyweight. Every now and then its diplomatic efforts achieve good results. Catherine Ashton, the EU's High Representative, deserves some of the credit for the interim agreement on Iran's nuclear programme that the 'EU3' (Britain, France and Germany), China, Russia and the US negotiated in November 2013.

For the past ten years the problem of Iran's nuclear programme has dominated meetings of our Daimler Forum. In 2013 the forum met in Brussels in May, and again in Washington in November. Speakers included several of those directly involved in the Iran dossier, such as Bob Einhorn and Jofi Joseph on the US side, and Hans-Dieter Lucas and Jacques Audibert on the EU side. The November meeting took place before the interim agreement was brokered in Geneva, with participants foreseeing that the new Iranian government would agree to suspend its nuclear programme in return for limited sanctions relief.

Another country that the CER takes very seriously is Turkey. In October we continued the annual series of Bodrum conferences that we

run with EDAM, a Turkish think-tank. Speakers included Egeman Bağış, Turkey's Europe minister, Kemal Derviş, the former economy minister, Josep Borrell, the former president of the European Parliament, and Carl Bildt, the Swedish foreign minister. The most memorable session was a debate on the country's future between senior figures from all three main Turkish parties – the Islamist AKP, the social-democratic CHP and the nationalist MHP. Their relatively constructive dialogue impressed the outsiders who listened.

Russian leaders always predicted that the Arab spring would end in tears, and in 2013 many of their arguments – notably that Arab countries cannot sustain democracy – appeared to have been borne out. Russia's critics point out that its own actions may have contributed to this outcome, notably through propping up Bashar al-Assad's regime in Syria, and thus prolonging the civil war. Syria was much discussed at both Daimler Forums, with Philip Gordon, the senior director in the White House, speaking in November. Nobody could foresee an end to the war. Those who had called for western intervention at Daimler Forums in 2012 no longer did so.

Democracy did not make much progress in Egypt or Libya, either, though the story seemed somewhat happier in Tunisia and Morocco. It would probably be unfair to blame Europe for the failures of the Arab spring. Nevertheless the EU should have made assisting North Africa a bigger priority. In December, we published an essay by Edward Burke, a former CER researcher, which criticised the EU for doing too little to liberalise trade with the Maghreb and for dealing too much with governments as opposed to civil society. He urged the EU to offer more help – for example, through reform of public administrations – to countries that were making efforts to change.

*“Xi Jinping wants to preserve the political system of one-party rule in aspic.”*

Russia has leaders who seem uninterested in making significant economic or political changes to their country. China, by contrast, has a new leadership team with an ambitious agenda for economic reform. Xi Jinping and his colleagues want to rebalance the economy to boost consumption – though they apparently want to preserve the political system of one-party rule in aspic. In April we hosted a roundtable on China with three experts who have all written fine books on the country – Oxford academics Rana Mitter and Linda Yueh, and Labour politician Liam Byrne MP. All three thought that China’s

leaders would succeed in maintaining a strong economic performance.

But at a second roundtable on China, in October, our two speakers were more pessimistic. Both Minxin Pei, (from Claremont McKenna College in California) and Jonathan Fenby (from the consultancy Trusted Sources) emphasised that powerful vested interests would try to block reform and that in doing so they would stoke political tension. ‘Asia’s fading economic miracle’, a policy brief that we published in January by George Magnus, also emphasised the difficulties that China would face in rebalancing its economy. He argued that increasing dependence on credit, combined with economic weakness in the West, threatened financial stability and economic growth across Asia, especially in China.

As the US continues its ‘pivot’ to Asia, unsettling the Chinese, Sino-Japanese tensions have risen over the disputed Senkaku/Diaoyu Islands. Speaking at a CER roundtable in December, Michael Auslin, a leading American scholar, predicted that tensions in the region would grow. China, South Korea and Japan all had new leaders who seemed more nationalist than their predecessors. He pointed out that Europeans tended to see East Asia only in commercial terms and that the US did not expect them to contribute to the region’s security.

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## Russia and Eastern Europe

Iran was a rare diplomatic success for the EU. Ukraine’s decision in late November to abandon its painstakingly-negotiated Association Agreement with the EU, because of pressure from Russia, was a slap in the face to those who wish to see the country drawn into the EU’s economic and political orbit. Russia and Ukraine were discussed at both meetings of the Daimler Forum, with Carl Bildt and Thomas Bagger, a senior German official, among the Europeans speaking, alongside US officials Ivo Daalder, Karen Donfried, Victoria Nuland and Alice Wells. It is now evident that neither EU nor US officials – nor, indeed, the CER – understood how much President Vladimir Putin wanted to stop Ukraine entering the EU’s Eastern Partnership, or the methods he was prepared to resort to in order to achieve his goal.

Putin revealed something of his determination in September, on the shores of Lake Valdai in northern Russia – at the annual ‘Valdai Club’ gathering of Russia-watchers and Russian leaders – when I asked him what kind of country Ukraine was. He replied that it was a sovereign

and independent state, but that Russia and Ukraine shared “one history, one language, one culture, one mentality – and are one people”. The following month, at a CER roundtable, Fyodor Lukyanov, the new head of Russia’s Council on Foreign and Defence Policy, explained how Putin had become increasingly disillusioned not only with the US, but also the EU. Putin had started to see the Eastern Partnership as a threat to Russia’s stability and security, and now believed that Russia should cherish its own values, rather than ape those of the West.

But despite Russia’s apparently growing clout in foreign policy – evident in the diplomacy surrounding the elimination of Syria’s chemical weapons, as much as in Ukraine – its economy faces enormous difficulties. Economic growth has slowed to less than 2 per cent a year, partly because foreign and domestic investment has slumped. The economy remains unbalanced and very dependent on natural resources. Speaking at a CER roundtable in November, Sergey Aleksashenko – a former deputy finance minister and deputy central bank governor, and one of



Russia's leading economists – argued that so long as Russia's leaders did nothing to enhance the rule of law, investment would stay low and the economy would fail to rebalance.

In December, the CER and demosEuropa (a Polish think-tank) convened a meeting of European foreign policy officials and thinkers in Warsaw – reviving what had been known as the CER's 'Stockholm group', since it usually met in the Swedish capital. The highlight in Warsaw was an emotional session with Radek Sikorski, the Polish foreign minister, who had come straight from Kiev. His precise remarks were off-the-record but it is no secret that he was unhappy about Ukraine's apparent drift eastwards; and that he thought the EU could and should have done more to secure the country's western orientation.

As Poland becomes a more influential country in the EU, the CER does more in Poland. In May we joined Chatham House, St Antony's College, Oxford and several Polish think-tanks in organising the Poland-UK Roundtable in Krakow. Sessions covered Germany, the Eastern Partnership and Britain's position in Europe. To the surprise of some British participants, the message from senior Poles was that their desire to be at the heart of Europe meant that Germany mattered much more to them than the UK.

Lords William Wallace and Adair Turner led the British delegation, while Polish speakers included Henryka Mościcka-Dendys and former prime minister Włodzimierz Cimoszewicz.

The Poles are now among the leading advocates of EU defence policy. Europeans still possess useful armed forces, and France deployed troops in to Mali and Central African Republic in 2013. But spending cuts, the unwillingness of some governments to support joint European forces and the reluctance of voters to send soldiers into harm's way have all weakened Europe's potential as a serious actor in security policy. In 'The trials and tribulations of European defence collaboration', published in July, Clara Marina O'Donnell urged European governments to get more bang for their buck by committing to joint equipment programmes and by experimenting more with pooling and sharing.

When it comes to aid for poorer countries, the EU remains a superpower. In 'Priorities for EU development aid', Stephen Tindale made a convincing case for the member-states to push aid through the Commission rather than spend it themselves. He also urged European leaders to do a better job of making the EU's agriculture, fisheries and energy policies consistent with its development policies.

ABOVE:  
Radek Sikorski

CER/  
demosEuropa  
forum on  
'Europe's  
foreign policy  
agenda',  
Warsaw

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## @CER\_London

Having initially treated social media gingerly, the CER embraced them with gusto in 2013. We have found that not only tools like Twitter, but also video clips generate interest in our

publications and seminars. Nearly all the papers described in this annual report are longer pieces. But our most widely-read publications are the shorter insights (43 of them in 2013),



ABOVE:  
 (L to R) Philip  
 Whyte and Bill  
 Emmott

*CER wins  
 Prospect 'UK  
 international  
 think-tank  
 of the year'  
 award 2013,  
 London*

sent out in emails; and the six editions of the bulletin – now with colour pictures – that we have published every two months since 1998. We also continued to influence debates through older media by publishing op-eds in the *Financial Times* and the *New York Times*, and through countless conversations with print and broadcast journalists.

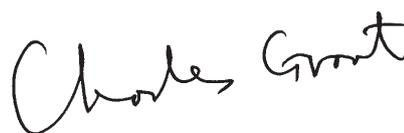
We welcomed a new foreign policy team: Ian Bond, a former British ambassador, and Rem Korteweg, who had worked at The Hague Centre for Strategic Studies. In June we said goodbye to Katinka Barysch, the deputy director, who had been a stalwart of the CER for 11 years. We wish her luck in her new career as director of political relations at Allianz in Munich. At the end of the year we were sad to bid farewell to two colleagues who had both joined the CER in 2007. Philip Whyte, our chief economist, had to resign due to ill-health. He had given us many beautifully-written papers on the euro, financial regulation, trade and the economics of Britain's relationship with the EU. Clara Marina O'Donnell, our defence analyst, died in January 2014 (her obituary is on the following page). She was a brilliant advocate of more integrated European defence policies and industries.

The CER's advisory board continue to give the staff much useful counsel. Unfortunately, Giuliano Amato – one of the board's most active members – had to resign when he became a judge in Italy's constitutional court. Fiorella Padoa-Schioppa, our other Italian board member, also stood down. And we were very sad

that Antonio Borges, who had been on our board since our earliest years, died in August.

The board gained four new recruits: Paul De Grauwe, an eminent economist at the London School of Economics; Susan Hitch, who runs Lord Sainsbury of Turville's pro-bono projects; Michel Petite, a former advisor of Jacques Delors who is now with Clifford Chance in Paris; and Sir Nigel Wicks, a former chairman of the EU's economic and financial committee who now chairs the British Bankers' Association.

The CER decided to celebrate its 15<sup>th</sup> birthday twice. In London Ed Miliband, the leader of the opposition, spoke at a party hosted by the German ambassador. And in Brussels Radek Sikorski spoke at a party hosted by the Irish permanent representative. Both speakers were positive about the role that the CER plays in the debates on the EU's future, both in the UK and in the wider world. Our influence was recognised in June when *Prospect* magazine named us UK International Affairs Think-Tank of the Year.



Charles Grant, Director

# Obituary:

## Clara Marina O'Donnell



On January 16<sup>th</sup> 2014 we lost our dear friend and colleague, Clara Marina O'Donnell, at the age of 30. She came to the CER as a defence analyst in 2007, having previously worked at NATO and at Chatham House. Brought up in Brussels, with Spanish and Anglo-Irish parents, Clara was a true European. She spoke Dutch, French, Italian and Spanish, as well as English.

She thought it obvious that European countries could achieve more by working together, and applied that principle with rigour to the field of EU defence co-operation. She advocated not only the pooling and sharing of defence capabilities, but also the forging of a single market for defence equipment. She refused to be downcast that the EU had achieved less in defence than some had expected; she saw the glass as half full, pointing to the many examples of progress. Thus in 'The trials and tribulations of European defence co-operation', a fine paper that we published in July 2013, Clara analysed the obstacles that prevent EU governments working together; but she also highlighted cases of successful collaboration, including the current Franco-British arrangements, as well as suggesting other areas where co-operation would make sense, such as a European drone programme.

In her early years at the CER, Clara travelled extensively in the Middle East, becoming a strong advocate of rights for Palestinians. In one notable paper, 'The EU, Israel and Hamas', published in April 2008, Clara argued that there could never be peace in the Middle East unless Hamas was brought into the negotiations. She also called for the EU to play a bigger role, both in persuading Hamas to renounce violence and accept a two-state solution, and in urging the US and Israel to talk to Hamas.

In addition to the many thoughtful and original pieces that she wrote for the CER, she contributed articles and papers to other journals and think-tanks, such as *International Affairs*, *Europe's World*, *Jane's Defence Weekly*, *European*

*Voice*, the EU Institute for Security Studies and the Brookings Institution. Clara also proved to be a skilful editor: she was particularly good at spotting how the structure of her colleagues' pieces could be improved. She was enthusiastic about working with people in other think-tanks: in recent years she helped to manage the 'FR-UK Defence Forum', a venture that we, two French think-tanks (IFRI and the FRS) and two British think-tanks (RUSI and Chatham House) established to work on Franco-British defence co-operation. She was also active in Young Professionals in Foreign Policy.

Clara was ambitious, without having sharp elbows. In the defence world, Washington DC is the place to be, and Clara was keen to spend some time there. She got her chance in the summer of 2011, when she won a Fulbright fellowship. She moved to Washington, where our friends at the Brookings Institution's Centre on the United States and Europe hosted Clara. She stayed on in Washington when the fellowship ended, as the CER's US representative and as a senior research fellow. Clara proved a great hit in the US, dazzling people with her knowledge, public-speaking skills and charm.

Last August she was diagnosed with an incurable illness, and she moved back to London. She was adamant that she wanted to keep on working. During Clara's final months we learned new things about her, notably her astonishing bravery. She never complained about her predicament or felt sorry for herself. Her philosophical approach was extraordinary for such a young woman. She was keen to lead as normal a life as possible, given the constraints of her health, and went on working until Christmas. We will never forget Clara's passionate belief in the European cause, sharp intelligence, cheerfulness, strength of character, determination and courage. Our thoughts are with Clara's parents, her two brothers and her many friends.

Charles Grant

# CER snapshots 2013



ABOVE: (L to R) Charles Grant and Edward Davey MP  
*Dinner on 'Climate and growth: Is there a conflict?'*, London



ABOVE: (L to R) Charles Grant and Carl Bildt  
*CER/Edam 9<sup>th</sup> Bodrum roundtable, Bodrum*



ABOVE: Günther Oettinger  
*Breakfast on 'Can energy policy promote competitiveness and protect the climate?'*, Brussels



*Conference on 'Europe's growth strategy and the world economy'*, Ditchley Park, Oxfordshire



ABOVE: Robert Madelin  
*Breakfast on '2014: Digital everything?'*, Brussels



ABOVE: (L to R) Elizabeth Corley and Susan Schwab  
*Allianz-CER European forum on 'The biggest prize? Prospects for a TTIP'*, Brussels

# CER publications 2013

## **Asia's fading economic miracle**

policy brief by George Magnus  
January 2013

## **Britain's 2014 justice opt-out: Why it bodes ill for Cameron's EU strategy**

essay by Hugo Brady  
January 2013

## **Do Britain's European ties damage its prosperity?**

essay by Philip Whyte  
March 2013

## **The working time directive: What's the fuss about?**

policy brief by Katinka Barysch  
April 2013

## **Priorities for EU development aid**

policy brief by Stephen Tindale  
June 2013

## **Can shale gas transform Europe's energy landscape?**

policy brief by David Buchan  
July 2013

## **The trials and tribulations of European defence co-operation**

policy brief by Clara Marina O'Donnell  
July 2013

## **The future of Europe's economy: Disaster or deliverance?**

report by Paul De Grauwe, George Magnus, Thomas Mayer and Holger Schmieding  
September 2013

## **Is immigration a reason for Britain to leave the EU?**

policy brief by John Springford  
October 2013

## **How to build a modern European Union**

report by Charles Grant, with Katinka Barysch, Hugo Brady, David Buchan, Clara Marina O'Donnell, John Springford, Stephen Tindale and Philip Whyte  
October 2013

## **The 2014 European elections:**

### **Why a partisan Commission president would be bad for the EU**

essay by Heather Grabbe and Stefan Lehne  
October 2013

## **Europe should regulate to promote carbon capture and storage**

policy brief by Stephen Tindale  
October 2013

## **Running into the sand? The EU's faltering response to the Arab revolutions**

essay by Edward Burke  
December 2013



# CER events 2013



**16 January**  
 Roundtable on 'Half in half out: Can Turkey and the EU learn from each other's EU policies?'  
 with *George Eustice MP* and *Sinan Ülgen*, London

**7 February**  
 Breakfast on 'What are the prospects of a transatlantic free trade area?'  
 with *Martin Donnelly* and *Fredrik Erixon*, London



**12 February**  
 Breakfast on 'The competences review and Britain's future in Europe'  
 with *David Lidington MP*, London

**13 February**  
 Roundtable on 'The future of eurozone governance, and what it means for non-euro countries'  
 with *Pierre Moscovici*, London (top left)

**19 February**  
 CER/Kreab Gavin Anderson breakfast on 'Competition policy at a time of economic crisis'  
 with *Joaquín Almunia*, Brussels (second from top, left)



**5 March**  
 Breakfast on 'The fight against serious and organised crime: What should Europe's priorities be?'  
 with *Rob Wainwright*, London (second from bottom, left)



**10 April**  
 Dinner on 'Britain and the single market'  
 with *Vince Cable MP*, London

**16 April**  
 Roundtable on 'Britain, the EU and China: An agenda for growth'  
 with *Liam Byrne*, *Rana Mitter* and *Linda Yueh*, London

**17 April**  
 CER/Kreab Gavin Anderson breakfast on 'Managing the crisis in economic and monetary union: What we have learned'  
 with *Didier Seeuws*, Brussels



**24 April**  
 Dinner on 'The role of the ECB in the euro crisis'  
 with *Joerg Asmussen*, London (bottom left)

**9-11 May**  
 The Polish-British roundtable 2013: A shared future?  
 with *Włodzimierz Cimoszewicz*, *Henryka Mościcka-Dendys*, *Adair Turner* and *William Wallace*, Krakow

**14 May**  
 Roundtable on 'The Passage to Europe'  
 with *Luuk van Middelaar*, London

**16-17 May**  
 CER/SWP/Brookings Daimler Forum on global issues  
 speakers included *Carl Bildt*, *Ivo Daalder*, *François Heisbourg*, *Bill Kennard*, *Hans-Dieter Lucas*, *David Miliband* and *Alice Wells*, Brussels

**21 May**  
 Dinner on 'Climate and growth: Is there a conflict?'  
 with *Ed Davey MP*, London

**27 May**  
 CER 15<sup>th</sup> birthday reception Brussels  
 with a keynote speech by *Radek Sikorski* (centre left), hosted by the *Irish Ambassador to the EU*

**5 June**  
 Launch of the commission on the UK and the single market  
 speakers: *Sir Brian Bender* and *Martin Wolf*, London

**10 June**  
 CER 15<sup>th</sup> birthday reception London  
 with a keynote speech by *The Rt Hon Ed Miliband MP*, hosted by the *German Ambassador to the UK*

**18 June**  
 Dinner on 'Europe's growth problem and what it means for Britain'  
 with *Ed Balls MP*, London

**27 June**  
 Breakfast on 'Ireland and the eurozone crisis'  
 with *Patrick Honohan*, London

**10 July**  
 Commission on the UK and the single market: Labour markets  
 with *Christian Dustmann* and *Jonathan Portes*, London

**17 July**  
 Roundtable on 'The future of Italy and its place in Europe'  
 with *Enrico Letta*, London

**12 September**  
 CER/Kreab Gavin Anderson breakfast on 'Can energy policy promote competitiveness and protect the climate?'  
 with *Günther Oettinger*, Brussels

**16 September**  
 CER/BNE/Open Europe fringe event at the Liberal Democrats' party conference: 'Does Britain's economic future lie in Europe?'

with James Forsyth, Alan Houmann, Baroness Ludford MEP and Michael Moore MP, Glasgow

### 18 September

Launch of 'The future for Europe's economy: Disaster or deliverance?'  
with Paul De Grauwe (top right), George Magnus, Thomas Mayer and Holger Schmieding, London

### 23 September

CER/BNE/Open Europe fringe event at the Labour party conference: 'Does Britain's economic future lie in Europe?'  
with Urban Ahlin, Lord Falconer, Owen Jones, Emma Reynolds MP and Maurice Thompson, Brighton

### 30 September

CER/BNE/Open Europe fringe event at the Conservative party conference: 'Does Britain's economic future lie in Europe?'  
with Margot James MP, Andrea Leadsom MP, David Lidington MP and Maurice Thompson, Manchester

### 8 October

Roundtable on 'Is Russia's foreign policy changing?'  
with Fyodor Lukyanov, London

### 10-12 October

CER/Edam 9<sup>th</sup> Bodrum roundtable  
with Egemen Bağış, Carl Bildt, Josep Borrell and Kemal Derviş, Turkey

### 14 October

Launch of 'The 2014 European elections: Why a partisan Commission president would be bad for the EU'  
with Heather Grabbe, Stefan Lehne and Manuel Sarazin, Berlin

### 16 October

Commission on the UK and the single market: Trade  
with Jim Rollo and Stephen Woolcock, London

### 22 October

Roundtable on 'China 2025: Regime transition in China?'  
with Jonathan Fenby and Minxin Pei (second from top, right), London

### 23 October

CER/Kreab Gavin Anderson breakfast on '2014: Digital everything?'  
with Robert Madelin, Brussels

### 5 November

Launch of 'How to build a modern European Union'  
with Sir Peter Ricketts, Paris

### 8-9 November

CER conference on 'Europe's growth strategy & the world economy'  
speakers included Marco Buti, Nick Crafts,

Charles Goodhart, John Kay, Rachel Lomax, Reza Moghadam, Mario Monti and Thomas Philippon, Ditchley Park

### 11 November

Roundtable on 'Banking union and the future of EMU'  
with Jeroen Dijsselbloem, London (centre right)

### 12 November

Launch of 'How to build a modern European Union'  
with Arndt Freytag von Loringhoven, Berlin

### 21 November

Launch of 'How to build a modern European Union'  
with Charles Kupchan, Washington

### 21-22 November

CER/SWP/Brookings Daimler US-European Forum on global issues  
speakers included Thomas Bagger, Carl Bildt, Karen Donfried, Bob Einhorn, Philip Gordon, Victoria Nuland and Miriam Sapiro, Washington

### 25 November

CER/Kreab Gavin Anderson breakfast on 'Is the eurozone out of the woods?'  
with Olli Rehn, Brussels  
(second from bottom, right)

### 26 November

Allianz-CER European forum on 'The biggest prize? Prospects for a Transatlantic Trade and Investment Partnership'  
speakers included Karel De Gucht (bottom right), Pascal Lamy and Susan Schwab, Brussels

### 2 December

Roundtable on 'Can Russia reform?'  
with Sergey Aleksashenko, London

### 3 December

Commission on the UK and the single market: The City and the eurozone  
with André Sapir and Wolfgang Münchau, London

### 5 December

Launch of 'How to build a modern European Union'  
with Henryka Mościcka-Dendys and Jan Techau, Warsaw

### 5-6 December

CER/demosEUROPA forum on 'Europe's foreign policy agenda'  
speakers included Julian Braithwaite, Peter Hill, Hugues Mingarelli, Katarzyna Pełczyńska-Nałęcz, Michel Reveyrand-de Menthon and Radek Sikorski, Warsaw

### 17 December

Roundtable on 'America, Asia and Europe: Pivot or spin?'  
with Michael Auslin, London



# Advisory board

**Esko Aho**

Senior Fellow, Harvard University, Consultative Partner for Nokia and former Finnish Prime Minister

**Antonio Borges**

Former Head, European Department, IMF and former Dean of INSEAD

**Giuliano Amato**

Former Italian Prime Minister

**Nick Butler**

Visiting Fellow and Chairman, King's Policy Institute at King's College London

**Tim Clark**

Former Senior Partner, Slaughter & May

**Iain Conn**

Group Managing Director and Chief Executive, Refining & Marketing, BP plc

**Sir Robert Cooper**

Special Adviser to the High Representative and Former Counsellor, European External Action Service

**Timothy Garton Ash**

Professor, European Studies, University of Oxford

**Heather Grabbe**

Director, Open Society European Policy Institute, Brussels and Director of EU affairs, Soros Network

**Paul De Grauwe**

John Paulson Chair in European Political Economy, London School of Economics

**Lord Hannay**

Former Ambassador to the UN & the EU

**Lord Haskins**

Former Chairman, Northern Foods

**François Heisbourg**

Senior Adviser, Fondation pour la Recherche Stratégique

**Simon Henry**

CFO, Royal Dutch Shell plc

**Susan Hitch**

Manager, Lord Sainsbury of Turville's pro bono projects

**Wolfgang Ischinger**

Global Head, Government Affairs, Allianz

**Lord Kerr (Chair)**

Deputy Chairman, Royal Dutch Shell plc and Director, Rio Tinto

**Caio Koch-Weser**

Vice Chairman, Deutsche Bank Group

**Sir Richard Lambert**

Former Director General, Confederation of British Industry

**Pascal Lamy**

Director General, WTO and former European Commissioner

**David Marsh**

Chairman, SCCO International

**Dominique Moïsi**

Senior Adviser, Institut Français des Relations Internationales

**Lord Monks**

Former General Secretary, European Trade Union Confederation

**Christine Ockrent**

Former CEO, Audiovisuel Extérieur de la France

**Stuart Popham**

Vice Chairman, EMEA, Citi

**Lord Robertson**

Deputy Chairman, TNK-BP and former Secretary General, NATO

**Roland Rudd**

Chairman, Business for New Europe

**Kori Schake**

Research fellow, Hoover Institution and Bradley Professor, West Point

**Sir Nigel Sheinwald**

Former UK Ambassador to the EU and the US

**Lord Simon**

Director, GDF Suez and former Minister for Trade and Competitiveness in Europe

**Lord Turner**

Chairman, Financial Services Authority

**António Vitorino**

President, Notre Europe and former European Commissioner

**Sir Nigel Wicks**

Chairman, British Bankers' Association

**Igor Yurgens**

Chairman, Institute for Contemporary Development, Moscow

# Financial support 2013

Corporate members of the CER included:

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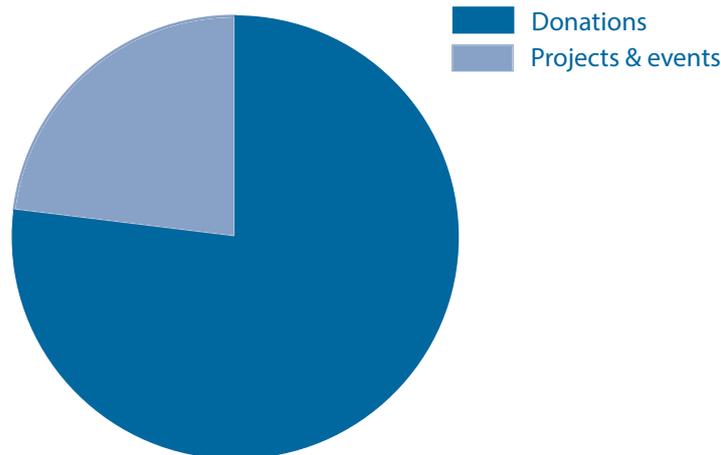
In addition to our corporate members, numerous other companies have supported specific publications, projects and events.

## Financial information

Audited accounts for year ending 31.12.2012

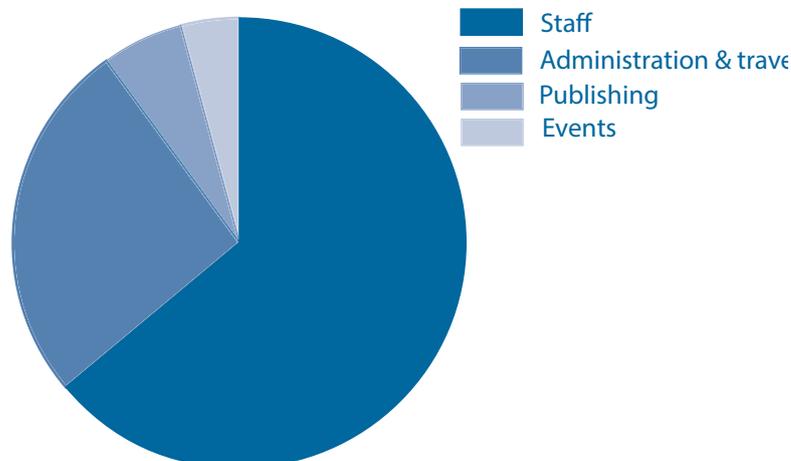
### Income for 2012:

Total £1,322,696



### Expenditure for 2012:

Total £1,281,999



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# CER staff 2013

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**Charles Grant** is the director. His interests include European institutions, the euro, European foreign and defence policy, Russia and China.



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**Katinka Barysch** was the deputy director. Her areas of expertise were Russia, energy, the European economy, globalisation, EU enlargement and Turkey.



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**Simon Tilford** is the deputy director. He focuses mainly on competitiveness, macro-economics, economic reform and the euro.



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**Ian Bond** is director of foreign policy. He specialises in Russia and the former Soviet Union, European foreign policy, Europe/Asia relations and US foreign policy.



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**Philip Whyte** was the chief economist. He specialised in fiscal and monetary policy, micro-economic reform and financial regulation



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**Hugo Brady** is a senior research fellow. He specialises in justice and home affairs as well as the reform of EU institutions.



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**Stephen Tindale** is an associate fellow. He specialises in climate and energy policy, as well as agricultural policy and the EU budget.



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**Clara Marina O'Donnell** was a senior research fellow. She specialised in European foreign policy, defence and the Middle East.



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**John Springford** is a research fellow. He specialises in the single market, labour markets, international trade, the euro and fiscal and monetary policy.



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**Rem Korteweg** is a senior research fellow. He specialises in transatlantic relations, European foreign policy, the geopolitics of energy, security and defence policy and NATO.



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**Catherine Hoye** is the director of operations and finance.



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**Kate Mullineux** is publications manager and website editor. She designs all CER publications and organises their production.



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**Susannah Murray** is the events co-ordinator. She also provides administrative support to the researchers and manages the CER's database.



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**Jordan Orsler** is the admin assistant. She also provides administrative support to the researchers and is PA to Charles Grant.



