



The fight for liberal values

Annual Report 2017





About the CER

The Centre for European Reform is a European think-tank with its head office in London. It seeks to achieve an open, outward-looking, influential and prosperous European Union; and a mutually beneficial relationship between the EU and the UK. The Brexit referendum makes the CER's work more relevant and necessary than ever. The EU badly needs reform, while the UK's ties with it need serious and sensible analysis. The CER favours as close as possible an economic and political relationship between the UK and the EU, while respecting the result of the referendum.

We are extending our reach geographically. In January 2017 we opened an office in Brussels, to house a third of our research staff. In October 2016 our chief economist moved to Berlin. Half our researchers are from EU countries other than the UK.

In addition to our Brexit-related events and publications, we will keep working on the trials and tribulations of the eurozone; on the EU's single market and its energy and trade policies; on its foreign, defence and security policies – including the EU's relations with its neighbours, and with Russia and China; on the way the Union handles refugees and migration; on law enforcement and counter-terrorism in the EU; and on improving how the Union's institutions work and relate to voters.

The CER's work will continue to be guided by the same principles that have served us well since our foundation in 1998: sober, rigorous and realistic analysis, combined with constructive proposals for reform.

THE CER IN
NOVEMBER 2017
FROM LEFT TO RIGHT,
TOP TO BOTTOM:

*John Springford,
Ian Bond,
Christian Odendahl,
Simon Tilford,
Noah Gordon, Agata
Gostyńska-Jakubowska,
Bea Dunscombe,
Kate Mullineux,
Sophia Besch, Jordan
Orsler, Sophie Horsford,
Beth Oppenheim,
Lucy Slade, Charles
Grant, Nick Winning
and Luigi Scazzieri*

*Absent from the photo:
Camino Mortera-
Martinez*



Starting again

by Nick Butler

The young executive assistant was charming. “Here’s the cheque. Good luck. Sooner you than me though – must be a nightmare working with all those Europeans”. Suddenly the Centre for European Reform had its first funds. Charles Grant dates the CER from the month that we first acquired an office, in January 1998. But conception came somewhat earlier – in the back row of the post-lunch session of a conference in Königswinter on the Rhine in 1994, when two slightly bored attendees started to whisper and pass notes to one another. But for the whispers I might have slipped out to climb the Drachenfels.

The need for an entity designed to improve the quality of the debate on the EU in the UK, and to encourage Britain to lead the necessary process of change and reform in Europe – instead of standing on the sidelines criticising – seemed obvious to David Miliband and me that afternoon. Creating that organisation took time, and required much help – not least from David Simon, then chief executive of BP and a committed European. He made the introductions, then I made the calls and learnt the pleasures and pain of gathering the people and the money.

Now, two decades on, we have to start again. We might hope as individuals that the Brexit

process will somehow be stopped or reversed, but the CER cannot realistically plan on that basis. The strong likelihood is that in March 2019 Britain will be out of the EU and into some form of transition process. In the eyes of the rest of the EU we will be a ‘third country’, without a seat at the table. The belief of those leading the CER – that the UK should be at the heart of Europe – may be unchanged but we will not be able to work as if nothing has happened. In 1998, under a pro-European British government, everything seemed possible. Now, even if the negotiated settlement of Brexit keeps us reasonably close in terms of trade, the politics will be very different. Europe will move on and so will the UK. Divergence between Britain and Europe

ABOVE:
(L to R)
Wolfgang
Ischinger,
Nick Butler and
David Miliband

*CER 10th
birthday
party, 2008:
Hosted by the
then German
Ambassador
Wolfgang
Ischinger,
London*

seems very possible and for some very welcome. Instead of working with the grain, we will find ourselves working against it.

But that is not a counsel of despair. Politics never reaches a permanent conclusion. The 1975 referendum which confirmed the UK's position in Europe was not the end of the story. Nor is the referendum of 2016. The political wheel keeps turning.

The CER is not a campaigning organisation. Others will do the campaigning – and one hopes they will be more effective than they were in 2016. The CER's role is to present the facts and the arguments which substantiate our continuing belief that Britain and Europe belong together. In the post-medieval world, sovereignty is an illusion. Economic, security and environmental issues don't recognise national borders. They all require common responses across Europe, and beyond. Splendid isolation will not last long.

The CER has long been writing not just about Britain in Europe, but about Europe in the world. With America (before and no doubt beyond President Trump) wanting to limit its own global role, Europe will have to step up or find itself surrounded by a series of failed states. With China determined to join the United States in playing a leading role in the global economy, based on science and technology, Europe will have to develop a new competitiveness or find itself undermined by unemployment and declining living standards. With the Middle East and North Africa destabilised by rapid population growth, religious conflict and potentially by a new era of low energy prices, the risk of new waves of migration crises on Europe's borders is high.

It is on those key questions that the CER can build a new agenda – demonstrating that responses are possible as well as necessary but that the only effective answers will be collective and pan-European. We will need more Europe, whether the UK is a formal member of the European Union or not.

Our agenda and aspiration therefore does not change because it remains based in reality. But the context in which we are working will be different.

For the moment the details of Brexit are all important but time will pass, a deal of some sort will be done, and it is important that we do not waste time refighting old battles. Little purpose will be served by pointing out the negative consequences of Brexit – they will speak for

themselves. The CER, starting again, should focus on the positive necessity and potential of engagement, looking to the future not the past.

To influence European policy we will have to be in Europe physically, which is why the opening of an office in Brussels is so important and why that step will probably have to be followed by expansion in Berlin and an office in Paris. For the CER, however, being European and British does not involve any trade-off, or a hard choice between the two. We can and must be both, and one day there will be a British government which will recognise the importance and value of the European relationship, and which will need objective and practical advice.

The techniques of persuasion will have to change as well. We might like to think that a combination of hard facts and serious analysis expressed in beautifully written pamphlets will always triumph over sound bites and emotion, but we must learn from recent experience that that is not always the case. We might not like populism and the emotional side of politics, but we have to find ways to counter their effectiveness. We cannot allow those we disagree with to win just because we are too fastidious to take them on.

Accepting that we have not succeeded in achieving our original goals is the essential first step. The quality of the debate on Europe in Britain has not improved. UK politicians were not at the heart of Europe even before the Brexit vote. The reforms across the European Union which were necessary then largely remain necessary today. But recognising those facts is not a cause for the ultimate blasphemy of despair. It is simply a realistic acknowledgement of the point from which we (re)start. In our beginning is our next beginning.

Which takes me back to that first cheque – a generous donation from Michael Green, the head of Carlton Television, without which we could never have moved from conception to birth. The charming executive assistant remains in my mind. A young man in his first job. I remember his name. Somewhere I must have his card. I wonder whatever happened to David Cameron?



Nick Butler
Co-founder, CER



Continuity and change over 20 years

by **Charles Grant**

In 2018 the Centre for European Reform celebrates its twentieth birthday. Having been conceived in the mid-1990s at a British-German Königswinter conference, we opened an office in January 1998. The story of the CER reflects that of the UK's place in Europe and Europe's place in the wider world, and falls into two halves – the first ten years and the second ten years.

The CER was born into a climate of global optimism, particularly in Western countries. In economic and strategic terms, the world was unipolar. America's strength ensured that democracy and liberalism were steadily extending across much of the globe. Most of Central and Eastern Europe had become democratic, as had parts of Africa, East Asia and Latin America. A plethora of international treaties and organisations that covered subjects ranging from trade, to climate, to arms control, to war crimes were gradually enmeshing the world in a system of global governance. Western military interventions in places like Bosnia, Kosovo and Sierra Leone succeeded.

Russia was imperfectly democratic but in too much of a mess to threaten its neighbours. China was focused on economic growth rather than challenging the West. Turkey was a friend of the US and the EU, and fairly democratic. There were always transatlantic tensions, especially after the arrival of George W Bush in 2001, but these were usually containable.

Much of this benign climate endured through the first ten years of the CER. Even the 9/11 terrorist attacks led to our publishing an optimistic set of essays on how the common threat of Al-Qaeda would bind the West and the Russians more closely together. In those early years our

ABOVE:
(L to R) Charles Grant and Michel Barnier
Conference on 'The future of the EU', Brussels

focus was on the EU's enlargement, how the EU could help Russia to modernise its political and economic systems, whether the UK would join the euro and how the UK was leading plans for EU defence. A CER report in 1998, 'Can Britain lead in Europe', suggested the abolition of the Western European Union and a new role for the EU in defence; a few months later Tony Blair and Jacques Chirac echoed these ideas in their Saint-Malo declaration on European defence. We published a lot on the reform of EU institutions and – especially after the Iraq War of 2003 created a transatlantic rift – ways of bringing Europe and America back together.

“The financial crisis which began in 2007 and 2008, and which evolved into the euro crisis in 2010, undermined the standing of elites across Europe.”

In its early years the euro seemed to work well and in 2000 EU leaders promised to make the EU “the most competitive and dynamic knowledge-based economy in the world”, through their ‘Lisbon agenda’ of economic reform. In 2001 we published the first of our ten annual Lisbon scorecards, in which we awarded marks to each EU government for its performance in implementing the promises made on economic reform. Although real progress was made in some countries, in areas like labour market reform and removing the red tape that impeded start-ups, there was insufficient reform, particularly in Southern Europe.

And that contributed to the euro's problems. We were prescient in spotting that not all was well in the eurozone. In 2006, shortly after he joined the CER, Simon Tilford wrote a seminal report, ‘Will the eurozone crack?’, arguing that diverging productivity and growth levels between the north and south of Europe made the euro unsustainable in the long term, unless the south embraced radical reform. At the time many eminent economists dismissed this report as eccentric and eurosceptic.

As our first ten years drew to a close, Europe's problems mounted. The Iraq War had a number of negative consequences that did not become apparent until several years after the event. Crucially, the war weakened and sapped trust in the UK's liberal, pro-EU establishment. The financial crisis which began in 2007 and 2008, and which evolved into the euro crisis in 2010, undermined the standing of elites across Europe. It also damaged the Western brand in other continents.

The euro crisis engendered recession, austerity and high unemployment in several EU countries. This fuelled the rise of populist, eurosceptic forces. So did the refugee and migration crises, which became acute in 2015 – provoked in part by the failed Western interventions in Iraq and Libya and by the non-intervention in Syria.

Meanwhile, as China's economy continued to experience annual growth close to 10 per cent, its geopolitical clout grew. Its success made its overtly undemocratic system seem an appealing model to other regimes. It became bolder in challenging America and its allies in East Asia. The high oil price until 2014 enabled Vladimir Putin to restore Russia's military strength and entrench his authoritarian, nationalistic regime. The West did little beyond wringing its hands when Russia invaded parts of Georgia in 2008. Its response when Russia invaded Ukraine in 2014 was more robust, but still not enough to prevent the annexation of Crimea and the destabilisation of parts of eastern Ukraine. In Turkey, after several promising years of reform, Recep Tayyip Erdoğan's regime started to resemble Russia in its authoritarianism and anti-Western nationalism.

And then came 2016. In Britain, those campaigning to leave the EU latched onto the fact that many Britons did not believe they benefited from trade, migration, globalisation and EU integration. Fifty-two percent of the British were prepared to give the country's liberal establishment a good kicking. A few months after the British voted to leave the EU, many Americans voted for Donald Trump for comparable reasons. Both events, but particularly the second, damaged the West.

Trump shows little interest in the traditional Western and American concepts of rule of law and human rights. His sympathy for regimes – whether in Russia, Saudi Arabia or elsewhere – that reject liberal values and abuse human rights has weakened the Western brand. So has his hostility to the Western-led system of free trade and global governance – as seen in his opposition to NAFTA, the Trans-Pacific Partnership, the World Trade Organisation and the Paris climate change agreement. Sterling efforts by some of Trump's top officials and foreign allies have limited the damage that Trump has inflicted, for example on NATO, but his own instincts may be harder to restrain in a serious security crisis.



In 2017 the EU coped quite well with this new and much more difficult environment. Brexit turned out to be a one-off problem, with no country preparing to follow the UK out of the club, and support for anti-EU parties waning in many – though not all – parts of the EU. The refugee and migration crises, though still alarming, abated; Turkey stemmed the flows into Greece while the EU's dealings in Libya led to lower numbers crossing the sea northward.

Perhaps the most worrying political development in 2017 was the growing rift between Poland and Hungary (and to a lesser extent other Central European countries), on the one hand, and France, Germany and the Brussels institutions on the other; their arguments over quotas of migrants, respect for the rule of law and plans for EU integration appear unresolvable in the short term.

The CER in 2017

Brexit has inevitably made an impact on the CER's work, both in terms of its content, and the demand for our analysis. But the overall mission remains the same – to come up with new ideas and policies that will help to make the EU more open, outward-looking and effective. At least half our work has nothing to do with Brexit. We are busy with subjects such as eurozone reform, innovation, trade, energy, migration, police and judicial co-operation, the EU and China, the EU and Russia, transatlantic relations and EU defence.

And we shall keep working on EU institutions, as we have done for the past 20 years. We

The eurozone grew at over 2 per cent in 2017, its best performance since the euro crisis began. Once Germany has a government, Angela Merkel will work with France's Emmanuel Macron on reforms for eurozone governance, with the emphasis likely to be on strengthening the banking union, some sort of 'European Monetary Fund' and an initially small eurozone budget. The EU has pushed ahead with trade deals with Canada and Japan and has many others in the pipeline. However, it has moved too slowly on its plans for a capital markets union and has done too little to develop policies that encourage innovation. The EU's new budget cycle, which will start in 2021, offers opportunities for developing more growth-friendly policies – so long as European leaders can avoid becoming bogged down in interminable rows over how to make up the loss of Britain's contributions.

ABOVE:
Martin Selmayr

*CER/Kreab
breakfast on
'The future
of Europe',
Brussels*

tackled institutional and many other themes in a major report published in November 2017, 'Relaunching the EU'. In this we argued that Emmanuel Macron's idea of a multi-tier Europe, in which some countries integrate further but others are not obliged to follow, is the best way forward for the EU. Such 'flexibility' could make the EU less brittle and in the long run more viable. Taking the idea of tiers a little further, if neighbours were allowed to join some but not all EU policies, further enlargement could become easier for existing members to swallow, and the EU could be a more influential player in its neighbourhood.

Evidently, however, a large chunk of the CER's work is about Brexit. We regret that Brexit is likely to happen and hope that our work can help to minimise the likely damage. Some versions of Brexit would be very costly in terms of lost economic output, and others less so. All of them will diminish Britain's voice in the world, to a greater or lesser extent. Our job is to make the case for the best possible deal, that is to say one which – within the parameters set by the realities of European and British politics – maximises economic ties and other sorts of co-operation, including on foreign policy, defence and security.

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In early 2018 it seemed plausible that Britain was heading for 'Canada Plus', a free trade agreement modelled on that between the EU and Canada, but with a wider scope, notably on security co-operation and services. We think it likely that such a deal will be much more damaging to the British economy than many Britons expect, though we hope that this prediction turns out to be too pessimistic. If economic weakness in 2018 starts to push public opinion towards regretting Brexit, and if the Labour Party becomes bolder, there is a chance of achieving a softer Brexit than currently seems likely. For example, the UK could end up in a customs union with the EU and might stay in several of its regulatory agencies.

The CER has a particular role to play in helping each side of the Brexit negotiation understand what the other thinks, and why. We do this through publications, seminars and, especially, our informal contacts with officials and politicians in London and many other European capitals. We can only play this role by remaining scrupulously independent of all parties, governments and institutions. We think that our educational efforts are sometimes fruitful, though many influential and powerful figures in the UK remain woefully ignorant of the EU and how it works.

Throughout our 20 years, about half the CER's researchers have been non-British. To reinforce the fact that we are a European think-tank rather than a British institute looking at the EU, we opened a Brussels office in January 2017. This has made the CER more visible in the EU's capital and helped us to host more events there than ever before (20 in 2017). We have also had our chief economist, Christian Odendahl, based

in Berlin since the autumn of 2016. That two of our researchers are German – Christian plus Sophia Besch, our defence analyst – enabled us to publish some first-class analyses of German-specific issues in 2017. Similarly, the nationalities of Agata Gostyńska-Jakubowksa, Camino Mortera-Martinez and Luigi Scazzieri have strengthened our coverage of Poland, Spain and Italy, respectively. The strength of our research team was recognised by *Prospect* magazine, which awarded the CER its prize for the best UK-based international affairs think-tank.

At the end of the year we were sad to bid farewell to Simon Tilford, our deputy director, who has led our work on economics for more than a dozen years. We wish him luck in his new role at Tony Blair's Institute for Global Change. In his place John Springford, who has driven much of our work on the economics of Brexit, becomes deputy director, while we have hired a new economist and trade expert, Sam Lowe. Earlier in the year we were sad to lose Rem Korteweg, who had worked on foreign policy and trade for four years, to the Clingendael Institute in The Hague. Nick Winning, an experienced journalist, joined the CER as our first ever full-time media officer. Luigi Scazzieri, the 2016-17 Clara Marina O'Donnell fellow, stayed on to work on the Middle East and other issues. His successor as the Clara Marina O'Donnell fellow is Noah Gordon. Beth Oppenheim joined the CER to research the Brexit negotiations. In the admin team, we said farewell to Daniel Crewes and Anna Yorke while welcoming Bea Dunscombe and Lucy Slade.

We were very sad that Stephen Tindale, the eminent environmentalist, died in July. Stephen worked at the CER from 2010-15 and wrote memorably on issues such as climate and energy.

The CER's advisory board continued to give us much good counsel. Alex Stubb had to resign because of his new appointment at the European Investment Bank. Susan Hitch retired from the board after many years of service. The new members were Jonathan Faull, who was the most senior Briton in the European Commission; David Claydon, the co-CEO and co-founder of Macro Advisory Partners; and Paul Adamson, the editor of *EISharp* and chairman of Forum Europe.

As we have done for 20 years, in 2017 we continued to host memorable events, most of them small and intimate but some of them large and spectacular. The majority took place in London and Brussels but we also held seminars in Washington, Moscow,



Paris, Berlin, Warsaw, Dublin and Levi (in the Finnish Arctic). Our dinners and breakfasts featured Commissioners Anders Ansip, Jyrki Katainen, Julian King, Johannes Hahn, Cecilia Malmström and Carlos Moedas, as well as British politicians such as Keir Starmer, Labour's Brexit spokesman, and Damian Green, then the Conservative deputy prime minister. Our Labour party conference fringe event had all all-star line-up of Keir Starmer, Yvette Cooper, Hilary Benn and Chuka Umunna. So did our Tory party conference fringe, which featured a wide range of Conservative opinion on Europe: Andrea Leadsom, Vicky Ford and Dominic Grieve.

To mention just five events from the autumn that stick in the memory: a breakfast in Brussels in September with Martin Selmayr, President Juncker's chief of staff, on the future of the EU; our annual Bodrum conference in October, which included a dinner speech by Mehmet Şimşek, Turkey's deputy prime minister; our annual economics conference at Ditchley Park in November, on whether populism is driven mainly by economics, which included Marco Buti, Barry Eichengreen, Jean Pisani-Ferry, Norbert Röttgen, Ludger Schuknecht, Poul Thomsen, Adair Turner, Constanze Steltzenmüller and Jeromin Zettelmeyer; in the same month our Brussels conference on the future of the EU, which featured a keynote speech by the Commission's Brexit negotiator, Michel Barnier, as well as contributions by John Bruton, Hélène Rey, Monique Ebell, Peter Mandelson, George Robertson and Sophie Magennis; and our Daimler Forum in Washington in December that we run with the Brookings Institution and the

Stiftung Wissenschaft und Politik, which included a dinner speech by National Security Adviser HR McMaster that was extremely tough on Russia and North Korea, and contributions from three other senior administration officials (Wess Mitchell, Brian Hook and Matthew Pottinger).

The 18 longer reports and policy briefs that we published in 2017 covered a wide range of topics, including the relationship between the EU, the Eurasian Economic Union and China's 'One Belt, One Road'; whether the EU could use its structural funds to promote the rule of law within member-states; the role of the Trump administration and the EU in the Middle East peace process; how the EU could work with third countries to manage migration; and the institutional governance of the eurozone. Inevitably, several policy briefs covered aspects of Brexit, such as the possible utility of the 'Swiss model' for the UK, the impact of Brexit on European energy markets, Germany's priorities in the Brexit talks, the role of EU institutions in these negotiations and the conundrum of the border on the island of Ireland.

One policy brief deserves particular mention. In February we published 'The €60 billion Brexit bill: How to disentangle Britain from the EU budget', by the *Financial Times'* Alex Barker. Downloaded 22,000 times, this predicted that the 27 would unite around the Commission's calculation that the UK would have to pay about €60 billion in order to leave the EU, and that the UK would pay. The conclusion to 'phase one' of the Brexit talks in December showed that Barker's predictions had been broadly correct.

ABOVE:
(L to R) Hilary Benn, Yvette Cooper, Ian Bond, Chuka Umunna and Keir Starmer

Fringe meeting at Labour party conference on 'How to handle Brexit', Brighton

Ten ingredients of success

Over 20 years we have moved with the times – for example by publishing fewer longer reports and more short pieces, and becoming active on social media. But we believe that the fundamental ingredients of our success have endured. Our first annual report, for 2002, looked back on our first five years. In that report I set down the ten factors which I thought had helped the CER to thrive.

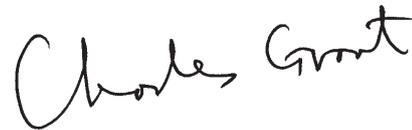
“We do not want to grow larger, lest we lose the virtues of teamwork, focus and quality control.”

They are still pertinent today and will I hope continue to guide us for the next 20 years. The first five of those factors were teamwork – everybody helps their colleagues with publications; presentation – everything we publish is rigorously edited so that it is readable; proximity to the media – all researchers know that a big part of their job is to help journalists from across the globe, thanks to which we are often quoted; the high level of debate in our seminars – most of which are small and invitation-only (I have long believed that there is an inverse correlation between the number of people in a seminar and the quality

of the conversation); and the multinational character of the CER's research team.

The next five were the contribution of our advisory board, whose distinguished members advise us on our work programme and strategy; the strength of our website, with its clear and unflashy style; our proximity to governments and EU institutions – we often talk to politicians and officials, across the continent, which helps to make our proposals well-informed and ensures that the right people listen to our ideas; our proximity to the private sector – we spend a lot of time talking to business people, which enables us to stay abreast of trends in the corporate world and to advocate a pro-market agenda; and the nature of our proposals, which as I wrote in 2002 “are sometimes radical, but ... usually down-to-earth and practical, which increases their chances of being adopted”.

As I also wrote in that first annual report, “we do not want to grow larger, lest we lose the virtues of teamwork, focus and quality control.” Whatever the state of the EU and of the UK's relationship with it, we believe there will be a demand for the serious, sober, practical and original work that is the CER's hallmark.



Charles Grant
Director, CER



What a difference a decade makes

by **Simon Tilford**

ABOVE:
Cecilia
Malmström

*CER/Kreab
breakfast on
'The future
of EU trade
policy', Brussels*

When I joined the CER in 2006, there was broad optimism about the European economy and the prospects of economic convergence between richer and poorer members of the EU. Most economists focused on improving the supply-side performance of EU countries rather than on broader macroeconomic questions. In my first major report for the CER, 'Will the eurozone crack?', I warned that growing imbalances within the currency union threatened its stability and, if left unaddressed, its integrity. But I did not imagine that the eurozone economy in 2017 would be barely bigger than in 2006. Back then no one imagined Europe could suffer a lost decade of the kind we had already seen in Japan, accompanied by very low inflation, zero interest rates and exceptional monetary policies like quantitative easing.

A few prescient people argued that Britain's decision to stay out of the euro would ultimately condemn it to an outer sphere of the EU, emboldening the eurosceptics' claim that the country could not defend its interests within the Union, but such voices were few and far between. I certainly could not foresee a time when the UK would forego the benefits of EU membership for the hard-to-pin-down freedoms of life outside the EU. While some questioned the ability of the UK to carry out its

preferred role of bridge between the US and the rest of Europe, few thought the UK would wilfully burn one end of the bridge down.

Back in 2006, the democratic systems of the new Central and East European member-states of the EU were still consolidating. There were some concerns about both the Czech Republic and Slovakia, but Hungary and Poland appeared to have made remarkably smooth transitions to democratic governance. There was very little

to suggest that 12 years hence both would be seeing increasingly determined attacks on the rule of law or that people would be openly raising the spectre of Central European countries falling under the sway of Russia.

There was widespread European disillusionment with the US, largely as a result of the Iraq War and the personalities who had prosecuted it. No US President, including Ronald Reagan, had been held in such contempt as George W Bush, whose administrations had done much to bolster the anti-Americanism that was always latent in much of Western Europe. But however alienated many Europeans felt from Bush's US in 2006, it was unimaginable that the US would openly question the rules-based international system that it underwrote and from which it benefited so much. The idea of President Donald Trump was entertained only in one Delphic episode of *The Simpsons*.

“Warsaw and Budapest are checking out of the obligations of EU membership, while wanting to retain the rights and financial benefits.”

Fast forward to 2018: the eurozone has survived with its membership intact, despite an awful decade. Its resilience is remarkable – it has survived huge policy errors during and after the crisis, without a populist backlash in any of its crisis-hit members leading to one of them leaving the currency union. While it suffers from a profound lack of democratic legitimacy – having much reduced the policy space open to governments – it appears strikingly robust. It is true that political upheavals often come after the moment of maximum economic crisis has passed, but there now seems no obvious short-term threat to the survival of the currency union.

Of course, much will depend on the length and strength of the current economic upturn, and how widely its benefits are shared across the eurozone. The longer and stronger the recovery, the more space the authorities will have to counter the next recession: fiscal positions will be stronger, allowing governments to boost spending without breaking the fiscal rules, while the ECB will have been able to raise interest rates significantly, allowing it to cut them to fight off recession. Forecasting downturns is all but impossible, but there are grounds for cautious optimism that the recovery could last several years.

The UK's decision to stay out of the eurozone was well-grounded. Had it joined, it is possible the country's membership would not have survived the financial crisis. However, if Britain had made it through the crisis without crashing out of the currency union, it would not have voted to quit the EU and would now face far fewer risks, notwithstanding the continued straitjacket of eurozone membership. Whether or not Britain manages to rescue something from the current mess – I suspect it will ultimately end up with something that looks like membership of the EEA – it is impossible to know whether the UK will resolve its ambivalence over the EU any time soon. On an optimistic note, the current situation is at least giving British politicians and voters a crash course in what the EU is and what Britain gains from being a member of it. Britain's young are strikingly pro-EU, too.

The political crisis in Poland and Hungary, and more broadly the fragility of democratic norms in Central and Eastern Europe – the Baltic states aside – poses a bigger challenge to the EU than Brexit. Governments are reshaping their countries' constitutions away from liberal values. Warsaw and Budapest are checking out of the obligations of EU membership, while wanting to retain the rights and financial benefits. The major risk is not a formal EU exit, but a de facto exit from the values of the EU, something Russia fully understands and is working hard to bring about.

Much will depend on what happens in Poland, by far the biggest and most important of these countries. While the current situation looks dire, there are still grounds for some optimism. Polish voters remain overwhelmingly pro-EU, including a majority of the governing Law and Justice party's voters. The EU has to find a way of demonstrating to Poles that they cannot combine illiberal populism at home with all the benefits of EU membership. More generally, in considering its various sets of criteria, the EU needs less Maastricht and more Copenhagen.

Only Brexit Britain rivals the Trump administration's disregard for key national interests. At the moment, it is hard to keep up with the damage being done to US interests, and hence to broader Western ones. Bar a move against Trump by the Republican Party, the chances are that he will see out his full four-year term. Moreover, his base remains supportive, suggesting that it is not beyond the realms of possibility that he could be re-elected, or that the next Republican candidate for the presidency will also be avowedly populist. While US demographics favour the Democrats,



increasing the chances of a liberal or centrist president at some point, it is more than possible that Europeans are going to have to deal with a US they do not recognise or understand for some time to come.

What does all this mean? It means that Europe is on its own in a way it has not been in the post-war period. It cannot rely on the US as it could in the past. It faces hostility to the east from Russia and Turkey, an increasingly assertive China, and serious populist pressures within its borders. It has to ensure that economic growth benefits people on middling and low incomes, and demonstrate to voters that EU governments are able to address their fears. Crucially, it has to do these two things in a way that is consistent with non-discrimination within the EU and openness to the rest of world. That means spending much more on defence and using military power in

ways many members of the EU have hitherto eschewed. Finally, it will mean encouraging more civic, less exclusive national identities; should it fail to do so, Europe will not be able to cope with the inevitable flow of people from the south and east. All of these challenges would have been easier to meet with a fully-signed up Britain. As it stands, an awful lot of responsibility rests on the shoulders of the French and German governments.

A handwritten signature in black ink that reads "Simon Tilford". The signature is written in a cursive, flowing style.

Simon Tilford
Former deputy director, CER

ABOVE:
(L to R)
Emmanuel
Macron and
Simon Tilford

*Roundtable on
'Brexit and the
future of the
EU', London,
September
2016*



Foreign policy in 2017

by Ian Bond

ABOVE:
Rose
Gottemoeller

*Dinner on
'The strategic
challenges
facing Europe',
Brussels*

It is tempting to reproduce large parts of last year's annual report wholesale this year. The European neighbourhood remained violent and chaotic; Syria's civil war may be closer to its end now than a year ago, but the agony of its people continues; Turkey's relations with the EU have continued to deteriorate; migrants have continued to flow to Europe, though many have drowned in the Mediterranean; Russia continues to destabilise Ukraine, and its forces in that country continue to inflict military and civilian casualties; China continues to rise. Russia's President Vladimir Putin and China's President Xi Jinping look secure in their positions; Xi, in particular, increased his power both domestically and on the international stage.

There have also been important changes, however, many of them linked to the arrival of US President Donald Trump. America's confrontation with North Korea has intensified, as Pyongyang's nuclear and missile programmes have advanced, posing a more direct threat to the US. And in the Middle East, Trump has added fuel to a number of fires, threatening the agreement that ended Iran's nuclear weapons programme and overturning the longstanding international consensus on the non-recognition of Jerusalem

as the capital of Israel. He also announced that the US would withdraw from the Paris climate agreement, setting him at odds with almost every other country in the world. Trump has repeatedly shown his disdain for the EU, NATO and the WTO – international institutions which have underpinned the liberal international order and America's pre-eminence for decades.

Though the new French president, Emmanuel Macron, has shown welcome signs of ambition

and fresh thinking about the EU, the diminished international standing of Chancellor Angela Merkel and Prime Minister Theresa May, both of whom lost ground in elections, has left Europe a weaker player in international crises. The EU could point to few if any significant foreign

policy achievements in 2017, even if its co-operation with NATO improved. The EU High Representative for foreign and security policy, Federica Mogherini, had been almost invisible in international efforts to resolve regional conflicts.

The Middle East and North Africa

On the positive side, determined action by the US, Russia, Iran and their allies pushed back the so-called Islamic State, forcing it out of most of the areas it had captured in previous years in Iraq and Syria. That still left both countries in states of chaos; and Europe nervously awaited the possible return of those who had gone to fight in the region and might now try to continue their jihad at home.

On the negative side, none of the conflicts in the region seemed any closer to a political settlement by the end of the year. Though forces loyal to Bashar al-Assad continued to make progress in Syria, with a good deal of help from Russia, regaining many rebel-held areas, fighting and civilian casualties continued. Since the outbreak of the civil war in 2011, the EU had supported the UN-led peace process, but by 2017 the initiative had shifted from the UN to Russia: President Vladimir Putin organised a summit with Turkey and Iran in November to discuss starting negotiations with the Syrian government and various opposition groups.

In Libya also, the EU gave political backing to the UN-led peace process, but could not even get all EU member-states on the same page, let alone the warring factions in Libya. The EU was backing the losing side in the fight for political control in Libya, and its efforts to help the economy and to tackle migration had limited success. Meanwhile, Italy was supporting the UN-endorsed Government of National Accord (GNA), hoping inter alia that it would help to control the flow of migrants across the Mediterranean; while France launched an initiative in July to bring together the GNA and the rival military strongman Khalifa Haftar (perhaps believing that Haftar would be a more useful partner in fighting Islamist extremism in Libya). By the end of the year the EU was trying to work with both Libyan factions, but seemed not much closer to solving the migration problem or creating stability in Libya. In a policy brief in November, Luigi Scazzieri and John Springford looked at the shift in EU migration policy from dealing with those who reach Europe to working with countries of origin and transit to prevent migrants getting that far.

“For the EU, the prospect of Iran resuming its nuclear programme was extremely unwelcome.”

One of the signal achievements of EU foreign policy, the deal by which Iran agreed in 2015 to end its nuclear weapons programme, known as the Joint Comprehensive Plan of Action (JCPOA), came under enormous strain in 2017 because of Trump's opposition. Though he did not re-impose sanctions, in October Trump refused to recertify Iran's compliance with the terms of the agreement, making it possible for the US Congress to impose sanctions (though it has not done so thus far). Trump also threw America's weight behind Saudi Arabia, and particularly its young and hot-headed Crown Prince, Mohammed bin Salman, encouraging his confrontation with Iran (including in the bloody war in Yemen). For the EU, the prospect of Iran resuming its nuclear programme and of a wider war in the Gulf was extremely unwelcome.

The Obama administration had pushed in vain for progress in the Middle East Peace Process, hampered by a bad relationship with Israeli Prime Minister Benjamin Netanyahu; Trump, who has a much better relationship with Netanyahu, said that he wanted to strike the "ultimate deal", and put his son-in-law Jared Kushner in charge of achieving it. Trump's equivocal attitude to the two-state solution increased Palestinian suspicions of his initiative, however, making a breakthrough unlikely. But Trump's decision in December to recognise Jerusalem as the capital of Israel, flying in the face of decades of UN resolutions, has probably ensured that there will be no progress in the peace process for the foreseeable future. The close alignment between Trump and Netanyahu will also ensure that the EU continues to have only marginal influence on Israeli policy.

Perhaps most seriously for the EU, relations with Turkey, a member of NATO and a key partner of the EU in the Middle East, continued to deteriorate in 2017. The administration

of President Recep Tayyip Erdoğan became increasingly authoritarian. A controversial constitutional reform, passed by a narrow majority in April, added to European worries about Erdoğan's tightening grip on power. Ankara's difficulties with the EU were matched by its problems with Washington, which backed a Kurdish force in Syria closely associated with the

PKK, a group responsible for terrorist attacks in Turkey over several decades. Turkey's decision to buy an advanced Russian air defence system, the S-400, undermined NATO. Though formally EU accession talks with Ankara stagger on, support for them among member-states is getting harder to find, with the new Austrian government calling in December for a freeze on further negotiations.

Asia

The EU has struggled for many years to agree on and pursue a strategic approach to Asia, and 2017 was no exception. In many respects it was a breakthrough year for China. In the same week of January that Trump took office, decrying free trade and claiming that protectionism would lead to "great prosperity and strength", Xi Jinping was charming world leaders at Davos, making the case for globalisation and against trade barriers. One could question whether Chinese treatment of foreign investors matched Xi's rhetoric, but there seemed little question that China was consciously seeking to show its support for the existing world trading system; though at the same time it clearly aspired to a bigger voice in international governance.

makers, and that North Korea's missile and nuclear programmes are seen by Beijing as less of a threat to its interests than the collapse of North Korea. Trump showed considerable hostility to China during his election campaign, largely because of what he perceived as unfair trade with the US. But during 2017 he veered between criticising China and threatening trade sanctions, and flattering it while suggesting that it could do more to rein in North Korea. On a state visit to China in November, he turned from blaming China for its trade surplus with the US to blaming American businesses; at the same time, he urged Xi to put more pressure on North Korea.

“The Trump administration's erratic course should force the EU to increase its engagement with traditional Asian partners and China.”

Xi's ambitious programme of infrastructure investments along the so-called 'Silk Road Economic Belt' from Western China via Central Asia and Russia to Europe, and the 'Maritime Silk Road' from China's coast to the Middle East, East Africa and Europe, attracted 29 heads of state or government (and representatives of more than 100 other countries and international organisations) to Beijing in May. And, with his international prestige burnished, in October Xi consolidated his domestic power at the Chinese Communist Party's 19th Congress. The question (for Europe and the rest of the world, as well as China itself) is what he plans to do with this power.

This question is particularly pertinent in relation to North Korea. Pyongyang carried out at least eight missile launches in 2017, including its first inter-continental ballistic missile (ICBM) test, on July 4th. It also appears to have successfully tested a hydrogen bomb.

The US has long assumed that China had the ability to influence North Korean decision-

The line from senior US officials at our Daimler Forum in December suggested that the administration is seriously considering a limited pre-emptive strike, designed to give North Korea's Kim Jong-Un a bloody nose, despite the risks; the US's priority is to stop Pyongyang reaching the point at which its nuclear weapons can hit US soil. By the end of the year, China seemed to be getting more serious about the implementation of economic sanctions against North Korea; but it is not clear how Beijing would react if the US took military action.

The EU and its member-states continued to neglect Asia's political and security problems, seeing the continent mainly in terms of economic opportunities. Though the 2016 EU Global Strategy recognised a direct connection between European prosperity and Asian security, the annual report to the European Parliament by the EU's High Representative for foreign and security policy covered East, South and South-East Asia in just four of its 77 paragraphs. The Trump administration's erratic course should force the EU to increase its political engagement both with its traditional partners including Japan, South Korea and Australia, and with China. The 'Belt and Road Initiative' may bring Europe and China closer together economically, but it also gives the EU an even greater stake in regional security issues – and an increased interest in shaping China's activities in Europe.



Russia and Eastern Europe

The EU's relations with Russia stayed stable and frosty in 2017. Russia's intervention in Ukraine remained a stalemate. The conflict continued at a low level, with almost 200 Ukrainian soldiers killed, captured or missing in action during the year. Despite grumbling from some member-states, the EU maintained sanctions against Russia, linked to its annexation of Crimea and subsequent intervention in the Donbass.

At the same time, concern about Russian interference in Western domestic politics grew, as there were more revelations from the US about Russian efforts to influence the American presidential election. Whatever the many investigations discover about possible criminal activity by the Trump campaign, they and others have already uncovered a great deal about the way Russia cultivates individuals, plants fake stories in social media or exaggerates real stories, to influence particular groups.

In Europe, though Russian attempts to influence elections in France, Germany and elsewhere did not succeed, the EU grew more concerned about Russian operations in the Western Balkans, and the impact that they might have on the EU enlargement process, as well as in Eastern Partnership countries including Georgia, Moldova and Ukraine. In a policy brief in March, I suggested that the top priority for such

countries should be to increase their internal resilience, including by cleaning up corruption and strengthening the rule of law.

In 2017 Europeans became more aware of the way that Russia seeks to undermine its perceived adversaries by non-military as well as military means – though Russia's large and aggressive 'Zapad' exercise in September showed that it was also increasing its military muscle in Europe. One positive outcome of this awareness was the opening of the European Centre of Excellence for Countering Hybrid Threats in Finland, with EU and NATO backing.

China's 'Belt and Road Initiative' gave Beijing an increased stake in the stability of Eastern Europe. In another policy brief in March, I argued that the EU should seek to build on areas of common interest with China, as a way of hedging against Trump's protectionist instincts. So far, the US administration has not shifted its approach radically; and concerns have grown about whether China wants to be a partner of the EU or to weaken it by cultivating (in particular) member-states in Central Europe to promote its interests. But Europeans could suffer if, as Putin sometimes suggests, China and Russia worked together to restructure the existing international order.

ABOVE:
(L to R) Sinan
Ülgen and
Selim Yenel

*CER/ECFR/
EDAM 13th
Bodrum
Roundtable,
Bodrum*

European defence

All US presidents call for more burden-sharing from their European allies. Donald Trump has taken it to extremes, however. He spurned several chances to restate the US commitment to NATO's Article 5 mutual defence guarantee, including at the NATO Summit in Brussels in May (he eventually said what needed to be said after a bilateral meeting with the Romanian president in Washington in June). He repeatedly spoke in terms that implied that he thought European allies should pay the US for their defence. Despite Trump's views, however, the Pentagon increased its contribution to European defence during the year. A CER dinner in Brussels with NATO Deputy Secretary General Rose Gottemoeller in June underlined the range of threats, military and non-military, that NATO allies face from Russia and other state and non-state actors.

A combination of fear of the US losing interest in Europe, worry about Russia's growing military capability, and the removal of British objections to European defence integration culminated in December with the launch of 'Permanent Structured Co-operation (PESCO)' – a defence club linking 25 EU member-states. The shape of the initiative reflected a compromise between France, which had wanted to limit PESCO to a smaller group of countries willing and able to invest in defence and take part in demanding operations, and Germany, which wanted a more political PESCO with a larger number of states. There are good reasons for EU member-states to work together more closely: Europe has far too many small national defence equipment programmes, resulting in wasteful spending

and incompatible systems. If PESCO can help to rationalise the European defence industry, invest in innovative technology, avoid cutting across work in NATO and find a way to involve the UK post-Brexit, then it will have achieved a lot.

The events and trends of 2017 are a reminder that Brexit may be the all-consuming focus of government in the UK, but it is far from being the centre of attention elsewhere. Nonetheless, the UK has been a leading player in European foreign and defence policy, and (with France) one of the few internationally-minded member-states. Much of the Brexit debate has focused on future economic relations, but the UK and the EU will both suffer if they do not find ways to work well together on security issues. While pro-Brexit figures sometimes suggest that the UK will be free to pursue an independent foreign policy after March 2019, they can seldom suggest which of the current policies they would change. The CER has been working with Germany's Konrad Adenauer Stiftung on a series of workshops and publications examining how to plug in the British on security, foreign and defence policy after Brexit. This project will remain an important part of our work in 2018.



Ian Bond
Director of foreign policy, CER

CER events 2017

11 January

Breakfast on 'Article 50 and the best possible deal on Brexit'
with Keir Starmer, London

24 January

Dinner on 'What future for Europol?'
with Rob Wainwright, London (top right)

30 January

CER/Kreab breakfast on 'A plan for Europe's neighbourhood'
with Johannes Hahn, Brussels

1 February

Dinner on 'Making a success of the EU's security union'
with Julian King, London (second from top, right)

2 February

CER/Kreab breakfast on 'How to found EU policy-making on scientific evidence'
with Carlos Moedas, Brussels

9 February

Breakfast on 'Britain and the World Trade Organisation'
with Julian Braithwaite, London

21 February

CER/Kreab breakfast on 'Can the euro area work without political union?'
with Poul Thomsen, Brussels

6 March

Launch of 'Parliamentarians in Brexit talks: Bulls in a china shop?'
speakers included: Seb Dance, Sylvie Goulard (middle, right) and Jennifer Rankin, Brussels

15 March

CER/Jacques Delors Institut – Berlin discussion on Brexit and the EU budget
with Alex Barker and Jörg Haas, Brussels

20 March

Launch of three publications on 'Russia and its neighbours: Competition, co-operation and conflict'
with Jonathan Fenby and Kataryna Wolczuk, London

24 March

Launch of three publications on 'Russia and its neighbours: Competition, co-operation and conflict'
with Steven Everts and Amanda Paul, Brussels

28 March

CER/RIAC launch of three publications on 'Russia and its neighbours: Competition, co-operation and conflict'
with Andrei Kortunov, Moscow

29 March

Breakfast on 'Has Europe solved its migration crisis or have we just forgotten about it?'
with Raoul Ueberecken, Brussels

29 March

CER/Jacques Delors Institut – Berlin roundtable on 'Who pays for Brexit?'
with Alex Barker and Jörg Haas, Berlin

11 April

CER/Kreab breakfast on 'The future of EU trade policy'
with Cecilia Malmström, Brussels

20 April

CER/Notre Europe – Institut Jacques Delors roundtable on 'Brexit and the EU budget'
with Alex Barker and Eulalia Rubio, Paris

25 April

CER/Kreab breakfast on 'How to strengthen the European defence market'
with Jyrki Katainen, Brussels (second from bottom, right)

25 April

CER/Quilliam roundtable on 'The future of European counter-terrorism policy: What next after Brexit and Trump?'
speakers included: Sean Arbuthnot, Julia Ebner and Ghaffar Hussain, London (bottom, right)

27 April

Brookings/CER/SWP Daimler US-European Forum on Global Issues
speakers included: Markus Ederer, Martin Wolf, Andreas Michaelis, Robert Kagan and Victoria Nuland, Berlin



4 May

Launch of 'Parliamentarians in Brexit talks: Bulls in a china shop?'

with John Peet and Joyce Quin (top, left), London



4-6 May

CER/East Office/AIG Arctic Bridge Summit

speakers included: Esko Aho, Richard Barrons, Elisabeth Braw, Pauline Neville-Jones and Andrey Zagorskiy, Levi

10 May

CER/Kreab breakfast on 'Digital challenges for transport markets in Europe'

with Henrik Hololei, Brussels



10 May

Seminar on 'Brexit: Why Britain voted to leave the European Union'

with Florence Faucher, Matthew Goodwin and Paul Whiteley, Brussels



15 June

Dinner on 'The strategic challenges facing Europe'

with Rose Gottemoeller, Brussels

26 June

Roundtable on 'Scotland, Brexit and the future of the EU'

with Michael Russell, London



26 June

CER/The Briefing Circle dinner on 'Europe's digital economy'

with Andrus Ansip, London

27 June

Fifth meeting of the Amato Group on 'Are Libya and Tunisia Europe's own Nauru island? The 'offshoring' of EU asylum and migration policies'

with Giuliano Amato, Eugenio Ambrosi, Sophie Magennis and Fransje Molenaar, Brussels



14 July

Breakfast on 'The key issues in the Brexit negotiations'

with Keir Starmer, London (second from top, left)

26 July

CER/OSEPI launch of 'Brexit maze: The role of EU institutions in the negotiations'

with Stefaan De Rynck and Heather Grabbe, Brussels

12 September

CER/Clifford Chance lunch on 'The future of tax competition in Europe'

with Gert-Jan Koopman and Pascal Saint-Amans, Brussels

13 September

Conference on 'The German election: Implications for Europe'

speakers included: Jochen Andritzky, Michael Arthur, Christine Ockrent (middle, left) and Peter Ptassek, London

18 September

CER/IIEA launch of 'Ulster's fight, Ulster's rights? Brexit, Northern Ireland and the threat to British-Irish relations'

with Edward Burke, Dublin

22 September

CER/Kreab breakfast on 'The future of Europe'

with Martin Selmayr, Brussels

25 September

Labour Party Conference fringe event on 'How to handle Brexit'

with Hilary Benn, Yvette Cooper, Keir Starmer and Chuka Umunna, Brighton

26 September

Launch of 'Brexit and energy: Time to make some hard choices'

with Philip Lowe, London (second from bottom, left)

2 October

Conservative Party Conference fringe event on 'How to handle Brexit'

with Vicky Ford, Dominic Grieve, Andrea Leadsom (bottom, left), Juliet Samuel and Konrad Szymański, Manchester

6-8 October

CER/ECFR/EDAM 13th Bodrum Roundtable

speakers included: Mehmet Şimşek, Kati Piri, Kori Schake, Nathalie Tocci, Yaroslav Trofimov and Selim Yenel, Bodrum

13 October

Launch of 'Brexit and energy: Time to make some hard choices'

with Philip Lowe, Brussels

17 October

19th birthday party
with a keynote speech by Nick Clegg (top, right), hosted by Ambassador Torbjörn Sohlström, London

23 October

CER/KAS roundtable on 'Plugging in the British: EU foreign policy'
with Alan Bowman, Victoria Nuland, Bård Vandvik and Pierre Vimont, London

25 October

Breakfast on 'The state of the Brexit negotiations'
with Ivan Rogers, London
(second from top, right)

3-4 November

Conference on 'How to save the EU?'
speakers included: László Andor, Marco Buti, Barry Eichengreen (middle, right), François Heisbourg, Catherine Mann, Luuk van Middelaar, Yascha Mounk, Tomáš Prouza, Norbert Röttgen, Ludger Schuknecht, Brad Setser, Constanze Stelzenmüller, Poul Thomsen, Paul Tucker, Adair Turner, Jordi Vaquer, Stefanie Walter and Jeromin Zettelmeyer, Ditchley Park

16 November

Launch of 'Relaunching the EU'
with Jean-Pierre Jouyet, London

20 November

Conference on 'The future of the EU'
with a keynote speech by Michel Barnier. Speakers included: Luis Garicano, Hélène Rey (second from bottom, right), Martin Sandbu, John Bruton, Monique Ebell, Peter Mandelson, Jean-Claude Piris, Sophie Magennis, Jonathan Portes, Monika Sie Dhian Ho, Raoul Ueberecken, François Heisbourg and George Robertson, Brussels

22 November

Launch of 'Can EU funds promote the rule of law in Europe?'
with Carl Dolan, Frank Engel, Heather Grabbe and Jasna Šelih, Brussels

22 November

CER/Embassy of Ireland launch of 'Ulster's fight, Ulster's rights? Brexit, Northern Ireland and the threat to British-Irish relations'
with Edward Burke, Caoilfhionn Gallagher and Carolyn Quinn, London

27 November

Breakfast on 'Britain's relations with Europe after Brexit'
with Damian Green, London

30 November

CER/KAS roundtable on 'Plugging in the British: EU defence policy'
speakers included: Malcolm Chalmers, Robert Cooper, Nicole Koenig, Tom Holter, Angus Lapsley and Tim Lawrenson, Berlin

30 November

CER/GMF launch of 'Relaunching the EU'
with Charles Grant and Luca Di Preso, Washington

30 November-1 December

Brookings/CER/SWP Daimler US-European Forum on Global Issues
with Thomas Bagger, Brian Hook, H.R. McMaster, Wess Mitchell, Karen Pierce, Matthew Pottinger and Nicolas de Rivière, Washington

8 December

Launch of 'A new deal for the eurozone: Remedy or placebo?'
with Alan Beattie, José Leandro, João Nogueira Martins and Shahin Vallée, Brussels (bottom, right)

19 December

CER/Polityka Insight launch of 'A new deal for the eurozone: Remedy or placebo?'
with Marek Belka, Lucas Guttenberg and Fabrice Lengart, Warsaw



CER publications 2017



What free movement means to Europe and why it matters to Britain

policy brief by Camino Mortera-Martinez and Christian Odendahl *January 2017*

Parliamentarians in Brexit talks: Bulls in a china shop?

policy brief by Agata Gostyńska-Jakubowska *February 2017*

The €60 billion Brexit bill: How to disentangle Britain from the EU budget

policy brief by Alex Barker *February 2017*

Mrs May's emerging deal on Brexit: Not just hard, but also difficult

policy brief by Charles Grant *February 2017*



Contested space: Eastern Europe between Russia and the EU

policy brief by Ian Bond *March 2017*

The EU, the Eurasian Economic Union and One Belt, One Road: Can they work together?

policy brief by Ian Bond *March 2017*

Berlin to the rescue? A closer look at Germany's position on Brexit

policy brief by Sophia Besch and Christian Odendahl *March 2017*

Brexiting Swiss-style: The best possible UK-EU trade deal

policy brief by John Springford *April 2017*



Unfreezing TTIP: Why a transatlantic trade pact still makes strategic sense

policy brief by Rem Korteweg *May 2017*

Trump, Europe and the Middle East peace process: A path out of the quicksand

policy brief by Luigi Scazzieri *June 2017*

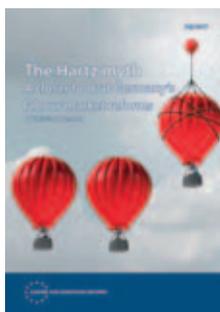
Brexit maze: The role of EU institutions in the negotiations

policy brief by Agata Gostyńska-Jakubowska *July 2017*

Ulster's fight, Ulster's rights?

Brexit, Northern Ireland and the threat to British-Irish relations

policy brief by Edward Burke *July 2017*



The Hartz myth: A closer look at Germany's labour market reforms

policy brief by Christian Odendahl *July 2017*

Brexit and energy: Time to make some hard choices

policy brief by Philip Lowe *September 2017*

How the EU and third countries can manage migration

policy brief by Luigi Scazzieri and John Springford *November 2017*

Relaunching the EU

report by Charles Grant with Sophia Besch, Ian Bond, Agata Gostyńska-Jakubowska, Camino Mortera-Martinez, Christian Odendahl, John Springford and Simon Tilford *November 2017*



Can EU funds promote the rule of law in Europe?

policy brief by Jasna Šelih with Ian Bond and Carl Dolan *November 2017*

A new deal for the eurozone: Remedy or placebo?

policy brief by Agata Gostyńska-Jakubowska *November 2017*

CER staff 2017

Charles Grant is the director.
His interests include Britain's relationship with the EU, European institutions, European foreign and defence policy, Russia and China.



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Christian Odendahl is the chief economist & Berlin representative.
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Rem Korteweg was a senior research fellow.
He worked on transatlantic, Europe-Middle East and Europe-Asia relations, the geopolitics of energy, trade, and security and defence policy.



Agata Gostyńska-Jakubowska is a senior research fellow.
She specialises in the EU's institutions and decision-making process, Poland's European policy and Britain's relationship with Europe.



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She specialises in justice and home affairs, migration, internal security, privacy, criminal law and police and judicial co-operation.



Sophia Besch is a research fellow.
She specialises in NATO, European defence and German foreign policy.



Luigi Scazzieri is a research fellow.
He specialises in European foreign and security policy, the Middle East and Russia.



Noah Gordon is the Clara Marina O'Donnell fellow (2017-18).
The fellowship is aimed at those at the start of their careers who are interested in foreign, defence and security policy.



Beth Oppenheim is a researcher.
She focuses on Brexit and trade.



Nick Winning is the media officer & editor.
He is responsible for the CER's media coverage and strategy and edits research.



Kate Mullineux is the publications manager & website editor.
She designs CER publications and organises their production and is responsible for managing all website content.



Sophie Horsford is the fundraising & operations manager.
She is responsible for the day-to-day management of the CER, particularly finance and fundraising.



Jordan Orsler is the events manager.
She is responsible for the planning and execution of the CER's conferences and roundtables.



Bea Dunscombe is the administrative assistant & PA to Charles Grant. She is the first point of contact for visitors to the CER and supports the work of researchers.



Lucy Slade is the events intern.
She assists with the co-ordination and administration of CER events.



Anna Yorke was the press & communications co-ordinator.
She was responsible for the CER's communications strategy and press enquiries.



Daniel Crewes was the administrative assistant.
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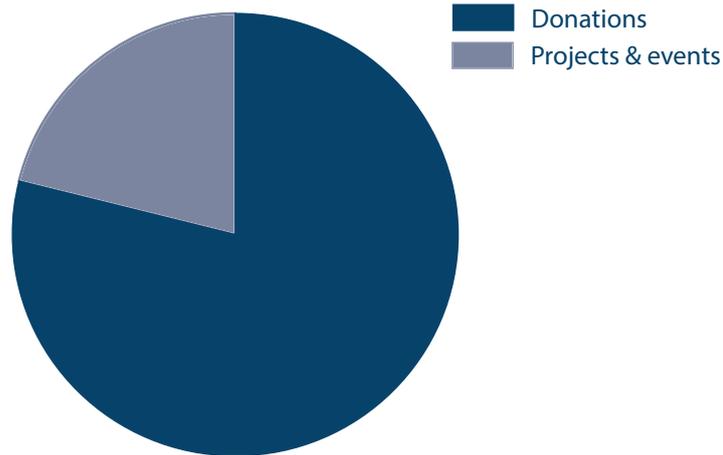
Invesco Perpetual
Microsoft
Morgan Stanley
MSD Europe Inc
Porta Advisors
PwC
Qualcomm
Rio Tinto
Siemens
Shell International Limited
Statoil

Financial information

Audited accounts for year ending 31.12.2016

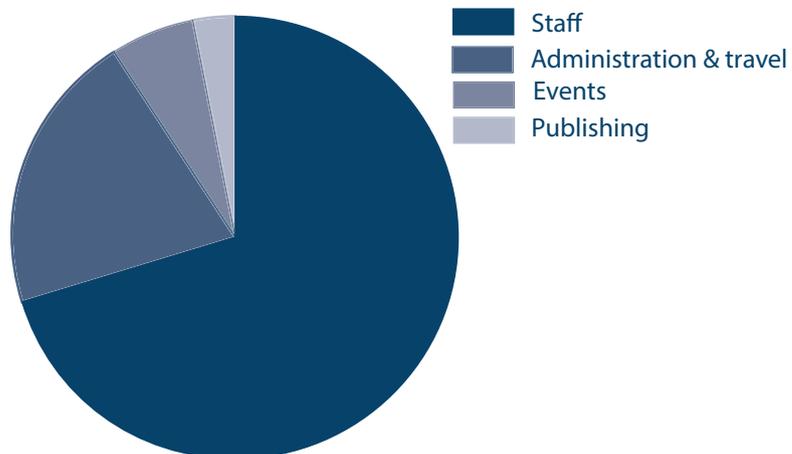
Income for 2016:

Total £1,257,378



Expenditure for 2016:

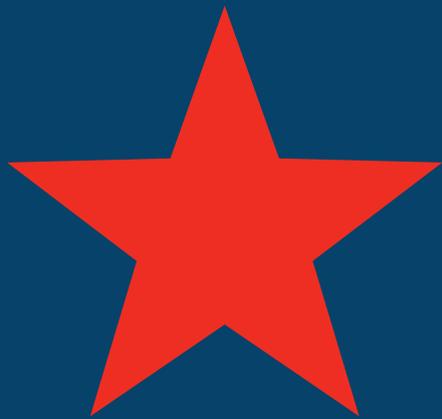
Total £1,352,050



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