



CENTRE FOR EUROPEAN REFORM

annual report

2003





About the CER

The CER is a think-tank devoted to improving the quality of the debate on the future of the European Union. It is a forum for people with ideas to discuss the many political, economic and social challenges facing Europe. It seeks to work with similar bodies in other EU countries, in North America and elsewhere in the world.

The CER is pro-European but not uncritical. It regards European integration as largely beneficial but recognises that in many respects the Union does not work well. The CER therefore aims to promote new ideas and policies for reforming the EU.

The CER makes a point of bringing together people from the world of politics and business. Most of our meetings and seminars are invitation-only events, 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 business people, senior officials, ministers and commissioners ask us to provide. The CER's work is funded by donations from the private sector. It has never received money from governments or EU institutions.

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

- ★ The euro and economic reform
- ★ Enlargement of the European Union
- ★ Reform of the EU's institutions and policies
- ★ European foreign and defence policy
 - ★ Transatlantic relations
 - ★ Justice and home affairs
 - ★ The EU and Russia

A good year for the CER...

The past year has been one of the best ever for the CER. Whether success is measured by the impact of our publications, our visibility in the British and global media, or the number of opinion pieces that we write for the international press, we have had a fine year. A CER team won the Foreign Policy Association/Richard C Welden Foundation essay competition, for a piece on transatlantic relations. Colin Powell awarded the prize to the CER's Steven Everts at the FPA's annual dinner in New York in May. And then in October the CER won *Prospect* magazine's think-tank of the year award. The judges cited the CER's influence in countries outside the UK as one of their reasons for giving us the prize.

Of the 41 seminars that we held in 2003, many were memorable. I recall in particular the Moscow launch of our pamphlet on Russia and the WTO, at which Maxim Medvedkov, Russia's chief WTO negotiator, spoke and several oligarchs listened. In March Gordon Brown gave a speech on economic reform at the launch of Alasdair Murray's 'Lisbon Scorecard III' – a few days after he had hosted our fifth birthday party at 11 Downing Street. In May, at a dinner for our corporate supporters, Jean-Claude Trichet gave a spirited defence of the European Central Bank and the Stability and Growth Pact. In June we held our annual think-tank forum in Warsaw, on the EU's eastern policy, with over 23 speakers from almost as many countries contributing to debates of very high quality that extended over three days. In October Pascal Lamy gave a speech to mark the launch of my own 'Transatlantic rift: how to bring the two sides together', in Brussels. And in the same month, in London, at one of our six-monthly CER-Brookings fora on world order and global issues, senior figures from the Bush administration including John Bolton argued over Iran and Iraq with the chief advisers of Tony Blair, Jacques Chirac, Gerhard Schröder and Javier Solana.

We have deliberately published fewer pamphlets, essays and working papers in 2003. In previous years we had over-stretched ourselves by publishing too much. The eight that we published in 2003 made an impact. One of them, David Willetts' 'Old Europe? Demographic change and pension reform' attracted more attention than any other British think-tank publication in 2003, bar one. Some of its proposals – for example that governments should encourage a higher birth rate by providing strong support for women to work while having children – are now close to becoming conventional wisdom.



Moscow launch of 'Russia and the WTO' with (L to R), Maxim Medvedkov, Sir Roderic Lyne, Charles Grant, Professor Yevgeny Yasin and Constantine Remchukov, February 2003.

We also published many more shorter things, including seven of our policy briefs. And we have made much greater use of our website, reacting to events with instant analysis and opinions, as we did, for example, on the British euro decision, the EU-Russia energy dialogue, and the deal between the UK, France and Germany on European defence. We have covered moving targets such as the EU's constitutional debate and the inter-governmental conference with website briefings that are updated frequently and which, at the right moment, we will print.



London launch of 'The Lisbon scorecard III' with Gordon Brown and Charles Grant, March 2003.

In last year's report I mentioned that some of the ideas that we had championed, such as the abolition of the EU's rotating presidency, the creation of a European Council president and the merger of the jobs done by Javier Solana and Chris Patten, were likely to get into the EU constitution. And so they did. Our ideas proved influential in other areas, too. The Sapir report on EU economic governance, presented to Commission

President Romano Prodi in September, chimed with several of the CER's long-standing themes, for example in calling for the establishment of an independent EU trust-buster, and the redirection of EU spending towards R&D, as well as education and infrastructure in the accession countries. The officials who drew up the EU's new security strategy, adopted by the European Council in December, have generously acknowledged the influence of CER thinking on the document. A good example is our belief that the EU should use a broad spectrum of instruments – such as trade, aid, migration policy and political dialogue – conditionally, in support of the Union's political objectives. It is also worth mentioning the declaration on transatlantic relations that the CER and the Brookings Institution put together shortly after the Iraq war. Many eminent thinkers signed the declaration and we think it helped some people to realise that the two sides of the Atlantic needed each other in order to tackle common problems.

...but a bad year for the British debate on Europe

Ever since the CER began business six years go, we have had two missions: to improve the quality of the European debate in Britain, and to come up with new ideas and policies for reforming the EU. Since then we have grown beyond our British roots, to become a European think-tank that happens to be based in London. Half our staff are non-British, and

around half our meetings take place outside the UK. We certainly aspire to be a European rather than a British institution. Nevertheless we should not lose sight of the fact that we play an important role in the UK, and I would like to say something about that role.

Although 2003 was a memorable year for the CER, the pro-European cause in Britain had a dismal time. The government postponed a decision on the euro referendum. Britain in Europe, the pro-European lobby group, down-sized drastically. The British media, and not only the well-known eurosceptic newspaper groups, have become increasingly hostile to the EU. Even relatively neutral institutions, such as the BBC, have – partly to avoid the charge of ‘elitism’ – followed the fashion of viewing Brussels and the EU in a negative light. To quote one senior BBC journalist: “The way to make a name for yourself as a rising star on Newsnight is to do stories that knock the EU.”

Meanwhile the British government, although led by a pro-European prime minister, has made little effort to counter public hostility to the EU. Most ministers made no attempt to convince public opinion that the draft EU constitution had merits. Instead they ignored or criticised it. Almost no cabinet minister is prepared to make the positive case for the EU. The anti-European lobbies – well-funded, well-organised and linked to influential columnists who set the tone of the public debate – have never been stronger. These lobbies are in favour of British withdrawal from the EU. I fear that in 2004 the British debate on Europe will shift even further in a sceptical direction: the weakness of the Labour government, a revival of the Tories under



London conference on transatlantic relations with Michael Howard and Steven Everts, October 2003.

the eurosceptic Michael Howard and rows over a referendum on the constitution may foster growing hostility to the EU. It is quite possible that the debate over whether Britain should remain a member of the EU will shift from the extreme fringes of British politics to centre stage.

The CER is virtually the only pro-European institution which consistently engages with Britain’s public debate on the future of Europe. Of course, we never argue that case uncritically: we are

respected because we are our own masters and we quite often criticise EU institutions or British government policy. My colleagues and I spend a huge amount of our time briefing journalists, appearing on radio and TV, and writing opinion pieces in newspapers. Although we are a small think-tank – we had only six researchers (myself included) for much of 2003 – our impact on the British media is considerable. Whether the issue is the war in Iraq, the euro, the Stability and Growth Pact, the Convention, transatlantic trade disputes or the inter-governmental conference, it is CER staff who appear on the Today Programme, the World at One, the World Tonight, Channel Four News or Newsnight.

One could even argue that if we did not exist, the British media would need to invent something like the CER to provide them with intelligent comment on Europe.

As far as my colleagues and I are concerned, our prime job is to write and publish high-quality research that can influence policy-makers in Europe and beyond, and to organise seminars where we can debate and promote new policies and ideas. However, we have a crucial second role, which is to brief the media on EU issues. We wish that there were other British think-tanks or lobbying groups that could help us in presenting an intelligent case for Europe. But there are not, for now, and we shall not shirk from doing the best we can to counter the prejudice and ignorance which colours the UK debate.

Despite this gloomy analysis, we are aware that one of our jobs is to help people to think about the long-term future of Europe in a positive way. That is why our biggest research project for 2004 is a look at the EU in 2020: what is our vision for the future of Europe, and how do we get there?

Charles Grant
Director



Warsaw think-tank forum with (L to R) Wanda Rapaczynski, Charles Grant, Heather Grabbe, Henning Tewes and Susan Maingay, June 2003.

Publications 2003

Pamphlets, essays and working papers

The case for a stronger European Parliament

Lousewies van der Laan (December 2003)



The EU's new borderlands

Judy Batt (October 2003)

Old Europe? Demographic change and pension reform

David Willetts MP (September 2003)

Transatlantic rift: how to bring the two sides together

Charles Grant (July 2003)

Corporate social responsibility in the EU

Alasdair Murray (June 2003)



Guarding Europe

Adam Townsend (May 2003)

The Lisbon Scorecard III: the status of economic reform in the enlarging EU

Alasdair Murray (March 2003)

The EU and the Middle East: a call for action

Steven Everts (January 2003)

Policy briefs

The EU and Iran: how to make conditional engagement work

Steven Everts (December 2003)

After the Brussels summit: what next for the EU?

CER (December 2003)

Germany – the sick man of Europe?

Katinka Barysch (December 2003)

A pact for stability and growth

Katinka Barysch (October 2003)

The CER guide to the EU constitution

CER (October 2003)

Does enlargement matter for the EU economy?

Katinka Barysch (March 2003)

The euro and prices

Katinka Barysch (February 2003)

Briefing notes (web only)

The CER guide to the Brussels summit

CER (December 2003)

EU defence takes a step forward

Charles Grant (December 2003)

The politics of the IGC

CER (October 2003)

Difficult but necessary: a transatlantic strategy for the greater Middle East

Steven Everts (June 2003)

The EU-Russia energy dialogue

Charles Grant and Katinka Barysch (May 2003)

Why the EU needs a security strategy

Steven Everts and Heather Grabbe (May 2003)

Europe needs an avant-garde for military capabilities

Daniel Keohane (April 2002)

The Europeans can stick together on Iraq

Steven Everts, Heather Grabbe and Charles Grant (February 2003)

Opinion papers (web only)

Resolving the rows over ESDP

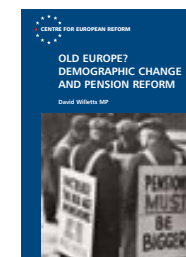
Charles Grant (October 2003)

Can the EU achieve an area of freedom, security and justice?

Adam Townsend (October 2003)

Britain and the euro: how to reap the benefits

Katinka Barysch (June 2003)



Events 2003

29 January: Launch of 'The EU and the Middle East' with Javier Solana, Brussels (right)

31 January: Seminar on 'The jobs of the High Representative and the Commissioner for External Relations' with Sir Nigel Sheinwald, London

11 February: Dinner seminar hosted by Emyr Jones-Parry on NATO-EU relations, Brussels

18 February: Launch of 'Russia and the WTO' with Maxim Medvedkov, Moscow

25 February: Launch of 'The EU and the Middle East', The Hague

28 February: Enlargement working group meeting on the outlook for referenda in the candidate countries, London

6 March: CER 5th birthday party hosted by the Rt Hon Gordon Brown MP at No 11 Downing Street

10 March: Launch of 'The Lisbon Scorecard III' with the Rt Hon Gordon Brown MP, London

19 March: Dinner seminar with Simon Webb and Peter Ricketts on European defence, London

27 March: Breakfast seminar on, 'The Convention and the constitution, with Commissioner Michel Barnier, Brussels

3-4 April: 7th meeting of the US-European Forum, on World order and Global issues with Javier Solana, Washington



9 April: Breakfast seminar with Sir David Tweedie on International accounting standards, London

10 April: Launch of CER's JHA programme, hosted by Nigel Sheinwald with Commissioner António Vitorino, Brussels



1 May: Brainstorming on the future of the German economy, London

5 May: Breakfast seminar on 'The future of European agriculture' with Commissioner Franz Fischler, Brussels

20 May: Seminar on 'A wider Europe based on a community of values' with George Papandreu, Greek foreign minister, Brussels

27 May: Foreign Press Association briefing on the Convention and the euro, London

27 May: Dinner seminar on European Central Bank reform with Jean-Claude Trichet, London

10 June: Breakfast seminar on 'Economic and constitutional reform' with Denis MacShane MP, London

23 June: Seminar on the Convention with Denis MacShane MP and Hans Martin Bury MdB, London

29 June: Think-tank forum on 'The EU's new neighbourhood: strategies for an eastern policy for the enlarged union' with the Konrad-Adenauer Stiftung, Warsaw

3 July: Seminar on 'Public policy and CSR – what role for the EU?' with Commissioner Erkki Liikanen (bottom left, and the CER's Alasdair Murray on his left), Brussels

16 July: Seminar on European defence with Sir Kevin Tebbit, London

28 July: Launch of 'Transatlantic rift: how to bring the two sides together' with Robert Cooper, London

10 September: Launch of 'Transatlantic rift' hosted by the German Marshall Fund, Washington

12 September: Launch of 'Transatlantic rift' hosted by the American Enterprise Institute, Washington

22 September: Launch of the German translation of 'The Lisbon Scorecard III', Berlin

22 September: Launch of 'Transatlantic rift' with Commissioner Pascal Lamy, Brussels (left)

23 September: Launch of 'Old Europe? Demographic change and pension reform' with David Willetts MP, London

24 September: Launch of 'Transatlantic rift' hosted by IFRI, Paris

24 September: Fringe meeting at the Liberal Democrat Party Conference with Michael Moore MP and Sir Timothy Garden, Brighton

29 September: Fringe meeting at the Labour Party Conference with Robin Cook MP, Dominique Strauss-Kahn and Peter Mandelson MP, Bournemouth (right)

1-2 October: Franco-British seminar on foreign policy hosted by the French Embassy, London



7 October: Fringe meeting at the Conservative Party Conference with David Curry MP, Carl Bildt, John Bruton and Ian Taylor MP, Blackpool

8 October: Launch of 'Transatlantic rift' at the Aspen Institute, Berlin

22 October: Breakfast seminar on 'Competition policy reforms' with John Vickers, London

28 October: Conference on transatlantic relations with the GBF: speakers included Michael Howard, Otmar Issing and Otto Schily, London

30 October: Public debate on transatlantic relations with Christoph Bertram, Carl Bildt, François Heisbourg, Bill Kristol and Jim Steinberg, London

30-31 October: 8th Meeting of CER/Brookings US-European Forum on 'World order and global issues' speakers included: John Bolton, London

17-18 November: CER/SIEPS seminar on foreign policy hosted by the Swedish Embassy, London

5 December: CER/SAR/GMF seminar on Romania and Bulgaria, Brussels



17 December: Brainstorming on the 'European approach to warfare' with François Heisbourg and Lawrence Freedman, London

Financial support

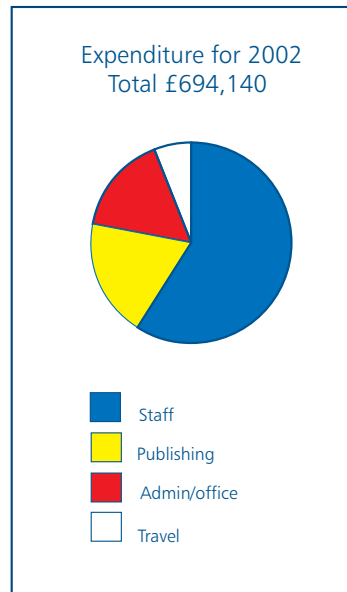
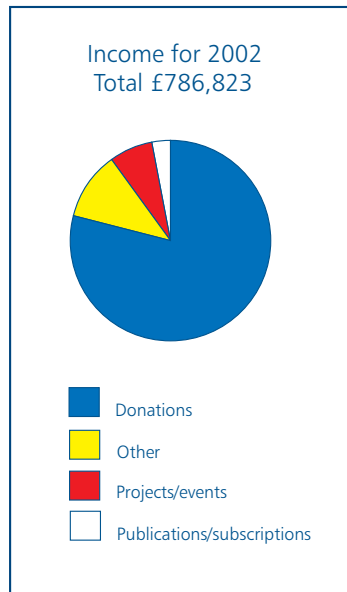
Corporate members of the CER include:

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

Income & expenditure

Audited accounts for year ending 31.12.2002



CER snapshots



Public debate on 'The future of the transatlantic relationship' with (L to R) Christoph Bertram, Bill Kristol, Charles Grant, François Heisbourg, Carl Bildt and Jim Steinberg in London



Pascal Lamy and Charles Grant at the launch of 'Transatlantic rift: how to bring the two sides together'



David Willetts MP at the launch of 'Old Europe? Demographic change and pension reform'



Charles Grant holding the Prospect think-tank of the year cup



Carl Bildt and Steven Everts at the CER fringe meeting, Conservative Party Conference in Blackpool

Advisory board members

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JOHN MONKS: General Secretary, European Trades Union Congress

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Staff

Charles Grant is the director.

His interests include transatlantic relations, the EU constitution, European defence and Russia.



Heather Grabbe is the deputy director.

Her principal interests are EU enlargement, institutional questions, and justice and home affairs.



Alasdair Murray is director of the business and social affairs unit.

He focuses mainly on economic reform, financial services and competition policy.



Steven Everts is senior research fellow and director of the transatlantic programme.

He also specialises in EU foreign and security policy, and the wider Middle East



Katinka Barysch is the chief economist.

She also manages the programme on Russia-EU relations and takes a keen interest in the countries which are joining the EU.



Daniel Keohane is the CER's research fellow on security and defence policy.

He also follows the EU's institutional debate.



Catherine Hoye manages the CER office and organises the events.



Kate Meakins designs the CER's publications and organises their production.

She also manages subscriptions and sales.



Laure Astill is the CER's web editor.
She is also the CER's Paris representative



"Americans need to understand that policies intended to divide Europe are not conducive to healthy and constructive transatlantic relations," warns the invariably sensible and europhile Centre for European Reform

The Guardian



A think-tank that manages to be both Atlanticist and Europhile

The Economist

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