



2004





CENTRE FOR EUROPEAN REFORM

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 from Britain and across the continent to discuss the many social, political and economic challenges facing Europe.

The CER seeks to work with similar bodies in other European countries, North America and elsewhere in the world. It 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 its meetings and seminars are invitation-only events, to ensure a high level of debate. The conclusions of its research and seminars are reflected in its publications, as well as in the private papers and briefings that business people, senior officials, ministers and commissioners ask the CER to provide.

The CER 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's relations with Russia and China



The CER extends its reach

The CER has always championed an outward-looking EU that is aware of its global responsibilities. In several ways the EU is evolving in the right direction: it has enlarged eastwards and still plans to take in more countries; it has started to develop its own security strategy and (albeit modest) military capabilities; and it has established a carbon emissions trading system that offers the rest of the world a model for tackling global warming. Though the EU faces internal problems that may distract it from thinking globally – such as the slow pace of economic reform and the ratification of its constitutional treaty – many trends are positive.

The EU's increasingly global reach has been reflected in the CER's own work. Some of the highlights from 2004 which linger in my memory include the series of seminars in London, Brighton, Brussels and Washington that launched *A European Way of War*, with defence secretary Geoff Hoon speaking at two of them; Bertie Ahern, the Taoiseach, speaking at the Dublin launch of *The Lisbon Scorecard IV*; Joschka Fischer delivering a CER/London School of Economics lecture on transatlantic relations, with a thousand people in the audience; Mario Monti's speech on his last day as a commissioner, at the Brussels seminar where we unveiled *A fair referee? The European Commission and EU competition policy*; and our major conference on the EU's constitutional treaty, at the top of the Clifford Chance tower in Canary Wharf, with Jack Straw, Giuliano Amato and Lord Kerr heading the billing.

In the second half of the year much of our work focused on Turkey. The CER has been a strong advocate of the EU opening membership talks with Turkey. We have published three essays and run five seminars on Turkish accession – two in Istanbul, two in London and one in Paris. One of the Istanbul events, organised with the British Council, brought together senior ministers, commentators and officials from Turkey and EU countries. This was so successful that we will make it the first in an annual series.

In 2004 the CER extended its geographical reach, in terms of both the countries it covers and the location of its meetings. In addition to three seminars in Washington we organised events in Belgrade, Moscow and Tehran. We ran a conference on Kazakhstan, in London, and visited Beijing and Shanghai to start a new programme of work on EU-China relations. We published papers on Iran and Ukraine. At the end of the year we became a founding member of the 'Arab Reform Initiative', a



Conference on 'The EU's constitutional treaty' with Jack Straw and Charles Grant, December 2004



Speech by Joschka Fischer, October 2004

programme of events and publications that aims to promote reform in Arab countries; our partners in this project are ten Arab think-tanks and the Council on Foreign Relations in New York. I welcome this broadening of our horizons. We have always favoured a Europe that is open to the world rather than one which is introverted. And we believe that many of the challenges that will shape the way the EU develops in the coming years are external.

We have gradually shifted the emphasis of our publications from longer pamphlets and working papers to shorter 'policy briefs' and essays. There is no doubt that our shorter publications attract more readers. That said, we shall continue to produce pamphlets or working papers when we think the material justifies the length. We are also making greater use of our website to react rapidly to events, such as the agreement on the constitutional treaty in June 2004, or the crisis in Ukraine in November. The website is an increasingly important means of selling our publications: sales of electronic versions of our pamphlets and papers went up 67 per cent in 2004. Our website continues to win plaudits, with as many as 15,000 separate users logging on in a single month. We redesigned the front page at the end of the year to make it even more appealing.

In 2003 we won the *Prospect* think-tank of the year award, a prize which cannot be won two years running. Nevertheless in 2004 we won the *Prospect* award for the best think-tank pamphlet of the year, David Willetts' *Old Europe? Demographic change and pension reform*. In October Notre Europe, the Paris-based think-tank, published a thorough, 150-page report on all the European think-tanks which deal with EU matters. The study described the CER as "a credible and influential advocacy tank". Analysing the results of a questionnaire sent to all the think-tanks covered, Notre Europe reported: "[The CER] is the only think-tank which was mentioned in nearly all the answers to the question 'which EU think-tanks have influence today?' throughout the EU." The study explained the CER's influence as due to "a successful media strategy, the pragmatism of its policy proposals and the quality of its research output". Also in 2004, the whole CER team shared the credit when the French government made me a *Chevalier de l'Ordre Nationale du Mérite*.

One measure of our success is that politicians pick up our ideas. The CER's series of annual Lisbon scorecards, for example, has helped to

shape the debate on economic reform in the EU. Thus Wim Kok's committee on the future of the Lisbon agenda took up our idea that each member-state should produce an annual national action plan on progress towards the Lisbon targets. In 2004 our pamphlet on Russia-EU relations proposed the creation of a European college in Moscow, to better inform Russians about the EU: the Commission and the Russian presidential administration have now launched plans for such a venture. The Commission's Green Paper on the need to open up the European defence market copied sections of our 2002 working paper on that subject almost word for word.

Another measure is the kind of jobs that our staff are offered. At the end of the year, Heather Grabbe left to join the European Commission, working in the cabinet of enlargement commissioner Olli Rehn. Steven Everts went to the cabinet of Javier Solana, the EU's foreign policy chief, in the Council of Ministers. As far as I am aware, neither the Commission nor the Council has sought to hire researchers from any other think-tank at such a senior level. Both Heather and Steven have made a massive contribution to the success of the CER. Although we are sad to see them go, we are proud that they have taken up jobs at the heart of EU policy-making.

It is worth pointing out that all the CER's former researchers have gone on to interesting and important jobs. Kitty Ussher, having worked as a special adviser in the Department of Trade and Industry, has been selected as Labour Party candidate in a safe parliamentary seat; Alexandra Ashbourne has built a successful career as a defence consultant; Edward Bannerman worked in the Prime Minister's Strategy Unit before moving to the Treasury; and Ben Hall is one of the *Financial Times'* political reporters. I have no doubt that, given the strength of our reputation, we shall continue to attract the very best and brightest researchers.

We are also sad to lose Mónica Roma, not long after she joined us, because of her husband being posted to Islamabad. Some turnover among CER researchers is inevitable. What does not change is the CER's distinctive model. We will remain a small think-tank, with a total staff of about ten, employing the best people that we can find and paying them more than comparable think-tanks would pay. Some other think-tanks



Launch of 'A fair referee? The European Commission and EU competition policy', with Alasdair Murray and Mario Monti, October 2004



Seminar on 'NATO's Istanbul agenda' with Charles Grant and Jaap de Hoop Scheffer, June 2004

seem to measure their success by the number of researchers they employ, or the number of papers they publish. We prefer to go for quality rather than quantity, for informality rather than bureaucracy, and for collaboration rather than competition among our researchers. We have no plans to change this approach.

The British referendum on the constitutional treaty will soon be imminent. This poses challenges and dilemmas for the CER, which the advisory board discussed at some length at its meeting in July. In recent years the CER has become more of a European think-tank that happens to be based in Britain, and less of a think-tank focused on the British debate on Europe. In the run-up to the referendum there is bound to be some shift back to a British focus, because we play an essential role in providing the British media with clear and accurate explanations of EU issues. However, the CER as an institution will not campaign for any result in the referendum. We shall not become a 'political organisation', as defined under the terms of the Political Parties and Referendums Act. So long as the CER is not actively involved in the referendum as a campaigning organisation, our fund-raising should not be affected.

One of the secrets of the CER's success is that its advisory board, chaired by Nick Butler, plays an active role in questioning what we do and in steering our strategy. This year we have been delighted to welcome four new members to the advisory board: Pascal Lamy and António Vitorino, who were among the most distinguished members of the past European Commission; Lord Kerr, whose diplomatic career ended as secretary-general of the Convention on the Future of Europe; and Lord Robertson, the former defence secretary and secretary-general of NATO.

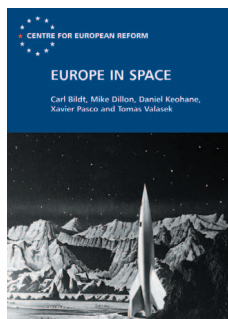
Finally, I would like to thank our many sponsors whose support is essential to our existence; the many politicians, officials and business people who give up their time to appear on our platforms; the many journalists from all over the world who write about our work; and last but not least, my colleagues, who make up an extraordinarily impressive team.

Charles Grant

Charles Grant
Director

CER Publications 2004

Pamphlets



The constellations of Europe: How enlargement will transform the EU
Heather Grabbe (April 2004)

A European way of war

Steven Everts, Lawrence Freedman, Charles Grant, François Heisbourg, Daniel Keohane and Michael O'Hanlon (May 2004)

The EU and Russia: Strategic partners or squabbling neighbours?

Katinka Barysch (May 2004)

Europe in space

Carl Bildt, Mike Dillon, Daniel Keohane, Xavier Pasco and Tomas Valasek (October 2004)

A fair referee?

The European Commission and EU competition policy

Alasdair Murray (October 2004)

Essays

From drift to strategy: Why the EU should start accession talks with Turkey

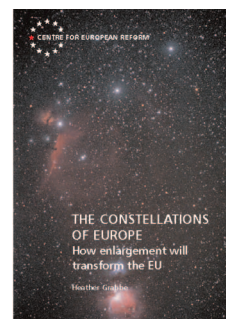
Heather Grabbe (July 2004)

An asset but not a model: Turkey, the EU and the wider Middle East

Steven Everts (October 2004)

When negotiations begin: The next phase in EU-Turkey relations

Heather Grabbe (November 2004)



Working papers

The Lisbon Scorecard IV:

The status of economic reform in the enlarging EU

Alasdair Murray (March 2004)



Engaging Iran: A test case for EU foreign policy

Steven Everts (March 2004)

An unstable house? Reconstructing the European Commission

Alasdair Murray (March 2004)

Manufacturing first: A new way forward for global trade

Bruce Stokes (May 2004)

Policy briefs

Europe's new defence agency

Daniel Keohane (June 2004)

How the EU should help its neighbours

Heather Grabbe (June 2004)

The CER's guide to the EU constitutional treaty

CER (July 2004)

Over but far from finished: The EU's financial services action plan

Alasdair Murray (September 2004)



Ukraine's European choice

Kataryna Wolczuk (October 2004) *web only*

The EU's common fisheries policy: The case for reform, not abolition

Aurore Wanlin (December 2004) *web only*

Briefing notes (web only)

Europe's new political geography

Charles Grant (February 2004)

Could a hard core run the enlarged EU?

Heather Grabbe and Ulrike Guérot (February 2004)

The EU budget: Common future or stuck in the past?

Iain Begg (February 2004)

The EU constitutional treaty: The state of play ahead of the summit

Aurore Wanlin (June 2004)

The EU constitutional treaty: The final deal

Aurore Wanlin (June 2004)

Barroso's Galacticos? The new European Commission

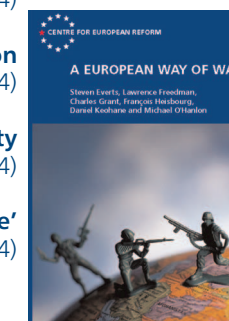
Alasdair Murray (August 2004)

A guide to the referenda on the EU constitutional treaty

Daniel Keohane (October 2004)

Ukraine should not be part of a 'great game'

Katinka Barysch and Charles Grant (December 2004)



CER Events 2004

13 January: Seminar on 'EU-Iran relations' with IPIS. Speaker: deputy foreign minister Moayeri Alireza, Tehran

5 February: Charles Grant awarded the *Chevalier de l'Ordre National du Mérite* by Ambassador Gérard Errera, London

10 February: Dinner seminar with Ed Balls, Treasury chief economic adviser, London

17 February: Breakfast seminar with Sir Stephen Wall, 10 Downing Street, London

25 February: Launch of 'Old Europe? Demographic change and pension reform' with David Willetts MP, Berlin

25 February: CER 6th birthday party at the Irish embassy. Speaker: the Rt Hon Jack Straw MP, London

2 March: Breakfast seminar on economic reform with Commissioner Bolkestein, Brussels



4 March: Launch of 'The EU's new borderlands', Belgrade

8 March: Launch of 'The Lisbon Scorecard IV with the Taoiseach, Bertie Ahern TD, Dublin (left)

12 March: Brainstorming on Europe's role in UN reform, London

23 March: Launch of 'The Lisbon Scorecard IV' with Ruth Kelly MP, London

29 March: Roundtable on migration with IPPR, London

19-20 April: 9th Meeting of CER/Brookings US-European Forum on world order and global issues, Washington

5 May: Roundtable on transatlantic relations with Philip Gordon, London

27 May: Launch of 'The constellations of Europe' with Commissioner Verheugen, Brussels (right)

8 June: Launch of 'A European way of war' with Lawrence Freedman and Jamie Shea, Brussels

8 June: Seminar on 'NATO's Istanbul agenda' with the Secretary-General of NATO, Jaap de Hoop Scheffer, Brussels

10 June: Launch of 'The EU and Russia' with Igor Yurgens, Richard Wright and Grigory Yavlinsky, Moscow

15 June: Seminar on 'Reforming Kazakhstan: the next steps', London

16 June: Public debate on migration with IPPR and Des Browne MP, London

22 June: Breakfast seminar with Commissioner Patten, Brussels

29 June: Dinner seminar on the European defence agency with Nick Witney, London

29 June: Roundtable on Iran, London

1 July: Launch of 'A European way of war' with the Rt Hon Geoff Hoon MP, London (below)

14 July: Breakfast seminar on 'The EU's evolving energy strategy' with François Lamoureux, Brussels

3 September: Dinner seminar with Geoff Mulgan, PM's Strategy Unit, London



9 September: Launch of the report of the Independent Commission on Turkey, 'Turkey in Europe, more than a promise?', London

21 September: Public debate on 'Could the European Union break up?' with Commissioner Lamy and Gideon Rachman of The Economist, Brussels

24 September: Breakfast seminar on 'After the financial services action plan' with Callum McCarthy, FSA, London

27 September: Fringe meeting at the Labour Party Conference on 'Does Europe need a constitution?' Speakers: Joaquin Almunia, Peter Mandelson, Pierre Moscovici and Poul Nyrup Rasmussen, Brighton

28 September: Fringe meeting at the Labour Party Conference on 'EU defence policy or NATO: must Britain choose?' Speakers: the Rt Hon Geoff Hoon MP and François Heisbourg, Brighton

5 October: Seminar on 'EU-Turkey relations'. Speakers: Kim Darroch, 10 Downing Street and Ambassador Michael Zilmer-Johns, London

12 October: Launch of 'An unstable house? Reconstructing the European Commission' with Commissioner Vitorino and Alex Stubb MEP, Brussels

15 October: Conference on 'The future of EU-Turkey relations', with the ARI movement. Speakers: Lord Hannay, Joost Lagendijk MEP, Kemal Derviş and Kemal Köprülü, Istanbul



15-16 October: Conference on 'EU-Turkey relations' with the British

Council. Speakers: the Rt Hon Adam Ingram MP, Ali Babaçan and HE Murat Sungar, Istanbul

19 October: Speech by Joschka Fischer, 'Britain, Germany, Europe – challenges of the 21st century', LSE, London

28 October: Launch of 'A fair referee? The European Commission and EU competition policy' with Commissioner Monti, Brussels

12 November: Breakfast seminar on 'The EU's role in Research & Development' with Commissioner Potočník, Brussels

17-18 November: 10th Meeting of CER/Brookings US-European Forum on world order and global issues, Washington

19 November: Launch of 'A European way of war' with Kori Schake and Michael O'Hanlon, Washington

3 December: Breakfast seminar on 'The future financing of the EU' with Commissioner Grybauskaite, Brussels



7 December: Seminar on 'The EU's constitutional treaty'. Speakers: Giuliano Amato (above), Lord Kerr, the Rt Hon Jack Straw MP, David Heathcoat-Amory MP and Toomas Ilves MEP, London

8 December: Seminar on 'EU-Turkey relations' with Pascale Andréani, Kemal Derviş and Sylvie Goulard, Paris

9 December: Breakfast seminar on 'Regional policy in the enlarged EU: how much reform do we need?' with Commissioner Hübner, Brussels

Financial support

Corporate members of the CER include:

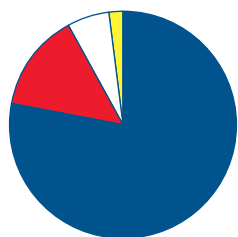
Accenture, APCO Europe, AstraZeneca, BAE Systems, BAT, BP p.l.c., The Boeing Company, British Bankers' Association, BT, The Centre, Citigroup Inc., Chubb Investment Services, Daily Mail and General Trust, Deutsche Bank AG, Diageo, EADS, EDS, The Economist, Euromoney, German Marshall Fund of the US, GlaxoSmithKline, Goldman Sachs, KPMG, Lockheed Martin, Merck, Merrill Lynch Holdings Ltd, Morgan Stanley, Pearson, Portland Place Capital Limited, Rolls-Royce, Sprunt, Telecom Italia, Tesco, Thales, The Royal Bank of Scotland, UBS AG, Unilever, United Parcel Services and United Utilities.

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

Income & expenditure

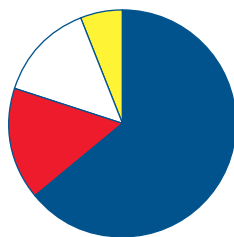
Audited accounts for year ending 31.12.2003

Income for 2003
Total £817,714



- Donations
- Projects/events
- Other
- Publications/subscriptions

Expenditure for 2003
Total £801,444



- Staff
- Administration/office
- Publishing
- Travel

CER snapshots



Charles Grant was awarded the *Chevalier de l'ordre National du Mérite* by Ambassador Gérard Errera, London.



Launch of 'The Lisbon Scorecard IV', with (L to R) Financial Secretary Ruth Kelly MP, Michael Snyder, Corporation of London, and Alasdair Murray, CER, London.



Launch of 'A European way of war' with (L to R) Rob de Wijk, Phil Gordon, Charles Grant, Geoff Hoon and Lawrence Freedman, London.



Conference on 'The future of EU-Turkey relations', in association with the ARI movement, with Kemal Derviş and Heather Grabbe, Istanbul.



Seminar on 'EU-Turkey relations', with (L to R) Ambassador Zilmer-Johns, Charles Grant and Kim Darroch, London.

Advisory board members

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- CARL BILD:**Former Swedish Prime Minister and Chairman, Kreab Group
- ANTONIO BORGES:**Former Dean of INSEAD
- NICK BUTLER (CHAIR):**Group Vice President, Strategy, BP p.l.c.
- LORD DAHRENDORF:**Former Warden of St Antony's College, Oxford and EU Commissioner
- VERNON ELLIS:**International Chairman, Accenture
- RICHARD HAASS:**President, Council on Foreign Relations
- LORD HANNAY:**Former Ambassador to the UN and the EU
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- JOHN MONKS:**General Secretary, European Trades Union Congress
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- ADAIR TURNER:**Vice Chairman, Merrill Lynch Holdings
- ANTÓNIO VITORINO:**Former European Commissioner

Staff 2004

Charles Grant, director.

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



Heather Grabbe, deputy director.

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



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

His interests include economic reform and institutional issues.



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

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



Katinka Barysch, chief economist.

She also manages the programmes on Russia and China, and takes a keen interest in the countries which recently joined the EU.



Mónica Roma, senior research fellow, justice and home affairs.

She also followed migration and asylum and the Charter of fundamental rights.



Daniel Keohane, research fellow, security and defence policy.

He also follows the EU's institutional debate.



Aurore Wanlin, research fellow.

She follows the EU constitution, migration, fisheries and economics.



Catherine Hoyer, office manager.

She manages CER events, runs the accounts and is PA to Charles Grant.



Kate Meakins, publications manager.

She designs the publications and organises their production. She also manages subscriptions, sales and marketing, as well as helping to run the website.



Laure Astill, web editor.

She is also the CER's Paris representative.



Susannah Murray, events assistant.

She also manages the CER's database.





"The Centre for European Reform, by far the best of all EU think-tanks in London"
The Guardian

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

"A think-tank with an increasingly influential role in the shaping of official policy"
The Financial Times

Centre for European Reform
29 Tufton Street
London
SW1P 3QL
UK

Tel: +44 20 7233 1199
Fax: +44 20 7233 1117
info@cer.org.uk
www.cer.org.uk
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