

How should Europe handle China?

Annual Report 2023



CENTRE FOR EUROPEAN REFORM

LONDON ★ BRUSSELS ★ BERLIN



About the CER

The Centre for European Reform is an award-winning, independent think-tank that seeks to achieve an open, outward-looking, influential and prosperous European Union, with close ties to its neighbours and allies. The CER's work in pursuit of those aims is 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's reputation as a trusted source of intelligence and timely analysis of European affairs is based on its two strongest assets: experienced and respected experts, plus an unparalleled level of contacts with senior figures in governments across Europe and in the EU's institutions. Our offices in London, Brussels and Berlin give us a pan-European outlook. The diverse perspectives and specialisations of our researchers, half of whom are from EU-27 countries, enhance the quality and breadth of our work on European politics, economics and foreign policy.

The CER is pro-European but not uncritical. We regard European integration as largely beneficial but recognise that in many respects the Union underperforms, at home and beyond its borders. We look for ways to make it work better and then promote our ideas through publications, the media and various forms of direct engagement.

THE CER, TOP ROW,
LEFT TO RIGHT:

Aslak Berg, Sander Tordoir, Camino Mortera-Martínez, John Springford, Kate Mullineux, Elisabetta Cornago, Zach Meyers, Charles Grant, Ian Bond, Luigi Scazzieri, Jordan Orsler, Helmi Pillai Octavia Hughes, Sophie Horsford and Christina Keßler.

The CER's audience ranges from European politicians, officials and business people to journalists and the wider public who want to know more about the EU and its activities. The CER believes it is in the long-term interest of the EU and the UK to have the closest economic and security relationship that is compatible with the political realities.

We follow closely the trials and tribulations of the eurozone and the European economies, as well as the EU's single market and its energy, climate, trade and technology policies. We also study the Union's foreign, defence and security policies – including relations with its neighbours, and with China, Russia and the US; its approach to refugees and migration; co-operation on law enforcement and counter-terrorism; the functioning of the EU's institutions; and the state of democracy in Europe. Since the British referendum, the CER has played an active part in developing viable and practicable proposals for the UK's future relationship with the EU.



How should Europe handle China?

by Charles Grant

How the EU deals with China will have a profound effect on the sort of economic and geopolitical entity that the Union becomes in the mid-21st century. China is the world's largest economy, measured at purchasing power parity, and the EU's number one trading partner. It accounts for about 30 per cent of global carbon emissions. And it is a weighty military and diplomatic power, building a conventional and nuclear arsenal that will challenge the US's position as the pre-eminent security actor in the Indo-Pacific region.

ABOVE:
Charles Grant

How is EU policy towards China evolving? How do the Chinese view the EU? Does it make sense for the US and the EU to work together on China, and is there scope for them to do so? Can the Europeans influence China's actions? Are the British closer to the US or the EU on China? And how will changes within China affect Europe's relationship with it?

In the early years of this century, many Europeans had quite warm feelings about China. There seemed to be a real possibility that it would become more liberal, not only economically, but even politically. When China joined the World Trade Organisation in 2001 there was a broad

consensus among Western leaders on *Wandel durch Handel* – that trade changes countries for the better. But the Europeans have gradually become disillusioned with China, particularly over the past ten years or so, for three main sets of reasons.

★ Europeans have given up hope that China will play by the rules on trade and investment. They accuse it of stealing intellectual property, denying Europeans reciprocal market access, using excessive amounts of state aid to help its firms take over European ones or win contracts at the expense of European competitors, and much else. The EU argues that a big reason for its trade

deficit with China – almost €400 billion in 2022 compared to €165 billion in 2019 – is that China closes its markets much more than the EU does.

★ Human rights have always been a source of tension between the EU and China, notably because of repression in Tibet. But the crackdown on Hong Kong in 2020, with the National Security Law effectively ending the territory's 'one country, two systems' model of governance, upset many Europeans. So did the situation in Xinjiang, where reports emerged of the persecution of Uyghurs – and of some Western companies profiting from the exploitation of Uyghur labour.

★ China has become much more assertive, geopolitically. It has raised the stakes in its dispute with Japan over the Senkaku/Diaoyu islands, displayed increasing amounts of military force near Taiwan, built artificial militarised islands to reinforce its claims in the South China Sea and sanctioned Lithuania for allowing Taiwan to open a representative office in Vilnius. Above all, China has given diplomatic support to Russia since its invasion of Ukraine, and helped the Russian economy to weather sanctions by stepping up purchases of Russian oil and gas. Chinese firms are quietly helping Russia to get around Western export controls by supplying machine tools and components that are no longer available from Germany or the US.

“The Chinese are all for creating divisions between the EU and the US.”

In 2019, the EU approved a strategy document declaring that China was at the same time a partner, competitor and systemic rival. The EU has maintained that triad since then, but now places more emphasis on the systemic rivalry. China's handling of the Covid virus in 2020 did not help its relations with the EU: its government refused to accept international scrutiny, would not take any criticism and sought to blame others for the pandemic.

In December 2020 China and the EU agreed on the text of a 'Comprehensive Agreement on Investment', to facilitate investment between them. Germany's then chancellor, Angela Merkel, pushed strongly for the treaty. But then the EU sanctioned certain Chinese individuals because of what they had done in Xinjiang, which led Beijing to impose extensive counter-sanctions against MEPs, European officials and think-tanks. As a result, the European Parliament refused to ratify the treaty, greatly annoying the Chinese.

Meanwhile Europeans have become increasingly worried about their dependency on China for green technologies, such as solar panels and electric vehicle batteries, as well as for many rare earths. Yet in order to make a success of its transition to a low-carbon economy, Europe needs large quantities of China's relatively cheap green goods.

In the past few years, the EU has passed a swathe of legislation designed to counter China's economic threat, including rules on the screening of inbound investments, the unfair use of state aid in the acquisition of EU firms, the lack of reciprocity in procurement, and the need to encourage the mining and production of critical raw materials within the EU. The EU has also agreed on an 'anti-coercion instrument', so that it can more easily retaliate against a country that unfairly punishes a member-state (as in the case of China and Lithuania).

In formal terms, none of these measures is China-specific. In practice they are largely about China. They also reflect French thinking on industrial policy and on the need for European strategic autonomy. The French line that the EU should reduce its dependencies on China (and other countries) is increasingly shared by other member-states. Hence the president of the European Commission, Ursula von der Leyen, talks of 'de-risking' relations with China – a phrase that Joe Biden's administration has copied.

It is worth considering how China's leaders view the EU. They spend much more time thinking about the US, with which they are obsessed, and they often view the EU through the prism of their relationship with the US. They are sometimes paranoid about the Americans and fear their power. They know that the US's system of alliances – with friends in Europe and East Asia – is one of the sources of its strength. So, the Chinese are all for creating divisions between the EU and the US. Ever since the then leaders of France and Germany, Jacques Chirac and Gerhard Schröder, talked about a multipolar world some 20 years ago, the Chinese have hoped for one – and they have not given up dreaming that the Europeans will help to create such a world.

Yet Chinese leaders see that the Europeans have hardened their line on China – and they blame this on the Americans' bullying of Europeans. There is a small amount of truth in this thesis: the UK and several other European countries are ripping Huawei equipment out of their 5G systems because of American pressure. The Americans have also pushed the Commission to come up with an 'economic security strategy' which is largely directed against China (see

below). But the main reason why the Europeans' attitudes have hardened is that they do not like what the Chinese do to help their companies, or their foreign policy or their human rights record.

There are of course divisions among the Europeans. At one end of the spectrum, Hungary often vetoes any criticism of China. At the other end are the Nordic and Baltic countries – and Lithuania in particular – which care the most about human rights, as well as the security of small countries that are close to a powerful neighbour (such as Taiwan or themselves). France and Germany are in the middle, but leaning to the softer end of the spectrum.

Germany, perhaps inevitably given its ties of trade and investment, is usually softer than France. Chancellor Olaf Scholz intervened personally in 2022 to ensure that China's COSCO could buy a stake in part of Hamburg port. But France is more unpredictable. In April 2023 President Emmanuel Macron told journalists while flying back from Beijing that Europe should not get caught up in a crisis over Taiwan involving the US and China. Europe should develop its own strategic autonomy rather than become a vassal of the US, he said. These comments upset the US as well as quite a few EU governments. Yet while Macron was in China, a French frigate sailed through the Taiwan Strait – waters that China argues foreign warships have no right to transit without its permission.

China's behaviour has helped to make the Europeans somewhat less divided in recent years. The '16+1 process', which involved Chinese leaders regularly meeting their Central and East European counterparts (from both EU and non-EU countries), and offering favours such as investments, made it harder to forge a common line among the 27 member-states. But over the past few years many of the Central and East Europeans have lost interest in the 16+1 process, and it has now petered out.

Reflecting the general hardening of the European position, in 2023 Italy quit China's Belt and Road Initiative and Germany adopted [a new China strategy](#). That document stated that China could impinge on Germany's security interests as well as its economic interests, and it called for de-risking, to reduce Germany's dependencies on China. The foreign ministry, controlled by the Green party, led on the strategy, but Scholz – concerned to protect the interests of the big car and chemical companies that are heavily invested in China – intervened to soften the language.

Most EU governments now agree on the broad thrust of China policy – that China should do more

to open its markets, perform better on human rights and give less support to Russia in its war with Ukraine. But there are still divisions. Von der Leyen is at the harder end of the European spectrum. Influenced by the Biden administration, in June 2023 she got the Commission to adopt a document called the [economic security strategy](#). This called for controls on the exports of sensitive technologies (similar to controls already introduced by the US) as well as the screening of outbound investments that could lead to the transfer of sensitive technologies.

Germany and several other countries thought the economic security strategy went too far, both in substance and in giving the EU competence over matters better left to member-states. The arguments over the Commission's proposals will continue, amidst pressure from Washington. The US has already convinced the Dutch to ban the chipmaker ASML from selling cutting-edge lithography equipment to China, and even persuaded the company to stop shipping machines ahead of the export restriction deadline.

The EU, the US and China

Unfortunately for Beijing, relations between the Biden administration and the EU concerning China are quite good. Biden and his officials have made much more of an effort than the Trump administration to consult the EU on China policy, and they have a good relationship with von der Leyen and her team. It helps that the Europeans have stiffened their line on China in recent years.

Nevertheless, there will always be transatlantic tensions over how to handle China, because the EU and the US have differing interests and attitudes. The Europeans' main concern is over China's behaviour: if it respected human rights better, stopped stealing intellectual property and did not bully its neighbours, they would be happy to have a close relationship. The US, by contrast, is concerned about China's power per se, seeing it as a geopolitical rival in East Asia. Even if China behaved better, many Americans would still worry about Chinese power. In short, the US worries more about what China is, and the EU more about what China does.

Underpinning these different approaches are differing interests. The EU depends more on trade with China than the US does: its imports and exports of goods amounted to 5.4 per cent of GDP in 2022, against 2.7 per cent for the US. The German economy is particularly tied to that of China: *The Economist* has estimated that about 10 per cent of German GDP depends either on exports to, or investments in, China.

Britain's European policy on China

British policy on China has veered all over the place in recent years – from the ‘golden age’ of UK-China relations when David Cameron was prime minister, to a warier approach under Theresa May, to a confused picture under Boris Johnson. With Rishi Sunak – a prime minister who cares more about economics than geopolitics – the policy has stabilised, but is less hawkish than some in the Conservative Party would wish.

The current policy was well expressed by then foreign secretary James Cleverly in a speech in April 2023. Cleverly warned China that the rapid build-up of its armed forces risked a “tragic miscalculation” in the Pacific. He also highlighted the mistreatment of the Uyghur people. But then he asserted that “no significant global problem – from climate change to pandemic prevention, from economic stability to nuclear proliferation – can be solved without China,” and said that the UK must engage with Beijing rather than “declare some kind of new cold war and say that our goal is to isolate China”. The opposition Labour Party takes a similar line.

Unlike other European countries, the UK has undertaken a ‘tilt’ to Asia – involving not only the AUKUS deal but also a defence pact with Japan that includes collaboration on a new fighter aircraft, and Britain signing the Comprehensive and Progressive Trans-Pacific Partnership, a trade pact linking 11 other countries. Nevertheless, the UK's current China policy is closer to the European mainstream than to the US. It wants to be able to criticise China and to take strong measures against its nefarious activities in the UK; but at the same time to profit from trade and investment with the superpower.

Concerning the latter objective, the UK has fallen behind some of its peers: in recent years French and German ministers, and European commissioners, have been frequent visitors to Beijing. When Cleverly went to China in August 2023 he was the first British minister to set foot there in five years. Scholz went there in 2022 and Macron in 2023. Sunak had not been by the end of 2023, but then he had not visited Germany either.

It would be unfair to say that Europe ignores the geopolitics of East Asia: Britain, France and Germany have recently sent warships to the seas close to China, France declares itself a Pacific power on the basis of its territories in that ocean, the UK has ‘tilted’ to the Indo-Pacific through its AUKUS military pact with the US and Australia, and Josep Borrell, the EU's foreign policy chief, raises geopolitical issues when in Beijing.

But most Europeans, most of the time, think mainly about their commercial interests in East Asia. Their closer economic ties would make them more reluctant than the US to decouple from China economically in a crisis. America, in contrast, has to plan for the possibility of fighting a war with China over Taiwan. Hence the US is much more concerned about the export of advanced technologies that could be used in Chinese weapons systems.

The worse the relationship between the US and China, the harder it is for Europeans to maintain a line that is significantly different from the Americans'. In a crisis that involved the use of force, the Europeans would cleave to the Americans, drawn by their common values as well as their economic and financial

interdependence. If a war began, the EU would provide diplomatic support and probably sanction China – although few member-states would want to offer military aid.

What if Donald Trump returned to the White House? A second Trump presidency would not alter the fact that Europeans have much more in common with the US than with China. But it would create tensions among Europeans. Many of them would follow the Macronian line that Europe needs to develop its strategic autonomy, independently of the US or anyone else. Others might seek to work closely with Trump and/or – if he devalued NATO's security guarantee – seek an accommodation with Russia. All in all, Europe could well be more divided than it is today, and transatlantic relations would probably be more antagonistic. That would suit China fine.

Can Europe influence China?

For a country or entity that aspires to be a serious geopolitical actor, the point of having a foreign policy is to make the world a bit more aligned with one's interests and values than it would otherwise be. Given that most European states share similar if not identical interests towards

China, and subscribe to similar values, and given that they are all small compared with China, it makes sense for them to team up when they deal with the country. On certain issues it is also sensible for them to combine with other like-minded states, such as Japan, Australia, South Korea, the UK or indeed the US. Stronger combinations should in theory increase the Europeans' leverage over China.

Yet it seems questionable whether the Europeans have much leverage. They have plenty of meetings with the Chinese: six European commissioners went to Beijing in the autumn of 2023; there are regular EU-China dialogues on geopolitics, human rights, trade, climate, energy and digital issues; and in December von der Leyen and Charles Michel, the president of the European Council, met Chinese leaders in Beijing. But those taking part in these meetings admit they do not appear to achieve a great deal. The Chinese tend to listen politely but not shift their stance. Take China's trade surplus, which Europeans frequently raise with the Chinese. The Chinese say that it stems from their economy being competitive, rather than non-tariff barriers to trade.

Nevertheless, EU diplomats claim they do sometimes have a bit of influence on the Chinese. In the summer of 2023, the EU was preparing to sanction a group of Chinese companies that were helping Russian companies to evade Western sanctions. Before publishing the list of the companies, EU diplomats had a quiet word with Chinese officials, who undertook to sort out the problem with several of the companies concerned, and apparently did so.

Another example of European influence could be Scholz's visit to Beijing in November 2022. He urged President Xi Jinping to caution Russia's leaders not to use nuclear weapons, and Xi said that the international community should oppose their threat or use. Thereafter Putin talked much less about nuclear weapons. Xi might well have said what he said anyway, but the timing was linked to Scholz's visit. Similarly, shortly after Macron met Xi in April 2023, the Chinese president telephoned Ukraine's president, Volodymyr Zelenskyy, having not previously spoken to him. Macron claimed the credit but Xi might have called Zelenskyy anyway.

If the Europeans can be united, focused and tough, they have two main sorts of potential leverage with the Chinese. One is economic. An open European market is hugely important for Chinese exports and investment. As described earlier in this essay, the EU has passed several laws that can be directed against unfair Chinese

economic practices. The Commission's recent announcement of an investigation into the subsidies aiding China's exports of electric vehicles suggests that Brussels might be willing to start using some of its economic leverage.

In the long run the EU's economic security strategy may give it additional levers to use against the Chinese. Whether the Chinese respond to a harder EU approach by making concessions or retaliating remains to be seen. The US's imposition of high-tech export controls has already led to China restricting its exports of gallium, germanium and graphite, three essential ingredients of many green technologies and semiconductors.

The second sort of potential leverage is political. The Chinese do not want to see the EU align closely with the US. That is why they still make efforts to cultivate European leaders – for example treating Macron like a king during his visit, and willingly hosting a stream of commissioners from Brussels. They keep hearing from European visitors that their tacit support for Russia over Ukraine is harming their image in Europe – even if they show no signs of abandoning Putin.

But does Xi really understand that China's own actions are the main factor pushing the EU closer to the US? One senior German diplomat doubted that he did, because he is surrounded by people who tell him what he wants to hear. "What we need is an EU-China summit involving not just the EU institutions but all the heads of government," said the diplomat. "Then they could be sure to get the message directly to Xi, that the shift in our position is a consequence of Chinese behaviour." It is not clear how the EU can use its political leverage most effectively, given the supreme self-confidence of China's leaders; they do not have an inferiority complex vis-à-vis Europe.

Change in China

Like the EU, China is not a fixed and stable entity. It is always evolving, and as far as the EU is concerned, many recent changes have been for the worse. When the CER began to publish papers on China, in the early years of this century, there were multiple voices in the Chinese system, and competing centres of power. Some prominent intellectuals argued that the government should gain a degree of independence from the Chinese Communist Party. But over the past ten or 15 years China has become more centralised and autocratic, under the party's firm control. People are afraid to say things that could appear critical of Xi. Given

that democratic values are an important part of Europe's identity, European leaders naturally regret this evolution within China.

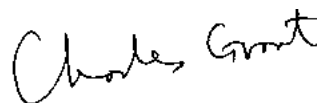
The other change in recent years is that China's economy seems to be weakening. The ageing of the population, the high levels of youth unemployment, the property crash, the harassment of some foreign firms in China, the reduction of foreign direct investment and the general prioritisation of security at the expense of the interests of the private sector have all taken their toll. Some economists think that China's true rate of growth may be substantially less than the official figures (3 per cent in 2022 and 5 per cent in 2023), in which case its economy may struggle to surpass that of the US, measured by market exchange rates.

China's economic problems probably explain why in late 2023 Xi adopted a soft tone at his summits with EU leaders in Beijing and with Joe Biden near San Francisco. To Biden, in particular, he offered real concessions, such as the restoration of military-to-military contacts and the banning of the export of the chemicals that make the harmful drug fentanyl. Presumably Xi did not want greater tensions with the West to create stronger headwinds for the Chinese economy.

However, the indications are that China's leaders think the current economic problems are a short-term blip rather than the start of a long-term malaise. So they have not shifted their policies significantly. They still think that China is rising and that the West is decadent, divided and declining.

Whatever the prospects for the Chinese economy, the middle decades of the 21st century seem likely to feature an intense rivalry between two competing geopolitical teams: China, Russia, Iran and their friends, against the US, Europe and their allies. Many European and, probably, Chinese leaders would regret such a scenario. There are European diplomats who hope that the EU can use its relatively good relations with Beijing, and its close ties to Washington, to help to lower tensions between the two superpowers. Let us hope that such diplomats are right, but we should not count on it.

At the moment EU policy on China is probably about right. It would be better for Europe, economically, for there to be no new cold war. In a cold war or even worse, a hot war, Europe would have to line up beside the US, and accept at least partial economic decoupling from China, at considerable cost. So the Europeans need to use such influence as they have to reduce the chances of this split-world scenario. The message that all European leaders need to give their Chinese counterparts, again and again, is that if they want to avoid pushing Europe into an American embrace, they need to stop doing some of the things that turn Europeans against them. The Europeans can also point out to the Chinese that if they took such steps, it would curb the hostility of some Americans towards China.



Charles Grant
Director, CER

The CER in 2023



In a dark and troubled year, Russia held its ground in its war against Ukraine, China and Iran aided Russia, and Hamas attacked Israel, provoking a savage response. The global efforts to forge a new agreement to curb climate change were unconvincing. The world's economy was morose, and the pushback against globalisation did not help it. Meanwhile Donald Trump seemed to have a fair chance of regaining the US presidency in 2024 – an event which would surely undermine Western unity.

ABOVE (L TO R):
Charles Grant
and Josep
Borrell Fontelles

*Conference on
'Europe and the
world' followed
by CER birthday
reception,
Brussels*

What a contrast with 1998, the year when the CER opened its first office! Then we considered questions like: Will Britain join the euro? Will Russia become a proper democracy? Will China become more liberal and accept the rule of law? Is the spread of market economics unstoppable? And how soon will Israel and Palestine agree to a 'two-state solution'?

And yet even in 2023 there were pockets of brightness: Britain and the EU reached a less conflictual modus operandi, the Poles ejected a government which had seriously undermined the rule of law and the EU seemed to be getting serious – at least in theory – about a major round of enlargement. The CER itself was in fine shape – and busy, with 57 publications, 40 events and 23 podcasts.

We enjoyed two celebrations of our 25th birthday. The first was a [conference](#) hosted by

Microsoft in Brussels in October on 'Europe and the world'. The event concluded with my interviewing Josep Borrell Fontelles, the EU's foreign policy chief, in a wide-ranging conversation covering China, Ukraine and Gaza. Faced with the prospect of a new cold war between the Western allies, on the one side, and China, Russia and their friends on the other, Borrell argued against bipolarity. "We have to accept a multipolar world, yet the more multipolar it becomes, the less multilateral it is," he lamented. "If there are more players, you need more rules."

We also held a party in London in November, hosted by the Spanish ambassador and featuring [Michael Gove](#), the British levelling up secretary, as the speaker. Some of our friends asked why we had asked a Tory Brexiteer to be the guest of honour. The answer is that we like to alternate between the political parties at

birthday celebrations, and we had had Labour leader Keir Starmer at our 24th birthday party. We also think it important to engage with those with whom we disagree. And we did not complain when this most experienced of Conservative ministers said that CER stood for Consistently Excellent Research.

In February, in [issue 148](#) of the CER's bulletin, we published articles by Nick Butler and David Miliband, the CER's founders, recalling how they had set it up, and another piece by Heather Grabbe, remembering what it was like to be a researcher in our early years. I added my own reminiscences of the early years in an article in [issue 150](#) of the bulletin, in May.

That was in fact the final issue of the bulletin. Given that all our publications are accessible online, it no longer made sense to publish three short articles in a single format every two months. Instead, we are publishing more of our slightly longer 'insights'. But the archive of our 150 bulletins remains a fascinating commentary of the European Union's evolution over the past 25 years.

There were some other changes at the CER in 2023, the biggest of which was the departure

of John Springford in November. He was a key member of our economics team for ten years, and deputy director for the last five of those. His contribution to the CER was enormous – for example his work on the cost of Brexit to the UK economy (of which more below). He is starting a new venture of his own, but happily for us John remains an associate fellow and will still be working a day a week at the CER.

Ian Bond has become the CER's deputy director and Zach Meyers has become assistant director. Aslak Berg, who formerly worked for the European Free Trade Association and the Norwegian government, has joined our economics team. Meanwhile Octavia Hughes has joined the CER's admin team and has also taken on the production of our podcasts. We said goodbye to Helmi Pillai, the 2022-23 Clara Marina O'Donnell fellow, and welcomed Christina Keßler as the 2023-24 fellow. Christina is the tenth holder of this fellowship, set up to commemorate our much-missed defence analyst, who died in January 2014.

Our advisory board was strengthened by the arrival of James Anderson, a senior figure from the fund management industry. Chris Haskins stepped down after many years of service on the board.

Turning the corner in UK-EU relations

For six and a half years after the Brexit referendum, relations between London and the EU varied between being somewhat tetchy and downright acrimonious. In 2023 they improved substantially. The arrival of Rishi Sunak as British prime minister in October 2022 was a gamechanger. Though no europhile – he voted to leave the EU – he brought a measure of calmness and civility to relations with Brussels and the member-states.

“After the Brexit referendum, relations between London and the EU varied between somewhat tetchy and downright acrimonious.”

Led by Ursula von der Leyen, the president of the European Commission, EU leaders were willing to compromise over the Northern Ireland protocol. The geopolitical context helped: given the Russian threat to European security, it was evidently desirable to remove a major irritant between the UK and its erstwhile partners.

Because Northern Ireland remains aligned with EU single market rules for goods, the protocol – signed by then prime minister Boris Johnson

in October 2019 – required the UK to control goods going from Great Britain to Northern Ireland. This created practical difficulties for many people in Northern Ireland – and threatened the identity of some unionists, who do not want any controls to separate them from rest of the UK. The 'Windsor Framework' that von der Leyen and Sunak signed in February reduced those border checks to a minimum, at least on goods destined to go no further than Northern Ireland. The new framework satisfied the EU and most British Conservatives, though not (at least in 2023) the hard-line unionists of the Democratic Unionist Party. We considered the legal implications of the protocol in a [podcast](#) with Professor Catherine Barnard of Cambridge University.

The Windsor Framework created a better atmosphere between London and Brussels, which subsequently contributed to the UK rejoining the Horizon programme of scientific research, signing a memorandum of understanding on financial services regulation, and striking an accord with Frontex, the EU's border agency. Speaking at a [CER breakfast](#) in May, Northern Ireland secretary Chris Heaton-Harris – a veteran campaigner for Brexit – talked about the EU in very positive terms.



ABOVE (L TO R):
Chris Heaton-
Harris and
Charles Grant

*Breakfast on
'Reflections on
the Northern
Ireland protocol
and the UK's
relationship with
the EU', London*

But there were limits to how far the bonhomie could go. As I explained in an [insight](#), published just after the Windsor Framework was signed, the Conservative Party remains profoundly eurosceptic. I drew attention to the nonsensical Retained EU Law (or REUL) Bill, which, if implemented, would have required the government to do the impossible and amend, retain or scrap some 4,000 to 5,000 pieces of EU law on the statute book, by the end of 2023.

I also highlighted the persistent Conservative trope of arguing that migration can only be controlled if the UK leaves the European Convention of Human Rights (ECHR). This upset EU leaders, because the Good Friday Agreement (which brought peace to Northern Ireland) and significant parts of the Trade and Co-operation Agreement (the TCA, which defined the post-Brexit trading relationship) are predicated on the UK accepting the ECHR.

In an [insight](#) in April, Anton Spisak, then a researcher at the Tony Blair Institute for

Global Change, argued that the REUL Bill was incompatible with the Windsor Framework. Perhaps someone in the government read the piece, because shortly afterwards it announced a significant watering down of the bill.

But talk about leaving the ECHR and other treaties which could constrain the executive only grew. About 70 per cent of Tory members want to quit the ECHR, according to opinion polls. That the hardliners had succeeded in firing up the party's base was evident at the Conservative Party conference in Manchester, where we held two fringe events. At [one](#) of these, interestingly, former minister and leading Brexiteer Andrea Leadsom MP said she opposed leaving the ECHR. She and fellow-panellists Bim Afolami – who became a minister shortly after our event – and EU ambassador Pedro Serrano all said that the TCA was a good deal for the UK. But another panellist, the *Financial Times*' Brexit guru Peter Foster, disagreed, citing case after case of companies which were struggling to cope with the post-Brexit trading arrangements.

Brexit hurts

The economic costs of Brexit for the UK mounted. In an [insight](#) published in January, John Springford and Jonathan Portes, a professor at King's College London, examined the impact of Brexit on the UK labour market. They concluded that by June 2022, the end of free movement had led to 460,000 EU workers leaving the UK. The arrival of an extra 130,000 workers from other parts of the world only partially compensated, leaving a net loss of 330,000. The labour

shortages mainly affected sectors employing low-skilled workers, such as transport, storage, hospitality, construction, wholesale and retail.

John continued his series of studies on the impact of Brexit on the UK's GDP. He constructed a doppelgänger UK, based on a group of countries that had similar characteristics to the UK but had not experienced Brexit. In an [insight](#) published in May, comparing the UK's performance with that

of its doppelgänger, he found that by the second quarter of 2022 the UK had taken a hit of 5.5 per cent of GDP. John's figures are roughly in line with other serious attempts to quantify the cost of Brexit, including that of the government's own Office of Budget Responsibility.

"Labour is unwilling to speak a lot about Europe, or too positively about it."

Given these significant costs, unsurprisingly, there has been a lot of talk about whether the TCA can be improved. In particular, many people have asked whether a Labour government – which seems likely to take office in 2024 – would try to revise Johnson's Brexit deal.

The Commission and many member-states are in no hurry to revisit the TCA. They think it works well and emphasise that the review of the treaty which is due in 2026 is simply a review of its implementation rather than an opportunity for making fundamental changes. That was the message of a [panel](#) that we held in March, involving Stefaan de Rynck, a senior Commission official who had helped to negotiate the TCA, Iain Martin, a leading eurosceptic commentator, Ivan Rogers, a former UK permanent representative to the EU, and Catherine Barnard.

Anton Spisak took a similar line in [another piece](#) that he wrote for the CER in September. He pointed out that even the Labour Party's modest proposals for closer co-operation on security policy, improved mobility for workers on short-term visits to the EU, and the recognition of EU standards on plant and animal health, would require either new treaties or new chapters in the TCA.

But given that Labour has prioritised boosting the UK's growth rate, would it not seek more ambitious changes to the existing relationship with the EU? Labour leader Keir Starmer has set down three red lines: no return to the single market or the customs union and no restoration of freedom of movement. Labour is unwilling to speak a lot about Europe, or too positively about it, lest it remind Leave voters of their Leaver identity so that they end up voting Tory rather than switching to Labour.

So a succession of Labour speakers at CER events took a very cautious approach. Bill Esterson, the shadow business minister speaking at a [roundtable](#) in June, Nick Thomas-Symonds, Keir Starmer's Brexit supremo speaking at a [breakfast](#) in September, and Stephen Doughty, the shadow Europe minister speaking on a [panel](#) also in September, each avoided going into detail on how they would improve the Brexit deal. At the September panel many pro-Europeans in the audience – and fellow panellist Peter Foster – gave Doughty a hard time for avoiding specifics. The same dynamic emerged at our [fringe meeting](#) at the Labour Party conference in Liverpool, where shadow Northern Ireland secretary Hilary Benn and former minister Douglas Alexander defended a modest approach to revising the TCA, while Stella Creasy MP and many of the audience wanted greater boldness.

In September I published a [policy brief](#), 'A European strategy for Labour', which sought to explore ways of getting closer to the EU while respecting Starmer's red lines. I suggested that Labour should work on restoring trust between the UK and the EU's institutions and governments. Then a Labour government should unilaterally make alignment with EU laws on business regulation its default position – and be willing to accept some sort of role for the European Court of Justice. Labour should also make an offer to the EU, which could include a security partnership, an energy partnership, budgetary contributions to the EU's development and neighbourhood policies, more people-to-people contacts and collaboration on helping to rebuild Ukraine.

The EU could then see a mutual benefit in offering the UK a unique partnership that would allow a much closer economic relationship than it has offered other third countries. The more challenging the geopolitical environment, the stronger the case for deepening ties. Reviewing this policy brief in a [CER podcast](#), former Labour leader Neil Kinnock said that he hoped Labour's leaders would raise the level of their ambition on Europe.

Charles Grant



Navigating a world of conflict

Russia's war on Ukraine and Europe's response dominated our work on European security. In January, Ian Bond published the [first](#) of what became a series of warnings that the West's aid to Ukraine was too little and was being delivered too slowly. He also highlighted a theme that would grow in importance: the rise in isolationism among Republicans in the US.

In February, a year after Russia's large-scale invasion, the CER held an [event](#) on the situation in Ukraine with Lawrence Freedman, Emeritus Professor of War Studies at King's College London; Timothy Garton Ash, Professor of European Studies at the University of Oxford; Olesya Khromeychuk, Director of the Ukrainian Institute London; Iuliia Osmolovska, Director of the Kyiv Office of GLOBSEC; and Richard Shirreff, the former Deputy Supreme Allied Commander Europe at NATO. Olesya and Richard also recorded a [podcast](#) for us on the war.

At the same time we published a comprehensive – and, as it turned out, over-optimistic – [analysis](#) of the impact of the war on Europe. Ukraine, now a candidate for EU membership, had repelled Russia's invasion and was inflicting significant costs on Russia. NATO had been revived in its role of providing deterrence against Russia. Europeans were also taking defence more seriously and the EU was playing a significant role, co-ordinating economic aid to Ukraine and helping supply it with weapons. Europeans had managed to reduce their

dependency on Russian gas drastically, but that had led to a rise in energy prices and inflation. We argued that the EU needed to redouble its efforts to reduce energy consumption and to invest in renewables.

In March we held another in our geopolitical risk series of CER/AIG [webinars](#) on 'What will Putin do next, and how should the West respond?'. Ian chaired a discussion with Per Brodersen of the German Eastern Business Association; Sergey Radchenko of the Johns Hopkins School of Advanced International Studies; Thilo Schroeter of the German foreign ministry and Angela Stent of Georgetown University. Among the key points: Putin had correctly judged that China and the 'global south' would not be willing to reduce economic or political ties in response to his invasion; and there was no sign of Putin changing his aims, which remained the subjugation of Ukraine and the overthrow of the pre-war European security order.

Also in March, Finland joined NATO after Turkey dropped objections to its membership. A month earlier in an [insight](#) Helmi Pillai had said that Finland should join the alliance without waiting for Sweden. In her final piece as the 2022-23 Clara Marina O'Donnell fellow, Helmi [wrote](#) about the hybrid threat from Russia to Europe's critical infrastructure, and urged other European countries to follow the examples of Finland and Sweden in taking a 'whole of society' approach to resilience.

ABOVE (L to R):
Charles Grant,
Stephen
Doughty,
Catherine
Barnard and
Peter Foster

*Roundtable
on 'The Labour
Party's approach
to the EU',
London*

We were in Berlin in May for the biannual [Daimler Forum](#), which the CER organises with the Brookings Institution and the Stiftung Wissenschaft und Politik, and which brings together government officials and think-tankers to discuss global challenges. Speakers at the forum included Andreas Michelis, then state secretary, Tjorven Bellmann, political director, and Tobias Lindner, minister of state, all from the German foreign ministry; Christian Turner, political director at the UK foreign office; Xavier Chatel, strategic affairs adviser at the Elysée; Rebecca Lissner, deputy national security adviser to the US vice president; and Rachel Ellehuus, the Pentagon's representative at NATO. The Germans were pessimistic about the likelihood of Ukrainian battlefield success and about the sustainability of public support for Ukraine. Later in the month at a [lunch](#) in Brussels we heard from Julianne Smith, US Ambassador to NATO, on the impact of the war on the alliance and its priorities.

“US and European officials expressed growing worries about the possible impact of Trump returning to the White House.”

In July, the issue of Ukrainian membership of NATO was one of the main issues on leaders' agendas when they met in Vilnius. Ian [argued](#) that, even before the end of the conflict, it would be the best way to guarantee Ukraine's security, though he acknowledged that the summit would offer Kyiv much less than immediate membership. Luigi Scazzieri [proposed](#) that, if leaders wanted to support Kyiv and reinforce deterrence, they needed to build up their industrial capacity and strengthen the European pillar of the alliance. On the eve of the Ukraine Recovery Conference in London, Timothy Ash of Chatham House and Ian [tackled](#) the problem of how to use frozen Russian state assets to fund the reconstruction of Ukraine. Sander Tordoir, Zach Meyers and Camino Mortera-Martínez have also been involved in a project advising the Commission on how to use frozen Russian assets for the reconstruction of Ukraine.

As Ukraine's summer offensive became bogged down, more people, including Ukraine's top military commander Andriy Zaluzhnyi, began to talk about stalemate. In November we hosted Iuliia Osmolovska again for a [discussion](#) on 'War, peace and the future of Ukraine'. She said that despite the lack of recent military success, the resolve of the Ukrainians to keep

fighting remained undiminished. She also talked movingly about the problem of soldiers who had returned from the front alive but suffering from severe psychological trauma. In the same month Ian published a [policy brief](#) on the dangers of 'Ukraine fatigue' in the West, in which he argued that the EU needed to ensure that its fiscal rules did not get in the way of increased defence spending, and that the Union should not be so squeamish about confiscating frozen Russian assets and using them to repair the damage Russia has inflicted on Ukraine.

The Daimler Forum met again in Washington at the end of November. Speakers included MEP Radosław Sikorski, shortly before his appointment as Poland's foreign minister; Christian Turner; Manuel Lafont Rapnouil, head of policy planning in the French foreign ministry; historian Robert Kagan; Amanda Sloat, who had just stepped down as senior director for Europe in the US National Security Council (NSC); Thomas Bagger, state secretary at the German foreign ministry; Tom Wright, senior director for strategic planning in the NSC; Enrique Mora, the EU's political director; Salman Ahmed, director of policy planning in the State Department; and Tarun Chhabra, senior director for technology and national security in the NSC. By the time the forum met, Republican isolationists in Congress were blocking further US aid to Ukraine, while the administration was still holding back on giving Ukraine the long-range missiles and other weapons that it needed to launch a successful military offensive and recapture occupied territory. As well as Ukraine the forum focused on the 'global south', the strategic implications of Artificial Intelligence (AI) and the war in the Middle East.

As the year progressed, US and European officials expressed growing worries about the possible impact of Donald Trump returning to the White House. Many of them thought transatlantic and European unity could easily be undermined. In September, Mark Gitenstein, US ambassador to the EU, tried to be more optimistic, speaking at one of our [Kreab-hosted breakfasts](#) in Brussels. He emphasised the extent of common ground between the EU and the US, particularly in responding to Russia's war against Ukraine. Another glass half-full approach came from Stefano Sannino, the secretary-general of the European External Action Service (EEAS), speaking at a [roundtable](#) in London in November, on the EU's efforts to be a foreign-policy actor.



The Middle East and Turkey

Long before the fighting started in Gaza we were gloomy about the Middle East. In January, Luigi wrote an [insight](#) on European policy towards Iran, arguing that efforts to revive the nuclear deal had stalled and that Europe needed a new strategy to prevent Iran from getting nuclear weapons. In March, Luigi wrote a [policy brief](#) on the future of EU-Turkey relations after the forthcoming presidential elections. While an opposition victory would offer a big opportunity to relaunch relations, the EU would also need to find ways to work with Erdoğan if he won (as he did).

Europe's influence in the Middle East was waning, Luigi argued in an [insight](#) in early October, prior to the outbreak of the Israel-Hamas conflict. A focus on building climate and tech-focused partnerships could help recast Europe's relations with the region. In another [insight](#), later in October, Luigi considered the impact of the Gaza war on Europe. He predicted that a divided Europe would have little influence on the conflict, but that Europeans would not be able to escape its consequences. The war would divide European societies, foster extremism, distract attention from Ukraine and deepen resentment at the West's perceived double standards. Luigi discussed Europe's role in (or absence from) the Middle East crisis in a [podcast](#) with Nathalie Tocci of the Italian Institute for Foreign Affairs, and Camino.

In October we held our annual [Bodrum roundtable](#) in Turkey. We were joined by deputy

foreign minister Burak Akçapar as well as Alexandra Belias of Google DeepMind; Angelina Eichhorst, managing director for Europe at the EEAS; Steven Everts, director of the EU Institute for Security Studies; Tacan İldem, former assistant secretary-general of NATO; Alexander Graf Lambsdorff, German ambassador to Russia; Isabel Hilton of King's College London; Namık Tan, a CHP MP; Bilge Yilmaz, the İYİ party's economic chief; and Martin Thümmel, a top Asia official at the German foreign ministry.

Among the themes we discussed were Europe's links to China, the future of European security architecture and – as always – relations between Turkey and the West. These were marred by distrust, mutual recrimination and broad policy disagreements – but there was little alternative to finding ways of working together. Many Turks thought the EU guilty of double standards: it had revived its enlargement process following Russia's war on Ukraine, but shown little willingness to negotiate seriously with Turkey as candidate.

At our 25th birthday conference, Borrell also emphasised how the Gaza war had reinforced perceptions in many developing countries that the West was guilty of double standards. The West appeared far more worried by Ukrainian deaths than Palestinian deaths. Borrell also argued – bravely – that the EU could exert influence on both Palestinians and Israelis, if only it could summon the political will to do so.

ABOVE:
Caroline Wilson

*Dinner on
'How can
Britain engage
robustly and
constructively
with China?';
London*

European security and defence

As the EU's involvement in defence deepened over the course of the year, so did the CER's analysis of the issue. In January Luigi wrote an [insight](#) on European defence in the wake of Russia's war in Ukraine. Russia's invasion had led many European countries to take defence more seriously and increase their spending. But spending remained unco-ordinated, with several countries buying off-the-shelf equipment from the likes of the US and South Korea. If Europeans did not work better together on defence industrial matters, fragmentation would persist and Europe's defence industrial base would weaken. In 2023 the EU did in fact establish instruments to foster joint armaments procurement.

"Russia's invasion has led many European countries to take defence more seriously and increase their spending."

In a June [policy brief](#) on UK-EU defence co-operation, Luigi pointed out that, while the UK and the EU had been working more closely on security since Russia's invasion, they were growing further apart on defence capabilities. Luigi argued that a closer and mutually beneficial UK-EU defence relationship was possible, and sketched out what re-engagement could look like. Drawing on the paper, Luigi gave evidence on UK-EU security co-operation to both the House of Commons European Scrutiny Committee and the House of Lords European Affairs Committee. UK-EU security co-operation was also the topic of a CER [fringe meeting](#) at Conservative Party Conference, with speakers including Evie Aspinall and Sophia Gaston, both British analysts, and Markus Ferber and Stephan Mayer, senior German parliamentarians.

In November, we held an [event](#) jointly with RUSI and Eurodefense UK, looking back on European security co-operation and Anglo-French relations, 25 years after the St Malo declaration gave birth to EU defence policy. In the keynote speech James Heappey, UK minister for the armed forces, was surprisingly positive about the EU's contribution to European security. One panel assessed the record of Europe's Common Security and Defence Policy, with Claude-France Arnould, former CEO of the European Defence Agency; Gérard Errera, former secretary-general of the French foreign ministry; David Leakey, former head of the EU military staff; and Lord Peter Ricketts, former UK National Security Advisor. A second panel focused on the way ahead for European security after Russia's invasion of Ukraine, with Alexandra de Hoop Scheffer of the German Marshall Fund; Alexandre Escorcio of the French ministry of defence; Renaud Bellais of MBDA; and Angus Lapsley, NATO assistant secretary-general.

The CER also followed the travails of the European Political Community (EPC), originally the brainchild of France's President Emmanuel Macron. In April, Luigi published a [piece](#) assessing the EPC's potential to foster closer UK-EU co-operation, arguing that the EPC could help rebuild trust, promote closer dialogue and encourage the UK and the EU to address shared challenges. The EPC would be strengthened if it became more than a talking shop and served as an 'incubator' for concrete projects. Writing after the Granada summit in early October, Luigi [argued](#) that the EPC would also benefit from some light institutionalisation that could allow for a greater degree of follow-through – a theme he developed in a [podcast](#) with Camino that also looked at EU enlargement and at migration policy.

China

One of the themes of our work on China was the differences in the approaches taken by the US and the EU. Politically, the Biden administration and EU leaders worked together quite well – but the US remained far keener than the EU to constrain China's growth and technological advancement. While the US imposed new controls on high-tech exports to China, both Macron and German Chancellor Olaf Scholz took entourage of CEOs to China to sign new business deals. The Netherlands agreed to restrict its biggest firm from selling more high-end chip-making equipment to China, but only after significant pressure from Washington.

In a May [bulletin article](#) and a June [opinion piece](#) for *Parliament Magazine*, Zach and Sander argued that the EU could afford to take a stronger line on China – because being tough now would dissuade China from provoking a bigger confrontation later. But when Camino, Sander and Zach wrote a [piece](#) on von der Leyen's state of the Union speech in September, in which she announced an investigation into Chinese subsidies for electric vehicle exports, they were sceptical that any 'punishment' imposed by the EU would achieve very much.



A [CER/AIG webinar](#) in April discussed the next steps for Xi Jinping's China. The panellists, who included Jörn Beißert of the German foreign ministry, pointed to a China that would become more repressive at home and more assertive abroad. In June, Caroline Wilson, the British ambassador to China, discussed at a CER [dinner](#) in London how the UK could engage robustly and constructively with China. In July, Ian's [policy brief](#) on the potential for EU-UK co-operation on China made the case that Brussels and London were more closely aligned with each other in their efforts to pursue a mix of co-operation with and criticism of China, than

either was with the more confrontational US. In December we hosted the last [CER/AIG webinar](#) of the year, on Europe's predicament in an era of great-power competition – it was dependent for its security on the US and for its prosperity (to a significant extent) on China. Speakers included Daniel Gros of Bocconi University; Nikolas Keßels of the Federation of German Industries; Michael Scharfschwerdt, head of policy planning in the German foreign ministry, and Leslie Vinjamuri, head of the Americas Programme at Chatham House.

Ian Bond and Luigi Scazzieri

ABOVE (L to R):
Nick Thomas-Symonds and
John Springford

*Breakfast on
'The future of
British trade
policy', London*

Not all bad news on the economy

In 2023, Europe started adapting to a new normal, after the dual shocks of the pandemic and the energy crisis. The EU continued to debate the future of European fiscal policy and how to implement its ambitious green energy agenda in a difficult economic environment. Central banks, meanwhile, increased interest rates to combat inflation. The long-awaited reform of the EU's fiscal rules dominated the EU economic policy agenda. In April, Sander published a [policy brief](#) arguing that improving Europe's fiscal governance required better enforcement. Hamstringing the EU institutions with excessively prescriptive rules would result in the Commission enforcing them weakly. He made five proposals for better enforcement, which were summarised in an opinion piece in [Politico](#).

Although a major recession was avoided, the European economy had a sluggish year, partly

because of weak growth in Germany. In June, Sander and Shahin Vallée of the German Council on Foreign Relations (DGAP) wrote an [insight](#) in which they set out why Germany needed a new growth model – including more infrastructure spending, higher wages and greater investment in digitalisation. They also argued that Germany should ditch the overly strict constitutional debt brake, since it impeded investment. Their warning seemed even more pertinent after the debt brake led in November to the German constitutional court striking down plans to spend tens of billions of euros on green investments.

In December Aslak Berg published his first [insight](#), explaining that Europe's performance on growth was in fact better than many economists believed; productivity growth was in some respects better than in the US. Nevertheless, a more expansive fiscal policy, cheaper energy

and better demographics had helped the US to grow faster than Europe, despite rapid catch-up growth in Central and Eastern Europe. Europe's future economic growth would depend on whether the EU could find ways of addressing those three issues.

Monetary tightening by central banks did not only cool the European economy. In September, Sander and Tobias Krahne (an economist formerly at the IMF) argued in a [policy brief](#) that it had led to the cost of IMF lending surging, which was undermining the institution's ability to help countries with balance of payment challenges. In October, the authors were invited to the World Bank and IMF annual meeting in Marrakesh to present their findings and their proposal for a temporary cap on the IMF's lending rate, in the presence of IMF directors, staff, journalists and other thinkers. Sander also made the case for their proposal in an [opinion piece](#) for *Devex*, a leading independent news organisation covering global development.

Industrial policy also staged a major comeback globally in 2023. To navigate its course between the growing economic nationalism of the United States and China, the EU has been frantically trying to green its industrial policy.

“The EU lacks the instruments and common pots of money to stand up to the US and China.”

Zach argued in an [insight](#) in January that the EU risked overreacting to the US's Inflation Reduction Act (IRA). Zach expanded on this view in a January [opinion piece](#) for *Politico*, which argued that Europe's complaints about American subsidies in the IRA were overblown. Over the year that view gained greater acceptance, as US projects hoping to take advantage of the IRA subsidies struggled, and exports of European electric vehicles remained strong. In June we discussed these issues at a [CER/AIG webinar](#) with Tony Gardner, former US ambassador to the EU, Christian Jetzlsperger of the German foreign ministry and Ivana Zuzul of the US Chamber of Commerce.

In June, John and Sander published a [policy brief](#) in which they showed that the EU had a sizeable share of global exports in green goods, although not as large as China's – while the US was languishing behind both. Across key categories of green goods that are at the heart of US, Chinese and EU green industrial policy, the negative impact of geographical distance on trade increased significantly between 2017 and 2022. This 'gravity effect' suggested the EU

could be competitive in green technologies – as markets matured, shipping costs rose and global instability discouraged imports from faraway countries.

The efforts of some in the Commission and countries like France and Italy to create a 'European sovereignty fund', to subsidise green investments at EU level, came to little. As a result, many in the EU started to worry that letting rich member-states like Germany subsidise their own businesses would undermine the single market. Zach explored these worries when chairing a [CER/Clifford Chance discussion](#) on the Commission's response to the IRA, with the panellists including Ben Smulders, the European Commission's deputy director-general for competition.

Our [annual economics conference](#) at Ditchley Park in Oxfordshire, in November, provided a stocktake on how Europe was coping with the rise of global protectionism and industrial policy. Under the theme 'Europe and the superpowers: the rise of economic nationalism', most participants agreed that the prevailing economic winds posed challenges for Europe, given that its strengths lay in its trade intensity and its ability to direct global standards. Many pointed out that the EU lacked the instruments and common pots of money to stand up to the US and China.

But a lot of participants felt that Europe's overall economic model would prove more resilient than expected. While the EU needed to boost domestic consumption, Europe had nevertheless kept pace with the US in terms of GDP per capita, if properly adjusted for exchange rates and hours worked. Foreign subsidies would ultimately not impact European industry as much as feared, and the ongoing EU and US disputes – for example over steel, aluminium and carbon border levies – need not be so divisive. Some even argued that the EU, US and China would eventually turn back from the brink and agree to restrain subsidies.

As always, this conference drew together some of the world's most interesting economists, including Megan Greene and Catherine Mann, both from the Bank of England's monetary policy committee, Jeromin Zettelmeyer and Jean Pisani-Ferry, both from Bruegel, Agnès Bénassy-Quéré from the Banque de France, Selma Mahfouz from the French ministry of finance, Fiona Scott-Morton from Yale, Jennifer Harris, recently out of the Biden administration, Luis Garicano from the London School of Economics, Marco Buti from the European University Institute and Martin Wolf from the *Financial Times*.



Regulating technology

Meanwhile, the launch of ‘generative artificial intelligence’ services like ChatGPT rapidly captured the attention of consumers, economists and policy-makers. Tech optimists – including Zach and John, in their September [policy brief](#) on the topic – believed the technology offered hopes of raising European productivity and its sluggish economic growth, if European businesses were willing and able to exploit it. But others fretted about the risks of AI worsening disinformation and discrimination or even posing existential threats.

The EU ploughed ahead with its Artificial Intelligence Act, after making a raft of last-minute changes to reflect the rush of generative AI tools. However, at the end of the year – despite the Commission, MEPs and member-states having reached a political agreement on the final form of the AI Act – some large member-states seemed to be having second thoughts about the EU’s *dirigiste* approach, and they raised fears that it would hurt Europe’s AI ambitions.

The US initially focused on voluntary regulation, but the White House also issued executive orders aiming to steer AI firms’ practices. And the UK went for a similarly ‘light touch’ approach, despite holding a November summit that focused on some of the biggest threats from AI. In a November [podcast](#), Zach spoke with Kai Zenner, chief-of-staff to MEP Axel Voss and one of the AI Act’s architects, on the Act’s prospects. And in a December [insight](#), Zach argued that the

EU’s role as the world’s rule-maker in areas like AI was likely to persist, despite some member-states’ doubts and London’s and Washington’s attempts to steer a different path.

Technological advances like AI also spurred the EU’s desire for more strategic autonomy, which was on full display in the tech sector. At the end of 2023, EU law-makers remained bitterly divided over proposed cybersecurity rules that would promote European cloud services over American ones; that was an idea which Zach lamented in an [insight](#) and an [opinion piece](#), both of which appeared in March. In July, Zach and Camino co-chaired a conference on the EU’s cyber-security priorities and whether it would continue to allow an open European marketplace. And the EU continued its efforts to hedge against the US and China in other areas like finance and payments. But Zach published an [insight](#) in October arguing that the EU’s various attempts to create a European challenger to the US payment card giants seemed unlikely to succeed.

The UK’s own approach to technology policy remained confused during 2023. On the one hand, the government continued to trumpet its desire for more agile and proportionate regulation than the EU. But its proposed divergence from the EU’s General Data Protection Regulation remained modest. In other areas, like online safety, the UK imposed more stringent regulation than the EU. And the UK’s Competition and Markets Authority (CMA) surprised many by taking aggressive action in

ABOVE:
Conference on
*‘Europe and the
superpowers:
The rise of
economic
nationalism’*,
Ditchley Park

the tech sector. It initially prohibited Microsoft's \$69 billion acquisition of games giant Activision – a deal the Commission had waved through after undertakings by Microsoft. In a May [insight](#), June [opinion piece](#) and June [letter](#) in the *Financial Times*, Zach argued the UK authority's tougher approach was justified, even if it annoyed the government and some parts of the tech sector. In August, after Microsoft agreed to restructure its deal to secure the CMA's approval, Zach wrote an [opinion piece](#) in *City AM* arguing that the EU's lighter touch approach to the deal had left European consumers short-changed.

The CMA was not yet done with Microsoft, however: later in the year, it sought comments about whether Microsoft's investment in OpenAI should be reviewed under the UK's merger review laws, even though the deal had attracted little scrutiny globally. Uproar over the CMA's tough approach led some Conservative law-makers to question the government's desire to hand over even more power to technocrats to regulate big tech, as the EU had done with its Digital Markets Act. In a July [insight](#), Zach argued that the UK's rules were still needed, but should be amended to provide more predictability for the tech sector.

Energy and climate

Although the EU emerged relatively strongly from the spike in energy costs in 2021 and 2022, energy prices remained high. Commission President Ursula von der Leyen tried to present the crisis as a distant memory, but in 2023 many politicians still fretted about Europe's industrial competitiveness and the cost-of-living pressures on consumers. In a March [policy brief](#), Elisabetta Cornago and John analysed the policy response of EU governments to the energy crisis, breaking down its fiscal impact. They applauded governments for using subsidies to smooth the price shock for households and firms, but thought countries should reduce subsidies over time and support investment to reduce dependency on gas durably. They argued that given the magnitude of investments needed for the energy transition, the EU should establish a climate fund and finance it with joint borrowing, building upon the success of the NextGenerationEU fund. The policy brief was launched at an [event](#) in Brussels with Matthew Baldwin, the Commission's deputy director-general for energy.

The energy crunch also prompted the EU to initiate reforms of its energy regulations, which Elisabetta and Zach analysed in an April [insight](#) focused on retail markets, and a June [insight](#) focused on changes to wholesale markets. In both pieces, they argued the Commission was right to tweak rather than fundamentally overhaul the bloc's energy rules, but that more work was needed to protect consumers and promote investments in the grid. In June, speaking at a [CER/Kreab breakfast](#), Ditte Juul Jørgensen, the Commission's director-general

for energy, discussed how the EU could best deliver energy that was green, secure and affordable. Then at a hybrid [event](#) held in Brussels in November, speakers highlighted how the EU needed much more investment in energy grids for the green transition.

In a [policy brief](#) published in December, Elisabetta looked back on how the energy crisis had impacted EU energy and climate policy. She insisted that it was not enough for the Commission to monitor governments' progress towards energy and climate goals as part of the National Energy and Climate Plans. It also needed to scrutinise whether governments were undertaking sufficient investments to make such goals a reality, and support them to ensure that they did.

The year was also characterised by a growing 'greenlash', a backlash against the EU's green agenda, driven both by the declarations of some EU leaders and fights within the European Parliament. The greenlash was increasingly visible in electoral results across the continent – with right-wing populists profiting from their hostility to green policies. In an [insight](#) published in December, Elisabetta argued that to prevent greenlash, it was critical to support the households and businesses that could not afford the technological changes that decarbonisation called for.

Aslak Berg, Elisabetta Cornago, Zach Meyers and Sander Tordoir



The EU prepares for enlargement

The EU became serious about reviving the enlargement process in 2023, for the first time in more than ten years. Russia's invasion of Ukraine and threats to Moldova pushed European leaders to grant them the prospect of membership. That also meant taking more seriously the membership aspirations of the six Western Balkan countries, rather than leaving them in the cold. At the end of the year the EU decided to start accession talks with Ukraine and Moldova, as well as (subject to tough conditions) Bosnia. And despite misgivings about its government's commitment to seeking membership, the EU made Georgia a candidate.

The CER supports the expansion of the EU but has emphasised the many institutional and financial difficulties that will need to be overcome, to make enlargement viable. Countries such as France and Germany are reluctant to enlarge without significant institutional reform to facilitate decision-making. And some existing members are concerned that enlargement would require them to pay much more into the EU budget,

while others worry that they would end up receiving much less from it.

In July, Camino and Charles recorded a [podcast](#) with Heather Grabbe from the Open Society Foundations, discussing the prospects for enlargement in light of these challenges. Writing in November for the Trans European Policy Studies Association (TEPSA), Luigi [argued](#) that the obstacles to enlargement meant it was imperative for EU leaders to flesh out a phased approach, so that candidates could be partially integrated before they became full members. In December, Charles, Camino and Luigi recorded another [podcast](#) in which they emphasised that enlargement might be blocked without significant reforms, such as an agreement on more majority voting. Charles picked up the same pessimistic theme in an opinion piece for the [Financial Times](#) in December: he pointed out that for a candidate to move forward in the enlargement process, unanimity was required at every single step. There was a real risk that the EU would raise expectations only to later dash them, leading to a sense of disillusionment.

ABOVE (L to R):
Hilary Benn,
Stella Creasy,
Charles Grant
and Pedro
Serrano

*Labour party
conference
fringe event
on 'The future
of the EU-UK
relationship:
How close
can or should
they become?';
Liverpool*

EU reform and institutions

Renewed interest in institutional reform stemmed not only from the debate on enlargement, but also from concerns over countries that were already in but causing trouble. Chief amongst these was Hungary (of which more below). A panoply of crises and an evolving political landscape in the member-

states had changed the institutional dynamics of the EU. The Commission's position had strengthened, to the detriment of the European Parliament and the Council of Ministers, and as Camino argued in a [bulletin article](#) in May, this required a reform of the EU's governance, sooner rather than later.

Broadly, there are two schools of thought on reform: those who believe that the EU needs to change its treaties, like the Franco-German group of experts sponsored by the Elysée and the Chancellery, which in September [reported](#) on enlargement and reform; and those who think the Lisbon Treaty is flexible enough to accommodate more EU members. Many governments are in the latter camp, as is Thérèse Blanchet, the secretary-general at the Council of Ministers, who defended the Lisbon treaty at a [CER/Kreab breakfast](#) in November.

In May, the CER became a member of TEPSA, which brings together leading think-tanks from the EU, candidate countries and associate countries, and provides policy advice to the EU institutions and the rotating

presidencies. In July, the CER and Kreab held a [breakfast](#) in Brussels with Lars Danielsson and Marcos Alonso Alonso, then the permanent representatives of Sweden and Spain respectively. They reflected on Sweden's presidency and talked about the forthcoming challenges for Madrid.

One of those challenges was migration. In December, the EU finally agreed on common migration and asylum rules. But in November Camino had explained in an [article](#) – part of TEPSA's recommendations to the incoming Belgian presidency – why those rules risked being no more than window-dressing. She predicted they would fail to stop migration from becoming a hot topic in the European Parliament elections.

Elections in member-states

One unexpected challenge was political upheaval in Spain. Following bad results for his socialist party in regional elections in May, Spanish Prime Minister Pedro Sánchez called a snap election in July, which he won by a small margin. Sánchez's minority government was propped up by a myriad of questionable partners, as Camino wrote in an [insight](#) in July. She argued that Spain had failed to seize the chance of playing a pivotal role during its presidency, at a crucial time for the EU, because both mainstream parties – the centre-right People's Party and the socialists – had veered towards extremist positions.

government would mark an end to an unusual era in which the Netherlands had acted as a pragmatic and constructive dealmaker in the EU. He followed up with a piece for the [Bertelsmann Foundation](#) just before the elections, warning that the Dutch were about to make a eurosceptic turn, as they did, with Geert Wilders' far-right PVV emerging as the largest party. In an August [podcast](#) Sander and Camino discussed the implications of the Spanish and Dutch elections for the EU and predicted that the results could well leave the Union in a tough spot.

Giorgia Meloni, who won the Italian election in October 2022, continued to attract attention in 2023. In August, Luigi wrote an [insight](#) assessing Meloni's record during her first year as prime minister. Luigi argued that Meloni had blended Atlanticism and pragmatism towards the EU with right-wing populism on immigration, cultural issues and green policy. Her political longevity would determine whether her model would become a template for other right-wing nationalists.

“Both in Brussels and EU capitals, there were high hopes for Poland's return to the top table.”

The Dutch elections in November offered another challenge. In July, Sander predicted in [Agenda Publica](#) that the collapse of Mark Rutte's

The rule of law

The Poles went to the polls in October, delivering another surprise result. Opposition parties collectively won enough seats to oust the conservative Law and Justice (PiS) party. Both in Brussels and EU capitals, there were high hopes for Poland's return to the top table, and for the experienced prime minister, Donald Tusk, to help to fix the EU's problems. But, as we heard during an [event](#) on 'The Polish elections and the future of the EU's rule of law' that we organised with Clifford Chance in November, some of those hopes may be disappointed.

Leading Polish analyst Joanna Bekker explained how difficult it would be for Tusk to restore the rule of law in Poland without further polarising society, while Álvaro de Elera, a senior member of commissioner Věra Jourová's cabinet, said it might take time to unfreeze EU funds assigned to Poland but blocked because of rule of law concerns. MEP and former commissioner Janusz Lewandowski struck a more positive tone, hoping that Tusk's party would be able to reunite the country and be more constructive vis-à-vis the EU.



Expectations are much lower for Orbán's Hungary, though. Many policy-makers in Brussels think that he is now out of control. In February, Camino and Sander argued in a joint [insight](#) about Hungary, Poland and EU funds, that the EU's new technique of freezing funding until the miscreant respected the rule of law might work in the short term, but that it could backfire. Their predictions seemed to be borne out during the last European Council of 2023, when Orbán abstained from blocking the opening of accession talks with Ukraine, but forced EU leaders to unfreeze some of the funds due to Hungary. He also delayed aid to Ukraine for at least another two months. Some EU leaders believed he was biding his time, waiting for a surge of nativist parties in the European elections in June and a Trump victory in November, after which he could lead a new nationalist assault on the EU. But others thought he was still transactional, merely blackmailing

the EU in order to obtain all the funds that had been frozen.

We looked ahead to the European elections at a [breakfast](#) in London in March with Klaus Welle, the just-retired secretary-general of the European Parliament. Welle defended the *Spitzenkandidaten* system, according to which the lead candidate of the party with the most MEPs would become Commission president. Many in the audience were sceptical, given that in 2019 von der Leyen had become Commission president without being a *Spitzenkandidat*. The 2024 elections promise to be unusually significant, given the likely growth in support for the far right. The CER will be following the European elections, and the formation of the new Commission, closely in 2024.

Camino Mortera-Martínez

ABOVE (L to R):
Charles Grant
and Thérèse
Blanchet

*Breakfast on
'The EU in 2024',
Brussels*

CER events 2023



16 February

CER/Delegation of the EU to the UK/ECB Representation in London discussion on 'Monetary policy after the energy shock' with Fabio Panetta, Hybrid London/Zoom (top, left)



23 February

Discussion on 'Russia's war of aggression against Ukraine: What has the last year taught us?' with Lawrence Freedman, Timothy Garton Ash, Olesya Khromeychuk, Iuliia Osmolovska and Richard Shirreff, Hybrid London/Zoom

1 March

CER/Clifford Chance discussion on 'Industrial policy and the future of state aid' with Roger Coelho, Ben Smulders and Sigrid de Vries, Hybrid Brussels/Zoom



8 March

Discussion on 'The EU institutions: One year into the war and (just over) one year away from the elections' with Klaus Welle, London (second from top, left)



9 March

Discussion on 'How could the EU-UK Trade and Co-operation Agreement be improved?' with Catherine Barnard, Stefaan De Rynck, Iain Martin and Ivan Rogers, Hybrid London/Zoom (third from top, left)



14 March

Discussion on 'Delivering REPowerEU: What more needs to be done?' with Matthew Baldwin, Elisabetta Cornago and John Springford, Hybrid Brussels/Zoom

16 March

CER/AIG Geopolitical Risk Series: Webinar on 'What will Putin do next, and how should the West respond?' with Per Brodersen, Sergey Radchenko, Thilo Schroeter and Angela Stent, Zoom



25 April

Dinner on 'EU competition policy, industrial strategy and the global economy' with Olivier Guersent, London (bottom, left)

27 April

CER/AIG Geopolitical Risk Series: Webinar on 'Xi Jinping's China: What next?' with Jörn Beißert, Bonny Lin, Kristin Shi-Kupfer and Friedolin Strack, Zoom

4-5 May

Daimler US European Forum on Global Issues with Tjorven Bellmann, Xavier Chatel, Rachel Ellehuus, Tobias Lindner, Rebecca Lissner, Andreas Michaelis and Christian Turner, Berlin

23 May

Breakfast on 'Reflections on the Northern Ireland protocol and the UK's relationship with the EU' with Chris Heaton-Harris, London

25 May

Lunch on 'The impact of the war in Ukraine on NATO' with Julianne Smith, Brussels (third from bottom, left)

6 June

Discussion on 'What industrial strategy for a Labour government?' with Bill Esterson, London (second from bottom, left)

7 June

CER/Clifford Chance discussion on 'Can the 'Brussels effect' survive in today's geopolitical context?' with Ignacio García Bercero, Adriana Herrera Moreno and Sam Lowe, Hybrid Brussels/Zoom

13 June

CER/Kreab breakfast on 'Green, secure and affordable energy: How can Europe get there?' with Ditte Juul Jørgensen, Hybrid Brussels/Zoom

13 June

Dinner on 'How can Britain engage robustly and constructively with China?' with Caroline Wilson, London

28 June

CER/AIG Geopolitical Risk Series:
Webinar on 'A partnership reborn? The
future of the transatlantic relationship'
with Anthony Gardner, Christian
Jetzlsperger and Ivana Zuzul, Zoom

4 July

CER/Kreab breakfast on 'The future
of the EU: The views from Madrid and
Stockholm'
with Marcos Alonso Alonso and Lars
Danielsson, Brussels

6 July

Conference on 'Can Europe lead the
world in product cyber security?'
with Alberto Di Felice, Maika Föhrenbach,
Toomas Hendrik Ilves, Thorwald-Eirik
Kaljo, Christiane Kirketerp de Viron, Cinzia
Missiroli and Cláudio Teixeira, Brussels

6 September

Breakfast on 'The future of British trade
policy'
with Nick Thomas-Symonds, London

13 September

Breakfast on 'Australia and the EU in an
era of geopolitical rivalry'
with Caroline Millar, Brussels (top, right)

18 September

Roundtable on 'The Labour Party's
approach to the EU'
with Catherine Barnard, Stephen Doughty,
Peter Foster and Charles Grant, London

20 September

CER/Kreab breakfast on 'How to
strengthen the transatlantic relationship'
with Mark Gitenstein, Hybrid Brussels/
Zoom

26 September

Liberal Democrat party conference
fringe event on 'The future of the EU-UK
relationship: How close can or should
they become?'
with Richard Foord, Layla Moran, Pedro
Serrano and Julie Smith, Bournemouth
(second from top, right)

3 October

Conservative party conference fringe
event on 'UK security co-operation with
Europe'
with Evie Aspinall, Markus Ferber, Sophia
Gaston and Stephan Mayer, Manchester
(third from top, right)

3 October

Conservative party conference fringe
event on 'The future of the EU-UK
relationship: How close can or should
they become?'
with Bim Afolami, Peter Foster, Andrea
Leadsom and Pedro Serrano, Manchester
(third from bottom, right)

9 October

Labour party conference fringe event
on 'The future of the EU-UK relationship:
How close can or should they become?'
with Douglas Alexander, Hilary Benn,
Stella Creasy and Pedro Serrano, Liverpool

13-15 October

CER/EDAM 19th Bodrum Roundtable
speakers included Burak Akçapar, Oksana
Antonenko, Alexandra Belias, Angelina
Eichhorst, Steven Everts, Derya Göçer,
Alexander Graf Lambsdorff, Kasım Han,
Isabel Hilton, Tacan İldem, Namık Tan,
Martin Thümmel and Bilge Yılmaz,
Bodrum

24 October

Conference on 'Europe and the world'
with Josep Borrell Fontelles and CER 25th
birthday reception
with Carl Bildt, Josep Borrell Fontelles,
Alicia García-Herrero, Heather Grabbe,
Jacob Funk Kirkegaard and Mark Leonard,
Hybrid Brussels/Zoom
(second from bottom, right)

10-11 November

Conference on 'Europe and the
superpowers: The rise of economic
nationalism'
speakers included Agnès Bénassy-Quéré,
Mark Bowman, Marco Buti, Meredith
Crowley, Ignacio García Bercero, Luis
Garicano, Megan Greene, Jennifer Harris,
Yu Jie, Selma Mahfouz, Catherine Mann,
Jean Pisani-Ferry, Elina Ribakova, Martin
Sandbu, Brad Setser, Shahin Vallée, Martin
Wolf and Jeromin Zettelmeyer, Ditchley
Park

14 November

Conference on 'St Malo: 25 years of
European security and defence'
with Claude-France Arnould, Gérard
Errera, Alexandre Escorcía, James
Heappey, Alexandra de Hoop Scheffer,
Angus Lapsley, David Leakey and Peter
Ricketts, London

14 November

25th birthday party
with a keynote speech by the Rt Hon
Michael Gove (bottom, right), hosted by
Ambassador José Pascual Marco, London



16 November

Roundtable on 'The EU as a global actor: Challenges and ways forward'
 with Stefano Sannino, London
 (top, left)



21 November

CER/Kreab breakfast on 'The EU in 2024'
 with Thérèse Blanchet, Brussels



22 November

Discussion on 'Is the European power grid ready for the energy transition?'
 with Timothée Decroix, Robert Kuik,
 Yannick Phulpin and Rebecca Sedler,
 Hybrid Brussels/Zoom

24 November

Discussion on 'War, peace and the future of Ukraine'
 with Iuliia Osmolovska, Hybrid London/
 Zoom



29 November

CER/Clifford Chance discussion on
 'The Polish elections and the future of
 the EU's rule of law'
 with Joanna Bekker, Álvaro de Elera and
 Janusz Lewandowski, Hybrid Brussels/
 Zoom (second from top, left)

30 November-1 December

Daimler US European Forum on Global
 Issues
 with Salman Ahmed, Thomas Bagger,
 Tarun Chhabra, Robert Kagan, Manuel
 Lafont Rapnouil, Enrique Mora, Radosław
 Sikorski, Amanda Sloat, Christian Turner
 and Thomas Wright, Washington

5 December

CER/Kreab breakfast on 'How should the
 EU balance fiscal discipline and the need
 for higher public investment?'
 with Maarten Verwey, Brussels
 (bottom, left)

5 December

CER/AIG Geopolitical Risk Series:
 Webinar on 'Europe in the era of great
 power competition'
 with Daniel Gros, Nikolas Keßels, Michael
 Scharfschwerdt and Leslie Vinjamurii,
 Zoom

CER publications 2023

Is European defence missing its moment?

insight by Luigi Scazzieri *January 2023*

Early impacts of the post-Brexit immigration system on the UK labour market

insight by John Springford and Jonathan Portes *January 2023*

Germany, Russia and Ukraine: From 'Turning Point' to missing the point

insight by Ian Bond *January 2023*

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insight by Zach Meyers *January 2023*

The CER's mission is as vital as ever

bulletin article by Nick Butler *February 2023*

25 years on, the CER is more necessary than ever

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Ditchley conference report: Macroeconomics in a time of pandemic and war

report by John Springford, Elisabetta Cornago, Zach Meyers and Sander Tordoir *February 2023*

A year of war in Europe: The balance sheet

policy brief by Ian Bond, Elisabetta Cornago, Zach Meyers, Camino Mortera-Martínez, Luigi Scazzieri and Sander Tordoir *February 2023*

Does the Windsor deal herald warmer ties between Britain and the EU?

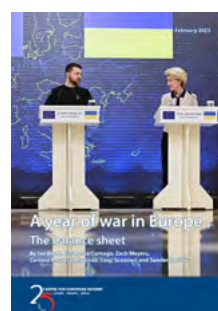
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bulletin article by Ian Bond *April 2023*



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Can the European Political Community survive?

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Europe and the Gaza conflict

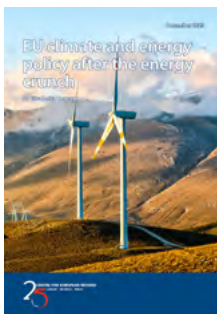
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In tech, the death of the Brussels effect is greatly exaggerated

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insight by Aslak Berg *December 2023*

How to minimise the 'greenlash'

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CER staff 2023

Charles Grant is the director.

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



John Springford was the deputy director and is now an associate fellow. He specialises in Britain's relationship with the EU, the single market, international trade and the economics of migration.



Ian Bond is the deputy director.

He specialises in Russia and the former Soviet Union, European foreign policy, Europe-Asia relations and US foreign policy.



Camino Mortera-Martínez was head of the Brussels office. She specialised in EU law, politics and institutions.



Zach Meyers is the assistant director.

He specialises in competition policy, economic regulation, industrial strategy, technology and innovation.



Sander Tordoir is the senior economist.

He specialises in eurozone monetary and fiscal policy, the EMU, European integration and Germany's role in the EU.



Luigi Scazzieri is a senior research fellow.

He specialises in European security and defence, and in EU policy towards the Middle East.



Elisabetta Cornago is a senior research fellow.

She specialises in EU energy and climate policy from an economics perspective.



Aslak Berg is a research fellow.

He specialises in trade policy, international economics, regulatory policy and regional integration.

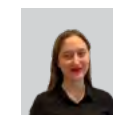


Christina Keßler is the Clara Marina O'Donnell fellow (2023-24).

She specialises in European foreign and security policy, China and the Indo-Pacific region.



Helmi Pillai was the Clara Marina O'Donnell fellow (2022-23).



Kate Mullineux is the head of publishing, branding and digital. She designs the CER's publications, organises their production and is responsible for all branding and digital content.



Sophie Horsford is the fundraising and 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 events programme.



Octavia Hughes is the communications and events assistant and PA to the director. She produces and hosts the CER podcast and assists with the planning and execution of events.



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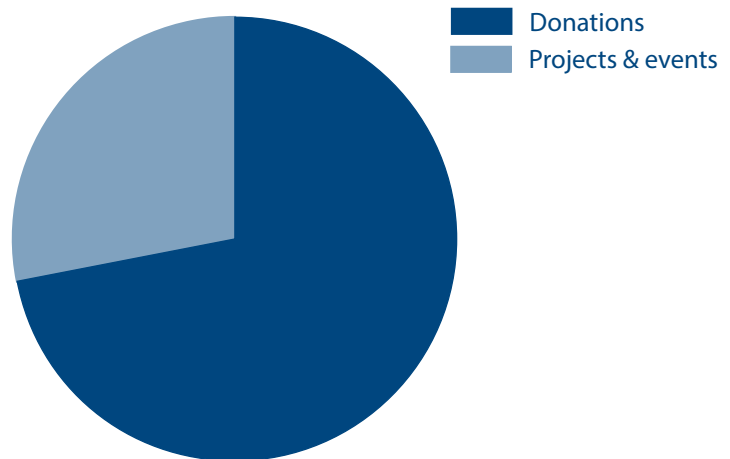
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Financial information

Accounts for year ending 31.12.2022

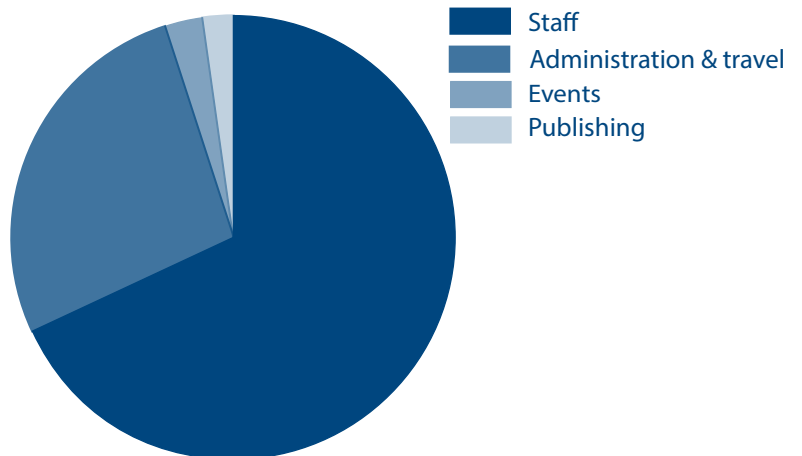
Income for 2022:

Total £1,418,417



Expenditure for 2022:

Total £1,293,607



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