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## THINK TANK REVIEW

Issue 10  
February 2014

Dear Readers,

Welcome to issue 10 of the **Think Tank Review** compiled by the EU Council Library.\* It references papers published in December 2013 and January 2014. As usual, we provide the link to the full text and a short abstract.

This month, we collect a number of papers that focus on the economies of individual Member States, including the UK, Germany, Ireland, and Spain, or on EU-wide overviews of policies and indicators. As the final tally of macroeconomic figures for the year 2013 is becoming known, this is perhaps a predictable topic of interest. Similarly, the beginning of the year triggers prospection exercises into what lies ahead for the EU in 2014; on this, it is worth noting the most recent [BEPA monthly](#) by our colleagues at the European Commission and the [Brussels Think Tank Dialogue](#) held at the end of January.

Our Special Focus this month is on Defence, with papers on topics as varied as peacebuilding, civil-military capabilities, drones, and parliamentary oversight. As always, there are many papers on energy, particularly shale gas and energy security. Papers on migration issues also feature prominently in our section on JHA.

In the external relations sections, we feature several papers on EU-Russia relations, published before, during and after the Eastern Partnership summit in Vilnius. There are also a number of papers on China, and Turkey.

In Regards croisés, we continue our exploration of mutual perspectives between Member States, this time by highlighting a paper from the Warsaw-based Centre for Eastern Studies, which looks at US-German ties following the wiretapping scandal.

The current Review and past issues can be downloaded from our informal Central Library blog at <http://www.councillibrary.wordpress.com>.

As always, feedback is welcome at [central.library@consilium.europa.eu](mailto:central.library@consilium.europa.eu).

The next Review will be out in March 2014, with papers published in February.

For our readers from outside the General Secretariat: the Central Library is in the Justus Lipsius building, at JL 02 GH, Rue de la Loi 175, 1048 Brussels. It is open to Council officials, staff of other EU institutions and Permanent Representations of Member States. Members of the public may use the library for research purposes.

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## SECTION 1 - EU INSTITUTIONS, POLITICS, ECONOMICS

### *Member States and European economies*

#### POLICY NETWORK

##### **Britain's financial services industry in a changing Europe**

December 2013

Link to the article in [English](#)

This article focuses on financial services, as the focal point of the debate about Britain's future in the EU. The sovereign debt and banking crises have accelerated integration in the eurozone, a trend often seen as alien to British interests. The position of the City as the main financial services centre in Europe has become uncertain.

#### PETERSON INSTITUTE FOR INTERNATIONAL ECONOMICS

##### **Making labor market reforms work for everyone: lessons from Germany**

by Jacob Funk Kirkegaard

January 2014

Link to the article in [English](#)

Germany has the best functioning labour market among large economies in the West, the author of this paper says, but its labour reforms are suspected to have lowered living standards for low-income workers, and to have increased income inequality. He shows that Germany's recent labour market success has indeed resulted from the structural labour reforms in the early 2000s. But the expansion of the criticized low-wage "mini-jobs" largely results from their increasing use as second jobs. A gap between "mini-jobbers" and other employees caused by differences in employment protection could evoke a dual labour market. Its prevention will be a challenge for future governments.

#### INSTITUT FRANÇAIS DES RELATIONS INTERNATIONALES

##### **De l'Allemagne et de son économie**

by Patrick Allard

January 2014

Link to the document in [French](#)

Recent fears about a widening gap between the French and the German economy are unfounded, the author of this article says. Nevertheless, comparing the two economies highlights the need for France to implement the reform agenda. But both economies face similar long-term challenges, namely low growth rates, which have potentially serious implications for employment, competitiveness, standard of living and public finances. The reforms that the two countries need to implement are largely overlapping. They relate to education, the goods and services markets and to the labour market.

#### KIEL INSTITUTE FOR THE WORLD ECONOMY

##### **Why is Germany's manufacturing industry so competitive?**

by Federico Foders and Manuel Molina Vogelsang

January 2014

Link to the article in [English](#)



The German economy has been outperforming other member countries of the EU during the recent recession and debt crisis. This paper seeks to explain why. It analyses the trade and technology specialization, the degree of vertical specialization in the export sector and the price/cost performance for Germany, South Korea, China, Japan and the US. The authors contend that quality is the main driver of Germany's international success, that price and cost advantage determines competitiveness in some product groups, and that R&D efforts have contributed to develop and maintain German competitiveness in manufactured products.

THE CENTRE FOR EUROPEAN POLICY STUDIES

### **The ghost of deflation past**

by Thomas Mayer

December 2013

Link to the article in [English](#)

This note takes a look at the development of monetary aggregates and debt in the G7, plus non-G7 euro-area countries. The authors note that monetary and debt developments point to relatively sluggish growth but do not signal deflation risks and that the realignment of 'internal real exchange rates' in the euro area will probably come through a rise in prices in Germany.

THE INSTITUTE OF INTERNATIONAL AND EUROPEAN AFFAIRS

### **Economic governance with tight constraints: exploring implications for the Irish economy**

by John Bradley

January 2014

Link to the article in [English](#)

The author examines the implications of newly reformed European economic governance structures for Ireland. To succeed under these circumstances a rethink in industrial policy with a greater focus on supporting the indigenous SME sector is necessary.

THE LISBON COUNCIL

### **The 2013 Euro Plus Monitor: from pain to gain**

by Holger Schmieding, Christian Schulz, Paul Hofheinz and Ann Mettler

December 2013

Link to the article in [English](#)

If the eurozone stays the course, the systemic crisis could be largely over by mid-2014, according to this paper. Its authors rank the principal European economies on a host of criteria, including the speed of adjustment to the challenges posed by the financial and economic crisis. It also looks at long-term economic health.

WORLD ECONOMIC FORUM

### **Enhancing Europe's competitiveness. Fostering innovation-driven entrepreneurship in Europe**

January 2014

Link to the article in [English](#)

Faced with strong global competition and high labour costs, Europe will be able to generate sustainable and significant growth only through a relentless focus on a knowledge economy and on enhancing the environment for high value-added innovation-driven entrepreneurship. The report proposes an agenda for supporting entrepreneurship, which includes criteria for success.

RESEARCH INSTITUTE OF THE FINNISH ECONOMY

### **Computerization threatens one third of Finnish employment**

by Mika Pajarinen and Petri Rouvinen

January 2014

Link to the article in [English](#)

The authors of this paper find that one third of Finnish employment is at risk from computerisation in the next two decades. Although high, this share is still lower than in the US, which the paper uses as a comparison throughout. Low wage and low skill occupations appear more threatened. Service jobs are relatively more sheltered than manufacturing jobs. Although the development doesn't necessarily mean that human workers will have less to do in the future, it is an issue of great concern.

CENTER FOR SOCIAL AND ECONOMIC RESEARCH

### **Study to quantify and analyse the VAT gap in the EU-27 Member States**

by Luca Barbone, Misha V. Belkindas, Leon Bettendorf, Richard M. Bird, Michael Smart and Mikhail Bonch-Osmolovsky

December 2013

Link to the article in [English](#)

This report discusses the VAT Gap in the EU-27 Member States, conducted by CASE and CPB. The study discusses the structure of the VAT systems in the EU, the broad trends in the EU economy over the period 2000-2011, and reviews the behaviour of VAT revenues, as well as the changes in VAT rates and exemptions that have occurred as a response to economic events or policy decisions. Finally, an econometric analysis of the determinants of VAT Gaps for the period under consideration is provided.

### **Measuring financial stress and economic sensitivity in CEE countries**

by Maciej Krzak, Grzegorz Poniatowski and Katarzyna Wąsik

January 2014

Link to the article in [English](#)

This report presents the Financial Stress Index and the Economic Sensitivity Index and investigates the economic situation in twelve Central and East European Countries between 2001 and 2012. A shift in the value of the index proves that EU accession had a minor positive influence on financial stability. The authors stress the usefulness of the measures to predict financial and economic crises.

FRIEDRICH EBERT STIFTUNG

### **Alternatives to austerity : progressive growth strategies for Europe**

by Michael Dauderstädt and Ernst Hillebrand (eds.)

December 2013

Link to the article in [English](#) and in [German](#)

The author make the case that new growth requires new investment, presupposes a banking sector recapitalised through a banking union, and coordinated European growth initiatives. It also implies improving business competitiveness in the crisis countries and more equitable income distribution.

### **Social cohesion and the state in times of austerity : country case study: Spain**

by Alberto del Pozo Sen and José Moisés Martín Carretero

December 2013

Link to the article in [English](#)

The combination of internal devaluation and falling social expenditure has had adverse effects on social cohesion in Spain, this paper says. Disposable income has decreased, poverty and income inequality have risen dramatically and the number of households in economic difficulties has increased. This is affecting the most vulnerable in particular and has created a more fragmented society.

COLOGNE INSTITUTE FOR ECONOMIC RESEARCH

### **Zur Debatte über einen weiteren staatlichen Schuldenschnitt in Griechenland**

by Jürgen Matthes

December 2013

Link to the article in [German](#)

The author discusses the development of the Greek economy. She foresees a slight recuperation and the achievement of a balanced government budget. Furthermore, she advocates an adjustment of the credit terms for the Greek debt.

THE VIENNA INSTITUTE FOR INTERNATIONAL ECONOMIC STUDIES

### **State aid and export competitiveness in the EU**

by Mario Holzner and Roman Stöllinger

December 2013

Link to the article in [English](#)

The authors investigate the relationship between state aid for the manufacturing sector and Member States' export performance. Their model suggests that a 10% increase in manufacturing aid increases exports by 0.67% for the average EU country. They also find that the impact of state aid on exports increases in step with government effectiveness, leading to large differences in the leverage of aid expenditures across Member States.

### ***Euro area and EMU***

FONDATION ROBERT SCHUMAN

### **Economic and Monetary Union reform: political ambition or division**

by Dominique Perrut

December 2013

Link to the article in [English](#) and in [French](#)

The reform of the Economic and Monetary Union launched by the European Council in June 2012 stands as a long term answer to the intrinsic weakness of the euro. This article discusses the decisive steps achieved with this reform as well as its potential shortfalls.

NOTRE EUROPE - JACQUES DELORS INSTITUTE

### **Which financial instrument to facilitate structural reforms in the euro area?**

by Eulalia Rubio

December 2013

Link to the article in [English](#) and in [French](#)

The idea of creating contractual arrangements to facilitate structural reforms in the euro area is starting to take shape. After analysing the proposal which is currently under negotiation, this paper discusses some issues concerning the coverage, type of reforms targeted, national ownership and type of financial support attached to these contracts. It questions the causal assumptions in which is based the proposal and makes a case for switching from a logic of incentives to a logic of solidarity.

ISTITUTO AFFARI INTERNAZIONALI

**European fiscal and monetary policy: a chicken and egg dilemma**

by Michael Emerson and Alessandro Giovannini

December 2013

Link to the article in [English](#)

Systemic defects led to the current crisis of the eurozone, resulting in a complex set of core-periphery relations between north and south, in which the preeminent role of Germany in the north points to a lack of democratic legitimacy in the whole construction. The idea of creating a banking and fiscal union is in principle aimed at restoring unity to the eurozone, but the current approach falls short, this paper says. A more federalist fiscal structure is needed, but this demands major political leadership.

EGMONT - ROYAL INSTITUTE FOR INTERNATIONAL RELATIONS

**Contractual arrangements: the overlooked step towards a fiscal union**

by Xavier Vanden Bosch

December 2013

Link to the article in [English](#)

The debate about the fiscal union should be centred on the solidarity mechanism, according to the author. The form of the financial support should not be limited to loans, but include the possibility for grants. Only the countries with the greatest adjustment needs should benefit from the financial support. This solidarity could be justified in principle by the intensity of the 'shocks' they experienced. In this way, contractual arrangement would facilitate the completion of the necessary adjustment in the current crisis.

COLLEGE OF EUROPE

**The judicial 'bail out' of the European Stability Mechanism: comment on the Pringle case**

by Gianni Lo Schiavo

December 2013

Link to the article in [English](#)

Pringle is the awaited judicial response of the ECJ on the creation of the ESM. This article examines the feasibility of the ESM under the Treaty rules and in light of the Pringle judgment. The result is rather positive as the Court endorses the establishment of a stability mechanism of the ESM-kind beyond a strict reading of the Treaty rules. This judgment could enhance economic, financial and political interconnections between Member States.

FRIEDRICH EBERT STIFTUNG

**On the way to a fiscal or a stability Union? The plans for a "genuine" Economic and Monetary Union**

by Björn Hacker

December 2013

Link to the article in [English](#)

A mapping of missing elements in the Maastricht architecture of EMU done by van Rompuy, Barroso, Juncker and Draghi in 2012 has been stripped-down intensively by the heads of state and government at the European Council in December 2012. Since then, the author of this paper says, the reform debate transformed into a conflict between two groups of MS, gathering around France on one side and Germany on the other. The latter camp, "with its approach against all kinds of mutual liability, financial rebalancing and social coherence," seems to have gained the lead, he argues.

## **Banking Union**

BRUEGEL

### **Supervisory transparency in the European Banking Union**

by Christopher Gandrud and Mark Hallerberg

January 2014

Link to the article in [English](#)

Current and planned EU requirements on bank transparency are either insufficient or could be easily sidestepped by supervisors, this paper says. A banking union in Europe needs to include requirements for greater supervisory transparency. Bank supervisors should provide publicly accessible, timely and consistent data on banks, the authors say, pointing to the US as an example.

### **Ending uncertainty: recapitalisation under European Central Bank supervision**

by Silvia Merler and Guntram B. Wolff

December 2013

Link to the article in [English](#)

Uncertainty prevails about the recapitalisation needs of the banking system, the rules and discretion that will apply to bank recapitalisation, bank restructuring and bank resolution. The authors argue that the ECB should communicate the relevant parameters of its exercise early and in detail to give time to the private sector to find solutions. It should furthermore establish itself as a tough supervisor. Governments should support the ECB and agree on the creation of a single resolution mechanism with efficient decision-making procedures.

BRUSSELS THINK TANK DIALOGUE

### **Banking Union and beyond. Discussion papers**

January 2014

Link to the article in [English](#)

The EMU framework that has been strengthened as well as financial supervision, fiscal discipline and macroeconomic surveillance. Among the various reforms, the agreement to create a Banking Union is certainly a major one and represents probably the most important step towards integration to date. This article discuss the question: is it enough? The economic session of the BTTD 2014 reviewed the progress on banking union and asked what else is missing in the EMU architecture.

THE CENTRE FOR EUROPEAN POLICY STUDIES

### **The asset quality review and capital needs: why re-capitalise banks with public money?**

by Daniel Gros

December 2013

Link to the article in [English](#)

The author argues that banks that do not have enough capital should obtain it from the market. The case for a public backstop was strong when the entire euro area banking system was under stress, but this is no longer the case. Banks with a viable business model can find capital, those without should be closed.

### **Falling short of expectations? Stress-testing the European banking system**

by Viral V. Acharya and Sascha Steffen

January 2014

Link to the article in [English](#)

The authors provide estimates of the capital shortfalls of banks that will be stress-tested under ECB's Asset Quality Review using publicly available data and a series of shortfall measures. Their analysis identifies which banks will most likely need capital, where a public backstop is likely to be needed.

COLLEGE OF EUROPE

### **Towards a Banking Union: open issues**

by Christian de Boissieu (rap.)

January 2014

Link to the article in [English](#)

This paper discusses the debates regarding the implementation of a banking union in Europe that took place in Bruges in April 2013 at a Conference co-organised by the College of Europe and the European Commission's Joint Research Centre. The benefits to be expected from the banking union are reviewed. Then its components are analysed. The challenges are both functional and institutional and involve micro- and macro prudential considerations. The paper relates the transition to a banking union to other structural issues such as the separation of bank activities and the financing of the real economy in the new regulatory framework.

FUNDACIÓN ALTERNATIVAS

### **La Unión Bancaria: avances e incertidumbres para el año 2014**

by Ángel Berges Lobera, Emilio Ontiveros Baeza and Francisco José Valero López

January 2014

Link to the article in [Spanish](#)

The authors argue that after the conclusion of the process of stabilisation of the Spanish banking system within the framework of the programme of financial assistance, its main challenge will be the effective put in place of the Banking Union. The article discusses the Banking Union from a Spanish perspective.

### ***EU Member States***

BARCELONA CENTRE FOR INTERNATIONAL AFFAIRS

### **Britain and Europe: backing into the future**

by David Hayes

December 2013

Link to the article in [English](#)

The article focuses on Britain's awkward relationship with the EU, which will endure due to issues related to the rise of centrifugal forces that may rupture the UK, and to the structural flaws of the British economy. Europe has come to operate in the British debate as a screen onto which eurosceptics project the blame for defects that in most cases are home-grown, the author says. The future relationship depends on the character of forthcoming EU reform, the outcome of the government's balance of competences review, and whether Britain can join any EU-wide process or negotiate new special arrangements and opt-outs.

CENTRE FOR EUROPEAN REFORM

### **The Great British trade-off: the impact of leaving the EU on the UK's trade and investment**

by John Springford and Simon Tilford

January 2014

Link to the article in [English](#)

Some eurosceptics think Britain can leave the EU and still have access to its markets. The authors argue that Britain will have to sign up to EU rules in order to achieve this. Additionally, Britain is home to a larger stock of EU and US foreign direct investment (FDI) than any other EU economy and is the preferred location for investment from other leading markets. Some of this investment would be threatened by a UK exit from the EU, the authors hold.

EUROPEAN POLICY CENTRE / BERTELSMANN STIFTUNG / CENTRE FOR EUROPEAN POLICY STUDIES

### **Legitimising EU policymaking: what role for national parliaments?**

by Janis A. Emmanouilidis, Thomas Fischer, Sonia Piedrafita and Corina Stratulat

January 2014

Link to the article in [English](#)

This joint Discussion Paper, jointly prepared for the Brussels Think Tank Dialogue 2014, argues that focusing on domestic responsibilities would be the most straightforward and effective way for national parliaments to strengthen their direct involvement in EU policy formulation.

EUROPEUM

### **Two-speed Europe and the role of the Czech Republic in it**

by Vladimír Bartovic, David Král and Ivo Šlosarčík

January 2014

Link to the article in [Czech](#)

This research report aims to describe and analyse the current state of the EU in terms of multi-speed integration and point out the potential risks that that entails for the position of the Czech Republic within the EU.

EASTERN EUROPE STUDIES CENTRE

### **Struggling for gender equality: sharing Lithuanian and Bulgarian experience**

by Mėta Adutavičiūtė, Jūratė Guzevičiūtė and Genoveva Tisheva

December 2013

Link to the article in [English](#) and in [Russian](#)

In this case study, Lithuanian and Bulgarian experts explore the laws on gender equality and domestic violence in their home countries. The authors provide an overview of the situation before the adoption of the laws, look into the adoption process, talk about the remaining challenges and lessons learnt. The experts put forward suggestions from the countries which are yet to introduce their own gender equality and domestic violence laws.

### ***Euroscepticism***

ISTITUTO AFFARI INTERNAZIONALI

### **Eurocriticism: the eurozone crisis and anti-establishment groups in southern Europe**

by Thanos Dokos, Eleonora Poli, Chiara Rosselli, Eduard Soler i Lecha and Nathalie Tocci

December 2013

Link to the article in [English](#)

Although euroscepticism is not a new phenomenon, the rise of mass anti-establishment movements - notably in southern Europe - is, according to this paper. Such movements have recently become key actors in their national political arena by opposing EU-imposed austerity, but they are not all opposed to the EU integration project as such. The critique of these movements could be galvanized into a constructive force.

KONRAD ADENAUER STIFTUNG

### **Europa - Nein Danke? Studie zum Aufstieg rechts- und nationalpopulistischer Parteien in Europa**

by Karsten Grabow and Florian Hartleb

December 2013

Link to the article in [German](#)

Populist parties of the political right experience broad support recently. This paper analyses the current situation of these parties and sets a focus on their issues and strategies of voter mobilisation. The authors emphasize the increasing salience of their eurosceptical stance. While euroscepticism is a well-known phenomenon, its success in mobilising party support is rather new.

### ***EU policies***

BRUEGEL

### **Commitments or prohibition? The EU antitrust dilemma**

by Mario Mariniello

January 2014

Link to the article in [English](#)

Most investigations into suspected infringements of EU competition law are dropt in exchange for commitment decisions which are considered speedier than formal sanctions in restoring normal competitive market conditions. The author stresses the fact that this reduces the European Commission's incentive to build a robust case. Because commitment decisions do not establish any legal precedent, they provide for little guidance on the interpretation of the law.

ISTITUTO AFFARI INTERNAZIONALI

### **The digital infrastructure as the next "EU grand project"**

by Andrea Renda

January 2014

Link to the article in [English](#)

This paper argues that the EU's approach to the information society was ill-conceived. Key EU policymakers have realized only recently that the EU will not be able to keep up with global competitiveness due to a lack of integrated, connected, smart infrastructure. The paper explores potential policy options for the future of the EU digital agenda, argues that a gradual "evolution" is not sufficient for the EU to regain its leadership in the ICT sector, and proposes policy scenarios for a more united, effective and "digital" Europe.

### **Transport, communications and infrastructure in a united and effective Europe**

by Stefano Riela

January 2014

Link to the article in [English](#)

Riela states that a united and effective Europe requires a new and upgraded infrastructure, greater liberalisation, and service provision regulated by more homogenous rules. This reform process has financial, social and political costs. Public resources are needed in this policy area. As such, a golden rule for the Stability and Growth Pact to exclude investment spending in EU infrastructure as far as the Excessive Deficits Procedure is concerned would be welcome.



FRIDE / CHATMAN HOUSE

**Empowering Europe's future: governance, power and options for the EU in a changing world**

by Giovanni Grevi, Daniel Keohane, Bernice Lee and Patricia Lewis

December 2013

Link to the article in [English](#)

The European Commission, at the request of an EU inter-institutional task force, commissioned Chatham House and FRIDE to produce this report analysing trends in power and governance to 2030, carried out under strand 3 – Governance and Power – of the [European Strategy and Policy Analysis System](#).

KING BAUDOUIN FOUNDATION / BERTELSMANN STIFTUNG / EUROPEAN POLICY CENTRE

**New pact for Europe: first report. Strategic options for Europe's future**

by Janis A. Emmanouilidis (rap.)

December 2013

Link to the article in [English](#)

This report, which reflects the work and discussions of a Reflection Group including EU experts from different Member States, analyses the 'state of the Union', describes the key challenges Europe faces and presents five potential strategic options for the future of European integration.

SWEDISH INSTITUTE FOR EUROPEAN POLICY STUDIES

**Close encounters of the third kind: the interface between the EU and international law after the Treaty of Lisbon**

by Wessel Ramses A.

December 2013

Link to the article in [English](#)

The Treaty on EU stipulates that in its relations with the wider world, the EU shall uphold and promote its values and interests. It shall also contribute 'to the strict observance and the development of international law, including respect for the principles of the United Nations'. In this report, the author discusses the evolving interface between the EU and international law after the entry into force of the Lisbon Treaty.

EUROPEAN POLICY CENTRE / INSTITUT FRANÇAIS DES RELATIONS INTERNATIONALES / GERMAN COUNCIL ON FOREIGN RELATIONS

**The Schengen governance package: the subtle balance between Community method and intergovernmental approach**

by Yves Pascouau

December 2013

Link to the article in [English](#) and in [French](#)

In this paper the author argues that the adoption of the Schengen governance legislative package illustrates a strong movement toward integration, where confrontations between the Community method and intergovernmental approach have given way to more subtle balance.

THE CENTRE FOR EUROPEAN POLICY STUDIES

**Differentiated integration in the EU – From the inside looking out**

by Steven Blockmans (ed.)

January 2014

Link to the article in [English](#)

The contributors to this paper offer a kaleidoscopic view of legal constructs and policy aspects of differentiation in EU external action, namely the Common Foreign and Security Policy, Common Security and Defence Policy and the external dimension of the Area of Freedom, Security and Justice.

FRIEDRICH EBERT STIFTUNG

**Rolling back or expanding European integration?: Barriers and paths to deepening democratic and social integration**

by Hans-Wolfgang Platzer

December 2013

Link to the article in [English](#) and in [German](#)

This contribution shows that and why the return to national currencies and the creation of a 'European Bretton Woods system' is not a solution. It also discusses the structural and political barriers to deepening integration. Within this context, the author outlines paths that may be taken in order to create an economically more efficient, socially more just, and more democratic EU.

INSTITUT MONTAIGNE

**Comment renforcer l'Europe politique**

by Jean-Paul Tran Thiet (dir.)

January 2014

Link to the article in [French](#)

The Institut Montaigne states that the hard times the EU faces and the context of economic crisis offer a opportunity to put the European political project forward. The EU should focus on the concrete needs of the citizen and on the key questions, namely education and employment.

***Justice, Home Affairs and Security***

THE FINNISH INSTITUTE OF INTERNATIONAL AFFAIRS

**Neither neutral nor non-aligned: the Europeanization of Finland's foreign and security policy**

by Teemu Palosaari

December 2013

Link to the article in [English](#)

Palosaari examines the effects that Finland's accession to the EU has had on its foreign policy. These include changes in the national position on the use of military force abroad, in the interpretation of non-alignment, and the division of power among the primary national foreign policy decision-makers.

EUROPEAN POLICY CENTRE

**The future of the area of freedom, security and justice - Addressing mobility, protection and effectiveness in the long run**

by Yves Pascouau

January 2014

Link to the document in [English](#)

In this discussion paper Yves Pascouau addresses multiple questions related to the "post-Stockholm Programme" phase. He argues that mobility, protection and effectiveness should be the three strategic pillars for the future of the area of freedom, security and justice.

SWEDISH INSTITUTE OF INTERNATIONAL AFFAIRS

### **The EU's Internal Security Strategy: living in the shadow of its past**

by Anna Horgby and Mark Rhinard

December 2013

Link to the article in [English](#)

The authors examine the history of the Internal Security Strategy (ISS) from three perspectives – its origin, its formulation, and its eventual content – and examine the extent to which those perspectives offer clues as to the likely impact of the ISS.

### **A resilient Europe for an open, safe and secure cyberspace**

by Myriam Dunn Cavelty

December 2013

Link to the article in [English](#)

The author discusses cyber-attacks, that become more frequent, more organised, more costly, and altogether more dangerous. The amount of money spent on defence-related aspects of cyber-security is rising worldwide. The EU needs to stand for its vision of an open, safe and secure cyberspace.

## **Migration**

FONDATION ROBERT SCHUMAN

### **The management of posted workers in the EU**

by Sébastien Richard

January 2014

Link to the article in [English](#) and in [French](#)

The European Commission has put forward a draft implementing directive designed to prevent the circumvention of the 1996 directive. Richard argues that this should improve the monitoring of the procedure which shapes the principle of the free provision of service within the EU, guarantees workers the most advantageous social rights and thereby contributes to the employment of more than one and a half million Europeans.

BARCELONA CENTRE FOR INTERNATIONAL AFFAIRS

### **Retos de la política de inmigración española ante el cambio de ciclo**

by Héctor Cebolla Boado

January 2014

Link to the article in [Spanish](#)

Cebolla Boado criticises Spanish law on the immigration of foreign workers as unrealistic. The Spaniards and their political elite are not aware of the advantages of the extension of social rights for immigrants discussed by experts of integration, he argues. He stresses the responsibility of the EU as a whole for its borders, which until now is left to individual member states. He furthermore advocates a new debate about immigration with a focus on diversity as an constitutional element of modern societies.

INSTITUTE FOR PUBLIC POLICY RESEARCH

### **In transition: Romanian and Bulgarian migration to the UK**

by Alex Glennie and Jenny Pennington

December 2013

Link to the article in [English](#)

In January 2014, temporary restrictions on the working rights of Romanian and Bulgarian citizens in the UK was lifted. Predating this move, this report outlines the potential impacts of new migration flows from eastern Europe and identifies the key lessons UK policymakers can take from the previous wave of new migration in 2004.

FRIEDRICH EBERT STIFTUNG

### **Die Mär vom "Sozialtourismus" : Zuwanderung rumänischer Staatsbürger nach Deutschland und in andere EU-Mitgliedsländer**

by Matthias Jobelius and Victoria Stoiciu  
January 2014

Link to the article in [German](#) and in [Romanian](#)

In contrast to recent polemics in the public debate, Romanian immigrants are well integrated in the German labour market, according to this paper. Their qualification is above average and only very few depend on social transfers. However, in some regions and sectors the situation deviates from the overall picture and certain problems occur. Here Romanians suffer from precarious employment conditions. This is where politics must help the municipalities and prevent disgraceful working conditions.

### **Nach Lampedusa : das neue gemeinsame Europäische Asylsystem auf dem Prüfstand**

by Petra Bendel  
December 2013

Link to the article in [German](#)

Bendel discusses the EU agreements in asylum policy made in 2013. She criticises that EU border policy just prevents the entrance of refugees, and thus deprives many of their right to asylum. Furthermore, the causes are ignored and the Member States near the EU borders are left alone with their responsibility for the refugees.

PEW RESEARCH CENTER

### **Changing patterns of global migration and remittances. More migrants in U.S. and other wealthy countries; more money to middle-income countries**

by Phillip Connor, D'Vera Cohn and Ana Gonzalez-Barrerra  
December 2013

Link to the article in [English](#)

This report examines trends in international migrant population from 1990 to 2013 and in international remittance flows from 2000 to 2013. Despite global shifts, it says, one constant remains: the US has the largest number of international migrants.

COLOGNE INSTITUTE FOR ECONOMIC RESEARCH

### **12 gute Gründe für Zuwanderung**

by Wido Geis and Felicitas Kemeny  
January 2014

Link to the article in [German](#)

The article discusses migration in Germany. Since 2009 the number immigrants increased and exceeded the emigrants. However, the authors expect a decline of immigration. The authors discuss twelve reasons why Germany benefits from immigration and propose measures to encourage foreigners to move to Germany.

## **EEAS**

SWEDISH INSTITUTE FOR EUROPEAN POLICY STUDIES /CENTRE FOR EUROPEAN POLICY STUDIES / EUROPEAN UNIVERSITY INSTITUTE

### **EEAS 2.0 - Recommendations for the amendment of Council Decision 2010/427/EU establishing the organization and functioning of the EEAS**

by Steven Blockmans, Marise Cremona, Deirdre Curtin, Geert De Baere, Simon Duke, Christina Eckes, Christophe Hillion, Bart Van Vooren, Ramses Wessel and Jan Wouters  
December 2013

Link to the article in [English](#)

This special SIEPS publication aims to contribute, in practical legal terms, to the review of the organization and functioning of the EEAS. In particular, it offers specific recommendations for the amendment of Council Decision 2010/427/EU on which the Service's operation is based. The publication forms part of the [EEAS 2.0 project](#), a collaborative initiative involving independent European scholars brought together by SIEPS, the Centre for European Policy Studies (CEPS) and the European University Institute (EUI).

ISTITUTO PER GLI STUDI DI POLITICA INTERNAZIONALE

### **The EEAS and the quest for an effective public diplomacy**

by Simon Duke  
December 2013

Link to the article in [English](#)

This paper addresses the matter of a new public diplomacy with particular reference to the EEAS, coming to mixed conclusions on the EU's ability to successfully manage this practice. While the Treaty of Lisbon promises higher coherence and efficiency, EU's communications still prove to be inadequate on a number of major issues. One of the key recommendations is to pay greater attention to non-governmental actors and pursue a higher coordination at the national and EU levels.

### **Under the crisis's pressure. Matching the EU external action with national diplomacies**

by Rosa Balfour and Andrea Frontini  
December 2013

Link to the article in [English](#)

This short paper examines the impacts of the EEAS on European national diplomacies, and their reciprocal interactions, in four interconnected areas: dynamics of national adaptation in EU foreign policy; leadership issues between the EEAS and member states and among national capitals; the political and practical added value of EU Delegations around the world; as well as the role and impacts of national rotating secondment to the EEAS. It argues that more member state ownership and trust in the EEAS should be encouraged on both sides, allowing Europe to better face the multiple challenges of the 21st century global system.

### **The EU Diplomacy under review**

by Antonio Zotti  
December 2013

Link to the article in [English](#)

This paper aims to distinguish between functional shortcomings of the EEAS and more deep-rooted weaknesses, such as the problematic relation with the usually inconsistent political guidance provided by Member States. The author discusses the assessments and the reform proposals concerning the organization, the functioning, the staffing and the resources of the EEAS provided by the Review and concludes with recommendations on a more coherent and effective common foreign policy.

### ***Energy, natural resources and climate change***

THE POLISH INSTITUTE OF INTERNATIONAL AFFAIRS

#### **New nuclear builds in Central and Eastern Europe: safety aspects**

by Jodi Lieberman

December 2013

Link to the article in [English](#)

Through membership, EU and IAEA countries have access to tools and institutional procedures that can be useful in assessing their nuclear programmes from the point of view of safety, this paper says. Poland, starting from scratch with a new nuclear build, may benefit from this extensive external experience.

#### **North–South gas corridor: geopolitical breakthrough in Central Europe**

by Jarosław Cwiiek-Karpowicz and Dariusz Kałan (eds.)

December 2013

Link to the article in [English](#)

The authors of this paper assess the importance of the North-South Gas Corridor, and its strategic meaning for the Central European region. Bearing in mind the fact that Central Europe is of key strategic importance to secure safe supplies of natural gas thanks to its location at the East-to-West and North-to-South transportation corridors, in a few decades the region could achieve not only significant independence from sole-source suppliers but also could become a crucial player in the European energy market.

CENTRE FOR EASTERN STUDIES

#### **Too high and too low: the problems with energy prices in the EU**

by Agata Łoskot-Strachota

December 2013

Link to the article in [English](#) and in [Polish](#)

The analysis focuses on the energy market within the EU and in particular the ongoing debate dominated by the price of energy. The high consumer price of energy – which has been rising steadily over the past several years – poses a serious challenge to both household and industrial users. Meanwhile, the declining wholesale prices are affecting the cost-effectiveness of energy production and the profits of energy companies. The author concludes that these difficulties are a symptom of much wider problems related to the functioning of both the EU energy market as well as to the EU's climate and energy policies.

BRUEGEL

#### **Can border carbon taxes fit into the global trade regime?**

by Henrik Horn and André Sapir

December 2013

Link to the article in [English](#)

This paper presents an alternative to the standard argumentation for 'border carbon adjustments' (BCAs), based on the fact that countries expose each other to climate externalities. As argued by the authors the reformulated argument is economically more convincing, and provides a more convincing justification for the extraterritorial feature of border carbon measures. However, there are also important risks to such measures, including the risk that they may be used for protectionism.

INSTITUT FRANÇAIS DES RELATIONS INTERNATIONALES

### **Gaz de schiste en Pologne, au Royaume-Uni, et au Danemark : vers un modèle européen ?**

by Sylvie Cornot-Gandolphe

January 2014

Link to the article in [French](#)

The subject of shale gas prompts divergent views across Europe. Poland for example made it a national priority, while France banned the use of hydraulic fracturing. The author aims to analyse the possibility of an emergence of an accepted single European model for the exploration and exploitation of shale gas, by focusing on the case studies of Poland, the UK and Denmark.

CHATMAN HOUSE

### **Shale gas in the United Kingdom**

by Paul Stevens

December 2013

Link to the article in [English](#)

This paper is based on the author's evidence submitted to the House of Lords Economic Affairs Committee on the shale gas operations. It is argued that there is growing evidence from the US that simply leaving shale gas developments to the market is not enough and the government will have to intervene with policy measures. Any policy is subject to the law of unintended consequences. Because of the complexity of shale gas operation, whether in terms of engineering, technology, economics or environmental concerns, this is especially relevant for shale gas.

THE CENTRE FOR EUROPEAN POLICY STUDIES

### **Carbon leakage: an overview**

by Andrei Marcu, Christian Egenhofer, Susanna Roth and Wijnand Stoefs

December 2013

Link to the article in [English](#)

This Special Report, prepared as a background paper by the CEPS Carbon Market Forum for the Carbon Leakage Project, focuses on the subject of the asymmetrical carbon policies, especially carbon pricing resulting in carbon cost. Carbon leakage affects the international competitive position of some EU industry and could displace production and/or investment, and the emissions of the activities displaced. The issue is central to the discussions on climate policy.

INSTITUTE FOR EUROPEAN STUDIES

### **EU climate and energy policy: hope for more and better climate policy integration?**

by Claire Dupont

January 2014

Link to the article in [English](#)

The author aims to assess climate policy integration into EU energy policy and present policy recommendations from the project "climate policy integration into EU energy policy". Climate change is a complex, crosscutting, long-term and global problem. Policymakers acknowledge that integrating climate policy objectives into the elaboration and agreement of measures in other sectors represents one method for striving towards coherent policies that respond adequately to the climate change problem.

### **EU performance in the international climate negotiations in 2013: scope for improvement**

by Sebastian Oberthuer and Lisanne Groen

January 2014

Link to the article in [English](#)

This policy brief assesses the EU's performance in climate change negotiations in 2013. The authors conclude that the EU was actively engaged in the negotiations and pursued partially ambitious/progressive policy objectives, which it was partly successful in realising. Negotiations on "a protocol, another legal instrument or an agreed outcome with legal force under the Convention applicable to all parties" had been launched in 2011 with a target date of 2015. EU leadership on this requires further actions, such as building an international leadership alliance.

ROBERT SCHUMAN CENTRE FOR ADVANCED STUDIES - EUROPEAN UNIVERSITY INSTITUTE

### **The EU ETS: eight years and counting**

by Denny Ellerman, Claudio Marcantonini and Aleksandar Zaklan

January 2014

Link to the article in [English](#)

This paper provides an introduction to the EU's Emissions Trading System. As such it provides a discussion of the historical and legal context in which the EU ETS developed and now operates, a presentation of the key performance indicators for the first eight years through the end of the second phase in 2012, and some concluding observations on the system's future.

INSTYTUT SOBIESKIEGO

### **Znaczenie połączeń wzajemnych w budowie jednolitego rynku energii Unii Europejskiej. Wprowadzenie**

by Robert Zajdler, Kamil Fijałkowski and Agnieszka Moroń

December 2013

Link to the article in [Polish](#)

The brief analyses the role of mutual interconnections in fostering development of a single EU energy market. This refers to infrastructure that allows to dispatch electricity or natural gas between countries. It can be used for connecting countries within as well as outside of the EU.

KONRAD-ADENAUER-STIFTUNG

### **Global commons: the protection of global public goods as a challenge for German security policy**

by Julian Voje

December 2013

Link to the article in [English](#) and in [German](#)

Free access to resources and the free exchange of goods and knowledge are key pillars of Germany's foreign and security policy. The author argues that security-related responsibility for protection of the global commons must be internationally agreed.



CENTRE FOR POLICY STUDIES

**Why every serious environmentalist should favour fracking**

by Richard Muller and Elizabeth Muller

December 2013

Link to the article in [English](#)

The authors argue that both global warming and air pollution can be mitigated by the development and utilisation of shale gas, thus developed economies should help emerging economies switch from coal to natural gas. Shale gas technology should be advanced as rapidly as possible and shared freely. Moreover, environmentalists should recognise the shale gas revolution as beneficial to society – and lend their full support to helping it advance.

INSTITUTE FOR EUROPEAN ENVIRONMENTAL POLICY

**Environmental policy in the European Semester: assessing progress to date. A report for the Greens/EFA Group of the European Parliament**

by S. Withana, B. Kretschmer, and A. Farmer

December 2013

Link to the article in [English](#)

This study carried out by IEEP for the Greens/EFA Group in the European Parliament aims to assess the extent to which environmental issues have been mainstreamed in the European Semester process to date. Overall the study finds limited mainstreaming of environmental issues in the European Semester process to date.

## SECTION 2 - EXTERNAL RELATIONS

### *EU foreign policy*

THE FINNISH INSTITUTE OF INTERNATIONAL AFFAIRS

#### **Multi-speed Europe? Differentiated integration in the external relations of the EU**

by Juha Jokela (ed.)

January 2014

Link to the article in [English](#)

The objective of this report is to take a closer look at differentiated integration in the EU's external relations and discuss its implications for the EU's aspirations to forge more unitary and effective external policies. One of the main conclusions is that there is rather limited evidence that the level of differentiation is increasing in the EU's external relations due to the ongoing developments related to the EU's financial and economic crisis.

EUROPEAN COUNCIL ON FOREIGN RELATIONS

#### **European foreign policy scorecard 2014**

by Daniel Levy, François Godement, Hans Kundnani, Kadri Liik, Mark Leonard and Richard Gowan

January 2014

Link to the article in [English](#)

The fourth annual edition of ECFR's 'European Foreign Policy Scorecard' examines 66 individual aspects of European foreign policy in six key areas: relations with the US, China, Russia, Wider Europe, Middle East/North Africa and Europe's performance in multilateral institutions and in crisis management. The authors also award grades for overall performance and label individual countries "Leaders" or "Slackers" depending on whether they lead or hinder Europe's ability to achieve its interests on particular goals.

FRIDE

#### **Challenges for European foreign policy in 2014: the EU's extended neighbourhood**

by Giovanni Grevi and Daniel Keohane (eds.)

January 2014

Link to the article in [English](#) and in [Spanish](#)

At the start of each year, the FRIDE team looks at the challenges likely to dominate European foreign policy in the following twelve months; this year's focus is on the increasingly volatile extended neighbourhood of the EU. The authors call for a paradigm shift in the EU's approach to the neighbourhood, building on a broader definition of its geographic scope and focusing on the political and security trends connecting different regions.

### *EU trade*

THE POLISH INSTITUTE OF INTERNATIONAL AFFAIRS

#### **Trade agreements across the Atlantic: what lessons from CETA for TTIP?**

by Maya Rostowska

December 2013

Link to the article in [English](#)

Negotiations are ongoing for two of the most significant trade and investment agreements that the EU has ever entered into. Both the Comprehensive Economic and Trade Agreement (CETA) with Canada and the Transatlantic Trade and Investment Partnership (TTIP) with the US are set to be ambitious agreements, and are already causing controversy beyond the limits of the negotiating table. Given that the CETA talks are more advanced, they can provide some valuable and much-needed insight for TTIP, both in terms of process and substance.

BRUEGEL

### **Life after Bali: renewing the world trade negotiating agenda**

by Suparna Karmakar

December 2013

Link to the article in [English](#)

WTO trade talks are the only ongoing trade liberalisation process that has development at its core. The Doha mini-package under consideration at Bali is a collection of watered-down but deliverable elements of a deal comprising agriculture, trade facilitation and special and differential treatment/less developed country concessions. Post-Bali, the WTO should aim to reverse the current disenchantment with multilateral trade negotiations. This means formulating a relevant trade negotiating agenda with an understanding of global value chains at its core.

EUROPEAN POLICY CENTRE / NOTRE EUROPE - JACQUES DELORS INSTITUTE

### **The TTIP negotiations - A Pirandello play**

by Elvire Fabry, Giorgio Garbasso and Romain Pardo

January 2014

Link to the article in [English](#) and in [French](#)

This report is based on the most important issues aired in the course a debate organised by Notre Europe – Jacques Delors Institute and the European Policy Centre during which experts, including Pascal Lamy, honorary president of Notre Europe – Jacques Delors Institute and former Director of the WTO explored the key issues of the current Transatlantic Trade and Investment Partnership (TTIP) negotiations.

### ***EU strategic partnerships***

FRIDE / EGMONT

### **Confidential partnerships? The EU, its strategic partners and international terrorism**

by Thomas Renard

January 2014

Link to the article in [English](#)

This paper focuses on the EU's global role in counter-terrorism and, more specifically, on its cooperation with its strategic partners on issues, such as countering terrorist financing or capacity building in third countries. The EU is a modest yet growing player in this policy area. While this review detects some good instances of cooperation, the overall assessment reveals that most partnerships are under-delivering or remain elusive.

THE CENTRE FOR EUROPEAN POLICY STUDIES

### **After the Vilnius fiasco: Who is to blame? What is to be done?**

by Michael Emerson

January 2014

Link to the article in [English](#)

All three parties are responsible for the fiasco at Vilnius, this paper says: the EU for having drafted agreements with an inadequate balance between incentives and obligations, and vulnerable as a result to Putin's aim to torpedo the whole process in favour of his misconceived Eurasian Union, while Yanukovich tried playing geo-political games that left both him personally and the Ukrainian state as a whole, as Putin's hostage.

## **Russia**

STIFTUNG WISSENSCHAFT UND POLITIK

### **Russia's armed forces on modernisation course**

by Margarete Klein and Kristian Pester  
January 2014

Link to the article in [English](#) and in [German](#)

Following a started in 2008 a process of comprehensive military reforms, despite deficits in recruitment, equipment and funding, Moscow's armed forces have already accomplished the organisational transition from mass mobilisation army to modern combat force. Although the reforms will not fundamentally change the balance of power with the US, increased military muscle-flexing vis-à-vis Europe must be expected. Above all, however, the reforms expand Moscow's ability to project power in the post-Soviet space and militarily reinforce Putin's efforts to tie that region more closely to Russia.

### **The EU, Russia and a less common neighbourhood. Lessons reinforced by the Vilnius summit**

by Susan Stewart  
January 2014

Link to the article in [English](#)

The crisis of the Eastern Partnership is primarily because the EU and its Eastern partners have not been successful at communicating their respective goals to each other and agreeing on viable methods for reaching them. The same applies to the EU-Russia relationship, which is becoming increasingly dysfunctional, especially with regard to the so-called common neighbourhood. Although the two policy areas interact, a clearer separation between them is currently more justified than a gradual conflation of the two approaches.

CARNEGIE

### **A practical approach to EU-Russian relations**

by Dmitri Trenin  
January 2014

Link to the article in [English](#)

Russia has come to see itself as a more important player on the international stage, and it is demanding to be treated as an equal partner in its relationship with the EU. But Brussels had long ignored this shift, and EU-Russian relations have stagnated as a result. The author argues that now is the time for a fundamental rethink of the EU's Russia policy.

CENTRE FOR EU-RUSSIA STUDIES

### **Fight against corruption in Russian and European discourse: 'irreconcilable differences'?**

by Elena Pavlova  
January 2014

Link to the article in [English](#)

This working paper analyses the fight against corruption, as it is defined in the Russian and EU discourses. It is argued that the Russian discourse on corruption exists on three levels, which do not overlap at all: the official definition of corruption; "home corruption"; and the anticorruption discourse of the political opposition. As a result, the Russian and the EU discourses have little in common, what leads to problems for future cooperation.

### **Russia's strive from the land to the sea based on international law and doctrine of sovereignty**

by Irina Nossova

January 2014

Link to the article in [English](#)

This article aims to research Russia's legal behaviour in its maritime domains and the extent to which Russia's legal claims in the sea are based on the international law of the sea. In other words, the article shall look at how Russia "speaks" the universal language of the international law of the sea proceeding from examples of the Arctic Ocean, the Caspian Sea, the Sea of Azov and the Baltic Sea. It is argued that a new meaning to Russian modernized, extensive, approach to the notion of sovereignty in maritime areas and its possible implications for the international arena shall be introduced.

### **Eurasian regionalism as an identitarian enterprise: representation of European other in Russian discourse on Eurasian integration**

by Aliaksei Kazharski

December 2013

Link to the article in [English](#)

The article argues that the recent discourse of the Russian elite on building an "Eurasian Union" contains a series of new attempts of delineating Russian identity. An analysis of discourse on Eurasian regional integration is undertaken in order to show which patterns of Russian identity this political project discursively reproduces and how they may interplay with the future of EU-Russia relations.

## **Ukraine**

CENTRE FOR EASTERN STUDIES

### **What do the Maidan protests tell us about Ukraine? Diagnosis and prospects for Ukrainian politics**

by Wojciech Konończuk and Tadeusz A. Olszański

January 2014

Link to the article in [English](#) and in [Polish](#)

As argued by the authors, Maidan should be seen as the first clear manifestation of a new generation of Ukrainians - raised in an independent Ukraine, well-educated and familiar with new social media, but nonetheless seeking to ground themselves in national tradition. As a consequence of the radicalisation and escalation of the protests following 19 January, the political opposition has lost a significant proportion of the control.

## **Moldova**

EUROPEAN COUNCIL ON FOREIGN RELATIONS

### **Can Moldova stay on the road to Europe?**

by Stanislav Secrieru

January 2014

Link to the article in [English](#)

The author analyse the situation in Moldova as well as its relationship with Russia following recent sanctions and concludes that the ruling coalition is fragile, but has so far been able to resist Russian pressure, with the exception of some very opaque business deals. The EU must prepare a menu of measures to help Chisinau resist the likely range of Russian pressures in 2014. Moldova must help itself by being more serious about corruption while the EU should also restrain current Romanian talk about "reunification", which only destabilises the situation in Moldova.

EUROPEAN POLICY CENTRE

### **Helping Moldova stay on the EU course - Proposals for a real 'more for more' approach**

by Victor Chirila, Cristian Ghinea and Amanda Paul

December 2013

Link to the article in [English](#)

This policy brief presents the state of play in the relationship between the EU and Moldova. Moldova has been the first country to have initialled its Association Agreement and to meet all the requirements of the Visa Liberalisation Action Plan. It is argued that the EU should work for greater visibility, better public diplomacy and deliver visible, tangible benefits to the Moldovan population as rapidly as possible.

## **Georgia**

CENTRE FOR EUROPEAN STUDIES

### **Getting Georgia right**

by Svante Cornell

December 2013

Link to the article in [English](#)

This research paper analyses the achievements and shortcomings of the Rose Revolution era as well as the prospects for the country under the leadership of the Georgian Dream Coalition with reference to European integration and democracy-building. Should Georgia's democratic progress be reversed, the very feasibility of democratic governance in post-Soviet countries as a whole would be called into question. Should it continue to progress towards European norms, the viability of the model of state–society relations that Vladimir Putin euphemistically terms 'sovereign democracy' would instead be challenged.

KONRAD-ADENAUER-STIFTUNG

### **End to an era: transfer of power in Georgia**

by Canan Atilgan and David Aprasidze

December 2013

Link to the article in [English](#)

With the parliamentary elections in 2012 and the presidential elections in October 2013, Georgia has passed the test of democracy twice over. Georgia thereby consolidates its special position as a democratic country in a region where most political systems can hardly be considered solid democracies. The new government tries to normalize the relationship with Russia and integrate into NATO at the same time.

## ***Kosovo***

GROUP FOR LEGAL AND POLITICAL STUDIES / PRISTINA COUNCIL ON FOREIGN RELATIONS

### **Germany's foreign policy towards Kosovo - A policy perspective**

by Aubrey Hamilton and Engjellushe Morina  
January 2014

Link to the article in [English](#)

Over the last decade and a half, Germany's role in Kosovo has transformed from creating peace into creating a state. In addition to the US, Germany's efforts in Kosovo have been crucial for bringing a timely end to the crisis in Kosovo. It's role in Kosovo, in addition to shaping its strategic importance within NATO and the EU, has spotlighted Germany as a leading figure in Kosovo and in the western Balkans.

GROUP FOR LEGAL AND POLITICAL STUDIES

### **The trade impact of the Kosovo-EU stabilization and association agreement: an assessment of outcomes and implications**

by Erëza Pula  
January 2014

Link to the article in [English](#)

The EU fashioned the Stabilization and Association Agreement (SAA) instrument exclusively for the Western Balkan countries in order to address their European perspective and potential. Kosovo is one of the last Western Balkan countries not to sign an SAA agreement with the EU. Even though the SAA's remit is very broad, ranging from political dialogue to regional cooperation, and from free movement of goods to mutual cooperation in justice and home affairs, this policy report will specifically consider its trade-related aspects and the possible implications on Kosovo's economy.

## ***Norway***

CENTRE FOR EASTERN STUDIES

### **Norway and the bear. Norwegian defence policy - lessons for the Baltic Sea region**

by Justyna Gotkowska  
January 2014

Link to the article in [English](#) and in [Polish](#)

Norway is the only NATO member in Western Europe that still perceives Russia as a threat to its military security. It focuses on improving cross-border relations with Russia on one hand, while also presenting active deterrence. The latter one relies on maintaining NATO's credibility as a collective defence alliance; increasing military cooperation with the US; building up Norway's own military; and developing military cooperation across Northern Europe.

## Turkey

STIFTUNG WISSENSCHAFT UND POLITIK

### **Is the Fethullah Gülen movement overstretching itself? A Turkish religious community as a national and international player**

by Günter Seufert

January 2014

Link to the article in [English](#) and in [German](#)

The movement led by the preacher Fethullah Gülen is regarded as the fastest-growing religious trend within Turkish Islam. This accounts also for citizens and denizens with Turkish backgrounds in Western European countries. Gülen's argument that service to society constitutes a significant form of a lifestyle justifiable in the eyes of God could prove to be the key to resolving the principal conflict of interest between Islam and the West both within the European diaspora and in the US.

STIFTUNG MERCATOR / ISTITUTO AFFARI INTERNAZIONALI / ISTANBUL POLICY CENTER

### **EU-Turkish energy relations in the context of EU accession negotiations: focus on natural gas**

by David Koranyi and Nicolò Sartori

December 2013

Link to the article in [English](#)

This paper explores energy relations between Turkey and the EU in the context of EU accession talks, focusing on natural gas. The continuous stalling and ambiguity on the part of the EU as regards the opening of the energy chapter of Turkey's accession negotiations may encourage a less cooperative energy policy from Ankara, which would be in no-one's interests. Ankara should recognize that thinking long-term, acceding to the Energy Community will ultimately benefit Turkey and act as a safeguard against regional suppliers abusing their dominant positions, without undermining Turkey's negotiating positions with Brussels on eventual EU membership.

### **The potential role of Turkey in a globalising gas market**

by Mehmet Doğan Üçok

December 2013

Link to the article in [English](#)

In a changing global energy landscape, Turkey and the EU could have more opportunities to enhance their energy security, benefiting from the developments in the global LNG scenario and of the energy fields in Shah Deniz, the Eastern Mediterranean, and Iraq. Turkey's energy market is entering a new, liberal era, and if the liberalisation of the Turkish natural gas market is also successfully accomplished in the following years, Turkey would attract more investors to her energy stock market and to the surrounding gas rich regions, paving the way for gas-to-gas competition.

ISTITUTO PER GLI STUDI DI POLITICA INTERNAZIONALE

### **Skating on thin ice: the political economy of Turkish foreign policy over the last decade**

by Mustafa Kutlay

December 2013

Link to the article in [English](#)



The aim of this paper is to discuss the economic drivers of Turkish foreign policy with reference to two main challenges: first, to protect its trade and investment links with Middle East and North African countries in a turbulent post-Arab Spring era, and second to address domestic political economy challenges, with the middle-income and illiberal democracy traps in particular posing real tests for Turkey's regional power strategy over the next decade. In this context, the paper argues that a short supply of foreign policy pragmatism and domestic reconciliation may cause Turkey to operate well below the efficient frontier in both realms.

### **Turkey after the Arab uprisings: difficulties of hanging on in there**

by Meliha Benli Altunışık

December 2013

Link to the article in [English](#)

In the early days of the Arab uprisings, Turkey was seen as the "winner". Yet after more than two years Turkey has lost most of its lucrative economic relations with the region, begun to experience crisis in its relations with several regional countries, and more significantly so far has failed to achieve its foreign policy goals. The papers aims to analyse Turkey's significant challenges to its foreign policy in the Middle East after the Arab uprisings.

ECONOMIC POLICY RESEARCH FOUNDATION OF TURKEY / INTERNATIONAL POLICY AND LEADERSHIP INSTITUTE

### **The outlook for EU-Turkey relations**

by Nilgün Arisan Eralp

January 2014

Link to the article in [English](#) and in [French](#)

In this brief the author assesses the current state of Turkey – EU relations fifty years after the signing of the Ankara agreement of 1963, which established the legal basis for Turkey's relations with the EU. In particular, the author analyses the status of Turkey's EU accession negotiations from both a Turkish and EU perspective and outline both positive recent developments and potential stumbling blocks in Turkey's bid for accession.

### ***Mediterranean***

THE GERMAN MARSHALL FUND OF THE US / ISTITUTO AFFARI INTERNAZIONALI

### **The evolving role of the Adriatic space in the Mediterranean: challenges and opportunities**

by Emilio Cocco

December 2013

Link to the article in [English](#)

The forces that have historically split the Adriatic basin into separate spaces of national sovereignty and regional integration are still at work today, and the future of the region will depend on two different geopolitical dynamics: further European integration, and EU efforts to stabilise the whole Mediterranean region. Without a simultaneous orientation toward Europe and the rest of the Mediterranean, the Adriatic Sea will not be able to perform its inter-locking role and will run the risk of progressive marginalization.

## **Arab countries**

CENTRE FOR EUROPEAN REFORM

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

by Edward Burke

December 2013

Link to the article in [English](#)

Since the Arab Spring, the EU's response has produced limited results, this paper says. A pragmatic approach to reform in the southern neighbourhood is needed, so that the EU takes account of the different circumstances in each of the countries. The EU should invest in civil service reform, education, judicial reform, a regional free-trade agreement, and building security relations across the region.

CARNEGIE

### **Tehran calling: understanding a new Iranian leadership**

by Cornelius Adebahr

January 2014

Link to the article in [English](#)

After years of tension, sanctions, and deadlocked negotiations, Hassan Rouhani, Iran's relatively moderate new president, has provided an opening for improved relations between the Islamic Republic and the West. While Rouhani has not ushered in a new Iran, Tehran has adopted a more conciliatory tone on its nuclear program since he took office. This shift is more than just talk, but the West will have to carefully calibrate its response to determine whether Rouhani's changed rhetoric signals the beginning of a new direction for Iran.

ROYAL UNITED SERVICES INSTITUTE

### **An uncertain future: regional responses to Iran's nuclear programme**

by Shashank Joshi and Michael Stephens

December 2013

Link to the article in [English](#)

This report, based on interviews with policy elites in the Middle East, assesses regional perspectives towards ongoing nuclear diplomacy with Iran, as well as potential responses to a breakdown of negotiations and subsequent nuclearisation. The November 2013 interim agreement is a significant breakthrough. But it is not universally seen as a guarantee against Iranian acquisition of nuclear weapons, and there remains a real possibility that the process could soon break down, leaving Iran free to resume its efforts to acquire the key elements of a nuclear capability.

## **Syria**

THE FINNISH INSTITUTE OF INTERNATIONAL AFFAIRS

### **The failure of the security paradigm in Syria: the human security perspective**

by Ari Kerckänen

January 2014

Link to the article in [English](#)

The main argument of this paper is that human security principles can be the cornerstones of state security, potentially preventing, mitigating, and remedying security issues within a state that could lead to societal upheaval. The analysis demonstrates that the security paradigm exercised in Syria has led to a double failure in which human insecurity has resulted in turmoil for ordinary people and has shattered the authoritarian governance. Consequently, rebuilding of security sectors must be based on the principles of human security, not only in Syria but also in the Arab world at large.

INTERNATIONAL CENTRE FOR COUNTER-TERRORISM

### **Dealing with European foreign fighters in Syria: governance challenges & legal implications**

by Edwin Bakker, Christophe Paulussen and Eva Entenmann

December 2013

Link to the article in [English](#)

The number of European foreign fighters with a jihadist political agenda participating in the Syrian civil war has increased exponentially over the past months and has become an ever-growing concern for European policymakers. The authors examine some of the challenges, as well as possible strategies and legal mechanisms available for European policymakers to address the foreign fighters phenomenon.

STIFTUNG MERCATOR / ISTITUTO AFFARI INTERNAZIONALI / ISTANBUL POLICY CENTER

### **The EU and Turkey's asylum policy in light of the Syrian crisis**

by Juliette Tolay

January 2014

Link to the article in [English](#)

Recently, Turkey adopted law on foreigners, which contrasts with the EU's slow-paced moves towards standardizing asylum policies and its restrictive approaches towards Syrian refugees. Turkey and the EU could work together on refugee policy in general, and on the Syrian refugee crisis in particular. At the core of this reassessment of asylum practices is the need to take seriously the concept of solidarity, meaning solidarity among EU member states, solidarity with countries hosting large numbers of refugees in the region, and, most importantly, solidarity with the refugees themselves.

### ***South America***

BARCELONA CENTRE FOR INTERNATIONAL AFFAIRS

### **Brasil, las cumbres iberoamericanas y el papel de España en América Latina**

by Celestino del Arenal

December 2013

Link to the article in [Spanish](#)

The paper analyses implications for the role of Spain in Latin America in the light of the emergence of Brazil as one of the key regional powers. The decline of the influence of the traditional powers resulted in the growing presence of new extra-regional actors and the greater autonomy and diversification of foreign policy of individual countries.

## **Africa**

THE POLISH INSTITUTE OF INTERNATIONAL AFFAIRS

### **Return to the future: France's new flirtation with afro-realism**

by Nathan Dufour

January 2014

Link to the article in [English](#)

France's latest bout of interventionism in Africa in 2013 (Mali, Central African Republic) has led to harsh internal public scrutiny of Françafrique and its strategic rationale. France's continued economic and security role in Sub-Saharan areas is out of step with its limited ability to sustain a standalone approach. To answer this shortfall, France appears more than ever committed to a multi-lateralisation of its actions. Its approach is likely to strengthen Africa's status as a focus of the CSDP and may push Poland to reflect on its own interests in that part of the world.

## **Asia**

STIFTUNG WISSENSCHAFT UND POLITIK

### **Regional cooperation for financial and exchange rates stability in East Asia. Extending existing currency swap agreements without the linkage to an IMF program and creating the East Asian version of the Special Drawing Rights**

by Kenichi Shimizu

December 2013

Link to the article in [English](#)

Facing the continuing European sovereign debt crisis, East Asia has restarted to strengthen regional frameworks for financial and exchange rates stability. It makes it the second example for financial regionalism, after Europe. This research analyses possible further developments of East Asian financial regionalism and evaluates its influence on the global financial system and the Euro-system comparing the three systems with macroeconomic statistics and market data.

## **China**

THE GERMAN MARSHALL FUND OF THE US

### **The modern silk road: one way or another?**

by Ussal Sahbaz

January 2014

Link to the article in [English](#)

Given the over-congestion of the Chinese ports, rail freight emerges as a critical logistical alternative to support China's growing trade with Europe. The authors discuss alternative corridors along the Modern Silk Road to connect China to Europe aiming for a comprehensive network of railways. In order to reap the multiple benefits of the connection, the international community should have a clear road-map to engage all relevant actors, in particular the private sector, in a productive dialogue to set project policy priorities by assessing major bottlenecks and to build institutional capacity.

STIFTUNG WISSENSCHAFT UND POLITIK

### **China's trade policy. Dominance without the will to lead**

by Hanns Günther Hilpert

January 2014

Link to the article in [English](#) and in [German](#)

The increasing complexity of China's leadership role in international trade politics can be attributed to the influence of variety of actors. Central government agencies as well as regional and business interest groups determine the course of negotiating and implementation processes. Germany and the EU should continue with the strategic objective of integrating China into the rule-based world trade system as multilateral negotiations under the auspices of the WTO offer the best chances of opening Chinese markets, and improving the enforcement of non-discrimination, transparency and rule of law.

THE POLISH INSTITUTE OF INTERNATIONAL AFFAIRS

### **China's new silk road diplomacy**

by Justyna Szczudlik-Tatar

December 2013

Link to the article in [English](#)

The author argues that, due to domestic rationales, China's foreign policy focuses on its neighbourhood, in particular its Central and Southeast Asia border states in what is called "new silk road" diplomacy. Nevertheless, reinvigoration of its Western Development Policy is a window of opportunity for Poland. The establishment in Gansu province of the Lanzhou New Area— the first state-level development zone in northwest China— could become a bridgehead for a Polish economic presence in this part of China, or even a springboard for Poland's "Go West China" strategy.

EUROPEAN COUNCIL ON FOREIGN RELATIONS / ASIA CENTRE

### **Law and power in Xi's China**

by François Godement

December 2013

Link to the article in [English](#)

This document features a series of articles covering the domestic politics in China: Hugo Winkler on the constitutional government controversy and China's decision to opt for socialism and Jérôme Doyon on the relationship between China's president, Xi Jinping and a group of descendants of Maoist leaders known as the *princelings*. Marc Julienne explains the role of a special informal process *shuanggui* that falls outside of the legal framework. Finally, Tanguy Lepesant explores democracy, influence, and political infighting in Taiwan.

FRIDE

### **China's economic engagement in the Middle East and North Africa**

by Ted Liu

January 2014

Link to the article in [English](#)

Over the past decade, China has been increasing its economic involvement in the Middle East and North Africa (MENA), evolving from its dependence on the energy trade to much broader commercial engagement. With its "going global" strategy as a recipe for growth, Beijing became more active diplomatically in order to advance its interests in the region. In turn, with China's stature growing, some MENA countries progressively see Beijing as an additional partner to the region's traditional ties with the U.S. and Europe.

EUROPEAN INSTITUTE FOR ASIAN STUDIES

### **Central and Eastern Europe's courtship with China: Trojan horse within the EU?**

by Richard Turcsányi

January 2014

Link to the article in [English](#)

Relations between China and 16 Central and Eastern European countries are developing rapidly in recent years, with the opening-up of a new 16+1 platform, the establishment of annual summits and further specialised forums, this paper says. It has been argued to supposedly affect the united stance of the EU in the conduct of its foreign policy. Richard Turcsányi's analysis focusing on perspectives of China, CEE countries, and the EU, argues that there is nothing substantive in this relation which would go against the EU.

EUROPEAN CENTRE FOR INTERNATIONAL POLITICAL ECONOMY

### **The internationalization of the renminbi and the rise of a multipolar currency system**

by Miriam Campanella

January 2014

Link to the article in [English](#)

In this paper, China's acceleration of renminbi internationalization is examined. The growth of renminbi-based trade and settlements has made it Asia's new reference currency, surpassing the US dollar. As a reference currency of necessity or choice, the emergence of the renminbi in Asia is set to weaken the current global dominance of the US dollar. In conclusion, the paper makes the case that the growth of the renminbi as an international currency could generate a multipolar currency system that balances and distributes responsibilities in a better way than the current currency regime.

### ***Development and cooperation***

THE FINNISH INSTITUTE OF INTERNATIONAL AFFAIRS

### **The post-2015 agenda and the EU: faltering in the global development partnership?**

by Marikki Stocchetti

December 2013

Link to the article in [English](#)

In the ongoing consultation process on the post-2015 development policy, the UN aims to replace the traditional conventional donor-recipient approach with an enhanced development partnership that goes well beyond traditional development assistance. This change has not been reflected in the European Commission proposal still favouring the old approach focusing on domestic policies rather than presenting present a comprehensive analysis of the current Millennium Development Goal on a global partnership.

STIFTUNG WISSENSCHAFT UND POLITIK

### **Including security in the post 2015 development goals. Germany could play an active role**

by Carlos Domínguez

December 2013

Link to the article in [English](#)

The discussion on the "post-2015 agenda" has raised the issue of whether – and how – security, peace, and development concerns can be linked together. To engage in this negotiation process and take advantage of its strategic partnerships with countries outside NATO or the EU, the German government should take into account four proposals that may help to identify common ground: talk about the notion of "protecting achievements"; refer to "external stressors"; discuss means and goals jointly; and analyse concrete implications for the institutional architecture.

## **SPECIAL FOCUS - DEFENCE**

THE POLISH INSTITUTE OF INTERNATIONAL AFFAIRS

### **The future of the European defence industry after the December summit: ten Polish priorities**

by Paulina Zamelek

December 2013

Link to the article in [English](#)

This paper argues that current proposals might not reflect the interests of Central and Eastern Europe, as the EU's ambitious plans for strengthening the European Defence Technological and Industrial Base are discordant with the current level playing field across Europe. They identify ten main priorities for the Polish position on the European defence market development.

EU INSTITUTE FOR SECURITY STUDIES

### **Peacebuilding in 3D: EU and US approaches**

by Eva Gross

December 2013

Link to the article in [English](#)

This Paper examines the concept of peacebuilding and the emergence in recent years of a comprehensive approach to conflict management that combines both civilian and military instruments. It highlights the importance of peacebuilding as a foreign policy goal and analyses US and EU approaches to the issue, focusing on the likely future trajectory of transatlantic cooperation in this area.

THE CENTRE FOR EUROPEAN POLICY STUDIES

### **National visions of EU Defence Policy - Common denominators and misunderstandings**

by Federico Santopinto, Megan Price, Manuel Muniz, Giovanni Faleg, Joanna Dobrowolska-Polak, Alessandro Marrone and Christian Würzer

December 2013

Link to the article in [English](#)

This study analyses how seven prominent member states (France, UK, Germany, Italy, Poland, Sweden and Spain) see the CSDP as a tool to pursue their own national interests. This more pragmatic approach made it possible to identify the common denominators, misunderstandings and deadlocks in the debate. The main argument is that European defence policy is a vector of individual – indeed self-interested – visions for the member states studied.

CLINGENDAEL

### **Civil-military capacities for European security**

by Margriet Drent, Kees Homan and Dick Zandee

December 2013

Link to the article in [English](#)

The report provides analysis of the external–internal security nexus addressing three specific cases: maritime security; border security; and cyber security. Among thirty recommendations, the authors argue for an integrated security strategy through closer coordination between the relevant ministries, and suggest a structural approach for combining civil and military capacities.

GEORGE C. MARSHALL - EUROPEAN CENTER FOR SECURITY STUDIES

### **Smart defense: overcoming hurdles and passing batons**

by António Eugénio

December 2013

Link to the article in [English](#)

There is no official running event that combines hurdles with relay races. This may be an apt metaphor for smart defence, where obstacles in capability development and burden sharing are mixed with sovereignty transfer. This does not mean, however, that such a race will not take place in the future. Just like smart defence, one day this approach may become the normal way of doing business within NATO. For now, though, that is unlikely to occur.

INSTITUT EUROPÉEN DES RELATIONS INTERNATIONALES

### **La guerre des drones : aspects stratégiques et juridiques de la "robotique sécuritaire"**

by Hubert Fabre

December 2013

Link to the article in [French](#)

The significance of drones has accelerated in the aftermath of the War Against Terrorism, lead by the US. The use of intelligence drones and combat drones raise questions concerning the nature of war and the stability of the international system; their use expose the intrinsic weaknesses of international law.

ISTITUTO PER GLI STUDI DI POLITICA INTERNAZIONALE

### **Parliamentary of EU foreign and security policy: moving beyond the patchwork?**

by Anna Herranz-Surrallés

January 2014

Link to the article in [English](#)

This article examines the influence of national parliaments in European foreign and security policy and concludes that instead of a comprehensive and increasing role for these bodies, there is a patchwork of parliamentary oversight at national, supranational and transnational levels. The article concludes with some reflections on the prospects for improving the multi-level parliamentary oversight of the CFSP/CSDP.



## REGARDS CROISÉS

CENTRE FOR EASTERN STUDIES

### **The NSA: the impact of the wiretapping scandal on German-American relations**

by Marta Zawilska-Florczuk and Kamil Frymark

January 2014

Link to the article in [English](#) and in [Polish](#)

Following the wiretapping scandal, Berlin would like to secure a pact with US, similar to the Five Eyes alliance – agreements signed between the US, the UK, Canada, New Zealand and Australia in the second half of the 1940s, aimed at intelligence sharing and banning mutual bugging. The US is however opposed to such far-reaching changes. If it fails to sign agreements satisfactory for Berlin, it would lead to a protracted crisis of confidence in German-American relations.