



General Secretariat of the Council
Central Library

THINK TANK REVIEW

Issue 9
December 2013

Dear Readers,

Welcome to issue 9 of the **Think Tank Review** compiled by the EU Council Library.* It references papers published in November 2013. As usual, we provide the link to the full text and a short abstract.

While EU leaders come to Brussels for the last [European Council](#) of the year, to discuss inter alia the Common Security and Defence Policy, contractual arrangements and solidarity mechanisms, voices in the think tank community turn again to the issue of differentiated integration and its impact on European governance and social model.

Our selection this month echoes the progress towards the [Banking Union](#), with several papers in the Special Focus on aspects of resolution and deposit guarantee. It equally reflects an ongoing concern in think tanks on migration and asylum, and their relationship with the free movement of EU citizens. The planned discussion of defence at the European Council is reflected in several papers from Brussels, Spain, Finland, the UK and others on defence policy and the defence industry.

In our external relations sections, we feature several papers on EU-China relations, published in November in the aftermath of the Beijing summit. The Eastern Partnership summit in Vilnius predictably attracted a lot of think tank attention from the region and overseas, as did the negotiations with Turkey.

In Regards croisés, we continue our exploration of mutual perspectives between Member States, by referencing a joint Romanian-Polish paper on the partnership between the two countries, and a Polish look at German trade policy towards the BRICs.

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.

The next Review will be out in February 2014, with papers published in December and January.

Best wishes from the whole TTR team!

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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Table of Contents

(click on titles to read abstracts)

SECTION 1 - EU INSTITUTIONS, POLITICS, ECONOMICS

European institutions and politics

THE CENTRE FOR EUROPEAN POLICY STUDIES	
EEAS 2.0: recommendations for the amendment of Council Decision 2010/427/EU on the European External Action Service	6
EU democratic legitimacy and national parliaments.....	6
FRIENDS OF EUROPE	
The state of Europe: tough choices for a troubled Europe.....	6
LEUVEN CENTRE FOR GLOBAL GOVERNANCE STUDIES	
Dialoguing for due process : Kadi, Nada, and the accession of the EU to the ECHR.....	6
NOTRE EUROPE -JACQUES DELORS INSTITUTE	
European elections: less abstention, more populism?.....	6
What political balance of power in the next European Parliament?	7

European and national economies

BRUEGEL	
Global and regional financial safety nets: lessons from Europe and Asia	7
THE CENTRE FOR EUROPEAN POLICY STUDIES	
The macroeconomic imbalance procedure and Germany: when is a current account surplus an 'imbalance'?	7
CLINGENDAEL	
The Financial Transaction Tax: forerunner of European integration and fragmentation	7
KIEL INSTITUTE FOR THE WORLD ECONOMY	
Greece: back on track?	8
THE GERMAN MARSHALL FUND OF THE UNITED STATES	
Weighing Europe: how Europe's global partners assess power and influence of a region in crisis	8

Growth - Economy

EUROPEAN CAPITAL MARKETS INSTITUTE / THE CENTRE FOR EUROPEAN POLICY STUDIES	
Why a more accurate EU definition of SMEs matters!	8
INSTITUTE FOR PUBLIC POLICY RESEARCH	
States of uncertainty: youth unemployment in Europe	8
NOTRE EUROPE -JACQUES DELORS INSTITUTE	
Youth unemployment, socio-economic divergences and fiscal capacity in the euro area.....	9
PETERSON INSTITUTE FOR INTERNATIONAL ECONOMICS	
Stabilizing properties of flexible exchange rates: evidence from the global financial crisis.....	9
Why growth in emerging economies is likely to fall	9

Euro area

BRUEGEL	
A Schuman compact for the euro area	9
CHATMAN HOUSE	
Saving the euro: a pyrrhic victory?.....	10
THE FINNISH INSTITUTE OF INTERNATIONAL AFFAIRS	
Updating the EMU: differentiated economic integration in the European Union	10
NOTRE EUROPE -JACQUES DELORS INSTITUTE	
Deepening the EMU: how to maintain and develop the European social model?	10

EU Member States

THE CENTRE FOR EUROPEAN POLICY STUDIES	
Extending working life in Finland	10
Extending working life in Belgium.....	11
DEMOS	
New political actors in Europe: new opposition movements in Hungary	11

Justice, Home Affairs and Security

THE CENTRE FOR EUROPEAN POLICY STUDIES	
Mass surveillance of personal data by EU Member States and its compatibility with EU law.....	11
The triangular relationship between fundamental rights, democracy and the rule of law in the EU: towards an EU Copenhagen mechanism	11
DEMOS	
The state of the art: a literature review of social media intelligence capabilities for counter-terrorism	12

Migration

FONDATION ROBERT SCHUMAN	
Rescue at sea, asylum and immigrants fundamental rights. What is the European Union's approach?	12
STIFTUNG WISSENSCHAFT UND POLITIK	
European refugee policy. Pathways to fairer burden-sharing	12
THE CENTRE FOR EUROPEAN POLICY STUDIES	
EU borders and their controls: preventing unwanted movement of people in Europe?	13
Cameron's proposals to limit EU citizens' access to the UK: lawful or not, under EU rules?.....	13
SWEDISH INSTITUTE FOR EUROPEAN POLICY STUDIES	
The future of the Schengen system	13
Immigration to Sweden from the new EU Member States	13

Defence

THE FINNISH INSTITUTE OF INTERNATIONAL AFFAIRS	
European defence under scrutiny: what can be expected from the European Council?.....	14
EUROPEAN UNION INSTITUTE FOR SECURITY STUDIES	
CSDP between internal constraints and external challenges	14
EUROPEAN COUNCIL OF FOREIGN RELATIONS	
Why Europe needs a new global strategy	14
EGMONT	
The state of defence in Europe: state of emergency?	15
REAL INSTITUTO ELCANO	
El Consejo Europeo de diciembre de 2013: repercusiones para la industria y la defensa de España	15
FRIDE	
Why do Europeans need armed forces?.....	15
THE POLISH INSTITUTE OF INTERNATIONAL AFFAIRS	
Starting the process of trust-building in NATO–Russia relations: the arms control dimension	15

Energy, natural resources and climate change

INSTITUT FRANÇAIS DES RELATIONS INTERNATIONALES	
The impact of the development of shale gas in the United States on Europe's petrochemical industries	16
Dynamics and drivers of shale gas development in three European countries: can a European policy be imagined?	16
INSTITUTE FOR PUBLIC POLICY RESEARCH	
Up in smoke: how the EU's faltering climate policy is undermining the City of London.....	16
FONDATION ROBERT SCHUMAN	
The shale gas revolution: can it cross the Atlantic?.....	17

SECTION 2 - EXTERNAL RELATIONS

WORLD ECONOMIC FORUM	
Outlook on the global agenda 2014	18

EU foreign policy

EUROPEAN POLICY CENTRE	
The effectiveness of EU sanctions - An analysis of Iran, Belarus, Syria and Myanmar (Burma)	18
THE SWEDISH INSTITUTE OF INTERNATIONAL AFFAIRS	
The implications of the euro crisis for European foreign policy: lessons from crisis management and international trade	18

EU trade

THE CENTRE FOR EUROPEAN POLICY STUDIES	
Financial services and the Transatlantic Trade and Investment Partnership.....	18
COLLEGE OF EUROPE	
EU trade actors after Lisbon: enhanced negotiations or business as usual?	19

EU eastern partnership

THE VIENNA INSTITUTE FOR INTERNATIONAL ECONOMIC STUDIES	
Vilnius eastern partnership summit: a milestone in EU-Russia relations – not just for Ukraine.....	19
CARNEGIE EUROPE	
Smart geostrategy for the eastern partnership.....	19
CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE	
The eastern partnership—It is high time to start a real 'partnership'	19
EASTERN EUROPE STUDIES CENTRE	
Eastern partnership after Vilnius: a mission accomplished, mounting tasks ahead	20
FRIDE	
Visa-free travel for the EU's eastern partners: time to act	20
NOTRE EUROPE -JACQUES DELORS INSTITUTE	
Put to the test: the eastern partnership and the EU	20

Turkey

BARCELONA CENTRE FOR INTERNATIONAL AFFAIRS	
A new chapter in EU-Turkey negotiations: a step too small.....	20
DEMOS EUROPA	
Poland and Turkey: two economic success stories, both at a crossroads?	21
It is high time for cooperation: Poland and Turkey in the post-Soviet area.....	21
REAL INSTITUTO ELCANO	
Turkey and the European Union: mixed signals	21
OŚRODEK STUDIÓW WSCHODNICH	
Turkey's economy: a story of success with an uncertain future	21

Africa

FRIDE	
Can the Syrian war be ended?	22
THE POLISH INSTITUTE OF INTERNATIONAL AFFAIRS	
Awaiting justice: prospects for prosecuting war crimes in Syria	22
CHATMAN HOUSE	
Edible oil: food security in the Gulf	22

South-America

BARCELONA CENTRE FOR INTERNATIONAL AFFAIRS	
Informe Brasil 2013: Brasil grande y diverso	22

Asia

EUROPEAN STABILITY INITIATIVE	
Disgraced. Azerbaijan and the end of election monitoring as we know it.....	23
EUROPEAN COUNCIL OF FOREIGN RELATIONS	
Divided Asia: the implications for Europe.....	23

China

EUROPEAN INSTITUTE FOR ASIAN STUDIES	
Is Berlin replacing Brussels in leading EU-China relations?.....	23
FRIENDS OF EUROPE	
Ten years on: rebooting EU-China relations	23
ISTITUTO PER GLI STUDI DI POLITICA INTERNAZIONALE	
Chinese policies under Xi Jinping. What's new and what's the problem?	24
STIFTUNG WISSENSCHAFT UND POLITIK	
Chinas Handelspolitik. Dominanz ohne Führungswillen	24

SPECIAL FOCUS - Banking Union

BRUEGEL	
Who decides? Resolving failed banks in a European framework	25
THE CENTRE FOR EUROPEAN POLICY STUDIES	
The new European framework for managing bank crises	25
Strong governments, weak banks.....	25
EGMONT	
Banks at the service of the economy?	25
SWEDISH INSTITUTE FOR EUROPEAN POLICY STUDIES	
The outer reach of state obligations under deposit guarantee schemes – What can we learn from the Icesave case?	26

REGARDS CROISÉS

THE POLISH INSTITUTE OF INTERNATIONAL AFFAIRS / EUROPEAN INSTITUTE OF ROMANIA	
Pushing the turbo button: what next for the Polish–Romanian strategic partnership?	27
OŚRODEK STUDIÓW WSCHODNICH	
Chasing globalisation. Germany's economic relations with the BRIC countries	27

SECTION 1 - EU INSTITUTIONS, POLITICS, ECONOMICS

European institutions and politics

THE CENTRE FOR EUROPEAN POLICY STUDIES

EEAS 2.0: recommendations for the amendment of Council Decision 2010/427/EU on the European External Action Service

by Steven Blockmans and Christophe Hillion (eds.)

13 November 2013

Link to the article in [English](#)

The report offers recommendations for the amendment of the Council Decision 2010/427/EU on the EEAS, ahead of the General Affairs Council in December 2013 and the possible discussions on the revision of the Service in 2014.

The present recommendations follow the publication, in February of this year, of a [legal commentary on the EEAS Decision](#).

EU democratic legitimacy and national parliaments

by Sonia Piedrafita

25 November 2013

Link to the article in [English](#)

This essay examines the role of the national parliaments in the treaties and explores ways in which they can contribute to improving that legitimacy of the EU. A previous version of this text was submitted in response to the [inquiry](#) by the House of Lords EU Select Committee into the role of national parliaments.

FRIENDS OF EUROPE

The state of Europe: tough choices for a troubled Europe

by Mike Scott (ed.)

5 November 2013

Link to the article in [English](#)

This paper is a report on the annual "State of Europe" roundtable held by Friends of Europe was and attended among others by European Council President [Herman Van Rompuy](#). The report reflects an especially animated discussion of ways out of Europe's current troubles.

LEUVEN CENTRE FOR GLOBAL GOVERNANCE STUDIES

Dialoguing for due process : Kadi, Nada, and the accession of the EU to the ECHR

by Federico Fabbrini and Joris Larik

November 2013

Link to the article in [English](#)

This paper examines what the authors see as a rivalling yet constructive relationship between the Court of Justice of the EU and the European Court of Human Rights regarding due process rules in the context of anti-terror sanctions imposed by the UN Security Council.

NOTRE EUROPE -JACQUES DELORS INSTITUTE

European elections: less abstention, more populism?

by Yves Bertoncini

13 November 2013

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

The European elections of May 2014 are arousing concern in connection with low voter turnout and the expected results of populist parties. Yves Bertoncini argues that a reversal of the downward trend in turnout observed since 1979 cannot be ruled out, on account of the institutional and, above all, political context in which the elections are likely to be held.

What political balance of power in the next European Parliament?

by Yves Bertoncini and Valentin Kreiling

24 November 2013

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

Bertoncini and Kreiling try to foresee the political balance of power within the next European Parliament. The authors conclude that the political game still seems to be very open as regards the left-right competition.

European and national economies

BRUEGEL

Global and regional financial safety nets: lessons from Europe and Asia

by Changyong Rhee, Lea Sumulong and Shahin Vallée

20 November 2013

Link to the article in [English](#)

This paper analyses the interplay between global and regional safety nets, concluding *inter alia* that an international monetary system resting on strong regional currencies allows better balance than a unipolar international monetary system.

THE CENTRE FOR EUROPEAN POLICY STUDIES

The macroeconomic imbalance procedure and Germany: when is a current account surplus an 'imbalance'?

by Daniel Gros and Matthias Busse

13 November 2013

Link to the article in [English](#)

Daniel Gros argues that the announcement by the European Commission that Germany is running an excessive current account surplus appears to be much ado about little. All the Commission can, and will, do is to start an 'in depth analysis'. This might lead to strong political reactions and an enormous echo in the media, but according to the author, nothing of concrete substance is likely to follow.

CLINGENDAEL

The Financial Transaction Tax: forerunner of European integration and fragmentation

by Arnout Mijs and Sophie van Eck

November 2013

Link to the article in [English](#)

The European Commission backed the plan of eleven EU member states to push ahead with the Financial Transaction Tax (FTT). The FTT is the third policy issue on which the enhanced cooperation procedure is used since it was established under the Amsterdam Treaty. According to the authors, developments such as Schengen, the European Monetary Union, the Fiscal Compact, the European patent, all demonstrate that differentiated integration has become a European reality.

KIEL INSTITUTE FOR THE WORLD ECONOMY

Greece: back on track?

by Klaus Schrader, David Bencek and Claus-Friedrich

November 2013

Link to the article in [English](#)

Building on a harsh critique of the 'bailout' of Greece, this paper argues that Greek politics should be given the scope to complete the reform process which is a necessary condition for economic recovery. The authors also call for a further, final 'haircut' to make Greece's public debt sustainable.

THE GERMAN MARSHALL FUND OF THE UNITED STATES

Weighing Europe: how Europe's global partners assess power and influence of a region in crisis

by Thomas Kleine-Brockhoff

4 November 2013

Link to the article in [English](#)

In 2012, GMF commissioned policy papers from authors from around the world to look at the European crisis from afar. Analysts from the United States, Turkey, India, China, Japan, and Brazil contributed. The authors were asked four questions: 1) How is the crisis interpreted in your country? 2) How, in your view, does the crisis affect Europe's foreign policy? 3) How does the crisis change your country's relations with Europe? 4) How does the crisis change your country's strategic outlook?

Growth - Economy

EUROPEAN CAPITAL MARKETS INSTITUTE / THE CENTRE FOR EUROPEAN POLICY STUDIES

Why a more accurate EU definition of SMEs matters!

by Federico Infelise and Diego Valiante

15 November 2013

Link to the article in [English](#)

As part of the European Union's commitment to deliver greater access to finance for small- and medium-sized enterprises (SMEs), EU policy-makers will have to deal with a fragmented market landscape and responses by individual member states to address failures. This Commentary calls for a rethinking of the EU definition of an SME. A more accurate definition, reflecting the internal market and the stages of evolution of a firm and its financing needs, would allow better benchmarking and a comparison of policy responses that often claim to address market failures in SME finance.

INSTITUTE FOR PUBLIC POLICY RESEARCH

States of uncertainty: youth unemployment in Europe

by Spencer Thompson

November 2013

Link to the article in [English](#)

Using new statistical analysis of the youth unemployment picture across Europe, this report assesses the different roles played by education and training, business behaviour and labour market institutions in young people's transitions from compulsory schooling to suitable employment.

NOTRE EUROPE -JACQUES DELORS INSTITUTE

Youth unemployment, socio-economic divergences and fiscal capacity in the euro area

by Maria João Rodrigues

12 November 2013

Link to the article in [English](#)

At the margin of the High level conference on youth employment in Paris, Notre Europe - Jacques Delors Institute makes a case for new contractual arrangements to fight youth unemployment, financed by national contributions (in proportion to GDP and the position in the economic cycle) and new own resources. The paper includes a plea for a minimum wage in Germany.

PETERSON INSTITUTE FOR INTERNATIONAL ECONOMICS

Stabilizing properties of flexible exchange rates: evidence from the global financial crisis

by Joseph E. Gagnon

November 2013

Link to the document in [English](#)

No inflation targeting country with a flexible exchange rate abandoned its regime during the crisis. Taking issue with policymakers with a "fear of floating", Gagnon suggests that flexible exchange rates enable countries to weather crises better than fixed rates and that the benefits of flexible rates are not limited to large countries.

Why growth in emerging economies is likely to fall

by Anders Åslund

November 2013

Link to the article in [English](#)

According to the author, emerging-market growth from 2000 to 2012 was extraordinarily high. Several factors are cited to explain why emerging-economy growth is likely to be lower in the future. The extraordinary credit and commodity booms are over, and many large emerging economies are financially fragile. They have governance problems and need to carry out structural reforms. The advanced economies, by contrast, have undertaken fiscal consolidation and structural reforms following the recent financial crisis and should experience higher growth rates.

Euro area

BRUEGEL

A Schuman compact for the euro area

by Ashoka Mody

20 November 2013

Link to the article in [English](#)

Bruegel scholar Ashoka Mody maintains that a true fiscal union cannot be achieved through further incremental steps. Instead, it requires a far-reaching, deliberate step towards a true union or perhaps even a federation. In the foreword, Guntram Wolff links Mody's argument to the manifesto by the German intellectuals known as the [Glienicker Gruppe](#).

CHATMAN HOUSE

Saving the euro: a pyrrhic victory?

by Nicholas Crafts

November 2013

Link to the article in [English](#)

Craft argues that saving the euro has spurred recession and left a legacy of public debt, but the fundamental flaws in its original design have not been corrected. Fiscal consolidation alone seems inadequate to address the fiscal sustainability problems of highly indebted economies in the euro area; financial repression and debt relief will also be needed to address the debt overhang. Indeed, according to the author, a 'subservient' 1950s-style central bank, rather than an independent one, would be more helpful for spearheading economic recovery in the present circumstances.

THE FINNISH INSTITUTE OF INTERNATIONAL AFFAIRS

Updating the EMU: differentiated economic integration in the European Union

by Samu Kurri

6 November 2013

Link to the document in [English](#)

The crisis has reinforced the two-layer integration pattern in the EU, with many new euro area-specific rules and structures. Kurri maintains, however, that the situation has not dramatically changed compared to the Maastricht EMU. All of the changes are still in line with the basic idea that all EU countries will join the euro when ready. One of the key questions in the near future is likely to centre on the contours of the euro area-specific decision-making, its relationship to the EU as a whole, and its institutions and procedures. Even if the Eurogroup remains 'formally informal', it has managed to transform itself into a de facto institution within the EU, and its role and weight is likely to increase.

NOTRE EUROPE -JACQUES DELORS INSTITUTE

Deepening the EMU: how to maintain and develop the European social model?

by Sofia Fernandes and Kristina Maslauskaitė

19 November 2013

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

Notre Europe - Jacques Delors Institute publishes a study commissioned by the Federal Chancellery of Austria on the impact of the reforms currently implemented or mooted on national welfare states in the EMU. The authors propose three scenarios for EMU's future. These scenarios include a set of initiatives in the fields of the fiscal, economic, banking and political union as well as EMU's social dimension. The authors assess each scenario on the basis of their main consequences for the euro area economy and for national welfare states from core and peripheral member states.

EU Member States

THE CENTRE FOR EUROPEAN POLICY STUDIES

Extending working life in Finland

by Marten von Werder and Anna-Elisabeth Thum

22 November 2013

Link to the article in [English](#)

While the authors see many of the reforms Finland has conducted as favourable and transferable to other European countries facing ageing in their societies, they also point to a reluctance towards changing attitudes towards active ageing.

Extending working life in Belgium

by Nicolas Contreras, Elisa Martellucci and Anna-Elisabeth Thum

22 November 2013

Link to the article in [English](#)

On the basis of secondary literature, descriptive databases as well as interviews with experts and focus groups, the authors argue that the wish to retire at 60 is widely shared, but at the same time the majority of Belgium's elderly are able and would be willing to work under specific conditions. They recommend that Belgium should invest in more flexible systems including a revision of the tax scheme, such as part-time retirement systems proposed by an insurance company.

DEMOS

New political actors in Europe: new opposition movements in Hungary

by Jamie Bartlett, Péter Krekó and Bulcsu Hunyadi

13 November 2013

Link to the article in [English](#)

This report presents the results of a survey of over 4,000 Facebook fans of eight of the new opposition movements in Hungary. It includes data on who they are and what they think. It also compares these views with other similar parties in Western Europe, the Hungarian general public and supporters of Jobbik.

Justice, Home Affairs and Security

THE CENTRE FOR EUROPEAN POLICY STUDIES

Mass surveillance of personal data by EU Member States and its compatibility with EU law

by Didier Bigo, Sergio Carrera, Nicholas Hernanz, Julien Jeandesboz, Joanna Parkin, Francesco Ragazzi and Amandine Scherrer

November 2013

Link to the article in [English](#)

This study was commissioned by the European Parliament's Committee on Civil Liberties, Justice and Home Affairs. The original document entitled "National Programmes of Mass Surveillance of Personal Data in the EU Member States and their Compatibility with EU Law", can be downloaded from the [European Parliament's website](#). The study finds that four of the five EU member states selected for in-depth examination are engaging in some form of large-scale interception and surveillance of communication data, and identifies parallels and discrepancies between these programmes and the NSA-run operations. The paper argues that these programmes can be analysed from an EU law perspective from the point of view of fundamental rights, risks to the internal security of the Union, privacy and the potential spillover into the activities and responsibilities of EU agencies. The paper then presents a set of policy recommendations to the European Parliament.

The triangular relationship between fundamental rights, democracy and the rule of law in the EU: towards an EU Copenhagen mechanism

by Sergio Carrera, Elspeth Guild and Nicholas Hernanz

20 November 2013

Link to the article in [English](#)

This study examines the protection of fundamental rights, democracy and rule of law in the European Union, and the challenges that arise in reflecting on ways to strengthen EU competences in these contested terrains. It provides a 'state of play' and critical account of EU-level policy and legal mechanisms assessing the relationship between rule of law, democracy and fundamental rights in the member states of the Union. The cross-cutting challenges affecting their uses, effective implementation and practical operability constitute a central point of the analysis. The study argues that the relationship between rule of law, democracy and fundamental rights is co-constitutive. Any future rule of law-related policy discussion in the EU should start from an understanding of the triangular relationship between these dimensions from the perspective of 'democratic rule of law with fundamental rights', i.e. the legally based rule of a democratic state that delivers fundamental rights. The three criteria are inherently and indivisibly interconnected, and interdependent on each of the others, and they cannot be separated without inflicting profound damage to the whole and changing its essential shape and configuration.

DEMOS

The state of the art: a literature review of social media intelligence capabilities for counter-terrorism

by Jamie Bartlett and Carl Miller

29 November 2013

Link to the article in [English](#)

This paper is a review of how information and insight can be drawn from open social media sources. It focuses on the specific research techniques that have emerged, the capabilities they provide, the possible insights they offer, and the ethical and legal questions they raise. The relevance and value of these techniques are considered for the purpose of maintaining public safety against terrorism.

Migration

FONDATION ROBERT SCHUMAN

Rescue at sea, asylum and immigrants fundamental rights. What is the European Union's approach?

by Corinne Balleix

18 November 2013

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

After the catastrophes of Lampedusa and Malta the EU has been accused of not helping migrants in distress in the Mediterranean Sea. What kind of instruments does the Union have to address these situations, and what kind of guidelines are emerging after the European Council of October 2013? Fondation Schuman argues that order to prevent migrants dying at the borders of Europe the European Union, in line with its values, has to support third countries more and show the example by its generosity.

STIFTUNG WISSENSCHAFT UND POLITIK

European refugee policy. Pathways to fairer burden-sharing

by Steffen Angenendt, Marcus Engler and Jan Schneider

November 2013

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

By mid-2015, a Common European Asylum System is to be implemented. The authors take a critical look at the proposals. Firstly, in their opinion, the new rules do not guarantee truly equal conditions for asylum-seekers across the Union. Secondly, there has been no progress on the question of the distribution of refugees among EU member states. The member states should therefore determine fair reception quotas, for example using a multi-factor model.

EU borders and their controls: preventing unwanted movement of people in Europe?

by Elspeth Guild and Sergio Carrera

14 November 2013

Link to the article in [English](#)

This essay attempts to take a step back from the tragic event in the first week of October 2013, when a boat capsized off the Italian island of Lampedusa and some 300 persons drowned seeking safe harbour. It sets out to examine the issue of EU border controls from the perspectives of the technologies, new and old, building on a variety of scholarly disciplines to understand what is happening to border controls on the movement of persons in the EU.

Cameron's proposals to limit EU citizens' access to the UK: lawful or not, under EU rules?

by Elspeth Guild

29 November 2013

Link to the article in [English](#)

This paper briefly examines each of Prime Minister Cameron's headline proposals to limit EU citizens' access to social benefits, and questions if these proposals are in breach of the UK's obligations under EU law. The paper also makes some general comments about the end of the transitional arrangements for Bulgarian and Romanian work-seekers, and 'benefits tourism' in general.

The future of the Schengen system

by Steve Peers

November 2013

Link to the article in [English](#)

The Schengen system, which permits those who are present in any of the Schengen States to cross the borders without being checked, assumes a considerable degree of harmonization and mutual trust among those states. That trust has occasionally been challenged when individual Member States have reintroduced internal border controls. The principles governing the Schengen co-operation have therefore been under review and in 2013 the EU institutions agreed on new rules. In this report, the author discusses this new set of rules and their significance for the free movement in the EU.

Immigration to Sweden from the new EU Member States

by Christer Gerdes and Eskil Wadensjö

November 2013

Link to the article in [English](#)

All remaining restrictions to the free movement of Bulgarian and Romanian citizens will have to be removed before the end of 2013. In a number of EU member states this has renewed fears of 'benefit tourism'. In this report, the authors examine the experiences in Sweden, where it was no transitional provisions were introduced in connection with the 2004 and 2007 enlargements. The authors conclude that the enlargements lead to a limited increase in labour immigration from the Central and Eastern European member states. They argue that immigration from those member states has not, however, put a disproportionate strain on Swedish social security.

Defence

THE FINNISH INSTITUTE OF INTERNATIONAL AFFAIRS

European defence under scrutiny: what can be expected from the European Council?

By Tuomas Iso-Markku

21 November 2013

Link to the article in [English](#)

The author thinks that the December summit is unlikely to engage in a major strategic debate, but it will discuss steps to improve the implementation of the Union's security and defence policy, to enhance cooperation in the area of capabilities, and to support the European defence industry. A major novelty is the European Commission's stronger involvement, which remains controversial, however.

EUROPEAN UNION INSTITUTE FOR SECURITY STUDIES

CSDP between internal constraints and external challenges

by Eva Gross and Anand Menon

6 November 2013

Link to the article in [English](#)

Improving Europe's military and civilian capabilities in a shifting security environment represents a major challenge for the EU and its member states. For one thing, European countries are having to contend with a climate of economic austerity that makes arguments in favour of investment in defence less convincing than they may (or may not) have been in more affluent times; second, broader geopolitical and strategic trends point towards Europeans assuming greater responsibility for their own security and the protection of European interests abroad; finally, the changing nature of conflict and projections concerning the coming decades call for a recalibration of the EU's approach and appropriate instruments for its engagement in conflicts in its neighbourhood and beyond.

This report is the outcome of a conference held together with King's College London in September 2013 entitled 'CSDP between internal constraints and external challenges: the road ahead'.

EUROPEAN COUNCIL OF FOREIGN RELATIONS

Why Europe needs a new global strategy

by Susi Dennison, Richard Gowan, Hans Kundnani, Mark Leonard and Nick Witney

27 November 2013

Link to the article in [English](#)

It is now a decade since European leaders approved the first-ever European Security Strategy (ESS), which began with the statement that "Europe has never been so prosperous, so secure nor so free". But Europe and the world have changed so dramatically in the last decade that it is increasingly hard to argue that the EU can simply stick to the strategy it agreed in 2003.

In particular, six of the ideas that were central to the ESS are now said to be holding Europe back: European soft power struggles in an era of global awakening; European aid and economic assistance are losing impact in an era of big spenders; "effective multilateralism" is harder in an era of neo-Westphalian rising powers; liberal interventionism is more difficult because of fatigue and defence cuts; US disengagement is changing the transatlantic relationship; and economic power alone is not enough in Asia. Given these changes, European leaders should use the European Council in December to commission a major strategic rethink.

EGMONT

The state of defence in Europe: state of emergency?

by Sven Biscop and Daniel Fiott (eds.)

November 2013

Link to the article in [English](#)

In the introduction, the editor points out that when Herman Van Rompuy called for the European Council of which he is the President to examine "the state of defence in Europe", he was probably asking for more than a routine check-up. In this joint paper, the Institute for European Studies of the Vrije Universiteit Brussel and the Egmont Institute offer their diagnosis, including five suggestions for a European technology and industrial base in defence.

REAL INSTITUTO ELCANO

El Consejo Europeo de diciembre de 2013: repercusiones para la industria y la defensa de España

by Félix Arteaga

27 November 2013

Link to the article in [Spanish](#)

With a view to the discussion of defence at the European Council on 19-20 December, both the High Representative of the Union for Foreign Affairs and Security Policy and the Commission have put forward proposals. This paper reviews the current status and the proposals of the High Representative and the Commission to infer what challenges and opportunities arise for defence policy and the industrial sector of security and defence in Spain.

FRIDE

Why do Europeans need armed forces?

by James Rogers

26 November 2013

Link to the article in [English](#)

Rogers sees European armed forces in a malaise, due to political complacency and a misconstrued approach to military force. These failings call for a conceptual reappraisal of the utility of European military power, and a better understanding of both the active and passive uses of armed force. Europeans should focus the use of their military power on two geopolitical zones: one stretching from Suez to Shanghai, the other curving from Marrakech to Moscow.

THE POLISH INSTITUTE OF INTERNATIONAL AFFAIRS

Starting the process of trust-building in NATO–Russia relations: the arms control dimension

by Jacek Durkalec, Ian Kearns and Łukasz Kulesa

14 November 2013

Link to the article in [English](#)

The spectre of Cold War seems to be coming back to Europe. Russia and Belarus have recently conducted West 2013 exercises, sparking anxieties of its NATO neighbours. NATO itself is in the middle of Steadfast Jazz 2013 exercises testing territorial defence scenarios, which in turn is criticized in Russia. Lack of trust in the NATO-Russia relationship is one of the reasons preventing the two sides from reaching progress on the issues of missile defence in Europe, tactical nuclear weapons or conventional arms control.

How to decrease a risk that those differences would lead the two sides to the brink of a new Cold War? PISM and European Leadership Network argue that a way out of the mutual distrust spiral could be found through a new approach to arms control. Basing on models of trust-building and historical experiences, the report recommends practical measures introducing mutual restraint and increased transparency to conventional and nuclear force postures, as well as missile defence build-up, of NATO and Russia.

Energy, natural resources and climate change

INSTITUT FRANÇAIS DES RELATIONS INTERNATIONALES

The impact of the development of shale gas in the United States on Europe's petrochemical industries

by Sylvie Cornot-Gandolphe

November 2013

Link to the article in [English](#)

The shale gas revolution has led to strong falls in energy prices, reducing significantly the raw material costs of the US petrochemical industry. In contrast, the European petrochemicals industry is in a delicate position. It is in the grip of sluggish demand in Europe, rising energy costs, ageing plants and production over-capacity. Unlike the US, Europe's petrochemical producers use naphtha from refined oil as a raw material. Between 2008 and 2012, the price of naphtha rose by 19%, and margins for European producers have been falling, as they can only pass on costs partially to their clients, given the competition of mega petrochemical plants built in the Middle East in the 2000s, and that to come from the United States. In this context, the author explores the challenges of restructuring and rationalization facing the European petrochemicals sector.

Dynamics and drivers of shale gas development in three European countries: can a European policy be imagined?

by Laura Parmigiani

November 2013

Link to the article in [English](#)

The European Commission introduced in its Work Programme 2013 an action regarding "Environmental climate and energy assessment framework to enable safe and secure unconventional hydrocarbon extraction". This paper assesses the legislative framework on environmental impacts of shale gas development in Europe, and suggests improvements in the use of hydraulic fracturing. It then goes on to ask to what extent a European initiative could be more effective or comprehensive than national legislation.

INSTITUTE FOR PUBLIC POLICY RESEARCH

Up in smoke: how the EU's faltering climate policy is undermining the City of London

by Will Straw and Reg Platt, with Jimmy Aldridge and Esther Cowdery

November 2013

Link to the article in [English](#)

The EU has a proud record of taking the lead in tackling climate change, and the City of London has been a major beneficiary of this leadership. However, problems with Europe's emissions trading scheme, argues the progressive think tank IPPR, risk undermining the City of London's leading role in carbon finance.

FONDATION ROBERT SCHUMAN

The shale gas revolution: can it cross the Atlantic?

by Pavol Szalai

5 November 2013

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

Szalai believes that an American-style shale gas revolution will not take place in Europe on the short term. The economic profitability of the European resources is not as interesting, their social acceptability is not granted, and the energy security seems to worry only the countries extremely dependent on Russian imports like Poland. However, because of the influence of the American experience and that of some capitals who want to emulate or avoid it, the debate on its advantages and drawbacks continues to rage in Europe.

SECTION 2 - EXTERNAL RELATIONS

WORLD ECONOMIC FORUM

Outlook on the global agenda 2014

15 November 2013

Link to the article in [English](#)

The World Economic Forum surveyed its network of 1500 experts on the challenges and opportunities of the coming 12–18 months. They overwhelmingly agreed that tensions in the Middle East and North Africa will be the defining trend of 2014, alongside increasing inequality and unemployment. Respondents also showed their dissatisfaction with the state of global co-operation on climate change, youth unemployment and poverty.

EU foreign policy

EUROPEAN POLICY CENTRE

The effectiveness of EU sanctions - An analysis of Iran, Belarus, Syria and Myanmar (Burma)

by Francesco Giumelli and Paul Ivan

18 November 2013

Link to the article in [English](#)

The authors focus on case studies of Iran, Belarus, Syria and Myanmar (Burma) to assess the effectiveness of EU restrictive measures. They argue that restrictive measures contribute to shaping the EU's external relations but that there is a need for a careful evaluation of what sanctions are supposed to achieve in order to build the proper expectations upon which their effectiveness can be judged. They recommend the creation of an EU panel of experts who would be tasked with monitoring sanctions.

THE SWEDISH INSTITUTE OF INTERNATIONAL AFFAIRS

The implications of the euro crisis for European foreign policy: lessons from crisis management and international trade

by Björn Fägersten and Catharina Klingspor

November 2013

Link to the article in [English](#)

The European Union has long been described as an economic giant but a political dwarf. Hopes were high that this asymmetry might be mitigated by measures - most recently in the Lisbon treaty - to improve the EU's external action. However, the authors are concerned that Europe's voice in the world will suffer as a consequence of the crisis: an economic giant on its knees will have little chance of realizing its foreign policy ambitions. The overarching findings of the study are that the foreign policy machinery of the EU has been rather resilient to the crisis but that great variation exists both between different policy areas and between the different components that make up the EU as an international actor.

EU trade

THE CENTRE FOR EUROPEAN POLICY STUDIES

Financial services and the Transatlantic Trade and Investment Partnership

by Karel Lannoo

20 November 2013

Link to the article in [English](#)

Lannoo argues in this Policy Brief that the Transatlantic Trade and Investment Partnership (TTIP) provides a good opportunity to put in place a more institutionalised framework. In his view, inclusion of financial services could also be an opportunity to strengthen prudential rules and consumer protection provisions on both sides. Rather than leading to a reduction of consumer protection, it could lead to an examination, exchange and recognition of best practices in regulation and enforcement.

COLLEGE OF EUROPE

EU trade actors after Lisbon: enhanced negotiations or business as usual?

by Eguzki Osteikoetxea

November 2013

Link to the article in [English](#)

The Lisbon Treaty brought the European Parliament and the European External Action Service into the picture as new actors in trade negotiations. The author applies Veto Players theory to the Central American Association Agreement and Principal-Agent theory to the Ukrainian Association Agreement. He concludes that the participation of the European Parliament as a veto player has decreased the effectiveness of trade negotiation, and that the participation of the External Action Service has led to an increase of effectiveness in trade negotiations.

EU eastern partnership

THE VIENNA INSTITUTE FOR INTERNATIONAL ECONOMIC STUDIES

Vilnius eastern partnership summit: a milestone in EU-Russia relations – not just for Ukraine

by Peter Havlik

25 November 2013

Link to the article in [English](#)

The Vilnius Eastern Partnership Summit on 28-29th November represents a milestone in EU relations not just with respect to the six Eastern Partnership countries (EaP: Armenia, Azerbaijan, Belarus, Georgia, Moldova and particularly Ukraine), but also with the EU's 'strategic partner' Russia. This note attempts to evaluate the consequences (economic and otherwise) of alternate decisions following the Vilnius Eastern Partnership Summit.

CARNEGIE EUROPE

Smart geostrategy for the eastern partnership

Richard Youngs and Kateryna Pishchikova

November 2013

Link to the article in [English](#)

The European Union's relationship with Eastern Europe and the Caucasus is at a turning point. The authors see the entire Eastern Partnership on the verge of unravelling when confronted with Russia's increasingly assertive tactics.

CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE

The eastern partnership—It is high time to start a real 'partnership'

by Paweł Dariusz Wiśniewski

20 November 2013

Link to the article in [English](#)

The European Union's Eastern Partnership must be modernized, argues Wiśniewski. Partner states and the EU have to acknowledge their own failures instead of playing a "blame game" and work together to make the partnership a success. If the Eastern Partnership initiative fails, both sides—along with Russia, whose role is key—will be responsible.

EASTERN EUROPE STUDIES CENTRE

Eastern partnership after Vilnius: a mission accomplished, mounting tasks ahead

Laurynas Kasčiūnas, Vytautas Keršanskas, Kristina Vaičiūnaitė with Balázs Jarábik

8 November 2013

Link to the article in [English](#)

This paper from the Vilnius centre frames the post-Vilnius planning from an historical perspective, arguing that the policy needs a boost in technical implementation and capacity of both the EC and partner countries, but that it also needs the EU and Eastern partners to 'mind the gap'. Focusing on implementation will certainly be important, but the authors warn that the political will in the region could evaporate amidst upcoming elections (Moldova 2014, Ukraine 2015).

FRIDE

Visa-free travel for the EU's eastern partners: time to act

by Natalia Shapovalova

5 November 2013

Link to the article in [English](#)

Among the six Eastern Partnership countries, Moldova is the closest to a visa-free regime with the EU, surpassing Ukraine that needs to speed up reforms. EU fears of irregular migration, aggravated by an increase in unfounded asylum requests from the Western Balkans, remain an obstacle to the visa-free goal, despite a lack of evidence for these concerns and envisaged EU legislation to mitigate this risk. The author expects that visa-free travel will bring political and economic benefits for both sides.

NOTRE EUROPE -JACQUES DELORS INSTITUTE

Put to the test: the eastern partnership and the EU

by Florent Parmentier

27 November 2013

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

This Policy paper by Florent Parmentier establishes a picture of the Eastern Partnership and its perspectives while the Vilnius Summit of the 28th and 29th of November begins. Four years after its launch, two years after political reform of the European Neighbourhood Policy (to include the "more for more" principle), and a few days after Ukraine's defection, where does the Eastern Partnership stand? This question is explored through a first-time assessment of eastern partners. Further European integration depends on the current offer of the Partnership on the EU side. This paper identifies possible paths to making this policy more effective, and on the basis of these considerations, examines where the Eastern Partnership may be in 2020.

Turkey

BARCELONA CENTRE FOR INTERNATIONAL AFFAIRS

A new chapter in EU-Turkey negotiations: a step too small

by Eduard Soler i Lecha

November 2013

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

After three years of paralysis, the European Union has decided to open a new chapter in the negotiations on Turkish accession. The paper wonders whether the decision can be dismissed as a strategy to gain time, or if it is a first step toward change. Revitalizing the negotiation process will depend ultimately on whether the chapters relative to justice and fundamental freedoms can be opened.

DEMOS EUROPA

Poland and Turkey: two economic success stories, both at a crossroads?

by Paweł Świeboda and Paweł Zerka

November 2013

Link to the article in [English](#)

For the last decade, Poland and Turkey have experienced impressive rates of growth and gained a widespread reputation as emerging points of gravity: both in economic and political terms. Recently, however, clouds have begun to be seen on the horizon in the case of both countries. Despite significant differences in their economic models and geopolitical locations, Poland and Turkey face a similar challenge of moving from an efficiency-driven to innovation-driven model of growth.

It is high time for cooperation: Poland and Turkey in the post-Soviet area

by Adam Balcer

November 2013

Link to the article in [English](#)

Poland and Turkey belong to a group of few European countries for which the post-Soviet area is of strategic importance - albeit not "the top one priority" - and at the same time have significant leverage in the region, although they are not the main players in the region. Their position is the outcome of the historical and cultural heritage, social ties (tourism, ethnic and religious minorities), economic involvement (trade, investments, construction contracts), as well as soft power (development aid, scholarships and education in the region), and hard power (officer training, joint military units, joint manoeuvres).

REAL INSTITUTO ELCANO

Turkey and the European Union: mixed signals

by William Chislett

27 November 2013

Link to the article in [English](#)

Turkey's EU accession process is back on track, with the opening this month of the first chapter, or policy area, in more than three years, but the Islamist-rooted government continues to send out mixed signals over the country's direction, notes Chislett.

OŚRODEK STUDIÓW WSCHODNICH

Turkey's economy: a story of success with an uncertain future

by Aleksandra Jarosiewicz

5 November 2013

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

In the decade since the Justice and Development Party (AKP) came to power, Turkey's economy has become synonymous with success and well-implemented reforms. However, the risks associated with a series of unresolved issues are becoming increasingly apparent. These include the country's current account deficit, its over-reliance on short-term external financing, and unfinished reforms, for example of the education sector. This leaves Turkey exposed to over-dependence on investors, especially from the West.

Africa

FRIDE

Can the Syrian war be ended?

by Barah Mikail

21 November 2013

Link to the article in [English](#)

Barah sees the conflict in Syria at a stalemate, with Assad still in office, the opposition divided and prospects for external military intervention receding. Assad has many enemies but also powerful friends in the region and beyond, and holds considerable spoiler potential. The first objective of Geneva-II should be to achieve a ceasefire, which will require the engagement of all parties to the conflict.

THE POLISH INSTITUTE OF INTERNATIONAL AFFAIRS

Awaiting justice: prospects for prosecuting war crimes in Syria

by Maria Radziejowska

19 November 2013

Link to the article in [English](#)

A group of members of the American Congress suggested that the Security Council should create an ad hoc tribunal for Syria. A panel of international criminal law experts presented a draft Statute for a Syrian Extraordinary Tribunal, while some of the Security Council members suggested referring the situation in Syria to the International Criminal Court. Issues pertaining to establishing justice and restoring the rule of law in Syria will certainly be on the agenda for future peace talks. The question of working out a transitional justice strategy for the country is inevitable.

CHATMAN HOUSE

Edible oil: food security in the Gulf

by Rob Bailey with Robin Willoughby

November 2013

Link to the article in [English](#)

Sustainable food self-sufficiency is unattainable for the countries of the Gulf Cooperation Council (GCC). Domestic production meets only a small proportion of needs, yet consumes significant economic resources and almost monopolizes water use. GCC food security rests on international trade, leaving countries exposed to price risk (relating to volatility of import prices) and supply risk (relating to import disruption). Recent events such as the 2011 Arab uprisings, continued instability in Egypt and Syria, threats by Iran to close the Strait of Hormuz and repeated spikes in international food prices have sharpened these risks. The worst-case scenario is conflict in the wider Middle East and North Africa region that disrupts multiple import routes for a sustained period.

South-America

BARCELONA CENTRE FOR INTERNATIONAL AFFAIRS

Informe Brasil 2013: Brasil grande y diverso

by Anna Ayuso

November 2013

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

Brazil is a country of continental dimensions (the world's fifth largest), wealthy and with a diversity of climates, habitats, culture, demography, religion and economic structure. The yearly CIDOB report on the country sees several Brazils, yet with a strong sense of national identity that encompasses this heterogeneity.

Asia

EUROPEAN STABILITY INITIATIVE

Disgraced. Azerbaijan and the end of election monitoring as we know it

5 November 2013

Link to the article in [English](#)

Monitoring organizations disagreed as to whether the October 2013 presidential elections were free and fair. This report argues that it is vital to revisit the facts and analyses behind the different assessments, and to retrace how different groups of observers could arrive at radically diverging conclusions. The relationship between long- and short-term election observers needs to be rethought.

EUROPEAN COUNCIL OF FOREIGN RELATIONS

Divided Asia: the implications for Europe

by François Godement

22 November 2013

Link to the article in [English](#)

With trade integration on the continent growing, relationships between Asian countries are becoming as important as US military guarantees in ensuring that Asia's conflicts do not erupt into violence. This paper argues that the European approach to Asia is out of step with the continent's own trends. Asia is not interested in Western imports of multilateral security institutions and international arbitration, and the EU should abandon its efforts to transfer its own post-war solutions to the Asian situation. Instead, it should focus on rewarding compromise and build on its growing arms trade with the region to take a more central security role.

China

EUROPEAN INSTITUTE FOR ASIAN STUDIES

Is Berlin replacing Brussels in leading EU-China relations?

by Yu Xichao

November 2013

Link to the article in [English](#)

In recent years, Germany has become China's most important economic partner in the EU. The emerging 'special relationship' has led China to deal increasingly with the EU through Germany. This paper argues that Berlin is not taking over Brussels in leading EU-China relations. It concludes that whereas China is willing to regard the emerging Sino-German ties as overshadowing EU-China relations, Germany does not intend to do so.

FRIENDS OF EUROPE

Ten years on: rebooting EU-China relations

by Shada Islam

21 November 2013

Link to the article in [English](#)

The EU-China Summit just held in Beijing offered a much-needed moment of reflection and respite after a fraught year marked by tense exchanges over trade and reciprocal accusations of arrogance, indifference and neglect. This background briefing reviews the main challenges ahead for stronger cooperation between Beijing and Brussels. EU-China relations were debated at the Europe-China Forum organised by Friends of Europe and the Chinese Mission to the EU on November 26 in Brussels.

ISTITUTO PER GLI STUDI DI POLITICA INTERNAZIONALE

Chinese policies under Xi Jinping. What's new and what's the problem?

by Axel Berkofsky, Shaun Breslin, Kerry Brown, Cui Hongjian, Jonathan Holslag and Zhao Suisheng

November 2013

Link to the article in [English](#)

ISPI notes that, after one year in office, new president Xi Jinping has yet to present a vision on further political reform (such as e.g. strengthening 'inner-party democracy') and economic reform (e.g. favoring private entrepreneurship). It concludes that the prospects for political reform allowing political groups to operate outside the control of the Communist Party are not promising, to say the least.

STIFTUNG WISSENSCHAFT UND POLITIK

Chinas Handelspolitik. Dominanz ohne Führungswillen

by Hanns Günther Hilpert

November 2013

Link to the article in [German](#)

Hilpert argues that China still has not found a role for itself in global trade policy, divided as it is between the quest for dominance on one side and a type of leadership aware of the needs of the system as a whole on the other side. The paper identifies scenarios for EU-China trade relations depending on whether China evolves towards liberalization, bilateralism or protectionism.

SPECIAL FOCUS - Banking Union

BRUEGEL

Who decides? Resolving failed banks in a European framework

by Christopher Gandrud and Mark Hallerberg

29 November 2013

Link to the article in [English](#)

Joining the debate on how to articulate the Bank Resolution and Recovery Directive (BRRD) and the regulation establishing a European Single Resolution Mechanism (SRM) and a Single Bank Resolution Fund (SBRF), the authors conclude that public support to failed institutions should come from a bank-funded resolution fund. This would reduce taxpayers' direct costs, and would make banks less likely to take risks and advocate for bailouts.

THE CENTRE FOR EUROPEAN POLICY STUDIES

The new European framework for managing bank crises

by Stefano Micossi, Ginevra Bruzzone and Jacopo Carmassi

21 November 2013

Link to the article in [English](#)

This Policy Brief discusses the proposals for a European Single Resolution Mechanism for banks and for a Directive on Bank Recovery and Resolution. The authors find that the proposals are generally well designed and present a consistent approach, yet there is room for improvement, including the streamlining of procedures for the start of resolution, which now entail much overlap in the powers attributed to the various institutions involved. The paper makes a number of recommendations to facilitate discussions for stakeholders and regulators.

Strong governments, weak banks

by Paul De Grauwe and Yuemei Ji

25 November 2013

Link to the document in [English](#)

Banks in the northern eurozone have capital ratios that are, on average, less than half of the capital ratios of banks in the eurozone's periphery. The authors explain this by the fact that northern eurozone banks profit from the financial solidity of their governments and follow business strategies aimed at issuing too much subsidised debt. In doing so, they weaken their balance sheets and become more fragile – less able to withstand future shocks. Paradoxically, financially strong governments breed fragile banks.

EGMONT

Banks at the service of the economy?

by Eric De Keuleneer

November 2013

Link to the article in [English](#)

This paper discusses a few measures to improve both the commercial and investment banking landscapes, with or without formal separation. Covering deposits with quality collateral would make them safer and would help create an easier guarantee and resolution mechanism at the larger eurozone level. Strong central counterparties and transparency requirements would improve market mechanisms and market discipline in capital markets and investment banking. Specific governance measures would also help improve the financial sector. Finally, a better control of bank solvency, together with improved capital market transparency and accessibility, should encourage the progressive deleveraging of commercial banks, and enhance the long term funding of the economy by capital markets.

The outer reach of state obligations under deposit guarantee schemes – What can we learn from the Icesave case?

by Gunnar Thor Petursson and Asta Sollilja Sigurbjörnsdottir

November 2013

Link to the article in [English](#)

On 28 January 2013, the EFTA Court passed a judgment in the so called Icesave case, regarding Iceland's rules on the protection of savers' deposits following the collapse of all its major banks in the autumn of 2008. In the opinion of the EFTA Surveillance Authority, this constituted a breach of the EU Directive on deposit-guarantee schemes. The EFTA Court, however, found that Iceland had not failed to comply with the obligations of the Directive. Moreover, the judgment indicates serious shortcomings in the EU regulations regarding protection of depositors.

REGARDS CROISÉS

THE POLISH INSTITUTE OF INTERNATIONAL AFFAIRS / EUROPEAN INSTITUTE OF ROMANIA

Pushing the turbo button: what next for the Polish–Romanian strategic partnership?

by Łukasz Kulesa, Agnes Nicolescu, Stanislav Secrieru and Anita Sobják

14 November 2013

Link to the article in [English](#)

With the global economic downturn and its implications for the broader political and security architecture of the EU, the Polish-Romanian Strategic Partnership signed in 2009 is now ripe to take the positive relationship to a new level and to be further fleshed out. To this end, political coordination needs to be upgraded for promoting common interests, such as economic stability and solidarity within the Union, continued support to agriculture and cohesion policy as an important priority for EU funding, increasing the energy security of the region, engaging the neighbourhood, particularly Moldova and Ukraine, and maintaining the relevance of CSDP and of article 5 of the Washington Treaty high on the European agenda. The management of instability and protracted conflicts in their neighbourhood are also among their shared concerns. Translating these common priorities into concrete actions should aim at pushing the "turbo button" on the partnership, and help both countries achieve their goals.

OŚRODEK STUDIÓW WSCHODNICH

Chasing globalisation. Germany's economic relations with the BRIC countries

by Konrad Popławski

25 November 2013

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

The Eurozone crisis has forced German exporters to speed up their expansion onto the emerging markets, in particular Brazil, Russia, India and China. Between 2000-2011 the share of trade with the BRIC states in the entire German trade exchange rose from 5.5% to 13.3%. In the same period trade with the USA as a share of German trade fell from 9.6% to 6.2%.

The report discusses the major tendencies present in Germany's cooperation with the BRIC countries, and examines how the German state supports German companies in their business activities on these markets. The main issue discussed in the text is the role of the state in stimulating the expansion of German companies onto the BRIC markets.