

2014

improving economic policy

ANNUAL REPORT





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CHAIRMAN'S MESSAGE

Jean-Claude Trichet

“Bruegel has adapted to the current needs of the policymaking environment”

It is difficult, in reviewing the European policy environment in 2014, to avoid a sense of ‘délà vu’. Many of the problems that were – and continue to be – in need of solutions appeared to be the same as in previous years. At the same time, implementation of decisions was sometimes slow and incomplete. While there was consensus that certain complex situations needed to be addressed, there was failure to agree on how to address them.

Bruegel's response, therefore, has adapted to the current needs of the policymaking environment: Bruegel scholars put more emphasis on the detailed analysis of the situation, on the political economy of reform, providing frameworks in which policymakers could navigate in a particularly demanding economic, financial, monetary and political environment. An excellent example of this was the publication of memos to the new EU leadership, providing leaders with proposed strategic priorities for the next five years, and released in time for the nomination hearings for the Commission. Once the Commission was appointed, a number of Commissioners were happy to debate these recommended priorities with us. Focusing on having the right agenda should be a valuable contribution to solving our implementation conundrum.

But 2014 will also be remembered as a year of big surprises from outside the EU. Bruegel's reaction to geopolitical concerns was to provide information and advice on the economic consequences of emerging situations.

I have been happy to observe, along with all of our Board members, that Bruegel's Director continued to increase the reliability,

trustworthiness and also the financial strength of Bruegel. Bruegel's research and events continue to be focal points of the European debate.

The key to this success has been timeliness and the quality and depth of the research, while keeping an eye on the political economy.

Bruegel has also made a notable institutional response to an increase in scepticism about the greater European project: to increase the transparency of our financing and governance, further reinforcing our trustworthiness. Our transparency reassures stakeholders that Bruegel can make a legitimate contribution to improving economic policy, which rests solely on the quality of the ideas it generates. We continue to promote the idea that a diverse funding base, an emphasis on core funding and an appropriate relationship with members is maintained, while being open about what motivates all the individuals that contribute to Bruegel's output. We engage with all bodies affected by policy, to create solutions that will work for as many of us as possible.

Bruegel continued to grow in 2014, enjoying the greatest financial support it has ever enjoyed. We are very grateful to all those in the public and private sectors who put their faith in our

commitment to improving economic policymaking through an independent, evidence-based, analytical approach. Bruegel's members, its Board, management and the whole team will strive to continue to be worthy of the confidence our institution presently benefits from, continuing to work for solutions we can all have faith in.



DIRECTOR'S INTRODUCTION

Guntram Wolff

"A focus on impact"

Policymakers faced major challenges in Europe and abroad in 2014. In the euro area, slow growth and falling inflation meant there was a need for determined action and implementation of well-known but controversial measures. The issue was not a lack of creative ideas but rather concrete solutions that work. Rigorous and detailed analysis was crucial to convince and demonstrate to policymakers that, contrary to numerous statements, the recovery was weak, underlying disinflation dynamics were substantial and an urgent response was therefore required.

The social problems created by the European crisis needed and still need to be addressed. We decided to put substantial emphasis on an analysis of rising poverty and inequality, highlighting that unemployment is not only a problem in itself but that it also undermines the potential for economies to grow in the long term. We also explored the opportunities and limits of creating a European unemployment insurance system.

The crisis in Ukraine triggered a whole set of policy challenges. Several Bruegel scholars worked on a detailed analysis of the gas interdependencies between the EU, Ukraine and Russia, and made proposals on how the interdependencies could be reduced. They also analysed the macroeconomic challenges facing Ukraine and made proposals on what to prioritise in the financial assistance programme.

In my message a year ago, I emphasised Europe's structural problems. In the intervening period, Bruegel has sought to address these, looking at how growth can be revived and necessary adjustments completed. The creation of a single market for telecoms and the associated competition problems were focus

issues. We also deepened our work on energy and climate change, two crucial areas for the European economy and the sustainability of our models.

Bruegel also focused on the structurally important areas of banking and finance during 2014, especially banking fragility, the setting-up of a common supervisor and the still-ongoing resolution of weaknesses in that market. Here, we not only shaped the ex-ante debate but also evaluated policymakers' decisions ex-post. Our calls for deeper and more integrated capital markets date back to 2012 and 2013. Capital markets union has now become an important topic on the structural policy agenda for the 28 member states of the European Union. We will continue to drive this debate in 2015.

While much of our work has had a European focus, Bruegel also placed the economic debate in a global context, continuing our cooperation with think tanks from Europe's neighbourhood, Asia and North America. In 2013 emerging and developing countries together accounted – for the first time since at least 1850 – for more than 50 percent of global GDP. In the same period, the average public debt-to-GDP ratio of these countries dropped below 40 percent while it has reached nearly 110 percent in the advanced economies. The global economy is, therefore, an essential part of our work.

Bruegel focuses on impact but we are still below optimal size and therefore intend to continue to grow. In the name of the entire Bruegel team, I can assure you that we continue to strive to improve economic policy based on our core values of honesty, excellence, impartiality and transparency. We look forward to working with you to make an impact on policy.





BRUEGEL AT GLANCE

Bruegel is a European think tank specialising in economics. Established in 2005, Bruegel is independent and non-doctrinal. Its mission is to improve the quality of economic policy with open and fact-based research, analysis and debate. Bruegel's membership includes EU member state governments, international corporations and institutions.

Thanks to our dual focus on analysis and impact, and our dynamic relationships with policymakers at every level of governance, we have established ourselves as a vibrant laboratory for economic policy.

Bruegel contributes at various stages in policy making: setting the agenda, shaping fast-moving policy debates in real time and evaluating policies to propose improvements.

IMPROVING ECONOMIC POLICY

SINCE 2005

The idea to set up an independent European think tank devoted to international economics stemmed from discussions involving economists, policymakers and private practitioners from many European countries.

The initiative subsequently found support from 12 EU governments and 17 leading European corporations, who committed to the project's initial funding base and participated in the election of its first Board in December 2004. Operations started in 2005 and today Bruegel counts 18 EU governments, 33 corporations and 10 institutions among its members.

EVIDENCE-BASED POLICY RECOMMENDATIONS

Bruegel does not stand for any particular policy doctrine. Its fellows draw on analysis to assess economic transformations, discuss policy options and propose recommendations – while always keeping an eye on their practical feasibility.

DEMAND-DRIVEN QUESTIONS, INDEPENDENT ANSWERS

Bruegel's diverse stakeholders, including members, design the research programme collaboratively. The Board takes the final decision on the programme. Once a research topic is chosen, however, research and publications are fully independent. All publications are released under the signature of their author(s). Bruegel takes no institutional standpoint, though the director exercises editorial oversight and quality control.



Independence and honesty are essential for a credible think tank. Transparify, an independent NGO, has repeatedly awarded Bruegel five stars out of five for transparency, recognising its openness about financing and governance. However, transparency is about more than just money. All researchers make annual declarations of their outside engagements and projects. Bruegel is clear about the role of members, and partners, who help set the research agenda but do not influence the outcome of the independently conducted research.

LINKING GOVERNMENT, RESEARCH, BUSINESS AND CIVIL SOCIETY

Through publications, events, social media and its blog, Bruegel provides a forum for informed policy discussions between individuals from diverse backgrounds. Bruegel also cooperates with leading European and international research institutions on specific research projects or exchange programmes.

EUROPEAN IDENTITY, OUTWARD-ORIENTED FOCUS

Bruegel addresses topics for which policy responsibility rests with individual states, the European Union, global governance groups and international organisations. Its interactions with decision-makers develop at every governance level and take place in many parts of the world.

A NETWORK OF TALENTS



Bruegel relies on a team that is both international and diverse in its expertise.

Resident scholars are part of the core team that works in Brussels. They are senior fellows, fellows and affiliate fellows who are generally former research assistants now engaged in study. **Non-resident scholars** are active contributors based outside Brussels. **Fellows at large** are former fellows whose current positions prevent them from commenting directly on the policy-making process, but who still wish to engage internally or to contribute.

Bruegel strives for a geographically diverse representation among its team. **Visiting fellows** add to this diversity, coming from internationally recognised institutes (NIRA, CASS, ICRIER, Canon Institute for Global Studies, etc.). Through this programme, research scholars, policymakers and practitioners stay temporarily at Bruegel to conduct research work, and to interact with other fellows, members and a wider audience by speaking at selected events.

All fellows rely on a team of **research assistants** and **research interns** whose skills and commitment are gratefully acknowledged. A dedicated **non-research team** is responsible for the daily management, outreach and development of the organisation.

RESEARCHERS*

Resident fellows

Non-resident fellows

Carlo ALTOMONTE

Non-resident fellow



Carlo's research focuses on international trade and investment, the political economy of globalisation and the process of European integration. He is associate professor of economics of European integration at Bocconi University, and professor of macroeconomics and international business environment at SDA Bocconi School of Management. He received his PhD in applied economics at the Catholic University of Leuven.

Michiel BIJLSMA

Non-resident fellow



Michiel focuses on the added value of the financial sector and structural differences between the financial sector in Europe and in the USA. He is programme leader for financial markets at the Netherlands Bureau for Economic Policy Analysis (CPB). After a PhD in theoretical physics at the University of Utrecht, he was a consultant at Ernst & Young and senior economist at The Netherlands' Competition Authority.

Grégory CLAEYS

Research fellow



Grégory's research interests include financial economics, international macroeconomics and finance, central banking and European governance. From 2006 to 2009 Grégory worked as a macroeconomist in the Economic Research Department of the French bank Crédit Agricole. Prior to joining Bruegel he also conducted research in several capacities, including as a visiting researcher in the Financial Research Department of the Central Bank of Chile in Santiago, and in the Economic Department of the French Embassy in Chicago. Grégory taught undergraduate macroeconomics at Sciences Po in Paris. He holds a PhD in Economics from the European University Institute (Florence), an MSc in economics from Paris X University and an MSc in management from HEC (Paris).

*Only scholars that have published in 2014 are fully listed with bios.
For the complete list of the scholars see the table at the end of this section.

Jérémie COHEN-SETTON

Non-resident affiliate fellow



Jérémie produces a weekly review of economic blogs for the Bruegel website, summarising online debate and opinion about key topical issues. He is a PhD candidate in economics at U.C. Berkeley. He was previously an economist in the UK's Treasury, where his work focused on preparations for the London Summit.

Marek DABROWSKI

Non-resident fellow



Marek focuses on economic reforms and prospects in Russia, Ukraine and central Europe. He is a professor at the Higher School of Economics in Moscow and was a fellow under the 2014-2015 fellowship initiative of the European Commission. He was previously a First Deputy Minister of Finance of Poland, a Member of Parliament and a Member of the Monetary Policy Council of the National Bank of Poland.

Zsolt DARVAS

Senior fellow



Zsolt's research interests include macroeconomics, international economics, central banking and time-series analysis. He is also research fellow at the Institute of Economics of the Hungarian Academy of Sciences and associate professor at the Corvinus University of Budapest. From 2005 to 2008, he was the research adviser to the Argenta Financial Research Group in Budapest. Before that, he worked at the Research Unit of the Central Bank of Hungary (1994-2005), where he served as deputy head. Zsolt holds a PhD in economics from Corvinus University of Budapest.

Mark HALLERBERG

Non-resident fellow



Mark researches political economy, fiscal policy and fiscal institutions and banking supervision. He is professor of public management and political economy at the Hertie School of Governance and is director of Hertie's Fiscal Governance Centre. He has held professorships at Emory University, the University of Pittsburgh, and the Georgia Institute of Technology and holds a PhD from the University of California in Los Angeles.

Guonan MA**Non-resident fellow**

Guonan's research focuses on Chinese monetary policy. He was a senior economist at the Representative Office for Asia and the Pacific of the Bank for International Settlements (BIS). Before joining the BIS in 2001, he worked as a chief North Asia economist at various investment banks, including Merrill Lynch, Salomon Smith Barney and Bankers Trust. Guonan was also a lecturer and research fellow at the Australian National University and holds a PhD.

Mario MARINIELLO**Research fellow**

Mario's work focuses on European competition policy and regulation issues. Before joining Bruegel, Mario was a member of the Chief Economist's Team in the European Commission's DG Competition. He holds a PhD in industrial organisation from the European University Institute of Fiesole (Florence) and an MSc in economics from CORIPE (Turin). During the time he spent at the European Commission he worked on economic analysis of a number of topical antitrust and merger cases such as Qualcomm, Oneworld and Star Alliances, Ebooks, KLM/Martinair, Newscorp/BSkyB, UPM/Mylykoski. He also participated in the drafting of the new European Guidelines for the application of Article 101 of the TFEU to Horizontal Cooperation Agreements.

Ashoka MODY**Non-resident fellow**

Ashoka Mody researches financial institutions and governance, especially the euro-area crisis. He is visiting professor in international economic policy at the Woodrow Wilson School, Princeton University. Previously, at the IMF, he was responsible for Article IV consultations, and for the design of Ireland's financial rescue programme. He has held management positions at the World Bank and advised governments worldwide on development and financial policies.

Silvia MERLER**Affiliate fellow**

Silvia's research focuses on international macro and financial economics, central banking and EU institutions and policymaking. She has been writing on various aspects of the sovereign banking crisis, on monetary policy, on macroeconomic imbalances and adjustment and on the dynamics of capital flows in the euro area. Silvia was an economic analyst at the European Commission (DG ECFIN), providing supportive analysis for the policy negotiations around the European Stability Mechanism (ESM). While a student she was involved in the MICRODYN project, working on a cross-country and cross-sectors analysis of productivity developments with firm-level data, and on the POLINARES project (Policy for Natural Resources). Silvia holds an MSc in economics and social sciences at Bocconi University in Milan.



From the left: Antoine Aubert (Google), Wolfgang Kopf (Deutsche Telekom), Reinhilde Veugelers, André Sapir, Mario Mariniello.

Rainer MÜNZ

Non-resident fellow



Rainer specialises in international migration. He was head of the Research & Knowledge Centre at Erste Group, and senior fellow at the Hamburg Institute of International Economics. He was director of the Institute of Demography at the Austrian Academy of Science, and head of the Department of Demography at Humboldt University, Berlin. Rainer has worked as a consultant for international institutions and several EU presidencies.

Jim O'NEILL

Non-resident fellow



Jim's research for Bruegel focuses on aspects of changing global trade patterns, emerging markets and how to target higher sustainable economic growth. He served on the Bruegel board from its inception until 2013. Jim is the creator of the acronyms BRICs and MINTs. He worked for many years at Goldman Sachs, specialising in currencies and asset management. Jim also does philanthropic work in the field of education.


Bruno VAN POTTELSBERGHE

Non-resident fellow



Bruno focuses on the effectiveness of R&D policies aimed at stimulating innovation in Europe. He was chief economist of the European Patent Office (EPO) from 2005 to 2007. He is dean of Solvay Brussels School of the Brussels Free University (ULB) and a professor. He teaches courses on the economics and management of innovation and intellectual property.

André SAPIR

Senior fellow



André's research focuses on international trade, European governance, and global and European macroeconomics. He was professor of economics at the Brussels Free University (ULB) and a former economic adviser to the president of the European Commission. He is vice-chair and former chair of the scientific council of the European Systemic Risk Board. In 2004 he published "An Agenda for a Growing Europe", a report to the President of the Commission by a group of independent experts that is known as the Sapir report. André holds a PhD in economics from Johns Hopkins University. He is also a research fellow of the Centre for Economic Policy Research (CEPR). André is a founding editorial board member of the World Trade Review, published by Cambridge University Press and the World Trade Organisation.

Alessio TERZI**Affiliate fellow**

Alessio's research interests include structural reforms, competitiveness, Economic and Monetary Union (EMU) governance and the G20. He was a research analyst in the EMU governance division of the European Central Bank and research assistant at Bruegel. He has also worked for the macroeconomic forecasting unit of DG ECFIN (European Commission), the Scottish Parliament's Financial Scrutiny Unit and Business Monitor International, a country risk and forecasting firm in the City of London, where he was Europe analyst. Alessio holds an MPA in European public and economic policy from the London School of Economics. He is currently a PhD candidate at the Hertie School of Governance in Berlin.

Nicolas VÉRON**Senior fellow**

Nicolas' research is mostly about financial systems and financial reform around the world, including global financial regulatory initiatives and current developments in the European Union. He was a co-founder of Bruegel in 2002, initially focusing on Bruegel's design, operational start-up and development. He joined the Peterson Institute as a visiting fellow in 2009 and divides his time between the US and Europe. Nicolas has authored or co-authored numerous policy papers on issues including banking supervision and crisis management, financial reporting, the euro-area policy framework and economic nationalism. He has testified in front of the European Parliament and US Congress committees. His publications also include "Smoke & Mirrors, Inc.: Accounting for Capitalism", a book on accounting standards and practices (Cornell University Press, 2006), and several books in French.

Reinhilde VEUGELERS**Senior fellow**

Reinhilde concentrates her research in the fields of industrial organisation, international economics and strategy, innovation and science. She is a full professor at the University of Leuven in the Department of Management, Strategy and Innovation. She has been a senior fellow at Bruegel since 2009. She is also a CEPR research fellow and a member of the Royal Flemish Academy of Belgium for Sciences. From 2004-2008, she was an adviser for the European Commission's Bureau of European Policy Analysis (BEPA). She was the president-elect of EARIA (European Association for Research in Industrial Economics). She currently serves on the ERC Scientific Council.

Karen WILSON**Senior fellow**

Karen's work at Bruegel focuses on entrepreneurship and innovation. She has worked in the Structural Policy Division of the Science, Technology and Industry Directorate at the OECD since 2009 and served as a senior fellow at the Kauffman Foundation from 2008-2012. She is an associate fellow at the Said Business School at Oxford University and a visiting lecturer at the Stockholm School of Economics in Riga. Karen is the founder of GV Partners, a research and consulting firm created in 2004. Karen was part of the senior management team at the World Economic Forum and, before that, served as the executive director of the Global Initiative at Harvard Business School. She received, with honours, a Bachelor of Science in Mathematics and Management from Carnegie Mellon University and an MBA from Harvard Business School.

Grégory Claeys at the European Economic and Social Committee for the Civil Society Day, 18 March 2014.



Guntram WOLFF

Director



Guntram has been the director of Bruegel since June 2013 and previously served as deputy director. His research focuses on the European economy and governance, on fiscal and monetary policy and global finance. He regularly testifies to the European Finance Ministers' ECOFIN meeting, the European Parliament, the German Parliament (Bundestag), the French Parliament (Assemblée Nationale) and the House of Lords (UK). He is a member of the French prime minister's economic advisory council. He joined Bruegel from the European Commission, where he worked on the macroeconomics and governance of the euro area. Prior to this, Guntram coordinated the fiscal research at Deutsche Bundesbank. He worked as adviser to the International Monetary Fund. Guntram holds a PhD from the University of Bonn and taught economics in Pittsburgh and Brussels.

Georg ZACHMANN

Research fellow



Georg's work at Bruegel focuses on energy and climate change issues and he is an expert on Ukraine. He is a member of the German Advisory Group in Ukraine and the German Economic Team in Belarus and Moldova. Prior to this, he worked at the German Ministry of Finance and the German Institute for Economic Research in Berlin. He has worked on the EU emissions trading system, the European electricity market and European renewables policy. In addition he covers fuel and commodity markets. Georg holds a doctoral degree from the Technical University of Dresden, and a diploma in economics from the Humboldt University, Berlin. In Berlin and Dresden, and during research and study visits to the London Business School and the Université Val d'Essonne, he specialised in empirical microeconomics and energy economics.

STAFF LIST

(as of March 2015)

Director

Guntram Wolff

Resident scholars

Grégory Claeys
Zsolt Darvas
Mario Mariniello
Silvia Merler
André Sapir
Alessio Terzi
Reinhilde Veugelers
Nicolas Véron
Karen Wilson
Guntram Wolff
Georg Zachmann

Non resident scholars

Philippe Aghion
Alan Ahearne
Carlo Altomonte
Tommaso Aquilante
Michiel Bijlsma
Jérémy Cohen-Setton
Marek Dabrowski
Michal Grajek
Jürgen von Hagen
Mark Hallerberg
Guonan Ma
Dalia Marin
Ashoka Mody
Rainer Münz
Jim O'Neill
Gianmarco Ottaviano
Francesco Papadia
Bruno van Pottelsberghe

Research assistants

Pia Hüttl
Alvaro Leandro
Diogo Machado
Francesco Salemi
Burak Turkoglu
Thomas Walsh

Visiting scholars in 2014

Éric Monnet
Yukihiro Matsuyama
Suparna Karmakar

Fellows-at-large

Ignazio Angeloni
Benedicta Marzinotto
Shahin Vallée

Research interns

Allison Mandra

“My internship with Bruegel has been a great opportunity to discover how economic research can have a tangible impact on policy discussions and I have thoroughly enjoyed working with a team of distinguished researchers committed to producing quality work.”

Allison Mandra Research intern at Bruegel



Management team

Guntram Wolff
Director

Matt Dann
Secretary general

Paola Maniga
Development manager

Giuseppe Porcaro
Head of communications and events

Non-research staff

Sona Patel Amin Operations manager	Katja Knezevic Administrative assistant	Sarah Roblain Administrative assistant
Jérémy Apert Development intern	Michel Krmek Online communications officer	Matilda Sevón Events manager
Cristina Bonafé Public funding coordinator	Alma Kurtovic Management assistant	Scarlett Varga Partnerships coordinator
Stephen Gardner Editor	Áine Quinn Press assistant	Bryn Watkins Events assistant

Bruegel is also grateful all those who worked at Bruegel during 2014:

Non-research staff: Leire Ariz, Erik Dale, Pauline Labib, Isabella Rota-Baldini, Ann Van Gyseghem

Non-research interns: Christos Avdellas, Esther Banales, Katherine Kotsias, Namwinbele Some, Eero Vento.

Research assistants: Marco Antonielli, Giuseppe Daluiso, Sergiy Golovin, Milena Mathé, Michele Peruzzi, Marco Testoni, Olga Tschekassin.

Research interns: Elsa Brown, Silvia Carrieri, Simon Ganem, Giulio Mazzolini, Noah Garcia, Daehyeon Kim, Jana Nicole Persky, Elena Zaurino.





RESEARCH AND POLICY IMPACT

RESEARCH

STRATEGY

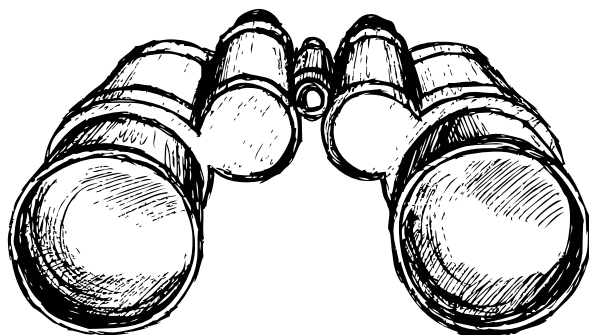
Bruegel's research is articulated around a focused and programmatic medium-term research strategy. It consists of three-year cycles and serves as a basis for our approach to governance, research, outreach and fundraising.

Our strategy defines core areas of expertise, where research investments are made, and a wider range of policy issues, where external fellows and partners play a key role. The strategy is based on a "twin peaks" principle, according to which long-term research investment beyond the usual annual programming cycle are combined with responsiveness to unanticipated policy developments.

Several evaluation processes are used to maintain high research standards, relevance and impact. The most recent three-year evaluation was undertaken in 2013. Internal and external evaluations are undertaken throughout the year, including weekly research seminars,

quarterly outreach reports by the communications team and regular discussions with the Board and the Scientific Council. The director has overall editorial responsibility for Bruegel's research and ensures its quality.

Bruegel's members play an important role in the identification of research priorities. Our annual research programme is adopted by the Board in September and reflects a number of intensive prior discussions between Bruegel scholars, members and other stakeholders.





Research partnerships

Bruegel leads different initiatives to intensify and consolidate its links with top research institutes and private foundations around the world. The focus is always on quality content.

Partnerships can include inbound and outbound visiting fellowships, common publications or joint events. For example, our flagship **Asia-Europe Economic Forum** gathers leading organisations such as the Chinese Academy of Social Sciences, Asian Development Bank Institute, CEAS Korea University, Asia-Europe Foundation, the Bertelsmann Foundation and Centre d'Etudes Prospectives et d'Information Internationale.

Bruegel acts as a hub in Brussels by circulating partners' work and partners provide a similar contribution by disseminating Bruegel's work in their countries.

POLICY

IMPACT

Influencing and changing the terms of the public debate is a cornerstone of our strategy to persuade policymakers to take our recommendations on board.

Through our publications, social media, our blog and our press work, Bruegel has carved out a discussion space for those interested in improving economic policy and those who make it.

Our diverse output is tailored to reach different audiences and target our messages. For example, policy briefs are aimed primarily at a policy audience and provide concise analysis of current issues plus concrete policy recommendations. Working papers aim to foster academic debate. The blog provides timely analysis on the latest developments in economic policy.

“Bruegel is one of the most influential European think tanks and it is the quality of its research that makes it translate into actual policymaking.”

Mateusz Szczurek Finance Minister, Poland



In 2014

We published **51 publications** and **268 blog posts**.

We increased our Twitter followers from **16,700** to **23,900**.

We were mentioned **3000 times** in media outlets across the world.

Our web pages were viewed **1.7 million times**.

EU TO DO IN 2015-2019

MEMOS TO THE NEW EU LEADERSHIP

The new European Commission and the new presidents of the European Parliament and European Council took office at a challenging time for the European Union. The results of the European elections in May 2014, combined with ongoing economic challenges, clearly call for the delivery of effective change.

In time for the nomination hearings of the new commissioners and the development of the Commission's agenda, Bruegel published a set of Memos, intended to be a strategic to-do list for the commissioners and the new presidents for the next five years.

www.eu2do.bruegel.org



"I encourage everyone to read these Memos. They very clearly and succinctly spell out exactly what European policymakers are up against right now, and Bruegel's views always impact the Brussels debate."

Peter Spiegel Head of Brussels bureau, Financial Times



Georg Zachmann, Reinhilde Veugelaers, Rainer Münz and André Sapir at the launch event of the Memos to the new EU leadership.

EVENTS

Bruegel's ability to bring together real influencers means that our many events achieve a number of strategic goals:

- helping to set the policymaking agenda
- exploring pragmatic solutions to policy impasses
- analysing the policy relevance of current economic research.

Different formats address different needs. Smaller meetings help inform our research while larger conferences offer space for debate and hold officials to account. Many events bring together parties that would not ordinarily have a chance to exchange ideas with each other.

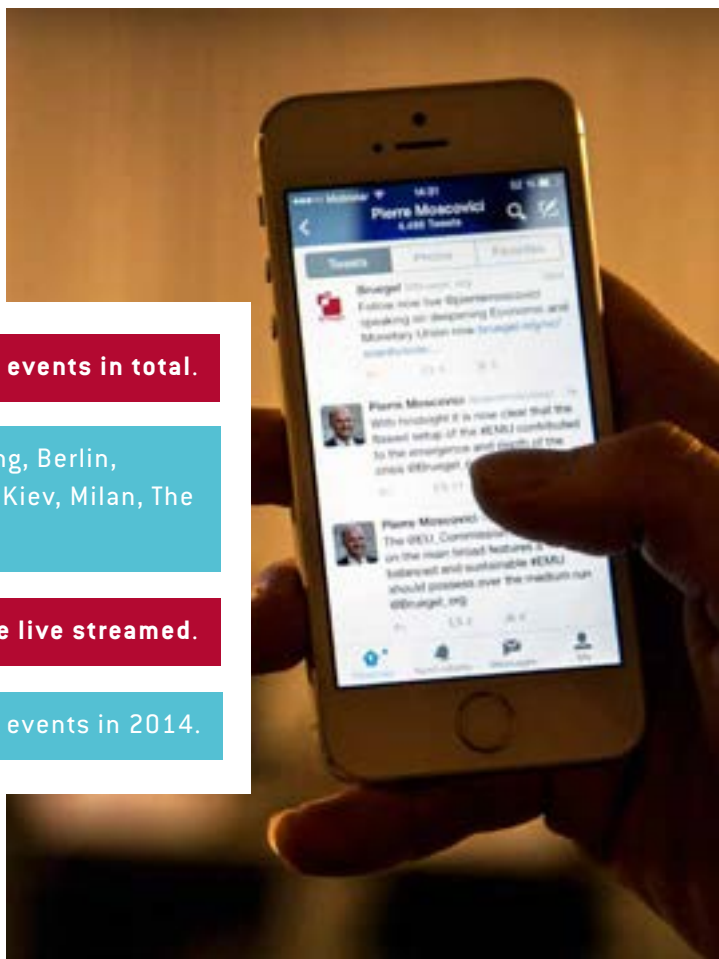
We have introduced six event series to enable Bruegel's stakeholders to follow particular topics, whether linked to a general interest in European macroeconomics and governance, finance and global economics or a specific interest in competition policy, innovation or the economics of Europe's energy markets.

In 2014 Bruegel held **79 events in total**.

Our events took place in Beijing, Berlin, Bodrum, Bratislava, Brussels, Kiev, Milan, The Hague and Tokyo.

More than **20 events** were live streamed.

3155 people attended Bruegel events in 2014.





Filippo Altissimo (Tudor), Danièle Nouy (ECB), Rachel Lomax (Bruegel board member), Stephan Leithner (Deutsche Bank), Marco Pagano (University of Naples Federico II) at the Bruegel Annual Meeting 2014.



Pier Carlo Padoan (Minister of Economy and Finances of Italy) discusses with Bruegel scholars and members priorities of the Italian presidency.

TESTIMONIES

Bruegel's scholars have been invited to speak at numerous national parliaments and the European Parliament. They have given testimonies at informal meetings of finance ministers.



Zsolt Darvas and Guntram Wolff with Giuliano Poletti (Minister of Labour, Italy) at the informal EPSCO meeting in Milan, 17-18 July 2014

18 FEBRUARY 2014 – EUROPEAN PARLIAMENT

André Sapir presented the external publication 'The Troika and financial assistance in the euro area: successes and failures' to the ECON committee.

19 FEBRUARY 2014 – FRENCH ASSEMBLY

Guntram Wolff presented the policy brief 'On the effectiveness and legitimacy of EU economic policies'.

26 FEBRUARY 2014 – PORTUGUESE PARLIAMENT

Nicolas Véron spoke on 'European banking union: current outlook and short-term choices'.

3 MARCH 2014 – EUROPEAN PARLIAMENT

Grégory Claeys presented the policy brief 'European Central Bank accountability: how the monetary dialogue could be improved' prepared for the European Parliament's Monetary Dialogue with the President of the European Central Bank Mario Draghi.

1 APRIL 2014 – INFORMAL MEETING OF EU FINANCE MINISTERS (ECOFIN)

Zsolt Darvas and Guntram Wolff presented a policy brief on Europe's social problem and its implication for economic growth.

14 JULY 2014 – EUROPEAN PARLIAMENT

Grégory Claeys presented the paper 'The (not so) unconventional monetary policy of the European Central Bank since 2008', prepared for the European Parliament's Monetary Dialogue with the president of the European Central Bank Mario Draghi.

17 JULY 2014 – INFORMAL EU LABOUR AND SOCIAL MINISTERS

Zsolt Darvas and Guntram Wolff presented a paper on 'Benefits and drawbacks of European unemployment insurance'.

9 SEPTEMBER 2014 – UK HOUSE OF LORDS

Nicolas Véron gave evidence to the Select Committee on the European Union, Economic and Financial Affairs (Sub-Committee A) Inquiry on 'Review on the EU financial regulatory framework'.

13 SEPTEMBER 2014 – INFORMAL MEETING OF EU FINANCE MINISTERS (ECOFIN)

Grégory Claeys and Guntram Wolff presented 'Benefits and drawbacks of European unemployment insurance'.

22 SEPTEMBER 2014 – EUROPEAN PARLIAMENT

Guntram Wolff and Zsolt Darvas presented the policy contribution 'So far apart and yet so close: Should the ECB care about inflation differentials?' prepared for the European Parliament's Monetary Dialogue with the president of the European Central Bank Mario Draghi.

29 SEPTEMBER 2014 – INTERPARLIAMENTARY CONFERENCE, ROME

Guntram Wolff made a speech entitled 'Which economic and financial governance tools to overcome low growth – A European Unemployment Insurance? – A European Investment Plan?' to the Interparliamentary Conference organized by the Italian Presidency of the European Council.

30 SEPTEMBER 2014 – INTERPARLIAMENTARY CONFERENCE, ROME

Nicolas Véron gave a speech on 'Banking union in nine questions' to the Interparliamentary Conference organised by the Italian Presidency of the European Council.

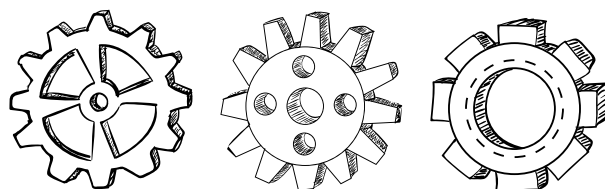
6 OCTOBER 2014 – GERMAN BUNDESTAG

Guntram Wolff participated in a hearing at the Budget Committee and delivered a speech on banking union and the direct recapitalisation instrument.

17 OCTOBER 2014 – EUROPEAN PARLIAMENT

Guntram Wolff presented a policy contribution to the Committee on Economic and Monetary Affairs: 'Eurosysteem collateral policy and framework: Was it unduly changed?'

EUROPEAN MACROECONOMICS AND GOVERNANCE



Europe faced major challenges in 2014: a fragile economic situation was preventing job creation, while states continued attempts to reduce public and private debts.

Monetary and fiscal policies, and adjustment

2014 saw anaemic economic recovery in the euro area, accompanied by falling inflation. Several of our scholars had warned of disinflationary pressures since 2013. They also highlighted that low European inflation is making the re-

lative price adjustment needed between the euro-area core and the periphery, and public and private sector deleveraging, more difficult.

PUBLICATIONS

INFLATION PERSISTENCE IN CENTRAL AND EASTERN EUROPEAN COUNTRIES

Zsolt Darvas and Balázs Varga
17 February, External Publication

EUROPEAN CENTRAL BANK ACCOUNTABILITY: HOW THE MONETARY DIALOGUE COULD BE IMPROVED

Grégory Claey's, Mark Hallerberg and Olga Tschekassin
3 March, Policy Contribution

ADDRESSING WEAK INFLATION: THE EUROPEAN CENTRAL BANK'S SHOPPING LIST

Grégory Claey's, Zsolt Darvas, Silvia Merler and Guntram B. Wolff
6 May, Policy Contribution

THE (NOT SO) UNCONVENTIONAL MONETARY POLICY OF THE EUROPEAN CENTRAL BANK SINCE 2008

Grégory Claey's
9 July, External Publication

MEMO TO THE COMMISSIONER FOR ECONOMIC AND MONETARY AFFAIRS

Zsolt Darvas and Guntram B. Wolff
4 September

SO FAR APART AND YET SO CLOSE: SHOULD THE ECB CARE ABOUT INFLATION DIFFERENTIALS?

Zsolt Darvas and Guntram B. Wolff
22 September, Policy Contribution

DOES MONEY MATTER IN THE EURO AREA? EVIDENCE FROM A NEW DIVISIA INDEX

Zsolt Darvas
6 November, Working Paper

EUROSYSTEM COLLATERAL POLICY AND FRAMEWORK: WAS IT UNDULY CHANGED?

Guntram B. Wolff

To counteract the risk of deflation, Claeys, Darvas, Merler and Wolff proposed a potential asset purchase programme by the ECB in May 2014.

We discussed the ECB's collateral standards and how the ECB should deal with inflation differentials. Grégory Claeys compared the ECB's policies with other central banks' unconventional policies.

Silvia Merler and several other Bruegel scholars were at the forefront of providing economic analysis, commenting on important ECB decisions with timely blog posts.

Numerous blog posts commented on fiscal policy decisions. The Memo to the new commissioner for economic and financial affairs by Zsolt Darvas and Guntram Wolff focused on central choices in fiscal policy.

We also published a number of opinion pieces in major newspapers to drive the general debate in many EU countries.



Matthew Newton (Generali) at the Bruegel Annual Meeting.

“

“There is currently a major problem of too low inflation in the eurozone,” said Zsolt Darvas.

New York Times

EVENTS

09/01	GERMANY: OUTPERFORMER IN TIMES OF CRISIS, BUT MAJOR CHALLENGES AHEAD
22/10	THE EURO AREA: AN UNBALANCED REBALANCING?
17/11	ASSESSING THE EUROPEAN FISCAL FRAMEWORK
04/11	THE EURO TRAP: ON BURSTING BUBBLES, BUDGETS AND BELIEFS

SELECTED BLOG POSTS

NEGATIVE ECB DEPOSIT RATE: BUT WHAT NEXT?
Zsolt Darvas and Pia Hüttl, 5 June

T-LTRO: VARIATION ON A (ECB'S) THEME.
Silvia Merler, 10 June

AUSTERITY TALES: THE NETHERLANDS AND ITALY
Giulio Mazzolini and Ashoka Mody, 3 October

THE DISTRIBUTIONAL EFFECT OF QUANTITATIVE EASING
Jérémy Cohen-Setton, 27 October

WHAT IS BEHIND THE REDUCTION OF PRIVATE SECTOR DEBT? COMPARING SPAIN AND THE UK
Pia Hüttl and Guntram B. Wolff, 2 December

Financial assistance

As Ireland and Portugal exited their respective financial assistance programmes, several institutions became interested in ex-post evaluations of the programmes.

Jean Pisani-Ferry, André Sapir and Guntram Wolff had already prepared an early evaluation in 2013. We extended and updated the study for the European Parliament in 2014.

In their policy contribution 'The long haul: managing exit from financial assistance' Zsolt Darvas, André Sapir and Guntram Wolff discussed under what conditions a clean exit or an exit with a precautionary credit line was to be preferred.

We also warned that political decision makers should think carefully about what it means to establish creditor-debtor relations between countries that last for more than 30 years.



Harris Georgiades (Minister of Finance, Cyprus) at the Bruegel event 'One year of the Cypriot programme: a review', 10 March 2014.

PUBLICATIONS

THE TROIKA AND FINANCIAL ASSISTANCE IN THE EURO AREA: SUCCESSES AND FAILURES

André Sapir, Guntram B. Wolff, Carlos De Sousa and Alessio Terzi

19 February, External Publication

THE LONG HAUL: MANAGING EXIT FROM FINANCIAL ASSISTANCE

Zsolt Darvas, André Sapir and Guntram B. Wolff

20th February, Policy Contribution

THE LONG HAUL: DEBT SUSTAINABILITY ANALYSIS

Zsolt Darvas and Pia Hüttl

18 June, Working Paper

SELECTED BLOG POSTS

DESPITE LOWER YIELDS, EURO-PERIPHERY IS NOT YET OUT OF THE WOODS

Zsolt Darvas and Pia Hüttl, 18 June

BLOGS REVIEW: THE NEW PROPOSED IMF LENDING FRAMEWORK

Jérémie Cohen-Setton, 4 August

MAKING ARGENTINA'S DEBT DEBACLE A RARITY

Ashoka Mody, 9 October

GREECE TO THE EUROZONE'S RESCUE

Ashoka Mody, 23 December



“

“We cannot expect different economic outcomes without fundamentally different growth models,” Ashoka Mody writes.

Dow Jones

EVENTS

- 22/01 FORGING A PRACTICAL PLAN TO IMPROVE OUR HANDLING OF SOVEREIGN DEBT CRISES
- 10/03 ONE YEAR OF THE CYPRIOT PROGRAMME: A REVIEW
- 23/05 THE EURO CRISIS AND ITS AFTERMATH
- 24/09 TO RESTRUCTURE OR NOT? MANAGING THE EURO-AREA DEBT CRISIS
- 12/12 DESIGNING A EUROPEAN FISCAL UNION: LESSONS FROM THE EXPERIENCE OF FISCAL FEDERATIONS

Addressing unemployment and Europe's social problems

Against a background of high unemployment and a feeble recovery, Bruegel scholars carried out analysis of Europe's social problems.

In a publication for the informal ECOFIN in Athens on 1 April, Zsolt Darvas and Guntram Wolff warned that social problems and unemployment have negative implications for growth, as well as being problems for society.

“

“The eurozone needs easier macroeconomic policies and structural reforms, and [...] the two need to go hand in hand,” says Guntram Wolff.

Financial Times



Jyrki Katainen (Vice-President of the European Commission) discussing the Juncker Plan with Erik Nielsen (Unicredit), Isabel Schnabel (German Council of Economic Experts), and Guntram Wolff.

PUBLICATIONS

EUROPE'S SOCIAL PROBLEM AND ITS IMPLICATIONS FOR ECONOMIC GROWTH

Zsolt Darvas and Guntram B. Wolff
1 April, Policy Brief

MEMO TO THE COMMISSIONER IN CHARGE OF MOBILITY, MIGRATION, ASYLUM AND BORDER

Rainer Münz
4 September

BENEFITS AND DRAWBACKS OF EUROPEAN UNEMPLOYMENT INSURANCE

Grégory Claeys, Zsolt Darvas and Guntram B. Wolff
13 September, Policy Brief

AUSTERITY AND POVERTY IN THE EUROPEAN UNION

Zsolt Darvas, Pia Hüttl, Carlos De Sousa, Alessio Terzi and Olga Tschekassin
15 September, External Publication

SELECTED BLOG POSTS

DO IT YOURSELF EUROPEAN UNEMPLOYMENT INSURANCE

Grégory Claeys, Simon Ganem, Pia Hüttl and Thomas Walsh, 30 September

LABOUR FORCE(D) MOBILITY: MIGRATION IN EUROPE

Diogo Machado and Thomas Walsh, 26 November

STUDENT MOBILITY IN EUROPE

Giulio Mazzolini and Elena Zaurino, 14 October

EVENTS

13/01	EDUCATION TO EMPLOYMENT: THE GROWING SKILL AND JOB GAPS IN EUROPE
23/09	HEALTHCARE SYSTEMS AND AGEING POPULATIONS
14/10	MOBILITY OF STUDENTS IN EUROPEAN HIGHER EDUCATION
20/10	IMMIGRATION, INTRA-EU MOBILITY, AND SUSTAINABLE ECONOMIC GROWTH



Reviving growth

While the euro area was officially emerging from recession at the beginning of 2014, several Bruegel scholars warned that this recovery was not robust and could easily be derailed.

During 2014 we continued to contribute to the debate on growth and investment. A series of blog pieces by Grégory Claeys, André Sapir and Guntram Wolff suggested improvements to the Juncker plan.

Guntram Wolff argued that addressing secular stagnation in Europe required a mix of policies, including structural, fiscal and monetary measures.

PUBLICATIONS

IN SICKNESS AND IN HEALTH: PROTECTING AND SUPPORTING PUBLIC INVESTMENT IN EUROPE

Francesca Barbiero and Zsolt Darvas
7 February, Policy Contribution

SELECTED BLOG POSTS

10 YEARS EU ENLARGEMENT ANNIVERSARY: WALTZING PAST VIENNA.

Zsolt Darvas, 1 May

WHY DOES ITALY NOT GROW?

Ashoka Mody and Emily Riley, 9 September

HOW CAN EUROPE AVOID SECULAR STAGNATION?

Guntram B. Wolff, 12 November

MEASURING EUROPE'S INVESTMENT PROBLEM

Grégory Claeys, Pia Hüttl, André Sapir and Guntram B. Wolff, 24 November

JUNCKER'S INVESTMENT PLAN: NO RISK – NO RETURN

Grégory Claeys, André Sapir and Guntram B. Wolff, 28 November

CENTRAL AND EASTERN EUROPE: UNCERTAIN PROSPECTS OF ECONOMIC CONVERGENCE

Marek Dabrowski, 9 December

EVENTS

09/01	GERMANY: OUTPERFORMER IN TIMES OF CRISIS, BUT MAJOR CHALLENGES AHEAD
20/01	STUCK IN TRANSITION?
29/01	CAUGHT IN THE MIDDLE? CENTRAL EUROPE'S STRATEGY FOR GROWTH 10 YEARS AFTER EU ACCESSION
12/03	OVERCOMING UKRAINE'S MACROECONOMIC CRISIS
05/05	RECOVERY AT RISK? CENTRAL AND EASTERN EUROPE REMAINS VULNERABLE TO EXTERNAL FUNDING THREATS
20/06	WHICH ITALIAN STRATEGY FOR THE EU?
03/07	INSIDE THE EURO CRISIS: AN EYEWITNESS ACCOUNT
09/07	HOW TO KICKSTART INVESTMENT IN EUROPE?
05/09	ANNUAL MEETING - EUROPE: THE WAY AHEAD
04/09	LAUNCH OF THE MEMOS TO THE NEW EU LEADERSHIP
20/11	25 YEARS OF TRANSITION IN POST-COMMUNIST EUROPE – SUCCESSES AND DISAPPOINTMENTS

European governance

EU and euro-area governance continued to be topics of huge economic and political relevance in 2014.

As the construction of banking union continued, we gave recommendations on its design (we discuss this in the section on finance).

We continued to contribute to the longer term debate on whether and how monetary union should be strengthened, and what this means for countries outside of the euro area.

Highlights were the Glienicker Gruppe and Eiffel Group reports. André Sapir and Guntram Wolff urged the new incoming presidents to design a roadmap for further treaty change. Ashoka Mody, meanwhile, studied the details of the ECB Outright Monetary Transactions (OMT) programme and important legal debates.



PUBLICATIONS

SUPERVISORY TRANSPARENCY IN THE EUROPEAN BANKING UNION

Christopher Gandrud and Mark Hallerberg
3 January, Policy Contribution

BANKING UNION AND BEYOND: DISCUSSION PAPER FOR BRUSSELS THINK TANK DIALOGUE

Silvia Merler
28 January, External Publication

POUR UNE COMMUNAUTÉ POLITIQUE DE L'EURO

The Eiffel Group
14 February, External Publication

TAX HARMONISATION IN EUROPE: MOVING FORWARD

Agnès Bénassy-Quéré, Alain Trannoy and Guntram B. Wolff
17 July, External Publication

DID THE GERMAN COURT DO EUROPE A FAVOUR?

Ashoka Mody
15 July, Working Paper

THE GREAT TRANSFORMATION: MEMO TO THE INCOMING EU PRESIDENTS

André Sapir and Guntram B. Wolff
3 July, Policy Brief

SELECTED BLOG POSTS

OMT RULING: KARLSRUHE SAYS NO, REFERS TO ECJ AND SUGGESTS ECB SHOULD ALWAYS BE PREFERRED CREDITOR

Guntram B. Wolff, 7 February 2014

THE EUROPEAN PARLIAMENT IMPROVES BANKING UNION

Silvia Merler and Guntram B. Wolff, 20 March

THE OMT PROGRAMME WAS JUSTIFIED BUT THE FISCAL UNION QUESTION REMAINS

Guntram B. Wolff, 15 July

ARE THE EUROZONE'S FISCAL RULES DYING?

Ashoka Mody, 28 October



Tatra Summit. From the left: Martin Šanta (Ministry Of Finance of the Slovak Republic), Guntram Wolff, Ivan Lesay (Ministry Of Finance of the Slovak Republic), Jozef Šikela (Slovenská Sporiteľňa), and Rolf Strauch (European Financial Stability Facility).

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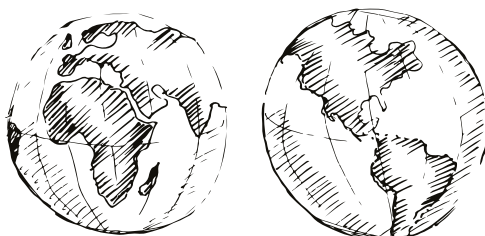
“The foundations of a banking union have been laid, but changes in the financial landscape are yet to come,” says Andre Sapir.

Financial Times

EVENTS

09/01	GERMANY: OUTPERFORMER IN TIMES OF CRISIS, BUT MAJOR CHALLENGES AHEAD
23/01	DEMOCRACY IN AN EVER CLOSER UNION – THE CHALLENGE OF INTEGRATING POWER AND POLITICS
27/01	TATRA SUMMIT
28/01	BRUSSELS THINK TANK DIALOGUE
20/02	FOR A POLITICAL COMMUNITY OF THE EURO: AN ECONOMIC DEBATE WITH MEMBERS OF THE FRENCH EIFFEL GROUP
24/02	PRIORITIES AND CHALLENGES FOR THE NEW COMMISSION
17/03	REFORMING PUBLIC ADMINISTRATIONS: SPAIN'S ACTION PLAN
28/05	THE FUTURE OF THE EU AND THE EURO AREA
04/06	THE UK BALANCE OF COMPETENCES REVIEW: ECONOMIC GOVERNANCE

GLOBAL ECONOMICS AND GOVERNANCE



Global economy

True to its origins and history, Bruegel has continued to make a significant contribution to global economic debates, providing a uniquely European view on global matters that affect Europe.

The EU is still the world's largest trader, and EU trade with Asian emerging economies, in particular with China, has increased significantly.

In 2014 Bruegel scholar Guonan Ma began a new series of blogs and papers focusing on Chinese monetary and financial policy.

Jim O'Neill and Alessio Terzi published on changing trade patterns and on how to reform the G20 and G7. A collected volume on Japan and the EU in the global economy completed the picture.

Rainer Münz's research on migration explored the challenges in the global race for talent.

We also continued with our successful Asia Europe Economic Forum, holding two editions in Berlin and Tokyo this year.

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“We are the global rule makers, and that is at the heart of TTIP,” said the economist André Sapir

New York Times



Cecilia Malmström @MalmstromEU · Sep 11

@Bruegel_org Thanks for your memo. It is indeed in my file





Bruegel staff at the China-Europe-US Economists Symposium: Reform, Challenges & Opportunities was held in Beijing. The conference was jointly organised by China Finance 40 Forum (CF40), Peterson Institute for International Economics (PIIE) and Bruegel, 17-18 May 2014.

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“By 2020, the BRICs, collectively, will represent 31 percent of world trade, and China will have a considerably bigger share of the global pie than the US.” Jim O’Neill says.

Financial Times

PUBLICATIONS

THE GLOBAL RACE FOR TALENT: EUROPE’S MIGRATION CHALLENGE

Rainer Münz

4 March, Policy Brief

JAPAN AND THE EU IN THE GLOBAL ECONOMY

Guntram B. Wolff, Masahiko Yoshii (editors)

9 April, Blueprint

FINANCIAL OPENNESS OF CHINA AND INDIA: IMPLICATIONS FOR CAPITAL ACCOUNT LIBERALISATION

Guonan Ma and Robert N. McCauley

15 May, Working Paper

UKRAINE: CAN MEANINGFUL REFORM COME OUT OF CONFLICT?

Marek Dabrowski

1 August, Policy Contribution

MEMO TO THE COMMISSIONER FOR TRADE

Suparna Karmakar and André Sapir

4 September

MEMO TO THE COMMISSIONER FOR NEIGHBOURHOOD POLICY

Jim O’Neill

4 September, Policy Contribution

THE G20 FINANCIAL REFORM AGENDA

Nicolas Véron

26 September, Policy Contribution

DEVELOPING AN UNDERLYING INFLATION GAUGE FOR CHINA

Marlene Amstad, Ye Huan and Guonan Ma

9 October, Working Paper

THE TWENTY-FIRST CENTURY NEEDS A BETTER G20 AND A NEW G7+

Jim O’Neill and Alessio Terzi

14 November, Policy Contribution

AGING AND THE GOVERNANCE OF THE HEALTHCARE SYSTEM IN JAPAN

Yukihiro Matsuyama

4 December, Working Paper



SELECTED BLOG POSTS

DECODED: BRICS

Akio Egawa, 8 January

THE WORLD IN 2020

Jim O'Neill and Alessio Terzi, 5 March

THE COST OF ESCALATING SANCTIONS ON RUSSIA OVER UKRAINE AND CRIMEA

Georg Zachman, 18 March

THE PIKETTY DATA CONTROVERSY

Jérémie Cohen-Setton, 26 May

BLOGS REVIEW: THE EU-USA TRANSATLANTIC TRADE AND INVESTMENT PARTNERSHIP

David C. Saha, 8 July

IS THE BRICS RISE OVER?

Jim O'Neill, 26 July

BLOGS REVIEW: THE ECONOMICS OF SANCTIONS BETWEEN RUSSIA AND THE WEST

David C. Saha, 17 September

LESSONS FROM THE BANK OF JAPAN FOR THE EURO AREA

Guntram B. Wolff, 18 November

HAS A STRONGER RENMINBI CONTRIBUTED TO FINANCIAL TIGHTENING?

Guonan Ma, 17 December

Neighbourhood

In 2014 geopolitical conflict just outside the borders of the EU was increasingly in the spotlight. Bruegel's team reacted rapidly to cover the economics of these conflicts.

Marek Dabrowski published on the need for reform in Ukraine, and how financial assistance should be shaped. His work also covered the larger CIS region, looking at the currency crises in several eastern European countries and in central Asia.

Georg Zachmann looked at the events in Ukraine with a number of blogs as well as longer pieces focusing on the strategic implications for energy security. We also discussed the economics of sanctions against Russia.

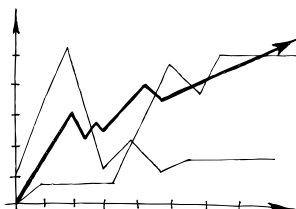


Bruegel Annual Meeting, keynote speech by Sergei Guriev, 'Europe and its neighbourhood: back to stability?'

EVENTS

25/02	CHANGING GLOBAL TRADE PATTERNS, UNCHANGING EUROPEAN AND GLOBAL GOVERNANCE?
04/03	INVESTMENT PROTECTION IN TTIP
27/03	THREE YEARS OF THE ARAB SPRING: ECONOMIC CHALLENGES OF THE REGION
17/04	CHINA-EUROPE-US ECONOMISTS SYMPOSIUM: REFORM— CHALLENGES & OPPORTUNITIES
03/05	FORUM ON ECONOMIC GOVERNANCE
05/05	RECOVERY AT RISK? CENTRAL AND EASTERN EUROPE REMAINS VULNERABLE TO EXTERNAL FUNDING THREATS
13/05	TRADE RELATIONS BETWEEN THE EU AND ITS EASTERN NEIGHBOURS
15/05	10TH ASIA EUROPE ECONOMIC FORUM
30/06	SHOULD THE US AND EU BE NEGOTIATING A FREE TRADE AGREEMENT?
14/07	THE FUTURE OF TRADE MULTILATERALISM – GOVERNANCE OF 21ST CENTURY TRADE AND THE ROLE OF THE WTO
12/09	ASIA AND EUROPE'S CHALLENGES FOR THE AUTUMN: A MACROECONOMIC AND FINANCIAL PERSPECTIVE
08/10	ABENOMICS – STOCK-TAKING AND LESSONS FOR THE EU
10/11	DEVELOPING ASIA: CHALLENGES AND OPPORTUNITIES IN THE GLOBAL ECONOMY
28/11	FROM DE-INDUSTRIALISATION TO THE FUTURE OF INDUSTRIES
03/12	INTERNATIONALISATION OF THE RENMINBI: DEVELOPMENTS IN OFFSHORE BUSINESS
05/12	11TH ASIA EUROPE ECONOMIC FORUM

FINANCE AND FINANCIAL REGULATION



Banking

During 2014 the Single Supervisory Mechanism started to take over the supervision of banks in the euro area, launching a comprehensive exercise of asset quality review and stress tests for supervised banks. Nicolas Véron was one of the key contributors to the debate about challenges for a banking union. Carlo Altomonte and Patrizia Bussoli published on asset-backed securities, one of the hardest hit financial assets at the onset of the crisis.



Lorcan Roche Kelly @LorcanRK · Oct 28

Want to know anything about the Italian banking system? @SMerler has you covered in this excellent post bruegel.org/nc/blog/detail...



13



15



PUBLICATIONS

POLICIES FOR SEED AND EARLY STAGE FINANCE

Karen E. Wilson and Filipe Silva
4 February, External Publication

FINANCIAL OPENNESS OF CHINA AND INDIA: IMPLICATIONS FOR CAPITAL ACCOUNT LIBERALISATION

Guonan Ma and Robert N. McCauley
15 May, Working Paper

ASSET-BACKED SECURITIES: THE KEY TO UNLOCKING EUROPE'S CREDIT MARKETS?

Carlo Altomonte and Patrizia Bussoli
24 July, Policy Contribution

IMPROVING THE ROLE OF EQUITY CROWDFUNDING IN EUROPE'S CAPITAL MARKETS

Karen E. Wilson and Marco Testoni
29 August, Policy Contribution

MEMO TO THE COMMISSIONER FOR FINANCIAL SERVICES

Silvia Merler & Nicolas Véron
4 September, Policy Contribution

DEFINING EUROPE'S CAPITAL MARKETS UNION

Nicolas Véron
13 November, Policy Contribution

BAD BANKS IN THE EU: THE IMPACT OF EUROSTAT RULES

Christopher Gandrud and Mark Hallerberg
16 December, Working Paper



Nicolas Véron and Rebecca Christie [Bloomberg] at the launch event of the Memos to the new EU leadership.

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“A lot has happened in the last few years and a lot of things are in the process of implementation, but the financial system is never in a steady state ... it's more like a never-ending struggle”, said Nicolas Véron.

Reuters

SELECTED BLOG POSTS

EUROPEAN BANK RESOLUTION: DON'T TRY THIS AT HOME

Silvia Merler, 17 January

THE CROWDFUNDING PHENOMENON

Karen E. Wilson and Marco Testoni, 14 May

NORWAY IS THE SAFEST PLACE ON EARTH

Silvia Merler, 18 July

THE WORLD STILL FEARS FISCAL CRISES (AND MUCH ELSE)

Silvia Merler, 10 September

EUROPE'S SINGLE SUPERVISORY MECHANISM: MOST SMALL BANKS ARE GERMAN (AND AUSTRIAN AND ITALIAN)

Nicolas Véron, 22 September

WHO'S AFRAID OF THE AQR?

Michiel Bijlsma and Sander van Veldhuizen, 24 September

CROWDFUNDING: BROADENING EUROPE'S CAPITAL MARKETS

Karen E. Wilson, 10 October

THE DISTRIBUTIONAL EFFECT OF QUANTITATIVE EASING

Jérémie Cohen-Setton, 27 October

EUROPEAN BANKING UNION AND FINANCIAL INTEGRATION

Guntram B. Wolff, 19 December

Capital markets

Several Bruegel authors have been calling for further development of Europe's capital markets to share risk and improve access to funding. In our memo to the commissioner for financial services, Silvia Merler and Nicolas Véron argued that further integration might be beneficial for both growth and stability. Nicolas Véron expanded on this in his paper on capital markets union, in which he suggested six possible areas for policy initiatives in expanding the non-bank part of Europe's financial system.

Karen Wilson looked at a small but interesting part of capital markets: crowdfunding, which has gained momentum as a method for raising funds. She argues that fragmented regulatory approaches in different EU countries represent a real obstacle to creating a more integrated market.



Karen Wilson at the Bruegel event 'Crowdfunding: beyond the hype', 16 May 2014.

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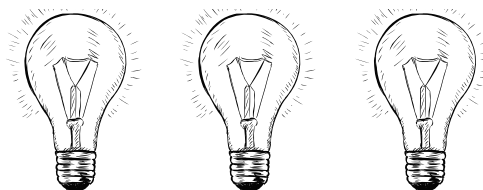
“I think there is a logical inconsistency between the absence of any ring fencing and purely national deposit insurance,” Guntram Wolff

Bloomberg

EVENTS

26/03	BANK BAILOUTS IN THE EU (SO FAR): WHAT WAS REALLY PAID BY WHOM?
01/04	REFORMING THE STRUCTURE OF BANKS: THE UK APPROACH IN ITS EU CONTEXT
16/05	CROWDFUNDING: BEYOND THE HYPE
11/06	EXIT MARKETS (IPOS AND M&A) FOR INNOVATIVE HIGH GROWTH FIRMS
01/07	EUROPE AND THE GOVERNANCE OF GLOBAL FINANCE
17/07	THE FINANCIAL STABILITY BOARD'S WORK IN PROGRESS ON ENDING TOO-BIG-TO-FAIL
16/09	SEED AND EARLY/STAGE FINANCE AND THE ROLE OF POLICY
24/10	EUROPEAN BANKS' BUSINESS MODELS EVOLVING UNDER CRISIS PRESSURE
30/10	THE COMPREHENSIVE ASSESSMENT, THE ECB NEW ROLE AND LIMITS OF A COMMON SUPERVISION IN THE EU
24/11	EUROPE'S CAPITAL MARKETS UNION
09/12	FINANCING LONG-TERM INVESTMENT TO STIMULATE GROWTH IN THE EU
16/12	THE FUNDING OF BANK RESOLUTION IN EUROPE: WILL THE NEW FRAMEWORK MEET EXPECTATIONS?

INNOVATION AND GROWTH



Europe has consistently failed to exploit its potential for innovation-based growth, especially in comparison with the United States and Asian countries. In 2014 Bruegel furthered its research on how Europe can improve its innovation performance, despite facing longstanding and structural challenges. In her paper on European research spending in times of fiscal consolidation, Reinhilde Veugelers examined how R&D budgets can be used smartly to promote growth even in times of reduced government spending.

Recent research demonstrates that immigration into the European Union and intra-EU mobility may promote economic growth in several ways. In our event on education with László Andor, European commissioner for employment, social affairs and inclusion, we reflected on options for immigration policies at the community and member state levels that might promote sustainable growth.

PUBLICATIONS

POLICIES FOR SEED AND EARLY STAGE FINANCE

Karen E. Wilson and Filipe Silva

4 February, External Publication

UNDERCUTTING THE FUTURE? EUROPEAN RESEARCH SPENDING IN TIMES OF FISCAL CONSOLIDATION

Reinhilde Veugelers

10 June, Policy Contribution

NEW INVESTMENT APPROACHES FOR ADDRESSING SOCIAL AND ECONOMIC CHALLENGES

Karen E. Wilson

1 July, External Publication

MEMO TO THE COMMISSIONER RESPONSIBLE FOR RESEARCH

Reinhilde Veugelers

4 September

MEMO TO THE COMMISSIONER RESPONSIBLE FOR THE DIGITAL AGENDA

Mario Mariniello

4 September

MEMO TO THE COMMISSIONER FOR THE SINGLE MARKET AND INDUSTRY

Carlo Altomonte, Mario Mariniello and Reinhilde Veugelers

4 September

A FLEXIBLE, SCALEABLE APPROACH TO THE INTERNATIONAL PATENT 'NAME GAME'

Mark Huberty, Amma Serwaah and Georg Zachmann

29 September, Working Paper

REMERGE: REGRESSION-BASED RECORD LINKAGE WITH AN APPLICATION TO PATSTAT

Michele Peruzzi, Georg Zachmann and Reinhilde Veugelers

29 September, Working Paper

THE POLICY DILEMMA OF THE UNITARY PATENT

Jérôme Danguy and Bruno van Pottelsberghe

27 November, Working Paper

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“It’s hard enough for a business angel or a venture capitalist to invest well in start-ups, but to do it through the internet, when you haven’t met the team [involved], is much more complicated and fraught with all sorts of difficulties” – said Karen Wilson.

Business Science

During 2014, Bruegel continued to focus on entrepreneurship, looking into barriers and opportunities for high growth ventures in Europe.

Karen Wilson held a series of events focused on the financing and growth of entrepreneurial ventures including on venture capital, crowdfunding and exit markets (IPOs and mergers and acquisitions).

While interest and activity in entrepreneurship is growing in Europe, several barriers remain including fragmentation of the product, labour and financial markets. Karen Wilson also broadened our expertise in this research area by examining new investment approaches for addressing social and economic challenges. For example, she examined in detail Commission President Juncker’s three-year €315 billion investment plan at our event on investment and growth.



SELECTED BLOG POSTS

NOT ONE EUROPEAN CITY IN THE TOP 10 FOR TECH TALENT.

Silvia Merler, 9 July

WHY JUNCKER’S INDUSTRIAL GOALS ARE UNLIKELY TO BE ACHIEVED

Guntram B. Wolff, 16 July

54% OF EU JOBS AT RISK OF COMPUTERISATION.

Jeremy Bowles, 22 July

THE UK REACHING PRE-CRISIS GDP LEVELS

Sergiy Golovin and Elena Zaurino, 5 August

ALIBABA IPO UNDERLINES RISE OF CHINESE PRIVATE SECTOR

Nicolas Véron, 11 September

THE ACHILLES’ HEEL OF JUNCKER’S INVESTMENT PLAN

Reinhilde Veugelers, 8 December

HIGH GROWTH FIRMS AND JOB CREATION IN EUROPE

Diogo Machado and Karen E. Wilson, 18 December



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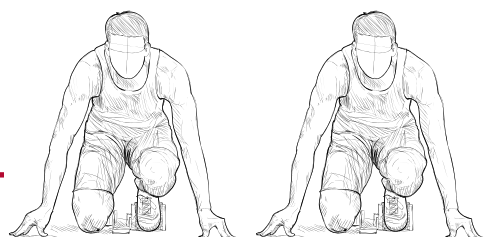
“It will definitely take time, but I believe that industries offering value-added products is the only option for Europe’s future,” said Reinhilde Veugelers

Wall Street Journal

EVENTS

13/01	EDUCATION TO EMPLOYMENT: THE GROWING SKILL AND JOB GAPS IN EUROPE
29/01	EMPLOYMENT IN EUROPE: THE CONTRIBUTION OF THE HIGH-TECH SECTOR
06/02	GROWING PAINS: GROWTH-PROMOTING POLICIES AND MACROECONOMIC STABILITY
05/06	ADDRESSING CYBERSECURITY
08/07	HOW TO KICKSTART INVESTMENT IN EUROPE?
14/10	MOBILITY OF STUDENTS IN EUROPEAN HIGHER EDUCATION
12/11	THE NEW EU POLITICAL CYCLE: ADDRESSING THE GROWTH AGENDA
28/11	MAPPING COMPETITIVENESS WITH EUROPEAN DATA
02/12	BUILDING ENTREPRENEURIAL ECOSYSTEMS IN EUROPE
08/12	HOW TO REVAMP GROWTH IN EUROPE
09/12	FINANCING LONG-TERM INVESTMENT TO STIMULATE GROWTH IN THE EU

COMPETITION POLICY



Competition policy is a powerful tool for the European Commission and is accordingly contentious. It is hoped that the right decisions will enhance the EU's economic performance. Issues heavily debated in this area in 2014 included the trade-off between settlement and prohibition in antitrust procedures, the effect of foreign takeovers on national economies, national consolidation in mobile markets and the Google antitrust case.

Bruegel competition policy expert Mario Mariniello has contributed extensively to the field with a number of papers and short commentaries for

important media outlets. Bruegel has also organised a number of influential high-level debates on the topic, including a day-long conference on competition policy enforcement with Joaquin Almunia, vice president of the European Commission and commissioner for competition. Mario Mariniello also wrote a memo to the new competition commissioner, Margrethe Vestager.



PUBLICATIONS

COMMITMENTS OR PROHIBITION? THE EU ANTITRUST DILEMMA

Mario Mariniello

31 January, Policy Brief

ANTITRUST RISK IN EU MANUFACTURING: A SECTOR-LEVEL RANKING

Mario Mariniello and Marco Antonielli

8 July, Working Paper

MEMO TO THE COMMISSIONER RESPONSIBLE FOR COMPETITION

Mario Mariniello

4 September

FOREIGN TAKEOVERS NEED CLARITY FROM EUROPE

Mario Mariniello

9 December, Policy Brief



Keynote speech by Joaquin Almunia (Vice President of the European Commission and Commissioner for Competition) at the Bruegel event on competition policy enforcement as a driver for growth , 18 February 2014.

“

“There are a number of issues from privacy to surveillance that are relevant and should be tackled. But the discussion around these issues is being polluted by protectionism,” said Mario Mariniello

Wall Street Journal

EVENTS

24/01	ECONOMIC EVALUATION OF COMPETITION POLICY ENFORCEMENT
18/02	COMPETITION POLICY ENFORCEMENT AS A DRIVER FOR GROWTH
10/04	ENERGY CHALLENGES FOR EUROPEAN COMPETITION POLICY ACTION
01/07	FIGHTING CARTELS: THE NATIONAL AND EU ANTITRUST ENFORCEMENT EXPERIENCE
10/09	LEGAL AND ILLEGAL CARTELS IN EUROPE
12/11	ECONOMIC PATRIOTISM, NATIONAL CHAMPIONS AND MERGER CONTROL

SELECTED BLOG POSTS

THE YEAR IN ANTITRUST AND COMPETITION POLICY

Mario Mariniello, 9 January

THE PROS AND CONS OF THE EU VS GOOGLE SETTLEMENT

Mario Mariniello, 17 February

SAMSUNG, GOOGLE-MOTOROLA RULING: STEPPING OUT OF THE PATENT ABUSE SAGA?

Mario Mariniello, 30 April

COLD WATER ON EUROPE'S DIGITAL DREAM

Mario Mariniello, 4 July

THE ECONOMICS OF UBER

Sergiy Golovin, 30 September

JEAN TIROLE'S LEGACY

Francesco Salemi, 16 October

UBER ECONOMICS: THERE IS NO SUCH THING AS BAD PUBLICITY

Diogo Machado, 21 October

HELD OG LYKKE, COMMISSIONER VESTAGER

Mario Mariniello, 31 October

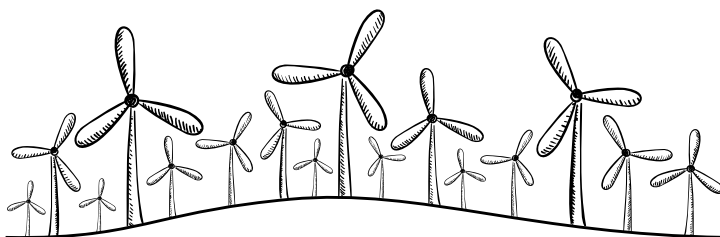
BRAIN DRAIN, GAIN, OR CIRCULATION?

Alessio Terzi, 19 November

UNBUNDLING GOOGLE USERS FROM EUROPE

Mario Mariniello, 27 November

ENERGY AND CLIMATE



“

“Natural gas is Ukraine’s
expensive addiction.”

- Georg Zachmann

New York Times

Bruegel has been increasing its expertise on energy and climate issues, as shown by our wide range of publications and events in this field. Research fellow Georg Zachmann published a series of papers full of concrete ideas for realising Europe’s energy union, and hosted events where participants discussed prospects for the European energy market and emissions trading. On the blogs, articles and infographics on the potential consequences of the Ukrainian crisis made the greatest impact.

PUBLICATIONS

WHEN AND HOW TO SUPPORT RENEWABLES? LETTING THE DATA SPEAK

Georg Zachmann, Amma Serwaah and Michele Peruzzi
5 February, Working Paper

MEMO TO THE COMMISSIONER FOR ENERGY

Georg Zachmann
4 September

MEMO TO THE COMMISSIONER FOR CLIMATE POLICY

Georg Zachmann
4 September

ELEMENTS OF EUROPE’S ENERGY UNION

Georg Zachmann
10 September, Policy Brief

REMERGE: REGRESSION-BASED RECORD LINKAGE WITH AN APPLICATION TO PATSTAT

Michele Peruzzi, Georg Zachmann and Reinhilde Veugelers
29 September, Working Paper

A SCALEABLE APPROACH TO EMISSIONS- INNOVATION RECORD LINKAGE

Mark Huberty, Amma Serwaah and Georg Zachmann
29 September, Working Paper

REBALANCING THE EU-RUSSIA-UKRAINE GAS RELATIONSHIP

Agata Loskot-Strachota and Georg Zachmann
11 December, Policy Contribution



Suman Bery (Shell) and Georg Zachmann debating about EU energy policy

In 2014 the EU set itself new targets for carbon emissions, the share of energy supply from renewable sources and energy efficiency improvements to be met by 2030. However, these major long-term decisions were somewhat overshadowed by short-term concerns about gas supply in the context of the Russia-Ukraine crisis.

These led to far-reaching shifts in the debate on EU energy policy, and were at the root of the call from Donald Tusk, then prime minister of Poland, for a European “energy union”. The new European Commission later made

the energy union one of the five priorities for its mandate. Climate policy in 2014 focused on the 2030 targets and repairing the emission trading system (ETS). While an agreement on 2030 targets was reached (including 40 percent decarbonisation by 2030), the search for a compromise on how to revamp the EU’s main instrument for decarbonisation – the ETS – continues.

SELECTED BLOG POSTS

DOES EUROPE NEED A RENEWABLES TARGET?

Georg Zachmann and Michele Peruzzi, 23 January

WHAT SHOULD EUROPE DO ABOUT HIGH ENERGY PRICES?

Georg Zachmann, 31 January

GAS IMPORTS: UKRAINE’S EXPENSIVE ADDICTION

Georg Zachmann, 25 February

CAN EUROPE SURVIVE WITHOUT RUSSIAN GAS?

Georg Zachman, 21 March

INTERACTIVE CHART: HOW EUROPE CAN REPLACE RUSSIAN GAS

Georg Zachmann, Michele Peruzzi and Erik Dale, 24 March

EUROPE NEEDS AN ENERGY ‘SITUATION ROOM’!

Georg Zachmann, 20 May 2014

CHART OF THE WEEK: OBAMA’S LACKLUSTRE BREAKTHROUGH ON EMISSIONS

Georg Zachmann, 3 June


UKRAINE GAS NEGOTIATIONS: FROM ‘WIN-WIN-WIN’ TO ‘LOSE-LOSE-LOSE’?

Georg Zachmann, 17 June

BLOGS REVIEW: THE NEW OIL PRICE WAR

Jérémie Cohen-Setton, 1 December







Jack Parrock

@jackparrock

At the [@Bruegel_org](#) event discussing [#EU](#) energy union. [@MarosSefcovic](#) says current EU energy policies are not working

EVENTS

05/02	THE ECONOMICS OF NUCLEAR ENERGY
27/02	INSTRUMENTS FOR THE ENERGY TRANSITION
14/05	EUROPEAN EXTERNAL ENERGY POLICY- RE-ORIENTATION IN TIMES OF CRISIS
13/06	ENERGY MODELLING FOR POLICY MAKING
27/06	JAPAN'S NEW ENERGY STRATEGY AND POTENTIAL EFFECTS ON EUROPEAN AND GLOBAL ENERGY MARKETS
01/10	EUROPEAN ENERGY AND CLIMATE STRATEGY BEYOND 2020(20)
17/12	A NEW ENERGY POLICY FOR THE NEW EU COMMISSION
11/12	TIME FOR REDEFINING GAS RELATIONS IN EU-UKRAINE-RUSSIA TRIANGLE



GOVERNANCE AND MEMBERSHIP

Bruegel's distinctive nature rests in a balanced partnership between private and public stakeholders.

Our member base is composed of EU member states, international corporations and independent institutions. With membership fees constituting more than 80 percent of the annual budget, but no single member contributing more than 3-5 percent, Bruegel succeeds in collaborating with a wide array of

partners while protecting its principal assets: independence, professional integrity and objectivity.

Bruegel is committed to the highest levels of transparency, both at the level of the institution and at the level of individual scholars. This level of disclosure represents a new standard in public transparency for think tanks.

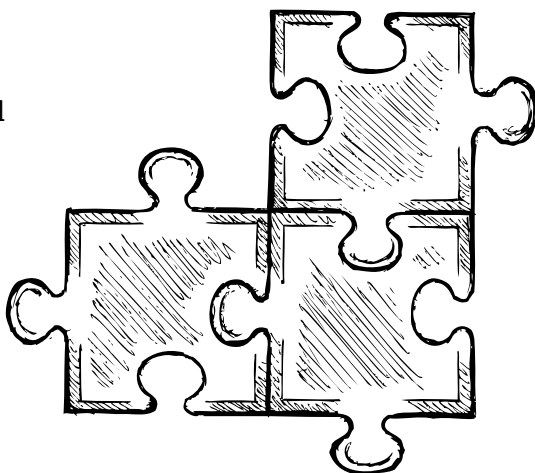
VALUES

INDEPENDENCE

Bruegel's management is required by the Board and members to pursue balanced funding, with goals covering the proportion of funding received from membership and non-membership sources. These goals match Bruegel's commitment to building a diverse set of stakeholders, help buttress independence and allow the budget to cover the funding cycle. Diversity also allows Bruegel to prosper even during downturns in the business/funding cycle.

Core funding (ca. 85 percent) comes from the membership programme. Bruegel's unique membership mix includes a number of EU member states, alongside global corporations, central banks and autonomous institutions (full list p.57). No member contributes more than a small percentage of the annual budget (from 3-5 percent depending on budget years), which protects independence further. An arm's-length relationship with Bruegel's members is finally guaranteed by Bruegel's Statute and Bylaws, defining the role that members play in the organisation.

Non-core funding typically comes from European Institutions for specific multi-annual research projects or papers, and from private organisations, such as foundations, for the support of large international events. As with core funding, non-core funding is carefully detailed in Bruegel's financial statements. Non-core funding from European Institutions often implies collaborations with partners bringing diverse expertise, backgrounds and experience to complex policy questions. It also gives Bruegel an opportunity to interact with policymaking institutions and makes advocacy for Bruegel's work more effective.



SUSTAINABILITY

Financial development requires careful planning. There are fewer resources available for European think tanks, which lack clear legal definition and do not enjoy the special tax status that benefits think tanks in the US. Europe also offers a less developed philanthropic scene.

Bruegel's development is planned to be organic, with a gradual expansion of the membership programme and the sustainable expansion of funding streams in harmony with Bruegel's core values. Even though the European crisis played a disruptive role in this development, careful management allowed Bruegel to maintain its budget through the difficult years, whilst increasing its impact on the policymaking process.

In 2013, Bruegel's Board and General Assembly approved plans to open a Foundation which will allow Bruegel to build an endowment and further buttress its own independence. A large part of making Bruegel's financial future sustainable also rests in constant innovation in operations: finding ways to cut costs whilst expanding output. Bruegel is committed to applying best practices in everything it does, with a particular focus on value for money.

Finally, Bruegel maintains reserves of just over two million euros. These reserves give Bruegel six months' operating costs and help maintain financial stability. Bruegel's cash flows are carefully managed and Bruegel has never borrowed to finance operations or for capital investments.

TRANSPARENCY

Bruegel's Statement on Research Integrity, adopted by the Board in May 2006, is available on our website. The statement sets rules for the avoidance of political, national or commercial conflicts of interest which could harm the integrity of Bruegel's research. Bruegel's researchers and senior staff promise to abide by this statement when they sign contracts with Bruegel.

Scholars and managers also make an annual declaration of outside interests, which is available on Bruegel's website. These interests are not just financial: it is important for the reader of Bruegel's research to be aware of all the potential influences a scholar might be acting under. These public declarations are extensive in the areas they cover and represent a new standard in public transparency for think tanks.

Finally, Bruegel's commitment to transparency means that we publish detailed financial statements every year in the Annual Report. Independently audited, we detail not only where every cent of the budget comes from, but we also detail spending along nine spending lines. The financial statements clearly show what every member contributed in any one year, a level of transparency that is rare in our sector. Bruegel's State Members also have the right to audit Bruegel at any time.

GOVERNANCE MODEL

ASSEMBLY OF MEMBERS

Bruegel's highest governing body

Meets in May and November of each year

Ratifies the appointment of the Board and of the director.

Approves the budget and the accounts.

Participates in the design of the Research Programme through multilateral consultations, and bilateral exchanges involving each member individually.

STATE
MEMBERS

CORPORATE
MEMBERS

INSTITUTIONAL
MEMBERS

ELECT 3 MEMBERS EACH

BOARD

Bruegel's general administration body

Meets three times every year

11 members (6 elected, 5 appointed)

Chair: Jean-Claude Trichet

Works with management to guide the organisation, holds director accountable.

Approves the budget, the annual research programme, which is prepared on the basis of a wide consultation of members.

Approves new members and senior staff appointments.

SCIENTIFIC COUNCIL

Bruegel's advisory body

Meets every year

8 members

Chair: Lucrezia Reichlin

Advises Bruegel's Board and director.

Assesses the scientific quality of Bruegel's output with a yearly report.

Attends Bruegel's Board Meetings through presence of the chair.

EXECUTIVE MANAGEMENT

Bruegel's executive body

Director: Guntram Wolff

Executive management

Research supervision

Editorial responsibility

BOARD

The Board's composition reflects the diversity of Bruegel's stakeholders. An eleven-person group, it is made up of high-ranking individuals from government, industry and civil society, each of them acting in a personal capacity.

A combination of elections and appointments ensures background, nationality and gender balance. It also reflects Bruegel's nature as a public good.

The current Board was confirmed in February 2014:

JEAN-CLAUDE TRICHET (CHAIRMAN)

Former president of the European Central Bank

CARLOS EGEA

Chief trading desk strategist, Morgan Stanley

ANNA EKSTRÖM

Director-general, National Agency for Education, Sweden

IÑIGO FERNANDEZ DE MESA

State secretary of the Treasury and financial policy, Ministry of Economy and Competitiveness, Spain

WOLFGANG FRANZ

Former chairman of the German Council of Economic Experts, former professor, University of Mannheim

JERZY HAUSNER

Professor of economics, head of the Department of Public Economy and Administration at Cracow University of Economics

WOLFGANG KOPF

Senior vice-president for public and regulatory affairs, Deutsche Telekom AG

VINCENZO LA VIA

Director-general of Department of Treasury, Ministry of Economy and Finance, Italy

RACHEL LOMAX

Former deputy governor of the Bank of England

ANDREAS PENK

Head of Pfizer Oncology Europe, chairman of the Board of Pfizer Germany

J.A. (HANS) VIJLBRIEF

Treasurer-general, Ministry of Finance, The Netherlands

MEMBERS

Members are the core of our organisational framework. They engage in a partnership, an exchange of ideas, and a commitment to Bruegel's mission. Their representation at Board level, their contribution to the Research Agenda, their interactions with scholars, and their participation in events guarantee that Bruegel remains both accountable and relevant.

Members are committed to Bruegel's standards of transparency and integrity. They recognise Bruegel's independence and agree to refrain from seeking to influence the course of Bruegel's research work or to obstruct publication. We are grateful to each of them for their support.



LIST OF MEMBERS

(as of April 2015)

STATE MEMBERS

Austria	France	Luxembourg	Spain
Belgium	Germany	The Netherlands	Sweden
Cyprus	Hungary	Malta	United Kingdom
Denmark	Ireland	Poland	
Finland	Italy	Slovakia	

CORPORATE

MEMBERS

BBVA	Google	Morgan Stanley	Standard & Poor's
Deutsche Bank	HSBC	Novartis	Standard Chartered Bank
Deutsche Telekom	Huawei	Pfizer	Telefónica
Ebay	ING	Prudential	IIES (Toyota Group)
EDF	MasterCard	Qualcomm	Tudor Investment Corp.
ENEL	MetLife	Samsung	UniCredit Group
Euronext	Microsoft	Schroders	
Generali	Moody's	Shell	
Goldman Sachs	Moore Capital	Société Générale	

INSTITUTIONAL MEMBERS

Bank of England	The European Investment Bank (EIB)
Banque centrale du Luxembourg	Fundación Instituto de Crédito Oficial (ICO)
Banque de France	The National Bank of Poland
Groupe Caisse des Dépôts	Sveriges Riksbank
Danmarks National Bank	
The European Bank for Reconstruction and Development (EBRD)	



Karen Wilson, Jan Mulfheit (Microsoft), Alvaro Nadal (Economic Office of the President of the Spanish Government), Jean-Claude Trichet and Guntram Wolff.

SCIENTIFIC COUNCIL

The Scientific Council consists of internationally recognised economists appointed by the Board for a three-year mandate. It advises Bruegel's Board, director and deputy director and assesses the scientific quality of Bruegel's output. The scientific council chair, currently Lucrezia Reichlin, attends board meetings.

LUCREZIA REICHLIN

Chair of the Scientific Council, professor of economics, London Business School

GIUSEPPE BERTOLA

Professor of economics, EDHEC Business School, France

SERGEI GURIEV

Professor of economics, Sciences Po, Paris

KAI KONRAD

Managing director, Max Planck Institute of Tax Law and Public Finance

PHILIPPE MARTIN

Professor of economics, Sciences Po, Paris

KEVIN O'ROURKE

Chichele professor of economic history and fellow of All Souls College, University of Oxford

PAUL SEABRIGHT

Professor of economics, Toulouse School of Economics

MANAGEMENT TEAM

Guntram WOLFF

Director



Guntram Wolff is responsible for Bruegel's overall executive management, for the preparation of the Board meetings, the preparation of Bruegel's strategy, the research strategy and the hiring of staff. He exercises editorial oversight and quality control. Guntram was the deputy director of Bruegel before being appointed director in 2013. Before this, he worked on euro-area governance at the European Commission and fiscal policy at the Bundesbank. He holds a PhD in economics and has published numerous pieces on the European economy and governance, on monetary and fiscal policies and on finance. He is a member of the French prime minister's economic advisory council, a board member at Solvay Business School and a member of the World Economic Forum Global Agenda Council.

Matt DANN

Secretary general



Matt Dann supports the director in his executive tasks. He oversees the management of Bruegel's non-research operations, takes care of finances and manages the institutional relations with Bruegel's members. Matt is an experienced media professional who has worked in both television and the financial sector. He is a graduate of Keele University, England, and has an MBA from Solvay Business School of the Université Libre de Bruxelles.

Paola MANIGA

Development manager



Paola Maniga and her team are responsible for raising new income streams from public and private sources. She was previously secretary general of the European Association of Sugar Traders (ASSUC) and trade policy adviser for the associations representing international trade in flowers and EU imports of processed agriculture and fishery products. Paola holds two Masters, in local economic development from the London School of Economics and in Management from Bocconi University.

Giuseppe PORCARO

Head of communications and events



Giuseppe Porcaro and his team are responsible for press and online outreach and the organisation of Bruegel's events. He has extensive experience of organisational management, communication and policy development at European and International level. He was secretary general of the European Youth Forum between 2009 and 2014 and previously worked at the World Bank in Kosovo and Paris. Giuseppe holds a Master in international relations and a PhD in Geography of Development from the University of Naples L'Orientale.

FINANCIAL STATEMENTS

BALANCE SHEET 2014-2013

	2014	2013
ASSETS		
FIXED ASSETS	79,927.75	96,895.66
FURNITURE AND OFFICE EQUIPMENT	49,918.71	42,757.94
IT DEVELOPMENT	27,904.06	54,137.72
	2,104.98	
CURRENT ASSETS	247,478.48	105,882.95
TRADES RECEIVABLES	247,478.48	105,632.95
OTHER DEBTORS		250.00
FUNDED PROJECT RECEIVABLES		
CASH AND FINANCIAL ASSETS	3,445,743.35	2,983,340.42
DEFERRALS AND ACCRUALS	149,288.86	49,286.88
OTHER DEFERRALS	149,288.86	49,286.88
TOTAL ASSETS	3,922,438.44	3,235,405.91
LIABILITIES		
CURRENT LIABILITIES	1,424,974.6	932,471.48
TRADE PAYABLES	238,445.23	115,040.06
REMUNERATION AND SOCIAL SECURITY	199,909.44	222,407.95
FUNDED PROJECT CREDITORS	797,281.07	220,459.10
PREPAID INCOME	44,989.14	250,281.43
VAT PAYABLE	27,276.44	7,290.08
ACCRUED CHARGES	9,049.34	8,968.86
PROVISIONS	108,024.00	108,024.00
NET ASSETS		
NET ASSETS	2,497,463.78	2,302,934.43
SURPLUS/LOSS OF THE YEAR	194,529.35	121,388.35
ACCUMULATED RESERVES	2,302,934.43	2,181,546.08
TOTAL LIABILITIES AND NET ASSETS	3,922,438.44	3,235,405.91

INCOME STATEMENT 2014 - 2013

	2014	2013
REVENUE		
Subscriptions - State Members	2,091,789.00	2,069,653.67
Subscriptions - Corporate Members	1,416,667.00	1,192,366.67
Subscriptions - Institutional Members	350,000.00	239,500.00
<i>(see Complete Funding Annex for breakdown)</i>		
OTHER REVENUES	698,732.73	490,795.74
Honoraria	2,088.00	24,377.37
Project-based funding	634,515.53	387,956.37
Foundation grants	46,628.87	45,423.47
Sales of publications	0.00	36.64
Financial income (gross)	4,983.70	7,076.44
Other income	10,516.63	25,925.45
TOTAL REVENUE	4,557,188.73	3,992,316.08
EXPENSES		
WAGES AND COMPENSATION	-2,931,125.62	-2,692,127.19
OPERATING EXPENSES	-1,358,727.31	-1,087,018.70
Staff travel costs	-114,452.03	-70,738.24
External research costs	-82,906.92	-102,030.01
Documentation costs	-109,359.58	-93,754.27
Outreach related costs	-383,640.23	-298,320.00
Office rent and running costs	-402,025.26	-366,221.23
External professional services	-263,062.21	-151,125.12
Financial charges	-3,281.08	-4,829.83
DEPRECIATION EXPENSES	-72,806.45	-138,077.84
TOTAL EXPENSES	-4,362,659.38	-3,917,223.73
SURPLUS / DEFICIT (before extraordinary items)	194,529.35	75,092.35
Reversal of 2011-2012 liability accrual (EFIGE project)	0.00	46,296.00
SURPLUS / DEFICIT (after extraordinary items)	194,529.35	121,388.35

CORE FUNDING ANNEX 2014-2013

	2014	2013
SUBSCRIPTIONS - STATE MEMBERS	2,091,789.00	2,069,653.67
CATEGORY 1	66,406.00	66,406.00
Cyprus	33,203.00	33,203.00
Luxembourg	33,203.00	33,203.00
CATEGORY 2	132,812.00	110,676.67
Ireland	66,406.00	66,406.00
Slovakia	66,406.00	44,270.67
CATEGORY 3	498,045.00	498,045.00
Ireland	99,609.00	99,609.00
Slovakia	99,609.00	99,609.00
Finland	99,609.00	99,609.00
Hungary	99,609.00	99,609.00
Sweden	99,609.00	99,609.00
CATEGORY 4	398,436.00	398,436.00
Belgium	132,812.00	132,812.00
Netherlands	132,812.00	132,812.00
Poland	132,812.00	132,812.00
CATEGORY 5	996,090.00	996,090.00
France	199,218.00	199,218.00
Germany	199,218.00	199,218.00
Italy	199,218.00	199,218.00
Spain	199,218.00	199,218.00
United Kingdom	199,218.00	199,218.00
SUBSCRIPTIONS - CORPORATE MEMBERS	1,416,667.00	1,192,366.67
BBVA <i>Joined 2013</i>	50,000.00	8,333.00
DEUTSCHE BANK	50,000.00	50,000.00
DEUTSCHE TELEKOM	50,000.00	50,000.00
EBAY <i>Joined 2013</i>	50,000.00	34,033.00
EDF	50,000.00	50,000.00
ERSTE GROUP BANK <i>Left March 2013</i>	0.00	8,333.00
EURONEXT	50,000.00	50,000.00
GENERALI <i>Joined 2014</i>	25,000.00	0.00
GOLDMAN SACHS	50,000.00	50,000.00
GOOGLE	50,000.00	50,000.00
HSBC <i>Joined 2014</i>	4,167.00	0.00
IIES (TOYOTA GROUP) <i>Joined 2013</i>	50,000.00	50,000.00
METLIFE <i>Joined 2014</i>	50,000.00	0.00
MICROSOFT <i>Left October 2013, rejoined July 2014</i>	25,000.00	41,667.00
MOODY'S <i>Joined 2013</i>	50,000.00	45,833.00
MORGAN STANLEY <i>Joined 2013</i>	50,000.00	41,667.00
NOVARTIS	50,000.00	50,000.00
MASTERCARD	50,000.00	50,000.00
MCEM (MOORE CAPITAL)	50,000.00	50,000.00
PFIZER	50,000.00	50,000.00
PRUDENTIAL <i>Joined 2014</i>	41,667.00	0.00
QUALCOMM	50,000.00	50,000.00
SAMSUNG	50,000.00	50,000.00
SCHRÖDERS <i>Joined 2012</i>	50,000.00	50,000.00
SHELL <i>Joined 2013</i>	50,000.00	50,000.00
SOCIÉTÉ GÉNÉRALE <i>Joined 2014</i>	37,500.00	0.00
SOLVAY <i>Left 2014</i>	33,333.00	50,000.00
STANDARD & POOR'S <i>Joined 2013</i>	50,000.00	41,666.67
STANDARD CHARTERED <i>Joined 2013</i>	50,000.00	12,500.00
SYNGENTA <i>Left November 2013</i>	0.00	41,667.00

TELEFONICA <i>Joined 2014</i>	50,000.00	0.00
TUDOR FUNDS <i>Joined 2013</i>	50,000.00	16,667.00
UBS <i>Left 2014</i>	0.00	50,000.00
UNICREDIT	50,000.00	50,000.00

SUBSCRIPTIONS - INSTITUTIONAL MEMBERS		350,000.00	239,500.00
Bank of England <i>Joined 2014</i>	25,000.00		0.00
Banque Centrale du Luxembourg <i>Joined 2013</i>	25,000.00		8,250.00
Banque de France	25,000.00		25,000.00
Caisse des Dépôts	50,000.00		50,000.00
Danmarks Nationalbank	25,000.00		25,000.00
European Investment Bank	50,000.00		50,000.00
European Bank for Reconstruction and Development	50,000.00		50,000.00
Fundacion ICO <i>Joined 2014</i>	50,000.00		0.00
Narodowy Bank Polski	25,000.00		25,000.00
Sveriges Riksbank <i>Joined 2013</i>	25,000.00		6,250.00

PROJECTS & GRANTS ANNEX

	2014	2013
INCOME FOR RESEARCH ACTIVITIES FROM PUBLIC ORGANISATIONS	633,878.53	385,716.28
SIMPATIC project, funded by European Commission 7th Framework	283,690.00	189,920.85
EFIGE project, funded by European Commission 7th Framework	31,689.71	47,832.87
MAPCOMPETE project, funded by the European Commission 7th Framework	97,479.40	47,323.02
European Parliament ECON Committee	55,426.00	29,110.00
Marie Curie Visiting Fellow programme funded by the European Commission	70,503.42	71,529.54
European Capital Flows project, funded by European Commission, DG MARKT	95,090.00	0.00

INCOME FOR RESEARCH ACTIVITIES FROM PRIVATE ORGANISATIONS		46,628.87	45,423.47
Bertelsmann Stiftung (contribution to the AEEF conferences)	6,240.50		28,620.62
CEPII/Club du CEPII (contribution to AEEF conferences)	18,231.01		
CPB Netherlands (joint expenses for event)	1,154.18		
EDAM, Turkey (joint expenses for event)	11,000.00		
The Japan Foundation			10,500.00
Toshiba Foundation	8,000.00		
Kobe University (joint expenses for event)	2,003.18		
Asia-Europe Foundation (contribution to the AEEF conference)			6,302.85

HONORARIA, FOR CONFERENCES, WRITTEN PIECES ETC.		2,088.00	24,327.37
Asian Development Bank Institute			1,114.56
Axa			1,218.80
Brookings Institute			1,552.75
CIRAC	500.00		
Deutsche Gesellschaft für Auswärtige Politik			150.00
European Institute for Asia			100.00
European Venture Capital Association			10,000.00
FAES Belgrade	500.00		
Financial Times			584.27
Korea Capital Markets Institute	1,040.00		
Platforme 10			5,000.00
Project Syndicate			1,909.88
Prometeia Associazione			2,000.00
Sina			197.11
Theseus Summer School			500.00
Wang Yixuan	48.00		

**STATUTORY AUDITOR'S REPORT TO THE GENERAL MEETING
OF THE ASSOCIATION AISBL BRUEGEL
FOR THE YEAR ENDED 31 DECEMBER 2014**

As required by law and the association's articles of association, we report to you in the context of our appointment as statutory auditor. This report includes our opinion on the annual accounts, as well as the required additional statements. The annual accounts include the balance sheet as at 31 December 2014, the income statement for the year then ended, and the disclosures.

Report on the annual accounts - Unqualified opinion

We have audited the annual accounts of the association AISBL Bruegel for the year ended December 31, 2014, prepared in accordance with the financial reporting framework applicable in Belgium, which show a balance sheet total of € 4.162.577 and a profit for the year of € 194.530.

Responsibility of the board of Directors for the preparation of the annual accounts

The board of Directors is responsible for the preparation of annual accounts that give a true and fair view in accordance with the financial reporting framework applicable in Belgium, and for such internal control as the board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the statutory auditor

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISAs). Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the statutory auditor considers the association's internal control relevant to the preparation of annual accounts that give a true and fair view, in order to design control procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of valuation rules used and the reasonableness of accounting estimates made by board of Directors, as well as evaluating the overall presentation of the annual accounts.



We have obtained from board of Directors and association officials the explanations and information necessary for our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified opinion

In our opinion, the annual accounts of Bruegel AISBL give a true and fair view of the association's equity and financial position as at 31 December 2014 and of the results of its operations for the year then ended, in accordance with the financial reporting framework applicable in Belgium.

Report on other legal and regulatory requirements

The board of Directors is responsible for the compliance with the law of 27 June 1921 on not-for-profit organisations, international not-for-profit organisations and foundations, with the articles of association and with the legal and regulatory requirements regarding bookkeeping.

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, compliance with certain legal and regulatory requirements. On this basis, we make the following additional statements, which do not modify the scope of our opinion on the annual accounts:

- Without prejudice to certain formal aspects of minor importance, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- There are no transactions undertaken or decisions taken in breach of the articles of association or of the Law of 27 June 1921 on not-for-profit organisations, international not-for-profit organisations and foundations that we have to report to you.

April 21, 2015

The Statutory Auditor

VRC Registered Auditors
Represented by André GEEROMS

BRUEGEL ANNUAL REPORT 2014

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This publication is published under the editorial responsibility of Guntram Wolff, director of Bruegel.

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Bruegel is a European think tank specialising in economics. Established in 2005, Bruegel is independent and non-doctrinal. Its mission is to improve the quality of economic policy with open and evidence-based research, analysis and debate. Bruegel's membership includes EU member state governments, international corporations and institutions.

Bruegel is registered as a Belgian international non-profit association (Association Internationale Sans But Lucratif) under the number 0867636096, with registered offices at rue de la Charité 33, B-1210 Brussels. The basis for its governance is found in its statute and bylaws.

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