



The think tank scene in Europe has a very national or local bias

Interview by Michael Reiterer



Karel Lannoo has been Chief Executive of the Centre for European Policy Studies (CEPS) since

2000, Europe's leading independent European think tank, ranked among the top ten think tanks in the world. He has published several books on capital markets, MiFID, and the financial crisis, the most recent of which is *The Great Financial Plumbing, From Northern Rock to Banking Union*, 2015.

You are the Chief Executive Officer of one of Brussels' major European think tanks. How has the war altered how we perceive the role of think tanks in Europe today?

Independent think tanks can play an important role in challenging and provoking policy-makers, but their role and scope remain limited in Europe when compared to the United States (US). If Europe wants to become an effective geopolitical actor, it will also need a much stronger and richer think tank community. Europeans need to think as Europeans, and not be trapped in the often parochial debates of its nation states. We need think tanks that can analyse challenges across borders and with an appreciation of what is at stake for the

collective European interest, not only from a national interest.

This crisis has demonstrated the lack of strategic thinking in Europe. In the US, a vibrant think tank scene nurtures the establishment with deep geopolitical thinking. US think tanks debate and report on global developments daily. Policy analysts alternate between government and think tanks, which form a continuous recruiting ground for the administration. In Europe, however, think tanks with a European strategic focus are scarce. While there are several national think tanks in Europe, they are mostly focusing on local policy matters, or on European or international priorities as seen from a

national perspective. They are in most cases close to the local ministry of foreign affairs, and (partially) funded by them. The staff of national think tanks is also composed of (mostly) national residents. Hence, the think tank scene in Europe has a very national or local bias. There are a few think tanks at the European level producing a more European perspective, but they are limited in size, certainly compared to their US counterparts, and constrained by scarce funding. The lion's share of their funding comes from national public or European sources, not from private donors, as is the case in the US.

The European Union (EU) has during this and the Covid crisis further extended its reach, also in areas which are not its core competence. Some 32,000 staff work at the European Commission today. In addition, there are the European Council, the European Parliament, the European Central Bank, the European Investment Bank and some smaller institutions. These institutions produce many reports, proposals and laws daily. The role of think tanks would be crucial to scrutinise this output, but think tanks are too small to provide a real challenge to the continuous output of the EU institutions.

Therefore, a vibrant think tank scene is needed to provide a real counterweight to the growing power of the EU institutions and strategic input for policy planning. The private sector should provide them with much more funding, and not work primarily through national and European professional associations, or lobbies, to get their positions across. With Europe becoming more European because of the Ukraine crisis, as compared to the sum of national reactions, this should lead the think tank scene in Europe to become more European itself. This is the moment for a "New Era", also for the European think tank community.

To which extent has the war on Ukraine changed strategy in Brussels?

I believe that the naivety or blindness of many European governments in handling Russia represents an urgent wake-up call for more hard power politics and credible deterrence, long-term strategic planning and clear objectives for the EU's neighbourhood policy. For years, many European countries naively and willingly maintained its dependence on Russia's energy. Europe was not prepared to blunt Putin's weaponisation of energy, despite repeated warnings from successive US administrations, including President Trump. Russian money was massively laundered in the European financial system, as the cases of the Den Danske Bank, Swedbank or Deutsche Bank demonstrate. Russian oligarchs have important stakes in European industry. Many political parties all over the EU have affiliations with the Kremlin. Let us also not forget that Russia has brazenly conducted terror attacks on European soil including poison attacks in the United Kingdom.

Are you suggesting that Europeans were unwilling to respond to Russia earlier? Do you see a change with the steps the EU has taken since Russia's invasion?

The EU is slowly starting to heed this call, but more boldness and urgency is required. Europe has demonstrated to the world that it was blind to Russia's constant undermining of its economic and political system. Europe has been late in its military support for the Ukraine, even though it is now a more credible military player through the European Peace Facility. However, Europe reacted rapidly to the Russian invasion with a full set of sanctions, in partnership with the rest of the Western world, and their impact is becoming visible. Europe also responded with proposals to enlarge the EU, granting candidate status to Ukraine and Moldova. More recently in the Western Balkans, the accession discussions got a boost after Bosnia-Herzegovina was

granted candidate status and the political pressure on Serbia was increased. The EU also helped by providing a temporary protection scheme for refugees in the EU27, and bringing Ukraine under the “roam like at home” scheme to ensure zero costs for telecom roaming fees. All in all, 2022 was a watershed in European integration, it is the start of a new era, of a more powerful EU, a more geopolitical Union, despite all the remaining limitations.

Has the war impacted on the transatlantic relationship?

After the dramatic withdrawal in Afghanistan, the US has managed a surprising rebound in decimating Russia’s defence through its support for Ukraine. In its intelligence, financial, logistical and weapons support for Ukraine, it has demonstrated to the world at large that it is still the global superpower. It provides the lion’s share of the support for Ukraine, while also being militarily active in other parts of the globe. Without US support today for Ukraine, Europeans would have been unable to support Kyiv alone.

Which support can Europe extend to the Ukraine? How should the EU adapt its policy-making in the wake of the war?

First, EU countries should provide more military and financial assistance to Ukraine. The EU and European states have stepped up their help for Ukraine, but they still lag behind the US. Every escalation in weapons deliveries takes long and protracted discussions in many EU member states, providing Russia precious time to consider different options.

Second, the EU must conduct a true foreign policy and have joint intelligence. The European External Action Service is still in its infancy, and needs to become a truly European diplomatic service, with clear rules of the game and a clear structure. The need for a European intelligence capacity, or more capable national intelligence agencies, already

emerged after the chaotic withdrawal from Afghanistan, and of US’ failure to promptly inform its European partners.

Third, there is a need to advance with an integrated European defence policy. Many incremental steps have been taken over the last years, but the Ukraine war demonstrates how unprepared European militaries are for war. Europe has given Putin all the reasons he needs not to fear European armies. A more integrated EU military will also facilitate cooperation with NATO. Work in the European Defence Agency provides the logistical base for a more integrated European army, whereas a new European Commission Directorate General on Defence Industry and Space should lay the basis for a single market for defence industries.

Finally, further efforts are needed in energy and industrial policy, not least in terms of the defence industry. Such sectors were hitherto more national and there was a limited EU competence. While there is some change because of the crisis, the resistance of some member states against more Europe remains high. As with other top-end sectors, closer cooperation and coordination will benefit Europe’s competitiveness.



This interview was conducted by **Michael Reiterer** who is a Distinguished Professor at CSDS. Before this time, he was EU Ambassador to the Republic of Korea. He has had a distinguished diplomatic career with the EU and with the Austrian foreign service. He frequently lectures at leading universities in Europe and Asia.

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