



LVMI-Europe Newsletter

Winter edition 2021

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- *Mart Laar*, former Prime Minister of Estonia
- *Earl of Stockton*, Chairman of Macmillan Publishers
- *Alexander Graf Lambsdorff*, Deputy Chairman of the FDP Bundestag group, Germany

Honorary members:

- HSH Prince Philipp von und zu Liechtenstein
- Dr. Hanns-Martin Bachmann, former head of the Hessen Representation to the EU

I. LVMI-EUROPE AGENDA

Upcoming events

June 1st 2022 Free Market Road Show

Past events: 2021-2020

December 9, 2021 Zoom meeting with Mr. Kaddik of ELF and Britt Schiers , (Hayek Institute Austria)

December 2nd, Zoom meeting with Mr. Jahn of BVMW and Mrs. Haug Sempre Avanti

November 26, 2021 Second meeting of the Research project, set up by LVMI Europe, in Holland House.

October 15, 2021 First meeting of the Research project, set up by LVMI Europe, in Holland House.

September 27, 2021,

Get-together of the members of LVMI Europe and its guests in Holland House.

July 15, 2021, Brainstorming meeting

June, 30 2021, General Assembly

May 26, 2021, Board Meeting LVMI Europe

April 21, 2021

Conference

“Disruptive innovation: Banks versus Cryptocurrencies” with
Moderator: Heiko de Boer, Country Head Netherlands Pictet Asset
Management. Speakers: **Ondřej KOVAŘÍK**, MEP, shadow rapporteur on the
MiCA proposal, **Mark Valek**, Partner of Incrementum AG and

Max Rangeley, editor and manager The Cobden Centre

February 24, 2021

A Conference on Cyber Security. Speakers:

Phédra Clouner Deputy Director of **The Centre for Cyber Security Belgium** »
(CCB)., **Dr. Harri Ruuslahti**, ECHO PoC for Laurea.

Etienne Verhasselt, Cyber and Information Security & Risk Management Expert,
Orange Cyberdefense and **John Robb**,

American author, military analyst, and entrepreneur

October 1, 2020

Lunch debate on “Future Federalism for Europe”: some concrete proposals”,
Holland House.

Speaker: Federico Reho Strategic Coordinator and Research Officer at
Wilfried Martens Centre for European Studies, Brussels and author of
"A Hayekian federalism for the EU: some concrete proposals".

Comment by Max Rangeley, editor and manager Cobden Centre

Moderator: Lieven Taillie, Chairman of AEJ Association of European
Journalists

September 16, 2020

A get together for members LVMI Europe in Holland House

July 7, 2020

General Assembly 2020 at Holland House, Rue d'Arlon 20, 1050 Brussels

June 10, 2020

« Regulating private security in Europe » a conference with MEP Hilde Vautmans in the European Parliament (**postponed**)

June 4, 2020

Board Meeting LVMI Europe at Holland House, Rue d'Arlon 20, 1050, Brussels

May 6, 2020

Free Market Roadshow, “Disruptive innovation”. A cooperation with Austrian Economic Centre and European Liberty Forum in the European Parliament. (**Postponed**)

March 4, 2020

Lecture on Austrian Economics for students of LVSV at the University of Antwerp

January 20, 2020 : Conference on “Artificial Intelligence”, Hosted by MEP Maria Carvalho. in the European Parliament. Speakers Max Rangeley , Cobden Center, Stefan Moritz (European Entrepreneurs)

II. PRESIDENTIAL ADDRESS

At the moment one of the biggest worries is the (excessive) inflation. It is rising, but concerning this subject the opinions are divided. There are some who do not even speak about it, others are worried and rightly so.

But first of all: what is inflation?

Frank Shostak of The Mises Institute is formulating this as follows:

„Most commentators label increases in the prices of goods and services over a period of time as inflation. Ludwig von Mises, however, held that the popular definition of inflation is erroneous. He wrote¹ in *Economic Freedom and Interventionism* (p. 99),

„Inflation, as this term was always used everywhere and especially in this country, means increasing the quantity of money and bank notes in circulation and the quantity of bank deposits subject to check. But people today use the term 'inflation' to refer to the phenomenon that is an inevitable consequence of inflation, that is the tendency of all prices and wage rates to rise. The result of this deplorable confusion is that there is no term left to signify the cause of this rise in prices and wages. There is no longer any word available to signify the phenomenon that has been, up to now, called inflation²“.

To the category who are not worried about this high inflation, belongs Christine Lagarde, President of the ECB.

In her speech of September 2021, she does not show any fear for inflation:

“The meeting was particularly important, as ECON President Irene Tinagli (S&D, it) said in her introduction, as it was the first meeting with Lagarde since the ECB adopted its radical ‘Strategic Review’ in July, after finally updating its working methods for the first time in 17 years.

As MPs had asked to focus on the current rise in inflation – is it temporary, or perhaps a more permanent trend? – and on the prospects for post-pandemic financial stability, it is in these contexts that the revision of the ECB’s monetary policy strategy was discussed.

One of the central innovations of the strategy is a reformed approach to fulfilling the ECB’s number one mandate, price stability.

Lagarde quoted the ECB’s press release on this subject – more than once, as it contained answers to questions from several MEPs: “Price stability is best maintained by aiming for an inflation target of 2% medium term. This target is

¹ Ludwig von Mises “*Economic Freedom and Interventionism*” (p. 99),

² Frank Shostak of The Mises Institute US dd November 3, 2021 8:46 PM EST

symmetrical, which means that negative and positive inflation deviations from the target are also undesirable. “

When Jonás Fernández (S&D, ES) asked about ‘the arithmetic of this symmetry’, Lagarde highlighted the new provisions on forward guidance on monetary policy with their three conditions for determining a decision on interest rates.

These three conditions consist of an analysis of the inflation rate at certain times and over the entire duration of the ECB’s projection horizon, usually three years.

“We want to make sure that there is progress being made in core inflation which is advanced enough to stabilize inflation in the medium term ...

“We want to make sure that core inflation grows enough to stabilize inflation over the medium term,” said Lagarde, citing the statement by the ECB governors, adding that “we are not aiming for inflation targeting mean”.

Critics of the ECB's policy are repelled by the fact that savers have been expropriated for years and are forced to switch to riskier asset classes.

But the point is, that higher interest rates would be pleasant for savers, but unfavourable for governments, households and businesses who want to borrow money;³

So the ECB maintains its loose monetary policy and the banks must continue to pay a fine if they deposit too much money into the ECB's account. The most curious thing is, that as a result people start to save money instead of spending it, like the Neo-Keynesians want us to do.

Lisa Nienhaus in “Die Zeit” reacts on the speech of Lagarde, by saying:

Then she made many arguments that essentially said one thing: We are alert but the inflation is only temporarily that high.

Of course something has to be done: according to Lisa Nienhaus the banks are the ones who can do something against the (high) inflation, nl raise the interest rates or buy fewer bonds.

Norway has already raised the interest rate of their Central Bank⁴.

Otmar Issing, former member of the ECB remarked in an interview the following: “The combination of extremely loose monetary policy, i.e. low interest rates and the purchase of government bonds and massive government spending, will lead to a sharp rise in inflation”⁵.

³ Die Presse “Geldschleusen bleiben weit geoffnet dd 23-7-2021

⁴ Die Presse “Geldschleusen bleiben weit geoffnet dd 23-7-2021

⁵ Die Zeit dd August 5, 2021 p. 12: “Ist die Inflation gefährlich?

Another element can be added:

The environment that determines inflation is changing. Globalization is faltering. Companies sometimes bring production from cheaper countries back into expensive ones. That drives up prices. Likewise, the working population in the industrial countries is becoming smaller, even in China. That drives wages and inflation as well⁶.

But now the following should be read carefully:

“Fact is: there is no *universally valid theory about inflation* that helps to predict price increases seriously and reliably; Rather, the models have failed recently. The current high inflation in the government has never been predicted by the research institutes, the ECB or the US Federal Reserve. Who saw them coming? Charles Goodhart”!⁷

Had she studied the theories of the *Austrian School*, then she would never had written this. One of the most favourite topics of the *Austrian School* is inflation. Especially von Mises has written a lot about this hot topic for example in his “Money and Inflation”, but later writers of the Austrian School as well.

In a more recent publication, Thorsten Polleit⁸ wrote the article “There will be (hyper)inflation”

“What the Fed does, is produce inflation – and this is a *truth* that stands in sharp contrast to what mainstream economists say, namely that the rise in base money will just increase the *liquidity* in the interbank market and will not affect the money holdings in the hands of consumers, firms, and the government, which – they admit – could then inflate consumer prices”.

He continues: “Government-controlled fiat money is fraudulent money. It is money that is created out of thin air, in violation of property rights: fiat-money production doesn't require any of the wealth-producing activities characteristic of the free market. It is and will always be, by construction, fraudulent money.

What is more, fiat money created through bank credit expansion necessarily causes boom-and-bust cycles, inducing governments to push back free-market forces to prop up the economy and keep the fiat-money regime afloat; in fact, fiat money will increasingly undermine the free-market order.

⁶ Idem with reference to Charles Goodhart, an economist.

⁷ Lisa Nienhaus “Muss die Inflation uns Sorgen machen? Ja! in die Zeit dd October 7, 2021 p. 23

⁸ Thorsten Polleit “There will be (hyper)inflation” 2009

Mises was well aware of the final consequences of a monetary regime that rests on ever-greater increases in the money stock produced by banks' expanding *circulation credit*. It would, at some point, lead to bankruptcies on the grandest scale, resulting in a contraction of the credit and money supply (*deflation*) or it would end in *hyperinflation*:

In his memoirs he decribed the mood in Austria during the twenties of last century: "that aside from me there were few who supported a policy of stable exchange rates"⁹ We fought for three years before we achieved our goal: the restoration of a balanced budget and the cessation of a further increase in banknotes. It was to our credit alone that the Austrian crown was stabilized at a ratio of 14,400 paper crowns to one gold crown, and not at a higher rate. But this was not the result we had sought"¹⁰

This phenomenon was, in the great European inflations of the 'twenties, called "flight into real goods (*Flucht in die Sachwerte*) or crack-up boom (*Katastrophenhaeuse*)."

This scenario is happening today, where Joe Biden tied a sensible law on infrastructure -spending to a bloated program of other spending of over \$3.5 trillion. That was a mistake¹¹.

There are more economists who believe, that there are and should be no limits to money creation and they are a powerful element in the Democratic party.

Modern Monetary Theory (MMT) is a heterodox macroeconomic framework that says monetarily sovereign countries like the U.S., U.K., Japan, and Canada, which spend, tax, and borrow in a fiat currency that they fully control, are not operationally constrained by revenues when it comes to federal government spending.

Put simply, such governments do not rely on taxes or borrowing for spending since they can print as much as they need and are the monopoly issuers of the currency. Since their budgets aren't like a regular household's, their policies should not be shaped by fears of rising national debt¹².

Classical Liberalism has a different opinion about finance politics than the current one (MIT with Draghi, Bernanke, Summers and Krugman and MMT). That is because its theories differ totally from the theories of J.M. Keynes, that are

⁹ Memoirs Ludwig von Mises , Mises Institute, 2009 p. 42

¹⁰ Idem , p. 63

¹¹ Clemens Fuest and Harold James "Ein Falke als Finanzminister" in "Die Zeit" dd November 4, 2021 p. 3

¹² Deborah d'Souza, February 23, 2021

still the current theories. That means: to conduct an inflationary policy in order to enhance the economy. Spending is encouraged instead of saving

Economists should study the Austrian School more. The result will be a better understanding of economy and finance and perhaps preventing other inflation(s).



Annette Godart-van der Kroon

President of the Ludwig von Mises

III. LIBERALISING EUROPE BY RAISING THE BARRIERS TO TRADE

Organizer: The German Marshall Fund of the United States

Date: 14th October 2021

Location: Online

Speakers:

Piotr Rydzkowki, Deputy Head of Unit, Trade Strategy Unit, Dg Trade, European Commission

Carlo Stagnaro, Research Director, Instituto Bruno Leoni (Italy)

Constantinos Saravakos, Senior Researcher, KEEFiM (Grece)

Antonio O'Mullony, Senior Researcher, Civismo (Spain)

Moderator:

Adam Bartha, Director, EPICENTER

Discussion:

Adam Bartha opened the event by giving a brief overview of the topics to be discussed. Participants will be asked about some of the recommendations they have made in a recently published discussion paper and will be asked about the

European Commission's record on trade liberalization. In addition to identifying some of the problems that the paper also describes, we are also curious to provide some solutions to make trade liberalization more popular across the EU.

Adam Bartha gives the floor to Mr. Stagnaro as he is one of the co-authors of the article on lifting barriers and together with his colleagues, they have analyzed over 16 free trade agreements and the ratification process of these agreements in three southern European countries Spain, Greece, and Italy. What were the most surprising results for you about the voting behavior of political parties in ratifying trade agreements? asks Mr. Bartha.

“We found a couple of interesting items that deserve discussion. First, although international trade is theoretically an exclusive competence of the European Union only three of sixteen agreements were voted only at the EU level. Second, it is possible to find that populist parties tend to be more likely to oppose free trade agreements than traditional parties. Finally, even traditional parties tend to have some difficulties in speaking out on free trade agreements especially when they are not part of a governing majority in fact even a populist party when they are involved in a governing majority tend to soften their position so it is interesting to see that both populist and non-populist parties tend to be more on the anti-trade when they do not have governing responsibility” answers Mr. Stagnaro.

In addition, Mr. Stagnaro speaks about the irrational dynamics which should demand some kind of reform or intervention as national governments often use their veto power to negotiate or obtain the results they seek on other issues that are not related to free trade. In conclusion, we should discuss any kind of reform or revision to increase the responsibility of the European parliament in terms of international trade, to save time and to reach a good result as soon as possible.

Mr. Bartha spoke again and posed the following question: “what do you think the Commission can do in the future to speed up both negotiation and ratification in the Free Trade Agreements Process?”

Mr. Rydzkowki started his speech with a direct and clear question: “Why do we make trade agreements?” 38 million jobs depend on EU exports. Trade agreements give us a platform for bilateral cooperation. If we have those platforms for cooperation with other partners, we can talk to them about things that are important to us.

Today, agreements are taking a long time to finalize and this applies not only to the bilateral sphere but also to the plurilateral and multilateral sphere. It is important to focus on the reason for this, the kind of growing divergence between the expectations exists. On the one hand, economic operators want new opportunities to be created for them, new markets opening up, and on the other hand there are the expectations of other stakeholders who feel that trade

agreements should be used to pursue non-commercial politics. What is interesting about the growing divergence is that there is little overlap between these groups and the kind of concessions they can make, so those who require new issues to be added to the negotiating agenda are not necessarily ready to do so. Very difficult dynamics that have an impact on the negotiation process.

Mr. O'Mullony has specialized on various protectionist issues and protectionist campaign groups. Mr. O'Mullony begins by stating that free trade is always opposed by different groups not only in the EU but all over the world. He has identified three main groups in which all opposition actors can be included, which are, companies for those actors already in the market to establish themselves and operate; trade unions, and environmental groups. These three sectors have something in common, first of all, their big arguments, all these sectors always look at the short-term problems concerning trade, they focus on what they see as the downside of trade, and of course, they can only put the focus on that short-term because that is what they are there for. The second aspect they share is that they are well organized. In conclusion, Mr. O'Mullony adds that as we all know trade is good for people and not only in economic terms but also in social and political terms but above all it is about trust between our nations and our society.

Mr. Saravakos begins to explain the framework of shared competencies. The EU is a complex multi-level political system and for this reason, the member states have given some of the national competencies to the EU institutions to conclude agreements and represent the interests of the citizens. What we have in the EU is mixed competence so that both EU member states have their competencies and actions necessary for the ratification and implementation of EU agreements with other regions of the world.

Mr. Saravakos mentions a quite effective policy, which could be a solution for member states: to hand over more trade competencies to the EU institutions in order to speed up implementation in this way. This may sound like a deepening of the democratic deficit on the one hand, but on the other hand, the EU could simultaneously continue to promote greater involvement of national audiences in the negotiation process.

Mr. Bartha posed a question: what steps did the Commission take to increase the transparency of the negotiation process and to address some of the trade skepticism as soon as possible?

Mr. Rydzkowki responds that the EU is the most transparent administration when it comes to trade negotiations. The transparency policy has two versions, one is the publication of documents at all stages of the negotiation process, from the preparatory phase through the negotiations to the actual implementation of the agreement. On the other hand, there is engagement with stakeholders. In terms of transparency, the EU is better than the rest.

Questions:

-How can producers in Crete, Sardinia, or Andalusia be assured that their products will be competitive enough in a challenging market?

They probably can't know in advance when you have a competitive market and you are open to international competition. When a consumer goes to the supermarket he sees the products and decides which one is better according to his needs, so you are really going to see if your product is competitive in the market, and if not, then you have two options, nl. to adjust and lower the price and make it more competitive or differentiate your product from your competition or go out of business and reallocate your resources and your expertise to other economic activities that are more efficient.

-What is the broadest kind of social campaign or social solution where free trade agreements can be made and become more popular? Do you have any kind of solution for the long-term vision?

In Spain, for example, the two main political parties during democracy have everything we always agreed on when it came to free trade agreements. There is a framework agreement in which every politician accepts that multilateral agreements are beyond the discussion of the political struggle and the traditional parties of the two big parties have not come up with arguments in this respect, however, the new parties which are becoming bigger in the last ten years are not in that position. The parties do not oppose trade agreements but rather the mentality behind them.

Is there a kind of more open and global EU strategic autonomy that it is possible to pursue alongside free trade?

The discussion started at the beginning of the pandemic when possible problems concerning masks and personal protective equipment had to be faced. There was a general reaction, calling for more localized production that would be the magic solution to solve problems, but it is only a solution at first sight. When you think about it and the possibility of production facilities coming to a standstill, society begins to realize that it was not the solution at all.

In the months of the pandemic, a new consensus developed regarding the opening that resilience cannot be achieved simply through internal means. Resilience is in certain cases making sure that supply chains are sufficiently diversified to achieve this, having trade agreements in place and adequate bilateral relationships so that you can switch supply providers when necessary.

IV. AFTER AUKUS: WHICH PERSPECTIVES FOR TRANSATLANTIC COOPERATION IN THE INDO-PACIFIC?

Organizer: German Marshall Fund

Date: 20th October 2021

Location: Online

Speakers:

Dr A de Hoop Scheffer, director of Research and Director of the Paris Office at GMF

Dr M Duchatel, director of the Asia programme at the Mountain Institute in Paris

Dr J Berkshire Miller, senior fellow and director of the Indo-Pacific Programme at the Ottawa-based McDonald Law Institute

Moderator:

Martin Quencez, subdirector and researcher at the Paris Office of the GMF

Discussion:

Dr. A. de Hoop Scheffer began to speak about the publication of the chosen context that, according to her, should be approached. The AUKUS alliance revealed that the geopolitical priority of the United States and China was confirmed. Focusing on competition with China makes sense, especially from a strategic point of view. But this shift has not been easy for Europeans. AUKUS is partly the result of a mutual distrust between the US and its European allies: from Washington's perspective, the EU's European partners are too soft on China and, from the European perspective, the US acts too aggressively towards China.

Dr. A de Hoop Scheffer explains that the debate in Europe on the approach towards China has strongly influenced the way the US administration also approaches China under a flexible three-pronged approach where Europe has to compete to cooperate, and where Europe disagrees most at the transatlantic level, is on confrontation as it does not have the same sense of confrontation that exists in the US population.

She poses a question: how do we know in the short term that the threat coming from China is seen from an American perspective and how it is seen from a European perspective? This is something that will be seen more in the long term and that leads to the discrepancy that has been talked about. This leads to very little room for autonomy. The US seeks to preserve its supremacy in the Indo-Pacific. The marginalization of France this August delineates an exclusively American strategy for the Indo-Pacific, a region understood as a space to contain Chinese influence and power.

The Biden administration calls for greater European awareness of the Indo-Pacific and increased engagement in the region. This questions the importance of European allies for the US concerning competition with China, but also with Russia, so really the EU-US dialogue on both China and Russia are constructive first steps on the condition that we focus on issues to address China and Russia in an EU framework. On the other hand, one can see how the EU has intensified,

even in the Indo-Pacific, its strategy in a more balanced way than the US approach.

China is currently accelerating the politicisation of the EU. President Macron said that we are entering an era where European naivety towards China is coming to an end and the EU's strategy towards the Indo-Pacific is very much related to the US approach, setting norms so there is common ground, and the AUKUS alliance is expected to serve as a very concrete conversation on how to better cooperate and integrate strategies. The most important issue is to move towards a risk-sharing approach between Europe and the US.

Dr Duchatel begins to explain and make understand the French reaction to what has happened in the Indo-Pacific. French interests in the Pacific are not just about having a submarine contract. It is important to remember that in the French exclusive economic zone in the Pacific Ocean there is an area of dispute, which is associated with the limitation of New Caledonia's exclusive economic zone and also the question of the future of this country, which will undergo its third independence referendum later this year in December. France has a national security and sovereignty interest in securing the maritime boundary that governs the exclusive economic zone, but also that the rules on the passage of warships in various maritime territories are strictly governed and it has been France's policy to employ the naval capabilities of the French military to achieve that objective. This includes the first point on France's national security interest in the Pacific.

The second point is what AUKUS informs us about the extent to which the US values Europe's useful contribution to the balance of power in the Indo-Pacific. We can see that US strategy will continue to depend first and foremost on the US alliance. Given the nature of French security interests in the Indo-Pacific, it can be argued that an Australian capability to operate nuclear submarines within the first island chain can be seen as a positive contribution to the military balance and the risk of conflict that might come from unilateral Chinese action within the first island chain. This naval submarine was operated for the first time within the first island chain earlier this year. This was publicly reported, saying that the French navy intelligence vessel sailed through the Taiwan Strait earlier this year, demonstrating freedom of navigation under the annexes.

The real question for the French is whether the US will value autonomous French commitments in the Indo-Pacific or whether it will put all its resources into demanding a strict French alignment of French-led actions in outer space. On the other hand, French interest in the Indo-Pacific will not disappear in the short term, as France is working to enlist and convince other European countries for the Indo-Pacific strategy to be implemented, but many European countries are sceptical and must also realise that undermining French interest in the Pacific will not help France convince its European partners of the importance of the

Indo-Pacific strategy. The EU would tend to think that the French approach is more in line with the US vision of the Indo-Pacific than with the German and Dutch approaches. The French approach is very much focused on bilateral relations, while the Dutch and German approaches emphasise trade and investment, and multilateral approaches.

Finally, Dr Duchatel adds that bilateral relations will continue to develop, with countries such as Japan and also now there is a lot of talk about Indonesia, and of course, there is a question for the French arms industry and diplomacy, and that happens to be the question of nuclear propulsion in future submarine contracts which has been opened up by the US decision.

Dr J Berkshire Miller focuses on Canada. First of all, looking at the Canadian tactical reaction to what happened in August, it was very challenging because in Canada there were elections, which was about five days before the announcement of AUKUS in August. Having the time to put a real and thoughtful reaction to this development was difficult. Therefore, the tactical reaction was to see it as an intellectual exchange between Canada's partners. It is important to see how the so-called five-eyes alliance evolves, especially on China issues.

The second type of tactical conclusion is that the Canadian submarine would agree that there are many positive elements in terms of regional security and deterrence and of course there are negatives in the way this is played out. The Canadians are concerned about the divisions in the transatlantic relationship and the issues that were raised about trust between alliances and partners. This not only in the bilateral context but also in the NATO context in the future. Even so, there are many positive aspects and one of the things that the Canadian side should bear in mind is that, while we have a different concept and perspective of a threat than Australia, there is also much that is shared with Australia. Canada like Australia is a middle power, an ally of the US, and it has also been a challenge to have a relationship with China in recent years.

Canada has to think of a solid strategy for the Indo-Pacific, and there are already many minds developing this. The Canadian side is working, but also in the European context, there are the French and Germans with their Indo-Pacific strategies and schemes and the UK with its articulation of integrated defence review.

AUKUS sheds light on the discussion from the Canadian side. One has to think that a free and open Indo-Pacific is not the US strategy. If Canada were to pursue an Indo-Pacific approach, it would be to take the US hard line on China. Canada is a strategic partner and ally, America's number one trading partner. Whatever Canada thinks about the Indo-Pacific, Canada's relationship with the US will be strongly intertwined with it. The difference is that Canada does not have to mimic the US approach to the Indo-Pacific, so there is room for Canada to think

about, and discuss with, European countries, as strategies with these countries are very important to Canada.

Finally, creativity is very much needed, and it will depend on Canada's relationship with the US. It is worth mentioning that an idea of Canada, Japan and France as multilateral cooperation could be very interesting as it would take advantage of France's experience in the Pacific and South Asia.

Questions:

- Assessment of the US ability to even meet its commitments to Australia as part of AUKUS.

Concerning the US and its role in AUKUS, I see this as a massive gamble, as both sides are betting on each other. So the positive side is that the US is showing Australia through this commitment if there is a precedent behind it. The US has been willing to take that hit for the benefit of strengthening the US nation and alliance network in the region.

There are complications, many things can go wrong. Governments may try to say that this is a tactical agreement, but it's not just a lot of money, it's very strategic, bringing the countries much closer as allies, but as close however as the US and Australia are, there are still issues they disagree on, and one of these is Australia's desire for a much broader US engagement in the Indo-Pacific.

-What is the role of the UK both in AUKUS and in the Indo-Pacific in general?

The UK is engaged in a very impressive sequence of naval diplomacy in the Pacific with the dispatch of the carrier battle group that is currently conducting joint exercises with the American, Australian and Japanese navies. It is very clear that the UK's integrated review is the leading European power in terms of presence in the Indo-Pacific which is a guiding objective for the UK's engagement in the region.

Demonstrating the reality of global retention and looking for new spaces to deepen the UK's footprints around the world. So there is a clear direction and more actions will be accepted from the UK, including towards India and Japan and also in the area of defence cooperation, so one can see clarity from the UK as to where they are going. There is also this very interesting and easily misleading question about Europe, France and strategic autonomy, and there has been said, that France is making the mistake of speaking for the Europeans without consulting them in transatlantic exchanges. It is important to say that there is a French agenda to promote strategic autonomy vis-à-vis the US, but also within Europe.

V. THE CITRUS COALITION: HOW THE GREENS AND LIBERALS CAPTURES THE GERMAN YOUTH VOTE

Organizer: The German Marshall Fund of the United States

Date: 26th October 2021

Location: Online

Speakers:

Nemir Ali, Vice-chair, Young Liberals

Sara Maria Behbehani, Editor, Süddeutsche Zeitung

Charlotte Unnerstall, Political Director, Green Youth Brandenburg

Moderator:

Peter Sparding, transatlantic Fellow, GMF Washington DC

Discussion:

Peter Sparding welcomed the speakers and gave a brief introduction to the conference: "we are going to talk about the so-called citrus coalition and how the Greens and the Liberals captured the German youth vote during the German federal elections at the end of September".

Mrs Behbehani begins to give a summary of the last election. 23% of first-time voters voted for the Greens, and 23% also voted for the Free Democrats. In the 18-24 age group, 23% voted for the Green party and 21% voted for the Liberals. For the young people, it was fun, it was their special boom moment, and looking at the elections from a young perspective it is not so surprising that after years of a coalition of the two old popular parties, they decided to vote for a change nl, against the status quo, against standing still, because stagnation in Germany for these young people is not an option.

Looking back you can see how the government of the last few years did not address the issues that will play an important role in the future, such as climate change which they did not address the crisis issue as they should have done and now it is the big issue for the greens. Young people have voted for parties that address problems of the future instead of being stuck in the present. They voted for a modern country, young people created the vision for the future.

Mrs Unnerstall agrees with Mrs Behbehania and adds that there are two levels to the discussion of how young people voted in the last election. Voters were motivated by issues that affect them personally, such as digitization, education, lack of digitalization in schools, the cliché argument of marijuana legalization. One of the reasons they didn't vote green, was that young people felt it put limits on their daily lives, but also on another more abstract level people who voted,

motivated to vote for either party were driven by abstract issues such as climate change, social justice and combining both climate justice. The parties were able to paint a picture of what a country could look like, and the Greens together with the FDP tried to show what a different Germany would look like. Looking at the voting numbers, whether people think Germany is generally on a good path or whether in general everything is going downhill, you can see very clear differences in general among young voters because young people grew up knowing mainly Merkel as chancellor. The rest of the population has very different analyses based on their life circumstances and how they grew up, i.e. whether Germany is going in a good direction and things should continue as they are or whether Germany is going downhill and if there is no drastic change, the world will be uninhabitable and will have an unacceptable state for future generations.

The differences between liberals and greens can be seen for example in whether the population thinks that the state should do more and should take on more tasks or whether the solution lies in independent entrepreneurship and independent companies. But this analysis is very superficial, in reality, it all depends on whether the population likes what the party proposes or how the population feels. If we analyze the vote of the last elections we can see that there were problems that affected the voting behaviour of young people but also people were influenced by their daily life problems and these people are the most likely to change their vote between different parties, because the most urgent problem for them, for example, is the legalization of cannabis, so it is more likely that their decision depends on that change, while if they think that the system has to be different, that would be their ticket to vote.

Mr Ali seeks to divide the vote on issues. The people who vote Liberal Democrats are interested in issues such as financial sustainability concerning pensions, ecological sustainability, climate change and a free and open society. These are points where the Greens and the Liberals are quite close to each other in terms of the objective, but the fundamental difference lies in how they want to achieve that objective. For example, in the case of climate change, you see quite strict tax quotas or speed limits suggested by the green party.

Young people have experienced for the first time with COVID-19 the absence of government assistance. The government infringed on personal rights, to a point where constitutionally it was not legal, for example, some of the measures imposed by German governments by regional governments were later declared unconstitutional by the courts. For young people, the COVID situation was very hard and they experienced what freedom or rather lack of freedom means, and young people have learned to value freedom more. On the other hand, young people between sixteen and eighteen wanted to do more things on their own. At eighteen you can now vote, and there is an impulse for self-determination and personal responsibility among the young people and optimism that they want to

take care of themselves, especially important for the voters of the Free Democratic Party.

Mrs Behbehani adds that Scholz' government as chancellor will have the opportunity to shape a modern Germany and address the issues of the future. Scholz knew that his only chance to become chancellor was the traffic light coalition, which will be seen soon and that they wanted to form such a coalition before Christmas. The population expects to see a coalition where each party will shine in its field and make a difference in its field of expertise, although the big challenge will be to find a solution for the different approaches and how everything should be financed as it is not clear where the money will come from. The big question is whether they will paralyze each other with their different financial approaches or whether they will be able to bring these new ideas into the next government.

Mrs Unnerstall continues her intervention by talking about the relationship between Germany and the US. One of the most basic assumptions that some people have in Germany is that the political landscape in the US is similar to that in Germany. The Democrats in the US are comparable to the Christian Democratic Union in some respects in Germany and then the Social Democrats like the Liberal Democrats and the Greens are all a little bit to the left, too far to the left of the Democratic Party. Of course, Biden has to implement policies that are not like a 100% Democratic party line, in that it may resemble the performance of Chancellor Scholz. What would the red, green or red, yellow and green coalition look like? Within the possible coalition, you see a spectrum of views. For example, concerning Russia, there are proponents who want to work together with Putin and with Russia because it is a very important economic partner. Others are against this attitude.

Speaking of ministries, the key players will be the ministry of finance and the ministry of foreign affairs or the state department. If the Greens could get the foreign ministry, it would probably result in a tough stance towards Russia and China, especially about human rights violations and with an approach of being forced to cooperate economically. If the FDP would get the finance ministry, they would use levers to implement and to influence international cooperation and also cooperation within the European Union.

Mr Ali mentions that for young people in Germany it is very important for the new coalition to be tough on human rights, and not to put economic interests above human rights. The Free Democrats support the NATO target that has decided that 2% of GDP has to go to the defence budget and are in favour of nuclear involvement, while the Greens are quite sceptical as are the Social Democrats, so these are points on which they will have some clichés during the coalition talks. Finally, when it comes to trade, the Free Democrats (FDP) are very

much in favour of free trade. The Greens and Social Democrats see free trade a bit more sceptically, so there will be some clashes there as well.

Questions:

-What percentage of first-time voters cast their ballots? Is the younger generation confident that they can achieve their goals through parliament or rather through activism?

Yes, I believe that young people will be active on the streets, but of course, they will be democratic and I want to say that we have seen in the Covid crisis how important it is to give young people a voice as well. The last time, that Germany was going into a lockdown again, was around Christmas 2020 and Chancellor Merkel turned to the young people and made them responsible for the spread of the virus and there she made them look selfish and told them that spending Christmas with their grandparents should be more important than partying at this time. Of course, that stuck, because at the time young people had bigger problems than not being able to party and they felt invisible and unheard, and in fact, it might have been because billions of aid flowed into the economy while young people were forgotten in the crisis, hairdressers were allowed to open long before schools and universities. You could get the feeling that our politicians saw us young people, and they didn't care either, because they knew that in Germany young people are a minority. Only 15% of the voters are under 30, so it would be important to give them a voice and it will be important for the FDP and the Greens to see the young people and give them a voice because in Germany we can also see a generational divide. Young people vote for change and older people tend to want everything to stay as it is, because Germany is a state with a strong economy, so why change? The older people voted for fear of change and the young people for fear of staying the same. But something changed We have the youngest parliament ever and the two parties in the middle of this generational change will form this government and the future of this country and we will see changes.

- Overview of the situation in the EU concerning Poland and Hungary.

Now we have a rule of law mechanism within the EU that states that if a country like Poland or Hungary is violating certain standards then the subsidies that they are receiving from the EU are cut and the real problem is that this measure just needs to be implemented. The parliament has already sued the European commission who would be responsible for implementing the measures to finally implement sanctions against Poland and Hungary, so most possibly that won't happen. It's now for the EU court of justice to decide, obviously both the greens and liberals want a much more severe rule of law mechanism, but that will be quite difficult to achieve because for such major reforms, in most cases you need the consent of all member states, including Poland and Hungary. So it's quite difficult to achieve real and proper reform, but regarding EU reforms on another level, we currently have the conference on the future of Europe, which should appeal to the citizens of Europe and collect ideas on how they can reform the EU and it's very important that the future coalition takes advantage of this momentum also takes advantage of the fact that we have a very pro-European president in France at the moment

with Emmanuel Macron, who is quite open to EU reforms and take on maybe even some changes of the EU treaties., Some points were mentioned , such as improving the European parliament through transnational what, losing the delivery of the EU parliament the right to initiate legislation, having majority decisions in the council of ministers, having a strong foreign policy and not depending on every member state accepting it because that way we won't have a strong European policy so I think that's a way forward and that would be very important if the next coalition checks these issues.

VI. TURKEY-RUSSIA RELATIONS: BETWEEN COMPETITION AND COOPERATION

Organizer: German Marshall Fund

Date: 23rd November 2021

Location: Online

Speakers:

Alissa de Carbonnel, Deputy Program Director Europe and Central Asia
International Crisis Group

Ambassador Tacan Ilde, Former Assistant Secretary-General for Public
Diplomacy NATO

Alina Inayeh, Director Black Sea Trust for Regional Cooperation GMF

Moderator:

Kadri Tastan, Senior Fellow GMF

Discussion:

In recent years there have been problems with Turkey and the transatlantic partners and some of them will be mentioned today. Competition and cooperation can create a sense of complexity in the relationship between the two countries, but the implications for the transatlantic partnership will be discussed, which is also very important.

Mr Tastan begins to introduce the conference. The year 2016 was a process of rapprochement between Russia and Turkey, and then we see the process of various developments in the Turkish-Russian relations such as Turkey's acquisition of the air defence system, the construction of a second Russian gas pipeline through the gas pipeline to Turkey, the contracting of the first nuclear

power plant with the Russian company facilitating the Turkish incursion into the northern area of Syria previously controlled by the YPG and the Astana process between Turkey, Russia and Iran to deal with the situation, but although the two countries have conflicting interests in the Balkans, the Black Sea, the Caucasus and the Middle East, they have been able to accommodate each other in most of these areas and find avenues for cooperation, so during this process of rapprochement, Turkey and Russia generally found themselves on the opposite side of the conflict in Syria, Libya and in Nagorno-Karabakh recently. However, they have been able to have their relationship intact, even Turkey's discontent with the West perhaps along with political changes in the country and systemic changes in the Middle East help explain the formation of closer relations between the two actors in mid-2016, however, the personal relations between Turkey and Russia have been crucial in keeping these relations on track in the face of numerous crises and challenges since then. It is important to mention the asymmetric relationship with Moscow that constitutes a major problem for Turkey in its relationship with Russia, so it is not surprising that this Russia-Turkey rapprochement is causing great concern among Turkey's NATO allies, and therefore, understanding the nature of this relationship and analyzing it has become a challenge for observers and analysts.

Ambassador Ilde began by talking about the cooperation between Turkey and Russia. It can be said that the current region and the high level of cooperation in recent years between Turkey and Russia may surprise many people, especially Westerners. The affection shown to Turkey and Russia from the countries of the West was the real incentive for them to look for ways to promote cooperation between them and some argue that the personal chemistry between the two sitting presidents has helped the current spirit that exists between the two capitals to strive for new avenues of cooperation of course when we look at these assumptions they may be true to some extent. However, they may not be perceived as a real driver of the existing cooperation between Turkey and Russia. Now when we look at the historical development of the relations between the two countries we recognize the fact that the Soviet Union was the first to recognize the government of the Turkish Grand National Assembly in 1921. Later in 1925, a treaty of friendship and non-aggression could be signed which was a solid pillar for the relations from then on. One also remembers Stalin's territorial claims and perhaps one can conclude that Turkey had no choice but to join the Western club, although following the view of such a great attitude it was a deliberate choice to be on the side of the Western democracies rather than among autocratic regimes. Despite the strategic decision of the then Turkish government to participate in Western institutions, Turkish-Russian relations were conducted on a script of mutual respect and cooperation, where Russia actively participated with its investments in building steel and aluminium factories and oil refineries in Turkey, so it is not surprising that relations expanded.

On the economic front, although Turkish-Russian relations may look complicated at first glance, there is a significant pattern of behaviour between the two. For decades bilateral relations were driven by careful compartmentalization of strategic interests and divergences. The same dichotomy manifests itself in a broad agenda from Libya, Syria, Nagorno-Kara to Russia's illegal and illegitimate annexation of Crimea and its destabilization policies in the Donbas region of Ukraine and Turkey's acquisition of s-400 missile defence systems. It can be argued that compartmentalization as a defining characteristic is just a myth given the fact that the downing of the Russian fighter jet and Moscow's reaction to this incident proved that it was not straightforward for those who use such an argument.

About Russia, it can be said that it has been implementing a coherent and consistent foreign security policy for its own sake since Putin's Munich security conference speech in 2007. One can see selective and limited cooperation between the two countries where the stars are aligned with the competitive cooperation where the strategic interests remain at odds at the macroeconomic level, so the title cooperation and competition could be merged and the relationship can be termed as a competitive corporation. However, the pattern of competitive cooperation has sometimes been violated by systematic politico-military anomalies, such as the downing of a Russian fighter-bomber in 2015 or the killing of 36 Turkish troops in Idlib by joint Russian and Syrian operations in 2020. Turkey and Russia's ability to reset relations after serious setbacks remained another strength in bilateral relations.

Turkey sometimes finds Russia as the only or the most important actor in conflicts around the world. In a sense, Russia became a neighbour not only on the Black Sea but also in the South. This also applies to NATO. In the NATO 2030 report "United for a new era" presented by a group of independent experts commissioned by NATO's Secretary-General, the importance of having a 360-degree approach that focuses on the South is stressed.

Mrs Carbonnel begins by mentioning that the relationship between Moscow and Ankara is transactional. These capitals have found ways to manage their differences and cooperate even as they back the warring parties in Syria and Libya in the South Caucasus. Important to see the strength of the relationship compared to previous years despite the difficulties they have had to face.

In previous years the asymmetry of trade ties was present. There were Russian sanctions on Turkish imports, bans on excursions for tourists, and these economic problems are still very important today. In the wake of Turkey's failed coup, it led to much stronger relations than before, and part of this thaw was driven by Ankara's anger over Washington's support for the Syrians and a perceived need to contain the YPG which replaced perhaps the desire to oust

Bashar al-Asad before that, and of course Putin's reaction to being the first foreign leader to reach out to Erdogan after the coup. All this thawing, brought new diplomatic modes of crisis prevention between Turkey and Russia, as the crisis that took place in February 2020 was dealt with in a very different way.

Mrs Inayeh sets out the keys to a good relationship between two countries and mentions that both countries need to be clear that cooperation brings advantages. Turkey needs a relationship with Russia to enhance its bargaining power with Western capitals. The fact that Turkey is a loyal member of NATO has made Turkey progress a lot, and not only in the economic field but also in strategic fields, nuclear energy, military weapons and missiles.

To conclude, the relationship between Turkey and Russia should not be feared, but neither should this relationship be taken for granted as something that will last forever, come what may. However, it should be understood that this is a solid and stable relationship. If a political change in Turkey is envisaged, it should not change the restoration too much. Turkey and Russia's relationship would continue and Putin would find a way to build trust with a different political leader if it came to this.

Questions:

-Question on the issue of the purchase of s-400 missiles and Turkey's assistance as a NATO country. This has of course a very strong significance for the relations not only between Turkey and Russia but also between Turkey and the US and other Western allies, how will this problem be solved?

A political change in the Turkish government could change the relationship between Turkey and Russia. There may be certain changes in different foreign policy practices, security policy issues, but the trust of the relationship between Turkey and Russia is something that is determined by geography and the dynamics of regional issues and no matter what party politics is, relations with Russia will remain important since Russia is next to our neighbour, a major global player and an actor in the regional conflicts surrounding Turkey even when there are disagreements over the ultimate goals in different geographical terrains, such as in Syria, which forces Russia to seek achievable goals rather than leaving the field free to pursue maximalist gains.

Turkey's acquisition of the s400 was a major issue that raised questions regarding Turkey's allegiance to NATO and created somewhat erroneous perceptions as a change of access by Turkey during the discussion of this issue, the Turkish allies raised the decisions of NATO leaders included in the 2016 and 2018 summit communiqués whereby leaders committed to work to address existing dependencies on legacy Russian-origin military equipment through national efforts and multinational cooperation. Certain Russian systems are part of their national inventories, their armed forces, and it is essential to phase out these weapons from their arsenals. This question also came up

during the deliberations of the NATO independent expert group while trying to contribute to the work of the secretary-general in projecting NATO's vision for 2030 and beyond it is important to say that Turkey was not mentioned as such in that report, but an important finding has been incorporated in that report on emerging and disruptive technology. In the energy section it emphasizes the need for Turkish allies to invest more in military technology transfer and cooperation so that individual allies who are denied such technologies do not go outside NATO sources for some of the requirements they feel for national security and their contribution to NATO Efforts and that it would be important for leaders to discuss and adopt the strategic concept in June next year at their summit meeting to address this issue, for example, the US cooperates with Australia in the framework of AUKUS, recently signed for the delivery of nuclear-powered submarine technology and we are talking about NATO allies. Australia is a strong partner but not a NATO ally, so countries like the US should be able to address this problem while talking about the need to have interoperability of forces within the alliance when we talk about technological advantage. It will keep competing with strategic rivals especially at a time when systemic competition would be increasingly felt in international relations so cooperation in technology transfer would be a crucial thing for allies, especially for those who possess these key technologies. And concerning the s-400s, of course, it relates to Turkey's relations with the United States. The U.S. must engage with Turkey in a genuine and purposeful dialogue at this time, an exchange of different views is taking place on different platforms, but it is a genuine dialogue. You cannot understand a situation where one ally imposes sanctions on another, especially at a time when we are talking about systematic strategic competition.

VII. Dr Brendan Brown: Powell Re-Nomination: A Brilliant Stroke of Monetary Machiavellianism

A brilliant stroke of Monetary Machiavellianism or the old adage of nothing succeeds in Washington like failure?

The re-nomination of Mr. Jay Powell as Fed Chief by President Biden falls into the former category but does not repudiate its membership also of the second category!

At one level, the failure of Chief Powell is evident; a rise of CPI of say 10 per cent over two years, 2021-2, compared to a Fed state aim of a little over 2 per cent per annum, surely counts as a failure. Some would add asset inflation, of which the virulence likely already exceeds the most prominent previous examples in history.

From the viewpoint of the White House, though, these failures are no such thing, though they do mean the political voyage ahead is treacherous. Chief Powell has filled Federal coffers at a time of record expansion in Big Government with bulging monetary tax revenues. Although many households are smarting under

the effect of squeezed real income, there is no general revulsion against the massive windfall levies on nominal assets in the context of such plentiful speculative capital gains elsewhere. And Chief Powell has endeared himself to the cronies so crucial in the present political landscape on both sides of the aisle – whether the private equity barons or the Tech Monopolists. For them, asset inflation is Manna from Heaven.

The President and his advisors are convinced that high CPI inflation is transitory. They take as their central scenario that by the time the Mid-Term elections arrive, bottleneck resolution and increasing supplies mean that inflation will fall and real household incomes will rise impressively. They do not incline to nominate someone as Fed Chief who might follow ex Obama economics Chief Summers in “slamming on the monetary brakes” now.

But this “Wise Prince” (including advisors) realises that nothing is certain in the monetary voyage ahead and that massive storms could erupt. These are likely to take two possible forms – first, a further build-up of CPI inflation into 2022: second, a sudden transformation of asset deflation, meaning crash and likely great recession ahead.

How to gain political assurance against these events?

Re-nominate the present Fed Chief with bi-partisan support, but make sure that he cannot suddenly have a “Damascus moment” and resolve to go down the Summers route. If things go wrong, the opposition Republicans are joint-owners of the monetary course.

That is what President Biden has achieved with this re-nomination of Jay Powell as Fed Chief. Hemmed in by Democratic Loyalist Brainard and further appointees to the Board in coming months, together with promises he makes to Senators in the re-appointment process, there will be no change of course by Powell.

Bottom line: the market response on Monday to view the President’s re-nomination of Powell as a hard money signal makes little sense at all.

VIII. ANNOUNCEMENT OF THE RESEARCH PROJECT

“The developments in the (financial) market from a Classical Liberal perspective”

Chairman of the project:

Henri Malosse, a French business representative and the 30th President of the European Economic and Social Committee (EESC) and now President of the Jean Monnet Association and president of Vocal Europe,

There is also an Advisory Board and a Core Committee.

Topic

Discuss and contribute to solving the problems of current economic challenges and developments in financial markets, from a Classical Liberal perspective and the Austrian School of Economics, among others as caused by central bank policies like zero percent interest rates and q.e (quantitative easing) and the overheating of the economy.

Aim:

To increase our understanding of economic developments, such as the instability in the economy and the booms and busts in the financial world and in the real economy, by sound economic analysis and based on liberal economics and the theories of the Austrian School of Economics and to providing alternative economic solutions.

Tools

- The Austrian Business Cycle theory (ABC)
- The production structure
- Price formation

Advisory Committee

- Mrs. A. Godart-van der Kroon LL.M, Founder and President of LVMI Europe
- Mr. H. de Boer, Country Head Netherlands Pictet Asset Management
- Mr. P. Dzedziul, Assistant Professor University of Bialystock, Poland
- Mr. P. De Proft, former Director General of EFAMA (The European Fund and Asset Management Association)
- Mr. M. Rangeley, Editor and manager Cobden Center, and Rebound TAG
- Mr. L. Taillie Chairman AEJ Association of European Journalists
- Mr. M. Vermaerke, Founder- Managing Director Alio Consilio

IX. EUROPEAN UNION LEGISLATION

Directive (EU) 2021/1883 of The European Parliament and of The Council

On the conditions of entry and residence of third-country nationals for the purposes of highly qualified employment and repealing Council Directive 2009/50/EC.

(1) The Commission Communication of 3 March 2010 entitled 'Europe 2020: A strategy for smart, sustainable and inclusive growth' sets the Union the objectives of becoming an economy based on knowledge and innovation, by reducing the administrative burden on businesses and better matching labour supply with demand. It identifies the need to promote a comprehensive labour immigration policy and better integration of migrants. Measures to facilitate the admission of highly skilled workers from third countries should be seen in this broader context.

(2) The European Council Conclusions of 26-27 June 2014 indicate that, in order to remain an attractive destination for talented and skilled people, Europe needs to compete in the global race for talent. Strategies should therefore be developed to maximise opportunities for legal migration, including simplification of existing rules.

(3) The Commission Communication of 13 May 2015 entitled 'A European Agenda on Migration' calls for an attractive Union-wide regime for highly qualified third-country nationals and indicates that a review of Council Directive 2009/50/EC (4) is necessary to enable the Union to contribute more effectively to attracting talent and thus to address both the demographic challenges facing the Union and the labour and skills shortages in key sectors of the Union's economy. The call to review this Directive is reiterated in the Commission Communication of 23 September 2020 'on the New Deal on Migration and Asylum', which states that the reform of the EU Blue Card 'must bring real European added value in attracting skills through an effective and flexible instrument at EU level'.

(4) The European Parliament, in its resolution of 12 April 2016 (5), calls for an ambitious and targeted revision of Directive 2009/50/EC, including with regard to its scope of application.

Commission regulation (EU) 2021/1891

Amending Annexes XIV and XV to Regulation (EU) No 142/2011 as regards the importation into and transit through the Union of animal by-products and derived products.

Having regard to Regulation (EC) No 1069/2009 of the European Parliament and of the Council of 21 October 2009 laying down health rules concerning animal by-products and derived products not intended for human consumption and repealing Regulation (EC) No 1774/2002 (Animal by-products Regulation) (1), and in particular the first and third subparagraphs of Article 41(3) and Article 42(2)(a), (b) and (d) thereof,

Whereas:

(1) Commission Regulation (EU) No 142/2011 (2) lays down implementing measures for the animal and public health rules applicable to animal by-products and derived products provided for in Regulation (EC) No 1069/2009, including model health certificates and the list of third countries authorised for the importation into and transit through the Union of consignments of animal by-products and derived products.

(2) In particular, Chapter II of Annex XIV to Regulation (EU) No 142/2011 lays down specific conditions for the importation into and transit through the Union of animal by-products and derived products for uses outside the food chain of farmed animals other than fur animals. Such consignments must comply, *inter alia*, with the rules set out in Table 2 of Section 1 of that Chapter.

(3) More specifically, row 14 of Table 2 sets out, *inter alia*, the list of third countries authorised for imports into and transit through the Union of consignments of animal by-products and derived products for uses outside the feed chain, including consignments of fur for the manufacture of derived products, Category 3 materials, as referred to in Article 10(n) of Regulation (EC) No 1069/2009. Certain Member States have requested that row 14 of Table 2 be amended to include a list of third countries authorised to import into the Union hides and skins for the manufacture of derived products. There is no list of third countries authorised to import fur animal products into the Union, but Commission Implementing Regulation (EU) 2021/404 (3) establishes a list of third countries, territories, or parts thereof, from which consignments of fresh meat of ungulates are authorised for entry into the Union. Following an assessment of the request of the Member States, it is appropriate to include in row 14 of Table 2 a list of third countries from which hides and skins for the production of derived products may be imported into the Union. Since the third countries from which fresh meat of ungulates is authorised for entry into the Union offer a high level of official controls and protection of animal and public health, it is appropriate to authorise imports from those third countries of hides and skins for the production of derived products.

Commission regulation (EU) 2021/1901

Implementing Regulation (EC) No 1338/2008 of the European Parliament and of the Council as regards statistics on health care financing and expenditure.

1. This Regulation lays down rules for the development and production of European statistics on health care expenditure and financing, one of the topics covered by health care statistics as listed in Annex II to Regulation (EC) No 1338/2008.

2. For the purposes of this Regulation, the definitions set out in Annex I shall apply.

3. Member States shall transmit data for the domains and at the level of aggregation specified in Annex II.

4

1. Member States shall transmit annually the required data and the corresponding standard reference metadata. The reference period shall be the calendar year. The first reference year shall be 2021.

2. The reference data and metadata for the reference year N shall be transmitted by 30 April of N + 2.

3. The reference data and metadata shall be transmitted to the Commission (Eurostat) through the Single Entry Point services or made available for use by the Commission (Eurostat) by electronic means.

5. Member States shall provide the necessary reference metadata, in particular in relation to:

a) the data sources and their coverage

b) the compilation methods used

c) information on the characteristics of national healthcare expenditure and financing specific to the Member States and deviations from the definitions set out in Annex I;

d) references to the national legislation on which healthcare expenditure and financing is based;

(e) information on any changes to the statistical concepts referred to in Annex I.

6. This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

Delegated Regulation (EU) 2021/1928 of The Commission

Amending Delegated Regulation (EU) 2020/760 as regards the management and quantities of certain tariff quotas for Argentina and correcting that Regulation as regards its transitional provisions.

Delegated Regulation (EU) 2020/760 is amended and corrected as follows:

1) Recital 18 is replaced by the following:

In order to avoid disruption of trade flows, it is necessary to provide that the repealed acts continue to apply to import licences issued under those acts before the date of entry into force of this Regulation. To the same end, it is appropriate to allow the licensing authorities to fix the reference quantity in accordance with the repealed acts for the first two quota periods starting from 1 January 2021, to which this Regulation applies.

2. Article 9 is hereby amended as follows:

By way of derogation from paragraph 2, the reference quantity shall be calculated by aggregating the quantities of products released for free circulation in the Union corresponding to each of the following groups of three or four quota order numbers set out in Annex I to Implementing Regulation (EU) 2020/761:

09.4211, 09.4212, 09.4213 y 09.4290;

09.4214, 09.4215 y 09.4216;

09.4410, 09.4411, 09.4412 y 09.4289

By way of derogation from paragraph 3, for tariff quotas with order numbers 09.4211, 09.4212, 09.4213 and 09.4290, the total quantity of products covered by licence applications submitted in the quota period for those four tariff quotas shall not exceed the applicant's aggregate reference quantity for those four tariff quotas. The applicant may decide how to subdivide the total reference quantity between the tariff quotas for which applications are submitted. This rule shall also apply to tariff quotas with order numbers 09.4214, 09.4215 and 09.4216 and with order numbers 09.4410, 09.4411, 09.4412 and 09.4289.

Council implementing regulation (EU) 2021/1932

Implementing Article 21(2) of Regulation (EU) 2016/44 concerning restrictive measures in view of the situation in Libya.

Article 1

Annex III to Regulation (EU) 2016/44 is amended in accordance with the Annex to this Regulation.

Article 2

This Regulation shall enter into force on the day following that of its publication in the Official Journal of the European Union.

Council Implementing regulation (EU) 2021/1983

Implementing Regulation (EU) No 36/2012 concerning restrictive measures in view of the situation in Syria.

(1) On 18 January 2012, the Council adopted Regulation (EU) No 36/2012.

(2) In view of the gravity of the situation in Syria and taking into account recent changes in the Syrian Government, it is appropriate to add four persons to the list of natural and legal persons, entities or bodies subject to restrictive measures set out in Annex II to Regulation (EU) No 36/2012. The information concerning

five persons on the list set out in Annex II to Regulation (EU) No 36/2012 should be updated.

(3) Regulation (EU) No 36/2012 should therefore be amended accordingly.

Article 1

Annex II to Regulation (EU) No 36/2012 is amended in accordance with the Annex to this Regulation.

Article 2

This Regulation shall enter into force on the day of its publication in the Official Journal of the European Union.

Commission delegated regulation (EU) 2021/2003

This Regulation establishes the Union platform for the development of renewable energy ('ERDP') to facilitate both statistical transfers for the purposes of Directive (EU) 2018/2001 and the achievement of the Union target set out in Article 3(1) of that Directive and of each Member State's contribution to that target in accordance with Article 3(2) thereof.

The objective of the REERP is to facilitate both the statistical transfers of energy from renewable sources for the purposes of Directive (EU) 2018/2001 and the achievement of the Union target set out in Article 3(1) of that Directive and of each Member State's contribution to that target in accordance with Article 3(2) thereof.

The PDER:

a) identify potential opportunities for statistical transfers between Member States by providing aggregated information on:

1. Member States which have exceeded or are expected to exceed their renewable energy contribution or target and which might therefore have surplus renewable energy statistics to be transferred to another Member State,

2. Member States which have not achieved or are expected not to achieve their renewable energy contribution or target and which could therefore have statistical quantities of renewable energy in deficit;

b) include information provided by Member States on the supply of and demand for statistical transfers of renewable energy, in particular the volume, price and timing, as well as any additional conditions for the transfer;

c) facilitate agreements on statistical transfers between Member States through a non-binding matching mechanism of the demand and supply of statistical transfers between Member States and by providing contact points in Member States to discuss agreements;

d) provide guidance material to assist Member States in carrying out statistical transfers;

e) Increase the transparency of the statistical transfer agreements concluded by providing key information on statistical transfers, in particular information on volumes, prices and deadlines, as well as on the related statistical transfer agreement documents, where publicly available.

In addition to the objectives set out in paragraph 2, the REERP may provide any other functionality related to the process of statistical transfers of energy from renewable sources to contribute to the objective set out in paragraph 1.

Delegates Regulation (EU) 2021/2153 of The Commission

Supplementing Directive (EU) 2019/2034 of the European Parliament and of the Council as regards regulatory technical standards specifying the criteria for making certain investment firms subject to the requirements of Regulation (EU) No. 575/2013

Article 1

For the purposes of Article 5(1)(a) of Directive (EU) 2019/2034, an investment firm shall be considered to be carrying on business on a scale which, in the event of the firm's failure or financial difficulties, could result in systemic risk where the investment firm exceeds one of the following thresholds:

- a) a total gross notional value of EUR 50 billions of non-centrally cleared OTC derivatives;
- b) a total value of EUR 5 billion of underwriting of financial instruments or placement of financial instruments on a firm commitment basis;
- c) a total value of EUR 5 billion in credits or loans granted to investors to enable them to enter into transactions; and
- d) a total value of EUR 5 billion of outstanding debt securities.

Article 2

Investment firms that are clearing members and provide clearing services to other entities in the financial sector that are not themselves clearing members shall be taken into account for the purposes of Article 5(1)(b) of Directive (EU) 2019/2034.

X. LVMI-EUROPE MEMBERSHIP INFORMATION

LVMI-Europe's Individual Membership Program offers journalists, executives, politicians, civil servants and other individuals the opportunity to stay informed

and learn about European and international politics and economics from a liberal, yet nonpartisan point of view.

→ **What we offer**

Stay updated ~ As private member, you will receive LVMI-Europe's extended monthly newsletter informing you about all relevant events.

Our newsletter covers the latest events organized by the institute, announcements of future events, comprises exciting articles and summarizes the most interesting conferences in Brussels. LVMI-Europe will be your window to European and international politics and economics and will provide you access to independent and liberal studies, opinions, and publications.

Be in the right place at the right time ~ As individual member, you will also be invited to all LVMI-Europe events.

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Stay connected through a dynamic interface ~ The institute's staff is composed of young political analysts and economists.

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→ **Individual membership (75€/year) includes:**

- Giving your support to liberalism and getting a unique chance to express your voice in Europe;
- Regular invitations to the LVMI-Europe symposia, conferences and dinner debates;

- Free access to regular LVMI conferences (In case an entrance fee is asked, members obtain a reduction);
- LVMI-Europe's monthly newsletter;
- Free access to LVMI-Europe research papers, articles and publications;
- Regular information on important events in Brussels;
- Contact our staff to provide you with information on the topics of your interests;

Membership for *students*: 10€/year (a student card should be presented)

Membership for *Alumni*: 40€ /year for two years

Corporate Membership:

→ Bronze Membership (1.500€ p.a.) includes:

- Regular invitations to our dinner and lunch debates, symposia and conferences, which provide excellent networking opportunities, notably with senior decision- makers, commissioners and MEPs;
- Free copies of newsletters, updates, publications and event reports;
- Free access to the Institute's library;
- Recognition of your support in our annual report;
- Free participation in our conferences, dinner and lunch debates in the European Parliament.

→ Silver Membership (2.500€ p.a.) includes:

- All benefits of Bronze corporate membership +
- Free participation in our events and entitlement to invite a complimentary company to designate, partner or customer, to attend the LVMI-Europe events free of charge;
- Possibility to suggest research topics and theory organization of events adapted to the interests and needs of your company;
- Your company's Logo on the LVMI-Europe event invitations;
- Your logo on the LVMI-Europe homepage with a hyperlink to your company's homepage.

→ Gold Membership (5.000€ p.a.) includes:

- All benefits of Silver corporate membership +
- Your banner at the LVMI-Europe events;
- Private briefings available by a Corporate Management by the President of

- LVMI-Europe;
- Organization of conferences and research projects adapted to the needs and interests of your company in order to help you promote your strategic objectives;
- The Right to vote on the Institute's policy, choice of research topics and members of the board.

* *Registration forms for individual, as well as corporate memberships can be found on our website at: www.vonmisesinstitute-europe.org/membership.*

Would you like to know more information about becoming a member, donate, announce your book on our website or in the newsletter? Or for any other questions,

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