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EU BUDGET: THE PATH TO AN AGREEMENT

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As the "trilogue" on the European financial framework for 2014-2020 has started its work, it is important that the Commission, the Council and the European Parliament achieve a realistic and constructive agreement, that is today urgently needed in Europe: this is the objective of this Viewpoint signed Jacques Delors et António Vitorino.

Now that the Commission, the Council and the European Parliament have started their "trilogue" on the European financial framework for 2014-2020, it is necessary to determine how to ensure that the compromise thrashed out by the European Council in February 2013 develops in a positive manner so that a realistic and constructive agreement can be achieved.

1. The European Council meeting in February 2013 made it impossible to send out positive political signals

Marked by the crisis and finalised to the tune of 960 billion euro, the current compromise allows us merely to maintain Community spending at a threshold of 1% of the EU's wealth. This relative backtracking marks a defeat for the European spirit at a time when the EU member states should be "spending better together" in view of the common challenges that they are facing. Set at 908 billion euro, the appropriations effectively set to be paid appear to be lower than the Commission's proposals, even though the sum itself might be slightly higher than the money actually spent between 2007 and 2013.

Taking into account the cuts decided on in the "cohesion" and "agriculture" headings, the other policies funded by the EU are going to occasionally show considerable increases after 2013, particularly in the sphere of competitiveness (spending on research or spending linked to the trans-European transport and energy networks). Those signals have unfortunately not always been perceived or acted on by the players and observers in the European budget negotiations, which is extremely damaging.

In broader terms, it is to be regretted that the negotiations under way remain fuzzy regarding the aims of the EU budget and make it impossible to drum up a broad consensus on Community spending. It seems counterproductive to present this budget as a tool focusing quintessentially on the "EU 2020" strategy, because national policies are decisive in this connection and it is primarily thanks to legal intervention (the deepening of the internal market, the implementation of the Stability Pact and so forth) that the EU can boost growth and employment. A better interpretation of the principle of subsidiarity, in connection with which the highest level also has a precise role to play, would have justified a better use of Community subsidies.

It is equally astonishing that solidarity has not been evoked to a greater degree to enlighten the debate under way, given that it accounts for such a major share of EU expenditure. Thus spending on agriculture and cohesion continues to rest on comprehensive political compromises linked to the creation and the technical and geographical deepening of the internal market. In this connection, having weakened rural development, one of the Single Act's major goals, by causing it to depend solely on the CAP is a serious error. It may well be true that these policies need to be adjusted according to past experiences, but that cannot justify questioning their underlying principle. Otherwise we will be dooming ourselves to fuelling the sterile process of that which constitutes the very heart of Community budget compromises, while leaving the field free for those who deplore the "lack of solidarity" among member states, when the EU budget has traditionally been its principal driving force.

2. The European Parliament's resolution contains several welcome demands

The European Parliament has issued several useful messages with a view to a final compromise for the multi-annual financial framework after 2013.

Its resolution dated 13 March quite rightly dwells first and foremost on the need to do more for European spending on competitiveness. "Austerity for the states, growth for Europe": this adage devised by Tommaso

Padoa-Schioppa could equally well serve as a yardstick for the final negotiations in the spring of 2013. It is crucial for the Community budget to reflect the EU's will to lay the groundwork for sustainable growth in all of the member states; the "growth pact", in particular, must lead to concrete achievements: what are we going to do from 2013 on, and with what funding?

The European Parliament resolution also highlights the benefits to be gained from allowing for sweeping flexibility within each budget heading, between those headings and between one year and the next, in order to facilitate the adaptability of Community spending to developments in the economic and social environment. This same concern for adaptability also explains the European Parliament's demand for a mid-term review of the multi-annual financial framework. This, because the European Council cannot say that it is necessary to take the current crisis context into account, while aspiring at the same time to carve in stone a budget that would continue to be used in its current configuration even after the effects of this crisis will have long blown over. Moreover, it is only logical, as well as perfectly legitimate, that the European parliamentarians elected in May 2014 should be able to have their say regarding both the format and the substance of a European financial framework that is going to be in force until 2020.

And lastly, the European Parliament is right to insist on the need to identify new own resources to fund the Community budget, some 75% of which rests today on direct national contributions that member states are concerned to curb or even decrease at a time of crisis. The Commission has already made some clear proposals in this connection, particularly with regard to the creation of a tax on financial transactions: eleven member states having rallied around that proposal, a way now needs to be found to ensure that at least half of the revenue generated by that tax can be devoted to the European budget.

3. A final agreement must be thrashed out on a realistic and constructive basis

As was the case with the negotiations in 2006, it is crucial for the European Council to follow up in a positive manner on a major part of the European Parliament's demands. By the same token, it would be preferable for the European Parliament not to ultimately decide to simply reject the multi-annual financial framework out of hand, because a rejection of that kind would add crisis to crisis, and it would lead to freezing a shareout of Community expenditure in 2014 when that shareout actually needs to be adapted to relaunch and solidarity needs.

A compromise appears to be even easier to achieve if we consider that the European Parliament resolution does not call into question the ceiling of 960 billion euro in commitment appropriations adopted in February 2013. What it still has to do is to display greater concern for the budget constraints with which the member states are having to cope, in particular with regard to the funding of the EU's payment appropriations.

This spirit of compromise must also prompt the European Council and the European Parliament to send out a number of political signals, especially towards the victims of the crisis. Thus it is worthwhile reviewing the cut in the appropriations assigned to the "European food aid programme for the most deprived persons". In view of the reservations voiced by the Court of Justice, the adoption of a new legal basis must make it possible to maintain a programme of this kind, which is both a concrete and a symbolic necessity. The same is true also of the funds allocated to the "European Globalisation Adjustment Fund", which a narrow application of the principle of subsidiarity is forcing in a downward direction, when it is the EU's duty to partially cater for the victims of globalisation. And it is just as important today as it was back in 2006 for the European Parliament to achieve an additional increase in the funding assigned to youth mobility programmes and to programmes designed to facilitate worker mobility while imparting concrete substance to the concept of European citizenship.

These seem to us to be the main factors in the realistic and constructive budget agreement which Europe so sorely needs at a time of crisis, pending its being able to pursue its onward march when times get better.

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