



SEMINAR

The EU Budget: What For?

19 April 2007, Brussels

Committee of the Regions (Rue Belliard 101 – Brussels)

Room JDE 53

Introduction

No matter how flawed and inconsistent it is, the notion of 'net resources' has come to dominate the political debate on the EU budget. Any time a new financial framework is negotiated, member states end up struggling to get a '*net return*'. As a result, the question of how and where the EU budget can best add value to European integration hardly ever comes up in budget negotiations.

Yet, there is growing recognition that the present EU budget is not well suited to the current needs and future prospects of European integration. As highlighted by many scholars, the structure and composition of the EU budget is a reflection of decisions taken two decades ago, in the context of a more homogeneous EU comprising 12 member states and at a time when monetary union was still not in place. There is, hence, a need to undertake a full re-appraisal of the purposes of the EU budget and to introduce the required reforms to transform the EU budget into an effective instrument of EU governance.

This seminar aims to offer a platform for academics, representatives of EU institutions and politicians to exchange ideas on what should ideally be the functions of the EU budget in an enlarged and economically-integrated Europe. The ultimate purpose is to put forward different views on the economic and political considerations that should inform EU spending choices and, more generally speaking, on the role the EU budget should perform with respect to the three classic functions of public finance: allocation, redistribution, and macroeconomic stabilisation.

While aiming to contribute to the current debate on the reform of the EU budget, this seminar is not conceived as a discussion of what is politically feasible in the short term. Rather than finishing with a set of concrete proposals of budget re-allocations for the forthcoming mid-term budgetary review, the aim is to help build a consensus on which should be the functions and content of an EU budget, in view of the next financial perspectives beyond 2013.

Programme

10.00– 10.15 **Welcome**

Pierre Lepetit, vice-president of Notre Europe

Morning Sessions: What functions for the EU budget?
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Moderator: **Marjorie Jouen**, cabinet of the President of the Committee of Regions and external Advisor of Notre Europe

10.15–11.15 **Session I –The EU budget as an instrument to finance collective goods**

What economic and political criteria should be used to assess the ‘added value’ of EU spending? What is the optimal distribution of tasks between EU, national and sub-national spending in different policy areas (i.e., agriculture, regional policy, Lisbon-related policies, security, immigration, foreign policy)?

Speakers: **Philippe Cichowlaz**, director responsible for cohesion at the Conference of Peripheral and Maritime Regions (CPMR)
André Sapir, professor at the *Université Libre de Bruxelles* and senior fellow at Bruegel

Panel discussion:

Maxime Lefebvre, CEES
Antonio Missiroli, EPC
Corrado Pirzio-Biroli, EIRO
Yves Bertoncini, CAS

Open debate

11.15–11.30 **Coffee Break**

11.30–12.15 **Session II – The EU budget as an instrument of redistribution.**

What should be the redistributive role of the EU budget in an enlarged Europe?

Speakers: **NN**, Committee of the Regions
Daniel Tarschys, chairman of the political science department at the University of Stockholm and member of the Swedish Institute for European Policy Studies (SIEPS)

Panel discussion:

Ronald Hall, DG REGIO
Josef Van Ginderachter, University of Namur, emeritus
Corrado Pirzio-Biroli, EIRO

Open debate

12.15– 12.45 Session III: The EU budget and macro–economic stabilisation

Should the EU endow itself with some capacity to engage in macroeconomic stabilisation? What reforms should be introduced to convert the EU budget into an effective instrument of macroeconomic stabilisation?

Speakers **Stefan Collignon**, professor at the European Institute of the London School of Economics
Jean Pisani–Ferry, director of Bruegel

Panel discussion

Mario Nava, DG Internal Market
Elena Flores, DG Ecofin
Johan Ureel, DG Budget

Open debate

12.45– 14.00 *Lunch Break*

Afternoon sessions: What operational consequences for the size and governance of the EU budget?
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Moderator: **Marjorie Jouen**, cabinet of the President of the Committee of Regions and external Advisor of Notre Europe

14.00– 15.00 Session IV: The size of the budget, the revenue side and the criteria of evaluation

Is the current EU budget big enough to perform as an effective instrument of EU governance? If not, what would be the ‘right’ size of the EU budget? Does the EU need to increase its financial autonomy to develop its own fiscal policy? Should the EU budget–balance rule be removed? Who should be in charge of evaluating EU spending choices (European Parliament, EU Commission, external experts)? What sort of criteria should be used to this end?

Speakers: **Daniel Gros**, director of the Centre for European Policy Studies (CEPS)
Phillip Mohl, research fellow at the Zentrum für Europäische Wirtschaftsforschung (SEW), Berlin
Jorge Nuñez, research fellow at the Centre for European Policy Studies (CEPS)

Panel Discussion

Marco Buti, DG Ecofin
Vasco Cal, Cabinet commissioner Budget Affairs
Josef Van Ginderachte, University of Namur, emeritus
Johan Ureel, DG budget

Open Debate

15.00– 16.00 Session V: The EU budgetary procedure

Should the time frame of the financial perspectives be shortened? Should it be synchronised with the European Parliament elections? Is there a need to increase the flexibility in budget allocation? Should there be a mid-term review every 3 years, or regular annual revisions of the expenditure allocations? Is the existing division of competences between the European Council, the European Parliament and the European Commission appropriate? What reforms could be envisaged to better coordinate EU, national and sub-national budgetary decisions?

Speakers **Alfredo De Feo**, director for budgetary affairs at the European Parliament
Stefano Micossi, director General of *Assonime* and former Director General for Industry in the European Commission

Panel Discussion

Phillipe Cichowslaz, CPMR
Catherine Guy-Quint, ESP, European Parliament

Open Debate

16. 00– 16.30 Closure

List of Participants

Yves BERTONCINI, in charge of Europe and the Lisbon Strategy at the *Centre d'Analyse Stratégique (CAS)*

Nicolas BONDONNEAU, Committee of Regions

Pierre BOULANGER, Research and Teaching Fellow, *Groupe d'Economie Mondiale, Sciences Po*

Marco BUTI, director of Economic Studies and Research at the DG ECOFIN

Vasco CAL, member of the Cabinet of Commissioner on Financial and Budget affairs
Dalia Grybauskaite

Bernard CHANE KUNE, Committee of regions

Philippe CICHOWLAZ, director responsible for Cohesion at the Conference of Peripheral and Maritime Regions (CPMR)

Stefan COLLIGNON, professor at the European Institute of the London School of Economics

Alfredo DE FEO, director for Budgetary Affairs at the European Parliament

Olivier DERRUINE, member of the *Confédération des Syndicats Chrétiens de Belgique (CSC)* and of the European Economic and Social Committee

Xavier DUTRENIC, counsellor of the Socialist Party at the European Parliament

Elena FLORES, head of Public Finances Unit at the DG Ecofin

Daniel GROS, director of the Centre for European Policy Studies (CEPS)

Catherine GUY-QUINT, member of the European Parliament for the Socialist Party

Sara HAGEMANN, policy analyst at the European Policy Centre (EPC)

Ronald HALL, director of the Division of Development and Coordination of the Cohesion Policy and the Solidarity Fund at the DG REGIO

Marjorie JOUEN, cabinet of the President of the Committee of Regions, External Advisor of Notre Europe

Mariko KOMAKI, assistant of Mr Nils Lundgren, member of the European Parliament for the Independence/Democracy Group

Jacques LE CACHEUX, professor at the University of Pau and Sciences Po (Paris) and director of the Economic Research Department, OFCE, Paris

Maxime LEFEVRE, former research fellow at the *Institute Français des relations internationales (Ifri)*, research associate at the *Centre des Études Européennes de Strasbourg (CEES)*

Pierre LEPETIT, vice-president of Notre Europe

Stefano MICOSSI, director General of *Assonime* and former Director General for Industry in the European Commission

Antonio MISSIROLI, director of Studies of the European Policy Centre (EPC)

Phillip MOHL, research fellow at the *Zentrum für Europäische Wirtschaftsforschung* (SEW), Berlin

Mario NAVA, head of the Unit Financial Markets Infrastructures at the DG Internal Market

Serafino NARDI, member of the Cabinet of the General Secretary at the Committee of Regions

Geraldine NÉE, assistant of Mr Brigitte Douay, member of the European Parliament for the Socialist Group

Jorge NUÑEZ FERRER, research fellow at the Centre for European Policy Studies (CEPS)

Anders ÖSTHOL, Swedish Institute for European Policy Studies (SIEPS)

Olivier PASSET, director of the department economic and financial affairs at CAS

Jean PISANI-FERRY, director of Bruegel

Corrado PIRZIO-BIROLI, chef of Cabinet of former Commissioner on Agriculture Franz Fischler (1995–2004) and Chairman of the European Landowners' Organisation Consultative Committee

Fabrizia PEIRCE, *Assonime*

Sylvain PLASSCHAERT, professor emeritus of the Catholic University of Leuven

Eulalia RUBIO, research fellow at Notre Europe

André SAPIR, professor at the *Université Libre de Bruxelles* and senior fellow at Bruegel

Gianluca SPINACI, member of the Unit of Political Analysis at the Committee of Regions

Daniel TARSCHYS, chairman of the Political Science Department at the University of Stockholm and member of the Swedish Institute for European Policy Studies (SIEPS)

Josef VAN GINDERACHTER, professor emeritus of the University of Namur

Johan UREEL, head of the Unit Outlook for Financing and Budget Forecasts of Own Resources at the DG Budget