

Balance of Competence review: Budget
Centre for European Reform submission
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1. What do you see as the rationale for having an EU budget?

To help poorer parts of the EU develop economically. This is good for those places, but also good for the UK, given economic and trade links.

To pay for expenditure which is more effective when done at EU level than member-state level, such as development aid.

To pay for EU institutions which are necessary to make EU policy and give it democratic legitimacy.

See <http://www.cer.org.uk/publications/archive/policy-brief/2012/european-union-budget-2014-20-more-boldness-needed>

3 What are the advantages and disadvantages of having unanimously-agreed long-term budget periods? How long should they be?

Unanimity: advantage is that UK has control over Budget; disadvantage that CAP cannot be significantly reformed, as it should be.

Long-term: advantage that this brings greater stability to spending, and enables better planning. No need for any change in length.

6 What are the advantages and disadvantages of having some expenditure, including to provide flexibility, held 'off-budget'?

No clear advantage. Some expenditure should be cut, whether on or off budget. For example, the EU should stop funding ITER. See <http://www.cer.org.uk/publications/archive/policy-brief/2011/thorium-how-save-europes-nuclear-revival>

General value of spend

8 In your view, is the EU budget focussed on areas of EU added value in expenditure?

No. Too much of the EU's budget goes on agriculture. See <http://www.cer.org.uk/publications/archive/policy-brief/2011/chance-further-cap-reform>

More of the EU's budget should go on development aid. See <http://www.cer.org.uk/publications/archive/policy-brief/2013/priorities-eu-development-aid>

And more should go on investment in energy infrastructure. See

<http://www.cer.org.uk/publications/archive/policy-brief/2012/connecting-europes-energy-systems>

10 What is the right level for the EU budget?

There is no right level. It depends what the money is being spent on. Money on cross-border infrastructure, the low-carbon transition and development aid should be increased. Money on cohesion should be maintained. Money on agriculture and fisheries should be reduced.

See

<http://www.cer.org.uk/insights/new-eu-budget-missed-opportunity>

The resource system

12 What are your views on the current system whereby the EU budget is resourced on the basis that Member States contribute in relation to their income, with corrections where necessary?

This is a sensible system. No change is needed.