

Responses to the “Call for evidence” questions by Robert Leonardi ([esoclab@aol.com](mailto:esoclab@aol.com) or [robert.leonardi.luiss@gmail.com](mailto:robert.leonardi.luiss@gmail.com)) and tel. 02072623090

1. What do you see as the rationale for having an EU budget? The availability of a budget is the sine qua non condition for the existence of any institution—whether it be governmental or private in nature. Given the important economic and social tasks that have been allocated over the last forty-five years, of course it needs a budget to fulfil these tasks assigned to it by the treaties signed by all of the member states. Otherwise, why would the member states have made such commitments over time and who would be in a position to enforce the decisions made? The EU is not solely based on an intergovernmental agreement but is based on binding multilateral commitments to create common rules and obligations that are in a position to be enforced if non-compliance takes place. Thus, from the beginning a budget was necessary to create and police the Customs Union, the Single Market, competition and cohesion policies, and enforce the rules on behalf of the economic interests operating across the market. Simply put, the EU is not a free trade area and it was never conceived as such, and this is why free trade areas come and go unless an enforcement mechanism (acting above the members) is in place. In addition, multilateral treaties cannot be renegotiated unilaterally. Any renegotiation would require the ratification from all of the other member states, and I do not think that this is at all possible.
2. The rules that should be applied to the budget need to be applied to all on the same basis. In order to prevent the blocking of progress in implementing decisions, majority voting should be applied to all budgetary decisions. The allocation to the European Parliament by the Lisbon Treaty of a voice in the finalisation of the budget represents a positive move in the sharing of the burden of the budget and in the allocation of its resources. The sharing of the responsibility between the European and national parliaments would not be helpful for the arrival at decisions on the budget, and it would serve to greatly delegitimise the role of the national governments as the executive branch representing the national interest and consensus.
3. Long-term budgetary periods are much more preferable to yearly budgets because: a) they depoliticise the annual budgetary process and b) are in a position to serve to plan and manage policies over a mid to long-term period.
4. The present system of commitments and payments is operating in a perfectly acceptable manner. No major change needs to be made in its operation.
5. The current discharge process is working perfectly well. The OLAF system plus the controls exercised by the different oversight bodies—i.e., Court of Accounts, European Parliament and Commission—have served to reduce the incidence of corruption and mismanagement to levels that are usually much lower than what is customary in individual member states. National governments should implement similar types of controls in order to lower the existing level of corruption and mismanagement at the national level.
6. The held “off-budget” provides a safety valve for the budget and allows for the EU to respond to emergency situations. Given the length of the seven-year budgetary period, a potential corrective mechanism is useful in being able to provide emergency aid to stricken areas as has been the case during the last few years.

7. I would not adopt two different and separate budgets for the Euro and non-Euro area. The main activities of the EU are concentrated on the operation of the Single Market and not the Single Currency. Eventual fiscal transfers between member states in the Euro-area can be handled by separate arrangements and do not need to be part of a comprehensive EU budget applying to all member states.
8. Yes, the budget is focussed on areas of “added value” such as the operation of the single market, guaranteeing competition, financing cohesion policy investments, promoting intra-EU research, funding the presence of the EU in international negotiations, etc. All of these are unthinkable without an EU institution or budget.
9. Agreed-upon investments to achieve policy goals as is now the case with the EU budget.
10. It should gradually rise to 2% of GDP in order to finance the growing international presence of the EU in foreign and military policy. Individual states are too small and too burdened by debt to adequately finance the international role required today on the part of large governmental entities. Separately, the twenty-eight member states do not carry much weight. Together, they constitute the world’s largest trading area and second only to the US in terms of GDP.
11. Did not understand the question.
12. I think that it is adequate in its present form which expresses a good level of solidarity between rich and poor countries in the EU.
13. No