
MEP: OWN RESOURCES ARE ONLY ANSWER TO EU'S 'BUDGET SCHIZOPHRENIA'

-

06.04.2017

EurActiv (6 April 2017)

The revision of the multiannual financial framework will give the EU budget more breathing room but will still not give the bloc enough clout, MEP Isabelle Thomas told EURACTIV France.

Isabelle Thomas is a French Socialist MEP (S&D). She is a member of the Committee on Budgets and rapporteur on the revision of the multiannual financial framework for 2014-2020.

Thomas spoke to EURACTIV.fr's Cécile Barbière.

The Parliament yesterday (5 April) voted on the revision of the multiannual financial framework for 2014-2020. Why did this framework, negotiated in 2013, have to be put back on the table?

This multiannual financial framework (MFF) sets a seven-year budget that cannot be exceeded. The EU budget depends on this. In 2013, when we adopted the framework for 2014-2020, we already knew it would be insufficient. The communal pot of money was smaller than it had been in 2007-2013, despite the fact that Croatia had joined the Union. It made no sense to allocate such a tiny budget.

In return for its support in 2013, the Parliament demanded a certain number of guarantees: the establishment of a tool to tackle youth unemployment, the Youth Guarantee, a tool to make the budget more flexible, a study on own resources for the EU and finally, the option of a mid-term review of the MFF, to free up more funds if needed. That is what we are doing today.

An EU programme intended to slash youth unemployment has fallen short of expectations and failed to help enough young people get jobs and training posts, the bloc's watchdog said in a new report.

The MFF may have been inadequate in 2013, but today it also has to allow the EU to take on an increasing number of new structural crises. Is it able to do this?

With this period of crisis we are experiencing, we knew that the situation and the political demands would be very different in 2017. Not to mention that the political priorities can change.

Between the Juncker Plan, the migration crisis, the demands on the border and coast guards, youth unemployment etc., the list is long. That is why we proposed a review of the multiannual financial framework.

By reorganising the budget, we have gained a potential of \square billion by 2020. This means we can re-allocate unspent funds to other programmes. Because normally, when money is not spent, it

goes back to the member states.

For this first time, the institutions have acknowledged the possibility that we might change this budget half way through. That is already something of a victory.

One of the main priorities for the European Union is to cut youth unemployment, which is still very high in a number of EU countries, including France. Will the revision of the framework increase funding for this?

This is the other great victory of this revision. We managed to put million back into the Youth Guarantee, which aims to help young Europeans find apprenticeships, training or jobs. This programme was launched in 2014 but unfortunately suspended in 2016. The Commission used the excuse that it did not have a detailed assessment of the initiative and was therefore unable to re-allocate funding. But we know that it works very well in some countries, such as France and Italy, and less well in others, like Spain.

French unemployment still above eurozone average

Unemployment in the eurozone has reached its lowest point since May 2009, according to new Eurostat figures. But despite a slight improvement in 2016, Frances performance remains below average. EURACTIV France reports.

How did the negotiations go?

The Commission made a legislative proposal back in September. Its problem of unpaid bills made it all the more receptive to our suggestions. Then the issue arrived at the Council, where it was examined along with the 2017 budget. But the member states made a very low proposal. In spite of everything, we got commitments on the three main budgetary priorities: security, youth unemployment and the migration crisis. So we decided to accept the Councils offer, because while it is small, it does give a certain amount of flexibility.

With so many crises in Europe and around the world, does a seven-year financial framework still make sense?

This is a good question. We have to come up with a new framework very quickly. And between the election of Donald Trump and his aim to reduce US involvement in NATO, Vladimir Putins kleptomania and the Middle East, the question of common defence is higher up the agenda than ever, but if this new spending is brought under the EU budget, it will eat up all the credits.

The only solution is to develop our own resources, to take the EU budget back to its origins. Until the 1990s, 75% of the budget was composed of own resources and just 25% came from member state contributions.

Then there was a scissor effect with the entry of the eastern member states and the end of customs duties with an increase in trade agreements. But the founding fathers always agreed that the budget should not rely mainly on member state contributions. This places them in a schizophrenic situation where they must choose between their national and EU budgets. It is a bit like trying to decide whether to cut off your left hand or your right hand. In the end, they always cut off the one they do not write with: their European contribution.

Oettinger warns Germany will have to pay more after Brexit

Germany and other net contributors to the EU budget will have to pay out more once the United Kingdom leaves the bloc, European Commissioner Günther Oettinger said in comments published yesterday (27 February).

BACKGROUND

Monti group to focus on added-value for future EU budget

The so-called Monti group, named after its chairman, the former Italian Prime Minister Mario Monti, is trying to identify what exactly creates European added value, so that more resources for the EU budget would come from there in the future, to the relief of taxpayers, member Ivailo Kalfin told EURACTIV.

Greens pre-empt Monti group report with alternative paper

The Green/EFA group stole the show ahead of the announcement of the results of the work of the Monti group on own resources for the future EU budget, by tabling an alternative report focusing on green own resources.

Kaynak/Source: