

EU BUDGET



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# THE ELEPHANT IN THE EUROPEAN ROOM: THE BUDGET

by Nicolas Leron

Much more than a question of the macroeconomic stabilisation of a sub-optimal monetary zone, the question of the European budget remains a constitutive element of the political community. The EU is suffering from a crisis in public power which requires a budgetary leap of faith: a budget that is able to establish a European democracy worthy of the name.

**W**hat if the European crisis is a crisis of perspective and one that is only apparent when seen from a purely economic viewpoint?

The “economist” perspective is understood and applied to shape elements of our European reality through the sub-optimal nature of the eurozone and the incompleteness of the economic and

monetary Union. The magic word and the objective that underpins all future reform is ‘stability’ and not democracy. But if one inverts the economic perspective and considers as a starting point, the question of

democracy, then the European crisis becomes a crisis of public power.

This is when we can see the European Union (EU) budget in a new light. The latter seems

*#EUBudget “Is the lack of European budgetary power and the reduction in national budgetary power responsible for structural crisis of public powerlessness” #EU? @nicolasleron*



at first glance to be an obtuse accounting technique which is combined with a clever set of allocation keys to distribute the budget between Member States. In short, one of the most tedious subjects for the ordinary mortal and for the specialist on European issues who will prefer to focus his attention on the shining and resounding issues of on European integration. This is often how an elephant in the middle of the room passes by unnoticed for so many, seen neither by the visitor nor the master of the house. The EU budget is the elephant in the middle of the European room.

But why? The budget is the physical representation of democracy, the substantive form of public power and the political power of the citizen. Parliamentary democracy begins conceptually and historically with a vote on the budget, that is to say, with a vote on revenue. Principally this is the distribution of the collective wealth that the political community has elected to award itself. This is followed by a vote on expenditure which

determines the public goods (resources) that the political community is producing and the costs associated with the goods. Indeed, if democracy is for the Demos (the People), it is above all a Kratos (a Power). Democracy is a collective capacity to act collectively towards a common reality, which translates into a public power which itself is based on the budgetary power of Parliament. It is arguably the budget that provides citizens with the ability to choose between different public policy programmes and then the right to have their choice implemented by the elected majority.

The European Parliament has a budgetary competence to vote on the budget. But the budget they vote on is ultimately not a political budget. The budget is 1% of EU GDP and falls within the scope of a technical budget, the order of magnitude of which is to approximate the 0.7% that the United Nations prescribes as development aid to Member States. The European Parliament has no budgetary capacity and therefore no genuine budgetary power. It is not a parliament and the EU, without a real Parliament, ceases to function as a democracy. The EU is based on a sophisticated balance of powers intended to ensure institutional transparency, respect for the rule of law and that fundamental rights are protected for all citizens. But it is not a democracy because the parliament does not possess any genuine budgetary power.

The absence of a European political budget, the absence of a European democracy impacts on national democracies across the Member States. The rules which exist within Europe - the internal market and the concept of budgetary discipline serve to restrict and consequently reduce the budgetary power of individual national parliaments, which in turn affects the mechanical basis which supports democratic vitality within the Member States. When the lack of European budgetary power is combined with the reduction in national budgetary power the EU suffers from a structural crisis of public powerlessness.

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Much more than an institutional democratisation of Europe, the crucial issue to note is that European democracy must be founded upon a new European Act that will form the constitutional basis of Europe, as we have witnessed previously with the internal market (single market) and the single currency. If one ignores for the moment the unlikely leap of sovereignty, which in practice tends to lead

to a backwards jump, then one can argue that it is necessary to strive for a democratic leap, that is to say a leap in terms of public power.

The question of the European budget is not a question of macroeconomic stabilisation of a sub-optimal monetary zone, nor is it a question of creditor state solidarity in exchange for the responsibility of the debtor state. It is a question of the constitutive dimension of the policy. By establishing a political budget that enables Europeans to achieve, society too will achieve.



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