

Workshop

The EU budget: a driving force for changing Europe?

Rome, 30 October 2012

Istituto Affari Internazionali - Library
Via Angelo Brunetti, 9
Rome

As European governments struggle to manage the Euro zone debt crisis, negotiations are underway to reach an agreement on the EU multi-annual budget for the period 2014-2020. While largely unnoticed by the public opinion, these negotiations are of great political importance, as the future financing of EU policies will depend on the shape of the next multi-annual budget. Equally important, the EU budget is increasingly seen as part of the solution to the current crisis, both in its capacity to stimulate growth and to support those countries and regions most hit by the crisis.

The negotiations on the EU budget also coincide with a period of major legal and institutional reforms in the system of EU economic governance. The latter poses a question as to what the role and shape of the European budget should be in this new institutional environment. Do current steps towards a 'fiscal union', and even a 'political union' integrating the members of the Eurozone will end up with the creation of a truly 'federal' EMU budget? If this happens, what would be the implications in terms of content, structure and functioning of the European budget at 27?

This seminar aims to look at these questions and others concerning the main political challenges for the next EU financial perspective as well as the long-term implications of the crisis for the European budget. The first three panels will discuss the potential of the next EU multi-annual budget to tackle three of Europe's major present challenges: to recover growth, to prevent a widening of economic and social disparities within the Union and to maintain the EU influence in the global scene. The fourth panel will discuss the nature and characters of an EU budget needed to help a positive evolution towards a Political Union

With the strategic partnership of



Working language: English

Programme



9.45 *Registration*

10.00 **WELCOMING ADDRESS**

Gianni Bonvicini, Executive Vice-President, Istituto Affari Internazionali (IAI), Rome

Flavio Brugnoli, Director, Centro Studi sul Federalismo (CSF), Turin

10.20 **OPENING KEYNOTE ADDRESS**

Yves Bertoncini, Director, Notre Europe-Jacques Delors Institute, Paris

10.30-11.30 **FIRST ROUND TABLE**

The EU budget as an engine of growth

An idea that is pervasive in current EU budgetary negotiations is that the forthcoming Multi-annual Financial Framework should be “a catalyst for growth and jobs in Europe” (European Council June 2012, Conclusions). Yet, we know that the EU budget is only 1% of EU GDP and there is strong opposition to any increase in its size. Can the forthcoming EU multi-annual budget make a significant contribution to growth and jobs? How to mobilise EU spending to support growth?

Chair: **Michele Comelli**, Senior Fellow, Istituto Affari Internazionali (IAI), Rome

Speaker: **Christian Dreger**, Head of Department for Macroeconomics, German Institute for Economic Research (DIW), Berlin

Discussants: **Alfonso Iozzo**, Vice-President, Triffin International Foundation, Louvain
Daniel Tarschys, Bank of Sweden Tercentenary Foundation and the Swedish Institute for European Policy Studies (Sieps), Stockholm
Maria Teresa Salvemini, Councillor, Consiglio Nazionale Economia e Lavoro (CNEL), Rome

11.30-11.45 *Coffee Break*

11.45-12.45

SECOND ROUND TABLE

The EU budget as an instrument of solidarity

One of the hottest topics of debate in current EU budgetary negotiations is the role the EU budget should play in promoting cohesion and solidarity in the coming years. The so-called “cohesion countries” argue that the latter is more necessary than ever, in a context of widening economic and social disparities in the Union. Other countries counter-argue that EU cohesion policy was not very effective in the past, as witnessed by the current problems affecting those countries that received a massive influx of EU funds during the 1990s. Should EU cohesion policy be reformed? Should the EU budget play a more important role with respect to solidarity, beyond the classic role of helping poorer countries and regions in their process of catching up?

Chair : **Yves Bertoncini**, Director, Notre Europe-Jacques Delors Institute, Paris

Speaker: **Marjorie Jouen**, Scientific adviser, Notre Europe-Jacques Delors Institute, Paris

Discussants: **Mercedes Bresso**, Vice-president of the Committee of the Regions, Brussels
Pawel Tokarski, Researcher, Polish Institute of International Affairs, (PISM), Warsaw
Ugo Astuto, Head of Office, DG for the European Union, Italian Ministry of Foreign Affairs, Rome

12.45-14.00 *Lunch Break*

14.00-15.00

THIRD ROUND TABLE

The EU budget as a tool to support EU external actions

The present economic crisis, the Arab spring and the rise of new emerging powers have changed the global landscape, which has become more fluid, more heterogeneous and more interconnected. In this new global environment, what type of EU external action is needed? Should we adapt the EU external financing instruments to these new challenges? How?

Chair: **Christian Dreger**, Head of Department for Macroeconomics, German Institute for Economic Research (DIW), Berlin

Speaker: **Stefano Silvestri**, President, IAI, Rome

Discussants: **Giancarlo Chevallard**, President, Istituto Paralleli, Turin

Bastien Nivet, Associate research fellow, Institut de Relations Internationales et Stratégiques (IRIS), Paris

Giovanni Brauzzi, Deputy Director General / Principal Director for Security, Disarmament and Non-Proliferation, Italian Ministry of Foreign Affairs

15.00-16.00

FOURTH ROUND TABLE

The EU budget as a pillar of a political union

The Eurozone debt crisis has led to the introduction of major institutional and legal reforms in the system of EU economic governance, such as the creation of new financial solidarity mechanisms outside the EU budget (ESFS, ESM) and a significant reinforcement of fiscal discipline at the national level. What are the long-term implications of these reforms for European public finances? Will the current steps towards a 'fiscal union' and even a 'political union', integrating the members of the Eurozone, end up with the creation of a truly 'federal' EMU budget? If this happens, what will be the implications in terms of content, structure and functioning of the European budget at 27?

Chair: **Roberto Palea**, President, Centro Studi sul Federalismo (CSF), Turin

Speaker: **Alberto Majocchi**, Adviser, Centro Studi sul Federalismo (CSF), Turin and Professor, University of Pavia

Discussants: **Mathias Jopp**, Director, Institut für Europäische Politik (IEP), Berlin
Eulalia Rubio, Senior researcher, Notre Europe, Paris

16.00-16.15

CONCLUDING REMARKS

Mathias Jopp, Director, Institut für Europäische Politik (IEP), Berlin