

BEYOND THE END OF THE EU FINANCIAL PERSPECTIVE 2014-20

WHAT'S INSIDE THE CRYSTAL BALL?

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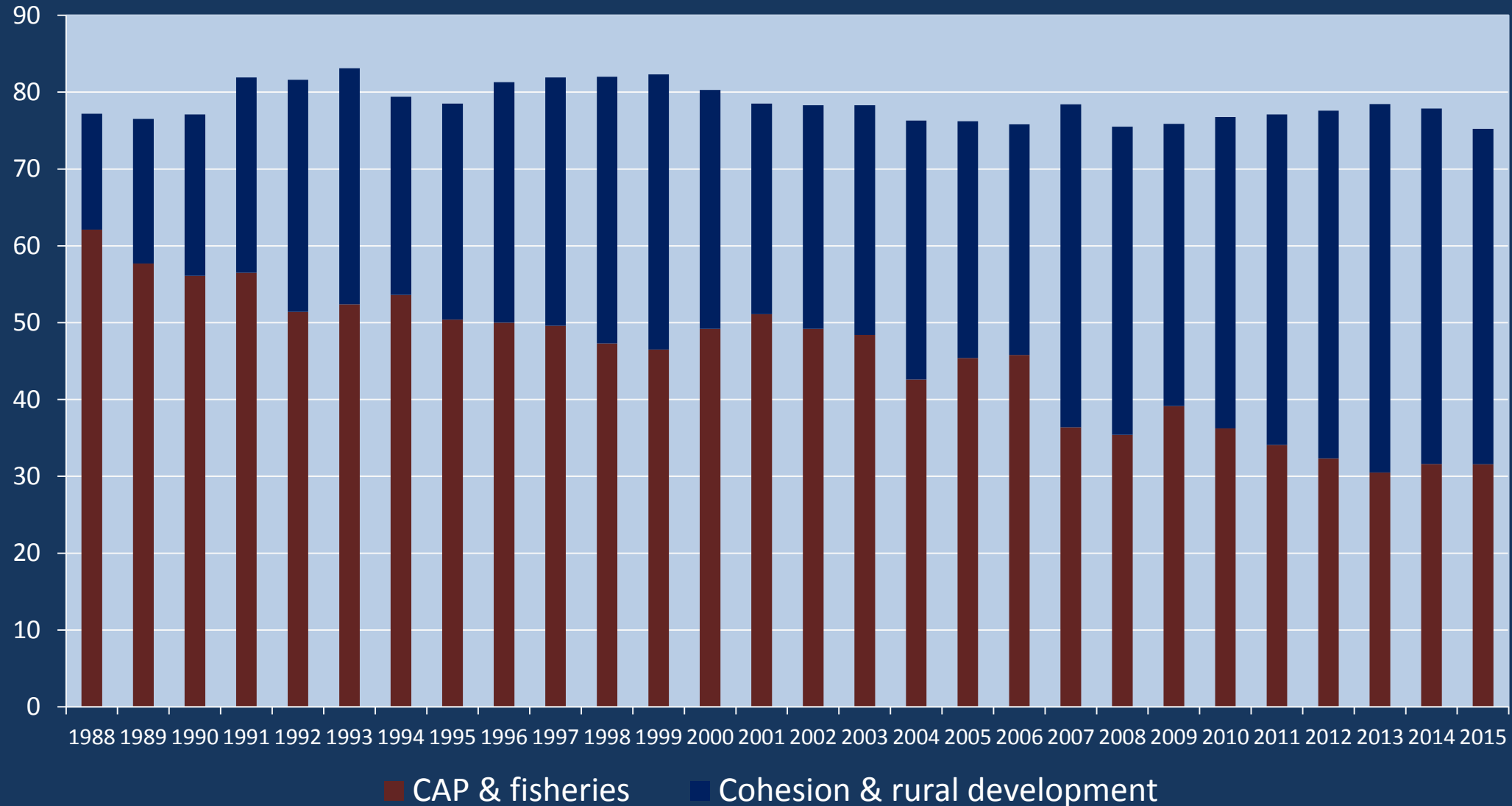
WHAT TO EXPECT....



MOST CONTENTIOUS ISSUES

- Scale of budget: the perennial dispute
 - Even Monti HLG doubtful about it increasing
 - ...though Juncker (and Macron) more positive
- Future application of conditionality
 - The delicate links to macroeconomic governance
 - Should regions be punished for the sins of national governments?
- Future role for “financial instruments”?
 - Juncker plan and other (Kerstin Jorna)
- Change in revenue instruments
 - Legitimation considerations (Heather Grabbe)
- Scope for complementary fiscal capacity (EU or EZ)

PERSISTENCE OF SPENDING

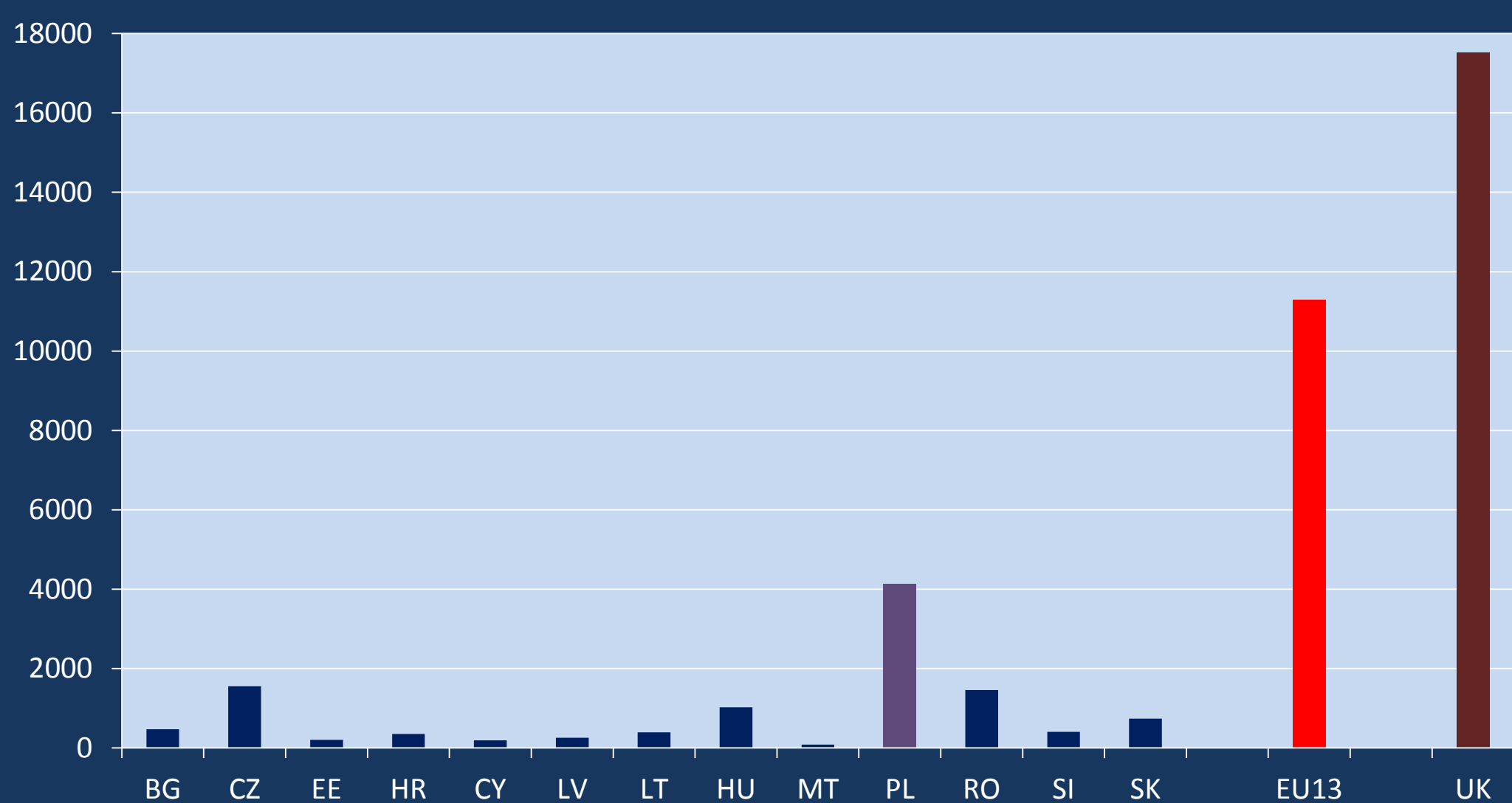


WHAT BREXIT CHANGES

- Most obviously: the EU's receipts
 - Not strictly a problem of revenue raising
 - Because of how own resources system works
 - But evident political challenge
 - Reactions of Danes, Swedes and other net contributors
- May (only may) make it easier to end “corrections”
 - Position could worsen for other net contributors
- New balances of support for specific policies
 - Example: UK favoured more concentrated Cohesion Policy
 - May push others (Poland?) to emerge from the shadows...

WHO PAYS HOW MUCH INTO THE EU?

Average 2013-2015, million euros

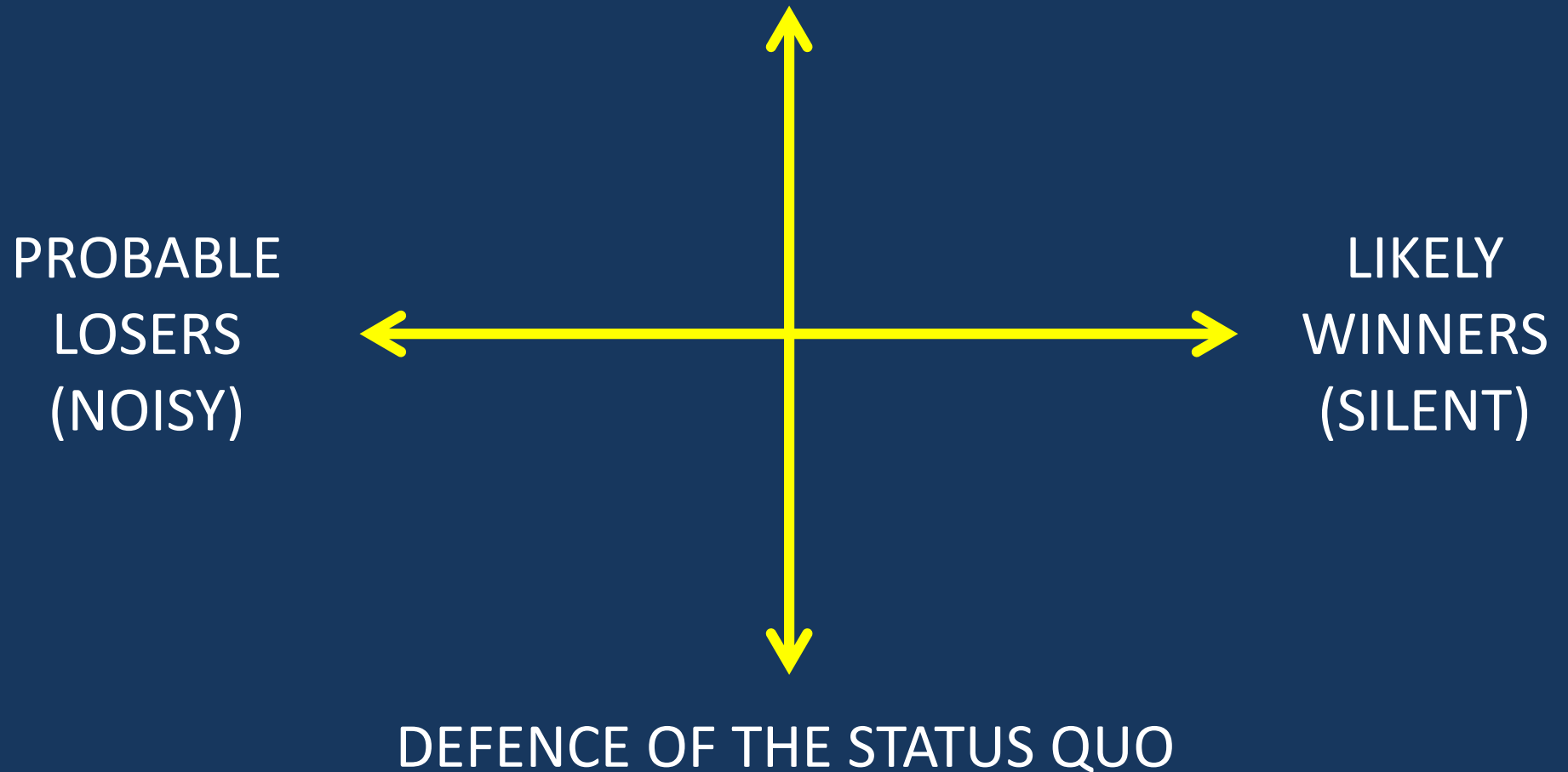


CHALLENGES FOR CEE ECONOMIES

- The high share of ESIF in public investment
 - Blessing or curse?
 - Pressures for re-orientation of EU spending
 - President Glapiński questions about budget
 - If EU funding shrinks, can national budgets step-up?
 - Supporting more conventional growth model
 - Oleh Havrylyshyn distinctions
 - Deficiencies in innovation especially worrying
- >> Implies shift from distribution to investment

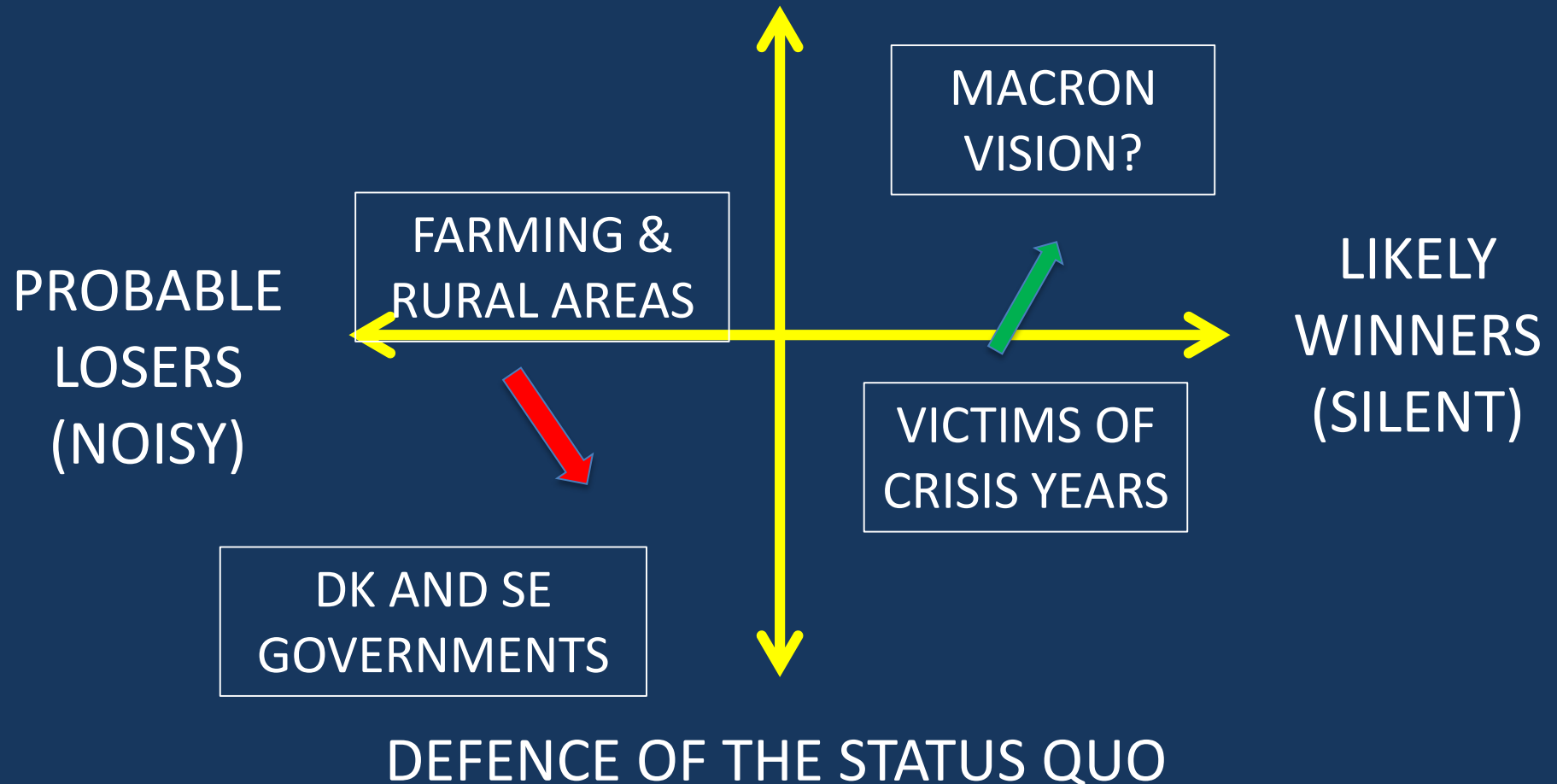
DESIRE FOR REFORM: THE PROBLEM

FAR-REACHING REFORM OF EU FINANCES



REFORM & INCIDENCE TRADE-OFF

FAR-REACHING REFORM OF EU FINANCES



CONCLUDING REFLECTIONS

- As always, it will be difficult, messy and acrimonious
 - Odd, really, because the amounts at stake are small
 - Outcome usually a collective disappointment
 - But one which allows all sides to claim some victories
- Brexit will be a complication, but only one of many
- Expect conditionality to be a tricky battleground
- France & Germany still disagreeing: plus ça change...
- President Glapiński need not be unduly alarmed
 - The status quo has an enduring power

“Blessed is he who expects nothing, for
he shall never be disappointed”

Alexander Pope, *18th century writer and satirist*

<http://ukandeu.ac.uk/>

<http://blogs.lse.ac.uk/europpblog/>

<http://sieps.se/en/publications/2017/the-eu-budget-after-2020-20179epa/>