

The New Paradigm of European Budgetary Governance

In the upcoming multiannual budget of the European Union, a new method for governing community budgets is set to be established. Faced with this scenario, multiple viewpoints converge, stemming both from the various entities interested in shaping the European cloud , and from the national governments themselves.

Essentially, the proposed approaches can be summarized into two main objectives:

- **Increased Community Funding:** There are those who advocate for a larger budget for Europe. This proposal is logically put forward by those Member States whose objective is to receive increasingly more money from the European Union, regardless of its intended purpose.
- **State Hegemony:** Conversely, there are those who want national governments to dictate terms in Europe through their budgetary contributions. This second proposal is championed by States that wish to control community policy under a premise of "today, Europe is me".

Analysis of Consequences: Centralization vs. Nationalization

While both options have their defenders and a minimal underlying logic, it is imperative to begin by analyzing their consequences.

The Weaknesses of Budgetary Centralization

- The first proposal suggests that national governments are incapable of managing the European will, arguing that national funds must be transferred to community coffers so that the European Commission can distribute them across its various policies.
- However, this conceals a stark reality: any amount transferred to the European level ceases to be controlled at the national level.
- Consequently, this dynamic paradoxically favors those governments where control over their own economic activity is closer to zero.
- Furthermore, assuming that the European Commission knows better than anyone else how to spend the money is a utopia that cannot be verified beforehand.
- We could even delve into an evaluation of what the European Commission has achieved over the last 20 years—to specify a concrete timeframe—to justify the claim that the European Union truly matters in the face of global competitiveness.

The Paradoxes of Exclusive National Control

- The second alternative relies on the premise that the money goes from the national government to the European Union, only to return to the national government.
- This mechanism ensures that the returning funds bypass even the most minimal controls at the national scale.
- Moreover, it implies a drastic reduction in the oversight of these funds by the European Court of Auditors, which would practically disappear forever.

- This option presents a logical contradiction: the Commission's funding increases, yet it is simultaneously told it is incapable of managing community policies because the national government is the only capable entity.
- Such a contradiction admits no logic whatsoever, leaving the European Commission as a wholly valueless instrument, yet one that imposes an immense cost on the coffers of the member countries.
- All entities created around the European Commission would be relegated to a purely sentimental value with no executive capacity, rendering their permanent dissolution the most useful outcome.

Political and Institutional Risks

Delving into this second option entails a closer look at the responsibility of each national government.

- Under this framework, the national plans—which were so highly praised as the primary instrument for managing COVID funds—would fall entirely into the hands of the Government and the majority of each national parliament.
- While this may possess a certain logical vision, the illogical danger is that European money would be distributed exclusively to those local and regional powers that support the central government in charge of deciding the expenditure.
- The aforementioned scenario would result in the destruction not only of the European idea but also of national policies.

- All those regions and local entities marginalized by the exclusive will of the national government would generate an anti-European dynamic that would be extremely difficult to control.
- In this scenario, the national government would arrogate to itself absolute power over European funds, devoid of any control worthy of the name.

In summary, various critical values could be considered here:

- The fundamental role of the European Commission as the guarantor and defender of European values has disappeared, or is on the verge of disappearing.
- Its existence would become merely symbolic, if not absolutely irrelevant.
- Finally, national governments would become the sole defenders of their policies of all kinds, ignoring that unless all political parties and regions within each Member State pull in the same direction, regional and local differences of such magnitude would be created that they would ultimately destroy both national unity and the European idea.