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The schizophrenia between the work programme and the MFF: the example of the NGEU

On Wednesday 12 February, the European Commission will present to the European Parliament, in plenary session in Strasbourg, and at the same time to the Polish Presidency of the Council of the European Union, the work programme for 2025, the list of which we already anticipated on 27 January, with the main proposals preceded by the creation of fourteen 'project groups' (LINK).

Many of these initiatives, such as the Competitiveness Compass of 29 January and the new Defence Compass to be presented on 19 March, are expected to have a significant budgetary impact through the creation or reinforcement of urgently needed funds for investing

- in innovation and research with a focus on European start-ups,
- in the sustainability of the twin environmental and digital transitions,
- in labour market inclusion policies for skilled migration and lifelong learning,
- in the effects of globalisation on small and medium-sized enterprises and their workers,
- in the resilience of the European Union against future crises,
- in competitiveness and sustainability for the agricultural and food sectors,
- in energy policy, in common defence and in the European space sector.

As we know, the EU currently has a very modest common budget whose multi-annual character has remained tied since 1992 to an absurd seven-year deadline offset very marginally by mid-term reviews.

The current financial framework will expire at the end of 2027 and the new programmes will therefore only be operational from mid-2028 with the sole exception of the cohesion funds whose operationality is normally postponed from the previous financial framework due to inefficiency in the way States and regions spend money.

The size of the current common budget does not allow for sufficient financial oxygen to be given to the initiatives that the European Commission will announce on 12 February, and it is easy to examine them one by one to realise how they will lack this oxygen, just as the beginning of the Trumpian era with its one hundred executive decrees together with the challenges of international chaos would in many cases require rapid European responses both to react to emergencies and to plan for the future.

This is in some way a response to the call for immediate action made by President Mattarella in his Marseille speech (LINK), which must be translated into acts of the European institutions at the initiative of the European Commission and at the urging of the European Parliament by rapidly calculating the 'costs of non-Europe'.

As was the case when it came to coping with emergencies related to the pandemic after 2020 and aid for Ukraine after the Russian aggression of 24 February 2022, we believe that the European Parliament should ask the Commission to quantify the level of financial oxygen needed to support the European public policies linked to the implementation of the initiatives that will be presented on 12 February by translating it into a supplementary and amending budget for 2025 with lines of commitment appropriations equipped with 'PM' and announcing that these lines will be equipped with appropriate commitment appropriations and payment appropriations in the preliminary draft budget for 2026.

They will have to be accompanied by proposals for own resources necessary to achieve European objectives in line with Article 311 TFEU on the basis of the proposals already submitted by the European Commission in 2021 and 2023 related in particular to environmental policy and corporate profits, which are expected to generate an additional EUR 47.5 billion in annual revenue.

To the own resources proposals presented by the European Commission, the European Movement in Italy together with the Centre for Studies on Federalism (CSF) suggested adding taxation of what could be qualified as 'negative externalities' that could concern

- a linear surtax at a uniform rate on gambling profits,
- an own resource on cigarette and alcohol consumption,
- an effective implementation of the financial transaction tax,
- a resource on the gender pay gap,
- and a statistical resource on food waste,

a combination that could produce annual revenues of more than EUR 100 billion.

Only a common budget with an adequate level of financial oxygen can be the guarantee to pave the way towards the creation of what Mario Draghi has called 'good debt' by ensuring the set of resources needed for investments in European public goods.

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