

'The so-called 'budgetary discipline': an utter scandal' from Europe (14 November 1984)

Caption: In his editorial of 14 November 1984, Emanuele Gazzo, Director of Agence Europe, openly criticises the new budgetary discipline envisaged by the Council and, lamenting the way in which certain Community institutions operate, declares that the Community is deviating from its fundamental tasks.

Source: Europe. Dir. of publ. Riccardi, Lodovico ; REditor Riccardi, Ferdinando. 14.11.1984, No 3968. Brussels.

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URL:

http://www.cvce.eu/obj/the_so_called_budgetary_discipline_an_utter_scandal_from_europe_14_november_1984-en-55af3642-4f06-46fa-8321-45e11c0f4585.html

Publication date: 17/09/2012

The so-called “budgetary discipline”: a real scandal

It is not at all certain that the method which has for a long time prevailed within the Community of looking for “compromise solutions” at whatever the cost and on any subject, in order to avoid crisis, is the right choice. Crises and scandals alike have resulted nonetheless: it is generally speaking healthy that they should one day come to light, since this may be useful in clearing the air or causing necessary changes in society. It is certainly true to say that it is inconceivable that the normal functioning of the Community can be blocked at any moment by difficulties, which are sometimes minor but which sometimes result from the natural and healthy dialectical process of existing interests. These difficulties must be overcome through ensuring that the Community’s institutional instruments function properly, provided that they function at all. If they do not function, or if the functioning is sabotaged in any way — something which unfortunately characterised Community life for some time — problems drag on without solutions being found, or else makeshift solutions are applied, with no relation to the situations whence they sprung forth, which are therefore really inapplicable. Nothing concrete has been done to this day (apart from the EP’s proposal for a new Treaty of Union) to seriously reform institutions, given the weight of experience and the objectives to be achieved. Unfortunately this practice of dodgy compromises or of deferment of decisions does, in turn, cause new problems, which can lead to a situation in which the Community loses all credibility, and is considered as a costly and particularly useless form of bureaucracy. This body is then believed to be working in perpetual delays in a void of confused and inapplicable texts.

Therefore one might ask if it would not be better, at the right time and in the right places, to expose to daylight the contradictions inherent in a system which has strayed from its goals. The fact that this has not been done is partly the responsibility of the Parliament, partly of the Commission.

Today we are placed with a typical example of the Community being diverted from its basic duties, which is likely to cause a major crisis. This concerns budgetary discipline which the Council is trying to impose on a basis of a text unilaterally approved by the “Economic and Financial Affairs” Council. A summary analysis of this text, which must at the very least be rejected by the Parliament out of hand, allows us to note: (1) that it is based on a wrong assumption; (2) that it is contrary to the concept which should inspire the Community budget; (3) that it violates the regulations and existing practices of budgetary authority.

1. The wrong assumption. This is the cardinal sin committed by this move and it is surprising that the EP has not condemned it as such. In the third section of the text, it is stated that “the austerity regulations which at present govern the budgetary policy of each of the Member States also apply to the Community budget”. It may be that the “at present” refers to the situation two years ago, since when there have been changes, because nowadays the Commission is recommending budgetary expansion policies to some countries. More generally, it is illogical that an “economic situation” factor be assumed as a basis for the edification of a permanent and general set of regulations.

2. The concept which inspires the Community budget. This is replacing certain national budget expenditure responsibilities (national budgets thus being relieved) by giving them a specific goal which conforms to the objectives enshrined in the treaties and which corresponds to the Community’s general interest. The budget is an expression of political choices, and is more efficient in expenditure, in particular through intervention in sectors where it is necessary for the purposes of achieving Community objectives.

3. Incompatibility with existing regulations. — (a) it is up to the Commission to interpret the common interest by proposing preliminary budget drafts, within the limits of resources. This prerogative disappears as soon as one organ can come up with a prior framework of reference which is rigid; (b) a method of calculating expenditure which removes meaning from the balance set up by talks between the two organs of budget power, especially as Art. 203 provides for a limit to the maximum rate of increase for non-compulsory spending; (c) the possibility granted to one country to block — even for a time — the adoption of an act liable to increase expenditure, which might cause serious damage and reduce to nothing the joint exercise of budget authority. The absurd should not even be discussed, but must be rejected.