

The European budget at the crossroads between Community solidarity and nationalist inequality

On the thirteenth floor of the Berlaymont Building, a working seminar between the twenty-seven European Commissioners on the future of the European budget and in particular of the Multiannual Financial Framework (MFF) took place on 14 May, away from the prying eyes of the press and the European Parliament.

If it will be an agreement between the European Parliament and the Council of the Union on the draft regulation that will be presented by the European Commission on 16 July 2025, the MFF should enter into force on 1 January 2028 for a duration that is still uncertain and in any case straddling the current legislature that will end in June 2029 and the new legislature that will begin in July of the same year with a number of countries destined to grow to thirty-five Member States if all the accession negotiations go well.

The European Commissioners received from their President von der Leyen and their colleague Serafin a “sensitive” document, called “*note de cadrage*”, announcing all the elements of the package, on which the European Commission will have to express its opinion, which should include the guidelines on the allocation of multiannual expenditures together with the “communication policy”, a “proposal for an interinstitutional agreement” and a “proposal for a decision on new own resources”.

The note already outlines the guidelines of the future MFF, which should be based, according to the European Commission, on three pillars considered essential and relating to the Member States “plans”, the “competitiveness fund” inspired by the Draghi Report, and an “External Action Fund” dedicated to defence and partnership with third countries and in particular with Africa.

Despite the theoretical desire to safeguard the partnership between States and regions, the European Commission's orientation should confirm the idea of renationalising the main European programmes on cohesion, agricultural policy, competitiveness and the defence industry.

The end result would be a double negative dimension against the regions and against Europe with national plans that risk turning into the abandonment of European public goods to the detriment of the principles of solidarity but also of the continuity of the European commitment on ecological transition and the social dimension that is closely linked to the fight against territorial inequalities.

The European Commission's model is that of the NGEU, which was the temporary response to the emergency consequences of the COVID based on national plans and investments.

As far as the defence industry is concerned, it is inspired by the White Paper from which emerged the preparation plan initially and disgracefully called ReArmEurope, which risks slipping down a slope in the opposite direction to the creation of a common defence if the idea of reinforcing national expenditures is adopted and which would jeopardise democratic control if the legal basis of the Treaty proposed by the European Commission is confirmed.

On the whole, renationalisation and the inspiration of the Draghi Report prevent the “place-based approach in policies” that alone can mend competitiveness and social cohesion today.

In its resolution of 7 May 2025, the European Parliament had strongly criticised the renationalisation of the budget, which is a harbinger of inequalities and will weaken EU solidarity that would instead require the long-term development of the three functions of public finance, namely allocation, redistribution and stabilisation.

The Assembly also sounded a strong alarm about the risks that spending on the defence industry could reduce spending on social, environmental and territorial cohesion policies, which also include support for biodiversity and agricultural structures.

In the guidelines outlined at the Berlaymont seminar, the desire to introduce flexibility and simplification criteria seems to have been confirmed, with strong reservations in the European Parliament, which denounced the risk of weakening the transparency of governance and democratic control along with the structural nature of the policies to be financed.

However, the “note de cadrage” hastened to stress that “flexibility is not at odds with accountability and, on the contrary, it will be underpinned by robust governance and transparency involving the European Parliament and the Council”.

On the other hand, the idea of flexibility has led the European Commission to reflect on the possibility of reducing the MFF duration from seven to five years, as was the case with the first MFF prepared by the Delors Commission from 1988 to 1992, a choice that the European Parliament strangely forgot to claim in its resolution of 7 May 2025, contrary to what the Assembly had done in its report on the revision of the Lisbon Treaty approved on 22 November 2023.

Instead, the Assembly's position could be followed by the European Commission with regard to the conditionalities on compliance with the Rule of Law in order to prevent the blame of governments falling on the beneficiaries of European programmes.

Last but not least, we would like to emphasise the lack of courage that appears from the European Commission's first guidelines on own resources and even more so on European public debt, because the Executive does not go beyond the narrow scope of the limited proposals submitted in 2023 for the time being, despite the exponential increase in geopolitical challenges and the corresponding need for more ambitious and innovative European funding.



We will follow the negotiations on the future long-term European budget until their conclusion, accompanying them with our proposals and public debates.

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