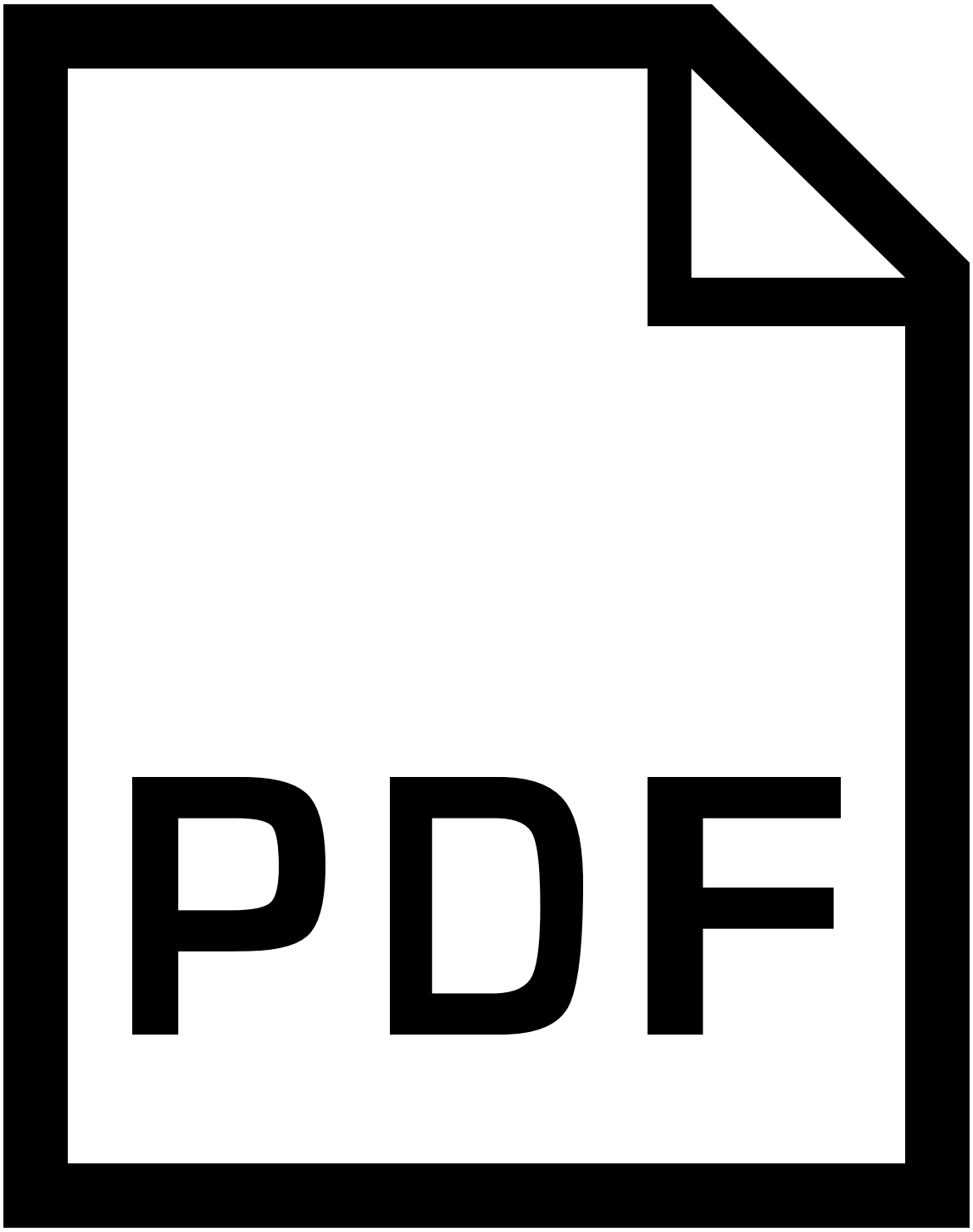
News Item, 11/07/2013, Brussels / Gütersloh: The EU can save billions

Bertelsmann Stiftung's study proves saving potentials for member states budgets



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Ansprechpartner

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Stefani Weiss

The common policies of the EU countries have paid off. For the first time, there are evidence based calculations to prove that the transferal of policies to the EU level, and their funding through the EU, actually saves national governments money. That is the result of the study "The European Added Value of EU Spending: Can the EU Help its Members States to Save Money?" from the Bertelsmann Stiftung in cooperation with the Centre for European Economic Research (ZEW) and RAND Europe, which was presented in Brussels on Thursday. The added value calculation was applied to agricultural policy, which is already communitarised, as well as to foreign policy and defense, which remain the responsibility of each EU member state.

The study shows that the highly contentious common agricultural policy creates European added value insofar as it prevents subsidy races between the member states while also reducing political and economic distortion. In 2010 alone, a renationalized agricultural policy would have cost member states around 23 billion euros more than it does presently through the EU budget.

Significant savings could also be achieved if the 28 member states were to increase harmonization of their foreign policy. This could save between 420 million and 1.3 billion euros per annum (between six and 19 percent of total annual spending), if governments were to reduce the number of their diplomatic missions and pool their consular services. "There is a significant European added value which could be achieved in the area of diplomatic missions," according to the paper.

This also applies to the third area: a common defense policy. Here the authors estimate the savings potential on wages alone at anywhere between three and nine billion euros. Member states presently maintain 890,000 soldiers. These land forces could be reduced to 600,000.

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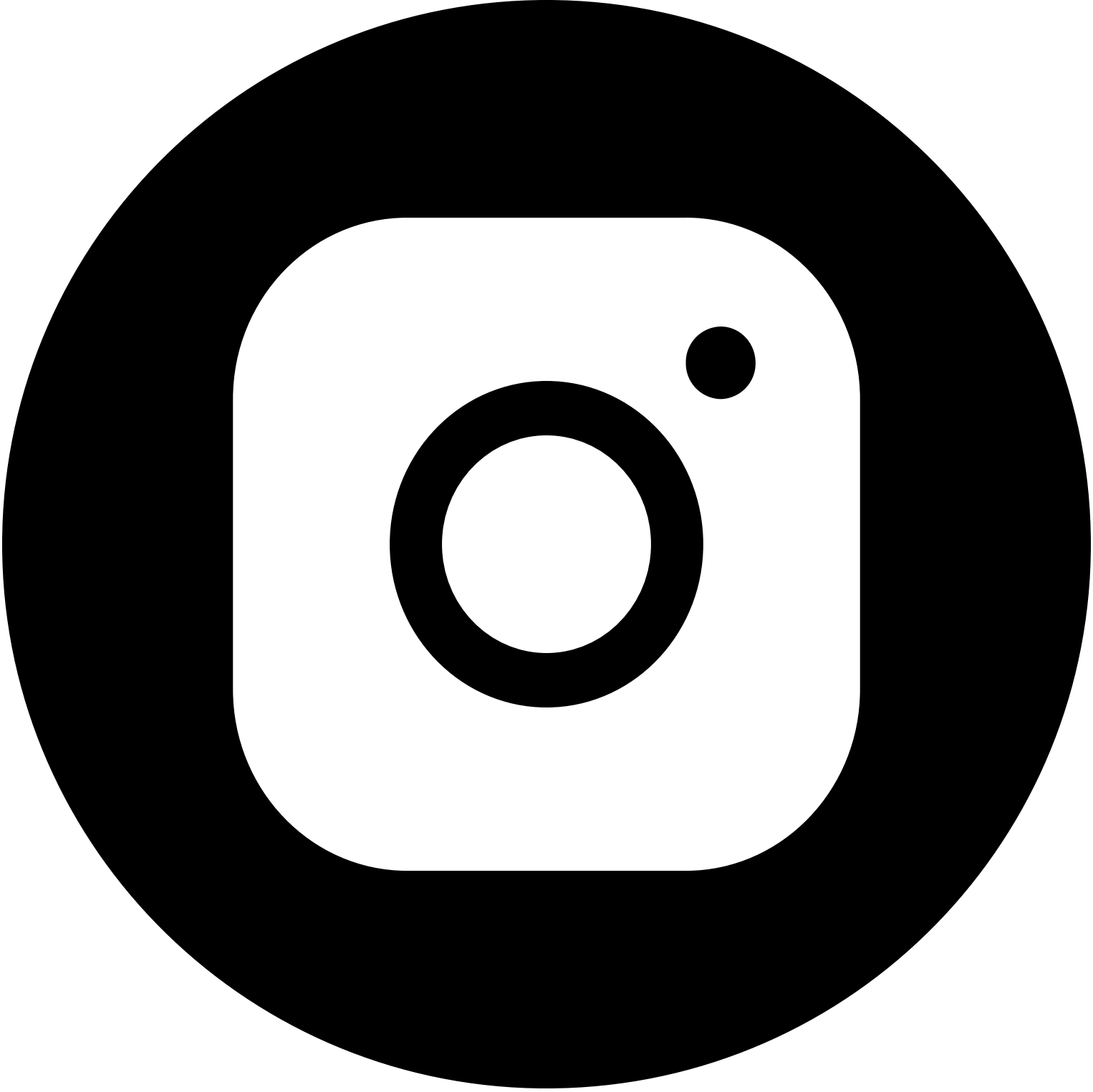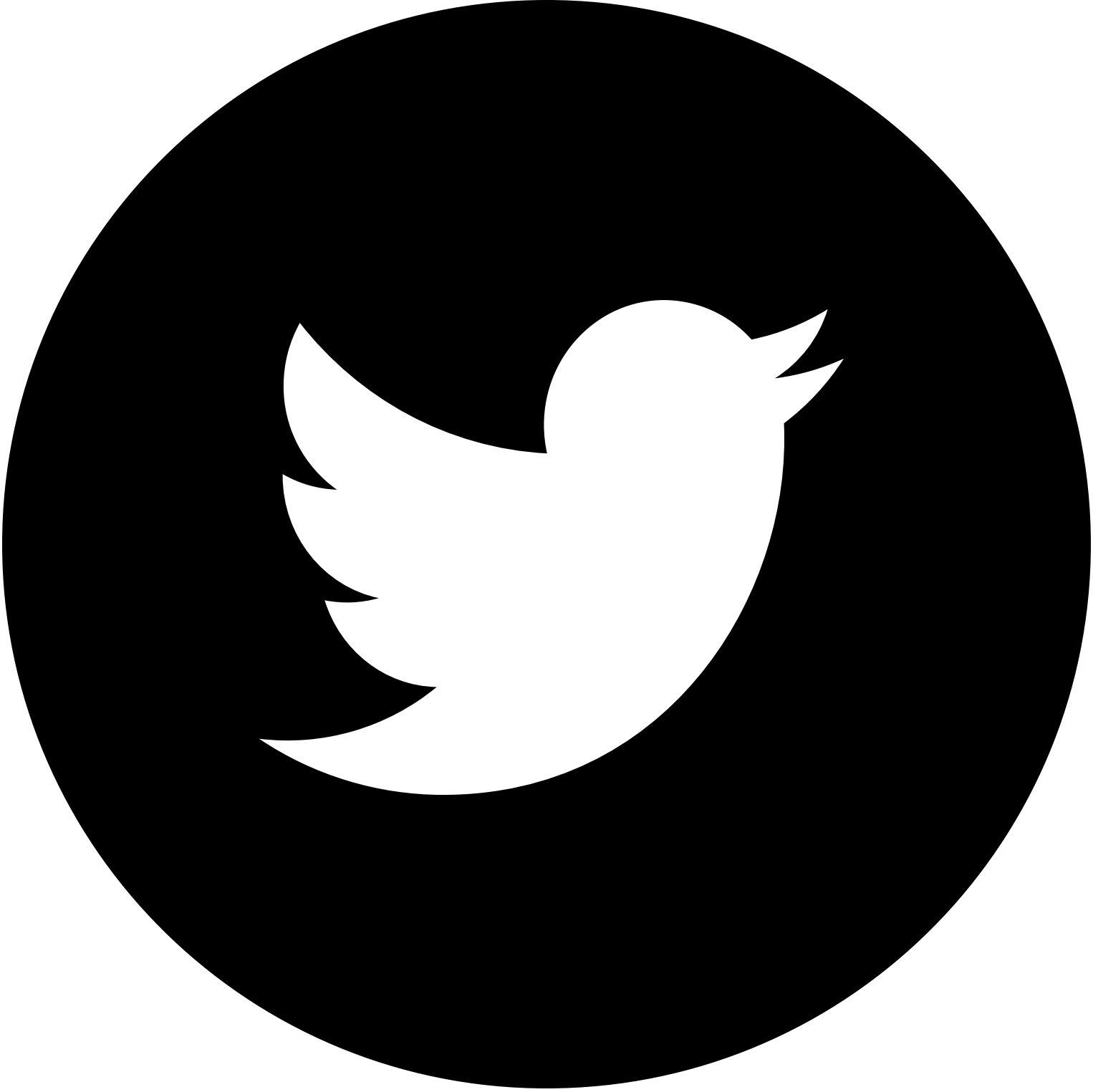
- The European Added Value of EU Spending (1.7 MB)