

## MFF post-2020: Why the EU should cut back on CAP

Written by Bernd Kölmel on 6 March 2018 in Opinion  
Opinion

Cutting back on agricultural subsidies would help plug the Brexit-shaped hole in the EU budget and allow for more funding to solve the migration and euro crises, argues Bernd Kölmel.



**Bernd Kölmel** | *Photo credit: European Parliament audiovisual*

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The new multiannual financial framework (MFF), which will come into effect from 2021, not only sets the future EU budget after 2020, but also the overall direction of the EU as a whole. In the last seven-year MFF, €908bn euros were made available - annually about €145bn.

Political ideas require money. The budget is therefore key in making political choices and setting priorities. At an abstract level, they are often indisputable: All politicians want to strengthen the banks and the eurozone, they want to promote competitiveness, fight unemployment, and so forth. There are three key questions that need answering: How best to achieve this? Who can do this best? What can we - and want to - afford?

There are two basic types of solutions. Some want to regulate as much as possible and believe that a shift to EU level will generally produce better results than at national level. Others place trust in the citizens and the business community to find the right solutions through less regulation and more self-responsibility, and generally giving the member states more decision-making powers.

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I am clearly of the opinion that the EU should only act where it performs better than actions taken at the national level. That would lead to a lean budget that only provides money for important, forward-looking tasks. Brexit should therefore be used to reduce the budget by the British's net contribution of several billion euros annually.

These cuts should be made in the agriculture budget, which is over-sized at EU level with nearly 56 billion euros a year. That does not mean that the farmers do not get subsidies anymore. If desired, they can be paid directly by their national governments. Expenditure on COSME, Erasmus + and Horizon 2020 should be maintained.

Additional funding has been needed for solutions to the migration and euro crises, because these crises will cost a lot of money to really solve them. No one can say exactly how much money will be required.

Given the historical dimension, however, a two-digit billion euro amount has to be calculated for the migration sector.

In Germany alone, at least 40 billion euros a year are incurred by asylum seekers and refugees. It will cost a lot of money to effectively secure the EU's external borders.

The euro crisis can be solved in two ways. Either the economically weak countries receive permanent transfers and subsidies, or these countries leave the eurozone.

Both will cost a lot of money. Transfers mean that the system will continue to operate but will remain poor and permanently burden the net payer countries. This will quickly lead to dissatisfaction and tension. It would be better if some countries leave the eurozone.

But then these countries have to get financial help. Because they will not be able to repay the accumulated debt completely.

Germany alone owes other Eurozone countries almost €900bn through the ECB's "Target 2" settlement system. If half of this would have to be written off (which, however, would also be the case for the other model), the financial requirement is €450bn. Spread over the seven years of the MFF, this amounts to at least €60bn annually.

I reject spending on European unemployment insurance. We also do not need a European Finance Minister. Finally, in the future, EU funding should only come from existing own resources (in particular

customs duties and fees) and a share of gross national income.

This would be a fair and equitable method of financing, which can be calculated transparently. Under no circumstances should the EU have the right to levy its own taxes. If this is decided even for small amounts, there is a high risk that these will increase over time.

Those who vote in favour of further concentration at EU level automatically take competencies from the countries and regions. This has far-reaching consequences, which ultimately result in a state entity: the United States of Europe. It is often argued that this is the only way citizens could secure peace in Europe.

However, this is an illogical combination of assumptions. What is decisive for continued peace is, in particular, that citizens respect and befriend the people of other countries. No one should feel threatened or exploited by others.

However, it is precisely this fair balance that is in jeopardy if we concentrate more and more power in Brussels, expecting substantial transfers from only some European citizens. These risks are antagonising relationships between EU member states.

## About the author

Bernd Kölmel (ECR, DE) is a member of Parliament's budgets committee

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