

Why this book?

The idea of writing this book comes from far away. It sinks its roots in the work carried out by the Campaign *Sbilanciamoci!* since many years.

Sbilanciamoci! is a campaign involving 46 associations, NGOs and networks working on globalisation, peace, human rights, environment, fair trade, ethical finance and development cooperation. Since 1999 *Sbilanciamoci!* has proposed alternatives to the Italian budgetary policies, arguing for social and environmental priorities. The Campaign publishes yearly reports, meets policy makers, organizes conferences to promote a different use of public resources and new roles of public actors in the economy. We think that, given new economic and social priorities, a radical change in the perspective of public policies is necessary in order to push for a solid world in which more attention is paid to people's rights and environment instead of the needs of a market economy based on privileges, rents, wastes, inequalities.

After all these years of experience coordinating a group of 46 associations and NGOs and analysing the Italian Budget Law, *Sbilanciamoci!* has concluded that time has come to shift and share this experience on a European level.

Time has come for different reasons. The first one is related to the fact that the European Union is facing unprecedented challenges on different levels. The enlargement and the process of economic and political integration has turned the EU into a great economic and financial power.

The second one is related to the fact that the world is facing wars, conflicts, occupations, hunger, climate threats and justice inequalities. In order to respond actively and pragmatically to these urgent issues, that cannot and should not wait more, we need responsible global actors, and the European Union must and should be one of them.

Last but not least, it is not possible anymore to analyze and look at domestic policies in European countries without paying attention to what it is happening in Brussels. Some policies, like agricultural, are almost completely defined at a community level. But on many issues the Community government defines directives, recommendations and obliges Member States to stay within strict constraints, the financial ones being the most evident. Decisions

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taken in Brussels are considered as “exogenous”, as if people has no power to influence them, to put pressure on the Community Institutions. It is not only a matter of democratic functioning of the institutions. There is a widespread attitude of domestic politics to refugee behind the idea that decisions taken in Brussels are taken by others and cannot be influenced. The same parties governing our countries are seating in the European Parliament and are composing the Commission. Citizens can put pressure on Community politics if they start to be aware of the issues actually discussed in Brussels.

That is why we should feel, as European civil society, that Europe concerns us. We need to join actively the EU, offering a strong civil society network able to balance and give concrete alternatives to those policies that we think are going in the wrong directions.

In many different ways EU-based actors have an impact, intentionally or unintentionally when they consume, produce, save, invest, or participate in public and private life, on the lives of distant neighbours, which are women and men. At the same time while the EU, with its Member States, is one of the more influential actors in all dimensions of the globalization process, and often the most influential one, it does not exercise a visible influence on the process of globalization as a whole.

In order to start giving inputs to face these issues, Sbilanciamoci! together with a high level network of civil society representatives have decided to write this book, starting from the assumption that the European Budget and the policies deriving from it affect us. Why should be civil society suggestions taken into account? Because they come from the bottom, from the ultimate beneficiaries or victims of EU policies and decisions and from a long term expertise on the different issues. The first step was to define methodologically how to proceed. Two were the starting points taken into account: the first one was to create an European Civil society consultative network on the European Budget, the second one involved using the Multiannual Financial Framework 2007-2013 as a scheme to develop the analysis on European expenditures and selected EU policies.

This project is not aimed at giving an exhaustive technical analysis on the budget but to publish an anthology on the issue recollecting major points of view of European civil society on the EU budget. That is why the network was created choosing different NGOs and organizations with long term expertise on the different issues touched by the different headings composing the European Budget. It will analyse as well issues that are outside the budget but that we consider essential inside the European Union framework, because strictly linked to the issues listed in the Financial Perspectives such as the Reform Treaty of the European Union, European Investment Bank - EIB, European Partnership Agreements-EPA, Tax competition in Europe. The other big issue analysed by this book is the other face of the European Budget, that means Own Resources.

For an unfortunate coincidence an analysis of defence and security policy is lacking. Even if absent in this collection we are very much aware of the central role that such issue, even if external to the budget, have for the building of the political Union. The reform treaty,

with the creation on the High representative of the Union for Foreign Affairs and Security Policy, is stressing even more the need for a common defence policy. Participation to military missions, role within the NATO, arms production and trade are all elements of concern for most European civil society organizations.

The network is composed of: Birdlife International, Campagna per la Riforma della Banca Mondiale (CRBM), CEE Bankwatch, Compass, Coordination Paysanne Européenne (CPE), Counterbalance Campaign, EuroMemorandum Group, European Anti-Poverty Network (EAPN), European Network Against Racism (ENAR), European Public Health Alliance (EPHA), Eurostep, Farmsubsidy.org, Friends of the Earth Europe, Lunaria, Magistratura Democratica, Obessu, Seattle to Brussels Network, Transnational Institute, Unione degli Studenti, WWF European Policy Office.

The goals of this anthology are mainly three:

- To produce an advocacy tool for policy makers of the European Institutions. It will be distributed among Members of the European Parliament, European Commission and European Council, in order to give a civil society point of view for the Financial Perspectives' mid-term review scheduled by 2008-2009. The trend inside the EU institution is to shift this mid-term review initially scheduled for the next year to the next European Commission, as the European elections are going to be held by June of 2009. The Barroso Commission is not showing a political will of having this review under its mandate. They are launching a shy tentative of re-opening the debate in order to leave to the next new Commission some inputs but definitely they are not eager to assume the political responsibility of doing the review and to open again the debate on the Common Agricultural Policy funds and so on.
- To improve the tools of this project in order to expand the possibilities of speaking out civil society's reasons on the EU Budget. This book will also be used to respond to the Consultation Paper launched by the European Commission last 13th September, which is part of the shy actions mentioned above, in order to collect European stakeholders opinion on how the European Budget must be reviewed. All the contributions will be published on the Commission website and will be used to publish the results of the final consultation period in a large-scale conference organised by the EU Commission. The deadline is fixed by the next 13 of April. Of course we welcome the fact that the European Commission is holding a broad consultation including civil society.
- To offer a tool to European citizens to better understand how the Union works and which are the key issues of the debate. Moreover it is supposed to provide an input to civil society and European Institutions able to stimulate the debate on EU Budget and major EU policies.

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The Sbilanciamoci! campaign thinks that it is necessary to radically change the perspective of public policies, giving new economic and social priorities, in order to push for a solid world in which more attention is put to people's rights and environment instead of the needs of a market economy based on privileges, rents, wastes, inequalities. Too often the so-called free market, privatisations and liberalism have demonstrated their failures. It's high time to introduce social rules for the market and to re-think a role of the public sector in the economy. Welfare, environment and peace, once again, can be the coordinates for the building a new model of development.

Social issues are still having a marginal role in European policies. The Lisbon strategy (mainly focused on employment and competitiveness rather than on social cohesion and inclusion) and the Chart of Fundamental Rights have been introduced only recently and in a much less constraining way than the single market and the Stability Pact. A European social model, even if with the natural national shades, still has to be built. Most of the Member States have similar welfare systems based on the universal access to services but this is not enough to talk about a European model while inequalities between and within Member States are not faced with a common strategy. Social cohesion has to become a central issue for the future of the Union, overcoming the market approach, and its goals will have to represent primary objectives for the Community action.

The same can be said for the environmental objectives. The Sustainable Development Strategy has been defined and more recently objectives for an energy plan have been set, yet still the sustainability issue covers a very marginal role among Community policies.

The current budget appears as totally non sufficient to face these challenges and the Lisbon Treaty submits social progress and sustainable development to the establishment of the internal market.

Moreover, the process of economic and financial globalization has increased significantly the level of interdependence among countries worldwide, generating a need for more elaborate forms of global governance. That is why it is very important to talk about consistency and coherence when we approach European policies; specifically if we are talking about foreign affairs policies.

Although the EU firmly defends the principle of multilateralism, it is difficult to identify the kind of multilateralism it presents, the one of International Financial Institutions (IFIs) or the one of United Nations Agencies. If the EU wants to "speak with a strong voice and make a difference in the conduct of world affairs", through close dialogue and consultation with its partners, it will have to complement its support to multilateralism by defining a number of principles to be defended and promoted in global discussions regarding the international system.