

Lab-Seminar: The History and Politics of the EU Budget

First term, 2021-2022

Organized by Philipp Genschel & Marta Migliorati

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Course Overview

“The budget” said (long-dead) Austrian sociologist Rudolph Goldscheid, “is the skeleton of the state stripped of all misleading ideologies.” It is at the core of the social contract. It defines, who owes what to whom, when and how. The historical development of a central consolidated budget paved the way for democracy, the introduction of long-term floating government debt, and the emergence of big government as we know it today. It is a key topic in the canonical theories of state-building: the history of the state is in large part the history of state finance.

In the canonical theories of European and regional integration, by contrast, the budget is a marginal topic at best. The focus is on integration through law, the creation of a central consolidated capacity to regulate markets and coordinate policies, and the delegation and pooling of decision-making in EU institutions. The EU budget is largely ignored. It remains an obscure topic for issue specialists with little impact on grand theorizing (most specialists may disagree of course). This is a pity because the EU budget is quite large relative to the national budgets of the individual member states, and it is connected to some of the key challenges for the EU today: consolidation and differentiation, European debt, the relation between national and European democracy, and the spectre of EU big government.

The seminar has a dual purpose. Substantively, it wants to study integration through the lense of the EU budget. We will focus on key decision points in the development of the EU budget from its conception in the 1950s and 1960s through its transformation in the 1980s to the new challenges related to the Next Generation EU recovery plan. Methodologically, the seminar wants to familiarize students with concepts and tools of qualitative empirical research and offer opportunities for preliminary and rough finger exercises. We will visit the Historical Archives of the EU in Villa Salviati to get a feeling for the resources available and the ways and means of using them (tbc.). We will look at Factiva and related data sources and apply them to the analysis of a concrete decision-making sequence related to the Next Generation EU recovery package. Finally, Ingo Rohlfing, a distinguished expert on qualitative methods, will give a guest lecture (online) on key options and choices in case study design.

Requirements: reading, active participation and contribution to joint research exercises.

Learning Outcomes: Understand the history and politics of the EU budget and think about implications for EU integration at large. Engage with basic concepts and tools of case study analysis through learning-by-doing.

Schedule

This seminar takes place on Tuesdays at 17:00-19:00

The full list of seminar sessions is the following:

| | | |
|---------|---------------------------|-----------------------|
| Tuesday | 5 th October | Seminar room 2, Badia |
| Tuesday | 12 th October | Seminar room 2, Badia |
| Tuesday | 19 th October | Seminar room 2, Badia |
| Tuesday | 26 th October | Seminar room 2, Badia |
| Tuesday | 2 nd November | Seminar room 2, Badia |
| Tuesday | 9 th November | Seminar room 2, Badia |
| Tuesday | 16 th November | Seminar room 2, Badia |
| Tuesday | 23 rd November | Seminar room 2, Badia |
| Tuesday | 30 th November | Seminar room 2, Badia |
| Tuesday | 7 th December | Seminar room 2, Badia |

Reading list

Lecture 1: State making and budget making

- Martin i. W. (2020) The Political Sociology of Public Finance and Fiscal Sociology of Politics in T. Janoski, C. de Leon, J. Misra and I.W. Martin (Eds.), *The New Handbook of Political Sociology* (Chapter 18). Cambridge University Press
- Musgrave, R. A. (1959). *The theory of public finance; A study in public economy*. McGraw-Hill. (Chapter 1)
- Begg, I. (2016). The EU Budget and UK Contribution. *National Institute Economic Review*, 236(1), 39–47. <https://doi.org/10.1177/002795011623600106>

Lecture 2: The EU budget, an overview

- Feo, A. D. (2017). The European Budget: Motor or Brake of European Integration? A Walk through 40 Years of Budgetary Decisions. In M. W. Bauer, S. Becker, & A. De Feo (Eds.), *The New Politics of the European Union Budget* (pp. 33–82). Nomos Verlagsgesellschaft mbH & Co. KG. <https://doi.org/10.5771/9783845278032-33>
- Laffan, B., & Lindner, J. (2020). 9. The Budget: Who Gets What, When, and How? In H. Wallace, M. Pollack, C. Roederer-Rynning, & A. R. Young (Eds.), *Policy-Making in the European Union* (pp. 208–231). Oxford University Press. <https://doi.org/10.1093/hepl/9780198807605.003.0009>
- Strasser, D. (1992). *The finances of Europe: The budgetary and financial law of the European Communities* (7th ed. (3rd English ed.)). Office for Official Publications of the European Communities. (Chapter 2, Part 1: “The constitution of the European Community in the Area of the Budget: the struggle for budgetary power”)

Lecture 3: The early days of the Budget, accountability

- Druker, I. E. (1965). Strengthening democracy in the EEC: The Parliament and the budget. *Common Market Law Review*, 2(2), 168–196.
- Pollack, M. A. (2008). *Member-State Principals, Supranational Agents, and the EU Budgetary Process, 1970-2008* (SSRN Scholarly Paper ID 1119108). Social Science Research Network. <https://doi.org/10.2139/ssrn.1119108>
- Rittberger, Berthold. *Building Europe's Parliament: Democratic representation beyond the nation state*. Oxford University Press, 2005 (**Introduction**)

Lecture 4: The rebates, the intergovernmentalisation of the budget and the budgetary battles (1973-1988)

- Citi, M. (2017). EU Budgetary Politics and the Paradox of Juste retour. In *The New Politics of the European Union Budget* (pp. 83–102). Nomos Verlagsgesellschaft mbH & Co. KG. <https://doi.org/10.5771/9783845278032-83>
- Lindner, J. (2005). *Conflict and Change in EU Budgetary Politics* (1° edizione). Routledge. **(Chapter 5)**
- Taylor, P. (1982). The EC Crisis over the Budget and the Agricultural Policy: Britain and its Partners in the Late 1970s and Early 1980s *. *Government and Opposition*, 17(4), 397–413. <https://doi.org/10.1111/j.1477-7053.1982.tb00693.x>

Lecture 5: Inter-institutional relations, the budget and the MFF (1988-2014)

- Laffan, B. (2000). The big budgetary bargains: From negotiation to authority. *Journal of European Public Policy*, 7(5), 725–743. <https://doi.org/10.1080/13501760010014920>
- Le Cacheux, J. (2007). *Funding the eu budget with a genuine own resource: the case for a european tax (pp 1-9)* <https://institutdelors.eu/wp-content/uploads/2020/08/europeantaxlecacheuxnemay07-2.pdf>
- Héritier, A., Meissner, K. L., Moury, C., & Schoeller, M. G. (2019). The European Parliament in the Budgetary Process. In A. Héritier, K. L. Meissner, C. Moury, & M. G. Schoeller (Eds.), *European Parliament Ascendant: Parliamentary Strategies of Self-Empowerment in the EU* (pp. 81–110). Springer International Publishing. https://doi.org/10.1007/978-3-030-16777-6_6

Lecture 6: The Budget Galaxy

- Crowe, R. (2017). The European Budgetary Galaxy. *European Constitutional Law Review*, 13(3), 428–452. <https://doi.org/10.1017/S1574019617000219>
- Alcidi, C., Gros, D., Ferrer, J. N., & Rinaldi, D. (2017). *The Instruments Providing Macro-Financial Support to EU Member States*. 32.
- European Parliament. (2017). *The budgetary tools for financing the EU external policy*. https://www.europarl.europa.eu/RegData/etudes/STUD/2017/572708/IPOL_STU%282017%29572708_EN.pdf

[See also figure in Annex IV — The galaxy around the EU budget – an illustration of the complexity of the financing of EU activities in High-level group on own resource. (2016). *FUTURE FINANCING OF THE EU: Final report and recommendations of the High Level Group on Own Resources December 2016*. European Commission. https://ec.europa.eu/info/strategy/eu-budget/how-it-works/long-term-planning/high-level-group-own-resources_en]

Lecture 7: Public Financing in times of COVID

- Genschel, P., & Jachtenfuchs, M. (2021). Postfunctionalism reversed: Solidarity and rebordering during the COVID-19 pandemic. *Journal of European Public Policy*, 28(3), 350–369. <https://doi.org/10.1080/13501763.2021.1881588>
- Witte, B. D. (2021). The European Union's COVID-19 recovery plan: The legal engineering of an economic policy shift. *Common Market Law Review*, 58(3). <https://kluwerlawonline.com/journalarticle/Common+Market+Law+Review/58.3/COLA2021046>
- Jones, E. (2021). Did the EU's Crisis Response Meet the Moment? *Current History*, 120(824), 93–99. <https://doi.org/10.1525/curh.2021.120.824.93>

Lecture 8: Case study methodology

With Ingo Rohlfing

- Basics
 - Rohlfing, Ingo (2012): *Case Studies and Causal Inference: An Integrative Framework*. Basingstoke: Palgrave Macmillan: chapter 1.
- Case comparisons
 - Rohlfing, Ingo (2012): *Case Studies and Causal Inference: An Integrative Framework*. Basingstoke: Palgrave Macmillan: chapter 4.
- Process tracing
 - Bennett, Andrew and Jeffrey Checkel (2014): *Process Tracing: From Methodological Roots to Best Practices*. Andrew Bennett and Checkel, Jeffrey (ed.): *Process Tracing in the Social Sciences: From Metaphor to Analytic Tool*. Cambridge: Cambridge University Press: 1-37.

Lecture 9 & 10: Project work

The lab sessions will be conducted at the archives in Villa Salviati.

With the help of the archives specialists, students in groups of 2/3 will be able to investigate the following topics:

- Proposal 1: Key moments and turning points in history of EU budget and audit
- Proposal 2: Role of non-elected European Parliament in the history of budgetary powers and politics during the period 1957 – 1978
- Proposal 3: Role of elected European Parliament in the history of budgetary powers and politics during the period 1979 – 1982
- Proposal 4: Budgetary development after British accession 1974-1985
- Proposal 5: Administration and Financing of Human Rights Projects