

Non-Community spending is a little known, but important part of Europe's financial resources

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*Following lengthy negotiations earlier this year, the EU's member states eventually agreed on the content of the 2014-2020 EU budget. **Amélie Barbier-Gauchard** writes that in addition to the budget, the EU's member states also fund a number of projects and initiatives through 'non-Community European spending'. This form of public spending involves EU members co-operating outside of the EU's institutions, often through intergovernmental organisations set up independently by European countries. She notes that non-Community spending allows EU countries to pursue European integration under their own initiative, without waiting for a consensus between all 28 member states.*



The multiannual financial framework for 2007-2013 establishing the EU's financial resources for a seven-year period is coming to an end at a time of particular hardship for Europe: a time marked by flagging growth, constantly rising unemployment, and restrictive budget measures in a large number of EU member states. It was in this climate that negotiations for the financial framework for 2014-2020 got under way, and they have just wound up after more than two years by striking a compromise between the member states' occasionally very divergent interests and the requirements of the European Parliament.

It has to be said, when all is said and done, that the outcome of the negotiations is not so alarming as it may seem. The sums earmarked for growth and employment support appear, in fact, to be slightly higher than they were in 2007-2013. Also, the European budget is not the only form of Europeanisation of public spending. In particular, "non-Community European spending" reveals another picture, more often than not the result of cooperation among several EU member states that have expressed the wish to fund common projects together.

Non-Community European spending can be defined as spending funded by a number of different member states independently of their membership of the EU or of their contribution to the Community budget. More often than not, this spending is managed by intergovernmental organisations set up by one or more EU member states. Public spending of this type allows member states to pursue European integration without awaiting a 28-strong consensus, on the basis of the priorities that they set themselves in order to take advantage of economies of scale and of the benefits derived from pooling funding. This kind of organisation is generally fairly flexible and relatively simple in procedural terms.



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How is non-Community European spending used?

Non-Community public spending seems particularly difficult to grasp for several reasons: it can take various shapes, it can reflect a variety of different motivations and it can concern a wide range of public spending spheres. In terms

of the size of spending, it amounts to over 7.7 billion euros. Two categories can be identified on the basis of the member states' degree of independence from the European institutions. Quasi-Community spending, worth over 3.1 billion euros, does not appear in the Community budget, but it is managed by organisations situated directly within the EU system (normally the EU Council). Conversely, intergovernmental spending, which amounts to almost 4.6 billion euros, is pledged by certain EU member states to fund intergovernmental organisations that operate totally independently of any European institution. In some cases, however, the Community budget can occasionally make a financial contribution to these strictly intergovernmental organisations. Its commitment funding comes to almost 950 million euros.

A breakdown by area of public spending can be provided. Thus, over 4.5 billion euros are devoted to the areas of technological research and development and of competitiveness and innovation. In addition to this, some 3 billion euros are spent on external relations, more specifically on defence. Yet that figure is in fact an extremely conservative estimate because it has not been possible to put a figure on the human resources pooled through the multinational European forces (*Eurocorps EuroGendFor and so forth*). Moreover, we should note that in each of these instances the EU member countries involved provide the meat of the funding for these forms of intergovernmental cooperation, which often go back many years, showing that the countries in question play a fully-fledged role in these areas.

The European commitment to technological research and development accounts for over 10 per cent of overall public spending devoted to this field, rather than the mere 6 per cent that one comes up with when taking Community spending alone into account. Similarly, European commitment in the sphere of external relations, while admittedly very limited, is no longer totally absent.

For a longer discussion of this topic, see the author's recent [Jacques Delors Institute Policy Paper](#)

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Note: This article gives the views of the author, and not the position of EUROPP – European Politics and Policy, nor of the London School of Economics.

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About the author

Amélie Barbier-Gauchard – *Strasbourg University*

[Amélie Barbier-Gauchard](#) is a lecturer with accreditation to supervise research in economics at Strasbourg University's Faculty of Economic and Management Sciences, and a researcher with the BETA Office of Theoretical and Applied Economics. An expert in the governance of public finance within the EU, her work focuses primarily on the macro-economic aspects of European integration, with a specific interest in fiscal federalism.



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