

# Public opinion and the EU budget

## Who supports the EU budget?

### SUMMARY

The budget of the European Union (EU budget) provides the EU with the means to finance its policies and to respond to challenges which occur. Due to its scope, the perception of the EU budget is linked to citizens' perception of the EU as a whole, its legitimacy and reputation, as well as the performance of the EU institutions. This briefing analyses public opinion surveys related to the EU budget, in particular citizens' preferences for greater EU financial means and their evaluation of the EU budget as 'good' or 'poor' value for money. It sets the analysis of public opinion in the context of debate on reforming the EU budget and on setting the next multiannual financial framework.

According to recent Eurobarometer data, 37 % of Europeans support the EU having greater financial means given its political objectives, and 31 % think that the EU budget gives good value for money for EU citizens. Although the demand for greater support and the positive opinion of the EU budget both have positive trends over time, there is still much to be addressed.

A closer look at the data demonstrates significant differences between the opinions across the Member States. Although a more sceptical trend can be observed amongst net contributor Member States, the diversity in the data cannot be explained only by the positioning of a country on the net contributor-net beneficiary continuum. The opinions of citizens across Member States vary in their values as well as in their direction of change over time. In addition, the opinions on the EU budget can be linked to personal factors - younger Europeans tend to express stronger support for greater EU financial means than older ones.



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- Smaller or bigger EU budget – what do Europeans want?
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## The EU budget and European citizens

The budget of the European Union (EU budget) provides the EU with the means to finance its policies and respond to the challenges which occur. The Multiannual Financial Framework (MFF) sets the long-term policy priorities of the EU and the scope of their implementation, i.e. financial allocation ceilings – responding to existing issues and setting the trends for future developments.<sup>1</sup>

Due to its scope, perceptions of the EU budget are linked to citizens' perception of the EU as a whole, of its legitimacy and reputation, as well as of the performance of the EU institutions. It is also embedded in the context of current political events and economic issues. The ongoing debate on the next MFF, for the 2021-2027 period, takes place against a background of memories of the financial crises, the migration crises and the expectation of the loss of a major EU budget contributor after the United Kingdom leaves the EU in 2019.

Even before the 2021-2027 MFF proposal was formally tabled, debate on reforming the EU budget had been gathering pace. Discussion about moving towards a results-oriented budget and the justification for such a reform have been a major part of this debate. There is a need to respond to the expectations and concerns of European citizens, as well as to increase citizens' perception of value for money of the EU's expenditure. According to former EP President, Martin Schulz, without a reform of the current EU budget, we will see trust in the EU continue to dwindle.<sup>2</sup> The former European Commission Vice-President Kristalina Georgieva, then responsible for the EU budget, emphasised that a budget focused on results would be aligned to priorities, provide increased accountability, and would make spending clearer to citizens. According to her, we need to bring the EU budget closer to citizens, in terms both of revenue (genuine EU own resources) and of expenditure priorities. According to Mario Monti, chair of the High-level Group on Own Resources, a major goal for budgetary reform is to help reduce the alienation of citizens from the EU, for instance by responding to the demand for a genuine EU good, such as EU security. In its [resolution](#) on the reflection paper on the Future of EU Finances and its [resolution](#) on the 2021-2027 MFF and Own Resources, the European Parliament emphasises the importance of providing for European public goods, a focus on performance, accountability, simplified rules, evaluation of the efficiency and effectiveness of EU policies, and a more readable and understandable MFF structure. It also urges the Council to ensure that the next MFF responds to the needs, concerns and expectations of EU citizens. All these

### Data and methodology

[Eurobarometer](#) (EB) is a series of different surveys conducted regularly with the mission to monitor the public opinion in the European Union Member States and candidate countries, addressing a wide variety of topical issues. The surveys are conducted on behalf of the European Commission, while particular modules are commissioned by the European Parliament. The EB data provides a standardised and systematic coverage of citizens' opinions in all EU Member States over time.

This study uses data collected by the Standard Eurobarometer. It is a cross-national longitudinal study, designed to compare opinions and monitor trends through keeping most of the survey constant and including additional blocks of questions on specific topics related to EU policy areas and the concerns of EU citizens. The Standard Eurobarometer waves from 2005, 2008, 2011 and 2015 include additional blocks of questions particularly focused on the EU budget. The current analysis uses these surveys and covers the most relevant data on the changing perceptions of EU citizens regarding the EU budget.

The Standard Eurobarometer survey consists of approximately 1 000 face-to-face interviews per country carried out each spring and autumn. The samples in each Member State are nationally representative of its population. The fieldwork in each Member State is conducted by TNS Opinion.

Eurobarometer primary data and related documentation are publicly available and obtained through the data repository of the [GESIS](#) research institute for the purposes of this study. Statistical analysis used here include mainly descriptive statistics, crosstabs, correlations and logistic regression. Conclusions are made on the basis of statistically significant results.

principles aim at enhancing the involvement of citizens in the wider debate on the EU budget and improving perceptions of the EU's spending.

Despite the acknowledgement of the crucial importance of the relationship between the EU budget, the political agenda and citizens' opinions, public opinion surveys, or more general academic research, on their relationship is rare. The current paper addresses this under-researched and yet important area. It is based on data collected by the Eurobarometer (EB) surveys and presents several trends in European public opinion on the EU budget.

## Smaller or bigger EU budget – what do Europeans want?

The scope of the EU budget, covering various policy areas, is related to the competences of the EU. Over the years, the scope of competences has evolved, notably with the signing of each Treaty, but it is questioned whether the EU budget has been expanded and reformed sufficiently to reflect the deepening Union.<sup>3</sup> The size of the budget depends on the willingness of countries to contribute to it (revenue side) and the political decision to commit funds to particular policies (expenditure side).

Although only about 60 % of European citizens are aware of this, the EU budget is determined jointly by the European Parliament and the Member States. Therefore, the voice of citizens regarding their preferences on the EU budget can be heard, through their democratically elected national governments or democratically elected Members of the European Parliament. Every seven years, the EU institutions negotiate a multiannual financial framework (MFF), which determines the spending priorities and general outline of the expenditure of the EU for the forthcoming period.

The size of the EU budget is one of the guarantees that the EU can face challenges and deliver on its policy commitments; and, according to Article 311 TFEU, the Union shall provide itself with the means necessary to attain its objectives. Therefore, the size of future EU budgets as outlined by the proposal for the 2021-2027 MFF should be embedded in a broader strategy for the future of Europe. In its [resolution](#) on the reflection paper on the Future of EU Finances, the European Parliament stresses its conviction that the low level of the current MFF has proved insufficient to match the actual needs and political ambitions of the Union. It stresses its long-standing position that additional political priorities should be coupled with additional financial means and not be financed to the detriment of existing EU policies. In its [resolution](#) on the 2021-2027 MFF and Own Resources, the European Parliament recalls that the current MFF is smaller than its predecessor (the 2007-2013 MFF) and has been shown to be inadequate to finance the Union's pressing needs. Therefore, Parliament's position is to increase the 2021-2027 MFF revenue to the level of 1.3 % of the EU-27 gross national income (GNI), considering in particular the additional funding needed for new political priorities and to address emerging challenges for the Union. Commissioner Günther Oettinger, currently responsible for the EU budget, acknowledges that citizens expect that the EU will be a key player in more and more policy areas such as border control, immigration, defence and associated research, and that meeting these expectations is related to the continued allocation of new resources. He also acknowledges that some cuts to some policy areas might be made, but only if more money is allocated to strategic and crucial domains of EU policy.<sup>4</sup>

The debate on whether the EU budget should be smaller or bigger is often determined by its focus – on the expenditure or on the revenue side of the budget. It is traditionally framed as a competition to win a net balance between the contribution and the direct funding a country receives (known as *juste retour*). The debate on which Member States win or lose from the budget has been quite intensive, and it has intensified even more in the context of the financial crisis and Brexit.

One reason for framing the debate in the context of net contributors and net beneficiaries is that the EU budget is financed to a great extent by funds that are more contributions from the Member States than 'genuine own resources'. Thus Member States see the EU budget negotiations as a zero-sum game.<sup>5</sup> A potential fully fledged reform of the EU own resources system, which is in principle supported by the EP, carries the potential to change the focus of the debate towards more genuine common European goals.

Another reason of the zero-sum framing is calculating the net benefits based exclusively on the EU budget. The unravelling of the Brexit debate and negotiations demonstrate that calculating benefits and losses on the basis of the net balance of national contributions to the EU budget is overly simplified and misleading regarding the impact of the EU budget on a country's economy and welfare. As Mario Monti states, the mechanical split into net balance contributors and beneficiaries is wrong, as obviously, Norway [for example] sees the benefits beyond the simple arithmetic of net balance [according to which it contributes in pure net balance terms several times more than the amount by which it benefits from the EU budget].<sup>6</sup> Nevertheless, the net balance cliché is widely used in political discussions. The underlying assumption is that net contributor Member States would oppose any increase on the revenue side, and the net beneficiaries, any cuts on the expenditure side. This popular framing is also likely to be relevant for public opinion on the EU budget.

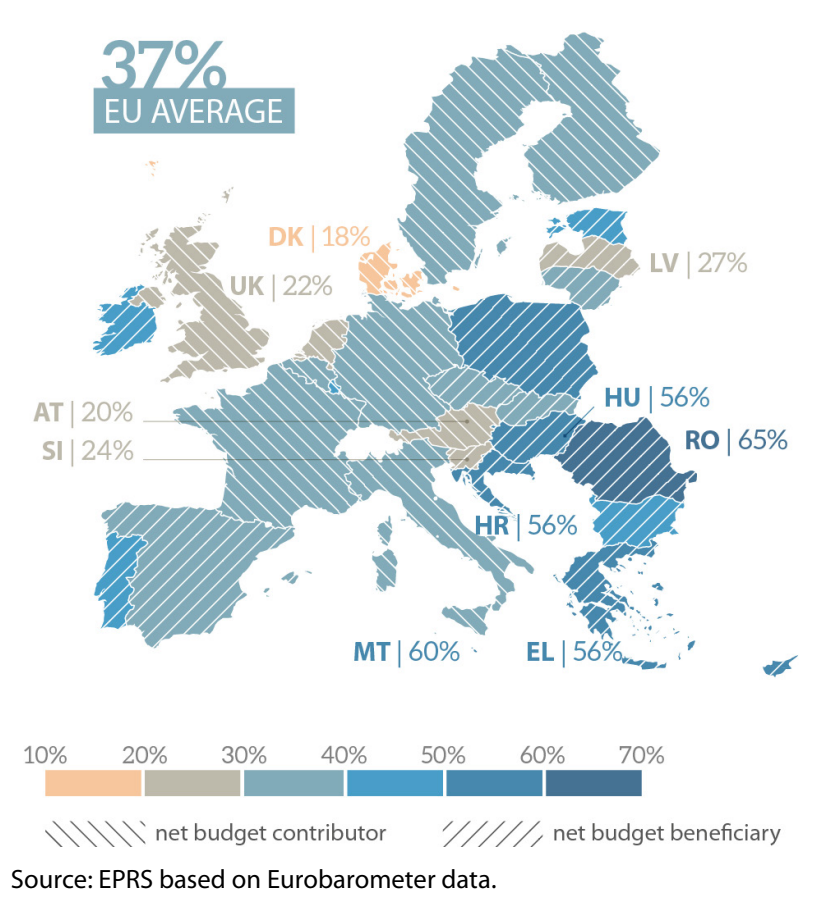
## Public opinion

The EB asked Europeans if the EU should have greater financial means given its political objectives or if the EU's political objectives do not justify an increase in the Union's budget.<sup>7</sup> This question was repeated at three points in time – in 2005, 2011 and 2015. The answers present rather diverse opinions in different Member States, as well as different trends, of increasing or decreasing support, over time.

In 2015, support for greater EU financial means across the EU was 37 %, but varied between 65 % in Romania and 18 % in Denmark (see Graph 1). In 2015, 47 % of European citizens thought that the EU's political objectives did not justify an increase in the EU budget. The significant discrepancy between the opinions of EU citizens from different Member States is not unique to this question. It can be observed more often than not in public opinion research in the EU. The distribution of opinions across the EU does not allow for the creation of homogeneous regional or 'historical' groups either. For example, the 2004-entrant Member States, Slovenia and Latvia, demonstrate some of the lowest levels of support for increased EU financial means, whereas Romania demonstrates the highest support across the EU. In 11 Member States, the predominant opinion is that the EU should have greater financial means given its political objectives, i.e. more citizens share this opinion rather than the opinion that political objectives do not justify an increase in the EU budget (excluding citizens who answered 'do not know'). These

Graph 1: Support for greater EU financial means, by Member State

2015, top and bottom five highlighted



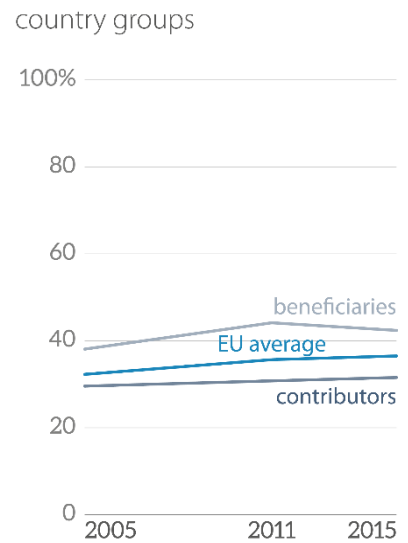
countries include Romania, Malta, Hungary, Croatia, Greece, Cyprus, Poland, Ireland, Bulgaria, Estonia and Portugal.

### Trend over time

The overall support for greater EU financial means has increased by almost 5 percentage points during the period covered by the surveys. The EU average support for greater financial means was 32 % in 2005, 36 % in 2011 and 37 % in 2015. In 2011, the strongest support for increased EU financial means was recorded in Cyprus (63 %), Greece (58 %), Hungary and Poland (53 % in each); and the lowest support in Denmark (16 %) and the UK (22 %). In 2005, the strongest support was registered again in Cyprus (61 %) and Greece (59 %), and also in Malta (57 %). At that point, Cyprus and Malta had just joined the EU the previous year. The lowest support for greater EU financial means in 2005 was in Sweden (17 %) and Denmark (21 %).

The trend of increased support for greater EU financial means is almost replicated by net beneficiary and net contributor countries, although with average lower levels for the group of contributor countries (see Graph 2). However, the changes of

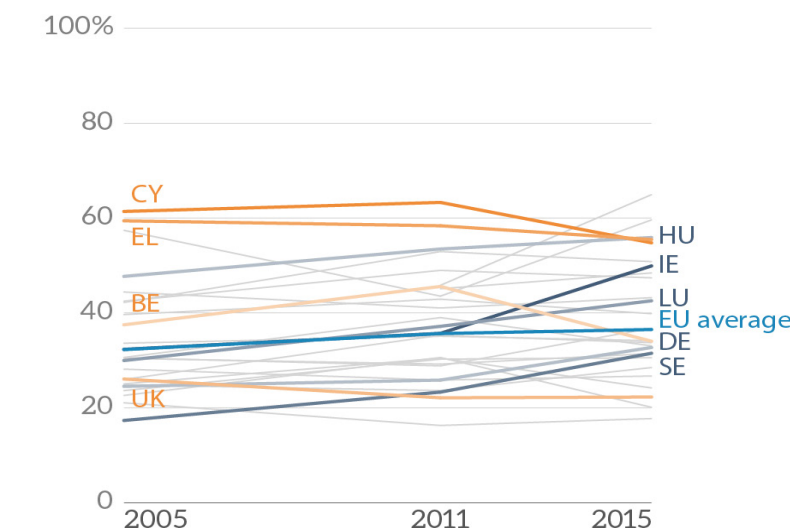
Graph 2: Support for greater EU financial means, by group



Source: EPRS based on Eurobarometer data.

Graph 3: Support for greater financial means – biggest changes, 2005-2015

top four risers and fallers highlighted



Source: EPRS based on Eurobarometer data.

support for greater EU financial means over time at Member State level are neither unidirectional, nor of similar intensity.

A more detailed picture can be seen in Graph 3. During the 2005-2015 period, the share of citizens supporting greater EU financial means increased significantly in Ireland (an 18 percentage point increase comparing 2015 to 2005), Sweden (14 percentage point increase), Luxembourg (13 percentage point increase), Germany and Poland (each with a 9 percentage point increase). On the opposite side, support for greater EU financial means has dropped significantly in other Member States, namely Cyprus (6 percentage points decrease, although it still maintains one of the highest levels of support across the EU), Greece and the UK (each with 4 percentage points decrease). Overall, there are nine Member States with decreased support

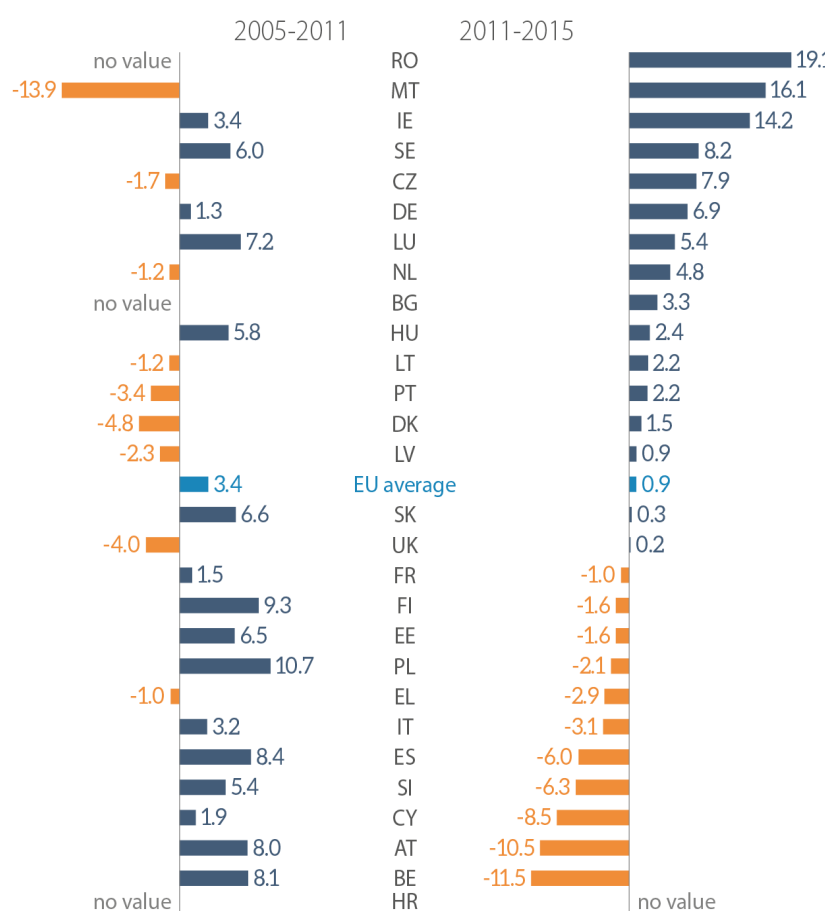
for greater EU financial means over the 2005-2015 period, and 19 Member States with increased support.

Graph 4 presents further details of the change in opinion over time in each Member State. Overall EU public opinion regarding an increase or decrease in the EU budget was almost unchanged at EU level between 2011 and 2015 (increasing from 36 % to 37 %). Despite that, there are some significant changes within certain Member States. They can be as significant as a 19 percentage point increase in support for greater EU financial means in Romania, to an 11 percentage point decrease in Belgium.

The changes in levels of support for greater EU financial means do not follow the same trend over time within many of the Member States. Only seven Member States show steady trends – a consistent trend of growth in support in Ireland, Sweden, Germany, Luxembourg, Hungary and Slovakia, and a consistent decrease in support in Greece.

Graph 4: Support for greater EU financial means – changes by Member State, 2005-2015

percentage point change



Source: EPRS based on Eurobarometer data.

The Member States with the greatest shift in support are Malta – 14 percentage point decrease between 2005 and 2011, and then a 19 percentage point increase between 2011 and 2015. The opposite shift is observed in Austria and Belgium - eight percentage point increase for the period 2005-2011 and around an 11 percentage point decrease for the 2011-2015 period. The data demonstrate that there needs to be further research on the factors that influence support for greater EU financial means in each Member State.

## Portrait of citizens who support greater EU financial means:

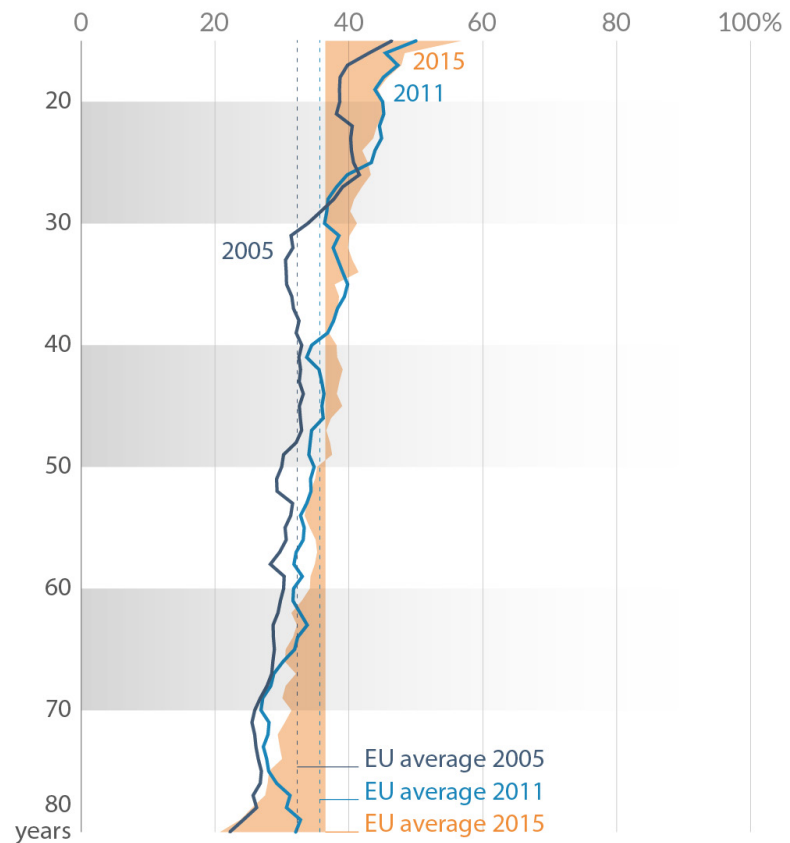
Apart from the political and economic factors that can be relevant to public opinion regarding the EU budget, there are also individual-level political, demographic and social factors.

One such factor related to a significant difference in opinions is age. Younger people support greater financial means for the EU considerably more than older EU citizens. This trend is valid for all the years covered by the surveys – 2005, 2011 and 2015.

Building a portrait of European citizens who support a bigger EU budget, based on the EB data, they tend to want more decisions to be taken at EU level and have a positive image of the EU. They are also people who tend to have better knowledge of the EU and trust the EU institutions, especially the European Parliament. They also tend to be people who are optimistic about the EU's future, evaluate the EU economy positively, unlike the situation of their national economy. They believe that their country's interests are respected at EU level and that their voice is heard in the EU.

Graph 5: Support for greater EU financial means, by age of citizens

age distribution, 2005/2011/2015



Source: EPRS based on Eurobarometer data.

## Does EU budget spending provide good or poor value for money – what do Europeans think?

Even if citizens are not entirely aware of the mechanism of determining the EU budget, its size or the priority allocation of funds, they still have very high and growing expectations of EU action in a long list of policy areas.<sup>8</sup> This sheds light on the question of how the EU budget is spent and there are two themes that persist in this debate. One is the efficiency of spending and the other is protection of the Union's budget in case of deficiencies as regards the rule of law.

As a policy response to the first concern, there is an increasingly popular trend of working towards performance budgeting, including the Commission's initiative, 'The EU budget focused on results', launched in 2015.<sup>9</sup> Under the principles of performance budgeting, as much attention is paid to funds' performance, efficiency and effectiveness as to their absorption and compliance with financial rules. This should increase value for money, as well as the transparency and democratic accountability of the budget.

As a policy response to the second concern, on protection of the Union's budget, there is a proposal to introduce conditionality relating to respect for the principle of the rule of law in the Member States under the 2021-2027 MFF proposals ('Protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States'). Whereas the Commission is ultimately responsible for the implementation of the EU budget, around 80 % of expenditure is actually executed directly by Member States under shared management. In its [resolution](#) on the 2021-2027 MFF and Own Resources, the EP expresses support for setting up such a mechanism, while paying special attention to the guarantee that the final beneficiaries of the Union budget can in no way be affected by breaches of rules for which they are not responsible.

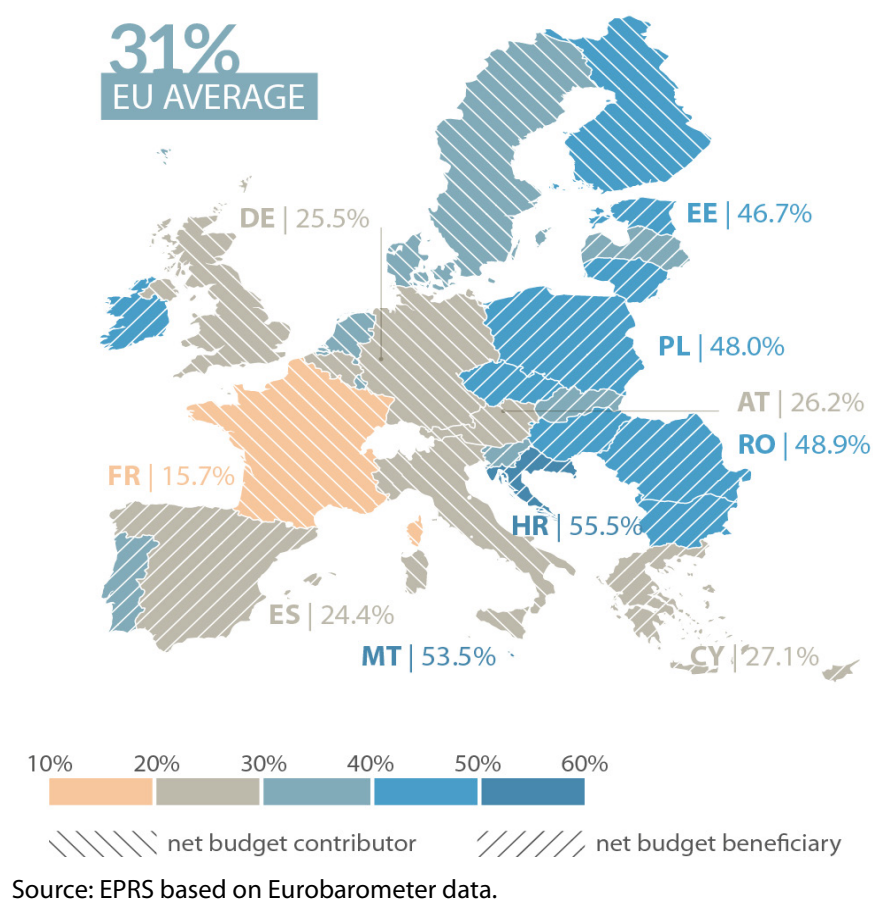
## Public opinion

The EB asked Europeans if they think that the EU budget provides good value for money for EU citizens.<sup>10</sup> This question was repeated at two points in time – in 2011 and 2015. The answers to this question present diverse opinions in different Member States, as well as different trends of increasing or decreasing support over time.

In 2015, the perception of the EU budget as good value for money was shared by 31 % of EU citizens, but varied between 56 % in Croatia and 16 % in France (see Graph 6). In 2015, 43 % of European citizens held the opinion that the EU budget gives poor value for money for EU citizens. Although there is a trend for newer Member States' citizens to perceive the EU budget as good value for money more frequently

than those of 'old' Member States, this grouping of opinions is not uniform. For example, Cyprus, a country that joined the EU in 2004, has one of the lowest share of citizens expressing a positive opinion (27 %) and in Ireland, the share is 46 %. In 11 Member States the predominant opinion is that the EU budget does provide good value for money, i.e. more citizens share this opinion than are of the opinion that the budget provides poor value for money (excluding citizens who answered 'don't know'). These countries include Croatia, Malta, Romania, Poland, Estonia, Ireland, Bulgaria, Czech Republic, Hungary, Lithuania and Latvia.

Graph 6: EU budget as good value for money, by Member State 2015, top and bottom five highlighted

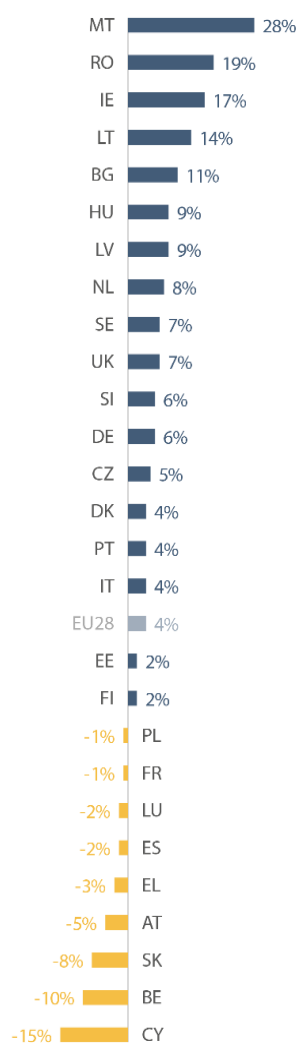




The question whether EU budget spending provides good or poor value for money has one of the highest proportions of 'Don't know' answers in the whole survey. In 2011, the 'Don't know' answers amounted to 29 % of all answers (surpassed, by a fraction, only by the question regarding trust in the Council of the European Union). In 2015, the 'Don't know' answers amounted to 26% (surpassed only by the knowledge question regarding the official growth rate of the national economy and the opinion question on the introduction of Eurobonds – 31 % of 'Don't know' answers). For example, in Bulgaria, 34 % of respondents answered 'Don't know', which surpasses significantly the 23 % of respondents who hold the opinion that the EU budget provides poor value for money.

Graph 8: EU budget as good value for money, by Member State, change 2011-2015

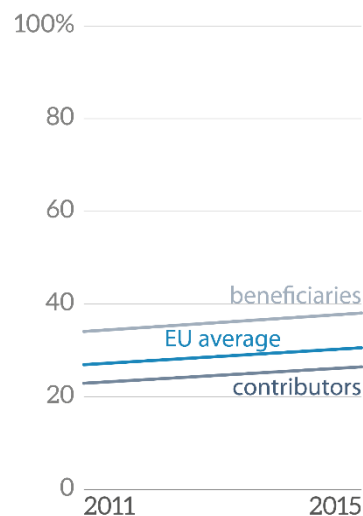
percentage point change 2011-2015



Source: EPRS based on Eurobarometer data.

Graph 7: EU budget as good value for money, by group

country groups



Source: EPRS based on Eurobarometer data.

## Trend over time

The overall perception of the EU budget giving good value for money increased by 4 percentage points between 2011 and 2015. The EU average perception of good value for money was 27 % in 2011 and 31 % in 2015. In 2011, favourable opinions were shared most frequently in Poland (68 %), Bulgaria and Estonia (60 % in each); and least frequently in Germany (27 %) and the UK (28 %).

The trend of an increased perception of good value for money is replicated in both net beneficiary and net contributor countries, if we analyse them as groups (see Graph 7). Similar to the preference for greater EU financial means, there are, on average, lower levels of positive opinions in the group of contributor countries, although with the same trend over time.

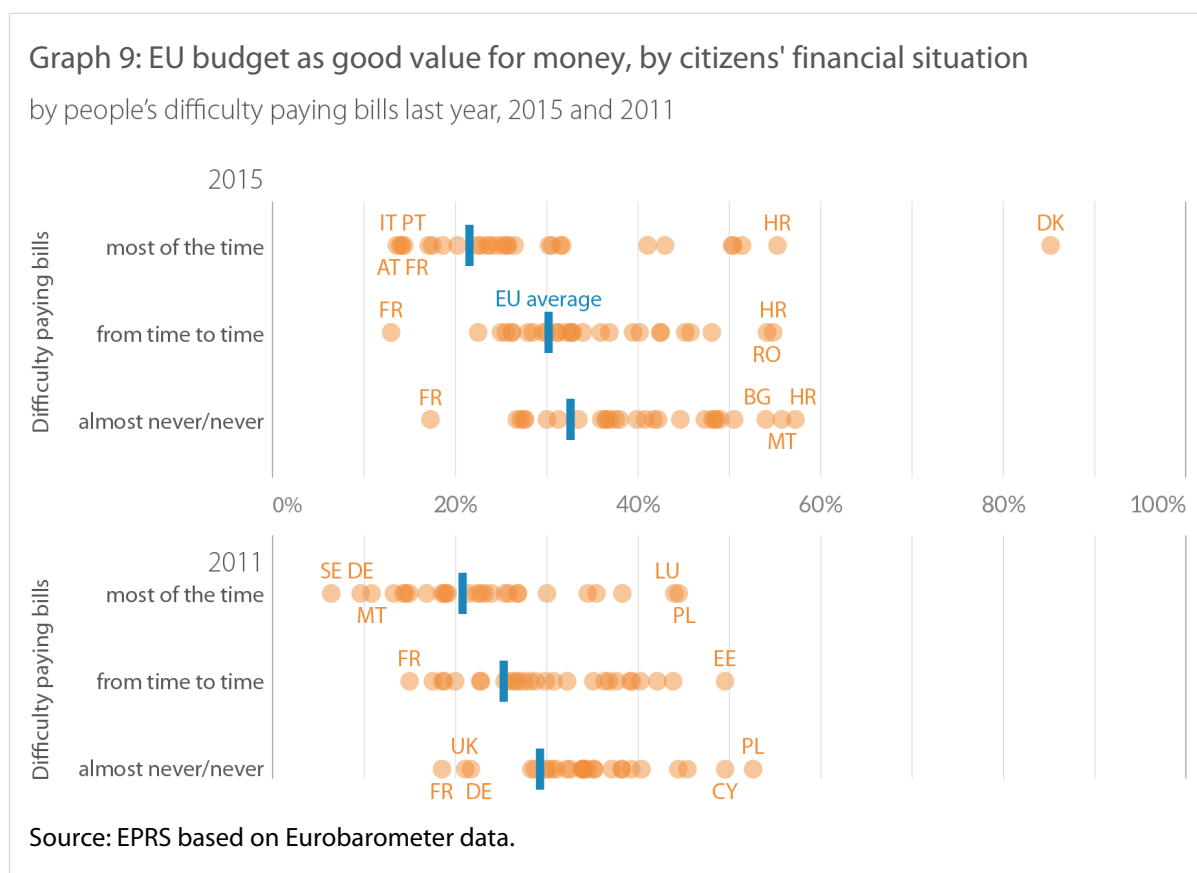
Looking at the data at Member State level, the intensity of the change in opinion however is very diverse. A more detailed picture can be seen in Graph 8.

During the 2011-2015 period, there are some significant changes within certain Member States. The Member States with the most significant increase in the share of citizens perceiving the EU budget as good value for money is registered in Malta – a 28 percentage point increase between 2011 and 2015. It is followed by Romania (19 percentage point increase) and Ireland (17 percentage point increase). The opposite shift of

opinion, a decreasing share of citizens who perceive the EU budget as good value for money is observed in only nine of the 28 Member States. In five of them, the negative change seen is marginal. The most significant it is in Cyprus (15 percentage point decrease) and Belgium (10 percentage point decrease). The data demonstrate that further research is needed on the factors that influence the support for greater EU financial means in each Member State.

### Portrait of citizens who perceive the EU budget as good value for money:

Just as any other attitude, individual-level political, demographic and social factors can also be related to the perception of the EU budget as good value for money. A factor that demonstrates statistical significance at EU level for both in 2011 and in 2015 is related to personal financial circumstances. People who face difficulties paying their bills tend to express more negative views about the EU budget as value for money (see Graph 9). Although there are differences between the Member States, the trend is significant.



## Support for the EU budget – conclusion

Perceptions of the EU budget by European citizens are improving gradually. This is valid for both support for greater EU financial means and the opinion of the EU budget as giving good value for money for EU citizens. Despite the positive trend over time, there is still much to be done in gaining the support of EU citizens. However, the overall EU level data is an aggregate of very diverse opinions and trends over time at national level. Each of them deserves specific analysis accounting for the political and economic conditions in the Member State concerned. In addition, individual-level factors can also have a significant link to the perception and evaluation of the EU budget, e.g. age or personal financial circumstances. The relationship between the perception of and support for the EU budget and such individual-level factors also needs to be examined further.

Despite the growing impact of the EU budget on the lives of Europeans, it is a challenge for citizens to understand the EU budget. This complexity of the topic is combined with scarce research data on

the perception of the budget, which creates an additional challenge for policy-makers who would like to communicate on the topic of the EU budget. As part of the debate on reforming the EU budget and on the 2021-2027 MFF proposal, there are initiatives with the potential to improve the understanding and support for the EU budget. Such potential can be seen, for example, in performance budgeting, genuine EU own resources, and the focus on responding to the needs, concerns and expectations of EU citizens. Of crucial importance in communicating the EU budget to citizens could be the proposals for simplified rules and a more readable and understandable EU budget.

The misleading framing of the EU budget as a zero-sum game between net contributors and net beneficiaries could be at least partially overcome by focusing more on genuine EU public good and analysing the benefits for European citizens, namely the beneficiaries according to personal-level factors rather than nationality.

Support for the EU budget has the potential to increase if citizens also have a better understanding of how they are represented in EU budget decision-making. In line with this, in its [draft interim report](#) on the proposal for a Council regulation on the Multiannual Financial Framework 2021-2027, the Committee on Budgets suggests a modification, according to which the European Parliament and the Council would have to meet in public when deliberating and voting on the draft budget.

## ENDNOTES

- <sup>1</sup> For more information on the Commission proposal on the 2021-2027 MFF, see [2021-2027 multiannual financial framework and new own resources. Analysis of the Commission's proposal](#), Matthew Parry and Magdalena Sapala
- <sup>2</sup> Interinstitutional conference with national parliaments on the future financing of the EU, 7-8 September 2016, Brussels
- <sup>3</sup> Daniel Gros, CEPS Working Document No 289, April 2008
- <sup>4</sup> Report: Public Hearing 'Preparing for the MFF post-2020: assessing strengths and weaknesses of the current MFF system and its relation to the Europe 2020 strategy' 20 June 2017
- <sup>5</sup> For more information, see [Future Financing of the EU. Final report and recommendations of the High Level Group on Own Resources](#), December 2016, Brussels
- <sup>6</sup> Interinstitutional conference with national parliaments on the future financing of the EU, 7-8 September 2016, Brussels
- <sup>7</sup> The exact wording of the question is as follows: 'With which of the following two statements do you most agree?' - The EU should have greater financial means given its political objectives; - The EU's political objectives do not justify an increase/decrease in the Union's budget
- <sup>8</sup> [Public opinion and EU policies. Exploring the expectations gap](#), EPRS, July 2016
- <sup>9</sup> Magdalena Sapala, [Performance budgeting. A means to improve EU spending](#), EPRS, March 2018
- <sup>10</sup> The exact wording of the question is as follows: 'Generally speaking, thinking about of the EU budget, would you say that...?' - It gives good value for money for EU citizens; - It gives poor value for money for EU citizens.

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