

Voice of the People

Manuscript
EU and finances
TVSYD, DK

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Duration: 7'52

Music: The European Anthem from the Council of Europe CD, track 16 26 sec

Translation

EU and finances

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0'11

speaking:

Money is an unavoidable term when talking about the European Union. And it is by far not petty change we are talking about. In 2002, the overall budget for the European Union was 98,635 million euros. Of this out 5% was spent on administration, i.e. the running of the European institutions, and this amounts to about 4,932 million euros.

0'43

sync:

Bearing in mind that we are one of the countries that will be subsidizing the European Fund, since our living standards are high, it would be interesting to find out the ceiling or the percentage of the subsidization that each Cypriot taxpayer will be called to pay.

0'58

speaking

The member-states contribute to the EU-Treasury, by ways of customs, excise, and a fixed percentage of each country's GNP of about 1.2 %.

1'09

sync:

This is a very complicated system. If you buy a bicycle for 100 euros, you'll pay 15 euros in contribution to the EU. Then there is the part of the VAT, 1% of the price of all commodities in your shops go directly to Brussels. Then there are all the agricultural levies. If you import sugar for instance, the EU will take 3 times as much as the price and put the money in the treasury in Brussels. Then in addition to that, you have a national contribution from each state which is dependent on the richness of the state. If you are a very rich nation, you have a very big BNP and you make a bigger contribution than if you are a poorer nation.

2'01

sync:

A currency called euro. The next phase of the euro. The currency changes, but not the value. Operation euro has been activated.

2'12

6 months later, on December 31, at midnight it will be introduced in all of France. Wow, you can pay with euro bills and coins.

2'20

The Euro?

Well, I look forward to it.

2'23

speak:

On January 1 2002, 12 of the member-states at that time introduced the common currency, the euro. Denmark, Sweden and Great Britain chose to stay out of the currency-cooperation. Whereas the three very small non-member states, Monaco, San Marino and the Vatican State were granted permission to introduce the euro as their currency. When the 10 new member-states will introduce the euro is dependent on when they will meet the so-called criteria of convergence.

2'55

These criteria put demands on the various countries' price stability and their public debts. These criteria were made to ensure that the member countries were able to contribute to the economic development of the EU.

3'08

sync:

What do we get in return for our money?

Isn't that a very relevant question?

I guess it costs a lot of money.

3'15

speak:

The major part of the money is returned to the member-states in the form of various forms of trade-enhancing subsidies, e.g. agricultural subsidies.

However, the EU also has agreements with poor countries and supports them with favourable trade-conditions and humanitarian aid. For instance, in 2004, the EU granted the crisis-ridden Sudan 100 million dollars in aid. Even ordinary companies, organisations and EU-citizens may apply for financial support from the thousands of offers from the EU. E.g. 120,000 students from all over Europe participate in international exchange programmes supported by the EU educational fund "Socrates".

3'59

If you want to build a project with support from the Social Fund or another structural fund, you should go to your local authorities and ask them to send an application to Brussels on your behalf. Sometimes programmes and projects are advertised in the official EU-newspaper. And then they call for tenders. You can then ask to take part

in a project before a certain date, and then you describe your project and send it to Brussels, and then there is a bureaucracy in Brussels which will look through your project.

4'42

speaking.

Over the years, there have been doubts about some countries' ability to be members of the Union which is based on trade and stable economies. The EU-countries that began cooperation on economic policy, common currency and creation of the European Central Bank, a cooperation called the Economic Monetary Union, the EMU. The EMU consists of 3 phases. The first phase was carried out in July 1990. Its objectives were the greatest possible degree of convergence of economic policies and a mutual supervision of each other's economies, in the attempt to ensure a more uniform economic development.

The second phase was introduced on 1 January, 1994, and was a spin-off of the Maastricht Treaty. The objective of this stage was to ensure a more stable and uniform development within the EU.

To reinforce cooperation between the various national central banks and prepare for the introduction of a common currency.

Finally, the third phase was introduced on 1 January, 1999.

11 of the 15 countries fixed their exchange rates and introduced the EURO.

Furthermore, the countries at the time promised each other to reach a higher degree of economic uniformity in terms of each country's public debt and interest rates.

6'03

In order to control if the countries meet the obligations, every year they are to submit information on a range of economic key figures to the European Commission and Council. And it has proved that the demands are hard to meet.

The Commission anticipates that in 2005, 5 of the 12 countries will fail to meet the demands on the size of their budget deficit. Large countries like Germany, France and Greece are faced with this problem.

6'27

sync:

I'd like to know what the money will be spent on. I just want to be sure it won't go into pockets of officials and clerks and that it will reach the people who were really supposed to get it.

6'38

sync:

The system is not transparent. For me as an elected member of Parliament it is not possible to see, where the EU spend their money in detail. I can do it now in Denmark. Every penny from the Community budget paid to Danish farmers can

Now be found on the Internet. You can see, the Minister got so much for her farm, and another farmer got so much for his farm. You can see who got the money. But for all other countries it is still a secret. So you can't see if it is the mafia or an ordinary farmer who gets the money. You can't see if it is a small company in a small town or Nestlé who takes the brother part of the subsidies from the EU. We don't know the exact figures. I've been fighting for 25 years in the European Parliament to get the exact figures on Community Spending. We can't get it.

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