Adoption of the EU Recovery Plan and MFF by the European Council

Declaration by Workers' Group President Oliver Röpke

After 4 days of deliberation –and many months of fruitless meetings- the European Council has finally reached an agreement for the MFF and the EU Recovery Plan. Having €750bn through a common debt instrument is a historic achievement, as it offers a real chance for recovery to countries without adding more national debt. Moreover, a long-standing demand of the EESC, for the EU to finance itself through its own resources, is finally on the way to become a reality. Negotiations were complicated and the deal was better than it could have been; for this, the Workers' Group thanks the Commission and Council presidents, and the work of many member states, in making this agreement a possibility. And we regret the role of the so-called 'frugal four' –or five-, better called 'small-minded four', which have gambled on everyone's future for their own electoral purposes.

Nevertheless, while welcoming the agreement, there are certain signs to worry about, as it has come at the cost of clear rule of law conditionality, and imposing a national emergency brake that could delay critical funds, as well as cuts in key budget lines of the MFF. On the other hand, rebates –allowing 'net contributor' countries to contribute less to the EU Budget-, which were to be abolished for this budgetary period, have been maintained and increased. Likewise, the originally €500bn in grants –and €250bn in loans- have been turned into €390bn and €360bn, respectively.

Beyond the recovery plan, critical funds for the just transition are cut down from €37.5bn to €17.5bn, InvestEU from €31bn to €4bn; research in Horizon Europe, to be incremented originally to €13.5bn, is reduced from €8bn to €5bn. Similarly, Erasmus+ has €5bn less planned, and what is more of a concern, EU4Health –a fund intended to combat the health effects of corona in a coordinated manner- is reduced from €9.4bn to €1.67bn.

It is our hope that the European Parliament will change and correct some crucial points, including the risk of negative conditionality imposed by the Country-specific recommendations and the European Semester. Likewise, a wider perspective on the recovery plans, linking them to the implementation of the European Pillar of Social Rights, to sustainable growth and employment, would prove a great asset.

We must now make sure that the emergency brake and national reform plans do not lead to more austerity as in the last crisis, which would play right into the hands of populists across Europe. The conference on the Future of Europe must consider the necessary changes to EU governance, as currently national governments and mostly mainstream parties are playing soft Euroscepticism for short-term electoral gains when negotiating in the Council, something that has been painfully evident these last days with the short-sightedness of the aforementioned 'frugal four'. This not only prevents the common good to be an item on the table –silenced by deafening national interests-, but also pushes us down a path walked before, in particular by the United Kingdom, whose end we all sadly know well.

We therefore call for EU institutions and governments not to repeat the mistakes of the last decade, to allow the funds to help those in need, and to ensure that reforms strive for fairer, better-functioning societies and economies. This massive effort and sacrifice by workers and citizens across the Union will be at risk if the only recipes are cuts on wages, workers' rights, pensions, and the health system.