

'Weighting of votes in the Council disguises the budgetary stakes' from Le Monde (20 January 2004)

Caption: The author of this article, published on 20 January 2004 in the French daily newspaper Le Monde, outlines the historical reasons for the creation of a weighted voting system in the Council and the difficulties involved in introducing a new system based on an objective criterion, such as population.

Source: Le Monde. 20.01.2004. Paris. "La pondération des voix au Conseil dissimule des enjeux budgétaires", auteur:Brehon, Nicolas-Jean , p. IV.

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Weighting of votes in the Council disguises the budgetary stakes

UNDER THE FUTURE CONSTITUTION, THE WEIGHT OF THE SMALL MEMBER STATES WOULD GO DOWN FROM 18 % TO 6.7 %

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The failure of the Brussels Intergovernmental Conference on the draft Constitution in mid-December 2003 is principally attributable to the difficulty in securing a compromise on the weighting of votes in the Council. This has major budgetary consequences. Hitherto, there has been no one objective criterion that explains the weighting per country — neither demography nor wealth, and even less a state's share in the financing of the budget. The current hierarchy resulted from the wish to avoid the domination of the small states by the large states, together with the weight of the past. That is why the discrepancy between the votes in the Council and weight in the European Union (EU) has constantly widened, to the detriment of the larger states.

Behind the scenes, everybody kept quiet about their calculations and observed that the decision-makers are not the paymasters. Hitherto, the larger states had accepted this situation, motivated both by European solidarity and by a desire to retain unanimity for strategic decisions (setting the authorised ceiling for levies and adoption of the financial perspective (FP)).

However, with enlargement, and the accession of ten countries of Central and Eastern Europe, together with Cyprus and Malta, the budgetary stakes have taken on a new dimension. Admittedly, some safeguards have been retained — expenditure is fixed until 2006, the agricultural budget is guaranteed until 2013, and the next FP, due to start in 2007, will still require a unanimous vote. But there are already signs of problems. Firstly, financial pressure is increasing — after 2007, expenditure for the 10 new Member States will account for 11 to 16 billion euros a year (without including the cost of admitting Turkey, estimated at 7 to 9 billion euros). The larger the budget becomes, the more the interests of individual states diverge. Secondly, the draft Constitution provides for future FPs to be adopted by a qualified majority vote (a stake of 500 to 1000 billion euros, depending on the term and level adopted).

Such high stakes make it necessary to consider the weighting of votes extremely carefully. The system provided for in Nice, in 2000, was generous to the ten new Member States, which were assigned one quarter of the votes although they account for less than 5 % of total gross domestic product (GDP) and of budgetary financing. The European Constitution proposes to replace this system with an implicit weighting based on population. Who would be the losers and who the winners under this new system, which would be applicable as from 2009?

The 'small countries' would lose the advantage that they have held since 1957 (one vote for Luxembourg, four votes for the larger countries), which has always been endorsed ever since. According to the Nice formula, the 11 Member States with under 6 million inhabitants account for 6.7 % of the population of the EU of 25, and 6 % of the EU's GDP and budgetary financing, but 18 % of votes on the Council. Accordingly, their relative weight would decrease from 18 % to 6.7 %. This reduction would be offset by the clause under which a qualified majority also requires a majority of Member States. The winners are the four largest states, since they account for 58 % of the population of the EU of 25 and finance two thirds of the budget and three quarters of the 15–16 billion euros redistributed every year between the rich and poor countries, but they hold only 36 % of the votes under the Nice formula. Accordingly, their relative weight would increase from 36 % to 58 %.

Strict application

There then remains the case of Spain and Poland, modest contributors to but major beneficiaries of the Community budget. The Nice Treaty raised them to the ranks of the larger Member States, but strict application of the demographic criterion would disqualify them. In effect, contrary to widespread belief, the two countries' share in future weighting would be virtually identical to that accorded them in the Nice Treaty. So they would not lose as much in terms of weighting as in terms of ranking.

However, France is in rather an awkward position. On the one hand, it accepted Nice only in order to maintain parity with Germany, which it is on the point of losing. On the other, its satisfaction at regaining institutional weight could be merely temporary. This is because, if Turkey accedes to the European Union, it will become both the country with most representatives in the European Parliament and the most powerful country on the Council, even though it accounts for only 2 % of the EU's total GNP.