

The EU's budgetary coup

New Multiannual Financial Framework to expand Brussels' powers

by Thomas Fazi*



Thomas Fazi. (Photo <https://unherd.com>)

(CH-S) Whilst in Switzerland it is ultimately the taxpayer who decides at the ballot box on projects funded by taxpayers' money by local authorities, cantons and the federal government, developments in the European Union are moving in a different direction. More and more power is being concentrated

in the hands of the European Commission. And with the "Multiannual Financial Framework" (MFF), which is currently being negotiated until the end of the year, even more power is set to shift to Brussels.

In the European Parliament, for various reasons (lobbying, nepotism, privileges, etc.), there is no open discussion on this matter and, so far, no significant opposition has emerged. As a result, the European Union is increasingly degenerating into a debt union.

Thomas Fazi provides an insight into the political goings-on in Brussels. We invite our readers to reflect on the consequences of Switzerland becoming more closely tied to this European "debt union" (see "Bilateral Agreements III").

The Commission is using the bloc's new multiannual budget for yet another power grab: the "Multiannual Financial Framework". Even for a body as jargon-prone as the European Union, the phrase feels almost bewilderingly dull. Perhaps that's the point. For hidden amid the technical language of the EU's new budget is a kind of technocratic coup – one that promises more power for the Commission, less for member states, and which would ultimately make Brussels even less accountable than it already is today.

* Thomas Fazi is an UnHerd columnist, author and translator. His articles appear in numerous online and print media. He lives mostly in Rome, Italy.



"Join us, or you'll go under!!!" "Little joker." (Picture exhibited at the Kompass event on 27 May 2026 in Dübendorf ZH)

Member States' financial sovereignty is shifting to Brussels

Over the past decade, the EU's institutional balance has already tilted heavily towards the Commission, which has extended its reach into areas once considered the preserve of national governments – from fiscal policy and public health to foreign affairs and defence. The mechanism has been consistent: each crisis – the sovereign debt crisis, Brexit, the Covid-19 pandemic, the Ukraine war – has served as a pretext for the Commission to assume more authority, make "emergency" decisions and lock in permanent changes to the exercise of EU power. None of this has required formal treaty changes. It has occurred surreptitiously, outside the arena of democratic debate, through what scholars have called "integration by stealth". The result has been a creeping "Commissionisation" and supranationalisation of European decision-making, with a corresponding erosion of national sovereignty and democratic accountability.

The EU is in a hurry – because of France

Now the Commission is using negotiations over the EU's next seven-year budget – the aforementioned *Multiannual Financial Framework* (MFF) for 2028-2034 – to push this process further still.

And precisely for this reason it is keen to wrap up a deal by the end of the year. Brussels insiders are acutely aware that the French presidential election of April 2027 could produce a government led by Jordan Bardella of the National Rally – a party hostile to the integrationist agenda underpinning the new MFF. Since the framework requires unanimous approval in the Council, a Eurosceptic France could strangle the budget at birth. The unstated but operative goal is to seal the deal before that risk appears. That this is never said openly only underscores the contempt for democratic deliberation that now pervades the process.

10% of debt servicing for “NextGenerationEU Recovery” and the “Resilience Facility”!

What, then, is the package that the Commission is so keen to sign into law? It is a framework totalling almost €2 trillion, equivalent to around 1.26% of EU *gross national income* (GNI) over the seven-year period. The European Parliament, never shy about spending other people’s money, wants to push that to 1.38% of GNI. But neither institution really admits the structural tensions buried in the figures. The EU must service roughly €750 billion in bloc pandemic debt, the repayment of which is now being permanently integrated into the regular EU budget. The Commission’s own proposal earmarks €149.3 billion for repaying the so-called “NextGenerationEU Recovery” and “Resilience Facility” funds – a sum that amounts to nearly 10% of total MFF commitments.

The EU runs up debts, distributes the money and recovers it from all Member States

This matters because of what it reveals about the true nature of NextGenerationEU (NGEU). What was sold to European publics as an exceptional, one-off response to the Covid crisis is

now the fiscal template for the Union’s future. The pandemic fund set the precedent: the EU can borrow on capital markets, distribute grants to member states, and then embed the repayment into the general budget for decades to come – all without anything resembling a proper democratic mandate.

This is arguably what the “unprecedented” EU fiscal response to the pandemic was always about: normalising common debt as a mechanism for tilting the institutional balance of power decisively in favour of the Commission, downgrading member states and locking in a structural shift in European integration. Indeed, the EU has since repeated the trick with a €90 billion package for Ukraine, again funded through joint debt backed by the common budget. The “historical exception” has quietly become the norm.

New levies on businesses

To repay its vast debts, the Commission has proposed a package of new levies on companies. But if the new taxes fall short, as is likely, the fallback is a compulsory levy on member states. The existing “Own Resources Decision” – another wonderful piece of EU lexicon – already empowers the Commission to call on national governments for additional GNI-based contributions to cover NGEU repayments, on top of regular programme spending.

other words, if the new revenue streams underperform, the bill lands automatically on national treasuries, decided not by sovereign parliaments, but by the remorseless logic of the EU’s debt repayment.

At any rate, EU debt now functions as a de facto tax on member states, bypassing the normal channels of democratic budgetary control.

Source: <https://www.thomasfazi.com/p/the-eus-budgetary-coup>, 11 June 2026