

## CHARACTERISTICS, FUNCTIONS AND CHANGES (?) OF EU BUDGET

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**ABSTRACT:** *Every chance that you get is a chance that you seize – every crisis is a chance.<sup>1</sup> Due to the economic depression the supervision and evaluation of governmental roles is surfacing not only at national but also at EU governmental level. The crisis and the debate of the next (2014-2020) multiannual financial framework (MFF) have given an opportunity to the revision of EU governmental methods and functions. The question is whether the EU and the MemberStates have made the best of this opportunity or not.*

*For the purpose of analysing the functions at EU governmental level, the first part of the study focuses on the theoretical background of intergovernmental fiscal relations, on the theory of fiscal federalism in general. Afterwards the special characteristics of the EU budget and EU finances will be defined from the viewpoint of fiscal federalism. In the framework of our study, the present (2007-2013) MFF will be thoroughly evaluated and compared to the next (2014-2020) MFF. The final version of the next MFF and the detailed rules have not been adopted until the time of writing (November 2013), though the proposals of the Commission and the conclusions of the European Council clearly show the direction – or the lack – of changes.*

**KEY WORDS:** *Fiscal federalism, allocation, redistribution, stabilisation, EU budget, multiannual financial framework*

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