



NEW DIRECTION
THE FOUNDATION FOR EUROPEAN REFORM



Ending Excess: Cutting the Costs of the European Parliament

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October 2011



NEW DIRECTION

THE FOUNDATION FOR EUROPEAN REFORM

New Direction – The Foundation for European Reform is a free market, euro-realist think-tank established in 2010 in Brussels and the UK affiliated to the Alliance of European Conservatives and Reformists (AECR). *New Direction* seeks to promote policies and values consistent with the 2009 Prague Declaration to help steer the European Union on a different course and to shape the views of governments and key opinion formers in EU member states and beyond.

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Foreword

National governments across Europe are struggling to cut public expenditure while the EU institutions have been carrying on obliviously. They are just waking up to the problem. They are very costly. Money is no object. In looking at these institutions we begin with the European Parliament (EP), the EU institution we know best.

We imagined the information would be easily accessible and that a report could be written quickly. In fact, it has been extraordinarily difficult to glean even some of the most basic information about the EP's expenditure. As an example, on 15th April 2011, we submitted 15 straightforward questions to the Parliament's authorities. A reply was received 3 months later, on 18 July 2011, immediately preceding the summer recess. However, the information gave us some key elements for this report, which is really an overview of the problem. We have not been able to get into all the detail of consequential costs, or the rules and legislation that hamper change. What is clear is that the driving force in the budget increases – the EP now costs €1.69 billion a year – has been the excessive growth of the parliament's bureaucracy and its vanity projects. This trend has to be put in reverse.

We recognise the deep suspicion and sincere criticism of "Brussels" and the project of "ever closer union" in many countries – indeed, the driving motive of "*New Direction*", as its name implies, is to steer the EU onto a different course. At the same time we understand that many take a benign view of the EU, and that this is a consequence of geography, economics, and of recent history. We very consciously, therefore, have not sought to propose unnecessarily draconian measures, or ones that a reasonable MEP would have difficulty with. However, in these times of economic stringency, the most egregious examples of excess should be cut – the "House of European History" is a monumental example.

But there is no point in saving money in one area of EU expenditure if it is just going to be recycled into another. There is an urgent need to find ways in which funds can be returned, through a simple and transparent process, to the national exchequers of countries that are net contributors to the EU budget. At the moment there is little political will or incentive within the Parliament's bureaucracy to cut costs dramatically. Governments, in Council, must therefore insist that the EU institutions, including the Parliament, engage in serious reductions of expenditure in the short term. Then the treaties should be amended to facilitate further cuts – ending, for example, the requirement for Parliament to have sessions in Strasbourg and reducing the translation requirements.

The Parliament should end its spendthrift ways. It should introduce significant cuts to its budget. We suggest ways of doing this and call on the Parliament's Bureau and budgetary services to bring forward the necessary proposals.

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5 October 2011



Executive Summary

National governments are cutting budgets but the costs of the EU increase. While nearly all Member States have implemented austerity measures to reduce debt and promote growth, *the European Parliament is increasing its own budget and spends money gratuitously.* The Parliament must end its excess.

The massive inflation in the size of the European Parliament bureaucracy in Brussels, Strasbourg and Luxembourg must be reversed. The growth in staff numbers is out of all proportion to the modest increase in numbers of MEPs through enlargement of the EU.

Eventual cuts are proposed that would reduce the EP budget by some € 400 million per annum, or approximately 24%. Funds saved should be returned to the exchequers of EU net contributor states, where governments are accountable to taxpayers, and not merely recycled into the Parliament's, or other EU, budgets.

- **Translation services could be slashed without pain.** At least € 100 million is spent each year translating documents - € 90 million of which is for “preparatory” documents. This figure could rise to € 128 million if three new languages were added. We propose reducing the number of languages for preparatory documents to 5 or 6 – a move that could save € 40 million per year with almost no impact on the Parliament's work.
 - **EU propaganda is wasteful, misleading and should be cut.** This includes the new “House of European History” museum – expected to cost upwards of €150 million – as well as wasteful spending on Information Offices.
 - Huge savings would come from **closing the Parliament's second seat in Strasbourg.** Holding all plenary sessions in Brussels would save at least €200 million a year.
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Introduction: The European Parliament and Its Budget

While national governments are taking stern measures to reduce colossal public debt burdens, to fan the embers of economic growth and to prevent the collapse of the Eurozone, the EU institutions have been carrying on almost impervious to these currents.

To take the UK as an example, the government is proceeding with £81 billion of cuts in public expenditure, averaging 19% across government departments.¹ Yet Britain's net contribution to the EU, under terms agreed by the previous Labour government, has increased from £5.3 billion in 2009 to £9.2 billion (€10.4 billion) in 2010.²

The major source of expenditure among the EU institutions is the European Commission. However, all of the institutions need to engage in major cost-cutting exercises. The EP's budget for 2011 is € 1.69 billion. This is an increase of 18.1% since 2009 (including a 6% EP budget increase following the Lisbon Treaty), the last year for which full spending figures are available. This covers the costs of the Parliament's two seats in Strasbourg and Brussels, the cost of MEPs, and also the EP's Secretariat and administrative support – which occupy offices in Brussels, Luxembourg and in the member countries.

Admittedly, just five per cent of EU funds are spent running its institutions, and the European Parliament accounts for a fifth of this. But this relatively small figure is nonetheless significant - €1.69 billion. It is the Parliament's Secretariat, which has escalated in size disproportionately over the past decade, which drives much of this cost. This bureaucracy has a life of its own quite separate from the activities of the elected representatives, the MEPs.

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The EP's Secretariat works in close cooperation with the General Secretariat of the Council and, especially, with the European Commission. While there may be some superficial differences in responsibilities, all are engaged in the process of "ever closer union" moving towards a federalist United States of Europe. This should be no surprise as the staff of all the EU institutions is now regarded as being part of the "European Civil Service", all selected on a similar basis through the European Personnel Selection Office (EPSO). Along with Commissioners, and a small number of politicians, these are the "eurocrats".

In addition to salaries and expenses, the bureaucracy's expansion in numbers creates the need for more buildings and other consequent costs.

Of course, any suggestion of a reduction in its size or resources is immediately interpreted as an attack on the EU itself, rather than as a sensible and justified response to current economic pressures.

It should be noted that the Commission now intends to freeze administration costs in its 2012 budget and the Council of the EU aims for a 4.4% reduction.³ The Parliament has increased its budget but, on 26 September 2011, its Bureau agreed to submit proposals to the Budget Committee for a €25.1 million cut in expenditure. This is just 1.48% of the overall EP budget. At the same time, the Bureau agreed to purchase and renovate yet more buildings to house officials, at a cost of €15.9 million, and to spend €30 million on



reorganising MEPs' office space. What has been given with one hand is more than taken back with the other.

On 5 October 2011, the Budget committee agreed on a reduction of travel costs by five per cent, translation and interpretation on demand, and a freeze on MEPs' general expenditure allowances. Someone is beginning to get the message, but there is much to be done. These reductions merely reduce the increases that had previously been proposed.

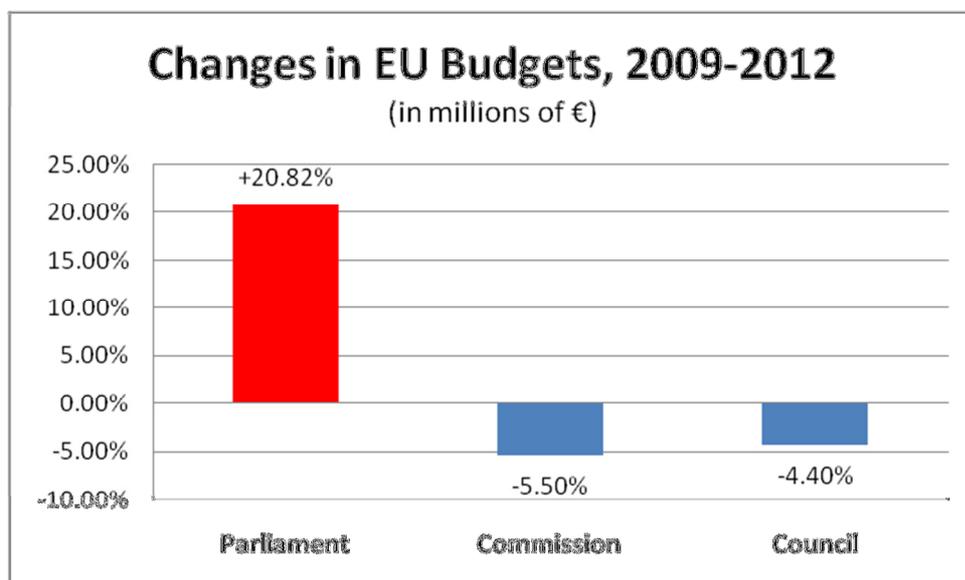
This study focuses on the size and costs of the Parliament's personnel and structures – the enormous mismatch between partially justified increases (through EU enlargement, for example) and those that just reflect institutional and EU ambitions.

Our proposals should be found acceptable to any reasonable person, regardless of attitudes to the EU, given the economic constraints and the demands for reductions in public expenditure in so many countries across Europe today. Our view is that there is great scope for reduction in the EU institutions and the Parliament should take the lead in this.

The Parliament's proposals to increase its budget for 2012

Despite the economic crisis – and a recommendation for restraint from the Commission – the European Parliament voted on 24 March 2011 to increase its budget by 2.3% in 2012 (see table) to € 1.725 billion⁴.

Figure 1



Percentage change in budgets for the Council⁵, Commission⁶ and Parliament, including proposed 2012 budgets.

We believe that sharing the pain that many millions of Europeans have experienced and continue to endure is responsible, easily achievable and would be good for the reputation of an institution that is supposed to represent the will of the people.



Bureaucratic Expansion

The nature and role of the European Parliament have changed greatly over the years. This is a reflection, firstly, of the five successive enlargements of the EU which has seen the member countries increase from the original six to today's 27 – each requiring representation in the Parliament and adding to its linguistic diversity. Secondly, successive EU Treaties have given the Parliament more powers – it can no longer be characterised as just a “talking shop” as it now exercises co-legislative powers over almost all areas of EU policy (key current exceptions being foreign and defence policy).

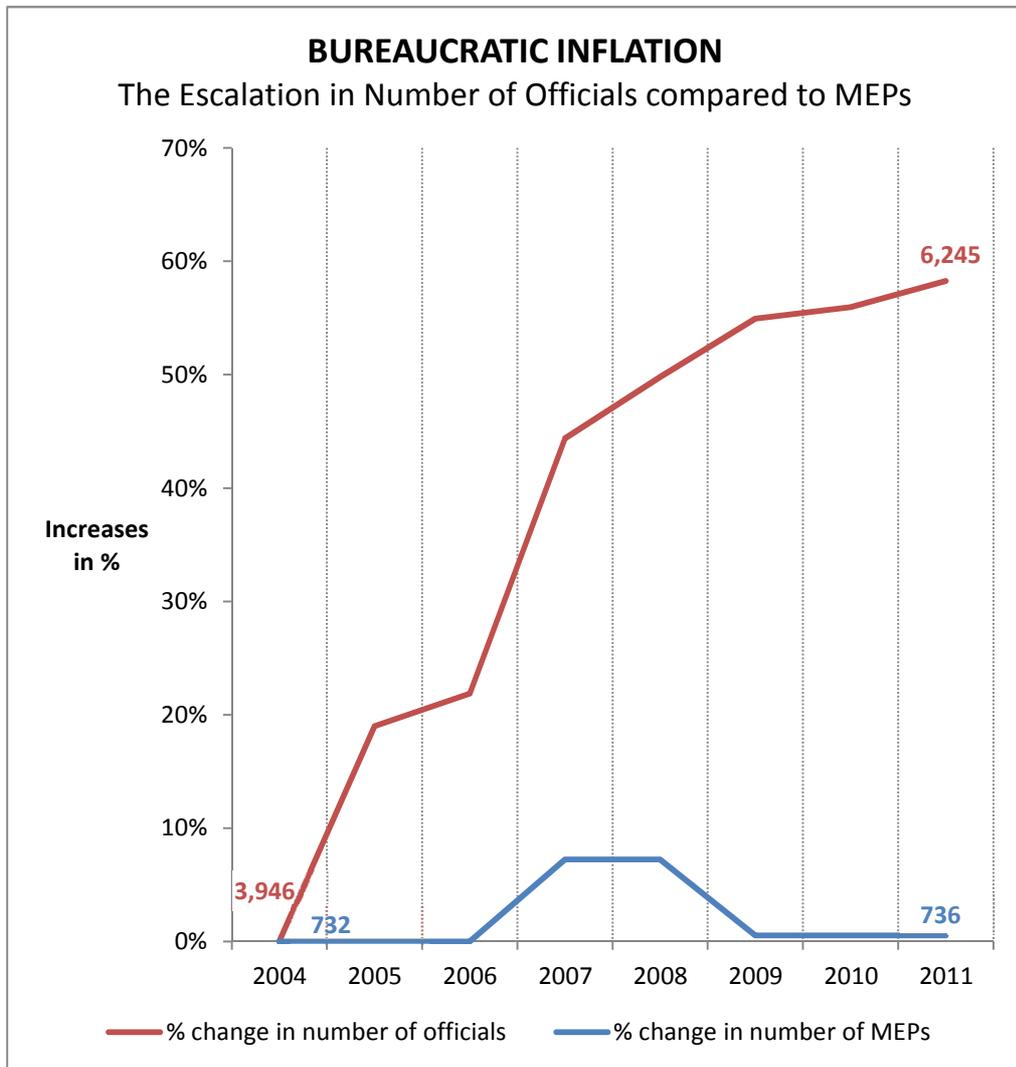
We contend that the scale of the increase is out of proportion, that it is driven by institutional ambition, and that it takes little account of economic realities.

Given these factors, some increase in the size and costs of the Parliament might be expected. However, we contend that the scale of the increase is out of proportion, that it is driven by institutional ambition, and that it takes little account of economic realities. Any organisation that was determined to keep down costs, would seek compensating reductions elsewhere when fresh priorities emerged or new demands were made. There has been no attempt to cut out waste, to eliminate duplicative tasks or to reign back on ambitions which have no support among the wider citizenry of the European countries. Instead, the Parliament's appetite seems unaffected by the real world outside.



The graph below shows the cumulative increases in personnel employed by the Parliament in comparison with the number of MEPs since 2004.

Figure 2



Since 2004, the year that the number of MEPs increased from 626 to 732, the number of MEPs has remained largely unchanged, while the number of officials has grown 58%.



The Parliament's Organisation and Grade Structure

The Parliament employs 6,245 staff – 75% of whom have the coveted status of “fonctionnaire” or regular official. 1,935 of these are “administrators” (abbreviated to AD) carrying out the more senior staff functions in 12 grades from AD 5 (the most junior) to AD 16 (the most senior). A further 2,749 staff are employed in the 11 “assistants” (AST) grades carrying out executive, technical and clerical duties. The remainder are the 1,561 “Temporary” and “Contractual” (previously auxiliary/local) staff, as well as “Special Advisers.”

Figure 3

STATUS	OFFICIAL	TEMPORARY	CONTRACTUAL	Total
YEAR (as at 01/01)		(including groups)	(prev. auxiliary/local)	
2004	3275	671	670	3946
2005	3377	924	394	4695
2006	3427	1022	359	4808
2007	4040	1069	588	5697
2008	4287	1076	548	5911
2009	4483	1031	600	6114
2010	4593	939	622	6154
2011	4684	925	636	6245

THE STAFF OF THE EUROPEAN PARLIAMENT 2002 – 2011¹

Source: EP President's reply to Derk Jan Eppink MEP 18 July 2011 (see Annex I)



Pay Scales

The remuneration of EP officials is exceptionally generous. For example, 385 people hold the pay grade of AD12, the median rank in the Parliament's administration. These are by no means very senior positions – they include a translator and a training manager for a communications section – yet the pay scales are at a level one might expect for a government minister or senior executive, not a middle-ranking public servant.

Annex II shows how an expatriate, married AD12 official is paid. This amounts to €121,355 per annum (£106,284) net of tax. Considering the relative stresses and responsibilities (to say nothing of the job security), the European Parliament's pay rates would seem to be lavish.

More to the point perhaps, over 1,000 Parliament officials earn more than the MEPs that provide their *raison d'être*. By comparison, just 83 staff members of the British House of Commons were paid an annual salary at a rate above that of a Member of Parliament.⁷

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In addition to salaries, EP officials receive many other benefits.

Mission expenses. While MEPs are reimbursed actual travel costs, on production of receipts, we were surprised to learn that mission costs for the Parliament's officials, for example to Strasbourg, are reimbursed on a flat rate system based on first class prices, without presenting proof of spending these amounts.

Pensions. The staff budget now amounts to €708 million a year⁹. This does not include pension appropriations as the Parliament is not responsible for the payment of pensions of Parliament's officials. These pensions are paid from the European Commission's budget.



The Translation and Interpretation Services

The largest of the Parliament's 13 departments is the translation service, which employs some 1,137 officials. The interpretation service employs a further 407 officials.

In addition to final texts, all preparatory documents are consistently translated in all languages (except Gaelic), in line with Treaty provisions. The most recent annual cost of translating just these preparatory documents is as follows:

Figure 4

DOCUMENT TYPE	NUMBER OF PAGES	COST IN EUROS
Draft reports	119,615	€ 15,789,180
Amendments	493,439	€ 65,133,948
Working documents	21,403	€ 2,825,196
Draft opinions	33,410	€ 4,410,120
Final opinions	17,326	€ 2,287,032
Total	685,193	€ 90,445,476

2010 costs of translating "preparatory documents"²

Source: EP President's reply to Derk Jan Eppink MEP 18 July 2011

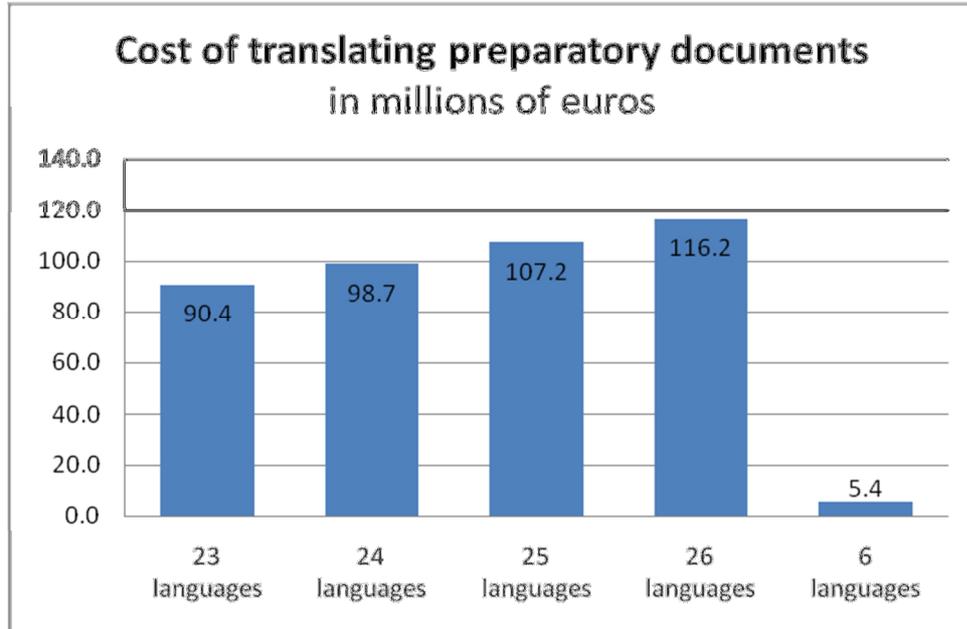
This figure does not include the cost of translating "final documents", nor does it include appropriations under Line 1420 of the EP budget for "outside services", which are mainly intended to cover translation work sent out to external suppliers. These additional amounts are considerable and have varied from €9,687,150 in 2008 to €24,200,000 in 2011 – **bringing the total spent on translation to more than € 100 million.**

NATO, for example has 28 member countries but just two working languages, English and French. The United Nations has 193 member states and six working languages.

We recognise that interpretation (of speech) and translation (of documents) are fundamental to the functioning of any international organisation. But there must be sensible limits, particularly in times of economic stringency. NATO, for example has 28 member countries but just two working languages, English and French. The United Nations has 193 member states and six working languages. In 2008 it was calculated that 72% of EU documents were originally drafted in English, 12% in French and just 3% in German. 88% of the users of the European Commission's *Europa* website speak English. According to Juhani Lönnroth, the Commission's then Director-General Translation, providing documents in English, French, German, Spanish and Italian would cover close to 100% of linguistic needs. However, he noted that the multilingual nature of the EU institutions was "too politically sensitive" an issue to be dramatically reformed and was thus "here to stay". And the EU would "just have to cope" with the increased linguistic pressures of future enlargement¹⁰. The present 23 official languages constitute 506 translation and interpreting combinations and these will increase significantly if Croatia, Turkey and other countries were to join. Three new languages would increase the number of combinations to 650 and, based on the current cost per combination, the translation budget would rise by € 28.5 million.



Figure 5



This is an issue for governments at Council level to deal with in several phases. There is no reason why every document should be automatically translated into every language. At the moment, only minor consideration is being given to cost savings in this area. Firstly then, there should be a major reduction in the number of documents that are required to be translated. A 50% reduction target should be the aim. Secondly, there should be a move to reduce the number of “official languages” from 23 to 5 or 6 (possibly with an option for translation on demand for exceptional cases, such as the work of a *rapporteur*). In the short to medium term, annual savings of at least €40 million could be anticipated.



The European Civil Service

The Parliament, of course, is just one of the seven EU institutions. The numbers of people employed in the three major institutions – the Commission, the Council, and the Parliament – are shown below for comparative purposes:

Figure 6

	AD grades	AST grades	Others	Total
European Commission¹¹	12,606	11,322	9,021	32,949
Council of the EU	1,207	1,612	321	3,140
European Parliament	1,935	2,749	1,561	6,245
Total	15,748	15,683	10,903	42,344

Staff of the main European institutions

There needs to be a fundamental reappraisal of the salaries and conditions of service of the “European Civil Service”, clearly this cannot be done unilaterally in just one institution.

New standards for pay grades should be negotiated, with the aim of reducing spending on officials’ salaries by 10% by 2013. For example, an EP post recruited at the AD12 level before 2013 would be replaced by an AD10 after that date. To avoid a sudden rush of appointments, a hiring freeze in advance of changes such as this would be advisable. A 10% reduction in spending on the salaries of “Officials and temporary staff” would save € 70 million per year at the Parliament alone.

The original and bureaucratic Monnet idea of seventy years ago – of “governance by experts”, a supreme elite drawn from the best across Europe, pampered and protected accordingly, to drive forward the European idea, sits rather uncomfortably in today’s world.



MEPs

MEPs are well paid and have generous allowances. Until 2009, MEPs were paid by their national governments on the same scale as national MPs. They paid national income tax. They employed assistants from a specific secretarial allowance.

In 2009, in response to various outside pressures, new statutes were introduced which made both MEPs and their assistants employees of the Parliament, with all MEPs from whichever country all paid the same basic salary (38.5% of the salary of a European judge) and paying an EU “community tax” rather than national income tax. In other words, the MEPs were effectively federalised. Some resisted. The British Conservative MEPs, and others, voluntarily decided to pay UK income tax in addition to the very low rate of “community tax”. Given the economic climate, we believe MEPs’ salaries should be frozen at their current rates (€93,685) and that cuts to their additional allowances should be made.

No calculation has been made of the cost of introducing the new statutes – we suspect that it has added enormously to the overall costs of Parliament, with no benefit to the taxpayer, as well as being a step in the direction of European integration. A separate analysis needs to be undertaken of the costs of introducing the Assistants’ Statute, the effect of which has been to give MEPs less direct control over the remuneration, rights and benefits of their assistants who have effectively become part of the Parliament apparatus – our suspicion is that salary and additional costs have leapt enormously. There is undoubtedly scope for reducing this element of the budget to bring it back to previous levels without in any way reducing the ability of MEPs to recruit and release assistants as they require.

Except for their travel to and from the Parliament (repaid at actual, receipted cost), MEPs do not claim expenses. Instead they all receive a fixed monthly allowance for their general expenditure (office costs, publications etc.) as well as a daily subsistence allowance for those days when they attend parliament. The General Expenditure Allowance is currently about €4,200 per month. This should be reduced by 10%, and the means should be found to reduce other travel costs by the same percentage.

One expensive luxury is the provision of a car service for MEPs. While it is tempting to say that this could be cut completely there should be some recognition of the need to mitigate the exceptional travel burden on MEPs. Nevertheless, there is scope for reduction in the car service. In addition, use of local taxis during parliamentary sessions should be paid by MEPs from their daily subsistence allowance.



The Parliament's Buildings

If there were fewer officials, fewer buildings would be necessary. It is not the number of MEPs that is fuelling the infrastructure appetite of the Parliament but the need to house more and more officials and accommodate ambitious propaganda fantasies, such as the “House of European History”.

When our citizens see the grandiose scale of the Parliament's building in Brussels, replicated as it is in Strasbourg, they may be astonished to learn that the Parliament in fact rents, leases or owns some 63 buildings. **This is more than double the number of buildings the EP occupied in 2002.** And every building has to be maintained, heated, cooled, lighted, and protected.

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On 26 September 2011, the Parliament's Bureau agreed to purchase yet another building in Strasbourg at a cost of €6.7 million and renovate it at a cost of €9.2 million. It also decided to spend €30 million on rearranging MEPs' offices (we are unaware of any widespread demand from MEPs for this). Annual running costs for buildings in Luxembourg, Brussels and Strasbourg come to €45 million, €138 million and €65 million respectively – for a total of €248 million. The EP should aim to reduce the number of square metres it occupies by 10% over three years, eventually saving € 25 million each year.

Figure 7

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Number of buildings in the three places of work										
Rent	11	13	14	14	10	10	9	11	10	12
Lease	0	0	0	0	1	2	4	4	4	5
Property	0	4	7	7	11	11	11	11	12	12
Subtotal	11	17	21	21	22	23	24	26	26	29
Number of external offices										
Rent*	16	17	21	24	24	24	24	23	24	23
Lease	0	0	0	0	0	0	0	0	0	0
Property	4	4	4	6	8	8	10	10	11	11
Subtotal	20	21	25	30	32	32	34	33	35	34
Total	31	38	46	51	54	55	58	59	61	63

European Parliament buildings³

Source: Written answer to Derk Jan Eppink's question to EP President.

Moreover, the 2011 budget included € 7.6 million for the construction of buildings. Unless funded by savings on rent or lease payments, we believe new construction should be halted forthwith.

³ Figures do not take into account buildings that were rented for a short period in order to execute renovation work in the existing buildings.



Security

€35.7 million is being spent this year on contracting external companies to provide security at the Parliament's buildings in Brussels, Strasbourg and Luxembourg.

Coming into the Parliament is like trying to process through an airport – a range of somewhat mindless procedures applied even to those least likely to have any malicious intent. Meanwhile, there have been four major security incidents in the Parliament in the last 3 years (three of which had strong overtones of being “inside jobs”):

- In February 2009, a man brandishing a pistol stole about €60,000 from a bank inside the building. The perpetrator got away.
- In May 2010, a canteen was robbed. Again, no suspect was apprehended.
- On 4 February 2011, two men held up the Post Office in the Parliament and stole €8,000. Both men got away.
- On 18 February 2011, a TV journalist passed through security with a toy metal gun tucked under his jacket. He revealed the pistol, on camera, while standing only a few metres away from the presidents of the Parliament, the Council and the Commission.¹²

The profusion of security personnel certainly lends an aura of importance to the parliament. And as well as contract staff, the Belgian police are also involved externally and for escorts for VIP visitors.

With greater efficiency and common sense, it should be possible to reduce the security bill by 10%.

The Strasbourg Circus

One of the most obvious abuses of taxpayer funding and one that grates enormously on most of our citizens, is the monthly relocation of the Parliament from Belgium to France and back again. The location of the various EU institutions had been agreed by governments at the Edinburgh European Council in December 1992. This included agreement that parliament "shall have its seat in Strasbourg where the 12 periods of monthly plenary sessions, including the budget session, shall be held". The new building, next to the Council of Europe and its related European Court of Human Rights, was opened in 1999 and cost €470 million (3.1 billion French Francs). On 7 August 2008, a large section of the ceiling of the plenary chamber collapsed. Repairs were estimated at a cost of at least €6 million. Even without such mishaps, it is estimated that “the travelling circus” of officials, documents and MEPs to Strasbourg for 48 days a year, costs over € 200 million annually and expends some 20,000 tonnes of carbon emissions¹³.

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Many MEPs wish to scrap Strasbourg completely and we strongly concur with this view. But this is not a decision that MEPs can take. It requires a Treaty change and this will only come about with the unanimous agreement of 27 governments. We can imagine one at least that would veto this – unless some better deal was on offer. But there is no doubt that continued public and political pressure, such as the “million signature” campaign¹⁴ and the efforts of MEPs, will eventually gain increasing traction and have an effect.



It is MEPs - many of them - that have campaigned most consistently and vehemently to end the farce of the second seat. Indeed, the plenary votes on 9 March 2011, to combine two “sessions” of the Parliament into one week, effectively reducing the time to be spent in Strasbourg by one twelfth in both 2012 and 2013, were both carried with majorities of over 100 (for the amendment to the 2012 calendar the votes were: 357 in favour, 255 against and 41 abstentions). These unprecedented votes immediately provoked legal action by the French and Luxembourg governments, citing a breach of Protocol 6 of the Lisbon Treaty.

If EU countries are serious about reducing waste and making budget reductions, then they must act now to end the Strasbourg circus.

Restaurants and Canteens

It cannot be right that while the general public pays for example € 2.60 for a café latte on Place Luxembourg, highly-paid EP employees pay only 85 cents in the EP’s own facilities. This is made possible by a budget appropriation that reached € 2.6 million in 2011. The restaurants and canteens in the Parliament are vital, but they must be self-sufficient. Ending these subsidies and charging market prices for food and drink could even result in a surplus.



EU Self-Promotion

A disproportionate amount of public money is spent on EU self-promotion or what might be described as propaganda – trying to create and advance the idea of a European “demos” among a sceptical public across Europe through both direct and indirect means.

The Parliament plays a relatively small but significant role in this through the Parliament’s Directorate-General for Communications, through its external “Information Offices”, through ventures such as EuroParl TV, and projects such as the “House of European History”. It also approves funding flows for a vast network of EU-subsidised outside organisations and NGOs, whose role, to a greater or lesser extent, is to propagate the EU message. The full scope and cost of all this self-promotion will require separate study; however some elements can be outlined here.

The European Parliament’s “Information Offices”

It is difficult to justify European Parliament offices in all the member countries of the EU when each of these countries has its full slate of MEPs whose tasks include explaining to citizens their activities, the role of the Parliament and what is going on in the EU. **Altogether, the 34 "Information Offices" in every Member State and beyond, employ over 200 personnel and cost over €44 million every year.**(see Annex III)

There are even Information Offices of the Parliament in Brussels (costing €1.2 million p.a.) and Strasbourg (costing €1.4 million p.a.) where the Parliament itself sits. At least 8 of the Information Office buildings are owned by the Parliament. The cost of these Information Offices varies considerably.¹⁵ In 5 countries (Spain, Germany, France, UK and Italy) there is more than one office. The most expensive setups are in the UK (costing € 5.5 million p.a.) and France (€ 3.3 million).

Most recently, the annual costs for the new office or “Information Antenna” in Wroclaw, Poland is estimated at €527,395 and in The Hague at €1,701,273.¹⁶

Figure 8

Staff	18,481,245
Property costs	15,750,194
Information and Communication activities	11,478,700
TOTAL	45,710,139

2009 expenditures on EP Information Offices⁴

Source: EP Secretary General’s reply to Geoffrey Van Orden MEP dated 9 November 2009 (See Annex III).

The most egregious example of an unnecessary Parliament office must surely be the one that has now been opened in Washington DC. Set up in early 2010, this now employs at least 10 officials with all their related costs¹⁷. To avoid criticism of the Parliament’s bureaucracy, the political groups of the Parliament have also been encouraged to establish offices in Washington. There is already a large European Commission

⁴ Figures in €



presence in Washington and liaison with US legislators is well-established by MEPs both individually and through the Delegation for Relations with the US. There is no justification for establishing a permanent European Parliament office in Washington, or for that matter, in each of the EU's member states.

The “House of European History”

The project to create a “House of European History” was the brainchild of a previous President of the Parliament, Hans-Gert Pöttering. Implementing decisions were taken solely by the Parliament's Bureau and not by Parliament itself. The project is intended to “focus on political, economic and social history of Europe and of European integration – including its background and its achievements – from a European, and not a purely national, perspective, also emphasizing the roots of common European values”¹⁸. In other words, it is designed to be yet another part of the well-resourced effort, to create a common, yet wholly artificial, European “demos” out of the various national identities.

The costs are escalating. Originally it was estimated that €31m would be required for the renovation/extension works of the proposed site of the House, the Eastman building in Brussels' nearby Parc Leopold. A further €21.4m would then be needed for fitting out the building, with €3 million for assembling the collection of exhibits, in the period 2012-2014. The museological, information, communication and maintenance aspects were expected to cost €6.95 million and the House would employ about 36 officials (18 AD and 18 AST).¹⁹

It is difficult to pin down much of this budgetary information but an April 2011 newspaper report²⁰ suggested that the cost estimates have already increased by more than 90%. According to this report, the costs of leasing a building, starting the exhibition and renovation were soaring to € 127 million; running costs of €14 million a year were also more than 80% higher than originally forecast, taking the total cost estimates to €155 million by the end of 2015. And this might not be the end of it as there are indications of major structural problems to the building. Architectural inquiry has revealed further complications since the subterranean Maalbeek river flows under the foundations of the envisaged building, which needs to be fortified by a concrete layer underneath to protect the top-heavy construction from sliding. This may well double the current renovation costs of € 31 million.

At a time when many museums and galleries in most EU countries face painful cuts in their grants, it is estimated that the contribution of just British taxpayers to a museum "to cultivate the memory of European history and European unification", will be a minimum of £18.6 million.

It should also be recalled that the Parliament has just opened a brand new “Visitors' Centre” called Parliamentarium at a cost of €21.6 million for the building and €2 million annually. This would be the place if some sort of exhibition was necessary. The House of European History is just more of the same endless largesse.

Europarl TV

Currently € 8 million per year is poured into the Europarl TV project. More than € 30 million has been invested since the web channel's launch in 2008, and only 16,148 people²¹ have subscribed to the Parliament's “EU Tube” channel. It is time to recognise this programme as a failure and shut it down.



Political Groups, Transnational Parties, Political Foundations

We believe that each of the three elements shown below should be prepared to accept a reduction of 20% in their budgets. In addition to the proposals elsewhere in this report for reductions in staff and mission costs, each of these elements should be required to make proposals as to how it aims to achieve reductions.

Political Groups. Many MEPs, among others, object to public funding of political parties. However, it is the norm on the continent of Europe. Not surprisingly, therefore, this concept has been applied to the European Parliament through its structure of political groups (there are currently 7).

Many MEPs were surprised to find, on taking their seats in the Parliament, that they were not necessarily sitting with their fellow party members but in one of these ‘political groups’ – in effect an amalgam of mostly like-minded MEPs from vaguely similar political parties in different countries. The original aim of the Group system, of course, was to break down the sense of national party affiliation, to engender some sort of common European political consciousness, and to create pan-European political families. The three largest Groups are a force for political integration and second only to the bureaucracy as the power in the Parliament.

While there is an argument for removing public funding of party political activity, in the context of the European Parliament this is unrealistic. However, the political groups should be expected to cut the size of their staff (the EPP Group, for example, has some 300 staff) and their costs.

Transnational political parties. The aim of ultra-federalists is to remove the influence of national political parties and to elect MEPs across a European electorate. As a precursor to this, the Political Groups are encouraged to create transnational political parties – again, generously funded by the Parliament. Those that disagree with this concept have instead been able to create an ‘alliance of national political parties’.

Foundations. Once some sort of transnational political party or alliance is established then it is possible to create a “foundation” or think-tank and also draw on parliamentary funding. At the moment, Foundations are eligible for 85% of their funding from the Parliament and have to raise the remainder themselves. There is a move to increase the EP’s proportion of this funding. We believe change should be in the reverse direction and that foundations should increasingly be required to look for external funding.

At the moment the transnational parties and the foundations are funded from a common funding pot divided among eligible applicants. Under the current system, this means that political and financial self-injury is inflicted on those that do not subscribe to some sort of transnational grouping – there is no benefit to the public purse.

Under the current system, this means that political and financial self-injury is inflicted on those that do not subscribe to some sort of transnational grouping – there is no benefit to the public purse.

If a portion of the funding is not claimed, this money will be divided among the others. Those that do not claim merely fund their opponents. This is a system that should be changed. Many of us feel it is not the



business of the EP to fund transnational political parties and that any desire for them should be paid for by the national political parties concerned. In any case, as the political groups are already generously endowed, the transnational parties and foundations should each see a 20% cut in their funding from the Parliament and be given greater latitude to increase their own funding.

Further Cutting the Costs of Parliament

In the preceding pages, we have proposed a number of cuts both large and small. Nothing will happen unless there is a change in political priorities and underlying attitudes. The need for reductions in public expenditure and return of funds to member states that are net contributors to the EU budget must become an overriding priority in the EU institutions – and careers must depend on this. Cutting the Parliament's budget in order to boost the central coffers of the EU rather misses the point which should be defending the interests of taxpayers and returning money to member states.

As negotiations on the 2012 budget continue, the proposals in this report should now be taken forward by the European Parliament and the Council.



Annex II: Annual Remuneration of a Typical Official

Annual remuneration (in euros) of an AD12 official who is married with no children (not including annual trip allowance). Source: EP salary calculator

Basic pay	123,890.40
Parental / family leave allowance	0.00
Household allowance	4,524.00
Dependent child allowance	0.00
Education allowance	0.00
Expatriation allowance	22,692.48
Pension contribution (11.60%)	-14,371.32
Sickness insurance contribution	-2,106.12
Accident insurance contribution	-123.84
Tax	-10,141.80
Special Levy	-3,007.92
NET PAY	121,355.88



Annex III: Reply from the Secretary General of the European Parliament



ΕΥΡΩΠΕΪΚΟ ΠΑΡΛΑΜΕΝΤΟ PARLAMENTO EUROPEO EVROPSKÝ PARLAMENT EUROPA-PARLAMENTET
EUROPAISCHES PARLAMENT EUROOPA PARLAMENT ΕΥΡΩΠΑΪΚΟ ΚΟΙΝΟΒΟΥΛΙΟ EUROPEAN PARLIAMENT
PARLEMENT EUROPÉEN PARLAIMINT NA HEORPA PARLAMENTO EUROPEO EIROPAS PARLAIMENTS
EUROPOS PARLAMENTAS EUROPAI PARLAMENT IL-PARLAMENT EWROPEW EUROPEES PARLEMENT
PARLAMENT EUROPEJSKI PARLAMENTO EUROPEU PARLAMENTUL EUROPEAN
EVROPSKY PARLAMENT EVROPSKI PARLAMENT EUROOPAN PARLAMENTTI EUROOPAPARLAMENTET

Der Generalsekretär

Mr Geoffrey VAN ORDEN
Member of the European Parliament
WIB 04M075
Brussels

319147 09. XI 2009

Subject: European Parliament Information Offices in EU Member States

Dear Member,

Thank you for your letter of 26 August 2009 in which you ask for information concerning the European Parliament Information Offices in EU Member States.

The Information Offices of the European Parliament (hereinafter referred to as EPIOs) are located in the 27 capitals of the Member States. In addition there are five regional antennas in large Member States (sited in Munich, Milan, Barcelona, Edinburgh and Marseille). An additional office at the Strasbourg seat of the European Parliament is mainly dealing with communication activities (visitors, Euroscola) in the premises in Strasbourg outside the Plenary weeks.

In 1994¹ the European Parliament and the Commission developed the concept of a common location for their external offices in the Member States ("Houses of Europe"). On this basis, the Information Offices of the European Parliament in the capitals of the Member States are located - with the exception of Athens - together with the Representation Offices of the Commission in a single building in order to take advantage of the possibilities to make financial savings through sharing common areas, and to create a coherent image of the European Union towards the general public in the Member States.

However, the role and mission of the Information Offices of the European Parliament and the Representation Offices of the European Commission are quite different and have to be clearly distinguished.

Whereas the Commission Representations act as the official representatives of the Commission in the Member States and may act on behalf of the Commission in carrying out their tasks, the European Parliament Information Offices' task is to inform about the activities of the European Parliament and its Members. But only elected Members can represent the European Parliament.

¹ European Parliament Resolution on the Draft general budget for 1995 (A4-0105/94) adopted on Thursday 15 December 1994, para 35



It also needs to be underlined that the Commission Representations in the Member States dispose of far more staff and budget than the EPIOs.

As far as opening of new Offices is concerned, the Bureau, as the competent body in this field, agreed at its meeting of 13 February 2006 (PE 368.689/BUR) - *"in principle to the proposal for a regional Information Office in Poland in accordance with Parliament's policy on this issue but stressed the need to achieve the full functioning of the Information Offices in the capitals of the new Member States before taking final decision on regional Information Offices"*.

Regarding your second question on staffing, I am pleased to inform you that the total number of staff working in Information Offices is 217 (of which four are temporary agents and twenty six working on the basis of short term contracts). Six larger offices have between 10 and 15 staff, twelve middle-sized between 5 to 10 and fourteen smaller offices less than 5. A detailed table may be found in Annex 1. In addition, since late 2006 and based on a decision by the Bureau and the relevant decisions within the budget procedure, each of the 27 EPIOs has been allocated a post of a press officer whose main task is to enhance media coverage of the Parliament at the national and regional levels.

The staff of the EPIOs is recruited in line with the Staff Regulations of officials and conditions of employment of other servants of the European communities. However, unlike the Commission Representations in the Member States, the Parliament cannot employ local agents, in compliance with legal provisions stated in article 4 of the Conditions of employment of other servants of the European Communities (CEOS) and in its annex, article 2.

As to your third question, the European Parliament is sharing offices with the Commission in the Member States in order to save costs. The European Parliament follows a policy of acquisition of buildings in the Member States instead of renting offices. This general policy has been endorsed by the Bureau on the 12 January 2009 specifying the most important criteria for the market prospection (cf. Bureau decision of 12 Jan 09, point 3(c)).

Therefore, the buildings acquired by the European Parliament and the Commission (so far in Copenhagen, London, Lisbon, Nicosia, The Hague, Valetta, Vienna, and Athens only by the European Parliament) constitute a permanent asset for the European Parliament.

In 2008 property costs for all offices amounted to € 11.251.800 and € 15.750.194 in 2009 including rental costs, amortization costs, refurbishing cleaning and maintenance costs, energy consumption, security and surveillance of the buildings.

In reply to your fourth question on annual running costs of the offices, they can be broken down as follows:

Staff costs in total amounted to € 17.548.935 in 2008 and € 18.481.245 in 2009.

The budget related to information and communication activities carried out under the mission statement and all administrative costs of EP Information offices budget appropriations amounted in 2008 to € 12.229.880 and to € 11.478.700 in 2009.

EPIOs do not have cars at their disposal.



For an overview by EPIO please refer to Annex 2.²

As far as the decisions on the operating costs are concerned, the budget procedure for the EPIOs is the same as for any other service of the EU Institutions, and is prepared in compliance with both general budget procedure and the Financial Regulation. On the basis of the Parliament's annual budget and the priorities set up by the Institution, EPIOs present a working plan of activities and resources. The decision of financing is taken in line with the budgetary requirements for each project and the capability of realization by the concerned EPIO (capacity of absorption).

This overall exercise intends to respond to the need for a stronger culture of accountability and internal assessment by the central and decentralised services of DG Communication and the introduction and improvement of performance-oriented working methods. It is in this framework that Annual Activity Reports (AARs) have been introduced to strengthen accountability and good governance.

Finally, regarding your question on the role of the Information Offices, the current mission statement was adopted by the Bureau on 18 June 2007, a copy of which you find in Annex 3. The modifications made by the Bureau at that time mainly underline the Offices' role vis-à-vis citizens.

Whereas the European Parliament is represented by the Members who play a political role, the European Parliament Information Offices are responsible for delivering coherent information about decisions taken by the European Parliament and promoting and projecting as widely as possible the Parliament and its activities in an institutional and non-partisan way. Of course, Information Offices involve Members in the activities they organise. In this regard, programming activities must take account of the European Parliament's agenda and meetings calendar in Brussels and Strasbourg.

In accordance with the mission statement, the Information Offices concentrate on relations with citizens and media relations. In this context the organisation of citizens' fora in the regions has been very successful. Members are fully involved in these fora as well as national/regional/local authorities and representatives of the civil society. The purpose is to deal with issues of importance in the region concerned and to ensure a broad audio-visual and press coverage.

The offices provide regular press reviews for Members, organise visits and seminars for journalists in Brussels and Strasbourg (to which Members are invited) and play an active role in rebutting inaccuracies and distortions in press coverage concerning the European Parliament.

In addition, EPIOs ensure cooperation with the European Commission Representation and a high profile presence of the European Parliament in Commission activities in the Member States. Offices are also maintaining contacts with the national and regional public authorities and in particular the respective parliaments in their host country. They also give

² Property costs shown in this table include: rental costs, amortization costs, furnish and re-furnish of the places, cleaning and maintenance costs, energy consumption, security and surveillance of the buildings. Operating costs in this table include: costs of information and communication activities and administrative costs.



support to visits by Members who fulfil an institutional role (e.g. Members of the Bureau, the Conference of Presidents, the Conference of Committee Chairmen, the Conference of Delegation Chairmen, rapporteurs and official Parliament delegations).

Finally, I inform you that on its meeting of 19 October 2009, the Bureau decided in principle to establish an EP Information antenna in Poland in the near future, before the beginning of the Polish Presidency in 2011.

Do not hesitate to contact DG Communication or myself for any further information you may require.

Yours sincerely,

Klaus WELLE



DG Personnel
BTW / jgb .

Information offices -
number of staff

OFFICE	Officials	Temporaries	Contractuals	TOTAL
Athens	9			9
Berlin	2			2
Brussels	10			10
Budapest	6			6
Copenhagen	5			5
Dublin	5		1	6
Edinburgh	1	1		2
Helsinki	6			6
Lisbon	6		1	7
Ljubljana	3			3
London	11		1	12
Luxembourg	1		1	2
Madrid	10			10
Marseille	3		1	4
Milan	3			3
Munich	3			3
Niissa	3		1	4
Paris	10		1	11
Prague	3			3
Riga	2			2
Rome	10		1	11
Sofia	3			3
Stockholm	6		1	7
Strasbourg	11		7	18
Tallinn	2			2
The Hague	7			7
Valletta	2	1		3
Vladivostok	6			6
Vienna	4			4
Warsaw	6			6
TOTAL	187	4	26	217



TOWNS	2009		
	PROPERTY COSTS ³	STAFF COSTS	Operating appr. (Information) ⁴
ATHENS	€534,060	€1,092,130	€441,750
BARCELONA	€235,510	€0	€130,700
BERLIN	€781,080	€1,416,926	€914,200
BRATISLAVA	€207,585	€325,231	€275,750
BRUSSELS	€1,024,699	€1,024,699	€206,700
BUCHAREST	€104,100	€251,454	€275,550
BUDAPEST	€670,500	€434,206	€396,750
COPENHAGEN	€411,651	€832,951	€309,250
DUBLIN	€622,170	€331,446	€404,250
EDINBURGH	€225,789	€0	€91,700
HELSINKI	€761,135	€706,428	€265,750
THE HAGUE	€598,510	€626,539	€535,750
VALLETTA	€161,893	€258,300	€165,950
LISBON	€330,149	€690,313	€396,750
LJUBLJANA	€144,955	€277,050	€226,050
LONDON	€1,692,593	€1,566,333	€1,189,200
LUXEMBOURG	€232,510	€75,725	€193,900
MADRID	€1,956,785	€1,462,342	€775,200
MARSEILLE	€79,205	€0	€187,200
MILANO	€165,905	€0	€181,700
MUNICH	€88,605	€0	€180,700
NICOSIA	€241,384	€199,710	€235,800
PARIS	€1,248,666	€1,583,254	€564,200
PRAGUE	€247,225	€310,584	€246,750
RIGA	€149,915	€307,483	€179,500
ROME	€897,173	€1,176,568	€711,200
SOFIA	€388,100	€264,612	€158,550
STRAZBOURG	€0	€1,092,167	€339,750
STOCKHOLM	€83,520	€99,057	€252,700
TALLINN	€117,035	€380,064	€167,000
WARSAWA	€678,167	€296,265	€371,750
VIENNA	€159,080	€454,246	€324,750
VILNIUS	€195,655	€160,057	€222,000
MISC.	€63,120	€0	€0
TOTAL	€15,750,194	€18,481,245	€11,478,700

NB: Barcelona, Edinburgh, Marseilles, Milan and Munich are included in the figures for Madrid, London, Paris, Rome and Berlin



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- ⁷ Information contained in a Written Answer of 24 June 2010 to a Parliamentary Question.
- ⁸ Information contained in a Written Answer of 24 June 2010 to a Parliamentary Question.
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