

Revenues and Expenditure of the EU Budget

This Master's thesis deals with revenues and expenditure of the European Union budget. It is a very broad topic, which needs to be narrowed down for the purposes of this thesis. After a short introduction into the fundamental terms the thesis focuses on a detailed analysis of revenue sources of the EU budget and on financial frameworks.

Firstly, the thesis describes the EU budget in general in order to introduce the topic and understand related fundamental terms. Chapters dealing with setting an EU budget and a budget process are followed by a detailed analysis of revenues and expenditure and financial frameworks.

The aim of the thesis is to introduce the overall theory of the EU budget and subsequently to analyze the long-term development of revenues and expenditure until today, i.e. June 30, 2014. Currently, there is a new multi-annual financial framework for the period of 2014 to 2020 in place, which has introduced certain changes to the sources of revenues as well as expenditure. Not all of the changes have been implemented yet but will become effective in the near future.

The thesis evaluates new instruments, which the European Union has already implemented or intends to implement. Two particular changes leading to an increase of EU budget own resources - new value added tax and financial transaction tax - are discussed in detail. Financial transaction tax, which could become one of the new revenue sources, might protect financial markets from an extensive risk-taking but its implementation may be connected with certain risks. It can cause a movement of capital to the states where this tax does not apply and may also lead to costs borne by final consumers.

Furthermore the thesis describes a change of expenditure chapters in the new financial framework. It concludes with the overall evaluation of the recent development which leads to a gradual shift of the EU attention from agricultural policy to regional inequalities, employment and research and education. As a result intended or already effective changes in revenues and expenditure of the EU budget are analyzed in the

thesis.