

EU's proposed budget and its implications for European integration

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The great polarisation



The proposed Multiannual Financial Framework 2028-2034 is the most sweeping overhaul of the EU Budget in history



Designed to achieve European competitiveness, to increase security, and to reach strategic autonomy



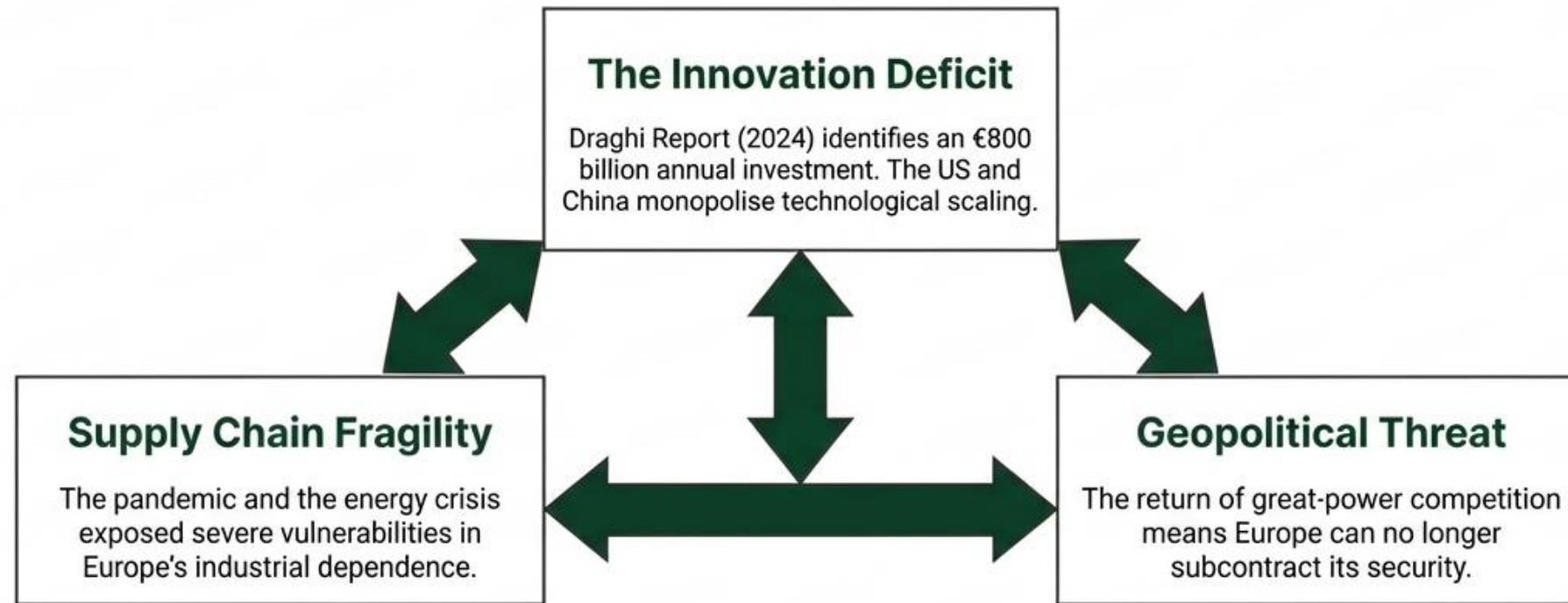
It risks fracturing the EU's territorial cohesion, punishing vulnerable regions and severely undermining the competitiveness & political legitimacy of the European project

1.

The proposed reform



A Union under siege



Key Insight: Europe is living off **inherited capital**, and the stock is rapidly depleting.

MFF 2028-2024 (1.26% of EU GNI)

Competitiveness & Security

€409 billion European Competitiveness Fund + €115.7 billion for defence and space.

A geopolitical budget.

Consolidation

14 previously ring-fenced funds (including ERDF and ESF+) absorbed into National and Regional Partnership Plans (NRPPs).

Performance-Based Delivery

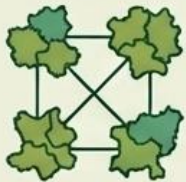
A decisive shift away from cost-reimbursement to milestone-based financial disbursement, modelled on the RRF.

Flexibility

Fewer rigid programmes, greater unprogrammed resources, and central steering to absorb sudden geopolitical shocks.

The change in architecture

THEN: Europe of Regions



Funding Mechanism

Ring-fenced regional allocations based on territorial need (The Berlin Formula).



Governance Structure

Multi-level, place-based shared management involving local actors, encouraged participation and **ownership**, more democratic.



Core Philosophy

Development of all territories, mobilising the potential of lagging-behind places for automatic convergence.

NOW: Europe of Nations



Funding Mechanism

Sectorally driven, consolidated national envelopes.



Governance Structure

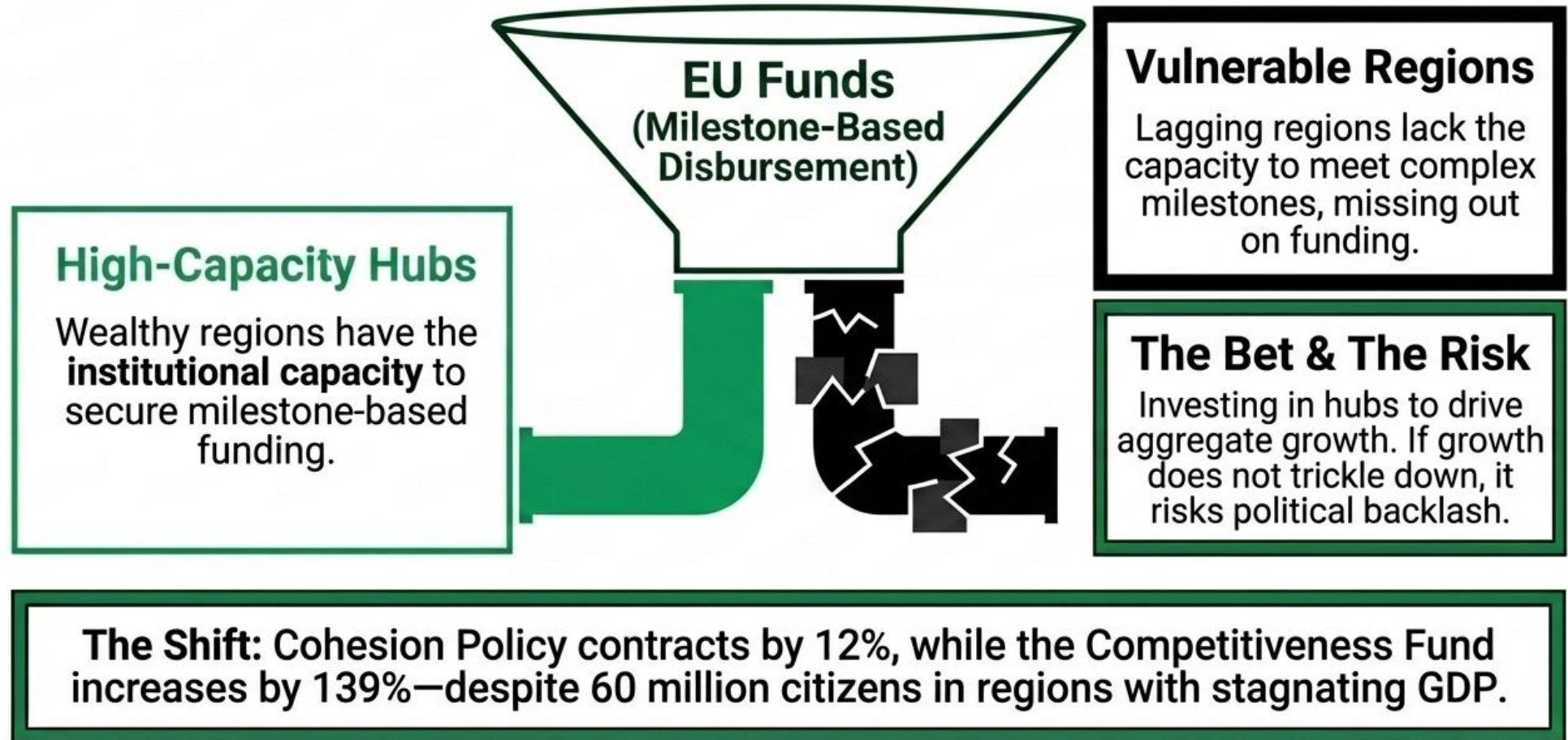
Centrally negotiated milestones between Finance Ministries and Brussels.



Core Philosophy

Subordinating regional cohesion to aggregate, national competitiveness.

The regressive turn in investment

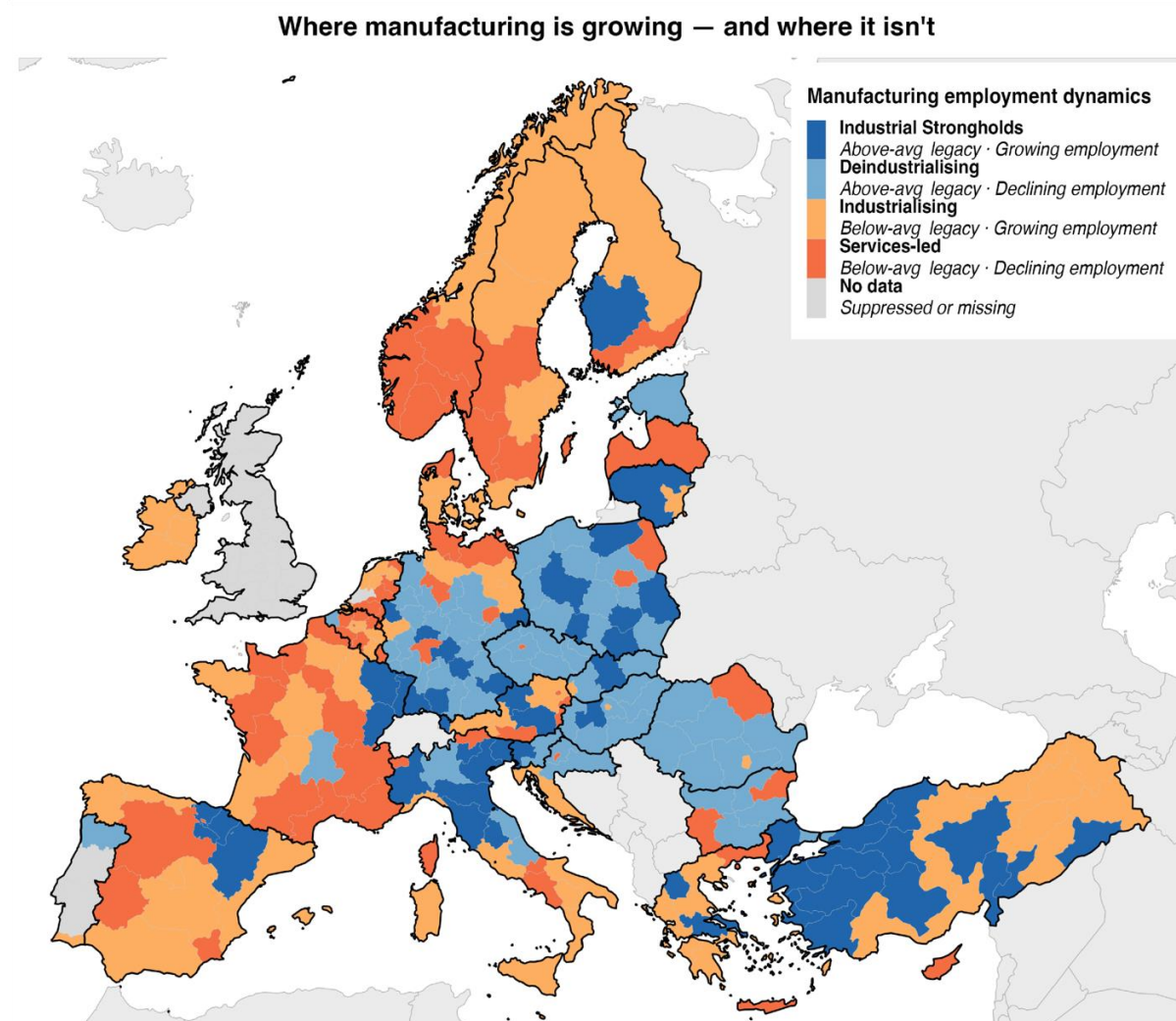


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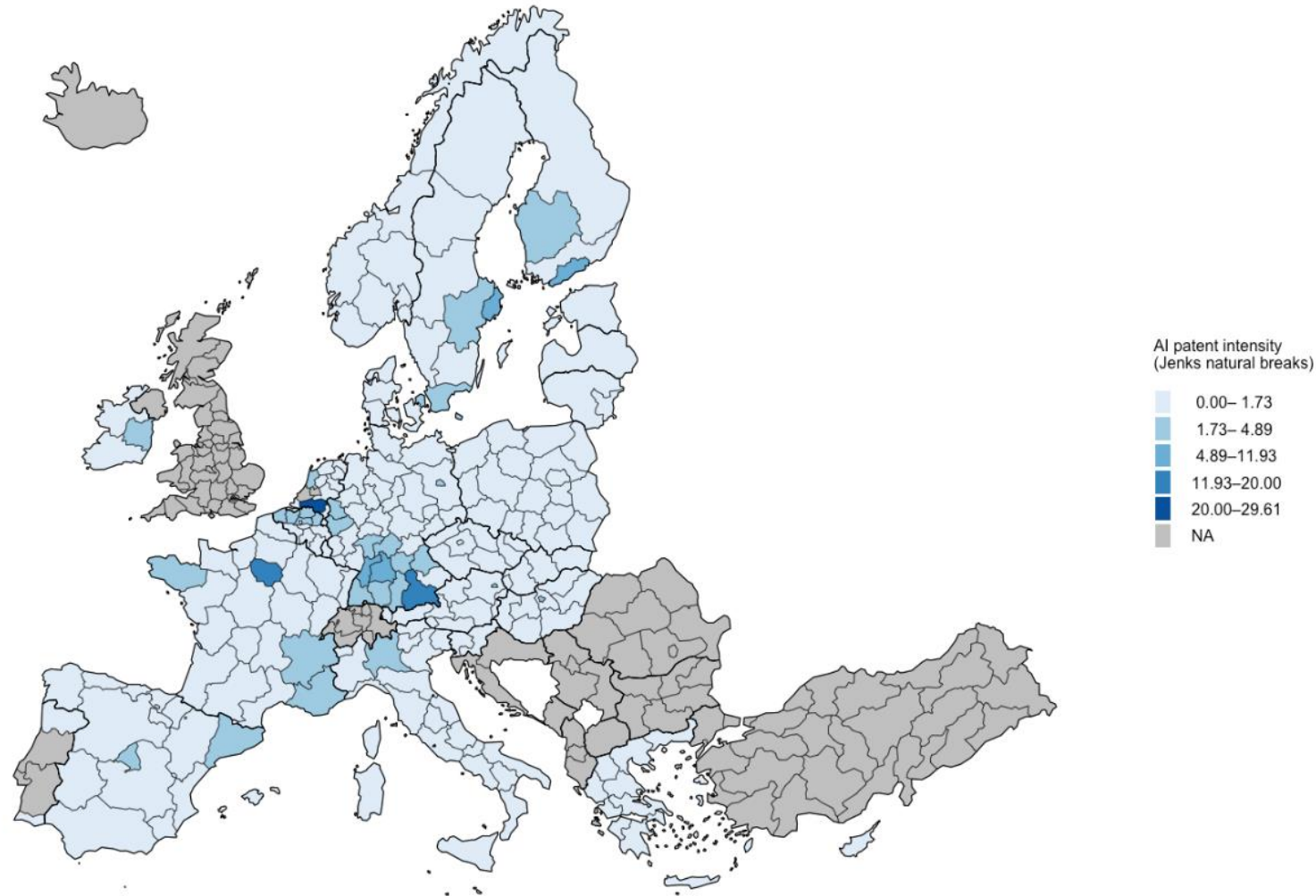
The focus on competitiveness



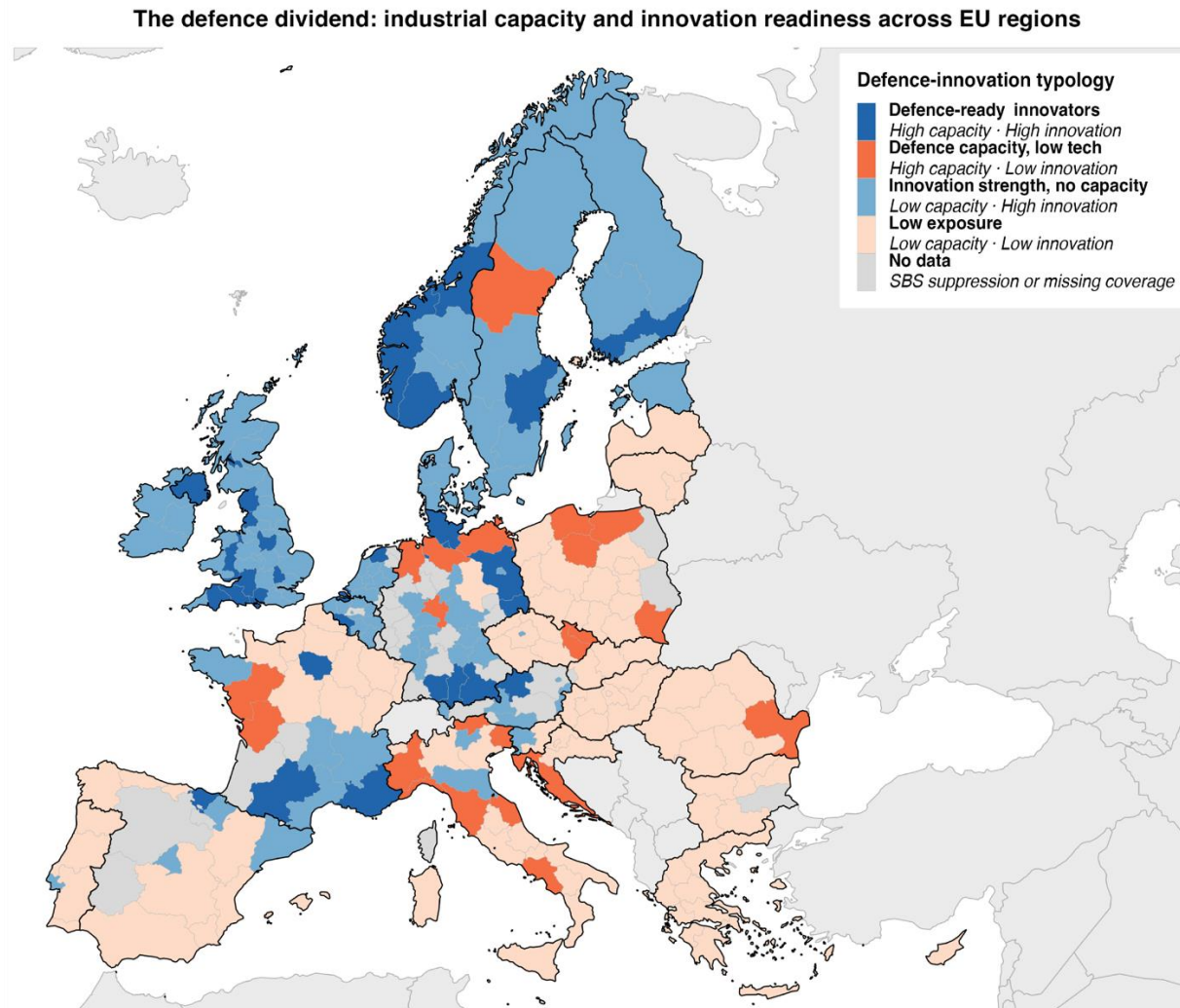
Geography of industrial transformation



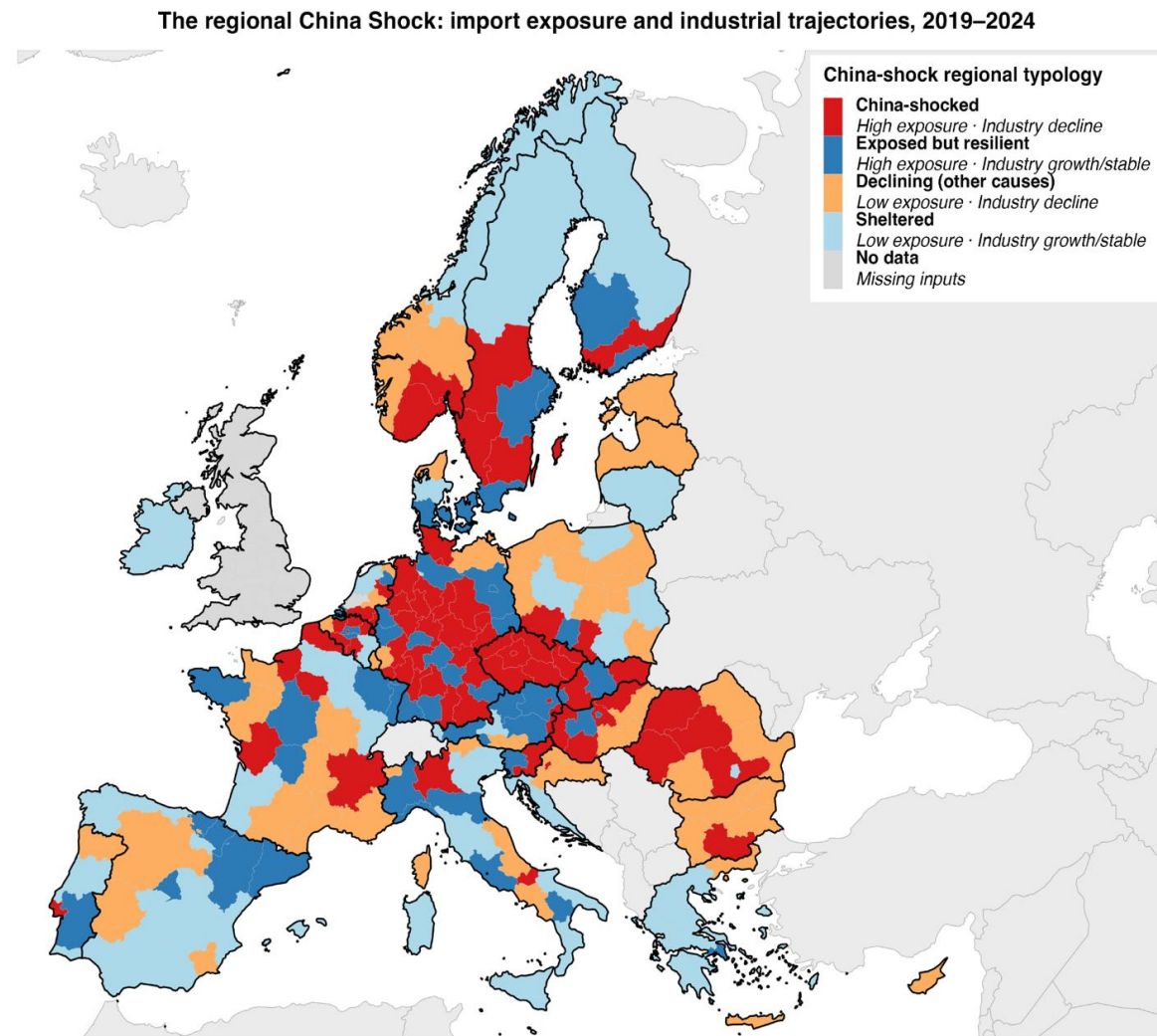
Geography of AI generation



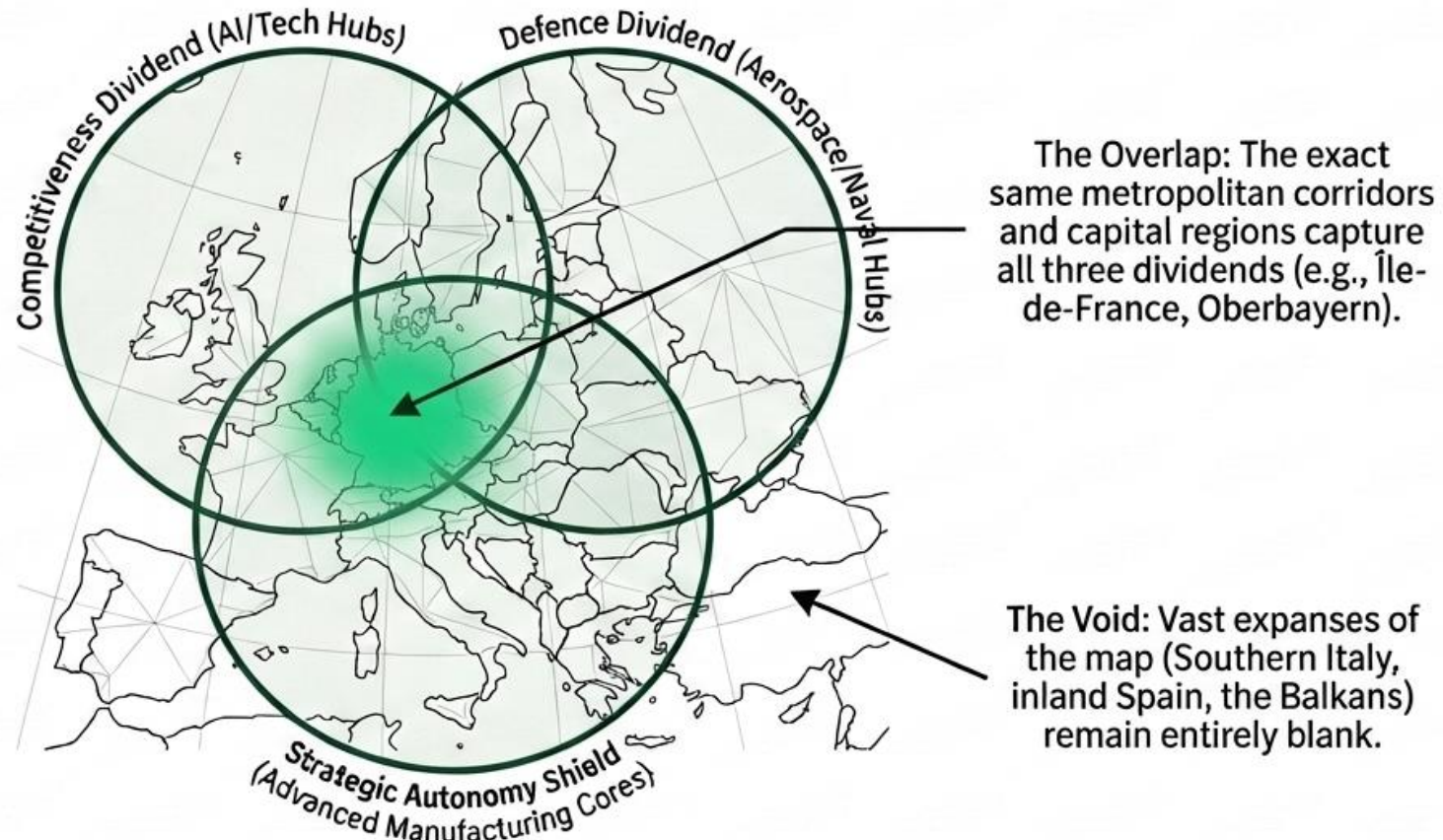
Geography of the defence dividend



Geography of strategic autonomy



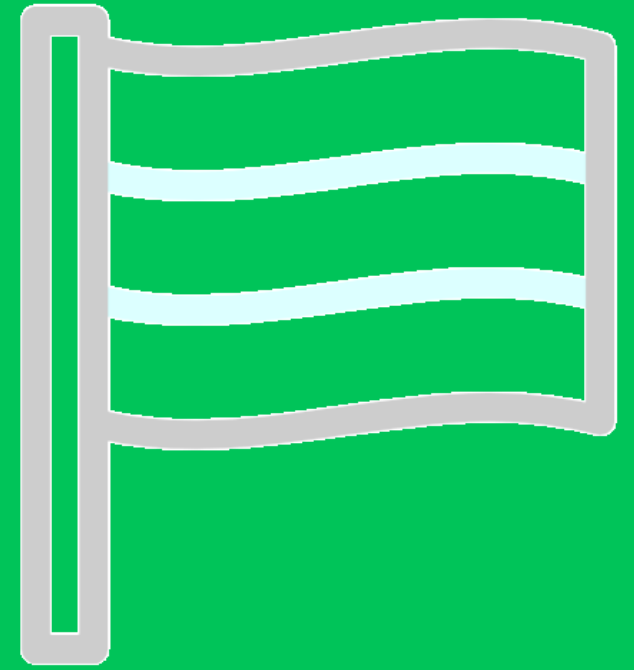
The cumulative geography of polarisation



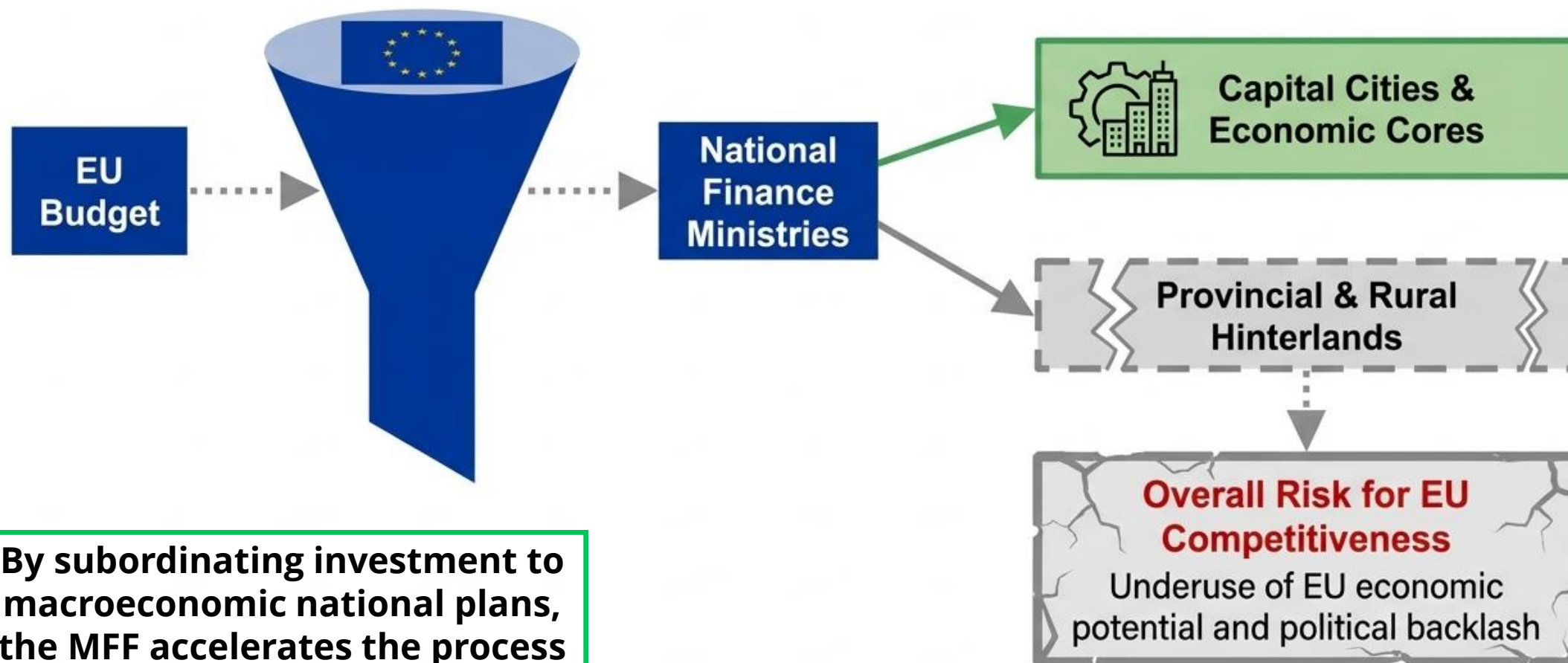
Advantage stacks. 'It doesn't rain but it pours.' The proposed MFF directs three distinct streams of massive funding into the exact same advantaged postcodes.

3.

Renationalisation

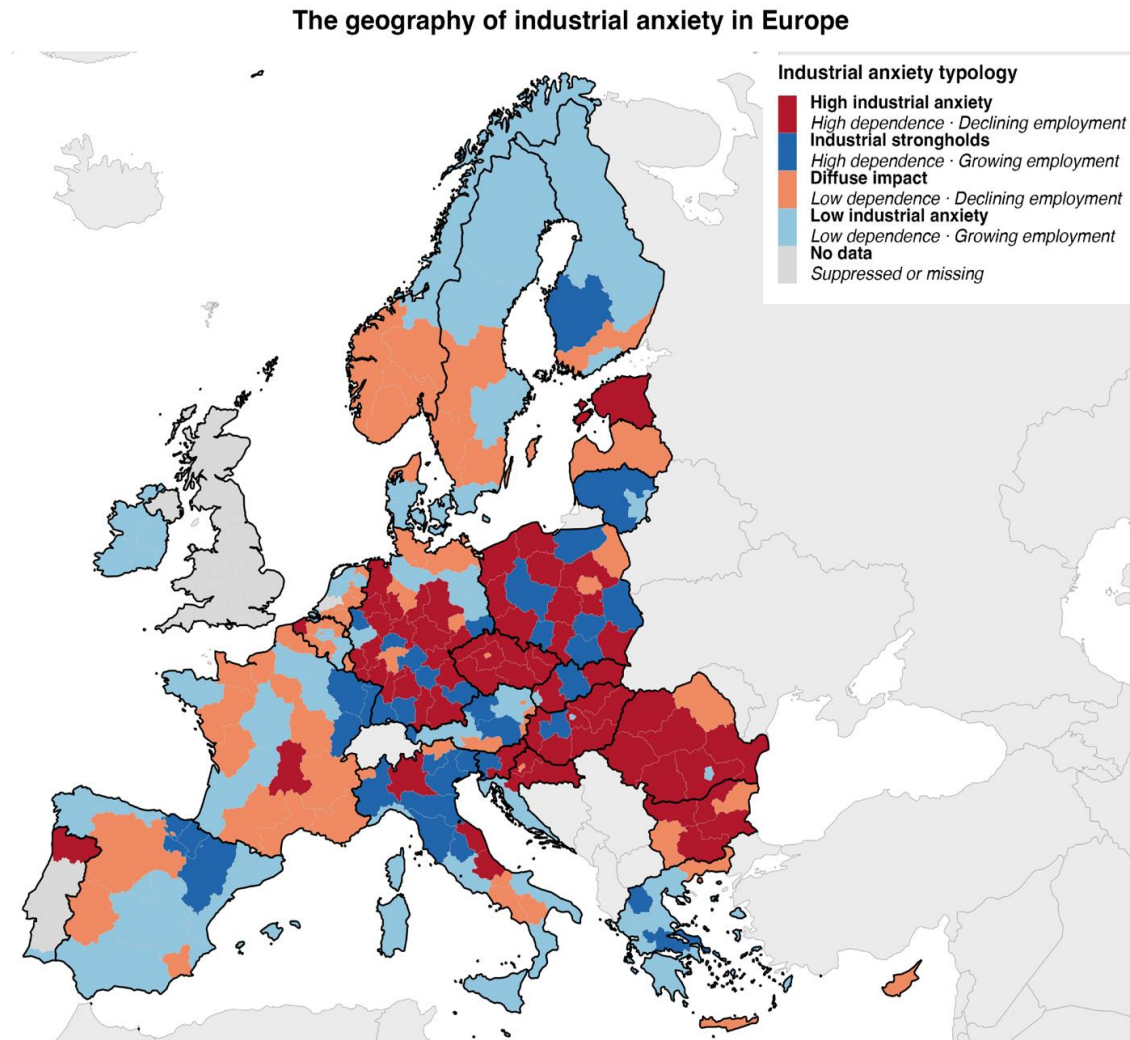


The nationalisation of funding



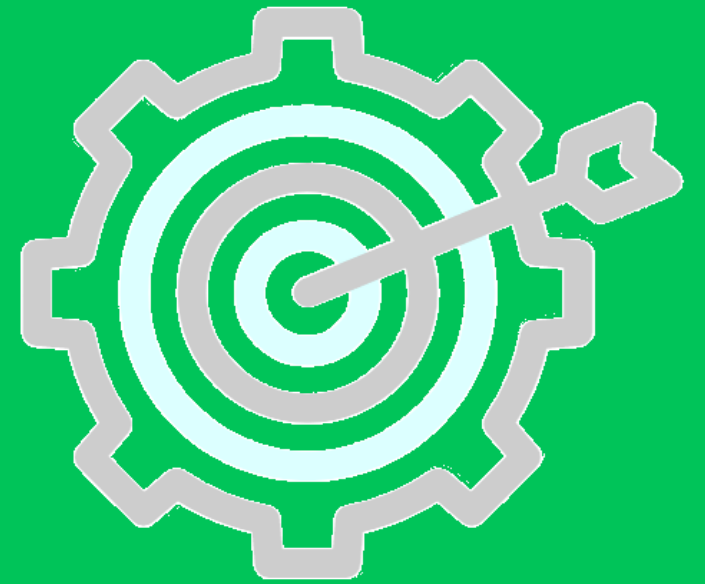
By subordinating investment to macroeconomic national plans, the MFF accelerates the process of divergence within countries

The geography of industrial anxiety

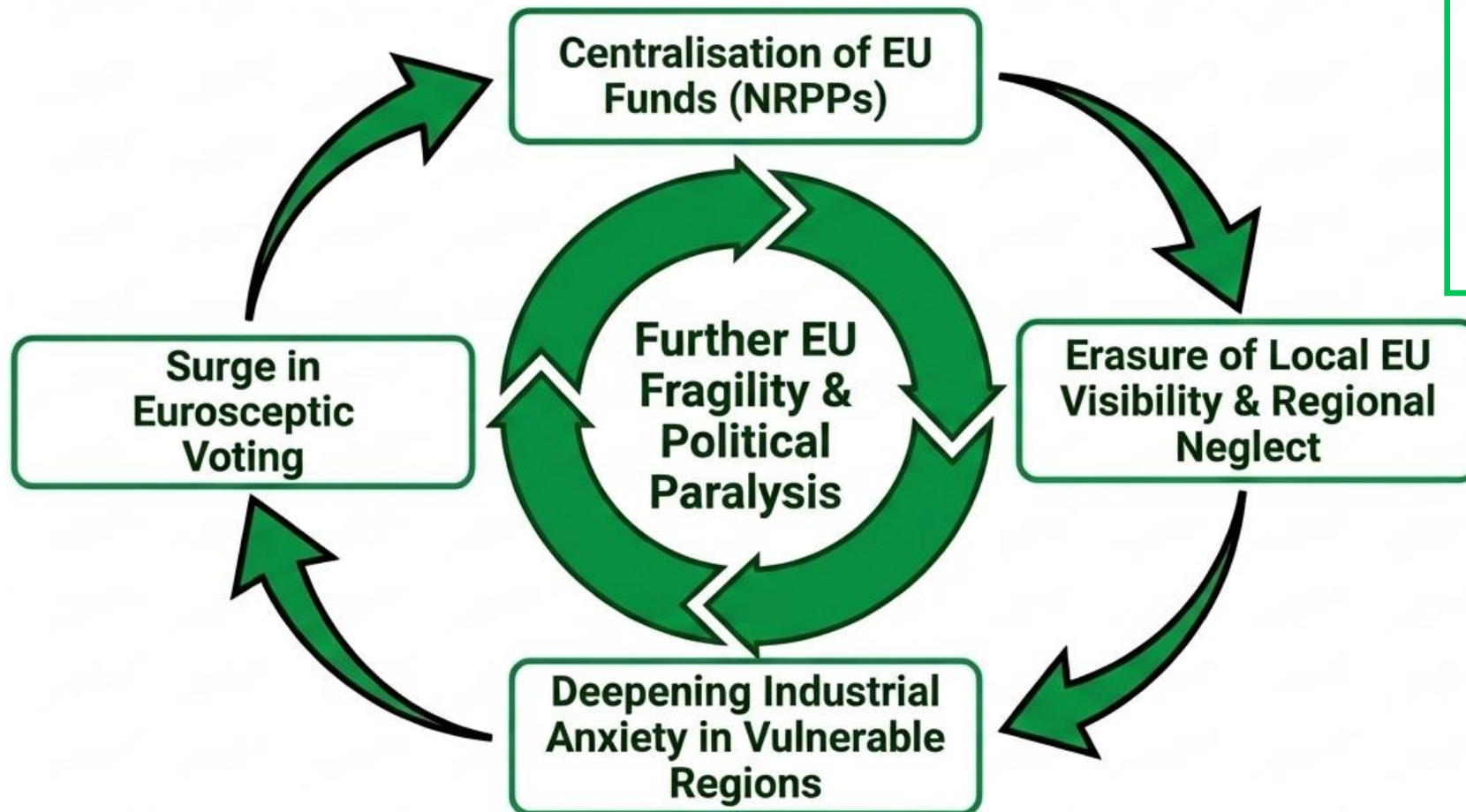


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The consequences



Towards political paralysis

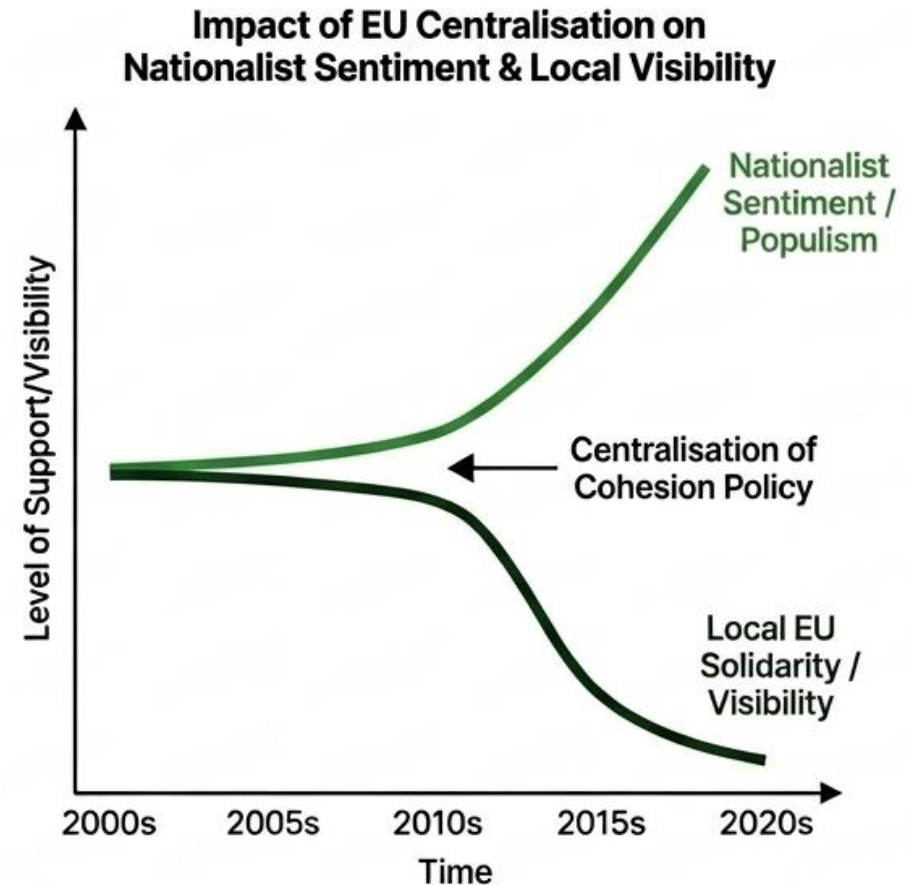


The paradox of the reform is that it dismantles the EU's most visible instrument of voice and participation at the precise moment when a rising geography of discontent threatens to tear the Union apart

Adopting the Eurosceptic playbook

Nationalists demand repatriation of EU power to national capitals.

Centralising Cohesion Policy erases direct local-EU links. This unintentionally enacts the anti-EU agenda, surrendering local solidarity to populists.



The fork in the road

Territorially Inclusive Competitiveness

Building competitiveness on adaptable, reinventable sectors. Inclusive growth avoids hub concentration, tapping full economic potential and preventing political backlash.

Polarisation & Decline

Chasing short-term, centralised competitiveness. Result: Geographic concentration, untapped potential, and strengthened political backlash.

Europe need not choose between cohesion and competitiveness. True strategic autonomy is impossible while leaving a third of citizens and territory behind.