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SUBSIDIARITY TEST FOR COMMON AGRICULTURAL POLICY EXPENDITURE FROM THE EU BUDGET

Abstract:

The main purpose of the paper is to find an answer to the question whether the European Union budget creates favorable conditions for social and economic integration from the point of view of European added value, on the example of Common Agricultural Policy, and what are the consequences for the Member States of the European Union in the context of economic growth and socio-economic development.

The specific objectives have been formulated in the form of questions. The questions posed in this paper are as follows:

1. How should the concept of subsidiarity test be interpreted and what factors determine it?

2. From the macroeconomic point of view, does the expenditure on the European Union's Common Agricultural Policy contribute to economic growth and development, and is this their role?

In the conducted studies based on models for panel data from a group of 28 European Union Member States, the expenditure from the European Union budget was disaggregated in a way that allows for finding relatively uniform directions of allocating EU funds with a breakdown by individual Member States, taking into account the limitations related to obtaining more detailed data.

Analyzing the results of the research, it was shown that the expenditure of greatest importance in the structure of the EU budget, i.e. expenditure on the Common Agricultural Policy, did not have the most significant impact on the growth and economic development measured by Human Development Index (HDI) of the surveyed countries (except for the research for EU13 and EU13-HR in the period 2007-2019 and EU28 mainly in 2007-2019). Surprisingly, Common Agricultural Policy expenditure in the models for the old Member States turned out to be negative or statistically insignificant in relation to GDP per capita and HDI.

Keywords:

subsidiarity test, Common Agricultural Policy, EU budget, European added value

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