



SOME STRUCTURAL PROBLEMS WITH THE NEXT GENERATION EU PROGRAM

The Next Generation EU is a financial program adopted by the EU to overcome the economic consequences of the COVID crisis.

The program is a great achievement and certainly represents a substantial change in the usual paradigm of economic governance at the European level.

Although it presents some structural problems, maybe due to the haste with which the financial assistance plan was conceived in July 2022.

The first and most obvious problem is a democratic deficit, due to the lack of political control by the European Parliament on the European Commission. On the other hand the power of the European Commission to control Member States budgets has definitely increased in the legislation, and especially in Regulation 2021/241, which implements the program.

The second problem is the absence of any mechanism to adapt to economic and geopolitical changes. As of today, the world is facing many defies: the war between Russia and Ukraine, the rising gas and oil prices, the rising cost of energy supplies, and the absence of the supplies of essentials as grain and semiconductors, are events of such magnitude that could undermine global financial stability.

On the other hand the changes which can be adopted for the NextGenEU are only minor. These changes can only involve individual countries, without any possibility of changing the program in its globality or even renewing it.

The third and final problem is that the program does not seem to be really conceived to solve the problems of the next generation of young Europeans, who are actually studying and will probably have to work to alleviate the debts that we have created to finance this program. The aid plan will produce some changes, but it seems that the changes it aims for can only produced over a very long period of time.