



European fiscal coordination

EUCDW Demands from EU Finance Ministers Decisions

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Fritz Bolkestein is certainly right in this respect: 25 different fiscal systems with different assessment strategies unnecessarily consume vast amounts of time and money, eroding the competitiveness of the European economy in the process. This is why it is high time for the EU finance ministers to agree concrete steps towards real progress in this matter (for instance, at their meeting on September 10/11 in Scheveningen).

One of the most severe shortcomings in European politics is the lack of a common tax policy. If the European political project is to achieve full maturity, Europe will have to treat this area with a higher priority.

Different levels of taxation (corporate taxes, social charges etc.) are an important weapon of competition within the European Union. Corporations certainly take their tax status into consideration when they decide in favour and against certain operating sites. This is why it is so important to coordinate tax policies between the individual member states. Taxation policy and the funding of social security systems are closely interlinked – changes in one area have an impact on the other. In principle, therefore, they must be subject to the same voting procedure (i.e. unanimous or qualified majority voting).

We furthermore support the introduction of European taxing powers (European taxes). This will allow the creation of European incomes that can then be distributed for a policy of solidarity and social objectives.

The EUCDW in particular demands the following elements:

- Fiscal implementation orders shall be subject to majority voting decisions, provided they do not adversely affect the funding of the EU member states' social security systems.
- The European tax policy must raise taxes in compliance with the progression principle (in other words: Identical things must be treated identically and different things differently.)
- The tax burden shall be shifted from labour to capital (the issues to be raised in this context would include the question of a capital tax, a European property tax, but also non-progressive consumer taxes such as taxes for environmental pollution (for instance, a European energy tax) and conspicuous consumption).
At any rate, certain allowances will have to be provided for savings (also with a view to private retirement provisions) and inheritances. It must also be ensured that such a capital tax will not jeopardize the existence of small- and medium-sized enterprises (SMEs) and the jobs they provide.

- The state must not impose more taxes than absolutely necessary. What we need is a social consensus about the tasks of the state (taking into account price stability, growth and employment). Tax policies are an instrument to ensure the state's capability of meeting its responsibilities (tax policies are subordinate to and follow the definition of state responsibilities, not the other way round).

The European Union of Christian Democratic Workers (EUCDW) consists of 23 workers' organisations from 15 countries and is an association of the European People's Party (EPP).

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