

Fundamental Positions On the Future Viability of the European Union

Preamble

The European taxpayers' organization, Taxpayers Association of Europe (TAE), sees the cooperation between the member states within the European Union (EU) as the basis for sustainability, security and prosperity for citizens and companies in Europe. In view of the dramatic challenges and changes, such as combating the consequences of the coronavirus pandemic, climate change, energy security, the new wave of refugees from Africa and the changed security situation caused by the war in Ukraine, it is clear that national solutions alone are no longer sufficient and that global problems can only be tackled in a strong and efficient European community. However, even the EU as it is currently conceived is increasingly reaching the limits of its capacity. It is therefore important to make the EU more resilient - in short, "fit for the future". The entry into force of the Treaty of Rome in 1958 laid the foundations for today's EU. It is high time that we reflect on these fundamental values and continue to develop Europe in the spirit of the founding fathers: More Europe where it is necessary and less Europe where it is possible!

Fundamental positions

Below important fundamental positions of the TAE are listed, which are intended to help to ensure the future viability of the EU and make Europe "fit for the future". This list is not intended to be exhaustive. Rather, it serves as a basis for an open social dialogue on shaping the future of Europe.

Clear commitment to the principle of the market economy

- Subsidiarity and personal responsibility
- Openness to technology / technological neutrality
No commitment to single individual technical solutions, only setting targets, but these must also be feasible and affordable.
- Strengthen civil liberties! This includes mobility, the right to pay in cash and entrepreneurial freedom.

Maintain competition between locations

- No further EU harmonization of wages, social security systems or taxes.

Define and protect upper tax limits for SMEs and private individuals

- Whoever sets minimum taxes must also set the upper limit of the tax burden.

Cutting red tape and deregulation

- The EU Commission has set itself the target of reducing bureaucracy for SMEs by 25% in terms of reporting obligations. Even this is a step in the right direction, it is not enough on its own. What is needed is a comprehensive reduction in bureaucracy in all areas, with mandatory target setting and monitoring. This also includes an efficiency review of EU decisions (“qualitative relief”).

Regulatory impact assessment

- Functional and genuine SME test, linked to a defined and specified standard catalogue of issues.

Reform of decision-making at European level

- Before decisions by qualified majority can be expanded, it is imperative that this voting procedure is first reformed. Up to now, 55% of EU member states and 65% of the EU population have to vote in favour of majority decisions, i.e., there is effectively a blocking minority of 35%. With the departure of the UK (BREXIT), the majority ratios have shifted in favour of the southern countries. They always have a blocking minority of 35%, i.e., majority decisions cannot be made without the consent of the southern countries. However, this no longer applies to the northern countries since BREXIT. In order to take account of this shift as a result of BREXIT, the blocking minority should be adjusted downwards accordingly.
- Maintain the principle of unanimity in financial matters and for decisions that have an impact on national budgets. However, this does not apply to decisions that affect fundamental EU security interests, e.g., energy supply or the EU's defence capability.

No new EU debt and no communitisation of debt

- The communitisation of debts undermines the performance principle and weakens the efficient spending behavior of member states. The current system diminishes the will to use taxpayers' money sparingly and creates false incentives to increase debt.
- New debts burden future generations and increasingly limit the ability to act in the future.

Brussels, November 29, 2023

Inquiries

Taxpayers Association of Europe (TAE)

Munich office

Michael Jaeger
Nymphenburger Str. 118
D-80636 Munich
Tel.: +49 89 126 00 820
Web www.taxpayers-europe.org

Brussels office

Dr Horst Heitz
Rue d'Arlon 46
B-1000 Brussels
Tel.: +32 2 588 1520