

Fiscal Policy

What do I need to know before I start?

The early discussions on monetary integration in the 1970s have been accompanied by discussions on the necessity of a common fiscal instrument in the Eurozone, an idea that initiated with the Werner report (1970) and the subsequent MacDougall Report (1977). Both reports emphasized the need for the European Monetary Union (EMU) to deal with asymmetric shocks through common fiscal stabilization. With limited political support, it was only with Jacques Delors in 1988 that the idea of monetary integration gained momentum, while the idea of a fiscal union was not considered. The need to ensure fiscal discipline at the domestic level was however emphasized and there was to be a combination of fiscal rules and market discipline, while national governments were responsible for fiscal stabilization policy instruments. The failure of the EMU to deal with the Eurozone crisis pointed out to its fragility and to the lack of common fiscal stabilization. EU institutions and member states consequently undertook reforms aimed at strengthening fiscal rules, increasing economic policy coordination and monitoring macroeconomic imbalances. New crisis resolution mechanisms were also created, including the European Stability Mechanism (ESM) and the Outright Monetary Transaction (OMT). The remaining fragility of the EMU governance framework re-emphasized the question of fiscal integration among Community policy-makers. There was a need for fiscal risks to be shared where economic adjustments mechanisms could not handle country-specific shocks. The report 'Towards a Genuine Economic and Monetary Union', called the 'Four Presidents' Report', proposed therefore the creation of a fiscal risk-sharing instrument to handle asymmetric shocks and protect from negative fiscal externalities. The European Commission's "Blueprint for a deep and genuine EMU" followed the report and advocated the development of an autonomous fiscal capacity and the 'Five Presidents' Report' re-emphasised the need to increase economic policy coordination, to create a fiscal stabilization mechanism with an autonomous budget for the EMU in order to deal with crises. Seeking to build a "robust and effective framework for the coordination and surveillance" of Member States' fiscal policies, the EU set up a Stability and Growth Pact (SGP) to coordinate fiscal policies and Member States agreed on a Fiscal Compact (providing for the balanced budget 'golden rule') as part of the Intergovernmental Treaty on Stability, Coordination and Governance in the EMU (TSCG). Competences in fiscal policy remain with Member States, with some institutional arrangements and rules for budgetary policy and ex-ante control over fiscal policy at the European level.

Languages: Please be aware that although most documents available in our Archives are in French, English or German, some may be in other EU languages. In order to check the languages used in a fonds, please refer to our holdings page. Additionally, some fonds may contain a few files in a language other than those listed in the description.

What can I find at the HAEU?

Relating specifically to fiscal policy, the fonds available at the HAEU are:

1) *EU institutions*

[Council of Ministers](#)

In the HAEU inventory, fiscal policy matters discussed in the Council of Ministers are assembled in the section 'UEM' related to the development of an Economic Monetary Union. Since the fonds of the Council of Ministers is organized by year, you need to browse the fonds of each separate year to access the specific section mentioned above (example for [1973](#)). In addition, you may look into the section 'Activités de la CEE: Economie et Finance' or 'Activités de la CEE: Politique économique' (example for the year [1958](#)) which is closely related to fiscal/tax matters.

[Commission](#)

In the Commission's fonds, you will not find a specific section for fiscal matters but files pertaining to fiscal policy and tax harmonization are present both in the section for the [DG for economic and monetary affairs](#) and that for the [DG for External Relations](#) (example [1](#), [2](#), [3](#)). In addition, you might want to look into the sections related to the [Secretariat-General](#) and the [Cabinets](#).

[European Parliament](#)

Concerning the early years of the Parliament, you can look into the work of the parliamentary 'Harmonisation fiscale' [working group](#) and [sub-commission](#). For later years, the European Parliament's fonds does not include a special section for fiscal affairs but several parliamentary questions (for the [1st](#), [2nd](#) and [3rd](#) legislature) present in the Parliament's inventory concern fiscal policy, tax harmonization, and fiscal controls. It is therefore advisable to search directly the database and filter the results to limit the search to the Parliament's inventory to reach the aforementioned files (example [1](#), [2](#), [3](#), [4](#)). In addition, concerning the early years of the Parliament, you might find it useful to consult the proceedings and reports of the [parliamentary commission for economic and monetary affairs](#). For later periods, you may also consult the proceedings and reports of the [parliamentary commission for economic and monetary affairs](#) for the Parliament's first legislature, and those of the parliamentary commission for economic, monetary and industrial policies for the following legislatures (for the [2nd](#) and [3rd](#)), whose responsibilities and activities are closely related to fiscal affairs.

[European Court of Auditors](#)

You might find it interesting to consult the ECA's [annual reports](#) (1977-1997), [special reports](#) (1978-1991) and [opinions](#) (1977-1997) as well as [internal documents](#), including [information documents](#) (1977-1994) and [working documents](#) (1977-1994).

[European Court of Justice](#)

According to the nature of the ECJ, this fonds includes documents dealing with judicial affairs, namely procedure dossiers and sentences. You might find it interesting to consult some of its dossiers dealing with fiscal and tax issues, such as the case [70/77](#) concerning health control taxes, as well as the joint affairs [80/77](#) and [81/77](#) concerning French tax on Italian wine.

[European Investment Bank](#)

The EIB fonds contains some files concerned with the [EIB fiscal system](#), [fiscal policy](#) and [fiscal federalism](#). In addition, you may also consult the numerous files pertaining to the development of [common monetary policies at the European level](#) which is closely related to fiscal policies, as well as the sub-fonds '[Publications](#)' that includes the EIB [annual reports](#).

[Economic and Social Committee](#)

The inventory does not include a special section for fiscal policy but the section 'Avis' comprises some files (reports, articles, and position papers) pertaining to economic and fiscal affairs and to the development of common (indirect) fiscal policies among EU member states (example [1](#), [2](#)). Similarly to the Council of Ministers, the inventory of the Committee is organized by year, each including a special section 'Avis' (example for [1975](#)) and it is advisable to search the databases directly to find relevant documents and filter the results to limit the search to the Committee's fonds.

2) *Corporate Bodies*

[Organisation for European Economic Co-operation \(OEEC\)](#)

It can be useful to look into the work of the [Fiscal Committee](#) of the OEEC, which was one of the 6 OEEC's plenary committees established in 1956 to help in clarifying the position of OEEC member States with regard to tax issues. The OEEC fonds includes the [minutes](#) of the Fiscal Committee's meetings held between 1956 and 1961.

3) *Individuals*

[Emanuele Gazzo](#)

You may look into Gazzo's private fonds which includes several files concerned with [US fiscal system and its impact in Europe](#) and to [indirect fiscal harmonization in the Community](#).

[Klaus Meyer](#)

It can be useful to look into Meyer's private archives, which includes files on his [work in the OEEC's Economic Policy Committee](#), whose members discussed among others fiscal policy matters ([example](#)), as well as in the [OEEC's Executive Committee in Special Session](#) ([example](#)).

[Tommaso Padoa Schioppa](#)

It can be very useful to consult Padoa Schioppa's private fonds, as it includes some files on [fiscal policy](#) in the context of the EMU, as well as dossiers relating to his work as [Director-General for Economic and Financial Affairs](#) in the Commission (1979-1983), as co-rapporteur to the Delors Committee for the study of European Economic and Monetary Union (1988-1989) and as Member of the [Executive Board of the European Central Bank](#) (ECB) from 1998 to 2005.

[Emile Noël](#)

Though not directly related to fiscal policy, it can be useful to consult Noël's private fonds, as it includes files on the [development of common monetary policies](#), the establishment of an [Economic and Monetary Union](#), and the several [Economic Summits](#) attended by Noël, which can all prove useful to consult to better understand fiscal policy issues at the European level. In addition, you may look into his notes on the European Council and Commission's meetings, as well as into documents relating to the [work of the different DGs](#) of the Commission, during his time as Secretary-General.

4) Oral History

In addition, take a look at the [oral history holdings](#), which comprise numerous interviews of European politicians and officials, including important figures and officials active in the development of common monetary and (indirect) fiscal policies at the European level. Below, you can find a (non-exhaustive) list of persons interviewed who addressed the topic of fiscal policy and tax harmonization in the Community.

[Ole Bus Henriksen](#)

[Josep Borrell i Fontelles](#)

[Jelle Zijlstra](#)

[Armand Saclé](#)

[Marcell Von Donat](#)

[Ivo Schwartz](#)

[Edmund Wellenstein](#)

[Manfred Caspari](#)