Singidunum University International Scientific Conference
Međunarodna naučna konferencija Univerziteta Singidunum

PAPERS FROM THE THEMATIC AREAS OF THE CONFERENCE
Business Finances
Original paper

TAXATION AND PUBLIC SPENDING POLICIES IN EU ECONOMIES

Ivan Čvorović[1]*,
Sanja Filipović[2]

[1]PhD candidate,
Singidunum University,
Belgrade, Serbia

[2]Singidunum University,
Belgrade, Serbia

Abstract:

The countries of the European Union have faced numerous changes in the last few years, starting with Brexit, the large influx of migrants, the economic impact of pandemic, and the current energy crisis, etc. All those changes directly affected public finances. To ensure their macroeconomic stability, the member countries of the Union adopted certain measures in the sphere of fiscal policy. The goal of the paper is to determine changes in the area of fiscal policy based on the analysis of the share of direct and indirect taxes, as well as the share of public spending in the gross domestic product of the European Union countries. The research refers to the time period 2015-2020 and it is based on the method of comparative analysis. The research results show that at the level of the EU27 average, there is a noticeable growth in the percent of direct taxes and public spending in the gross domestic product. Likewise, the results showed that the share of social benefits in the gross domestic product also increased. Such a trend can be interpreted as a response of fiscal policy to changes that negatively affect the social security of citizens, but also as a need to ensure the stability of public finances in the countries of the European Union.

Keywords:

fiscal policy, taxation policy, public spending policy, European Union.

1. INTRODUCTION

It is clear that external factors such as Covid pandemic, migrant and energy crisis have effect on macroeconomic stability and demand intervention in the area of fiscal policy. The aforementioned changes increase public expenditures, which means that countries are forced to spend more in order to cover higher expenditures for health protection of their population inclusion of migrants, or in the case of an energy crisis, for paying a much higher import price of necessary energy sources and overcoming the consequences of their shortages.

According to Beker Pucar and Glavaški (2020), fiscal policy has two macroeconomic goals – the first is to ensure macroeconomic stabilization, and the second is to ensure budget balance. In a panel survey covering 24 European Union (EU) countries for the period 1995 – 2010, Szarowska (2013) using the method of regression analysis and the Granger analysis (test of causality), came to results that confirm, in accordance with the theory, that there was a positive effect of consumption tax and negative effect of labor tax on GDP growth; both of them being statistically significant. In the short run, there is bidirectional causality between the change in the implicit tax rate on consumption and GDP growth and unidirectional causality between the growth of GDP and the change in the implicit tax rate on capital and the implicit tax rate on labor.

Correspondence:
Ivan Čvorović

e-mail:
ivan.cvorovic.22@singimail.rs

DOI: 10.15308/finiz-2022-57-65

The budget balance can be divided into a discretionary component (measures implemented by the state to affect public spending or public revenues), an automatic component (the role of automatic stabilizers and a debt component (the burden that public debt carries with it). In developed market economies, there is a strong desire to ensure social peace in the interest of a stable economy and for the benefit of everyone between the well-organized and dominant social groups – labor and capital. Therefore, the state through its mechanisms (taxes and social transfers) ensures a certain redistribution of income from the richer to the poorer layers of society (Joksimović & Bajec, 2010).

Analysing the period 1993 – 1997, Stiglić (2008) in analysis of the public revenues of the USA, pointed to the growth of the relative importance of the personal income tax (which has been growing since 1947), and a decline in the corporate profit tax (decline since 1957). Besides, from the very beginning it was noted that excise and customs duties were in constant decline. Contributions for social security first had a tendency to fall (until 1947) and then recorded a significant increase from 1957. After that, the tendency of their share in federal revenues to fall again has appeared again since 1987.

The policy of taxation and public spending in the EU is the responsibility of the member states, and apart from the harmonization of the lower limit of certain excise taxes and indirect taxes, there were no changes in the direction of further harmonization of tax rates between the member states. Genschel and Jachtenfuchs (2010), based on an empirical EU tax legislation analysis and the tax legislation of the Court of Justice of the EU in the period 1958 – 2007, concluded that the EU exercises significant legislative control over the tax power of countries and imposes stricter restrictions than for example USA. In a theory, EU works in apolitical issues and highly politicized functions (such as taxation) are under jurisdiction of member states. These findings refute this theoretical claim. Autonomy of taxation is limited by EU regulations.

The total tax burden in the EU27 countries is very high and is among the highest in the world. (Prokopijević, 2012). For example, in December 2021, the personal income tax rate in Germany and France was 45%, while in the same period it was 37% in the USA. Additional pressures from the environment have a negative impact on public finances, and in the last few years EU countries have been forced to take certain measures in order to relax the tax burden and ensure the social security of their citizens.

Analysing the trend of the percentage share of direct and indirect taxes in the GDP of the EU 27 countries, as well as the public spending percent in the GDP for the mentioned countries, the aim of the paper is to determine the response of the fiscal policy to the important changes that come from its immediate environment.

2. SHARE OF DIRECT AND INDIRECT TAXES IN THE EU

Fiscal policy, which is the basis of Keynes's approach to establishing macroeconomic balance (Filipović, 2021), enables the achievement of macroeconomic balance by changing the level of public spending. The goal is to find the optimum level of tax rates and public spending in order to ensure macroeconomic stability. For example, encouraging the growth of a stagnant economy by stimulating public spending and/or cutting taxes, which is known as expansionary fiscal policy. However, it should have on mind that even the long – term implementation of an expansive fiscal policy poses a risk for the appearance of inflation.

In modern business conditions, fiscal policy is extremely important in supporting intensive and dynamic economic growth in all market economies. Depending on the relevance of individual components in defining the dynamics of economic growth, the efforts of policymakers for the development of market economies to stimulate investment activity as much as possible with the instruments and measures of fiscal policy have also changed.

Considering the structure of public revenues in EU countries, the share of direct and indirect taxes will be analysed. A direct tax is considered a non – transferable tax (e.g. personal income tax), and indirect taxes are transferable (e.g. value added tax, excise taxes). An indirect tax can also be defined as a tax collected by one entity in the supply chain (more often a manufacturer or retailer), and paid to the government, but passed on to the consumer in the form of the final price of the good or service. Table 1 provides a comparison between these two groups of taxes.

Table 1. Direct vs indirect taxes

Direct taxes	Indirect taxes
Charged on converted activities, also on income.	Charged per product or service.
The tax burden cannot be shifted.	The tax burden has been shifted.
The tax burden cannot be shifted.	The tax burden has been shifted.
When the income arrives, the tax is paid by taxpayers.	When goods or services reach the taxpayer, the tax is already paid.
Collecting taxes is not easy.	Collecting taxes is easy.

Source: bankbazaar.com., Tax, Difference between direct tax and indirect tax, table.

Table 2 shows the trend of the share of direct taxes in the GDP structure of the EU members. We can conclude that that in 2020, the direct taxes percentage in GDP in the EU 27 was 13.3%, or 13.2% in EA 19. In the observed period of 2015-2020, a slight and constant increase in the share of direct taxes, dominated by labor and capital taxes, was noticeable. Denmark (30.9%) and Sweden (18.2%) have the largest direct tax shares in GDP. The structure of direct taxes in these countries is dominated by personal income tax. According to the available data, in Denmark in 2019 the income tax was 24.3%, and in Sweden 12.2%. Romania has the lowest share of direct taxes during the observed time period, with the tendency of its further decrease from 6.6% in 2015 to 4.7% in 2020. Likewise, a low share of direct taxes in GDP was recorded in Bulgaria (6.1%) and Croatia (6.7%). There are three different systems of taxation of the income of citizens, namely cedular taxation, synthetic taxation and combined or mixed taxation. The mixed model is most common in European countries.

Table 2. Direct taxes as percent of GDP

Country	2015	2016	2017	2018	2019	2020	Ranking 2020
EU27	12.9	13.0	13.2	13.2	13.3	13.3	
EA19	12.8	12.9	13.1	13.2	13.2	13.2	
Belgium	17.3	16.9	17.5	17.7	16.5	16.5	3
Bulgaria	5.6	5.8	6.0	6.0	5.8	6.1	26
Czech Republic	7.7	8.0	8.1	8.5	8.4	8.5	18
Denmark	30.3	29.6	29.8	28.2	30.6	30.9	1
Germany	12.5	12.9	13.1	13.5	13.5	13.0	10
Estonia	7.7	7.4	7.2	7.4	7.3	7.8	21
Ireland	10.8	10.8	10.3	10.6	10.4	10.2	13
Greece	9.6	10.3	10.1	10.4	9.9	9.3	16
Spain	10.5	10.5	10.6	11.0	10.8	11.6	12
France	13.1	12.9	13.3	13.7	13.7	13.7	7
Croatia	6.1	6.5	6.3	6.4	6.7	6.5	25
Italy	14.7	14.9	14.5	14.1	14.4	15.2	6
Cyprus	9.9	9.3	9.6	9.6	9.7	9.7	15
Latvia	7.8	8.3	8.6	7.4	7.0	7.2	23
Lithuania	5.4	5.6	5.4	5.6	8.7	8.8	17
Luxembourg	14.5	14.8	15.2	17.0	16.7	16.0	5
Hungary	6.8	7.3	7.2	6.6	6.7	6.8	24
Malta	12.5	13.3	13.7	13.4	13.8	13.1	9
Netherlands	11.5	11.8	12.9	12.7	13.4	13.4	8
Austria	14.2	12.9	13.0	13.6	13.7	12.7	11
Poland	6.9	7.1	7.3	7.8	8.0	8.0	19
Portugal	10.7	10.1	9.9	10.1	9.8	10.1	14
Romania	6.6	6.4	6.1	4.9	4.8	4.7	27
Slovenia	7.2	7.5	7.5	7.9	7.9	7.9	20
Slovakia	7.1	7.2	7.2	7.3	7.2	7.2	22
Finland	16.8	16.6	16.9	16.3	16.3	16.4	4
Sweden	18.3	18.9	19.0	18.6	18.0	18.2	2

Source: ec.europa.eu, European Commision, Data on taxation

From Table 3, it can be concluded that a slight share reduction of indirect taxes in GDP was noticeable, so that in 2020 their share in EU 27 was 13.3%, i.e. 13.2% in EA 19. Sweden had the largest share of indirect taxes during this period, followed by Croatia and Hungary. Ireland had the lowest percentage of indirect taxes in GDP (6.6%), which is a drop of even 2.1% compared to 2015. The cause of this may be lower tax collection or lower turnover of goods and services for which VAT is charged during 2020. Germany, Luxembourg, the Netherlands and Slovakia also have a low share of indirect taxes.

Theoretically, indirect taxes can also be defined as taxes imposed on the taxpayer by the state, on consumption paid by the taxpayer, that is, the consumer. Burden of indirect tax is falling equally on both the poor and the rich, which can be unfair. Rich individuals are able to pay the amount of tax without any problem, while the poor can be overburdened by this levy and thus reduce their already limited consumption.

Table 3. Indirect taxes as percent of GDP

Country	2015	2016	2017	2018	2019	2020	Ranking 2020
EU27	13.7	13.6	13.6	13.7	13.7	13.4	
EA19	13.2	13.2	13.2	13.2	13.3	13.0	
Belgium	13.5	13.8	13.7	13.8	13.8	13.4	16
Bulgaria	15.7	15.6	15.2	15.2	15.6	15.3	7
Czech Republic	12.3	12.4	12.4	12.1	12.1	11.6	21
Denmark	16.1	16.1	15.9	16.0	15.4	15.9	6
Germany	11.0	10.9	10.8	10.8	10.9	10.5	25
Estonia	14.3	14.7	14.2	14.0	14.2	13.8	14
Ireland	8.7	8.8	8.3	8.0	7.8	6.6	27
Greece	16.3	17.5	17.5	17.6	17.5	16.6	5
Spain	12.0	11.8	11.8	11.9	11.7	11.5	22
France	15.9	16.1	16.4	16.6	17.0	17.1	4
Croatia	19.2	19.4	19.6	20.0	20.3	18.8	2
Italy	15.2	14.5	14.6	14.6	14.6	13.9	12
Cyprus	15.0	14.9	15.1	15.3	15.1	13.7	15
Latvia	13.7	14.2	14.1	14.5	14.2	14.3	9
Lithuania	11.9	11.9	11.8	11.7	11.8	11.8	20
Luxembourg	11.1	11.2	11.5	11.8	11.6	11.2	23
Hungary	18.8	18.2	18.0	18.2	18.1	18.3	3
Malta	12.0	12.2	12.2	12.8	12.2	10.9	24
Netherlands	11.5	12.0	12.0	12.1	12.5	12.7	18
Austria	14.5	14.5	14.3	14.0	14.1	13.8	13
Poland	13.1	13.6	14.0	14.2	14.0	14.2	10
Portugal	14.7	14.9	15.0	15.3	15.2	14.8	8
Romania	13.4	11.4	10.4	10.5	10.7	10.5	26
Slovenia	14.9	14.7	14.4	14.2	13.8	12.8	17
Slovakia	11.7	11.6	12.0	12.0	12.2	12.3	19
Finland	14.2	14.4	14.1	14.3	14.2	14.2	11
Sweden	21.6	22.5	22.4	22.4	22.2	21.8	1

Source: ec.europa.eu, European Commision, Data on taxation

Table 4 shows the social contribution percent in the GDP of the EU 27 countries. It is noticeable that the social contribution percent was in the range of 13.1 – 13.5% in 2020. For Eurozone countries, that share is somewhat higher, with slight fluctuations – in 2020 it is 14.3%, which represents an increase of 0.3% compared to 2015.

Slovenia and Germany had the highest shares of social contributions in their GDP. In Germany there was an increase of 1.4% respectively during the observed time period, while in Slovenia there was also an increase of 1.4% compared to 2015. Denmark had the smallest share of social contributions in 2020, namely 0.1%, while in previous years it recorded zero rates.

Table 4. Total social contributions as percent of GDP

Country	2015	2016	2017	2018	2019	2020	Ranking 2020
EU27	13.1	13.2	13.1	13.2	13.1	13.5	
EA19	14.0	14.1	14.0	14.0	13.9	14.3	
Belgium	14.2	13.6	13.5	13.3	13.3	13.7	8
Bulgaria	7.8	7.7	8.3	8.7	8.9	9.2	23
Czech Republic	14.3	14.6	14.8	15.4	15.5	15.9	3
Denmark	0.1	0.1	0.0	0.0	0.0	0.1	27
Germany	15.2	15.4	15.5	15.7	16.0	16.6	2
Estonia	11.1	11.1	11.1	11.5	11.6	12.4	13
Ireland	4.0	4.1	3.9	3.9	3.9	3.2	25
Greece	10.7	11.1	11.7	11.9	12.2	12.9	12
Spain	11.4	11.4	11.5	11.7	12.3	13.8	7
France	16.7	16.6	16.7	16.0	14.9	14.8	6
Croatia	11.7	11.6	11.6	11.7	11.6	11.7	14
Italy	12.9	12.7	12.7	13.0	13.2	13.5	11
Cyprus	8.3	8.2	8.5	8.6	10.7	11.2	17
Latvia	8.3	8.2	8.4	9.1	9.6	10.0	22
Lithuania	11.6	12.1	12.2	12.6	9,6	10.2	21
Luxembourg	10.7	10.5	10.8	10.8	10.8	11.2	16
Hungary	13.2	13.7	12.7	12.1	11.7	11.2	18
Malta	5.0	5.1	5.1	5.3	5.2	5.7	24
Netherlands	13.9	14.7	13.8	14.0	13.5	13.6	9
Austria	14.5	14.5	14.6	14.7	14.9	15.5	4
Poland	12.4	12.7	12.8	13.1	13.2	13.6	10
Portugal	9.0	9.1	9.2	9.3	9.6	10.5	20
Romania	8.1	8.0	8.4	10.6	10.5	11.1	19
Slovenia	15.4	15.4	15.4	15.4	15.7	16.8	1
Slovakia	13.7	14.2	14.7	14.8	15.0	15.5	5
Finland	12.6	12.7	12.0	11.8	11.8	11.6	15
Sweden	2.7	2.7	2.7	2.8	2.8	2.8	26

Source: ec.europa.eu, European Commision, Data on taxation

Each EU country has its own laws on social security. When the workers are working in one country, they have the same obligations and rights, whether they are domestic or foreign. National systems are coordinated by EU rules to ensure people who move to another state not to lose social security (e.g. pension rights and social protection) and always be aware of the law that applies to them. EU social security laws of only one country can be applied to one person at one time, meaning that they only have to pay contributions in that state. Contributions must be paid in the country where person actually works, whether employed or self-employed. Workers who are sent abroad for a period of less than two years – they can pay contributions even in the country from which they are sent.

4. PUBLIC SPENDING IN EUROPEAN UNION

It is now very important for the EU states, at a time of great challenges that they are facing, both individually and for the Union as a whole, to have secure tax revenues. EU wants to create efficient, sustainable and fair taxation system. Therefore, on July 15, 2020, the Commission created a new measure – called tax package. This package strengthens the EU wide fight against abuses of tax, helps tax administrations keep up with ever – fast changing economy and eases administrative burdens for her citizens as well as the companies. These measures also ensure a better cooperation with other European states and stronger support for developing countries. The tax package contains complementary initiatives towards fairer, simpler and modernized tax systems that will be implemented by 2024. The tax action plan sets measures for:

1. reduction of tax barriers for companies in the single market. Simplification of tax policy will have a positive effect on business in the Union, increase the competitiveness of companies and accelerate growing economy.
2. helping members to implement common laws and enable better compliance, ensuring that they will have a stable tax revenue.
3. helping tax authorities to make better use of available data and more efficiently exchange new data, in a way that can improve the application of tax rules and help in a more effective fight against tax evasion and fraud.
4. promoting the rights of taxpayers, guaranteed by EU law, making they obligations simply and making reconciliation with those obligations.

Now when EU countries have increased pressure on the public balance, resulting from demography (high costs on lifelong learning, pensions) and globalization (adjustment costs, mobile taxpayers), it is very important that public resources are used on the best way, in terms of effectiveness and efficiency. Improving these characteristics of public spending not only helps maintain the fiscal policy required by the Pact for Stability and Growth, but also plays a significant role in promoting structural reform programs. The efficiency of public spending is defined as the ability of the government to maximize its activities with respect to the level of spending or to minimize its spending with respect to the level of economic activity.

Table 5 shows that at the EU 27 level, a 5% increase in public spending was recorded in the observed period of 2015 – 2020. For Eurozone countries, this increase in consumption is even higher and amounts to 5.3%. Ireland had the lowest percentage share of public spending in GDP, with a noticeable drop of 1.7% respectively until 2020. Malta and Estonia follow, recorded a significant increase in 2020. France had the largest percent of public spending in GDP. In 2020, it was as much as 61.6%, which is an increase of 4.8%. In addition to, France, Belgium (59.2% in 2020), Greece (59.8% in 2020) and Finland (57.5% in 2020) also records a very high percent of spending in gross domestic product. It is notable that in 2020, a growth in a percentage of public spending was recorded in all EU states, which can be interpreted as an economic consequence of Corona virus pandemic.

Table 5. Public spending (% of GDP)

Country	2015	2016	2017	2018	2019	2020
EU27	48.1	47.3	46.7	46.5	46.5	53.1
EA19	48.4	47.7	47.1	46.9	46.9	53.7
Belgium (B)	53.7	53.1	52.0	52.2	51.8	59.2
Bulgaria (BG)	40.4	34.8	34.8	36.9	35.5	41.8
Czech Republic (CZ)	41.9	39.8	39.0	40.6	41.1	47.2
Denmark (DK)	54.4	52.5	50.5	50.5	49.5	53.4
Germany (D)	44.1	44.4	44.2	44.3	45.0	50.8
Estonia (EE)	39.5	39.4	39.2	39.4	39.4	45.9
Ireland (IE)	29.1	28.1	26.2	25.3	24.2	27.4
Greece (GR)	54.1	49.9	48.5	48.5	47.9	59.8
Spain (ES)	43.9	42.4	41.2	41.7	42.1	52.4
France (FR)	56.8	56.7	56.5	55.6	55.4	61.6
Croatia (CRO)	48.2	46.9	44.7	44.5	46.0	54.5
Italy (I)	50.3	49.1	48.8	48.4	48.5	57.1
Cyprus (CY)	40.6	37.5	36.5	42.7	38.4	45.1
Latvia (LV)	38.6	37.4	38.7	39.3	38.2	43.1
Lithuania (LT)	35.2	34.2	33.2	34.0	34.8	42.9
Luxembourg (L)	40.4	40.0	41.3	42.1	42.9	47.2
Hungary (H)	50.4	46.8	46.7	46.1	45.7	51.6
Malta (M)	38.5	36.4	34.4	35.7	36.0	45.9
Netherlands (NL)	44.7	43.6	42.4	42.2	42.0	48.0
Austria (A)	51.1	50.1	49.3	48.7	48.6	57.1
Poland (PL)	41.7	41.1	41.3	41.5	41.8	48.7
Portugal (PT)	48.2	44.8	45.4	43.2	42.5	49.3
Romania (RO)	36.1	34.6	33.5	34.8	36.2	42.0
Slovenia (SI)	48.7	46.2	44.1	43.5	43.3	51.3
Slovakia (SK)	45.7	42.7	39.6	39.8	40.7	45.6
Finland (FI)	56.5	55.6	53.6	53.3	53.3	57.5
Sweden (S)	49.3	49.7	49.2	49.8	49.1	52.1

Source: appsso.eurostat.ec.europa.eu., dataset, Government spending

It is clear that certain economic factors have a very large and negative impact on the economies of both individual EU countries and the Union as a whole. This primarily includes the impact of the migrant crisis, the impact of Brexit, political problems (relations towards the countries of the East), the economic consequences of the pandemic, the impact of insufficient tax harmonization, the harmful impact of high public spending and the harmful impact of certain high tax rates, as well as the crisis on the energy market.

5. CONCLUSIONS

Public spending in the countries of the EU is among the highest in the world. In addition, the EU is also burdened with other economic and political problems, such as: migrant crisis, Brexit, energy crisis, very high public debts of Eurozone countries, refusal of certain countries within the Union to respect its legal regulations (countries of so – called Visegrad group), the crisis caused by the coronavirus pandemic, etc.

Modern fiscal theory implies a synthesis of public revenues and expenditures on the other hand. That synthesis represents the basis of the stabilization policy that every country must lead, especially in situations of high budget deficits and public debts that burden the budgets. on the other hand, a no less significant element of modern fiscal theory is the synthesis of fiscal and monetary policy measures, which represents the driving force of economic growth.

Based on the analysis of available data for the period 2015 – 2020, it can be concluded that in EU countries there was a noticeable growth in the percent of direct taxes from 12.9% to 13.3%, while at the same time a decline in the percent of indirect taxes was recorded. Likewise, it is noticeable that the share of social benefits is increasing, so that it increased from 13% to 13.5%. As a result of pressures from the environment, as well as internal problems at the EU level, there was a significant growth in the percentage of public spending in GDP from 48.1% to 53.1%.

The largest shares of direct taxes are traditionally recorded in the Scandinavian economies, but the increase can also be seen in the key economies of the Union, such as Germany, France, and Italy. Indirect taxes have high shares in the GDP of Scandinavian countries, primarily Sweden and Denmark, but also in some newer members of the Union, such as Hungary and Croatia. Unlike direct and indirect taxes, the situation is different with social contributions. Social contributions have high rates in the largest EU economies, such as Germany, but very low shares in Scandinavian countries, with the exception of Finland, where their share is around the Union's average. The conclusion is that the shares of direct taxes, social contributions and public spending at the level of the EU are increasing, while the percent of indirect taxes is decreasing during the observed time period.

It remains to be monitored to what extent and how all the mentioned negative phenomena and trends will cause changes and consequences in the economic sense and in terms of taxation and public spending. Also it is important to monitor how efficiently, accurately and adequately the key institutions of the EU will present in their announcements and publications the trends of these various economic phenomena and indicators.

6. LITERATURE

Asen E. (2021), Insights into the Tax Systems of Scandinavian Countries. Available at: https://taxfoundation.org/scandinavian-countries-taxes-2021/

Beker Pucar E., Glavaški O. (2020), Ekonomija Evropske unije, 363.

Čavoški A. (2006), Pravni i politički poredak Evropske unije, 62.

Difference between direct tax and indirect tax, Comparison of direct and indirect taxes (29.09.2022). Available at: https://www.bankbazaar.com/tax/difference-between-direct-tax-and-indirect-tax.html

European Commission (2022), Taxation and Customs Union/Taxation/Economic analysis of taxation/Data on taxation. Available at: https://taxation-customs.ec.europa.eu/taxation-1/economic-analysis-taxation/data-taxation_en

Filipović S. (2021), Ekonomija, Univerzitet Singidunum. Available at: https://singipedia.singidunum.ac.rs/izdanje/43107-ekonomija

General government expenditure by function (COFOG). Available at: http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=gov_10a_exp

Irena Szarowska (2013), Effects of taxation by economic functions on economic growth in the European Union. Available at: https://mpra.ub.uni-muenchen.de/59781/

Ivanova B, Mihajlović M, Miljković M. (2021), „Ekonomska analiza javnih prihoda i rashoda zemalja Evropske Unije“, Ekonomski izazovi, godina 10, broj 19, str. 15-23; Beograd. Available at: https://scindeks-clanci.ceon.rs/data/pdf/2217-8821/2021/2217-88212119015I.pdf

Jeremić N. (2020), „Ekonomsko – socijalni efekti reformi sistema direktnog oporezivanja građana“, doktorska disertacija, 34. Available at: http://union.edu.rs/wp-content/uploads/2020/06/Nebojsa-Jeremic-Disertacija-FINAL.pdf

Joksimović Lj., Bajec J. (2010), Savremeni privredni sistemi, 129. Ekonomski fakultet Univerziteta u Beogradu.

List of countries by Personal income tax rate. Available at: https://tradingeconomics.com/country-list/personal-income-tax-rate

Philipp Genschel, Markus Jachtenfuchs (2010), How European Union constrains the state: Multilevel governance of taxation. Available at: https://ejpr.onlinelibrary.wiley.com/doi/abs/10.1111/j.1475-6765.2010.01939.x

Prokopijević M. (2012), Evropska unija, Uvod, 489-492.

Public spending, What is public spending? Available at: https://www.politics.co.uk/reference/public-spending/

Radulović D. (2014), Regionalna politika i regionalni razvoj, Evropska unija, 186.

Social security in the EU – Your Europe – European Union (29.09.2022). Available at: https://europa.eu/youreurope/business/human-resources/social-security-health/social-security/index_en.htm

Stiglitz J. (2008), Ekonomija javnog sektora, 463, 464.

Taxation Defined, With Justifications and Types of Taxes. Available at: https://www.investopedia.com/terms/t/taxation.asp

Ulrike Mandl, Adriaan Dierx, Fabienne Ilzkovitz (2008), The effectiveness and efficiency of public spending, European Commission/Economic and Financial Affairs/Economic publications/Pages, Available at: https://ec.europa.eu/economy_finance/publications/pages/publication_summary11904_en.htm

Vidović N, Beriša H, Dželetović M. (2019), „Uticaj poreza na dodatu vrednost na javne finansije Republike Srbije", 236. Available at: https://rhinosec.fb.bg.ac.rs/bitstream/handle/123456789/412/409.pdf?sequence=1&isAllowed=y