

## European cooperation after fifty years

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On 17 March 1957 six Member States signed the EEC Treaty. Fifty years later, on 24 March 2007, a concert (called 'Stars of Europe') was given in Brussels to mark this golden jubilee. Germany was president at the time and in Berlin on 25 March, Angela Merkel organized a festive meeting of Europe's political stars. Citizens of the Union, however, did not really take part in these festivities. Citizens are still not involved in the process of European cooperation. Ever since the 'no' to the European Constitution by France and the Netherlands, European cooperation has been in a recession. Nevertheless, an answer has to be found to the institutional needs of the EC. In the Declaration of Berlin, signed on 25 March 2007 by Angela Merkel and Barroso on behalf of the European Commission, and Pöttering on behalf of the European Parliament, it was agreed that the utmost would be done to reach agreement on major issues before 1 July 2007. This target was met and thereafter, during the Portuguese presidency, agreement was reached on the text of the Treaty. On 13 December 2007, a festive signing of the Lisbon Treaty took place. Only one person - Gordon Brown - had to be absent for political reasons; he signed the Treaty shortly thereafter.

In 50 years much has changed. On the one hand, the EC has expanded from 6 to 27 Member States; on the other hand, supranational powers have also been strengthened. Given these immense changes, institutional reforms were necessary. Only time will tell whether we can move forward on the basis of the reforms in the Lisbon Treaty during the coming 50 years. It is, of course, important that there is political agreement, but what do the EU citizens think about it? Each amending treaty has to be ratified by the Member States. Where a Member State makes ratification dependent on a referendum, this often turns out badly. In order to prevent the amending treaty from being shot down via a referendum, quite a few Member States choose parliamentary ratification only. Examples are the Netherlands, Denmark and the United Kingdom. A referendum will, however, be held in Ireland. Whatever the outcome is, it will be influenced by what the European Commission does in the coming period. If its actions are unacceptable for a Member State this can have far-reaching consequences for the outcome of the referendum.

The fact that many countries have decided not to hold a referendum shows that national politicians are worried about the negative outcome of the referendum

and that they are doing their best to avoid holding one. This attitude, in my opinion, will have a very negative effect on European cooperation in the long run. It is essential for the future that citizens also (begin to) believe in cooperation. National politicians should, for this reason, make more efforts to explain European cooperation to the citizenry. Both the positive and the negative aspects of such cooperation should be discussed honestly; this has not been the case in the past. Generally, Europe only comes into the picture if there is bad news for which Brussels can be blamed.

Queen Beatrix's initiative is therefore all the more remarkable. It is well known that she is a warm proponent of European cooperation. Following the Dutch 'no' in the referendum of 1 June 2005 she organized three symposiums with prominent European intellectuals and politicians at the Noordeinde Palace in The Hague. Topics were European identity in a historical perspective, the relation between citizen and state in Europe and cultural diversity and Europe's borders. A compilation was published following the meeting entitled *Paleis Europa, grote denkers over Europa*. In her introduction, Queen Beatrix calls for further debate on Europe. European and national politicians should set the pace of this discussion. The European project deserves it.

Let us assume that the Lisbon Treaty is ratified by all the Member States this year and enters into force on 1 January 2009. At that point there will be major changes in cooperation. There will be a permanent chairman of the European Council for a period of two and half years, with the possibility of extension. A discussion is already taking place about who will be the first chairman: Tony Blair, Anders Fogh Rasmussen, Jean Claude Juncker or some other heavyweight. Even though the chairman will have few powers, his political influence could be great. There will be a new type of foreign affairs coordinator, because this functionary will be a member of the Council of Ministers and will be the vice-chairman of the European Commission. Changes will be made in the Council and in the Commission. The Chairman of the Commission will be elected by the European Parliament. It is an open question who will dominate the political power game. The changes that the new Treaty makes in the position of the Council, the European Commission and the European Parliament will create considerable turmoil in the coming period. And this could also mean that little progress is made in the area

of European cooperation. The only institution whose position remains unchanged is the European Court of Justice. It will indefatigably go further on the path toward an Internal Market.

How is the situation in the area of taxation? The Lisbon Treaty does not contain anything new. The requirement of unanimity remains. Article 293 of the EC Treaty will disappear but it is very much an open question whether this will have any consequences for a topic like the avoidance of double taxation in the Internal Market. This means that the legislative process in the area of direct taxation will continue to face the same problems. We should also mention the Communication of the European Commission of 19 December 2006 (Communication on a comprehensive strategy to promote tax coordination in the EU, COM (2006)823 final). The working programme of EU President Slovenia in this area is not ambitious. It is notable that Slovenia has announced that it will be cautious with respect to the harmonization of the tax base for the corporate tax (CCCTB). The assumption is that by the end of 2008, under the French presidency, the Commission will make a proposal for a directive. It is to be hoped that all Member States will have ratified the Lisbon Treaty by then.

Interest in achieving results seems to be much greater with respect to cooperation in the VAT and excise area.

### **Editorial cooperation**

In 1991 my colleague Leo Stevens and I had the idea of launching, in cooperation with Kluwer, an English

language European tax periodical. Our Belgian colleagues Frans Vanistendael and Luc Hinnekens immediately agreed to work on the project with us. Fred de Hosson also took part as a result of his *Intertax* activities. The first quarterly issue appeared in the spring of 1992 and contained an editorial by the then Commissioner for Taxation, Mrs Christiane Scrivener. For many years, under the chairmanship of Frans Vanistendael, our Belgian-Dutch cooperation has been a great success. Luc Hinnekens left the board a couple of years ago upon reaching the age of retirement and on 1 January 2007 Fred de Hosson left the board because *Intertax* and *EC Tax Review* were no longer linked. The editorial in the first issue of this year announced that Frans Vanistendael and Leo Stevens have also left the editorial board: Frans because of his activities at the IBFD and Leo because of his retirement as professor of the Erasmus University Rotterdam. As the youngest member of the old guard, I will be staying on as chairman of the editorial board. After so many years of cooperation it is good that rejuvenation is taking place. Recently, Axel Cordewener and Michel Aujean have joined the board. Our ranks have been further strengthened by Eric Kemmeren, Luc de Broe, Bruno Peeters and Han Kogels.

Thanks to Frans Vanistendael, Luc Hinnekens and Leo Stevens, we have had a very fruitful editorial cooperation over the past years. And *EC Tax Review* has established its reputation in the tax world. I count on the editorial board in its new configuration, together with editor Ben Kiekebeld, to do its utmost to maintain *EC Tax Review* as an outstanding tax periodical.