



---

**ANNA KRAJEWSKA\***

---

**Fiscal Policy In The EU Countries Most Affected By The Crisis:  
Greece, Ireland, Portugal, And Spain**

**Abstract**

*The global financial crisis which began in 2007-2008 had a negative effect on the economy of the European Union, mainly in selected countries of the euro area: Greece, Ireland, Portugal and Spain. These peripheral euro zone countries come out of recession and the financial crisis largely due to the great financial support of the international institutions. Hundreds of billions of euro were spent to save these economies. At the same time, however, these countries were characterized by the lowest level of fiscal policy - measured by share of taxes in GDP - among the countries of the euro area.*

*In this paper I will try to answer the following questions:*

- 1. What were the causes of the downturn in those countries, and what restructuring actions were taken;*
- 2. What changes were introduced in the tax system under the policy to repair public finances;*
- 3. How have these changes affected the level and the structure of budget revenues from taxes, and to what extent has the crisis affected the change in the tax burden on consumption, labour, and capital.*

**Keywords:** *taxes, financial crisis, Greece, Portugal, Spain, Ireland*

---

\* Ph.D., Full Professor at the University of Łódź, Faculty of Economics and Sociology, Department of Macroeconomics

## 1. Introduction

The global financial crisis which began in 2007-2008 in the USA had a negative effect on the economy of the European Union, mainly in the Euro area. The falling budget revenues during the recession were coupled with an increase in public expenditure resulting from the implementation of anti-crisis programs, which led to an increase in the budget deficit and public debt. Anti-crisis packages have been used to the greatest extent in countries such as United Kingdom, Germany, France, Austria, Denmark, Sweden, Belgium, and also in Spain, while the countries that have proven to be the weakest links in the Euro area, i.e., Greece, Ireland, and Portugal, almost did not use them at all (Owsiak 2011, pp. 71-75, Mering 2011, pp.209-215). These peripheral euro zone countries are coming out of recession and financial crisis largely due to the great financial support of the so-called “Troika” (European Commission, European Central Bank and International Monetary Fund). Hundreds of billions of Euro have been spent to save these economies. At the same time, however, these countries are characterized by the lowest level of fiscal policy - measured by share of taxes in GDP - among the countries of the Euro area. In 2007, tax revenue (including SSC) ranged from 31.6% of GDP (Ireland) to 37.1% (Spain), with the EU-17 average of 40.1% (Taxation trends... 2013, p. 172).

This paper will answer the following questions:

1. What were the causes of the downturn in those peripheral countries, and what restructuring actions were taken;
2. What changes were introduced in the tax system under the policy to repair public finance;
3. How have these changes affected the structure of budget revenues from taxes, and to what extent has the crisis affected the change in the relationship of the tax burden on consumption, labour, and capital.

## 2. The crisis of public finance

The data in Table 1 indicates that, while in 2009-2010 the budget deficit and public debt grew throughout the Euro area (EU-17), the public finance crisis became most apparent in the four countries discussed herein. A change in this trend has been observed since 2011. It is distinctly weaker in the countries under study (in comparison to the Euro area).

## 2.1. Greece

The immediate cause of the Greek crisis was the information that the Greek government passed false statistical data to Eurostat. It turned out that over a number of years Greece distorted its statistics in order to undervalue the actual debt. It should be recognized that for many years public spending (government expenditure) was high, mainly due to three items:

1. Large military expenditures - Greece ranks second (after the U.S.) in terms of defence spending per capita among the 27 members of NATO.<sup>1</sup>
2. The high share of budgetary expenditure on salaries of public sector employees. For example, the average expenditure for this purpose in the Euro area is about 10% of GDP, while in Greece the expenditure for this purpose ranged from 11% (2007) to 13.5% (2009).<sup>2</sup>
3. High budgetary expenditure on servicing public debt in Greece - about 5-6%, and even 7% of GDP in 2011, compared to the Euro area average of 3% of GDP.<sup>3</sup>

**Table 1. Public expenditure, revenue, deficit, and public debt (as % of GDP)**

	2007	2008	2009	2010	2011	2012	Difference: 2012 compared to 2007
<b>Total general expenditure</b>							
Greece	43.3	50.6	54.0	51.4	52.0	53.6	+10.3
Ireland	36.8	42.8	48.1	65.5	47.1	42.6	+5.8
Portugal	45.8	44.8	49.8	51.5	48.3	47.4	+1.6
Spain	39.2	41.4	46.2	46.3	45.7	47.8	+8.6
Euro area	45.6	47.1	51.2	51.0	49.5	49.9	+4.3
<b>Total general revenue</b>							
Greece	40.2	40.7	38.4	40.6	42.4	44.6	+4.4
Ireland	36.7	35.5	34.5	34.9	34.0	34.5	-2.2
Portugal	44.1	39.6	39.6	41.6	45.0	40.9	-3.2
Spain	36.9	35.1	36.7	36.2	36.2	37.1	+0.2
Euro area	45.0	44.9	44.9	44.8	45.3	46.3	+1.3

<sup>1</sup> [http://en.wikipedia.org/wiki/Greek\\_government-debt\\_crisis](http://en.wikipedia.org/wiki/Greek_government-debt_crisis)

<sup>2</sup> Government Finance Statistics. Summary Tables, Eurostat, European Commission, <http://epp.eurostat.ac.europa.eu>, 2013.

<sup>3</sup> Ibidem.

<b>Deficit</b>							
Greece	-3.1	-9.8	-15.7	-10.7	-9.5	-9.0	-5.9
Ireland	0.3	-7.4	-13.7	-30.6	-13.1	-8.2	-9.5
Portugal	-2.7	-3.6	-10.2	-9.8	-4.3	-6.4	-9,1
Spain	2.2	-4.5	-11.1	-9.6	-9.6	-10.8	-13.0
Euro area	-0.6	-2.1	-6.4	-6.2	-4.2	-3.7	-3.1
<b>Public debt</b>							
Greece	94.5	112.9	129.7	148.3	170.3	156.9	+62.4
Ireland	25.4	44.2	64.4	91.2	104.1	117.4	+92.0
Portugal	63.6	71.7	83.7	94.0	108.2	124.1	+60.5
Spain	36.2	40.2	54.0	61.7	70.5	86.0	+49.8
Euro area	53.0	70.2	80.0	85.4	87.3	90.6	+37.6

Source: epp.eurostat.ec.europa.eu (accessed: 18.03.2014).

High spending on public administration is not a new phenomenon in Greece. It dates back to the government of Andreas Papandreu, who while taking over power in 1974 handed out state jobs to previously persecuted members of the socialist party PASOK. This practice was continued by later prime ministers. As a result Greece, with its population of 11 million, employs 650,000 state officials. In the opinion of the European Union and the IMF this is about 150,000 too many. Moreover, the wages of officials grew rapidly. The average salary in the public sector, which not long before the crisis had been €1,900, reached twice higher than the national average. In addition, every public employee was entitled to 14 payments per year (the additional two were for Christmas and Summer Holidays), a monthly allowance for each child, and allowances for work in harmful conditions (Kot 2013). It is not surprising that successive governments went further into debt. The adoption of the euro by Greece in 2001 allowed the use of low-interest loans to finance increased public spending. This system collapsed after the disclosure of information about the flawed statistical data. In November 2009, the Fitch rating agency downgraded Greece's credit rating from A to A-, and this was followed by other agencies. Greek securities were downgraded to junk bond status, and the prices of Greek bonds tumbled with the risk of insolvency of the country. The situation was so dire that there was talk of excluding Greece from the euro zone (the so-call 'Grexit'). Luckily for Greece, the "Troika" decided to provide financial assistance in the amount of €240 billion in exchange for Greece taking measures to improve public finances. These measures included: pressure to lower public expenditures (decrease employment in public sector, freeze and/or reduce the salaries of civil servants, extend the retirement age and freeze pensions); privatization of some public entities, including the postal service, in order to

obtain funds to repay the debt; and implementation of a more flexible labour market by, *inter alia*, extending the work time to increase productivity, permitting work on Sundays, and the deregulation of 14 professions; measures aimed at eliminating corruption; and improvement in tax collection and the tax system.

## 2.2. Ireland

Ireland joined the Community in 1973. Only a small improvement in its economic situation, however, could be observed through the mid-1980s. It is generally agreed that in principle the real acceleration started after 1993 (OECD 1999, p. 26). The years 1996-2000 were particularly successful, when the average annual growth rate of the GDP was 10%, and the unemployment rate fell to 4.1% in 2000 (compared to an average unemployment rate of 14.5% in the period 1991-1995).

The high and long-term growth Ireland was owing to (Krajewska, Krajewski 2005, pp.128-129):

- The large inflow of foreign direct investment, mainly from the U.S.;
- Skilful use of EU structural funds;
- Greater opening of the Irish economy and greater and deeper integration with the EU;
- A substantial increase in R & D expenditures;
- An increase in expenditures on technical infrastructure;
- A better educated society.

The Irish economy was developing rapidly mainly thanks to the large inflow of foreign investment. Because Ireland was strongly linked with American capital, Ireland was the first EU country affected by the financial crisis, which began in the U.S. Ireland was the first state in the Euro area to enter into recession, as declared by the Central Statistics Office.<sup>4</sup> Another weakness of the Irish economy was its strong dependence on the construction sector, which during the investment boom provided an increase in GDP, employment, and tax revenues. However, the construction sector was very heavily dependent on the banking sector. When the regulation of the banking sector proved to be insufficiently strong, the economy began to plunge into crisis. In 2008 GDP fell by 3% and in 2009 by 7%. Attempts by the government to rescue the economy, especially the banking system, led to a rapid increase in budget deficit: from 7% in 2008 to 14.0% in 2009, and to 31.2% in 2010 (see Table 1). As a result, on 21 November 2010 the government decided that Ireland could not cope without the

---

<sup>4</sup> Central Statistics Office, Ireland. Key short-term economic indicators (<http://www.cos.ie/indicators/default.aspx?id=1NQQ17A>).

support of the European Financial Stability Facility. On 28 November, the European Union, the IMF and the Irish state agreed to a €85 billion rescue deal.<sup>5</sup>

### 2.3. Portugal

Portugal was admitted to the EEC in 1986, and since 2002 has been in the Euro area. Through effective use of the opportunities which opened up after its entry into the Community, Portugal became one of the fastest growing countries in Europe (Łuczak 2002). Services, especially tourism, trade, transport, telecommunications, and financial services prevail in the economy. The construction market was also quickly developing.

The Portuguese financial crisis began as a part of the global financial crisis and continues as part of the European sovereign debt crisis, which has affected primarily the southern European states and Ireland.<sup>6</sup>

After the financial crisis of 2007-2008, it was known already in 2008-2009 that two Portuguese banks (Banco Português de Negócios (BPN) and Banco Privado Português (BPP) had been accumulating losses for years due to bad investments, embezzlement, and accounting fraud. The case of BPN was particularly serious because of its size, market share, and the political implications – Portugal's then-current President Cavaco Silva and some of his political allies maintained personal and business relationships with the bank and its CEO, who was eventually charged and arrested for fraud and other crimes.<sup>7</sup> On the grounds of avoiding a potentially serious financial crisis in the Portuguese economy, the government decided to give bail out the banks, eventually at a future loss to taxpayers.

The crisis of the public sector – a budget deficit of around 10% of GDP in 2009-2010, and public debt in 2012 amounting to 124% of GDP - was a disaster to which the Portuguese Government had been contributing for many years. Here's how its administration was assessed: "In 2005, the number of public employees per thousand inhabitants in the Portuguese Administration (70.8) was above the European Union average (62.4 per thousand inhabitants), but in 2011, the number of Portuguese public employees had not ceased to increase while the EU average had decreased. Already internationally known for decades as excruciatingly slow and inefficient by European Union and USA standards, Portugal's justice system was by 2011 the second slowest in Western Europe

---

<sup>5</sup> Government Statement on the announcement of joint EU-IMF Program for Ireland (<http://www.guardian.co.uk/business/ireland>).

<sup>6</sup> 2010-2013 Portuguese financial crisis (<http://en.wikipedia.org/wiki/>).

<sup>7</sup> [http://www.jn.pt/PaginaInicial/Seguranca/Interior.aspx?content\\_id=2623133](http://www.jn.pt/PaginaInicial/Seguranca/Interior.aspx?content_id=2623133)

after Italy's, even though it has one of the highest rates of judges and prosecutors, over 30 per 100,000 people, a feature that plagued the entire Portuguese public service, reputed for its overcapacity, useless redundancies and a general lack of productivity as a whole."<sup>8</sup>

The worsening situation in international financial markets exerted pressure on Prime Minister José Sócrates to make radical changes in economic policy, like other European governments had done before. Thus, in September 2010, the Portuguese Government, following other Eurozone partners, announced a fresh austerity package through a series of tax hikes and salary cuts for public servants.<sup>9</sup> On 23 March 2011, José Sócrates resigned following passage of a no-confidence vote, sponsored by all five opposition parties in parliament, over the government's spending cuts and tax increases.<sup>10</sup>

On 16 May 2011, the Eurozone leaders approved a €78 billion bailout package for Portugal, which became the third Eurozone country, after Ireland and Greece, to receive emergency funds. In order to accomplish the European Union/ IMF-led rescue plan for Portugal's sovereign debt crisis, in July and August 2011 the new government, led by Pedro Passos Coelho, announced it was going to cut back on state spending and increase austerity measures, including public servant wage cuts and additional tax increases. The Portuguese government also agreed to eliminate its golden share in Portugal Telecom, which gave it veto power over vital decisions (Kowsmann 2011). By 2012, all public servants had already seen an average wage cut of 20% relative to their 2010 baseline, with cuts reaching 25% for those earning more than €1,500 per month.<sup>11</sup>

Prime Minister Coelho announced in February 2014 that 'the worst is already behind us and Portugal is entering the expected growth phase.' He also declared that an austerity program, implemented in exchange for multi-billion euros in assistance, would be terminated in May. It should be noted, however, that the social costs of the crisis are enormous. More than 100,000 Portuguese left Portugal in 2013 in search of work, including 71,600 persons aged 25-34 years. In the history of this ten-million-inhabitant country, such a record number had not been seen before.<sup>12</sup>

---

<sup>8</sup> Insight: Rushed Portugal justice reform risks more error than trial (<http://www.reuters.com/article/2012/09/19/us-portugal-judiciary-reform-idUSBR88109V20120919>).

<sup>9</sup> 2010-2013 Portuguese financial crisis..., op. cit.

<sup>10</sup> Portuguese parliament votes against austerity plan (<http://www.france24.com/en/20110323>)

<sup>11</sup> Institute of Management Technology Nagpur: "Eurocrisis" (<http://okonomes.weebly.com>).

<sup>12</sup> [www.forbes.pl/portugalia](http://www.forbes.pl/portugalia)

## 2.4. Spain

Spain was admitted to the EEC in 1996, and in 1998 joined to the Euro area. Its efficient utilization of EU funds and easy access to cheap loans after joining the Euro area resulted in an investment boom. The Spanish economy was developing very well and was described as the Europe's "golden child", a model for other countries to follow.

It is a common opinion that the Spanish crisis was a consequence of the collapse of the construction sector, which at its peak in 2006 provided 20% of GDP. This meant a simultaneous serious increase in unemployment and a rapid decrease in budget revenues from taxes. At the same time, spending on unemployment benefits grew by almost 50% - from €15 billion to €30 billion. The great unfinished investment projects became a symbol of the crisis. They were started during the boom but have not been completed owing to lack of remaining funds, e.g., the so-called "ghost airport" in Castellón.

The collapse of the construction market, which was based on long-term loans, struck the banking sector. The Government had no choice but to bail out the banking sector, which also burdened public finances. In this situation, Prime Minister José Luis Zapatero, following the example of the anti-crisis packages introduced in the United States, took measures aimed at stimulating consumption and investment demand. This was reflected, among others, in lowering the income tax rate for individuals and legal entities, and tightening of the labour market. This might have stimulated the demand, but it also meant that from 2009 to the present the budget deficit (10-11% of GDP) in Spain has been a larger problem than the public debt, which for the whole period under study has been at a level lower than the average for the Euro area 17 (in 2012, the public debt in Spain was 86% of GDP, while the average for the Euro area stood at 90.6% of GDP). The failure to supervise the granting of loans was another mistake which was made during the initial period of the crisis. It is true that banks have taken over a lot of property from insolvent borrowers, but there is still no demand for this real estate.

Another very serious problem is the employment crisis in Spain. "After having completed substantial improvements over the second half of the 1990s and during the 2000s, which put a few regions on the brink of full employment, Spain suffered a severe setback in October 2008, when it saw its unemployment rate surging to 1996 levels. During the period October 2007 – October 2008 Spain had its unemployment rate climb 36%, exceeding by far the unemployment



surge of past economic crises like 1993".<sup>13</sup> In particular, during this particular month of October 2008, Spain suffered its worst unemployment increase ever recorded, and the country suffered Europe's biggest unemployment crisis during the 2008 crisis.<sup>14</sup> A particularly disturbing feature of unemployment in Spain is the very high youth unemployment rate of over 50%. Paradoxically, "Spain's current generation is considered the most educated that the country has ever had, yet it faces the greatest rate of unemployment in Europe. Roughly 68% of young people are willing to leave the country to search for a job, and those with college degrees are willing to settle for working at so-called mini-jobs for a pay check."<sup>15</sup>

Spain is the fifth largest economy in the European Union, and for this reason its problems raise special concerns. Hence, on 9 June 2012 the Eurogroup held an emergency meeting to discuss how to inject capital into Spanish Banks (Stubington 2012). The IMF and Eurogroup also announced intentions to provide up to €100 billion to the Fund for Orderly Bank Restructuring to the Spanish government.<sup>16</sup>

### **3. Main recent tax reforms - implemented, on-going, or announced**

#### **3.1. Greece**

Greece was admitted to the EEC in 1981. The process of adaptation of the Greek tax system to the solutions adopted in the Community was, however, very slow. VAT was introduced only in 1987, i.e., after six years.

The initial standard rate of VAT was set at 16%, and after a few years rose to 18% and then to 19%. Thus, it was one of the lowest in the EU. Only since 2010, as part of the rehabilitation program, has the standard rate of VAT increased to 23%, while the reduced rates were maintained: 6.5% (previously 4.5% and 5%) for newspapers, magazines, books, and hotel services, and 13% (previously 9%) for food and agri-food products, passenger transport, social housing, medical and dental services, medicines and electricity. Some services such as legal, artistic, and security services, which had previously been exempt

---

<sup>13</sup> Agencias (4 November 2008), „La recesion economica provoca en octubre la mayor subida del parode la historia” (<http://www.elpais.com/articulo/internacional/recesion>).

<sup>14</sup> “Builder’s nightmare” ([http://www.economist.com/word /europedisplaystory.cfm?story\\_id=12725415](http://www.economist.com/word /europedisplaystory.cfm?story_id=12725415)).

<sup>15</sup> Spanish financial crisis <http://enorg.wiki2008-14->

<sup>16</sup> <http://www.diariodeavios.com/2012/06/comunicado-intergrupo-el-rescate-a-la-banca-espanola/>

from VAT, have been taxed since 2011. A 30% reduction of VAT was, however, maintained on the Greek Aegean islands (except for Crete). At the end of July 2013, VAT was reduced for restaurants and hotels from 23% to 13%. These reductions were temporary and lasted until the end of 2013. According to calculations by the Greek Ministry of Finance, the reduction of VAT was to reduce customers' bills by about 8.1% and lead to a recovery in the tourism industry. At the same time, however, it meant a reduction in the state budget revenues of about €100 million.<sup>17</sup> Excise duty is levied on alcohol, tobacco, cars, electricity, and luxury goods. Excise duties before the crisis ranged from 10% to 75%, and in some cases was as high as 200%. Since 2009, the excise duty on fuel has been raised every year, from 2010 on alcohol and tobacco, and from 2011 also on luxury products. Indirect taxes provide about 40% of budget revenues. The share of indirect taxes in tax revenues declined slightly (in 2009), but increased in the following years due to increases in indirect tax rates.

To a relatively large degree, Greek budgetary revenues are fuelled by social security contributions. Their share in the budget revenue differs only slightly from the average for the Euro area. Contributions are paid by employees and employers, and their amount did not change during the crisis. The rate for white-collar employees is 16.5% and for blue-collar workers, 19.95%. The employer pays a social contribution of 28.46%. The contributions are paid up to a defined maximum monthly wage. The monthly ceiling for 2012 was €2,432.25 if the employment had started prior to 1 January 1993, and €5,543.55 if employment started thereafter. According to Law 4093/2012, from 1 January 2013 onwards, the monthly ceiling became €5,543.55 for both categories of employees (Taxation trends...2013, p. 91).

Income taxes in Greece are very unstable. Changes in the tax system are made each time a new government comes to power, and every new finance minister usually means changes in taxes.

The taxation of income from employment has undergone a series of changes. The number of rates, and the bottom and top PIT tax brackets, and the amount of tax-free income have been changed. For example, in 2010, four rates - from 15% to 40% - were applicable (top rate above €75,000). In 2011 there were eight tax brackets with tax rates from 10% to 45% (top rate applicable above €100,000). In 2013 again three rates were introduced - 22% to 42% (top rate applicable above €42,000), for employment income consisting of salaries and pensions. The basic tax-free threshold has been reduced to €5,000 (from €12,000). For 2010-2013 the tax rate includes the solidarity contribution (ranging from 1% to 4%), with the top rate applicable on net annual income

---

<sup>17</sup> <http://www.coslychacwbiznesie.pl/biznes/zadluzona-grecja-obniza-podatek>

exceeding €100,000) (Taxation trends... 2013, p. 35). Real estate rental income from securities is subject to 10% tax up to €12,000 and 33% on the amounts above that. According to the latest amendments, the tax-free bracket is replaced with a system of tax deductions (Taxation trends... 2013, p. 90).

An important element of the tax reform was the introduction of taxation of additional remuneration (bonuses) which banks operating in Greece pay to their CEOs, board members, and directors. Bonuses in excess of the €60,000 ceiling per year are subject to a progressive taxation from 50% to 90%.

Greece has been cutting the statutory CIT rate from its high of 40% in 2000 to 20% in 2011-2012. From 2013, the corporate income tax rate is 26% for income up to €50,000, and 33% for income in excess of that amount. At the same time, tax breaks for young entrepreneurs have been introduced. Persons who have not exceeded 30 years of age at the time of starting a business are exempt from tax during the first five years following the business start-up.

The phenomenon of tax evasion is in Greece very widespread and has a long history. Greeks like to refer to the time when the country was under the rule of the Ottoman Empire, and the failure to pay taxes was considered an act of courage and patriotism. But also since gaining independence, avoiding taxes has been the result of, on one hand, a complicated tax system, and on the other hand inefficient tax administration, lack of any penalties for evasion of taxes, widespread corruption and a developed grey economy, supported by a large share of small and medium-sized enterprises and an economic structure conducive to tax fraud (agriculture, tourism, services).

In order to combat these practices, Greece has recently changed its law. Now anyone who owes more than €10 thousand to the tax office can go to jail based on mere suspicion of tax evasion. And because the prosecution has 18 months' time to file charges, many people pay in advance to avoid prison.

### **3.2. Ireland**

In the past few years, the share of tax in relation to GDP shows a declining trend - from 32.1% in 2006 to 28.9% in 2011 (Taxation trends... 2013, p. 172), which puts Ireland in last place among the countries of the Euro zone in that respect. The decline in tax revenues is due to the high dependence of the Irish economy on the construction sector. When this sector collapsed, this seriously affected the condition of public finances. The structure of budgetary income taxes differs significantly from that in other EU countries. In Ireland, the share of the income tax from natural persons - 32.0% in 2011 - is relatively large

compared to the Euro area average of 22.3%, while the state budget is to a much smaller extent supplied with social security contributions - only 17.2% of budget revenues, compared to 36.5% for the whole Euro area.

There are two income tax rates in Ireland, and they are high. From 2007 they were 20% and 41% (previously, since 2005 they were 20% and 42%, and in 1997 they were even higher: 27% and 48%). Currently, the top income tax rate in comparison to other countries of the EU-17 is slightly lower (44.5% for the Euro area, but the lower rate is still high).

The income tax computed in this way is adjusted by a tax-free amount (e.g., for a single person the exemption is €1,650) and by an extensive system of deductions with respect to mortgage payments, the costs of renting an apartment, age, education costs or having disabled children (Taxation trends...2013, p. 98).

The basic corporation income tax rate is 12.5%. The increase to 25.0% of the corporate income tax rate applies to income derived from financial transactions, such as gains from investments. Newly established companies may be exempted from income tax for a period of three years, provided their tax liability will not exceed the amount of €40,000 per year. The exemptions do not apply to service companies and those dealing with the exploitation of raw materials.<sup>18</sup>

The standard 21% VAT rate of 2001 was temporarily increased to 21.5% in 2009. Over the two following years the previous 21% rate re-applied, but from 2012 the standard rate was raised to 23%. In the case of certain goods (certain types of food) and services (e.g., renovation services) a reduced rate of 13.5% applies.

*Excise duties are applied to alcohol, tobacco, fuels, and oils. In 2013, the excise duty increased on alcohol and tobacco (€0.10 for a pint of beer or cider, €1 per 75cl bottle of wine, €0.10 per pack of cigarettes (20 pieces), €0.50 per 25g pack of tobacco).*

From July 2013 a new Local Property Tax (LPT) was introduced to replace existing charges on dwellings. The rate is 0.18% on the value of residential property up to €1 million. For property valued at more than €1 million, the rate is 0.18% for the first €1 million and 0.25% on the excess. There are no income-based allowances, but it is possible for certain groups with low incomes to defer payment. Deferred LPT is subject to an annual interest rate of 4%. New property bought before 1 January 2011 and second hand property bought in 2013 is exempt until the end of 2016 (Taxation trends...2013, p. 99).

Summing up the changes in the tax system instituted during the crisis, one should stress their moderate nature. The key revenue raising measures included the extended social insurance tax base, a new property tax, increased excise

---

<sup>18</sup> [http://dublin.trade.gov.pl/pl/przewodnikdublin/article/detail,344,System\\_podatkowy.html](http://dublin.trade.gov.pl/pl/przewodnikdublin/article/detail,344,System_podatkowy.html)

duties on alcohol and cigarettes, and increased rates for vehicle registration tax and motor tax on all vehicles. The use of the tax system to stimulate the development of small and medium-sized enterprises, employment, R & D, and investment should be viewed positively.

### 3.3. Portugal

Portugal entered the EEC in 1986, with a tax system which clearly differed from that applied in the Community. Cederal income taxes were very complicated (Komar 1989, pp. 47-48). Soon, however, reform measures were undertaken. Already in 1986, VAT was introduced, and three years later a thorough reform of income taxes was carried out, and PIT and CIT were introduced.

The personal income tax is levied on the aggregated base of six income categories. There is no personal allowance, but a single personal tax credit which is linked to the minimum wage and the family situation of the taxpayer. In recent years, the number of tax brackets [thresholds] and tax rates underwent frequent changes. Until 2005, the top personal tax rate was 40%, and was later increased to 45.9% in 2010, 50% in 2011, and 53% in 2013. Within this top rate is a new surcharge of 3.5% levied in 2011 on all aggregated categories of income. In 2012 and 2013 a 2.5% surcharge is applied to the highest income bracket (Taxation trends...2013, p. 35). The highest rate applies to income above €80,000. "Unjustified" increases in personal income of more than €100,000 are taxed at a special rate of 60% (Komar 1989, p. 130).

Until the end of December 2011, two corporate income tax rates – a standard and a reduced one - were applicable in Portugal. Taxable profits up to €12,500 were subject to a reduced rate of 12.5%. A 25% rate was applied to taxable profits exceeding €12,500. As of 1 January 2012, the reduced CIT rate of 12.5% was abolished. A state surtax of 3% is levied on corporate income between €1.5 and €10 million, and a 5% rate is levied on taxable profit surpassing €10 million, with effect from 1 January 2012 (Komar 1989, p.131).

For many years the standard 17% VAT rate was relatively low. In 2005, it was raised to 21%, and since 2011 is 23%. At the same time, in 2011 the reduced rates of 5% and 12% were raised to 6% and 13%. The reduced 6% rate applies to food, public transport, medical products, and hotel services. The intermediate 13% rate applies to processed food products (canned meat, fish, fruit, and vegetables), vegetable and animal fats, and wine, ornamental plants, tickets to circus, theatre, and film performances and bullfighting. Insurance, financial, education, and health care are exempt from VAT. VAT rates in

Madeira and the Azores are slightly different from the continental rates, and are as follows: Madeira - 22%, 12%, 5%, and the Azores - 16%, 9% and 4%<sup>19</sup>.

Currently, two property taxes are in force in Portugal. With effect from 1 January 2012, the minimum and maximum rates of the real estate tax on urban property were increased by 0.1 percentage points (to 0.3-0.5%). There is no net wealth tax. The gift and inheritance tax was abolished in 2004.

In May 2011, the provisions of a Memorandum of Understanding on Specific Economic Policy were agreed between the EC, the ECB, the IMF, and Portugal signed on. It obligated Portugal to increase budget revenues. For this purpose, from 1 January 2012 Portugal introduced an excise duty on electricity consumption by consumers, producers, traders and self-producers. Furthermore, the maximum rates of excise duties on petrol, alcohol, heating diesel and tobacco were increased. The real estate tax on urban property was increased by 0.1 percentage points. As already indicated above, VAT rates were raised (both standard and reduced), as well as the CIT rates (for small businesses). A bank levy was introduced for the period 2011-2014, at 0.05% of the total liabilities of the bank. The budget is expected to receive €565 million in this period from these kinds of taxes.<sup>20</sup>

In order to increase the tax revenue, the government has also taken the following actions:<sup>21</sup>

1. The number of tax inspections was increased, the purpose which is to check the cash registers, obligatory since 2012, in economic entities offering goods and services (for this purpose the number of full-time inspectors was increased from 1,700 to 3,000);
2. A tax amnesty was introduced. On a temporary basis entities which were behind in their tax payments owed to the state and SCC were exempted from the obligation to pay interest and administrative costs of debt service, provided they settled with the state by 20 December 2013. It is estimated that in this way the revenue of the state budget could increase by €500-600 million;
3. Portuguese debt collectors continue the previously commenced process of seizing cars for overdue obligations to the state. These cars are then auctioned off on the internet to the public at a discounted rate. It is estimated that in 2012 the budget in this way gained around €500 million. In the first half of 2013, 21,000 cars were seized (most from the construction industry and from developers, and from the textile and footwear sectors).

---

<sup>19</sup> [http://lizbona.biz/system\\_podatkowy\\_w\\_portugalii.html](http://lizbona.biz/system_podatkowy_w_portugalii.html)

<sup>20</sup> [www.forbes.pl/portugalia](http://www.forbes.pl/portugalia)

<sup>21</sup> Ibidem.

As a result of these measures, budgetary revenues from taxes in 2013 were higher by 13% than in 2012, CIT revenues increased by 35.5%, PIT revenues by 18.8%, and VAT revenues by 3.5% ([www.forbes.pl/portugalia](http://www.forbes.pl/portugalia)).

### 3.4. Spain

Spain is a country where the share of budget revenues from taxes in relation to GDP declined very quickly in recent years - from 37.1% in 2007 to 31.4% in 2011. This places Spain second after Ireland among the countries with the lowest level of fiscalization. At the same time, a rapid increase in public spending due to rising unemployment and implementation of anti-crisis programs caused the budget deficit, since 2009, to rise to 10-11% of GDP.

In the initial period of the crisis Spain focused on launching instruments to stimulate overall demand. This also concerned income taxes from individuals and legal entities. In 2006, the top rate of personal income tax was 45%. The following year it was reduced to 43%. Four rates applied: 24%, 28%, 37%, and 43%. These rates remained until 2010. Only after pressure from the international institutions did the government introduce, in January 2011, two additional rates for the wealthiest taxpayers - 44% for income over €120,000 and 45% for income above €175,000. Furthermore, in January 2012 the government introduced a temporary supplementary progressive levy (covering the years 2012 and 2013) applied to each tax band of the general government tax base, which implies the existence of seven brackets (24.75%, 30%, 40%, 47%, 49%, 51%, 52%). The top PIT rate refers to income above €300,000. Since 2011 regional governments are liable to set up their own PIT schedule for taxing the general income tax base (Taxation trends...2013, p.146).

It is worth noting that in 2007 the Act on the Prevention of Tax Fraud came into force, with an emphasis on increasing the transparency of transactions, tightening controls, and toughening penalties for violations.

Like the PIT, the CIT rate has also been reduced. In 2007, the corporate income tax rate was 32.5%, and since 2008 has been reduced to 30%. SMEs enjoy a reduced rate of 25% for the tax base of up to €300,000. A lower CIT rate is levied on cooperatives (20%) and projects meant to invest in environmental protection.

In order not to decrease consumption, VAT was not raised until 2010. The standard 16% rate and the reduced 7% and 4% were replaced by 18% and the reduced 8% and 4%. These rates applied for the period 2010-2012. From 2013, the new rates apply: the standard 21% and the reduced 10% and 4%. The 10% rate includes passenger transport, restaurant services, cultivation of

agricultural land, cleaning streets, parks, water treatment, and veterinary services. The rate of 4% is applied to bread, flour, milk, cheese, eggs, fruits, vegetables, books, journals, magazines, school supplies, medicines, cars, and equipment for people with disabilities.<sup>22</sup>

Each professional category has minimum and maximum social contribution bases. Since 2013, the maximum monthly base is €3,425.7; the minimum varies depending on the type of work (ranging from €753 to €1,051.50 per month). The total rate for the general regime is 6.35% of covered earnings for the employees, and 29.9% for employers, e.g. for a total contribution of 36.25%. Self-employed persons contribute between 26.5% and 29.8% of their earnings (Taxation trends...2013, p.147).

#### **4. The impact of the crisis and the austerity measures on the level and structure of taxes. Comparative analysis**

##### **4.1 The level of tax revenue**

The data in Table 2 shows that the austerity measures and slight recovery recorded in 2010 in the Euro area have stabilized revenues from taxes. In the countries surveyed however, this process has been varied. Tax increases were faster in Greece - they started in 2010 and in 2011, and the share of taxes in relation to GDP was close to the situation before the crisis. Much of the credit was given to international organizations which, in return for their assistance, very strongly encouraged Greece to make changes in the tax system. Although in 2010 Spain experienced a slight increase in the share of tax revenues to GDP, but in the next year the share decreased. As a result, in 2011 the share of taxes in GDP was 5.7 percentage points lower than in 2007. In Ireland, a slight increase in tax revenue was not recorded until 2010, but the share of taxes in GDP was still 2.7 percentage points lower than before the crisis. Portugal is the only country among the four under study where fluctuations in total taxes as a percentage of GDP were minor.

---

<sup>22</sup>[http://madrid.trade.gov.pl/pl/przewodnik/article/detail,622,System\\_podatkowy\\_w\\_Hiszpanii.html](http://madrid.trade.gov.pl/pl/przewodnik/article/detail,622,System_podatkowy_w_Hiszpanii.html)



**Table 2. Total taxes (including SSC) as % of GDP**

	2007	2008	2009	2010	2011	Difference 2007-2011	Ranking 2011	
							2007	2011
Greece	32.5	32.1	30.5	31.7	32.4	-0.1	15	15
Ireland	31.6	29.8	28.3	28.3	28.9	-2.7	16	17
Portugal	32.8	32.8	31.0	31.5	33.2	+0.4	14	16
Spain	37.1	33.0	30.7	32.1	31.4	-5.7	12	13
Euro area weighted	40.1	39.6	39.1	39.0	39.5	-0.6	x	x

Source: Taxation trends..., op. cit., p. 172.

It is worth mentioning that despite the significant external aid for saving public finances, the countries under study have the least level of fiscalization of economy measured by share of taxes in GDP. In 2007 they ranked 12-16 among EU-17. The last was Estonia, a new member of Euro area. In 2011 Ireland was last. The positions of Portugal and Greece also deteriorated.

#### **4.2 Taxation of consumption, labour, and capital**

The response of tax policy pursued in the analysed countries to the current crisis will be analysed in two ways:

1. Distribution of the total tax burden by economic function, i.e., the share of taxes on consumption, labour, and capital in relation to GDP and total tax revenues;
2. Analysis of trends in the implicit tax rate (ITR) on consumption, labour, and capital. The ITR is an indicator which expresses the relation of the tax burden levied on different activities to total revenue on this activity. The ITR takes into account the legislation and the resulting tax burden, which may affect the behaviour of various entities and their decisions.

The data in Table 3 shows that in the Euro area countries, on average more than 50% of budget revenue comes from the tax burden on labour, and in addition this share has been growing in recent years - from 50.3% in 2007 to 53.0% in 2011. The tax on labour, apart from income tax on the employed involves social security contributions paid by employers and employees and other tax burdens on labour.

**Table 3. Structure of taxes by economic function (as % of total taxation)**

	2007	2008	2009	2010	2011	Difference 2007 to 2011 <sup>2</sup>
Taxes on consumption						
Greece	36.5	36.0	35.5	38.9	38.5	+2.0
Ireland	35.8	36.9	36.2	36.6	34.8	-1.0
Portugal	38.9	37.5	35.3	37.3	38.7	-0.2
Spain	25.0	24.9	23.7	27.4	26.9	+1.9
Euro area <sup>1</sup>	26.9	26.6	26.9	27.6	27.4	+0.5
Taxes on labour						
Greece	39.0	39.4	39.7	39.3	36.5	-2.5
Ireland	34.2	38.0	41.5	41.2	41.9	+7.7
Portugal	38.0	38.5	42.5	41.6	41.7	+3.7
Spain	45.7	51.5	55.5	54.0	54.8	+9.1
Euro area <sup>1</sup>	50.3	52.0	53.8	53.4	53.0	+2.7
Taxes on capital						
Greece	24.5	24.6	24.9	21.8	25.0	+0.5
Ireland	30.0	25.1	22.4	22.3	23.3	-6.7
Portugal	23.4	24.0	22.2	21.0	21.5	-1.9
Spain	30.5	25.3	23.8	21.1	21.0	-9.5
Euro area <sup>1</sup>	23.6	22.7	20.4	20.2	20.5	-3.1
Taxes on corporate income						
Greece	7.5	7.8	8.1	7.7	6.5	+1.0
Ireland	11.3	9.8	8.6	9.0	8.3	-3.0
Portugal	10.9	11.1	9.2	8.5	7.7	-3.2
Spain	12.8	8.8	7.6	5.8	5.9	-6.9
Euro area <sup>1</sup>	8.5	7.5	5.5	5.9	6.3	-2.2

<sup>1</sup>Weighted average<sup>2</sup>In percentage pointsSource: Author's own calculation based on *Taxation trends...*, op. cit.

Taxation of labour grew in these three countries: Spain, Portugal, and Ireland. In Spain taxes increased from 45.7% of total tax revenue to 54.7%, an increase of 9.1 percentage points. This can be explained by a major increase in the top income tax rates from 43% to 53%. A large increase in the tax burden on labour was also seen in Ireland: from 34.2% to 41.9%, or 7.7 percentage points, although here it was the effect of the extension of the tax base and reduction of some tax allowances and deductions. Viewed against this background the increase in the tax burden on labour in Portugal was relatively small - from 38% to 41.7%, i.e., 3.7 percentage points. Among the countries studied, only in Greece did the taxes on labour decrease: from 39% to 36.5% of total tax revenue,

even though the PIT rate increased in Greece. At the same time, however, public sector wages were severely reduced as well as many tax advantages. In addition, the sector of small businesses and self-employed is well developed in Greece and their income may be treated by statistics as capital taxation. In Greece, the self-employed represent 31.9% of all employed, versus the EU average of 15%.<sup>23</sup>

Another measure of the tax burden on labour is the implicit tax rate (ITR) on labour, measured as the share of taxes levied on labour (income tax and social security contributions) in the total gross wage fund in the economy.

**Table 4. Implicit tax rate in %**

	2007	2008	2009	2010	2011	Difference 2007 to 2011 <sup>2</sup>
ITR – consumption						
Greece	16.5	15.4	14.6	16.4	16.3	-0.2
Ireland	25.2	23.3	22.3	22.3	22.1	-3.1
Portugal	19.1	18.2	16.7	17.6	18.0	-1.1
Spain	15.7	13.9	12.5	14.7	14.0	-1.7
Euro area <sup>1</sup>	19.8	19.3	18.8	19.3	19.4	-0.4
ITR – labour						
Greece	33.3	32.9	30.0	31.5	30.9	-2.4
Ireland	25.7	24.7	25.4	26.2	28.0	+2.3
Portugal	23.7	23.6	23.9	24.0	25.5	+1.8
Spain	33.7	32.4	31.4	32.7	33.2	-0.5
Euro area <sup>1</sup>	37.8	37.9	37.3	37.4	37.7	-0.1
ITR – capital						
Greece	18.4	18.8	18.3	16.5	.	.
Ireland	19.4	17.2	15.6	14.0	.	.
Portugal	33.3	37.2	31.6	28.4	.	.
Spain	41.6	31.0	26.3	.	.	.
Euro area <sup>1</sup>	30.8	29.4	28.5	27.2	28.9	-1.9
ITR – corporate income						
Greece	18.5	17.0	18.3	17.8	.	.
Ireland	8.8	8.5	7.6	7.8	.	.
Portugal	27.4	36.1	.	.	.	.
Spain	55.4	31.7	21.8	.	.	.
Euro area <sup>1</sup>	29.6	28.0	19.0	18.8	20.3	-9.3

<sup>1</sup>Weighted average

<sup>2</sup>In percentage points

Source: Author's own calculation based on *Taxation trends...*, op. cit.

<sup>23</sup> Greek Myths and Reality (<http://www.brookings.edu/research/papers/2013/08/06-greece-recovery-dervis>).

The average level of the ITR on labour in the EU-17 (Table 4) did not change during the period under study - it ranged between 37.3 and 37.9%. Among these four countries there are, however, different trends. An increase in this ratio can be observed in Portugal (by 1.8 percentage points) and Ireland (by 2.3 percentage points). It must be kept in mind, however, that in both countries the level of the ITR on labour is relatively low. In Ireland, this is due to the low social security contributions, and in Portugal due to the low initial rates of PIT. The Greek ITR on labour fell from 33.3% in 2007 to 30.9% in 2011. Given the low direct taxes, the influence of social contributions on the overall development of the indicator is significant, and particularly relevant for the rise experienced in 2010. In Spain, in turn, the fluctuations are bidirectional. First, until 2009, ITR on labour was falling (from 33.7% to 31.4%), but in 2011 reached a level close to the initial one (33.2%).

In the Euro area, the share of consumption taxes in budget revenue in the period under study was quite stable (26.9% in 2007 and 27.4% in 2011). A similar share of consumption taxes remained in Spain, although it was growing at a slightly faster rate (from 25% to 26.4%). In the other three countries, the share of consumption taxes in the total budget revenue was larger (35.5-39%).

The fiscal effects of these actions were not evident. The data from Table 4 for the years 2007–2011 shows that although the consumption tax rates increased, this was not reflected in the level of implicit tax rates on consumption (which measures the relationship between the amount of all consumption and the total domestic households' consumption expenditure).

The lowest ITR on consumption was in Greece and Spain. This was due to a relatively broad application of the reduced VAT rates as compared to the standard rate.

While investigating the tax burden on capital, the European Commission takes into account income from various sources, namely: corporate income tax – CIT, income from economic activity such as a small business and self-employment, taxes on wealth, capital, and savings held by households and enterprises, and taxes on capital transactions.

Taxes on capital are very sensitive to economic trends (Moździerz 2011, pp. 63-64, Krajewski 2006, pp.71-72). This is demonstrated by the declining share of these taxes in relation to total tax revenue in the EU-17, from 23.6% in 2007 to 20.5% in 2011. This resulted from the decrease in the level of economic activity. The revenue from corporate tax fell relatively faster than all tax revenue from capital. One should note that the biggest declines in the share of these taxes in total tax revenue took place in Spain and Ireland.

The ITR on capital also shows the downward trend. This is due to the decrease in tax rates generally introduced, especially for small and medium-sized enterprises, in order to revive economic recovery and increase employment. Tax breaks for start-ups also began to be generally used.

## 5. Conclusions

1. The Euro area countries which were first affected by the financial crisis still suffer from a large deficit and public debt. This is so even though these countries received massive external aid and commenced restructuring measures, often very difficult for the public and which required great sacrifices (drastic reduction in public spending, freezing wages in the public sector and pensions). Unemployment is still high in these countries, especially among young people.
2. In 2007, the share of budget revenue from taxes in relation to GDP in the countries under study was the lowest among the EU-17 countries. Despite the restructuring actions taken in 2011, these countries have not improved their position; it has even deteriorated. This means that the burden of restructuring activities was borne by means of external assistance.
3. Statistical data shows that in the case of Ireland, Portugal, and Spain, the tax burden is being shifted from capital and consumption onto labour, which is contrary to the long-term trends and can inhibit the growth of employment. In Greece, on the other hand, it is the other way around. The tax burden on labour is decreasing while the tax burden on consumption is increasing, coupled with a relatively stable tax burden on capital.

## References

- Agencias (4 November 2008), „La recesion economica provoca en octubre la mayor subida del parode la historia” (<http://www.elpais.com/articulo/internacional/recesion>)
- Boeter E. (2006) *Economic effects of VAT reform in German*, ZEW, Discussion Paper Mannheim No. 06/2006
- Builder's nightmare* ([http://www.economist.com/word/europedisplaystory.cfm?story\\_id=12725415](http://www.economist.com/word/europedisplaystory.cfm?story_id=12725415))Dec 4th 2008
- Central Statistics Office Ireland Key short-term economic indicators (<http://www.cos.ie/indicators/default.aspx?id=1NQQ17A>)

Government Finance Statistics. Summary Tables, Eurostat, European Commission, <http://epp.eurostat.ac.europa.eu>

Government Statement on the announcement of joint EU-IMF Program for Ireland (<http://www.guardian.co.uk/business/ireland>)

Greek Myths and Reality (<http://www.brookings.edu/research/papers/2013/08/06-greece-recovery-dervis>)

[http://en.wikipedia.org/wiki/2008%E2%80%9314\\_Spanish\\_financial\\_crisis](http://en.wikipedia.org/wiki/2008%E2%80%9314_Spanish_financial_crisis)

[http://lizbona.biz/system\\_podatkowy\\_w\\_portugalii.html](http://lizbona.biz/system_podatkowy_w_portugalii.html)

[http://madrid.trade.gov.pl/pl/przewodnik/article/detail,622,System\\_podatkowy\\_w\\_Hiszpanii.html](http://madrid.trade.gov.pl/pl/przewodnik/article/detail,622,System_podatkowy_w_Hiszpanii.html)

<http://www.coslychacwbiznesie.pl/biznes/zadluzona-grecja-obniza-podatek>

<http://www.diariodeavios.com/2012/06/comunicado-intergrupo-el-rescate-a-la-banca-espanola/>

[http://www.jn.pt/PaginaInicial/Seguranca/Interior.aspx?content\\_id=2623133](http://www.jn.pt/PaginaInicial/Seguranca/Interior.aspx?content_id=2623133)

<http://www.nytimes.com/2013/01/08/world/europe/08iht-letter08.html?>

Insight: Rushed Portugal justice reform risks more error than trial (<http://www.reuters.com/artice/2012/09/19/us-portugal-judiciary-reform-idUSBR88109V20120919>)

Institute of Management Technology Nagpur: "Eurocrisis" (<http://okonomes.weebly.com>)

Komar A. (1989), *Systemy podatkowe krajów Wspólnot Europejskich*, PWE, Warsaw

Kot M. (2013) *Greckie grzechy i grzeszki*, 'Gazeta Wyborcza', Agora, Warsaw, 3-4.08.2013

Kowsmann P. (2011) *Portugal govt ends golden-share holdings* (<http://www.totaltele.com>), Dow Jones Newswires 5 July 2011

Krajewska A., Krajewski S. (2005) *Wpływ systemu podatkowego Grecji, Hiszpanii, Irlandii i Portugalii na konkurencyjność gospodarki* [in:] Ryszard Piasecki (ed.) *Konkurencyjność gospodarki Polski*, Społeczna Wyższa Szkoła Przedsiębiorczości i Zarządzania w Łodzi, Łódź

Krajewski S. (2006) *Struktury i cykliczny komponent deficytu budżetowego w Polsce*, Wydawnictwo Uniwersytetu Łódzkiego, Łódź

Łuczak M. (2002) *Europejski tygrys – Portugalia na progu XXI wieku*, 'Biuletyn Euro Info', No. 8

Mering T. (2009) *Programy antykryzysowe w krajach Unii Europejskiej* [in:] Mirosław Książkowski, Barbara Rysz-Kowalczyk, Cezary Żołądowski (ed.) *Polityka społeczne w kryzysie*, Instytut Polityki Społecznej Uniwersytetu Warszawskiego, Warsaw

Moździerz A. (2011), *Wrażliwość dochodów budżetowych na zmiany luki produkcyjnej*, [in:] Agnieszka Alińska, Bogusław Pietrzak (ed.) *Finanse publiczne a kryzys ekonomiczny*, CeDeWu.pl, Warsaw

OECD Economic Surveys: Ireland (1999) OECD, Paris

Owsiak S. (2011), *Wpływ kryzysu finansowego na wydatki publiczne*, [in:] Agnieszka Alińska, Bogusław Pietrzak (ed.) *Finanse publiczne a kryzys ekonomiczny*, CeDeWu.pl, Warsaw

Portuguese parliament votes against austerity plan (<http://www.france24.com/en/20110323>)

Stubbington T. (2012) *Spanish Bonds get Reprieve on Ratings*, 'Wall Street Journal', 17 October 2012  
Taxation trends in the European Union, 2013 edition, Eurostat, European Commission, Luxembourg Publications Office at the European Union  
[www.forbes.pl/portugalia](http://www.forbes.pl/portugalia)  
2010-2013 Portuguese financial crisis (<http://en.wikipedia.org/wiki/>)

## Streszczenie

### **POLITYKA FISKALNA W KRAJACH EU NAJBARDZIEJ DOKNIĘTYCH KRZYSEM - GRECJA, IRLANDIA, PORTUGALIA, HISZPANIA**

*Światowy kryzys finansowy, który rozpoczął się w latach 2007-2008 w USA wpłynął negatywnie na gospodarkę Unii Europejskiej, a głównie na euro area, czyli w Grecji, Irlandii, Hiszpanii i Portugalii. Te peryferyjne kraje strefy euro wychodzą z recesji i kryzysu finansowego w dużym stopniu dzięki wielkiemu wsparciu finansowemu instytucji międzynarodowych. Na uratowanie tych gospodarek przeznaczono setki miliardów euro. Równocześnie jednak kraje te charakteryzowały się najniższym stopniem fiskalizacji mierzonym udziałem podatków w GDP wśród krajów należących do strefy euro.*

*W referacie podjęta została próba odpowiedzi na następujące pytania:*

- 1) Jakie były przyczyny załamania koniunktury w tych krajach oraz jakie podjęto działania restrukturyzacyjne;*
- 2) Jakie zmiany w systemie podatkowym wprowadzono w ramach polityki naprawy finansów publicznych;*
- 3) Jak wprowadzone zmiany wpłynęły na strukturę dochodów budżetowych z podatków oraz w jakim stopniu kryzys wpłynął na zmianę relacji obciążeń podatkowych konsumpcji, pracy i kapitału.*

**Słowa kluczowe:** *podatki, kryzys finansowy, Grecja, Portugalia, Hiszpania, Irlandia*