

European Federation of Public Service Unions (EPSU)
Press Communication – 18 December 2014

Austerity continues to be tax dodgers' best friend

A year ago, EPSU produced a report on the impact of public budget cuts on tax collection between 2007 and 2011.

The update released today shows that little has changed. Despite the recent appetite for legal measures to fight corporate tax avoidance - no doubt because of the Luxembourg tax leaks -, austerity means that the resources to do so continue to be reduced.

It finds that 24 out of 30 states (EU28, Iceland and Norway) cut employment in tax authorities between 2008 and 2012. In the countries where comparable figures are available, a total of 56,865 jobs have been lost, or 9.6% of the 593,000 employees at the start of the period.

Two countries, Greece and the UK, cut employment in tax authorities by more than a fifth in four years, and a third, Latvia, cut it by 19.8%.

There are some signs that this process is slowing but it has yet to stop, and at least eight countries have made further cuts in 2013 and/or are planning further job reductions in the future.

The cuts mean, primarily, fewer audits of large companies and rich individuals, as for the ordinary citizens, tax payment is increasingly automatically processed.

“EPSU has long argued about the absurdity of underinvesting in tax administrations who bring back tax revenues to finance public services we need to gain citizens’ trust in fair and efficient tax systems. It is essential to back up EU and international legal measures with investment in tax administrations. This is the key test for EU leaders if they are serious to recoup Europe’s missing € 1000 bn every year.” says **Jan Willem Goudriaan**, EPSU General Secretary.

[EPSU update report](#) *The impact of austerity on tax collection: one year later and still going backwards* commissioned to Labour Research Department, December 2014

Read the 1st Report, 2013 at <http://www.epsu.org/a/9397>

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EPSU is the European Federation of Public Service Unions. It is the largest federation of the ETUC and comprises 8 million public service workers from over 265 trade unions; EPSU organises workers in the energy, water and waste sectors, health and social services and local, regional and central government, in all European countries including the EU's Eastern Neighborhood. EPSU is the recognized regional organization of Public Services International (PSI).