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'IF AT FIRST YOU DON'T SUCCEED, TRY, TRY AND TRY AGAIN': A STUDY OF THE EUROPEAN COMMISSION'S DECISION TO RELAUNCH THE PROPOSAL FOR A COMMON CONSOLIDATED CORPORATE TAX BASE

Christina KATTAMI

Supervisor: Dermot Hodson

Abstract

The European Commission has been trying (and failing) to launch a degree of harmonization in the European corporate tax base since 1967. In 2011, the Commission saw a brief success when its most concrete proposal materialized with the Common Consolidated Corporate Tax Base (CCCTB), a proposal only to be blocked once again by the required unanimity in the Council of the European Union. In 2016, the Commission decided to relaunch the CCCTB Proposal in a two-stage process, but with a more ambitious form and without any constitutional change to the unanimity rule. This paper aims to examine precisely this perplexing decision. By comparing the 2011 and the 2016 cases using an application of the Baumgartner and Jones agenda setting framework of a punctuated equilibrium theory, I find that the 2016 case reveals not only a drastic redefinition of the crucial issues in corporate taxation, but also concrete evidence of the Commission's proactivity to adopt, influence and ambitiously extend this shifting policy image. By highlighting agenda-setting patterns in European policymaking as a whole, this paper argues that the stronger punctuation present in 2016 could potentially lead to: the eventual legitimization of the European Commission's claim for a harmonized corporate tax base; the establishment of a new equilibrium in European tax; and the long-run change of taxation policymaking once and for all.