

**THE FISCAL POLICY IN THE EUROPEAN UNION –
BETWEEN HARMONIZATION AND COMPETITION**

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Abstract

In the present article there is made a comparison of the „pros” and „cons” of tax harmonization and competition in the EU. The conducted survey provides reasons for the standpoint that a better coordination and control of tax policy in the EU will be an adequate tool for limiting the harmful tax competition. On the other hand, the coordinated tax policy may create conditions which would eliminate the need for strict harmonization, imposing the principle „one size fits all”.