Audit Financiar, XXIII, Nr. 3(179)/**2025**, *590-607*
ISSN on-line: 1844-8801

Trends in Progressive Taxation within the European Union: A Research Overview

Maria-Roxana BALEA-STANCIU, Ph. D. Student,
e-mail: maria.balea95@e-uvt.ro

Drd. Georgiana-Iulia LAZEA (TRIFA), Ph. D. Student,
e-mail: georgiana.lazea87@e-uvt.ro

Univ. Prof. Habil. Ovidiu-Constantin BUNGET, Ph. D.,
e-mail: ovidiu.bunget@e-uvt.ro

Lecturer Meda MOȘIU,
e-mail: meda.mosiu96@e-uvt.ro

Mădălina-Ioana VLAD, Master Student,
e-mail: ioana.vlad01@e-uvt.ro

Faculty of Economy and Business Administration, West University of Timișoara, Romania

Abstract

This research analyses trends in progressive taxation across the European Union (EU) from 2000 to 2024. Using the Web of Science (WoS) database, the methodological approach integrates a co-occurrence of keyword analysis processed through VOSViewer 1.6.20 (VOS), allowing for a structured mapping of dominant discussions in the field. Unlike previous studies, which primarily emphasise statistical modelling or comparative legal frameworks, this research provides an in-depth human-centred evaluation of the main topics. By carefully examining the evolution of scholarly discourse, the study uncovers nuanced shifts in taxation debates, emerging policy trends, and interdisciplinary linkages that may have been overlooked in automated assessments. The findings contribute to a more comprehensive understanding of how progressive taxation has evolved in response to economic crises, political shifts, and fiscal integration efforts within the EU in the last two decades. However, this study is limited by its reliance on author-defined keywords from the selected database, the interpretative nature of keyword co-occurrence analysis, and the inherent subjectivity of qualitative article review, without additional empirical validation to support the findings.

Key words: *progressive taxation; European Union; bibliometric analysis; academic trends;*

JEL Classification: *H31, O52*

To cite this article:
Balea-Stanciu, M.-R., Lazea (Trifa), G.-I., Bunget, O.-C., Moșiu, M., Vlad, M.-I. (2025), Trends in Progressive Taxation within the European Union: A Research Overview, Audit Financiar, vol. XXIII, no. 3(179)/2025, pp.590-607,
DOI: 10.20869/AUDITF/2025/179/018

To link this article:
http://dx.doi.org/10.20869/AUDITF/2025/179/018
Received: 8.04.2025
Revised: 9.04.2025
Accepted: 9.07.2025

Introduction

The study of progressive taxation within the European Union (EU) has gained increasing relevance in recent years, particularly in the context of evolving fiscal policies and economic integration. Tax progressivity is crucial in shaping income distribution, ensuring social equity, and balancing economic growth with public welfare. Given the diverse taxation systems across EU member states, a comprehensive examination of existing literature is essential to identify key themes, policy trends, and research gaps. This study contributes to the field by providing a systematic analysis of tax progressivity literature within the EU, offering insights into dominant research topics and the intellectual structure of the field.

The objective of this study is to systematically map the academic discourse on progressive taxation in the EU by identifying major research themes and trends. Specifically, it aims to (i) analyse the existing body of literature on the topic, (ii) categorise the most relevant studies based on thematic clusters, and (iii) highlight key research directions that have shaped scholarly work on tax progressivity. The research addresses the following questions: What are the dominant themes in EU progressive taxation research? What are the key areas that require further exploration? Through this structured approach, the study contributes to the field by offering a consolidated perspective on taxation literature and by identifying research gaps that may guide future investigations.

The search for relevant manuscripts in the field of progressive taxation in the EU was carried out in the Web of Science Core Collection, using a carefully designed string of keywords outlined in section 2.1. Database formation.

The study's main findings indicate that progressive taxation research in the EU is structured around six primary themes, each reflecting distinct yet interconnected perspectives on fiscal policy. By synthesising these findings, this research enhances the understanding of tax progressivity dynamics and provides a foundation for future studies in the field. In brief, researchers are looking into novelty ways of thinking, sometimes questioning old ideas about how fair taxes work. This is because populations become more diverse and sophisticated regarding taxes. This study finds that no classical taxation method alone helps the economy grow. Even though higher taxes for the top earners help cut the gap between rich and poor better than flat taxes, both need adjacent measures to effectively address the rising inequality.

The paper is structured as follows: Section 1 outlines the importance of the research and includes a short preliminary literature review. Section 2 details the methodology, outlining the selection process, keyword standardisation, and co-occurrence analysis approach. Section 3 discusses the results, focusing on the six identified research clusters and their thematic significance. The last Section concludes the paper by summarising the key insights and suggesting avenues for future research.

1. Research Importance and Literature Review

Progressive taxation helps balance economic growth and social equity by taxing higher incomes at higher rates. It aims to reduce income inequality, fund public services, and support economic stability. However, tax policies vary widely across countries. The European Union (EU) is a unique case, as member states follow a shared economic framework but maintain independent tax policies, creating a complex fiscal environment.

Despite its importance, research on progressive taxation in the EU is fragmented, often focusing on individual countries or specific tax mechanisms rather than providing a comprehensive overview. Some studies analyse its impact on economic growth (Balasoiu, Chifu and Oancea, 2023), while others focus on redistribution (Cantante, 2020), investment (Alvarez and Koskela, 2008), and others on comparations (Vlad and Brezeanu, 2015). This makes it difficult to identify larger trends and unexplored areas. A structured review and thematic analysis can bridge this gap by mapping key research themes and offering a broader perspective. Most taxation studies take an economic or legal approach, using complex models (Moyes, 2003; Silvant, 2010; Arcarons and Calonge, 2015; David, 2019) that are often inaccessible to policymakers who need practical insights.

A thematic classification of research can simplify these findings and highlight patterns that might otherwise be overlooked. This study uses co-occurrence analysis of (author) keywords to organize the literature visually, facilitating a more straightforward observation of the research area, emerging trends, and its gaps.

The literature on progressive taxation has evolved over time, shaped by economic crises, globalisation, and policy changes (Ganghof, 2005). Earlier research focused on optimal tax theory, examining how taxation affects economic activity (Boeters, 2013). Over time, attention shifted to income redistribution and how tax policies impact social equity and economic growth (Joumard, Pisu and Bloch, 2012). Balancing national sovereignty with supranational coordination within the EU has made taxation even more complex (Działo, 2015).

Many studies examine how progressive taxation reduces income disparities (Vržina and Luković, 2023; Tjan, 2024). The debate often centres on the efficiency vs equity trade-off, questioning whether high tax progressivity slows growth by discouraging productivity and entrepreneurship (Baliamoune-Lutz and Garello, 2014).

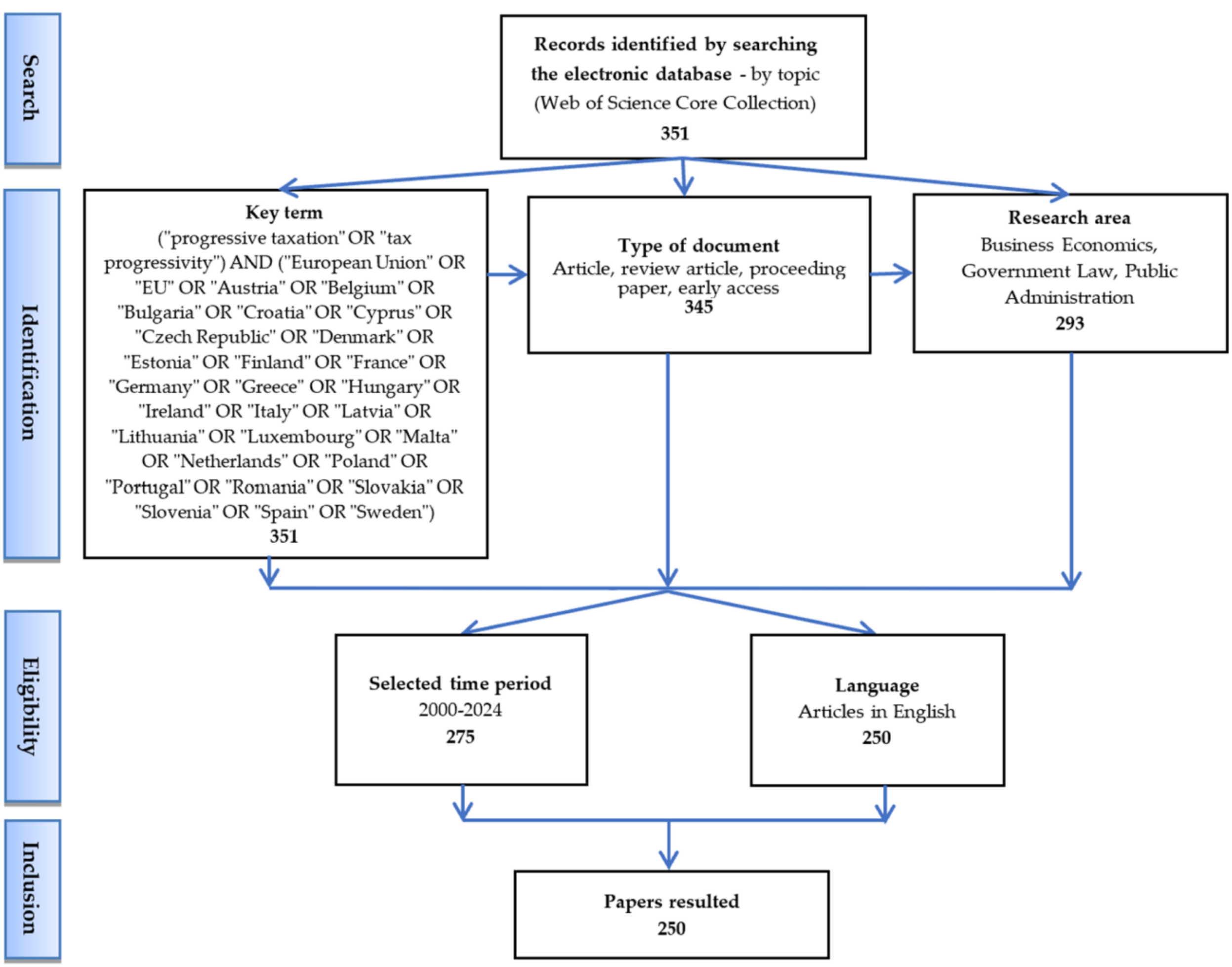
Beyond academia, this study provides practical insights for policymakers and financial institutions navigating EU taxation. Summarising key research findings lays the foundation for future studies and helps stakeholders better understand the shifting landscape of progressive taxation in the EU.

2. Research Method

2.1 Data Base Formation

The authors conducted a thematic analysis of articles published in the Web of Science (WoS) Core Collection during the period 2000-2024. To ensure the selection of relevant literature, the following procedure was implemented. The search was performed in the electronic database using a topic-based query, yielding 351 records.

Figure no. 1. Flow diagram of systematic selection of studies from WoS



Source: data processed by authors, 2025

The key terms used were included in the following boolean string: *("progressive taxation" OR "tax progressivity") AND ("European Union" OR "EU" OR "Austria" OR "Belgium" OR "Bulgaria" OR "Croatia" OR "Cyprus" OR "Czech Republic" OR "Denmark" OR "Estonia" OR "Finland" OR "France" OR "Germany" OR "Greece" OR "Hungary" OR "Ireland" OR "Italy" OR "Latvia" OR "Lithuania" OR "Luxembourg" OR "Malta" OR "Netherlands" OR "Poland" OR "Portugal" OR "Romania" OR "Slovakia" OR "Slovenia" OR "Spain" OR "Sweden")*. The selection was then refined based on the document type, which included articles, review articles, proceeding papers, and early access papers, reducing the number to 345 records.

Further filtering was applied by research area, focusing on Business Economics, Government Law, and Public Administration, narrowing the selection to 293 records. Articles were subsequently screened based on the publication period 2000-2024, leading to 275 records. The language criterion was then applied, restricting the selection to articles written in English, which resulted in 250 articles. After the multi-stage evaluation process based on the type of documents, time period and language, 101 articles were considered ineligible and subsequently excluded. This inclusion and exclusion process resulted in 250 research papers. This systematic approach ensured a comprehensive and methodologically sound selection of literature relevant to the study's objectives (**Figure no. 1**).

After downloading the database, the authors read each abstract, along with the corresponding keywords, and the full manuscripts. After summarising each paper, it was found that some articles did not focus on European Union countries but instead focused on foreign countries from other continents. The authors chose to retain in their selection those articles which, despite addressing other countries as well, made even minimal reference to EU countries, as they still offered valuable insights into the European context. Through this in-depth relevance assessment process, 56 manuscripts were additionally excluded. Such careful methodology guaranteed the inclusion of academic publications related to the purpose of the study. The final corpus of 194 relevant research papers was subject to an in-depth thematic analysis process, as illustrated in **Figure no. 2**.

Figure no. 2. Relevance assessment process

Source: illustrated by authors in Microsoft Word, 2025

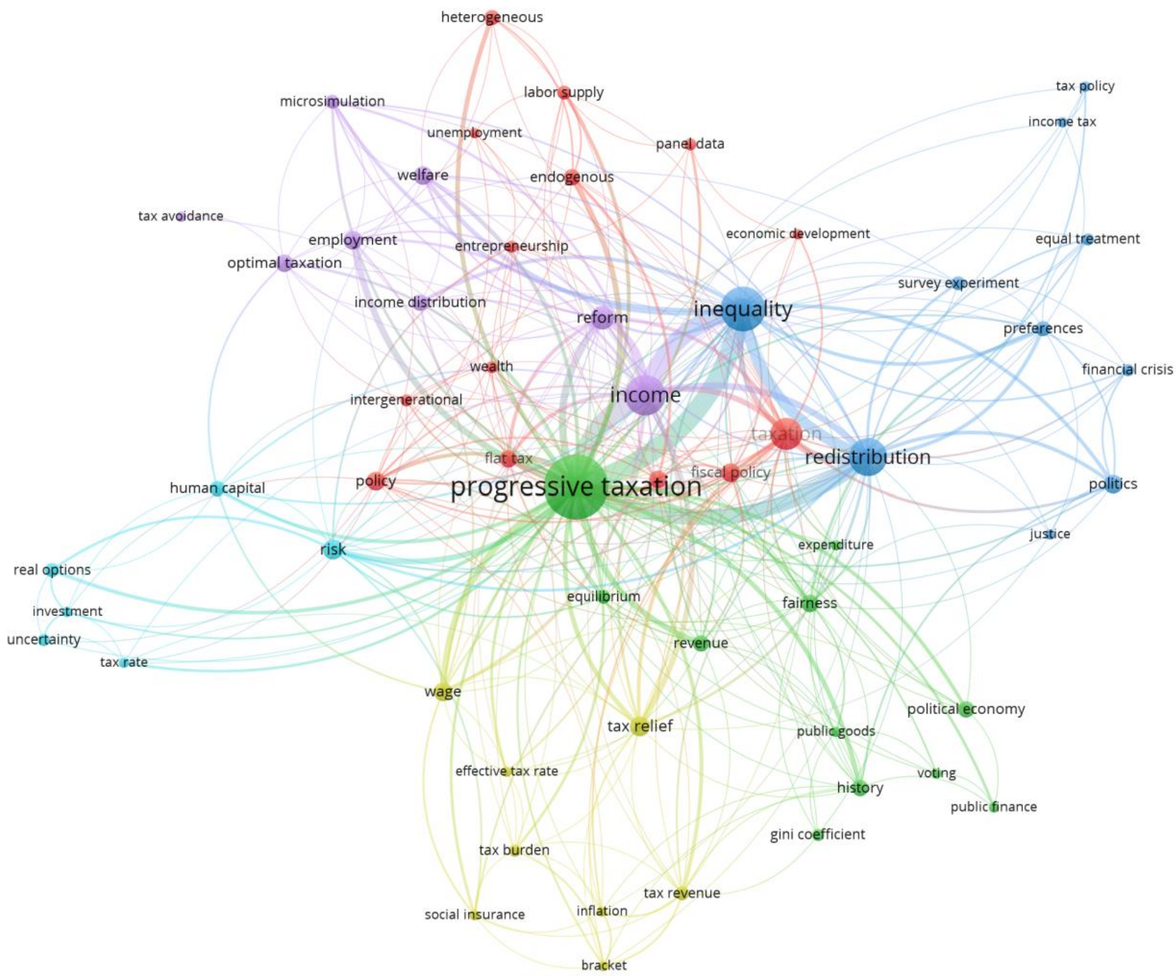
2.2 Keyword co-occurrence

The first step in constructing the author keyword co-occurrence map was standardising keywords to ensure consistency across the dataset. Singular forms were applied to selected words, such as reform, impact, response, lesson, expansion, cycle, transformation, deficit, transfer, strategy, income, tax reform, single earner, elite, household, wage, and interest rate, while preferences and consequences remained in their plural forms. This process eliminated inconsistencies caused by variations in singular and plural usage. Next, common keywords were grouped under a single term to consolidate similar concepts (e.g., tax reliefs, which included subcategories such as allowances, benefits, and incentives). Country names were removed from the keyword dataset. Any instance where "taxation" appeared alone was preserved, whereas instances of "taxation" followed by a specification (e.g., wage taxation) were split or removed to reduce redundancy.

Following the standardisation and refinement of keywords, the data was processed in VOSviewer to create a bibliometric-based co-occurrence map. The analysis was set to full counting, with a minimum occurrence threshold of three appearances applied to ensure that only recurring and relevant terms were included in the visualisation. Further, from the Analysis panel, the clustering algorithm was refined so that each cluster contained a minimum of four keywords.

As a result of this methodological approach, the analysis generated six distinct clusters, each representing a core thematic area within the literature on progressive taxation in the EU (**Figure no. 3**). These clusters serve as the foundation for the subsequent discussion and synthesis of the research findings.

Figure no. 3. Keyword co-occurrence cluster



Source: data processed by authors in VOSViewer, 2025

1.3 Main topics of clusters

After generating the visual keyword co-occurrence map, the 57 keywords identified in the clusters were compiled into a structured table (**Table no. 1**). The table was sorted primarily by Total Link Strength, which reflects the degree of connection between terms, although occurrences were also recorded to indicate the frequency of each keyword. This structured approach allowed for a clear hierarchical representation of dominant themes within the dataset.

By analysing the keywords and the corresponding articles, six thematic clusters were identified: Cluster 1 (Red): Focuses on taxation policies and market dynamics. Cluster 2 (Green): Provides an in-depth analysis of progressive taxation and elements of public behaviour related to tax compliance and perception. Cluster 3 (Blue): Explores economic disparities and political implications. Cluster 4 (Yellow): Centers on tax relief and fiscal burden. Cluster 5 (Purple): Covers welfare state policies and income security. Cluster 6 (Cyan): Highlights taxation challenges. These clusters provide a structured thematic framework, allowing for a comprehensive synthesis of progressive taxation research in the EU. The findings illustrate not only key areas of focus within the literature but also emerging research gaps, which will be further explored in the discussion and conclusion sections.

Table no. 1. Clusters and main topics

Cluster	Keywords	Occurrences	Total link strength	Main topic
Cluster 1 (Red)	taxation	25	65	Taxation policies and Market dynamics
	policy	9	27	
	flat tax	9	27	
	growth	8	23	
	fiscal policy	9	18	
	endogenous	7	18	
	labor supply	5	13	
	heterogeneous	6	12	
	intergenerational	4	11	
	entrepreneurship	4	11	
	wealth	4	7	
	panel data	4	7	
	economic development	3	7	
	unemployment	3	6	
Cluster 2 (Green)	progressive taxation	96	215	Progressive taxation and Public Behaviour
	fairness	8	26	
	revenue	7	24	
	history	7	20	
	equilibrium	5	19	
	expenditure	3	12	
	political economy	7	10	
	public goods	3	10	
	public finance	3	6	
	voting	3	6	
	gini coefficient	4	5	
Cluster 3 (Blue)	inequality	47	118	Economic Disparities and Politics
	redistribution	35	95	
	politics	9	21	
	preferences	6	22	
	survey experiment	5	12	
	equal treatment	4	8	
	financial crisis	4	9	
	justice	3	7	
	tax policy	3	6	
	income tax	3	4	
Cluster 4 (Yellow)	tax relief	10	36	Tax Relief and Fiscal Burden
	wage	9	30	
	tax revenue	5	21	
	tax burden	4	14	
	bracket	3	13	
	inflation	3	13	
	social insurance	3	13	
	effective tax rate	3	11	

Cluster	Keywords	Occurrences	Total link strength	Main topic
Cluster 5 (Purple)	income	39	112	Welfare and Income security
	reform	14	50	
	welfare	9	23	
	employment	9	21	
	microsimulation	5	19	
	optimal taxation	8	16	
	income distribution	7	14	
	tax avoidance	3	2	
Cluster 6 (Cyan)	risk	10	30	Taxation challenges
	human capital	6	18	
	investment	3	10	
	real options	5	11	
	tax rate	3	9	
	uncertainty	4	6	

Source: data processed by authors in Microsoft Excel, 2025

3. Results and Discussions

3.1 Cluster 1 – Taxation policies and Market dynamics

The first cluster presents articles that emphasise the effects of taxation policies across the EU. Alves and Coelho (2024) note that even if progressive taxation reduces inequality, it has mixed effects on growth across Europe. Focusing on economic development and growth, we found that papers discuss the effects of flat tax policies, in contrast to progressive ones. In countries with high corruption and weak legal systems, citizens support progressive taxation as a corrective measure. In contrast, richer post-socialist states favour it more than poorer ones, where flat taxes remain popular. Vlad and Brezeanu (2015) state that the flat tax failed to improve revenues or stability in post-communist EU countries, leading some even to abandon it. Studies revealed that, in Poland, a flat tax policy failed to reduce intergenerational income persistence, while in Italy, progressivity weakened income transmission at the top.

However, proportional taxation stabilises economies by eliminating endogenous cycles at high tax rates, while progressive taxation's impact depends on tax exemption levels, potentially creating instability (Koskela and Puhakka, 2006). In contrast to flat tax, progressive taxation can be justified as a means of distributing tax burdens based on uniform utility loss, balancing fairness and efficiency (Chambers and Moreno-Ternero, 2017). It was also found that if the taxes are highly progressive, they can slow development by discouraging work and education (Widmalm, 2001).

Studies from this cluster proved that Bulgaria's economic growth would benefit more from progressive taxation, contradicting the assumption that flat taxes drive development. In Switzerland, switching to a flat tax lowered business formation and jobs, particularly for small firms, suggesting that some progression supports stability. The downside of flat taxes is that even if they simplify taxation, they increase inequality by shifting the burden onto lower earners, with no clear evidence they boost revenue or growth (Vörös, Kodenko and Komáromi, 2010). In post-communist Europe, high pre-tax inequality has not led to greater demand for redistribution, weakening political pressure for progressive taxation.

Thus, it was found that even if none of the two fiscal policies implicitly help economic development and don't drive growth *per se*, progressive taxation is preferred because it was shown to improve equality to some extent. Brumm *et al.* (2022) also add that progressive taxation may be a better alternative to deficit spending. Adding on, other papers focused on the environment and proved that even if mission-oriented innovation policies support growth and inequality reduction, they require progressive taxation to address climate change effectively.

Inside this cluster, the research found recent debates about theories of taxation. Orain (2010) shows that progressive taxation has long been linked to economic stability, fairness, and redistribution, but early theorists like Forbonnais and Graslin argued that taxing luxury goods and urban elites could reduce inequality, support agriculture, and stabilise the economy. Similarly, Turgot, Condorcet, and Morellet viewed progressive taxation as a way to align tax burdens with public spending needs, ensuring fairness. From a broader perspective, Corado and Solari (2010) showed that Wagner saw the state as an organic entity, responsible for redistributing wealth to maintain social cohesion and growth, influencing modern European tax policies. It was also shown that Keynesian theory supports progressive taxation as a stabilising tool, ensuring income levels remain steady during downturns, particularly in EU economies focused on social equity (Husman and Brezeanu, 2021). Manuscripts propose that a shift away from strictly positivist approaches in economic policy is necessary, as tax decisions inherently involve ethical considerations and interpersonal utility comparisons.

Regarding utility comparisons, progressive taxation focuses on labour supply, unemployment, and entrepreneurial issues as the most important market segments. Building on this assumption, various authors prove that progressive taxation affects work incentives differently across income groups. It was found that higher progressivity reduces overall labour supply, especially among high-income earners and married women taxed jointly, while low-income workers may work more due to lower marginal rates at the bottom. An additional risk that can influence the labour supply, besides progressive taxation. Authors proved that even if robotisation boosts economic growth, it widens wage inequality, especially between skilled and unskilled workers. Progressive taxation and monetary policy can reduce disparities altogether, but public investment in social capital and worker support programs are necessary. It was also pointed out that tax incentives do not always drive behaviour. In competitive environments, workers are less influenced by financial incentives, as the "joy of winning" plays a stronger role in labour supply decisions.

Long-term labour supply also varies on a temporal dimension, as Bengtsson, Holmlund and Waldenström (2016) prove that progressivity is lower over a lifetime than it appears annually. *A lifetime* involves individual decisions, but beyond those, progressive taxation impacts macroeconomic stability. It raises real wages but reduces employment and output, requiring long-term economic adjustments. In some cases, it can even increase volatility by amplifying self-fulfilling expectations.

Consequently, when it comes to unemployment, it was found that higher tax progressivity reduces it in Germany (Boeters, 2013), but its effects vary across its regions. In European OECD countries, where tax burdens are highest, higher labour taxes increase unemployment (Zimčík, 2020). The impact also depends on tax structure, as higher payroll tax progressivity raises unemployment, while higher marginal income taxes lower it by moderating union wage claims and encouraging labour participation.

On the entrepreneurial side, progressive taxation reduces this activity at higher income levels by discouraging risk-taking, though its effects vary by country (Baliamoune-Lutz and Garello, 2013). While some policies increase the riskiness of after-tax income, affecting wealthy investors who dominate entrepreneurship, progressive taxation can also encourage self-employment by sharing income risks, as a safety net lost under a flat tax. A flatter tax schedule encourages self-employment, while progressive taxation increases risk but provides partial insurance.

"Working a lifetime" can contribute to wealth accumulation to some extent. However, wealth inequality is far more extreme than income inequality, with financial assets concentrated among the elite. Traditional inequality measures fail to capture polarization trends, requiring progressive taxation, financial regulation, and asset-building policies beyond simple redistribution (Fabiani, 2024).

Articles showed how in Germany, support for wealth taxes depends more on perceived fairness than income levels, with merit-based wealth seen as more legitimate. Meanwhile, middle-class wealth accumulation through housing and pensions has played a bigger role in reducing inequality than war or taxation, challenging traditional views on wealth distribution. In Italy, progressive taxation weakens intergenerational income persistence by reducing earnings inequality, particularly at the top, whereas Poland's quasi-flat tax has no such effect. Simulations confirm that lowering progressivity in Italy would increase intergenerational inequality.

Meanwhile, local governments must choose between reducing inequality (maximin policies) or preventing wealth clustering (utilitarian policies), as addressing both is impossible (Oddou, 2023). Progressive local taxation shapes income segregation, as wealthy households actively move to low-tax areas, while social factors and proximity to city centres further influence residential patterns. Fiscal decentralisation weakens progressivity, as wealthier households relocate to low-tax areas, reducing overall redistribution. It can be concluded that progressive taxation alone is insufficient to ensure intergenerational equity, requiring additional policy measures.

3.2 Cluster 2 – Progressive Taxation and Public Behaviour

Cluster 2 (Green) presents a more in-depth image of progressive taxation as a modern-day concept accompanied by risks. Andersen and Dogonowski (2002) emphasise the automatic stabiliser role of progressive taxation, reducing macroeconomic volatility even when tax distortions exist. However, its role in economic stabilisation is limited, as income tax primarily stabilises through employment sensitivity to GDP, not tax rate progression. In economies with steep tax progressions, monetary policy must respond more aggressively to maintain stability. Studies add that while it dampens economic instabilities, it cannot fully eliminate fluctuations. Fluctuations are different from circumstances that ask for fiscal consolidation measures. In these cases, austerity or tax increases worsen recessions in high-inequality economies, highlighting the need for inequality-aware policies.

In Greece, austerity deepened regional inequalities, harming the North and West while Athens and the South remained more stable, increasing the risk of long-term economic divergence (Monastiriotis, 2011). Those situations drive people to regions or even countries where their disposable income can be optimised. This is just an instance that shows how globalisation has created a trade-off between tax progressivity and redistribution, leading to a "social democracy curse" where high-income individuals' mobility undermines progressive taxation. As migration costs decline, wealthy individuals relocate to lower-tax jurisdictions, making redistribution less effective and shifting the tax burden onto the middle class. This explains why inequality has risen despite increased public spending in many advanced economies, weakening the traditional social democratic model. Trade liberalisation exacerbates inequality, weakening public spending unless tariff revenues support government programs, or unskilled workers hold political power.

History is also a central concern among the Cluster 2 papers. More specifically, post-communist and post-war countries. In Germany, the support for redistribution varies. East Germans favour progressivity more than West Germans due to perceived inequality. Post-communist EU countries saw little benefit from flat taxes, leading some to return to progressive systems for better fiscal balance (Vlad and Brezeanu, 2015). Countries affected by war destruction maintained lower tax progressivity to boost savings and investment, as seen in West Germany. Wartime inflation expanded tax bases, reducing progressivity while increasing redistribution.

Nowadays, authors have identified an actual challenge regarding political economies: the voting processes and everything it represents for a community. Progressive taxation is more politically viable when income distribution centres around the middle, as both the rich and the poor may oppose excessive tax burdens. Affluent left-wing voters resist tax cuts more than their low-income counterparts, suggesting the potential for a cross-class progressive coalition. Public support for taxing the rich depends more on their perceived fairness than on meritocratic factors like hard work.

The voting equilibria also influence the provision of public goods. This can lead to suboptimal growth in diverse societies, making certain policies unsuitable for direct democratic decisions (Borissov, Hanna and Lambrecht, 2019). Support for tax reductions often declines when people realise the trade-offs, such as reduced public spending or increased debt. If government spending benefits the wealthy, progressive taxation fails as a redistributive tool, making tax incidence alone an incomplete measure of fairness. In low-inequality societies, tax fairness is valued, fostering a progressive tax culture. In contrast, the elite in highly unequal societies favours regressive taxation unless external threats, like wars or revolutions, force higher public spending.

Lastly, this cluster showed a significant volume of research papers focusing on the statistical aspects of progressive taxation and related concerns. Arcarons and Calonge (2015) show that the Suits index is a strong measure of tax progressivity, but inflation-induced fiscal drag erodes progressivity over time. While the Gini coefficient is widely used to assess progressivity, data limitations can distort results, requiring corrections for small or skewed datasets. Alternative measures like the Kakwani and Suits indices provide more reliable assessments (David, 2019). Minimal equal sacrifice taxation can reduce inequality, but only under specific utility elasticity and concavity conditions (Moyes, 2003). Mathematical models confirm that progressive taxation aligns with both the benefit and ability-to-pay principles, challenging historical arguments for proportional taxation (Silvant, 2010).

3.3 Cluster 3 – Economic Disparities and Politics

The third cluster presents a more elaborate overview of the market inequalities and the role of redistribution. Overall, progressive taxation reduces income inequality, but broad-based progressivity is more effective than just raising top tax rates (Eydam and Qualo, 2024). However, taxation alone is not always enough, as additional conditions like consistency and revenue continuity must be met for redistribution to work. This is why social transfers significantly reduce inequality compared to taxation alone. Changes in tax policy and social transfer reductions have significantly contributed to rising inequality, even in countries with relatively low inequality levels by OECD standards.

Inequality and growth are impacted by fiscal policy, but not in the same way across different regions of the EU. In Eastern Europe, direct taxation and public spending boost growth, while in Western Europe, they tend to hinder it (Alves and Coelho, 2024). Studies also add that Stockholm's income inequality declined after 1920, driven by structural shifts and progressive taxation, with labour income becoming a key redistributive factor. Austerity measures worsen recessions in high-inequality economies, as income risk leads to more precautionary savings, reducing overall spending. Another issue seems to be the fact that modern poll taxes disproportionately harm small businesses and the self-employed, increasing financial distress and slowing economic recovery. It can be concluded that taxation corrects market failures, but balancing state intervention with market forces remains an ongoing challenge.

All these authors emphasise the role of redistribution in managing inequalities. However, some researchers have taken this role even further. This is why progressive taxation is optimal even without a redistributive goal, as wage inequality justifies higher taxes on skilled labour, whose work time is less. In the same light, Bucovetsky (2003) note that progressive taxation also supports efficient migration by redistributing productivity gains to non-migrants and low-skilled workers. Beyond its income redistribution role, progressive taxation enhances fairness and economic efficiency, ensuring that even low-productivity workers receive a fair share of the economic surplus.

In Slovenia and Croatia, for example, progressive tax structures reduce inequality and poverty, with Slovenia's model being more redistributive and Croatia's model better at poverty reduction. Screpanti (2014) points out that redistribution is also a matter of freedom and fairness. Income constraints limit opportunities more than time constraints, making progressive taxation a tool for ensuring fair access to economic participation. However, it is never an unjust redistribution, but a logical way to share economic risks and benefits fairly. In contrast, it was argued that redistributive policies can also cause macroeconomic instability, requiring careful implementation. While higher tax progressivity lowers income inequality, it can increase wealth inequality by shifting labour toward more productive workers.

At this stage, it can be concluded that the economic trade-offs of progressivity remain complex—while it reduces inequality and funds public services, it can also weaken employment and capital accumulation when labour supply is elastic. Also, even if people support wage equality, they resist costly redistribution, showing that inequality aversion is shaped by context and self-interest. Additionally, it was shown that exposure to unfair voting systems reduces support for progressive taxation, challenging conventional redistribution theories. These findings suggest that one-size-fits-all progressivity rules are ineffective, as tax schedules should reflect societal inequality perceptions.

The reviewed articles continue to present redistribution strategies ranging from laissez-faire to full egalitarian models. Threshold-based redistribution offers a flexible and mathematically consistent way to reduce inequality while maintaining efficiency. Preferences for redistribution vary across countries, shaped by economic self-interest, social beliefs, and historical factors. Support for EU-wide fiscal integration is stronger in regions hit by multiple crises, with COVID-19 exposure being the strongest predictor of pro-redistribution attitudes.

In the Nordic countries, tax policy has shifted from Comprehensive Income Taxation—which taxes all income equally under progressive rates—toward Dual Income Taxation, where capital income is taxed at flat, lower rates while labour remains under progressive taxation (Ganghof, 2005). This shift has intensified income inequality, as capital income is increasingly concentrated among the wealthy, with Sweden being a partial exception. This is why, in general, beyond income redistribution, people value tax progressivity as an independent fairness principle, challenging traditional models that prioritize efficiency over equity.

As stated earlier, tax policy is not just an economic decision but a political struggle, shaped by party structure, electoral incentives, and coalition dynamics. In Spain and Austria, wealth taxes increased when left-wing factions gained power, whereas in Germany, the cautious SPD (social democratic party) blocked major tax changes. Elsässer, Fastenrath and Rehm (2023) point that crises create opportunities for redistributive policies, but their success depends on elite perceptions of electoral viability. Governments strategically adjust tax progressivity to influence voter behaviour—leftist incumbents sometimes favour flatter taxation, while right-wing incumbents may increase progressivity to gain electoral support. Parliamentary debates in Spain framed progressivity as proportional rather than redistributive, contributing to the country's resistance to fiscal reform.

Political ideology influences tax preferences, with highly knowledgeable voters prioritising values over financial self-interest—sometimes leading the wealthy to support progressive taxation for the greater good (Stiers *et al.*, 2022). Fair taxation stabilises political systems by preventing economic exclusion, reducing misinformation-driven alliances, and reinforcing democratic agreements. Taxation also intersects with defence policy, as leftist governments rearm faster than conservatives, leveraging progressive taxation and economic controls to fund military expansion. Poor tax policy adjustments have directly reduced progressivity, and better management of deductions and thresholds could have counteracted rising inequality.

The authors have gone further and analysed how financial crises influenced progressive taxation. The 2008 financial crisis increased public support for progressive taxation by strengthening fairness concerns, particularly in countries that experienced severe economic downturns, as demonstrated through survey experiments. Țibulcă (2022) concludes that tax policy reforms are essential to prevent revenue volatility in future crises and ensure fiscal stability across the EU. Finally, financial crises are fuelled by rising inequality, but progressive taxation and social policies in Scandinavia and Europe could help reduce financial instability.

3.4 Cluster 4 – Tax relief and Fiscal burden

Cluster 4 (Yellow) seems to concentrate more on the way progressive taxation is felt by the taxpayer. Many authors point to its effect on wages, as progressive taxation is shown to reduce wage inequality by compressing pre-tax wages and discouraging skill accumulation (Guvenen, Kuruscu and Ozkan, 2014). Even without redistribution as a goal, taxing skilled labour at a higher rate is justified due to natural wage inequality. However, its impact on inequality varies—if high earners significantly cut their working hours, progressivity may lose its redistributive effect, and in some cases, proportional taxation could lead to similar post-tax income equality.

The wage effects of progressive taxation also depend on the labour market structure. In unionised settings, it moderates wages for middle-income workers but raises wages for high-income earners in competitive markets (Lockwood, Sløk and Tranaes, 2000). In the Visegrad Four, GDP growth and taxation strongly influence average wages, while minimum wages are largely political decisions (Meixnerová and Krajňák, 2020). Traditional tax progressivity measures may exaggerate the role of taxation while underestimating the impact of benefits in reducing inequality, requiring a more flexible redistribution.

A more elaborate analysis shows that, from the point of view of households and individuals, two main dimensions shape the fiscal burden: tax reliefs (incentives, allowances, benefits) and inflation. Household tax systems can mitigate inequality while preserving financial stability by combining progressive taxation on household income and financial profit taxes. In the Czech Republic, even with a flat tax rate, deductions maintained progressivity de facto, benefiting lower earners more than the previous system. Housing-related tax reliefs are often regressive, as wealthier households benefit disproportionately from mortgage tax relief, while low-income groups rely on housing benefits.

About the tax burden, it was shown that shifting it away from labour and onto capital or high-income earners can create a double dividend—reducing pollution while increasing social welfare. However, it is largely accepted that progressive taxation enhances redistribution at the cost of higher tax burdens, while flat taxes improve take-home pay but widen inequality. Effective tax-benefit systems, combining tax progressivity and generous social transfers, are key to reducing income inequality.

The second pillar is the inflation. Without automatic inflation adjustments, tax burdens rise significantly even at low inflation, pushing low-income earners into higher brackets and reducing progressivity. Countries with inflation-indexed tax systems (Netherlands, UK) avoid these distortions. Nam and Zeiner (2015) add that bracket creep further increases tax burdens on middle-income earners, reinforcing inequality unless tax systems adjust for inflation. Inflation is mostly felt through consumption. Consumption taxes like VAT are regressive, disproportionately impacting lower-income individuals and worsening inequality. Hauck and Wallossek (2024) propose something very interesting to combat another reason why low-earners feel a bigger tax burden than intended: in many countries, including Germany, employees avoid filing tax returns due to automatic withholding, but over-withholding leads to excess tax payments for low earners. Automatic refunds or pre-filled tax returns could improve fairness and efficiency. These automatic refunds, along with counter-inflation mechanisms, could make the low and middle-income earners feel a milder fiscal burden, the real one, that is foreseen by the governments.

3.5 Cluster 5 – Welfare and Income Security

Cluster 5 (Purple) presents a detailed image of how progressivity influences employment as a phenomenon, how reforms shape people's income and how tax avoidance erodes the state's revenue. Progressive taxation affects job creation differently depending on tax levels and market conditions. Progressivity can boost employment when initial tax rates are low, but when tax burdens are already high, it may reduce worker effort and productivity, leading to fewer jobs (Schöb and Koskela, 2009).

In Denmark, lowering tax progressivity increased wages for blue-collar workers but reduced their employment, while white-collar employment remained stable, suggesting union influence can balance out labour market effects. In some cases, progressive taxation can support employment by reducing wage pressures, but excessive tax burdens may slow productivity growth and investment, ultimately harming job creation. Optimal taxation should follow a U-shaped progressivity pattern, with higher taxes for young and old workers and lower rates for the middle-aged to balance incentives and equity. In Germany, increasing tax progressivity lowered the labour supply but resulted in an equal income distribution.

It is known that progressive taxation reduced unemployment in Germany, but Boeters (2013) argue that it offers minimal welfare gains, averaging just two euros per person per month. Social welfare programs play a crucial role in mitigating economic shocks, as tax progressivity alone is insufficient without social transfers. In strong welfare states, public acceptance of progressive taxation is higher because trust in redistribution is greater. In Europe, regressive VAT-based taxation funds larger welfare states, explaining why tax progressivity and welfare state size are inversely correlated.

Several studies highlight the limitations of proportional taxation and advocate for progressive tax reforms to improve equity and economic stability. Ledić, Rubil and Urban (2023) show that in Croatia, the personal income tax and the social insurance contributions are always progressive. At the same time, VAT and excises are only progressive under particular fairness views, highlighting the subjective nature of tax equity. In Romania, weak redistribution policies contribute to deep economic disparities, making progressive taxation a necessary reform (Georgescu, Cazacu and Cojocaru, 2020). Italy also gains from progressive income tax reforms, which could mitigate inequality's negative impact on consumption and growth. Hungary's flat tax reform reduced progressivity, benefiting high earners while increasing the burden on low-income, childless workers.

Additionally, revenue-neutral tax reforms can be designed to maximise employment without reducing government revenues, offering policymakers a framework for balancing growth and fairness. In Ukraine, reintroducing progressive taxation could increase revenues and reduce pension deficits. The 2021 Czech tax reform increased tax progressivity and eliminated income tax for minimum-wage earners but at the cost of reduced state revenues.

Some reforms aimed at fairness have been diluted or ineffective. In Poland, business lobbying and media pressure weakened the redistributive impact of the 2022 tax reform, favouring high-income, self-employed individuals. In Romania, fiscal incentives from 2013-2019 failed to generate sustainable growth, instead causing macroeconomic imbalances, higher imports, and weak corporate capitalisation. Despite the EU accession boosting economic potential, weak governance and poor EU fund absorption have hindered Romania's ability to reduce inequality. Reforming tax systems requires balancing fairness with economic efficiency. This is why Croatia's hybrid personal income tax system needs restructuring to improve fairness while maintaining competitiveness, mainly by adjusting tax brackets and non-taxable income levels.

Fair taxation seems to be challenged by many factors. Even when progressive taxation exists, other policies can undermine its impact. Sweden's tax system became increasingly regressive over time as VAT and payroll taxes offset income tax progressivity, shifting the tax burden onto lower-income groups. Similarly, Hungary's 2012 tax reform introduced a flat personal income tax to enhance wage competitiveness but kept a high, nearly flat VAT, disproportionately affecting low-income households. In Germany, tax reforms reduced progressivity, boosting income growth and inequality, with redistribution depending on social preferences.

Rising inequality is primarily driven by tax avoidance and capital income shifts, rather than productivity differences. Mass-marketed tax avoidance schemes increasingly benefit middle-income taxpayers, further eroding progressive taxation. While progressive taxation enhances redistribution and increases revenue, excessive progressivity can encourage tax avoidance, requiring a balanced approach for fiscal stability. In the EU-28, corporate income tax plays a progressive role in reducing inequality, but its effectiveness is undermined by globalisation and corporate tax avoidance. At the highest income levels, progressive taxation becomes unsustainable due to subadditive avoidance costs and international fiscal competition. Wealthy individuals engage in tax avoidance and risk shifting, reducing progressivity's impact. Since avoidance costs do not scale with income, optimal top-tier taxation cannot remain progressive. Furthermore, international tax competition drives the wealthy to migrate to low-tax jurisdictions, reinforcing a cycle of tax regressivity.

3.6 Cluster 6 – Taxation challenges

The last cluster consists of studies that emphasise the challenges of taxation, other than tax avoidance itself. Progressive taxation affects corporate decisions in mixed ways. It distorts liquidation choices but can either delay or accelerate investment depending on exemptions and volatility (Alvarez and Koskela, 2008). Higher taxes may sometimes encourage investment due to flexibility premiums or favourable loss offset rules. While it stabilizes the economy, progressive taxation does not prevent business cycles and may reduce private investment despite boosting public capital. Excessive tax progressivity discourages entrepreneurship and distorts firm structures. In these cases, firms adjust to tax increases by reducing hiring. In Bulgaria, a progressive capital tax would add complexity without major benefits.

Education and investments are seen as challenges that can impact fiscal policies. Progressive taxation can reduce human capital investment by lowering post-education income while keeping costs unchanged, discouraging immediate enrollment. Lower tax progressivity can enhance educational investment, while education subsidies help offset, but not eliminate, taxation's negative effects. Progressive tax systems and education subsidies are interdependent, requiring coordinated policy adjustments. Optimal tax policy should balance labour taxation with education spending to maintain efficiency. Progressive taxes discourage education investment by increasing post-graduation tax burdens, whereas a flat tax with deductible education costs remains neutral (Jacobs, 2007). Fiscal policies should adjust taxation levels to avoid suppressing skill accumulation, ensuring long-term economic growth. Poverty awareness increases high-income support for education spending, suggesting that redistribution efforts can be politically sensitive.

Tax morale is mainly derived from inequality perception. Doerrenberg and Peichl (2013) show that public support for progressive taxation is influenced by inequality aversion, with many individuals willing to sacrifice personal income for a fairer system. Moreover, countries with higher tax morale experience lower tax evasion, reinforcing that progressivity enhances compliance. People often misperceive their income status—those who realise they are poorer than expected tend to support progressive taxation, while the wealthy rarely adjust their tax preferences. While low-income groups generally favour progressivity, many high-income earners also support it, influenced by beliefs about effort, economic success, democracy, and social mobility. These findings challenge the assumption that tax preferences are driven purely by self-interest.

Another risk in implementing a one-fits-all progressive solution is the growing rate of tax evasion and the growing cost of enforcement. Stronger tax enforcement improves compliance without significantly increasing tax avoidance. Moreover, enforcement efforts are often less effective than regulatory interventions, which could offer a more sustainable solution. In high-evasion economies, progressive taxation is less effective at reducing inequality because wealthier taxpayers evade more, lowering their tax burden. Increased enforcement can mitigate this issue, but policymakers must account for evasion when designing tax policies.

Conclusions

Based on the reviewed manuscripts, we can now better understand the overall picture of the scholarly discourse on European progressive taxation, which topics get the most attention and which seek further research efforts. The findings highlight the main areas that researchers focus on which emerged from the analysis of the previous six clusters.

This study aimed to answer the following questions: *What are the dominant themes in EU progressive taxation research? and What are the key areas that require further exploration?*

The dominant themes that emerged from the cluster analysis are as follows: the role of progressive taxation in supporting economic growth; the search for new methods of calculation and forecasting to produce more accurate statistical results; the examination of both traditional and modern fiscal theories in today's economic contexts; the comparison between progressive and flat tax systems, especially in countries that have experienced both models; the impact of progressive taxation on labor and entrepreneurship; its role in reducing inequality, particularly wealth-based and intergenerational wealth accumulation; the influence of politics and public behavior on progressive tax policies; the historical and ideological legacies of communist regimes and how these continue to shape tax policies in some European countries; economic disparities and proven methods to reduce them; the emergence of modern redistribution policies and optimal combinations of tax relief and inflation control to ease the fiscal burden; the role of taxation in ensuring income security and general welfare; and finally, a close look at past, current, and future tax reforms, along with key challenges such as tax avoidance, evasion, globalization, migration, education, and other risks.

After carefully analysing all clusters and their component articles, it becomes clear that the scholarly discourse of the past 24 years increasingly highlights the limitations of progressive taxation in itself. While progressive tax rates were once considered sufficient, the rapid evolution of society, alongside globalisation, migration, and the growing sophistication of tax avoidance and evasion strategies, has made progressive taxation nearly as ineffective as proportional systems in many cases. As a result, scholars and policymakers are looking for new theories and practices that not only show statistical efficiency but also adapt to the emerging fiscal challenges of our time.

The key areas that require further reasearch derive from the main topics identified. However, certain areas of interest stand out more clearly, where active steps can be taken to improve fiscal policies and reduce inequality. As a result, there is a growing expectation for active state intervention rather than a laissez-faire approach. Both political leadership and effective administrative structures must play a role in shaping public opinion toward a more engaged, responsible form of tax contribution. Beyond behavioural aspects, states must design complementary fiscal policies that accompany progressive taxation—protecting low- and middle-income earners, actively supporting education through incentives, and reducing the bureaucratic burden in tax systems.

It has become evident that neither progressive nor flat tax systems alone can lead to sustainable economic growth, as their intended effects are increasingly challenged by new and complex risks that were virtually absent in the past.

A particularly important conclusion is drawn by Hauck and Wallossek (2024), who highlight the value of pre-filled tax returns, especially for low-income and wage earners. This approach not only reduces bureaucracy but also helps individuals retain more disposable income by the end of the fiscal year. Our conclusion is that, as logically derived from the analysis, this kind of automatic tax refund, when combined with anti-inflation measures, could significantly lighten the perceived fiscal burden for low- and middle-income groups, who usually choose not to fill tax returns and actively lose money. Hesami, Jenkins and Jenkins (2024) conducted a systematic literature review on this subject. This automatic refund system, especially when supported by inflation-mitigating policies, can help low and middle earners feel less financial pressure from taxation.

Finally, including in the corpus the studies that compare other countries' tax policies with those of the EU—even when they contain only minimal references to EU member states—was particularly relevant for several reasons. This should not be viewed as a limitation of the study, but rather as a strength. First, these articles offered valuable external perspectives, allowing researchers to identify patterns, contrasts, and transferable insights. The fact that authors still aimed to draw conclusions from such limited comparisons suggests a high level of academic interest in understanding the EU's position within a global context. The frequent focus on the United States and OECD countries highlights their role as benchmarks or points of reference, especially when discussing tax efficiency, equity, or reform potential. Secondly, this was important regarding the perceived authority and relevance of EU tax policies. In many cases, European fiscal models are treated as benchmarks, even if imperfect, suggesting that their structure and evolution remain highly influential in global tax discourse.

This reinforces the conclusion that, while diverse and sometimes inconsistent, EU policies continue to shape international debates on progressive taxation, redistribution, and equity—further validating their inclusion in broader analytical frameworks.

In summary, new ideas are being explored that challenge traditional views on how progressive taxation works. This comes as communities grow more diverse and complex. It has become clear that neither progressive nor proportional taxation alone leads to economic growth. While a progressive tax does reduce inequality more effectively than a flat tax, both systems need to be supported by additional policies to truly impact development. The focus is shifting toward fairness, with growing efforts to find new ways to rebuild equity in modern societies. In this context, transatlantic and OECD comparisons show that EU tax policies, despite their imperfections, continue to serve as a global point of reference.

Although this study offers an integrated perspective on the scientific literature regarding progressive taxation in the European Union—combining bibliometric analysis with an in-depth qualitative evaluation of the relevant articles—several limitations must be noted.

Firstly, the bibliometric analysis was based exclusively on the keywords extracted from the utilised database, which means that the study relies on how authors have indexed their work. As a result, certain relevant articles may have been omitted from the selection if they did not include the targeted keywords, even if they addressed essential topics related to progressive taxation. Secondly, the co-occurrence analysis of keywords highlights only thematic proximity, not the depth or quality of the arguments. This may lead to a limited interpretation of the relationships between concepts. Although this method was complemented with a detailed qualitative analysis of the article's content, the inherent subjectivity of qualitative reading cannot be entirely excluded, particularly regarding conceptual interpretation. Lastly, the study did not include additional empirical validation (e.g., through quantitative analysis of fiscal data or expert interviews), which limits the conclusions' direct applicability to public policy. Consequently, the findings remain predominantly conceptual and analytical, providing a solid basis for future research.

Bibliography

1. Alvarez, L.H.R. and Koskela, E. (2008) 'Progressive Taxation, Tax Exemption, and Irreversible Investment under Uncertainty', *Journal of Public Economic Theory*, 10(1), pp. 149–169. Available at: https://doi.org/10.1111/j.1467-9779.2008.00356.x.
2. Alves, J. and Coelho, J. (2024) 'Two-way relationship between inequality and growth within the fiscal policy channel: an empirical assessment for European countries', *Journal of Economic Studies*, 51(8), pp. 1629–1646. Available at: https://doi.org/10.1108/JES-09-2023-0479.
3. Andersen, T.M. and Dogonowski, R.R. (2002) 'Social Insurance and the Public Budget', *Economica*, 69(275), pp. 415–432. Available at: https://doi.org/10.1111/1468-0335.00291.
4. Arcarons, J. and Calonge, S. (2015) 'Inference tests for tax progressivity and income redistribution: the Suits approach', *The Journal of Economic Inequality*, 13(2), pp. 207–223. Available at: https://doi.org/10.1007/s10888-014-9280-0.
5. Balasoiu, N., Chifu, I. and Oancea, M. (2023) 'Impact of Direct Taxation on Economic Growth: Empirical Evidence Based on Panel Data Regression Analysis at the Level of Eu Countries', *Sustainability*, 15(9), p. 7146. Available at: https://doi.org/10.3390/su15097146.
6. Baliamoune-Lutz, M. and Garello, P. (2014) 'Tax structure and entrepreneurship', *Small Business*

Economics, 42(1), pp. 165–190. Available at: https://doi.org/10.1007/s11187-013-9469-9.

7. Boeters, S. (2013) 'Optimal Tax Progressivity in Unionised Labour Markets: Simulation Results for Germany', *Computational Economics*, 41(4), pp. 447–474. Available at: https://doi.org/10.1007/s10614-012-9330-2.
8. Borissov, K., Hanna, J. and Lambrecht, S. (2019) 'Public goods, voting, and growth', *Journal of Public Economic Theory*, 21(6), pp. 1221–1265. Available at: https://doi.org/10.1111/jpet.12404.
9. Brumm, J. et al. (2022) 'Are deficits free?', Journal of Public Economics, 208, p. 104627. Available at: https://doi.org/10.1016/j.jpubeco.2022.104627.
10. Bucovetsky, S. (2003) 'Efficient migration and redistribution', *Journal of Public Economics*, 87(11), pp. 2459–2474. Available at: https://doi.org/10.1016/S0047-2727(02)00049-X.
11. Cantante, F. (2020) 'Four profiles of inequality and tax redistribution in Europe', *Humanities and Social Sciences Communications*, 7(1), p. 33. Available at: https://doi.org/10.1057/s41599-020-0514-4.
12. Chambers, C.P. and Moreno-Ternero, J.D. (2017) 'Taxation and poverty', *Social Choice and Welfare*, 48(1), pp. 153–175. Available at: https://doi.org/10.1007/s00355-015-0905-4.
13. Corado, D. and Solari, S. (2010) 'Natural law as inspiration to Adolph Wagner's theory of public intervention', *The European Journal of the History of Economic Thought*, 17(4), pp. 865–879. Available at: https://doi.org/10.1080/09672567.2010.511871.
14. David, P. (2019) 'Optimization of Gini Coefficient Affected by Imperfect Input Data', *European Journal of Business Science and Technology*, 5(1), pp. 21–29. Available at: https://doi.org/10.11118/ejobsat.v5i1.160.
15. Doerrenberg, P. and Peichl, A. (2013) 'Progressive taxation and tax morale', *Public Choice*, 155(3–4), pp. 293–316. Available at: https://doi.org/10.1007/s11127-011-9848-1.
16. Działo, J. (2015) 'Tax Competition Or Tax Coordination? What Is Better For The European Union?', *Comparative Economic Research. Central and Eastern Europe*, 18(2), pp. 37–55. Available at: https://doi.org/10.1515/cer-2015-0011.
17. Elsässer, L., Fastenrath, F. and Rehm, M. (2023) 'Making the rich pay? Social democracy and wealth taxation in Europe in the aftermath of the great financial crisis', *European Political Science Review*, 15(2), pp. 194–213. Available at: https://doi.org/10.1017/S1755773922000510.
18. Eydam, U. and Qualo, H. (2024) 'Income inequality and taxes – an empirical assessment', *Applied Economics Letters*, 31(18), pp. 1828–1835. Available at: https://doi.org/10.1080/13504851.2023.2208328.
19. Fabiani, M. (2024) 'Wealth polarization in western countries', *Structural Change and Economic Dynamics*, 71, pp. 557–567. Available at: https://doi.org/10.1016/j.strueco.2024.09.004.
20. Ganghof, S. (2005) 'Globalization, Tax Reform Ideals and Social Policy Financing', *Global Social Policy*, 5(1), pp. 77–95. Available at: https://doi.org/10.1177/1468018105050121.
21. Georgescu, F., Cazacu, A.-M. and Cojocaru, A.-M. (2020) 'Weak Redistribution Dampens Economic Growth and Causes Strong Social Tensions', *Romanian Journal of Economic Forecasting*, Institute for Economic Forecasting, (4), pp.154-169.
22. Guvenen, F., Kuruscu, B. and Ozkan, S. (2014) 'Taxation of Human Capital and Wage Inequality: A Cross-Country Analysis', *The Review of Economic Studies*, 81(2), pp. 818–850. Available at: https://doi.org/10.1093/restud/rdt042.
23. Hauck, T. and Wallossek, L. (2024) 'Optional (non-)filing and effective taxation', *Journal of Public Economics*, 238, p. 105187. Available at: https://doi.org/10.1016/j.jpubeco.2024.105187.
24. Hesami, S., Jenkins, H. and Jenkins, G.P. (2024) 'Digital Transformation of Tax Administration and Compliance: A Systematic Literature Review on E-Invoicing and Prefilled Returns', *Digital Government: Research and Practice*, 5(3), pp. 1–20. Available at: https://doi.org/10.1145/3643687.
25. Jacobs, B. (2007) 'Real options and human capital investment', *Labour Economics*, 14(6), pp.

913–925. Available at: https://doi.org/10.1016/j.labeco.2007.06.008.

26. Joumard, I., Pisu, M. and Bloch, D. (2012) Less Income Inequality and More Growth – Are They Compatible? Part 3. Income Redistribution via Taxes and Transfers Across OECD Countries. 926. Paris: *OECD Publishing*. Available at: https://doi.org/10.1787/5k9h296b1zjf-en.
27. Koskela, E. and Puhakka, M. (2006) 'Indeterminacy and Stabilization of Endogenous Cycles with Balanced-Budget Distortionary Taxation', *FinanzArchiv*, 62(2), p. 149. Available at: https://doi.org/10.1628/001522106X120631.
28. Ledić, M., Rubil, I. and Urban, I. (2023) 'Tax progressivity and social welfare with a continuum of inequality views', *International Tax and Public Finance*, 30(5), pp. 1266–1296. Available at: https://doi.org/10.1007/s10797-022-09752-y.
29. Lockwood, B., Sløk, T. and Tranaes, T. (2000) 'Progressive Taxation and Wage Setting: Some Evidence for Denmark', *The Scandinavian Journal of Economics*, 102(4), pp. 707–723. Available at: https://doi.org/10.1111/1467-9442.00222.
30. Meixnerová, L. and Krajňák, M. (2020) 'Macroeconomic Time Series Affecting the Minimum and Average Wages of V4 Countries', *E+M Ekonomie a Management*, 23(4), pp. 4–22. Available at: https://doi.org/10.15240/tul/001/2020-4-001.
31. Monastiriotis, V. (2011) 'Making geographical sense of the Greek austerity measures: compositional effects and long-run implications', *Cambridge Journal of Regions, Economy and Society*, 4(3), pp. 323–337. Available at: https://doi.org/10.1093/cjres/rsr026.
32. Moyes, P. (2003) 'Redistributive effects of minimal equal sacrifice taxation', *Journal of Economic Theory*, 108(1), pp. 111–140. Available at: https://doi.org/10.1016/S0022-0531(02)00016-9.
33. Nam, C.W. and Zeiner, C. (2015) 'Effects of Bracket Creep and Tax Reform on Average Personal Income Tax Burden in Germany', *SSRN Electronic Journal* [Preprint]. Available at: https://doi.org/10.2139/ssrn.2706509.
34. Oddou, R. (2023) 'Inequalities and segregation: can welfarist local governments struggle against both simultaneously?', *Review of Economic Design*, 27(4), pp. 849–866. Available at: https://doi.org/10.1007/s10058-023-00326-w.
35. Orain, A. (2010) 'Progressive indirect taxation and social justice in eighteenth-century France: Forbonnais and Graslin's fiscal system', *The European Journal of the History of Economic Thought*, 17(4), pp. 659–685. Available at: https://doi.org/10.1080/09672567.2010.501108.
36. Schöb, R. and Koskela, E. (2009) 'Is Tax Progression Good for Employment? Efficiency Wages and the Role of the Prereform Tax Structure', *FinanzArchiv*, 65(1), p. 51. Available at: https://doi.org/10.1628/001522109X444206.
37. Screpanti, E. (2014) 'Progressive Taxation and the Distribution of Freedom', *Review of Political Economy*, 26(4), pp. 618–627. Available at: https://doi.org/10.1080/09538259.2014.954345.
38. Silvant, C. (2010) 'Gustave Fauveau's contribution to fiscal theory', *The European Journal of the History of Economic Thought*, 17(4), pp. 813–835. Available at: https://doi.org/10.1080/09672567.2010.500738.
39. Stiers, D. et al. (2022) 'Support for progressive taxation: self-interest (rightly understood), ideology, and political sophistication', *Journal of European Public Policy*, 29(4), pp. 550–567. Available at: https://doi.org/10.1080/13501763.2020.1866054.
40. Țibulcă, I.-L. (2022) 'The impact of the COVID-19 pandemic on tax revenues in the EU', *Economic Research-Ekonomska Istraživanja*, 35(1), pp. 2442–2459. Available at: https://doi.org/10.1080/1331677X.2021.1954967.
41. Tjan, J.S. (2024) 'The Role of Tax Systems in Reducing Income Inequality: A Literature Review', *Advances in Taxation Research*, 2(1). Available at: https://doi.org/10.60079/atr.v2i1.290.
42. Vlad, C. and Brezeanu, P. (2015) 'European Taxation – Between Flat And Progressive Tax', *Strategica*, p. 528.
43. Vörös, G., Kodenko, J. and Komáromi, K. (2010) 'Flat rate personal income tax', *Public Finance*

Quarterly, Corvinus University of Budapest, vol. 55(2), pp. 357-374.

44. Vržina, S. and Luković, S. (2023) 'Taxes and income inequality in the European Union: A quantile regression approach', *Ekonomika preduzeca*, 71(5–6), pp. 325–342. Available at: https://doi.org/10.5937/EKOPRE2306325V.

45. Widmalm, F. (2001) 'Tax Structure and Growth: Are Some Taxes Better Than Others?', *Public Choice*, 107(3/4), pp. 199–219. Available at: https://doi.org/10.1023/A:1010340017288.

46. Zimčík, P. (2020) 'Tax Wedge in Labour Market', *International Scientific Conference Economic And Social Policy: Economic and Social Challenges for European Economy*, pp. 583-593.