

## INTRODUCTION

The beginning of the 21<sup>st</sup> century is a period of when crucial changes in the public finances of European countries were introduced. Two new phenomena had a decisive impact. Firstly – the introduction of the Euro in twelve European Union member states, followed later by several other countries, and the associated requirements on national budgets. Secondly – the process of EU enlargement by twelve new states (in 2004 and 2007). This last phenomenon has instigated the crucial compliance process, which includes the field of public finance in the new accession countries.

The purpose of this publication is to present the most significant public financial reforms in selected European countries. Admittedly, most of the texts concern the European Union countries; however the remit of this publication has also been intentionally broadened to include non-EU member states. Thus there are studies referring to Belarus, Russia and Ukraine proving that some problems of public finance reforms are common for all European states, despite the widely diverging circumstances in their implementation. That in itself is an argument which spells out the necessity and legitimacy of conducting European-wide research.

Taking into consideration the conditions mentioned above it may be stated that the reforms of public finances in the 21<sup>st</sup> century referred to a wide range of issues and occurred with a diverse intensity in different European countries, which was taken into account in the subjective work. Two tendencies, however, were dominant and novel in that scope. Firstly, the reforms aimed at improving the effectiveness of public finances management. The reforms were comprehensively conducted in the said period in France whereas many other countries have just started or are preparing for them. On the other hand there is a trend to introduce and popularize the flat tax rates in income taxes in many countries, largely in the Central and Eastern Europe. The two issues are mainly referred to in most of the articles.

The underlying concept behind this publication is objective in nature, emphasizing the basic areas of public financial reform in Europe. It begins with the general concepts concerning the whole of public finance (part I). Critical issues include the budgetary system of the state (part II), although they also appear in part I. Part III focuses on local and regional finance. Part IV, the longest part, concerns widely understood reforms of taxes (including tax enforcement problems) and tax administration. In part V current problems in social security and health service reforms are presented from many European countries. Part VI refers to other issues of

public finance reforms, including problems in benefits. The layout of the publication in the particular parts despite of diverse importance and subject – matter of the articles was presented in alphabetical order taking into consideration the authors' (or the first co-author's) surnames.

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