

ABSTRACT

of the thesis

“Fiscal sustainability as a constitutionally protected value in Poland in comparative perspective”

author: mgr Łukasz Kielin

written under the supervision of dr hab. Anna Jurkowska-Zeidler, prof. UG and

dr hab. Piotr Uziębło, prof. UG

(English version)

The issue of limiting public debt and budget deficit is one of the elementary factors ensuring stability of public finances. Limiting, or at least maintaining at a certain level, the public debt is a desirable action, therefore, both law-making procedures as well as political declarations are of crucial importance. Adopted legal regulations directly affect the economy and may cause some restrictions on the fiscal policy. In this context, constitutional fiscal rules assume special significance - legislators, by introducing debt or deficit limits into constitutional level, give fiscal sustainability particular importance and enhance it to the rank of a co-creator of the political system.

The thesis presents a comparative study and considerable deliberations on the subject of constitutional fiscal rules and the evaluation of such instruments. The research covers Polish law, domestic law of selected EU countries, i.e. Germany, Spain, Italy, Hungary, Slovakia and Slovenia, as well as some aspects of the EU law. The delimitation of countries included in the comparative analysis was primarily dictated by the introduction of constitutional fiscal rules in above mentioned countries at the time of the global financial crisis.

The dissertation demonstrates three basic research aims. First task was to identify the basis for recognizing fiscal sustainability as a protected value in the light of the Polish Constitution. The second one was the characterization of the constitutional norms regulating the issues of national public debt and budget deficit in comparative perspective. Third - to indicate the factors that may negatively affect the effectiveness of constitutional fiscal rules and to present *de lege ferenda* postulates in relation to the comparative research conducted.

The analysis carried out in the dissertation aims to verify the main hypothesis according to which **fiscal sustainability is a protected value in the light of the Constitution of the Republic of Poland, however, the adopted provisions should be modified with the aim of providing more comprehensive protection against excessive debt.** The conclusion to the

dissertation confirmed the correctness of the foregoing hypothesis, which was supported by the verification of the specific, consecutive hypotheses formulated in the thesis, according to which:

1. Fiscal sustainability is a difficult concept to define unambiguously, but it cannot be identified with budget balance.
2. The basis for recognizing fiscal sustainability as a constitutionally protected value is the first of all constitutional fiscal rules, in particular, article 216 paragraph 5 of the Constitution of the Republic of Poland. The recognition is also supported by the content of Article 220 of the Constitution of the Republic of Poland and the principle of common good expressed in Article 1 of the Constitution of the Republic of Poland. Constitutional protection, on the other hand, does not guarantee the budget balance.
3. Constitutionalisation of fiscal rules, which is to ensure permanent protection against excessive debt, constitutes a response to the deteriorating condition of public finances.
4. The Polish constitutional solutions, aimed at ensuring fiscal sustainability, in principle, provide effective protection against excessive debt, but the intentions of the legislator may be modified through changes at the statutory level, therefore, the adopted rules need to be modified.

The dissertation consists of an introduction, four chapters and conclusions. The first chapter contains strictly theoretical considerations on general issues of fiscal sustainability. The starting point was to present difficulties in defining the concept of fiscal sustainability, to indicate its multidimensionality and to try to define it. The chapter also refers to the evolution of fiscal policy, presentation of instruments limiting the debt accumulation. It also discusses the basic institutions protecting stability regulated by the EU law.

The second chapter refers to the issue of constitutionalisation of fiscal policy rules, indicating its importance and relevance for public finances. The considerations included a historical approach to the discussed matter, as well as a presentation of the effects of the 2008 financial crisis on the European constitutional orders. Additionally, the causes and consequences of the introduction of fiscal rules into the constitutional domain are discussed.

In the further part of the work, in the third chapter, the issue of analysis of constitutional instruments for limiting the budget deficit is presented. The starting point was the indication that the principle of the budget balance, is not a value protected under the Polish Constitution. However, such protection cannot be denied to fiscal sustainability. For this purpose, the

constitutional provisions regulating the problem of budget deficit have been analysed and compared with other constitutional norms adopted in the analysed states.

The fourth and final chapter analyses the constitutional debt limit and compares it with other constitutional fiscal rules. For this purpose, the problem of application of such rules has been discussed, referring to their categorical character and relations between constitutional fiscal rules and the EU law. The chapter also addresses the doubts that have been raised about such instruments and attempts to assess their effectiveness.

The thesis employs following research methods: legal-dogmatic, comparative, analysis of statistical data as well as -albeit to a limited extent – axiological and historical.