

FOREWORD

This book is the result of a year of research, during which some eminent experts and academics from the featured countries worked on the subject and wrote chapters on the EU and individual countries. In organising the research, we sought to ensure that the subject was presented by local researchers with expertise in the legal systems of each country while also drawing on the literature of the country concerned. The focus was naturally on EU economic governance, providing a coherent framework for analysing national legislation. In addition to Member States, the book examines the legal system of Serbia, a country that is about to join the EU, and describes how an applicant country sees the problems and challenges of EU regulation.

The European Union (EU) has faced a series of major challenges in recent years, which have increased the importance of fiscal and monetary policies. Economic governance at the EU and member-state levels deviated from the traditional framework, leading to extraordinary measures. However, after extraordinary governance, a return to normality is required. However, the question remains whether the traditional economic governance framework is appropriate for dealing with new situations or whether policymakers need to consider new solutions.

It is in the interests of the European Union and its member states to have competitive, economically, and socially balanced countries. Economically developed states should ensure a high standard of living and maintain the conditions required for the welfare state to function. One challenge is defining a single set of standards for states with different levels of development. A sustainable, economically developed European Union can only be built from a balanced group of Member States, which requires a defined framework. However, the responsibility for achieving the objectives of economic governance and tackling the problems lies with the Member States. This situation is a source of conflict in the short term, even if the objectives of the Member States and the Union coincide in the long term.

This book aims to present and analyse the regulatory models of some Member States in the area of fiscal and monetary policy based on the economic governance of the European Union. The book focuses on eight Central European countries, describing their economic governance, and consists of two main sections: fiscal and monetary policies. The fiscal section comprises three sub-chapters: public finance

János Ede Szilágyi, Zoltán Nagy (2024) 'Foreword'. In: Zoltán Nagy (ed.) *Economic Governance. The Impact of the European Union on the Regulation of Fiscal and Monetary Policy in Central European Countries*, pp. 23–50. Miskolc–Budapest, Central European Academic Publishing.

https://doi.org/10.54237/profneta.2024.znecogov_0

budgeting, aid policy, and taxation. These were considered key areas within the fiscal policy for EU regulation.

The chapter on public finances presents the application of EU standards on budget deficits and public debt to domestic regulations, alongside EU legislation. The framework, regulation level, and stringency of sustainable fiscal management vary across Member States. Furthermore, despite many similarities, handling exceptional situations (economic and pandemic crises) is subject to different rules at the member-state level. The solutions and results of this crisis serve as examples for future regulations.

The second chapter in the fiscal section deals with aid policy issues. The EU chapter focuses on EU State aid law, its main areas of analysis, and the Commission's recent position in relation to State aid procedures. The country chapters present Member States' aid policies and the relationship between these policies and EU aid rules, focusing on areas of conflict.

The third chapter in the fiscal section addresses taxation issues, showing the balance between Member States' fiscal sovereignty and various EU legal principles. The country chapters focus on tax sovereignty, tax harmonisation, and the fight against tax evasion. Of particular interest are the positions of Member States in the global minimum tax and the relationship between tax sovereignty and tax competition. The chapters also provide insights into Member States' views on tax harmonisation at the EU level. The fight against tax evasion is a key interest of Member States and is facilitated by implementing EU rules.

The second major section deals with monetary policy issues. This chapter analyses the issue of joining the Euro area, presenting the advantages and disadvantages and the reasons for some Member States' insistence on independent monetary policy. The experience with banking union arrangements is presented, as well as the issues of the division of powers between the Union and the Member States. The chapter also covers the monetary aspects of crisis management, analysing monetary policy instruments and their effectiveness in EU and non-euro countries.

We hope the reader will gain a comprehensive analysis of economic governance in Central European countries and a better understanding of the economic policies and legal regimes that underpin them in countries that have historically followed similar development paths.

By researching this topic, we also contribute to the Presidency of the Council of the European Union in 2024. The possibilities and conditions for this research were provided by the Professorial Network Program of the Central European Academy at the University of Miskolc.

Budapest, 14 May 2024

Prof. Dr. János Ede Szilágyi
Series Editor

Prof. Dr. Zoltán Nagy
Editor