

Mgr Katarzyna Błażuk

„Local government units debt limitation in the context of public finance stability”

The main objective of the doctoral dissertation is to verify the research hypothesis that the constitutional value of public finance stability has a significant impact on limiting the debt of local government units in Poland. The stability of public finance is such an important value that the principles constituting the activity of local government in Poland, such as: the principle of decentralization of public authority, the principle of financial independence of local government units, the principle of adequacy or stability of finance of local government units, as well as the principle of local government units access to the capital market, should serve its implementation, and their interpretation should take this value into account. The dissertation also attempts to assess current legal solutions limiting the indebtedness of local government units in Poland in regard to the correctness of their legislative formulation and effectiveness, in order to prove the additional thesis that the mechanisms for limiting the indebtedness of local government units in Poland, as defined in the Public Finance Act of 2009, amended by the Act of 2018, are not fully optimal and effective. Specific research questions developing this goal have been formulated in the dissertation. Moreover, the dissertation contains *de lege ferenda* postulates for improving the transparency and efficiency of the mechanisms mentioned above.

The methodology adopted for the purposes of the dissertation assumed resorting to the methods typical of legal sciences. They included the legal-dogmatic method, the historical-legal method and the legal-comperative method. In order to verify the main research hypothesis, more than 65 rulings of the Constitutional Court as well as judgments of administrative courts have been analysed. Due to the link between the analysed topic and economic sciences, the findings were also made by using a methodology appropriate to these fields of science, including the empirical method. A broad approach to the subject of research means that the dissertation acquires an interdisciplinary character, thus inscribing in the current world research standard. However, which needs to be emphasized, economic considerations are of complementary importance, constituting the background for an in-depth analysis of legislative solutions.

The Constitution provides for the protection of many values, but it does not specify their hierarchy and does not provide grounds for the full resolution of conflicts of principles and

values. However some directives in this field have been formulated by the Constitutional Court. The analysis of the most recent rulings of the Constitutional Court leads to the conclusion that it has given particular importance to the constitutional value of sustainable public finances. The Constitutional Court has emphasised the importance of budgetary balance and sustainability of public finances, as reflected, in particular, in its directive to harmoniously reconcile constitutional values with the priority of budgetary balance and sustainability of public finances. However, particular concern should arise from the increasingly frequent justification by the Constitutional Tribunal of the legislator's actions leading to interference and limiting the independence of local government. The jurisprudence of the Constitutional Tribunal has strengthened the view that the protection of constitutional values other than the independence of local government, if their protection was given priority in the legislator's election, justifies his actions leading to interference in that independence. The financial independence of local government units is subject to numerous restrictions, related to, *inter alia*, public debt management procedures, financing of the budget deficit, limiting the liabilities of local government units, prudential and sanitation procedures, or control over the activities of local government units. However, as demonstrated, the indebtedness of the local government subsector only slightly contributes to the creation and increase of public debt.