Exchange rate regimes in the central European countries (Theoretical aspects versus practical experience) Part 2

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A consistent choice of and flexible adjustments to monetary policy frameworks and exchange rate regimes were behind the crucial economic policy decisions taken during the transition process in central European countries. Low credibility of monetary authorities, a lack of foreign exchange reserves and high inflation differentials represented substantial constraints and difficulties related to sustainability of pegged exchange rate regimes at the beginning of the transition process. Unbalanced economic growth, sharply growing external trade openness and high foreign capital inflows accompanied corresponding adjustments in exchange rate regimes toward more flexible arrangements. The ERM2 membership prospects affected key monetary and exchange rate policy decisions in the last decade. In the paper we provide a brief overview of the exchange rate regime evolution in the central European countries during the period of last two decades, emphasizing key features of particular stages in the process of exchange rate regime adjustments. (p. 2)

Fiscal space in the euro area

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Using data from 1995 to 2008, debt limits in the European Union have been derived in our work from budget reactions to debt before the crisis. We have suggested our approach based on an IMF paper (Ostry, 2010) and estimated the fiscal reaction functions and implied critical debt levels of EU governments. Since many countries had not taken advantage of boom years for their consolidation, the fiscal space – availability of debt financing – in the euro area has shrunk, especially in the countries where the response to rising debt levels was weak in the past. In conclusion, a need for structural changes in budgetary policy is stressed (an upper shift in the reaction to debt) or governments may run a risk of default when fiscal space has been negative or squeezed. (p. 9)

Tax systems in Scandinavian countries
Part 2 Norway, Finland and Iceland

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Scandinavian countries belong to advanced economies with a high standard of living and generous welfare systems. Owing to these systems, Scandinavian countries are frequently called as "social states". For Nordic tax systems, a high degree of solidarity and a high rate of taxation are typical. They are considered to be relatively complex, but fair and efficient, representing a firm foundation of these "social states". They have many supporters as well as opponents. In the first part of the article, tax systems of Denmark and Sweden are introduced together with basic facts about direct and indirect taxes. Their specific and interesting features are also described. The second part focuses on Norway, Finland and Iceland, and in its conclusion, views of these tax systems' supporters and opponents are presented. (p. 15)

Austrian pension system

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The article contains the basic information about the structure of pension system in Austria. It focuses on the third pension pillar structure, number of contributors to individual pillars, number of pension beneficiaries, as well as developments in calculating pensions as a percentage of former salary (in 2010 it reached the value of 71.70%). The second pillar consists of occupational pension funds, which are managed by private pension funds. They are represented by two groups of funds - internal pension companies (in 2011 they were 11) and pension companies that provide management for a wide range of employees and civil servants. Since 2002 Austrian citizens have also had the option to use the third pillar as a supplementary form of their insurance plans. It can be realized through life insurance or private investment savings with state premium. This form has been used by more than 1.5 million citizens. (p. 20)

Bank client satisfaction survey in Slovakia and the Czech Republic

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Commercial banks, like other business entities, achieve their primary targets by selling banking products and services to their clients. Thus, in this context, bank clients have an important position because, while buying banking products, they improve profitability of banks and support their competitiveness. The aim of the article is to quantify the overall satisfaction of Slovak banking clients, significant factors of their satisfaction and dissatisfaction and to compare the results with the situation in the Czech Republic. The article also provides an analysis of selected feelings of banking clients that impact on shaping clients' satisfaction. Based on our questionnaire survey, it may be concluded that the overall satisfaction rate of the Czech and Slovak customers is about the same. The most important factors of satisfaction and dissatisfaction of the Czech and Slovak banking clients are the same and a degree of their importance is also very similar. The intensity of satisfaction and dissatisfaction of the Czech and Slovak banking clients is slightly different within various social groups. The Slovak and Czech banking clients, similar to clients in other European countries, experience a law rate of interest in addressing their financial needs and consider prices of banks as high. (p. 27)