

FINANCIJSKE TEME I DILEME – DOPRINOS RASPRAVI O
FINANCIJSKIM REFORMAMA U ZEMLJAMA U TRANZICIJI,
Pero Jurković, 2006, Faculty of Economics and Business and Mikrorad,
Zagreb, 276 pp.

Review*

In the last twenty years Croatia has traversed the thorny road from self-managing socialism to independence and to making the transition to a market economy, then the period of a war of aggression and the transition process, which is still going on. The switch to a market economy meant a series of adjustments and reforms in the financial system, all aimed at economic development and the maximisation of social welfare.

The book *Financial Themes and Dilemmas* of Pero Jurković, as the title itself indicates, is a contribution to the debate on financial reforms in the transitional countries, and constitutes a unit in which the issues of the Croatian financial system in the last score of years are covered from all aspects. The book, more precisely a collection of papers, contains primarily the author's academic papers, but interviews too, and other works that were created between 1985 and 2005. In this period the author had an active part to play in the development and reform of the Croatian financial system, as full professor in the Faculty of Economic & Business in Zagreb, governor of the Croatian National Bank, and adviser of the President of the Republic of Croatia. The author is well-rounded and professionally competent, which has led to the development of a series of works related to public finance, fiscal and monetary policy, financial institutions and the markets, in short, to the financial system as a whole.

The book consists of 21 articles, eight of which are in English and the rest in Croatian. They are grouped in no particular order, but can be divided according to the periods in which they were written, and according to the precise topic that they are addressing.

The first group, then, would consist of papers from the pre-independence period dealing with the financial issues from the then current aspect of self-management. This group would also include papers from the early 1990s, the time of the acquisition of independence. Papers from the broad area of public finance stand out, and they can be divided into two sub-sets. The first consists of works that deal with the issues of the fiscal system and fiscal politics: *Designing a Tax System to Promote Structural Change*^e, *The Yugoslav Fi-*

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*scal System at the End of the Eighties, Financial System in the Context of Overall Changes of the Economic System, Possibilities of Contributions of Fiscal and Monetary Policy in the Resolution of the Matter of Economic Stabilisation and Development*¹, *Corporate Taxation for the Purpose of Development, Taxation Policy and Conception for the Development of the Fiscal System in Croatia*. The second sub-group is defined by works from the domain of financing social activities: *A New Approach to Financing Social Services in a Socialist Self-managing Country*^e, *Economic Aspects of Health Care and Health Protection, Value for Money in Diabetes Care*² and *Economic Theory Aspects of Social Insurance*.

From the titles it can be seen at once that topics dealing with the problems of the tax system as it then was prevail, together with problems of the construction of a new tax system more appropriate to the market economy. The entire fiscal system is also looked at in the light of the total changes of the period, characterised by high inflation and the need for a stabilisation of the economy and structural changes. The second sub-group deals with the issues of financing social activities, above all of health care, the study of which occupied the author very intensively during his research life and concerning which he has published several more books and textbooks.

The second major group consists of works after the acquisition of independence, or works that directly treat of financial reform and the transition process in Croatia:

Financial Reforms in Croatia^{e3}, *Constraints of Monetary Policy for Transition Economies*^e, *The Financial System of Small Countries in Conditions of Globalization, Globalization and Taxation*^e, *Banking System Development in Croatia*^{e4}, *The Interaction of Fiscal and Monetary Policy with Special Reference to the Role of the Manner of Financing the Public Debt during Exchange Rate Appreciation, Fiscal Policy in Croatia in the 1994-2000 Period, Currency Stability is not Everything, but It Is the Premise for Everything, Once More about the Strategy for Economic Development in Croatia and Croatian Identity and Economic Interests in the Process of Globalisation*.

The concept of financial reform should be looked at in the broadest possible sense, for just as can be seen from the actual titles, the papers cover various financial areas, such as monetary policy, banking, taxation and fiscal policy. In all the papers, the transition process is emphasised, and since with the years this process has slowly faded into the background, topics related to globalisation and the recurrent problem of economic development have become increasingly frequent. Apart from the main body of works from the area of public finance, which is the author's primary domain, Professor Jurković has given us a number of papers about monetary policy and banking, and one that is particularly worth mentioning is the issue of the exchange rate and currency stability.

As academic researcher and expert in finance, Pero Jurković had the chance to take part directly in the creation of the new state of Croatia and its financial system. Our fi-

¹ Co-authored with Guste Santini.

² Articles marked ^e were originally published in English (tr.).

³ Co-authored with Marko Škreb.

⁴ Co-authored with Mate Babić and Velimir Šonje.

nancial system is still in development and coming upon new challenges. There can be no doubt that Jurković has built part of himself and his knowledge into it, and this will be of certain help to all who will be taking part in the further development of the Croatian financial system.

The publication was not printed as a commercial venture, and it will be possible to find it on the whole in the libraries of economics faculties, of research institutes from the area of economics, finances, health care and in the libraries of other economic and financial institutions such as banks and institutes of various kinds. The papers can be found in separate publications and journals, but many of these were published abroad and relatively inaccessible to the Croatian scientific and specialised public.

For all these reasons, the book will serve well all those who deal with finances, particularly younger scientists who, fortunately for them, did not have to encounter most of the problems related to the system of that time, of the transition and the development of the Croatian financial system. Giving me a copy of the book, the author mentioned that the objective of it was to give one more insight into the problems of the finance system and financial policies in the transition countries, and that he hoped that a contribution would be made to further discussion of this very complex and interesting material by an analysis of the contents. To get into a detailed review of any of the individual papers would make this article much longer, and it would be unfair to privilege a given article over the others. We leave it, then, for the readers to find themes from the immediate area of his or her own work in the book, and, as the author expressly wishes, to analyse critically and include them in independent work of their own.

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