

**DEFICIT AND DEBT OF GENERAL GOVERNMENT SECTOR IN EU COUNTRIES
IN THE PERIOD OF 1998-2005**

Summary

The deficit and debt of local and state government is much lower than the deficit and debt of central government. The deficit and debt of local and state government is higher in countries from so called Old European Union compare to New Member States. The share of debt of local and state government is about 10 percent of the debt of general government. The level of deficit and debt of local government in Poland is close to the average level for all countries in European Union. The possibilities of incurring the debt of local and state government depend on their financial condition and law regulations in this field but they are diverse.