



Public Finance Public Revenues

Public finance can be defined as “the science which studies public expenditures and public revenues, and to control the same by way of a certain strategy for specific period, with the purpose of achieving the political, social and economic objectives of the State.”

Indeed, the public finance has a significant role in the life of the modern state, as it reflects the economic situation and the political circumstances of the state, and it also indicates whether such state has an advanced or backward economy.

Similarly, public finance is affected by the political circumstances of the state, as to instability and chaos, insecurity and risks; in which case, the state will need to pay more for compensations and social aid; and meanwhile, the state will attempt to increase revenues to meet the aforementioned losses, and to be able to spend. If the public finance affects the economic system of the state, undoubtedly, the public finance is also affected by the economic system; as they are both in need of each other. However, the state makes expenditure to meet its various obligations, social, economic and political, in order to satisfy public needs, as per its sovereignty and power, and it accordingly determines the size and sources of public revenues, including tax, fees and loans. However, in order to realize such purpose, the state shall improve the method of financial management by keeping the balance between the annual public expenditures and public revenues.