

The topic of the thesis are issues related to the government debt financing. Nowadays, the issue of the state debt is becoming more and more topical, especially as a result of the hundreds of billions of Czech budget deficits. Moreover, it is an area that affects directly or indirectly every person in the Czechia. It is therefore desirable to address the subject thoroughly, because it is an issue that has a multi-generational dimension and the consequences of today's budget negotiations may cause very unpleasant consequences for future generations. Although the level of Czech debt is relatively low compared with the countries of the European Union, in the fourth quarter of 2022, the Czech Republic became, by a wide margin, the fastest-debting country in the European Union.

The thesis is divided into three parts. The first part introduces the reader to the issues and describes the key mechanisms of the functioning of the state budget. It describes what the national debt is, what its causes are and why the national debt has been growing steadily by orders of magnitude higher in recent years than it has been in the past decade. Mandatory and quasi-mandatory expenditures are identified as a major problem for public finances in the Czechia and is given special attention, including a model example that highlights the risks associated with these types of spending.

The second part of the thesis describes the key consequences of the existence of the national debt, with the rapidly rising costs of servicing the national debt and inflationary pressures causing a decline in savings, especially among low-income groups, being crucial for the majority of the Czech population.

Considering that mandatorial and quasi-mandatorial expenditures have been evaluated in the thesis as an essential construct of public finances, the third part of the thesis proposes savings in the area of quasi-mandatorial expenditures, specifically in the form of a reduction in the number of state employees. The calculation, even though it assumes a rather ambitious reduction in the number of civil employess, gives a picture of how difficult it is to find savings in the order of units of billions of crowns, knowing that the state budget deficits since the outbreak of the covid-19 pandemic have been in the order of hundreds of billions of crowns.