

Abstract

The basic goal of diploma thesis „The Propensity to Government Budget Deficit: Analysis of the Influence of Political Cycle on Czech Fiscal policy” is to identify fundamental factors which influence decisions about the size of government budget balance and to analyze the influence of political cycle on the volume and structure of government expenditures in the period of 1993-2009.

Analysis is based on theories which are connected to the areas of public sector, state and its function, public finances, government budget, the process of generating budget, political cycle, political parties and europeanization.

The problem of propensity to budget deficits is structured using dimensional analysis and problem tree. The influence of political cycle is verified by using the combination of qualitative analysis of policy documents and quantitative analysis of specific indicators.

Analysis classifies external and internal factors influencing the tendency to deficit budgeting. Political cycle is one of those internal factors because it is affected by the decision making process of political representatives. The influence of political cycle on the volume of government expenditures and the expenditures of the Ministry of Labor and social affairs could not be demonstrated on data. Otherwise, there is possibility of existence of the influence on the volume of one concrete social benefit, the birth grant. There are formulated some recommendations for further research on the basis of this analysis.