

Changes in investment behaviour of municipality in relation to current trends of the national economy: case study of Hradec Králové region

Abstract

The aim of this bachelor's thesis was to analyze the influence of the changing economic trends at the national level to the investment behaviour of municipality of different size categories. Specifically whether the local governments stabilized each phase of economic cycle by their own interventions between the years 2001 and 2012 and helped to smoother economic development. Null hypothesis expected that bigger townships are more influential in the stabilization of economy than the smaller ones. In the first theoretical part of the thesis there were analyzed the types of economic cycle, literature, each components of municipal budget and last but not least, there were presented brief characteristics of the development of Czech economy. The study focused on selected municipalities of Hradec Králové region which were divided into four size-based categories. Statements about economic policy of each category were set up using the capital expenses and information gained during the interviews. Despite the fact that in most cases municipalities behaved as stabilizer of economic development, null hypothesis wasn't validated.

Keywords: economic policy, anticyclical policy, municipality, capital expenditures, Hradec Králové region