

Abstract

The aim of the thesis "The economic policy of the Czech Republic in the background of the political cycle" is to analyze whether the size of the state budget and revenue and expenditure is influenced by the political cycle or not. The main goal of this work is to find out whether the size of the state budget and its individual parts are affected by the political cycle and at the same time also make assessment of that whether the current political cycle is manifested in the selected macroeconomic variables or not. Next, I will analyze the evolution of the unemployment and inflation rates and then determine whether the individual variables are affected because of the ongoing political cycles or their development would have been comparable, if there would not be the functioning of the political cycle.

The thesis will be taken into account the conclusions and outcomes of the theory that areas are involved in the political cycle. The aim of this work will be to confirm or refute the hypothesis political cycle in the Czech Republic and to find out whether there is a growing state budget deficits particular pre-election and election year, extensive easing of fiscal policy and whether budget deficits are a natural result of the struggle for votes between political parties or not. The influence of the ongoing political development cycle on the selected variables will be analyzed through quantitative indicators, as well as opinions and analysis documents during each election period published.

Then compare the evolution of the state budget of the Czech Republic to the development of the state budget of Finland during the same time period in relation to the development of gross domestic product. The last part of the thesis will then draw conclusions and possible recommendations for further decisions on public policy.