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DEALING WITH THE STATE BUDGET: AN ECONOMIC APPROACH

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Abstract

This year the public budgets deficit will be CZK 208.8 billion, or 5.7 percent of GDP, and public debt will grow to 38.4 percent of GDP. The central government's budget deficit (CZK 166.7 billion, or 4.5 percent of GDP) plays a dominant role in the total deficit as well as in the debt growth. Fighting the deficits is one of the new government's main priorities. How should fighting the deficit play out in the prepared 2011 budget and in further steps to reform public finances? How to reduce the deficit efficiently and sustainably? What should be the government's budget priorities?

[Download](#) the complete study (in Czech only).

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