

Czech University of Life Sciences Prague

Faculty of Economics and Management

Department of Economics



Summary of Bachelor Thesis

Economic Growth: A case study of the Czech Republic

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Summary:

This Bachelor thesis deals with economic growth within the area of the Czech Republic. Selected time period is dated since 1989 until present. Theoretical part is focused on description of individual economic thinking and theories across the history together with description of factors of production, whereas the economic growth is not possible without them. Economics as a science originates in ancient times and with its evolution testifies a lot about the functioning of nowadays world. In individual chapters there are introduced factors which influence the economic growth together with macroeconomic indicators.

The second part of the thesis is focused on the Czech Republic, there are individually presented basic information about economic and political environment in selected years. In the end of each chapter there is evaluation together with overview of macroeconomics indicators in selected periods of time. The development of economic indicators is described in the thesis since the year 1995 until now.

The next part of the thesis collects and evaluates the empirical research based on the macroeconomic indicators, which include: gross domestic product, inflation, unemployment and trade balance.

The final part of the thesis deals with the summary of findings from practical part in confrontation with the wider point of view from several significant personalities of the Czech economic and political scene.

Keywords:

Theory of economic growth, economic development, gross domestic product, inflation, unemployment, balance of trade, factors of production, EU.

Objectives:

The aim of this thesis is to describe the evolution of the economic situation in the Czech Republic from the year 1989 - 2015 and to focus on the characteristics of individual macroeconomic indicators. The theoretical part is directed at the description of economic theories and schools, analysis and definition of individual factors of production together with measurements of progress. Interpretation is performed using the following economic quantities: gross domestic product (GDP), inflation, unemployment and balance of trade.

The second part deals specifically with the history of the national economy. There is mainly described national economic reality of the Czech lands, Czechoslovakia and the Czech Republic in period 1989 - 2015, where each of the aforementioned macroeconomic indicators is monitored separately during selected years. Furthermore the practical part is oriented on examination of individual indicators and their development in time together with definition of cause-effect relationship between macroeconomic indicators through regression analysis and related statistical procedures. Characteristic of the economic indicators is drawn from the literature, which is always marked in the text by citation.

In the processing of the thesis it is used scientific literature, articles and studies, numerical series and statistics. There are selected annual data since 1995 until 2015 on which analysis the work is based. There are also used reports of Czech National Bank describing economic development in selected periods.

Analysis of evolution is performed by tables and graphs that are processed in MS Office, empirical research is done by open-source statistical package Gretl. In describing the particular theories of the economic growth, it is used the method of description. In characterization of economic evolution across the EU and the Czech Republic it is used general method, i.e.: comparison, analysis, synthesis. To description, simulation and prediction of economic development on the basis of empirical research, it is used time series data. Furthermore it is used regression analysis, OLS method, box plot and trend graphs. For the future forecast there are applied statistical methods and formulas. Due to the reason that these methods are based on calculations of the economic situation in recent years, which have been quite successful in comparison with the current economic situation, there are certain inaccuracies. Therefore it is possible to claim, that these predictions would be fulfilled if the global crisis would not occur and the economy would developed in the same trend. The crises thus led to unexpected reversals in developing economies, which are difficult to predict and even experts can only speculate about future developments and changes.

Used literature:

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