

The battle for the crumbs

MP Petr Gazdík of TOP 09/STAN told Czech TV that mandatory spending accounts for 80% of the Czech budget, leaving only about Kč 200bn to fight over. This is a common refrain, used over and over again by politicians, although the percentage is sometimes lower. Cutting government outlays isn't so easy, politicians chime in unison, because all that mandatory spending is required by law. What is hardly ever mentioned is that about 80% of average household budgets are also made up of "mandatory" spending. These are items that normal families have very little room to influence if they want to lead a modern life and keep up with the Joneses. These include not only taxes, social charges and all kinds of government fees, but also water, electricity, natural-gas, motor-fuel, rent, telephone, internet and banking charges. These are the sectors of the Czech economy where the big money is being made. If consumer spending is falling in other sectors of the economy, it's because there just aren't enough crumbs left over for everyone else.

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