2.2.1. Economic growth and its funding

To increase living standards of citizens after overcoming the economic handicaps in comparison with the EU member states it is necessary to achieve a fast economic growth. Fast economic growth is desirable not only for a few years but also long-term. The transition to this growth requires an increase in the use of capacity, productivity of work and capital. A more permanent growth requires vast investments into new technologies, education and the qualification of people. Revitalization of the technical and practical education system, requalification programs and a possible creation of a life-time education system are the corner stones of our conception of economic growth.

Nevertheless, we reject the simplified opinions limiting economic development on the basis solely of material consumption. The long-term growth of the Czech economy will be much richer with the simultaneous development of science, education system, culture and leisure time management. This kind of growth might be sustainable in both the ecological and economic sense.

As a long-term source of economy modernization the fast growth of productivity, faster than wages growth, will be used. We will enforce support of domestic savings, namely by gradual reform and the development of additional pension insurance. With the help of our financial and industrial strategy we want to create an environment allowing for the increase of the foreign capital flow oriented mainly towards development, modernization and pro-export investments.

The increased economic growth will bring an increase in budget income. We do not seek to increase tax rates but we do not intend to decrease them prematurely either as their level is lower than in the EU countries thus making the execution of the state role difficult.

Our target is a long-term balance of the public budgets system. Starting the economic growth we nevertheless do not reject the possibility of a temporary budget deficit in accordance with the Maastricht Treaty of European Union (up to 3% of the domestic product) provided that the use of the funds generated is strictly bound to chosen investment targets and its amount does not endanger future monetary stability.

Initially we will concentrate on limiting tax and insurance evasion that still involves astronomic amounts.

To start the growth we will use some additional resources. As far as the support for house building is concerned we will consider as an issue of priority long-term state obligations with positive real proceeds insured against inflation. In the case of the support of exports and company competitiveness, we will bind the proceeds of a possible import surcharge to selected targets. We will also use the privatization proceeds strictly for large investments into the infrastructure, including renovation and modernization of the areas affected by floods.