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MUNICIPALITIES INVESTMENTS AND ITS IMPACT ON DEBT SERVICE

Abstract:
The aim of the study is to find patterns in exact complete data set containing annual budget of all municipal subject in the Czech Republic over the past 20 years. The focus of analysis is on which resources could enable development and investment to municipal assets, especially real estate property. As a method, Financial and real estate analysis (FAMA) was chosen which provides comparable indicators to calculate debt service and other related features of subject performance on municipal level. Concerned indicators demonstrate whether municipal subjects follow responsible budgeting principle and/or how do they utilize their own resources. To compute such enormous amount of data, we used tools for data science providing advance data analytics such as machine learning.

Keywords: investment, municipalities, responsible budgeting, data analysis, debt service

JEL Classification: C89, H76, R50