



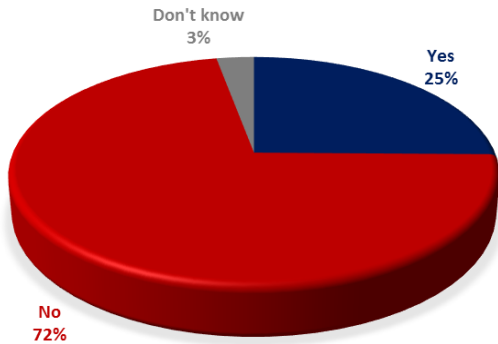
Fiskālās disciplīnas padome



Survey on Budget Discipline

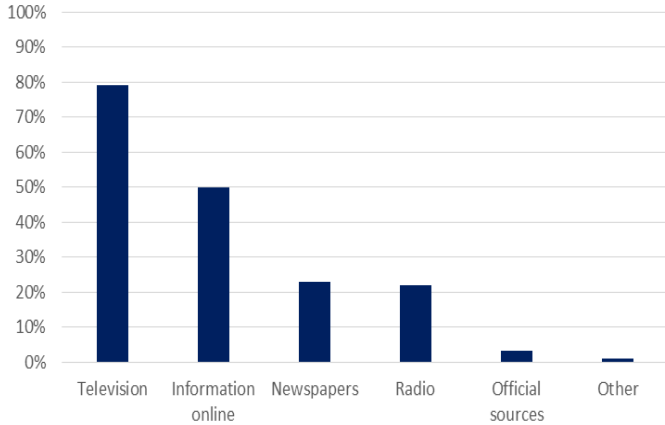
A survey was carried out in April 2016 in order to ascertain the opinion of the people living in Latvia on several questions pertaining to budget discipline. A total of 1005 people were interviewed, of which 434 were male and 571 – female. The results suggest that...

Do you follow the budget drafting process?



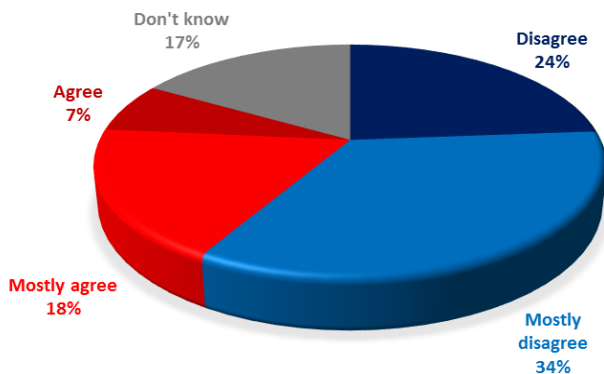
...only a quarter of the people living in Latvia follow the budget drafting process. The interest is more pronounced among people with high income, higher education and people over 55 years of age.

How do you follow the budget drafting process?



...the people who follow the budget drafting process, primarily rely upon television and information online.

Publicly available information is sufficient to assess how the budget is drafted.



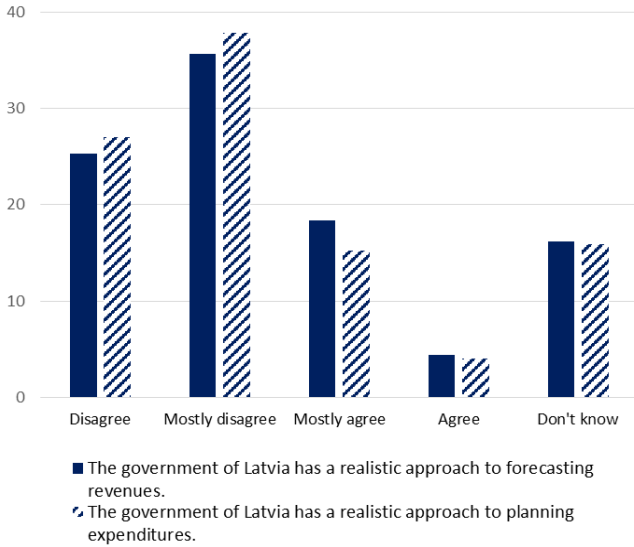
...in general, people do not agree that publicly available information is sufficient to assess how the budget is drafted. The results indicate that people's knowledge of the budget drafting process is incomplete, as only 20% knew that the medium-term budget framework is for three years.



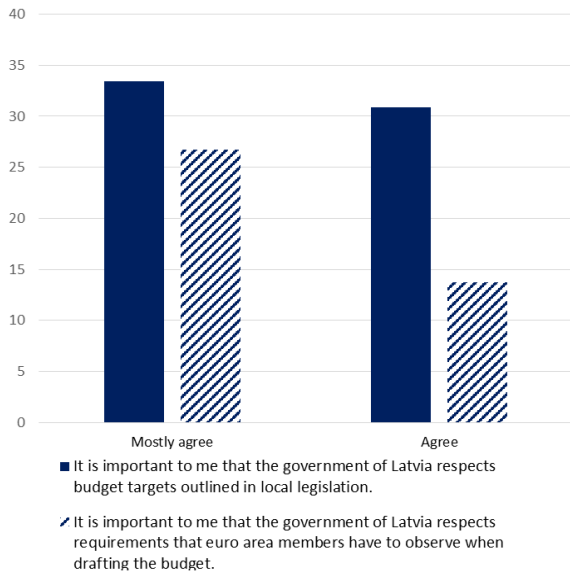
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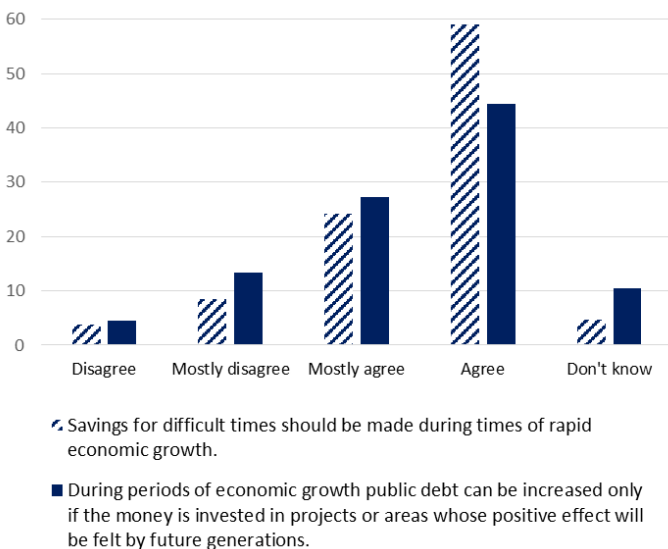
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...the population of Latvia mostly disagrees that the government plans revenues and expenditures realistically, but the majority think that the budget should be drafted based on the economic situation and revenue possibilities.



...reaching budget targets outlined in local legislation is more important than euro area requirements, and approximately 30% of the population believe that Latvia's budget compares unfavourably to the budgets of other countries, with regard to observing euro area requirements.



...the population of Latvia supports the principles of counter-cyclical fiscal policy. People generally support the practice of saving during times of economic growth and treat public debt responsibly, justifying its increase only when the positive effect will be felt by future generations.

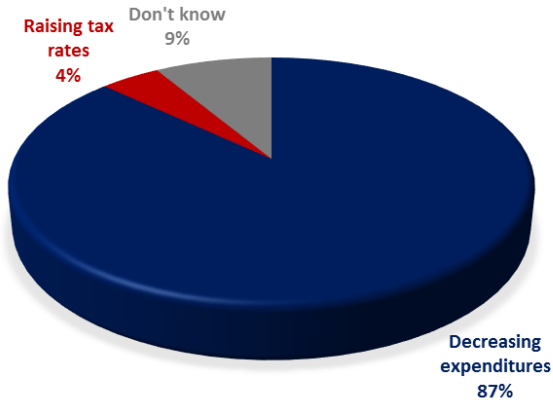


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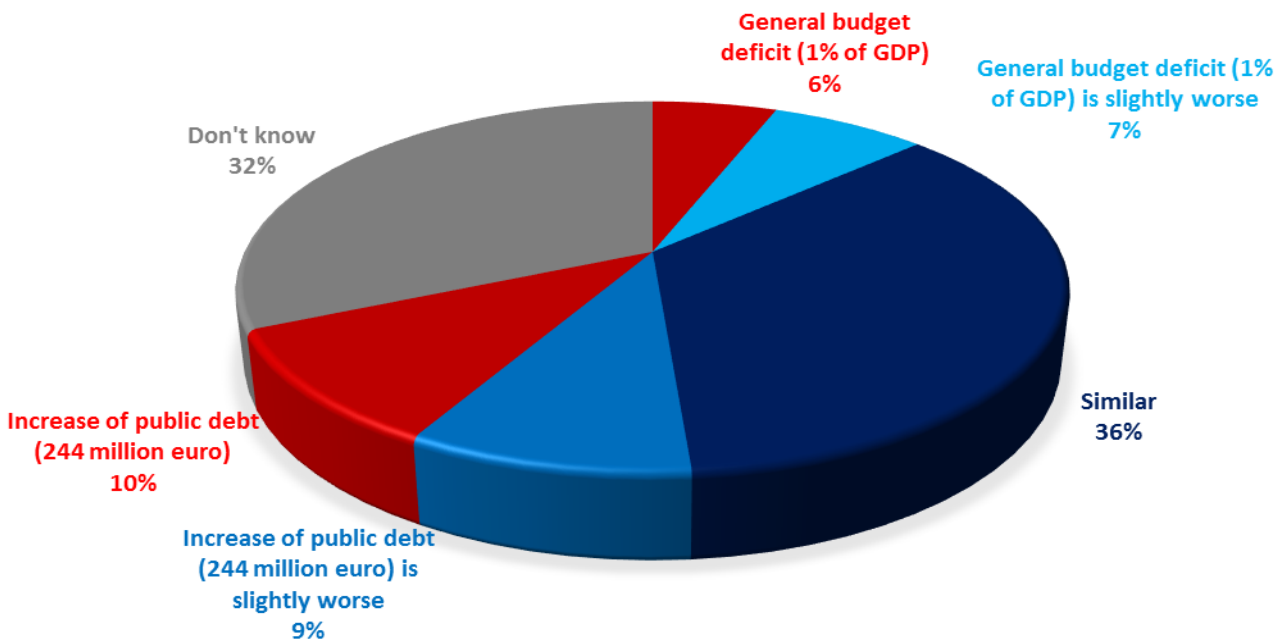
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In case of a need to improve the budget balance, what should be given priority?



...the majority of people think that, in case of a need to improve the budget balance, priority should be given to **decreasing expenditures**, rather than increasing tax rates. Specifically, expenditure on government salaries, support for art and culture, and external and internal security should be decreased. Expenditure on health care, social security and infrastructure should not be decreased.

In your opinion, which is a worse general budget outcome in 2015?



...the connection between the budget deficit and public debt is unclear. The survey contained a question whose purpose was to ascertain whether people were aware of the link between the budget deficit and the increase of public debt. Two options were available (a general budget deficit in the amount of 1% of GDP and an increase in public debt by 244 million euro). They are almost identical, but 16% believed that one of the options was worse and 32% could not answer the question.