

This thesis investigates the effects of production subsidies granted by the Czech Film Fund on the quantity and quality of the movie production in the Czech Republic. For this purpose, the regression discontinuity design is used, utilizing the data on subsidy allocation process and outcome variables for individual movies such as box office, viewer ratings and award nominations. The three main findings are that (i) the subsidies roughly double the probability of movies being produced, (ii) the subsidies do not have any significant positive effect on the quality of the supported movies, conditional on the movies being produced, (iii) the subsidies are disproportionately awarded to movies which, conditional on being produced, achieve lower box office numbers but receive better ratings from both viewers and critics. This thesis represents the first quasi-experimental investigation of the impact of movie subsidies in any country.