Abstract
The success of the budget practice depends on the factors that are easy in theory but extremely difficult in practice. The ongoing debates on the factors that affect the success of historical process are indicators of this fact. Particularly, achieving the fiscal discipline requires the inclusion of expenditure control, a realistic forecast of income and expenditure, and an effort by raising the fiscal targets. This, however, can only be obtained via comprehensive institutional layouts. Recently, a considerable consensus has been ensured on that institutional arrangements will not only have important political effects on fiscal choices and fiscal outputs but also will contribute to the improvement of the effectiveness and efficiency in the budgeting process. Notably, the followers of political economy emphasize that norms and institutions assume an important role within the identification of decision makers’ fiscal performance. In respect of political economy, the process of budgeting means to state and to implement the formal and the informal rules legally and precisely by the administrators in the management of budgeting process and in the decision making process. In this study, the effects of the “budgeting rules”, which can be defined as the necessary principles to obtain the budget discipline, on fiscal discipline are analyzed.

Key Words: Budget rules, fiscal discipline, fiscal rules, politic economy
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