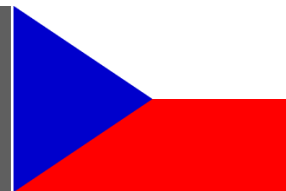


## Czech Republic

(Česká republika)



**Capital:** Prague

**Inhabitants:** 10.403.136 (2008)

**Area:** 78.866 km<sup>2</sup>

### 1. Introduction



The Czech Republic is a sovereign unitary state established by the Constitution of the Czech Republic in 1993 (Act Nr. 1/1993) after a peaceful division of the federal state Czech and Slovak Federal Republic into two independent states. The state structure is represented by the bicameral Parliament as the highest legislative authority, the Government of the Czech Republic led by Prime Minister as the highest executive authority and the Supreme Court of the Czech Republic as the highest authority of the judicial power. President of the CR is representative body of the state. On 1st May 2004 the Czech Republic has become a Member of the European Union.

The Czech Republic is a land-locked country in the central part of Europe, consisting of three geographical areas: Bohemia on the West, Moravia on the East

and Silesia on the North-East. The country borders Slovakia (252 km), Austria (466 km), Poland (762 km) and Germany (710 km). Its area is 78 866 km<sup>2</sup> and the population 10.3 million inhabitants, with the population density 130 inh/km<sup>2</sup>. Average age is 40.2 years and 14 % of inhabitants are over 65 years. Ageing is a characteristic feature of the Czech population.

75 % inhabitants live in urban municipalities (the municipalities over 2,000 inh.). Capital City Prague, with its 1.2 million inhabitants is the largest city in the Czech Republic.

According to the 2001 population census, Czechs represent 90.1 % of the population; there are small minorities of Slovaks (1.8 %), Poles (0.5 %) and Germans (0.4 %) that do not form large spatial concentrations. Of the Roma population most preferred to describe themselves as Czech or Slovak one, so that in the 2001 population census, only 11.7 thousand, i.e. 0.1 % of the population, chose Roma nationality although the real number of Roma living in the Czech Republic is estimated to be about fifteen times larger which would make them the second or third most numerous ethnic minority. The Roma population is spatially dispersed, constituting only micro-concentrations, mostly in urban



settlements. In spite of its size an attention of the particular public sector bodies and NGOs concentrates on the Roma communities with the aim to improve their life conditions and relations with other groups of population. In terms of religion 57 % of the population declared themselves to have no faith, whilst 35 % declared themselves to be Christians.

The history of local government started in the Middle Ages when certain Czech and Moravian royal towns adopted the self-governmental elements into their political systems. The principle of the autonomous municipality as the basic unit of the state was incorporated in the 1867 Constitution of Austro-Hungarian Empire. The document devolved certain competences from some branches of the state administration to self-government and defined the delegated functions of state administration. Municipal autonomy was expressed also in the right to have property and own revenues. This dual system of local government, with state administration and self-government united in one system of public administration, has survived since that time until today. Changes of political regimes on the territory of the Czech Republic over time may be seen as merely influencing the balance of power balance between the state and self-government, rather than fundamentally altering the basis of this tradition.

The self-governing role of municipalities was developed further in the system of public administration of the independent Czechoslovak republic during the period 1918-1938. The democratic state decentralised some of its powers down to three tiers of sub-national government: municipality, district and land, each with its own elected bodies, independent competencies and property. Democratic development was curtailed by Nazi occupation from 1938 to 1945. The system of territorial public administration was

restored in 1945 as a system of national committees with delegated and independent competencies. However the postwar period 1945-1948 witnessed the replacement of self-governing principles by the authoritarian rule of the communist regime at all levels. Suppression of the independent competencies of territorial government bodies and nationalisation of their property left all power on the state side of public administration up to 1990.

The change of political regime after 1989 opened space for a fundamental public administration reform. The first step involved the renewal of the municipality as "the basic territorial self-governing community of citizens". The Law on Municipalities No. 367/1990 (in later amendment No. 128/2000) defined independent competencies (self-government) and delegated functions of state administration in a generally balanced and clear fashion. Municipalities received some of their property back, together with a share of tax revenue determined by law. The constitutional Act on the Higher Self-Governing Territorial Units No. 347/1997 defined the higher self-governing unit and its territory whilst the Act on Regions No. 129/2000 defined this second tier of local government (kraj) as a joint system of independent competencies (self-government) and delegated functions of state administration.

In 1998, the Czech Republic signed and ratified the European Charter of Local Self-Government.

## 2. Territorial organisation

The territory of the Czech Republic is divided into regions, regions are divided into districts and districts are divided into municipalities and military areas (Act No. 36/1960 Coll., On territorial division of the state, and its later amendments). There



Table 1: Territorial organisation of the Czech Republic

Cohesion Region	Region	Population (in tds)	No. of districts	Number of municipalities
Praha	Praha	1.183,6	10*	1
Stredni Cechy (Central Bohemia)	Stredocesky	1.166,5	12	1.146
Jihozapad (South-West)	Jihocesky	628,8	7	623
	Plzensky	552,9	7	501
Severozapad (North-West)	Karlovarsky	304,6	3	132
	Ustecky	823,2	7	354
Severovychod (North-East)	Liberecky	429,8	4	216
	Kralovehradecky	549,1	5	448
	Pardubicky	506,8	4	452
Jihovychod (South-East)	Vysocina	511,1	5	729
	Jihomoravsky	1.130,9	7	647
Stredni Morava (Central Moravia)	Olomoucky	639,4	5	394
	Zlinsky	589,9	4	304
Moravskoslezsko (Moravosilesia)	Moravskoslezsky	1.249,9	6	302

Source: Czech Statistical Office, 2006, 2007

are 13 regions plus the capital Prague that has the status of a region (level NUTS 3), 76 districts and 6,249 municipalities (of which 5, 602 have fewer than 2,000 inhabitants). Regions and municipalities are territorial self-governing units with a dual system of public administration; districts are units of territorial state administration and are seats of some deconcentrated agencies of the central state authorities; they do not exercise self-government.

Territorial reform started immediately after the fall of the communist regime in 1989. Eight regions that had existed since 1960, and which had been the territorial centres of communist power, were dissolved in 1990. After lengthy debate in the national parliament the new regions were established by the constitutional law the Act on Higher Self-governing Territorial Units No. 347/1997. The Act declared 14 regions (13 plus Prague).

In order to achieve greater economic coordination and social cohesion higher territorial units on the level NUTS 2 were

considered necessary. The Act on Support to Regional Development No. 248/2000 met this need and defined the so called Cohesion region (i.e. NUTS II): its area, bodies, their duties and rights. There are eight such Cohesion regions – some of which (such as Prague) are coterminous with pre-existing NUTS 3 regions.

The capital city, Prague, is governed by a separate law, the Act on Capital City Prague No. 131/2000. It is divided into 10 administrative districts. There are other 23 large towns that are stated in the law on municipalities as "statutory cities" with the right to divide the town internally into self-administered sectors. There are no metropolitan areas with specific legal governance arrangements.

### 3. Local democracy

#### 3.1 Local political system

Local (municipal, regional) self-government is vested in representative bodies- local Councils (Municipal, Regional) that are elected every four years by local citizens



(Municipality, Region). They are the highest decision-making bodies of local government in the sphere of its independent powers. The members of Councils are selected by direct, equal elections by secret ballot using a proportional electoral system. The number of councillors is proportional to the population (of the municipality, region) and determined by law. Councillors elect from among their own members a collective political executive body of local government - the Board. Members of the Board elect from among their number the Mayor (in the case of a municipality) or a President (in the case of a region) as the head of the local government concerned. The local administration serves as the executive body of local government.

Local elections are pluralistic. Electoral parties which register candidate lists for local elections are defined by law as political parties and political movements, coalitions of political parties and political movements, independent candidates or union of independent candidates and, unions of political parties and political movements and independent candidates. The phenomenon of "independent candidates" is frequent in municipal elections in the smaller municipalities, where local politics is more community-based than party-based. Regional elections are more similar to parliamentary elections; there the role of political parties is decisive.

Data on citizen attitudes regarding local politics are publicly available: the Czech Republic takes part in, amongst others, the International Social Survey Programme (ISSP), European Social Survey (ESS).

### 3.2 Citizen participation

Turnout at local elections varies according to the size of locality where the elections are held: At regional elections the turnout

is smaller than at municipal elections; similarly in large municipalities the turnout is smaller than in small municipalities.

**Table 2: Voter turnout at the 2006 Municipal elections**

Territorial units	Turnout in %
Czech Republic	46.38
Urban municipalities	42.86
Rural municipalities	60.09
City districts	39.62

Source: Czech Statistical Office, Municipal elections 2006.

The turnout at the last regional elections in the individual regions in 2004 was between 24.99 % in Karlovarsky Region and 32.60 % in Pardubicky Region.

A local referendum (Act No. 22/2004) is the only device of direct democracy on the municipal level. It may be enacted to decide issues regarding a local authority's own competences but it cannot be applied to local statutory powers, such as the municipal budget, fees and dismissal of mayor. Any local citizen may propose a referendum if supported by a petition signed by a qualified proportion of local voters. No regulation exists as regards referenda on the regional level. According to [www.mvcr.cz](http://www.mvcr.cz) there were 2 local referenda in 2007.

The forms of representation and civic participation in territorial governance are set out by law. Citizens of a municipality and region have the right,

- to elect and be elected as member of the Municipal and Regional Councils,
- to propose local referenda and take part in them,
- to be member of Committees and Commissions of the territorial government,



- to be present at sessions of the Municipal and Regional Councils and to express there their opinion,
- to obtain information from the territorial authorities related to the field of their responsibilities.

A new practice has emerged on the municipal level regarding social care. Municipalities are required to use the instrument of community planning to prepare their social services plans (Act on Social Services No.108/2006). Municipalities draw on the experience and advice of the Centers for Community Organisation (there are 6 branches in the Czech Republic).

#### 4. Central-local relationships

##### 4.1 General issues

According to the law a municipality (region) is a territorial self-governing community of citizens; it is a public corporation, which has its own property. It acts in legislative relations in its own name and bears responsibility arising from these relations.

The system of local government in the Czech Republic is a dual system of independent competences of local self-government and delegated functions of state administration. In this respect there are three types of municipalities according to the increasing scope of delegated functions exerted in their administrative area (Act No. 314/2002): municipality, municipality with a commissioned office (383), municipality with extended powers in delegated functions (205). Municipalities receive a financial contribution from the state for the performance of delegated functions. Performance of delegated functions is supervised (with provision of technical and professional assistance) by the regional administration in the case of municipalities and by ministries in the case

of regions. Several coordination devices exist to secure the necessary two-way communication and information flows between the central state administration and territorial self-governing authorities. Of these the most significant are the regular meetings and consultations between central government representatives (Prime Minister and Ministry of Interior, Ministry of Local Development, Ministry of Finance particularly) and the representatives of all levels of local government. Meetings between of the specialists of central (regional) state administration and their counterparts in local government are a source of professional support and management of delegated functions.

The national parliament is empowered to legislate on local government. A constitutional law is required for any change relating to territorial organisation of the state on regional level.

##### 4.2 Supervision of local government

Supervision and control of local government is carried out on a legal basis. In addition to the supervision through coordination described above, control and monitoring of own competences of regions and municipalities (from the point of view of legality only) are entrusted to the Ministry of Interior. Sectoral ministries and other central agencies control delegated functions of regions against the laws, other legal acts and government resolutions, decrees of central administrative bodies. Municipalities' fulfilment of delegated functions is controlled by the regional administration. At each level (the highest being the Constitutional Court), the higher-standing body vested with the control of local government may suspend or reverse a local authority's decree relating to its own competences.



#### 4.3 Protection of local self-government rights and interests

A local government may take to court (up to the Constitutional Court) those who breach its own competences.

The Association of Towns and Municipalities of the Czech Republic is a voluntary, non-political and non-governmental organisation, whose members are municipalities of the Czech Republic. The main goal of the Association is to maintain the interests and rights of municipalities and to ensure a coordinated approach and legitimate lobbying of municipalities' interests at the central level. The Association of Regions of the Czech Republic is a non-partisan and non-governmental organisation. The individual regions of the Czech Republic are its regular members. The primary goal of the Association is to maintain and promote the common interests of regions and territorial development. In addition there are several hundred associations of (primarily smaller) municipalities. Their aim is to cooperate in the common interest of local development, to find effective solutions to common problems in the independent competences framework. There are also professional associations of local government staff notably the Association of Chief Administrative Officers.

### 5. Local responsibilities

Local governments are legal entities with the right to own property, income and to have more or less independent budget. In general, local governments care for the creation of conditions for the development of social welfare and the fulfillment of citizens' needs. Mandatory services are prescribed to local government by law. Municipalities are responsible particularly in the fields of

- housing,
- protection of health,
- transport and communications,
- education,
- culture
- protection of public order.

The tasks of regions within their own powers include complex territorial development of the region in the fields of

- spacial planning and regional development,
- education,
- culture,
- transport and communications,
- healthcare,
- social welfare,
- environment,
- protection of public order.

Transport and communication, housing, social care and culture are the sectors considered as rather decentralised. On the other hand, spatial planning is rather centralised.

## 6. Local finance and management

### 6.1 Local government incomes

There are four groups of local government revenue: tax revenue, non-tax revenue, capital revenue and subsidies received. Tax revenue is composed of a share on centrally collected taxes and of real estate taxes, local fees and charges on selected activities. Local government is not vested with tax powers except real estate tax within prescribed limits. Non-tax revenue is created by income from different own activities. The structure of local government revenue is in the Table 3 (p.VII).



Table 3: Local government revenue (2006)

Indicator	CZK million	% of total revenue
Revenue, total	359.506	100
Shared tax revenue	156.095	43,4
Real estate taxes	4.974	1,4
Fees and charges	11.856	3,3
Non-tax revenue	25.906	7,2
Capital revenue	16.373	4,6
Subsidies received	144.304	40,1

Source: Ministry of Finance, Statistical Yearbook 2007

### 6.2 Local government personnel and management

The Act on Officials of Territorial Self-governing Units (civil servants) No. 312/2002 provides a completely new legal regulation of status of employees of local government. It defines who is or who is not "official", by what procedure he/she is installed in what position. It states what special professional competence the official needs and who is responsible for the employees' education and training. The Act states that the local government official shall be employed only for an indefinite period, except in two defined circumstances. The principle of gender equality is carefully observed (see a basic programme document that the Czech Government approved in 1998: Priorities and Procedures of the Government at Advancement of Equality of Men and Women.). The Code of Public administration Employees was authorised by the Czech Government in 2001.

Development of wages and salaries of local government employees over years is even and represents around 10 per cent of total local government expenditure.

The Czech Republic has been a member of the OECD since 1995. Implementation of the OECD Convention on Combating Corruption is reviewed by a special working group, and its recommendations are binding. In recent years especially there has been increased attention given to the issue of conflict of interest. An expert group of the OECD PGC Committee for the Management of the Conflict of Interest in Public Administration was founded in 2002. The Czech Republic has been involved in the activities of this group since the beginning of 2003. The first significant output of this group is the Guideline for Conflict of Interest Management in Public Administration, which was approved by the OECD Council in June 2003 in the form of a Recommendation of the OECD Council. The Ministry of Interior take measures to prevent public administration employees from engaging in corruption and to promote broader awareness of corruption. According to the Transparency International the Corruption Perception Index in the Czech Republic has increased since 2003 when it was 3,7 to 4,8 in 2006.

A strategy document 'Efficient Public Administration and Friendly Public Services' was issued by central government in 2007. A key objective of this Strategy is to introduce quality management systems and to monitor the performance of administrative bodies. There are also other measures aimed at improving the quality of public services, along the lines of the Common Assessment Framework, benchmarking and Citizens' Charter.

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