

Ludmila Kašparová, Milan Půček and team

Cohesion Policy: Settlement in the Czech Republic

urban-rural partnership

Ministry for Regional Development
Regional Policy and Strategy Development Department
2009



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Dear readers,

you are holding a publication that is written in Czech and English languages and is devoted to the issues of settlement in the Czech Republic, to the urban-rural partnership – within the context of regional (cohesion) policy of the European Union.

Regional (cohesion) policy of the EU is one of the fundamental and significant policies of the European Union. What shall we understand by “cohesion policy of the EU”? In spite of the fact that the EU is one of the wealthiest parts of the world, there are obvious differences among its regions. Therefore we have the regional policy of the European Union with its primary principle endeavouring to prevent creation and deepening of these disparities that could lead to slowing down the development dynamics of the old continent. The regional policy of the EU promotes principles of solidarity and cohesion both in relation to its existing and accessing members. Significance of these principles within the EU may be illustrated by the fact that more than one third of the total EU budget goes to the regional policy.

The regional policy of the EU is so called community or coordinated policy. It means that its focus and execution lies within the hands of member states, while the EU institutions supervise its coordination and correctness of execution. Objectives and priorities of regional policy reflect and focus on the most burning problems of member states and accessing countries. Regional policy aid focuses on regions that are economically weak, fall behind in economic indexes, regions with social problems and damaged environment.

The Ministry for Regional Development will be engaged in urban-rural relation investigation within the period of its chairmanship (within the frame of implementation of the First Action Plan for Territorial Agenda of the EU). The objective of this activity is creation of proposals for strengthening coordination between urban and rural areas following the Territorial Agenda of the EU and the Leipzig Charter on Sustainable European Cities. Further objective is identification of obstacles and potential for urban-rural cooperation.

That is why we want to use this publication and introduce the readers into the issues of the Czech Republic's settlement pattern, its characteristics, and development trends. The Czech Republic's settlement pattern is characterised by a large number of small settlements – 6249 administrative municipalities with a major portion of settlements smaller than 500 inhabitants in each. The size of cities differs substantially from many EU countries where the important metropolitan centres controlling densely populated or large territories developed. The Czech specific, on the other hand, is a lower concentration of population in cities and prevailing number of smaller towns, the potential of which for regional development of the CR is decisive, because they represent a stabilizing and development element in countryside.

Due to the specific Czech situation it is necessary to reflect the settlement hierarchy that creates unique conditions within European space for strengthening a polycentric development as one of spatial development objective and possible solution of urban-rural relation.

We believe that this publication will help to understand the development of settlement in the Czech Republic, its basic development trends, and urban-rural relations formation.

Minister for Regional Development

Cyril Svoboda

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1. INTRODUCTION, REGIONAL (COHESION) POLICY OF THE EU

1.1 Publication structure

Urban-rural relations in the sense of the Territorial Agenda of the EU

Publication – Cohesion Policy: Settlement in the Czech Republic – with its subtitle – Urban-rural partnership – you are holding in your hands was written on the occasion of the Czech Republic's chairmanship in the Council of Europe in the first half of 2009. Within its chairmanship frame the Ministry for Regional Development of the Czech Republic assumed the responsibility for implementation of the "First Action Plan for Territorial Agenda of the EU" (this document may be downloaded at <http://www.mmr.cz/informace-o-dokumentu-uzemni-agenda-eu-territorial-agenda-of-the-european-union>). Within the First Action Plan, the Czech Republic will pay the attention to the activity 1.1 that deals with urban-rural relations. 1.1 activity's objective is preparation of a proposal for coordination between urban and rural areas at the EU level and member states following the "Territorial Agenda of the EU" (this document may be downloaded at <http://www.mmr.cz/informace-o-dokumentu-uzemni-agenda-eu-territorial-agenda-of-the-european-union>) and the "Leipzig Charter on Sustainable European Cities" (this document may be downloaded at http://www.uur.cz/images/publikace/uur/2007/2007-04/02_lipska.pdf). Further objective of this activity is strengthening the polycentric development and innovations by formation of towns networks and further identification of obstacles and potential for urban-rural cooperation. Policy resulting from the "Territorial Agenda of the EU" and the "Leipzig Charter on Sustainable European Cities" will lead to optimization of urban-rural relations in the coming period. There will be existing activities deepened, new activities established, all supporting urban-rural relations. At the present phase of implementation of the Territorial Agenda of the EU it is necessary to initiate and develop new activities that will lead to better understanding of such relations and of their impact on life quality of inhabitants.

What is the subject of this publication

The introduction and first chapter describe not only reasons and motivation behind creation of this publication but also its structure and they also explain briefly the issues of **regional (cohesion) policy** of the EU. Regional policy of the EU is one of EU's key policies. One of its important aspects is territorial cohesion. It may be understood as strengthening a complex attitude to a territory, which will emphasize urban-rural relations rather than separate problems of cities and countryside in its conceptual and program documents.

All EU member states underwent specific historical developments of their administrative territories. This historical development respects natural needs of inhabitants and state administration. There exist 27 different types of administrative divisions within the Euro-

pean Union which limits the possibilities of their mutual comparisons. In order to be able to make comparisons the united system of territorial statistical units (NUTS) was implemented in 1988. **Administrative division, territorial organization, settlement and settlement structure of the Czech Republic** are described in the **chapter two**. Typical feature of the settlement structure of the Czech Republic is its great “disintegration” of settlements. Administratively it represents 6249 municipalities (with a major portion of settlements smaller than 500 inhabitants in each).

Rural issues are covered in the **chapter three**. There exist no clear definition of rural municipalities in the Czech Republic. Therefore a specification of rural municipalities and classification of rural regions are explained. Attention is paid to cooperation of municipalities, its forms, to Euroregions and to cross-border cooperation.

While the chapter three covers countryside, the **chapter four** pays attention to **towns and cities**. Cities and towns are considered to be the fundamental elements of prosperity and in accordance with the EU regional (cohesion) policy they are understood as **growth poles**. The economic comparison of cities’ efficiency and performance is provided, comparison of urbanization degree.

Chosen **urban-rural relations** are described in the **chapter five**. The topics include e.g. role of small towns in the rural development, suburbanization and “sprawl” of cities, transport accessibility and transport services.

Chapter six describes the **tools of territorial development**. Those are, within the frame of this publication, strategic documents, methodology and financial instruments. Regional (cohesion) policy of the EU is being enforced by structural funds and the Cohesion Fund. The Czech Republic is entitled to consume as much as 26,7 billion € under this policy in the period 2007-2013.

Conclusion and summary may be found in the **chapter seven**.

1.2 Regional (cohesion) policy of the European Union

1.2.1 What is the regional (cohesion) policy of the EU

Regional (cohesion) policy of the European Union is often referred to as “cohesion policy” or “policy of cohesion”. We can also meet the name - “policy of economic, social and territorial cohesion”. It focuses on support of regions, particularly of economically weak ones, that fall behind the economic indexes, and further on regions with social problems or impaired environment. Its main purpose is to prevent formation of considerable regional

differences. Wealthier European countries contribute through this policy to development of poorer countries and their regions. Regional policy of the EU reflects the principle of solidarity within the European Union. Regional policy of the EU belongs to community (or coordinated) policies. It means that the coordination and correct implementation is ensured by the European Commission. Implementing this policy according to given rules, however, lies in the hands of individual countries.

Foundations of the regional policy of the EU date back to 1986 when the Single European Act was signed. After that this policy has been projected into the Maastricht Treaty. Legal basis of the existing regional policy of the EU is the article No. 158 of the Treaty on European Union and the Treaty Establishing the European Community. Objective of the regional policy of the EU for the period 2007-2013 is to reduce the development differences among individual regions and the underdevelopment of the most disadvantaged regions.

Before the European Union enlargement by ten new countries in 2004 the biggest recipients of funds according to this policy were Portugal, Greece and Ireland. After the enlargement the socio-economic differences between the most underdeveloped and the most advanced regions practically doubled. The main recipients of financial supports from the regional policy of the EU are the countries of middle and eastern Europe, i.e. the Czech Republic too. The volume of cohesion policy in relation to the total EU budget is about equal to the Community agriculture policy, and its importance will increase. It amounts to about one third of the total EU budget. **The Ministry for Regional Development** is a central coordinator for the EU regional policies within the Czech Republic.

1.2.2 Objectives of the regional (cohesion) policy of the EU

Objectives of the regional policy of the EU develop in time and reflect the needs of its existing and accessing members. There are three objectives of the regional policy of the EU in the period 2007-2013: (1) Convergence, (2) Competitiveness and employment, (3) Territorial cooperation. There are 308 billion € for the whole EU, of that 26,7 billion € solely for the Czech Republic, foreseen for these objectives in the structural funds and the Cohesion fund for the period 2007-2013.

Objective 1 – Convergence focuses on support of economic and social development of regions (at the level of NUTS II), or better to say on reducing the differences among development levels of individual regions. It is meant for countries and their regions meeting at the same time two conditions. At the level of countries those countries are entitled to receive funds from the Convergence objective which gross national product (GNP) per capita is lower than 90% of the EU average within the decisive period. The Czech Republic

meets this condition. At the level of regions those regions are entitled to receive which gross domestic product (GDP) per capita is lower than 75% of the EU GDP average. All NUTS II regions in the Czech Republic except the capital of Prague meet this condition (for division into NUTS in the CR see the chapter 2.1).

Objective 2 – Regional competitiveness and employment pursues the support of competitiveness and attractiveness in regions that do not meet the above written conditions for being involved into the Convergence objective. This objective covers the capital of Prague in the Czech Republic which gross domestic product in the decisive period exceeded significantly the 75% GDP average of the whole EU.

Objective 3 – European territorial cooperation supports the crossborder regional cooperation at the level of NUTS III (regions in the CR) that spread along all inner and some outer country borders. This support is also given to interregional and supranational cooperation of regions.

Table 1: Allocation among the objectives of the EU regional policy within 2007-2013

Objective	Funds for the whole EU		Funds for the CR	
Convergence	251.2 billion €	81.54%	25.88 billion €	96.98%
Competitiveness and employment	49.1 billion €	15.95%	0.42 billion €	1.56%
European territorial cooperation	7.8 billion €	2.52%	0.39 billion €	1.46%
Total	308.0 billion €	100.00%	26.69 billion €	100.0%

Source: <http://www.mmr.cz>

1.2.3 Funds as the key instrument of the cohesion policy

Regional (cohesion) policy is implemented by means of structural funds and the Cohesion Fund.

There exist two structural funds – European Regional Development Fund (ERDF) and European Social Fund (ESF). **European Regional Development Fund (ERDF)** supports **investment** (infrastructural) projects like e.g. support of innovation potential, support for starting entrepreneurs, transport infrastructure construction, elimination of environmental burdens, renewable energetic sources, investments to industrial zones infrastructure, introduction of electronic public administration, cooperation in regions close to borders, modernization of the crisis management system etc. **European Social Fund (ESF)** supports **non-investment** (non-infrastructural) **projects** like e.g. programs for disadvantaged population groups, retraining of unemployed, creation and development of educational programs, development of services related to employment, improving conditions for ICT usage etc.

Cohesion Fund (CF) is meant for support of poorer countries, not regions. That is its difference from structural funds. Similarly as in the case of the European Regional Development Fund the **investment** (infrastructural) **projects** are financed from it. These projects, however, are larger in their scale and focused on **environmental protection and preservation** and **transport** infrastructure (railways, water transport, highways, traffic management).

For more information on EU funds see chapter 6.

1.2.4 Fourth cohesion report

European Commission issued its “Fourth report on economic and social cohesion” in 2007 named “Growing regions, growing Europe”. The Czech version of this report may be found at http://ec.europa.eu/regional_policy/sources/docoffic/official/reports/cohesion4/pdf/4cr_cs.pdf

The fourth cohesion report suggests that:

- the convergence already happens at the country and regional levels and this trend is likely to continue
- the policy supports growth and creation of jobs outside the convergence regions too
- the policy supports innovation capabilities of member countries and regions
- investments into human resources within the cohesion policy frame show a high return rate
- the policy mobilizes public and private resources to support productive investments
- the policy supports integrated approaches to development
- the policy helps to increase quality of public investments
- the policy promotes partnership as a key element of proper management of public affairs.

1.3 Future of the regional (cohesion) policy after 2013

1.3.1 Discussing the future of cohesion policy

European Union implements its regional (cohesion) policy in 7 years cycles. Financial amounts, objectives and rules are set sufficiently in advance before the next period starts. The last program period was 2000-2006 and the Czech Republic entered it in 2004. The existing period is 2007-2013.

Discussion on cohesion policy future after 2013 has been initiated at the Cohesion Forum in September 2007. This discussion will continue during the Czech EU chairmanship.

There are three aspects for the future:

- finances (i.e. at which extent the support will be provided after 2013)
- contents (i.e. what objectives will be supported and for whom they will be intended)
- organization (i.e. which changes and simplifications will be accepted in order to make the policy more effective).

1.3.2 CR attitude to the cohesion policy future

The Czech Republic has an approved attitude to the cohesion policy future. This attitude suggests:

- **Cohesion policy objectives:** CR **praises existence and existing benefits of the EU cohesion policy**. CR considers the cohesion policy to be one of the strongest tools for economic development support and strengthening competitiveness of the EU at large. The CR's opinion is that both existing differences among regions and continuing trends of the uneven regional development support the real need of maintaining the cohesion policy position within the community policies system of the EU. CR endorses continuation of the Convergence as the most important cohesion policy objective meant for less developed member countries and less developed regions. CR considers the **number and focus of the existing EU cohesion policy objectives to be adequate for the present needs**.
- **Territorial cohesion:** CR considers explicit **incorporation of the spatial dimension into the cohesion policy** within the frame of territorial cohesion to be a recognition of this aspect's importance, which is a part of the cohesion policy anyway due to its nature. Taking into account its territorial specifics the CR understands territorial cohesion primarily as:
 - reflection of integrated approaches into the strategic and program documents and integrated approach of town & country planning (using community and landscape planning)
 - support of transport and telecommunication infrastructure
 - strengthening the development of inner outskirts of regions
 - intensive cooperation of regions close to border in order to eliminate political borders that hinder economic and social development of such regions
 - sphere of urban issues when implementing the principle of polycentric settlement network
 - sustainable development of rural areas, focusing on strengthening cultural identity, landscape formation, and development of environment-friendly economic activities
 - strengthening coordination of sectoral and territorial policies, creation of territorial partnerships
- **Rural development:** Contexts of cohesion policy and Common agricultural policy suggest that both policies relate to territorial character and both are focused on develop-

ment of rural areas. That is why the CR points out importance of sustainable **rural development** ensured by means of complimentary interventions of the cohesion policy and rural development policy, putting emphasis on preserving tangible and intangible natural and cultural values of rural landscape. Discussions on future character of rural supports are just starting and the CR believes, that further decisions in this area should be made based on the evaluation of the existing system of rural supports.

- **Eligibility criteria:** CR proceeds from the fact that the **present criteria of regions eligibility** for the Convergence objective – based on the gross domestic product (GDP) measured by purchasing power parity per capita – **are fair** and well measurable. Similarly, CR believes that the present criteria for eligibility to draw on the Cohesion fund – based on the gross national product (GNP) per capita measured by purchasing power parity – are the best ones for the given purpose.
- **Simplification and effectiveness of implementation process:** CR considers the process of implementation simplification to be a step in the right direction. However, there is still space for further improvements and further simplification has to be worked on; in particular the existing national procedures and modifications should be respected as much as possible without increased administration, both on the side of individual countries state administrations, and on the side of beneficiaries.
- **Partnership and role of regions:** CR will support further strengthening of subsidiarity and partnership principles. CR welcomes effort to decentralize the cohesion policy in the direction of strengthening roles of municipalities and regions, and effort to reduce bureaucracy related to funds drawing in a maximum possible extent. CR will, therefore, continue supporting local and regional bodies in order to increase effectiveness of public administration and services, to develop new forms of regional cooperation and cooperation of partners within the regions.

1.3.3 Eligibility of the CR regions for drawing the funds after 2013

Allocation of financial sources within the EU regional (cohesion) policy (see the table in chapter 1.2.2) shows that the biggest amount of finances is dedicated to the Convergence objective. It means 25,9 billion € for CR in 2007-2013, i.e. 97% of all sources. The present course of discussion on the cohesion policy future at the European level suggests that the Convergence will remain the most important objective after 2013.

General position of the CR shows that the most probable GDP trend per capita (as a criterion for eligibility to draw from Convergence objective for regions) will more or less match the trend rate of catching up with the EU-27 average, similar to what the CR has been achieving in the last 8 years. We can assume as probable that the CR economy growth

will be at least 2 times faster than the one of e.g. Germany (country with the highest contribution to GDP of EU-27). It is important that the reference period for regions will be 2007-2009 (average), and 2008-2010 for member countries. Scenario of GDP trend is shown in the following table.

Table 2: GDP trend scenario

in % EU-27 average	2001	2002	2003	2004	2005	2006	2007	2008
	100.0	100.0	100.0	100.0	100.0	100	100	100
Prague	145.6	147.9	154.3	154.8	160.3	165.8	171.5	177.4
Middle Bohemia	65.4	67.3	69.4	71.5	70.5	72.6	74.7	76.8
Southwest	64.8	64.2	67.1	69.7	70.0	71.6	73.27	74.9
Northwest	55.8	56.4	60.2	61.0	61.0	62.5	64.1	65.8
Northeast	62.1	61.7	63.0	64.0	64.9	65.8	66.7	67.7
Southeast	64.3	63.8	66.8	67.4	68.1	69.3	70.5	71.8
Middle Moravia	56.7	56.5	58.5	59.7	59.8	60.8	61.8	62.8
Moravia-Silesia	54.8	54.2	56.9	61.5	65.3	68.8	72.5	76.3
in % EU-27 average		2009	2010	2011	2012	2013	2014	2015
		100	100	100	100	100	100	100
Prague		183.6	189.9	196.4	203.2	210.2	217.4	224.9
Middle Bohemia		79.1	81.4	83.8	86.2	88.7	91.3	94.0
Southwest		76.6	78.3	80.1	81.9	83.8	85.7	87.7
Northwest		67.4	69.2	70.9	72.7	74.6	76.5	78.4
Northeast		68.6	69.6	70.6	71.6	72.6	73.6	74.7
Southeast		73.0	74.3	75.6	77.0	78.3	79.7	81.1
Middle Moravia		63.8	64.9	66.0	67.1	68.2	69.3	70.4
Moravia-Silesia		80.4	84.7	89.2	94.0	99.0	104.3	109.8

Source: CR general position towards the cohesion policy

It seems probable that not more than 3 of today's 7 cohesion convergence regions in the CR will reach a higher level in 2007-2009 than present 75% of GDP of EU average – these regions are Middle Bohemia, Southwest, and Moravia-Silesia. In this way they will lose a possibility to draw finances from the Convergence objective according to the existing rules.

2. ADMINISTRATIVE DIVISION OF THE CZECH REPUBLIC, SETTLEMENT AND SETTLEMENT STRUCTURE

2.1 Administrative system of state

From the administrative system's point of view **the Czech Republic is divided to municipalities that represent the fundamental self-governing units, and regions that represent superior self-governing units.**

Territorial self-governing units are territorial communities that are entitled to self-government. The Czech Republic's constitution says that municipalities and superior self-governing units are governed by local boards and **may be entrusted the execution of state administration.**

In the Czech Republic the so called **combined model** was chosen for the state administration execution, in which the territorial self-governing units execute not only their own self-government powers but also the delegated competencies (state administration in areas specified by special regulations).

2.1.1 Municipalities

Reinstating self-governments after the communist regime fall was crowned by **elections to local boards** on November 24th 1990. Municipalities represent public corporations with their property and elected bodies (**local boards** and **local councils**; a **mayor/ chairman of the village** is elected from the elected representatives).

Local boards execute, as a result of **combined model**, not only their own self-government powers but also the state administration tasks specified by special regulations. That is why the act on municipalities specifies several municipality types. The largest extent of state administration tasks is executed by 205 municipalities with extended powers; majority of these powers were taken over from former district offices in 76 districts.

The act on municipalities specifies also **23 statutory cities** (cities with more than 50 thous. inhabitants + Mladá Boleslav) that may be divided into city districts or quarters. A **mayor** is elected from the elected representatives in the statutory cities as well as in the **capital of Prague** that is governed by the special act on the capital of Prague.

Besides the said position of self-governing units **there exist numerous state bodies for execution of state administration** the territorial competencies of which are specified by a special act (e.g. courts, prosecutions, territorial financial authorities etc.) on country's territorial division from 1960. This act preserves former country division into 76 districts, 7 regions and the capital of Prague (e.g. labour offices, social security administration, CR Police and others).

2.1.2 Regions

In 1997 there was passed a constitutional law No. 347/1997 Coll. on establishing superior self-governing territorial units (regions), effective as of January 1st 2000. There were **14 regions established (including the capital of Prague)**.

Constitutional law established 14 superior self-governing territorial units (regions):

1. **Capital of Prague**
2. **Středočeský kraj** (region), capital in Prague
3. **Jihočeský kraj** (region), capital in České Budějovice
4. **Plzeňský kraj** (region), capital in Plzeň
5. **Karlovarský kraj** (region), capital in Karlovy Vary
6. **Ústecký kraj** (region), capital in Ústí nad Labem
7. **Liberecký kraj** (region), capital in Liberec
8. **Královéhradecký kraj** (region), capital in Hradec Králové
9. **Pardubický kraj** (region), capital in Pardubice
10. **Vysočina kraj** (region), capital in Jihlava
11. **Jihomoravský kraj** (region), capital in Brno
12. **Olomoucký kraj** (region), capital in Olomouc
13. **Moravskoslezský kraj** (region), capital in Ostrava
14. **Zlínský kraj** (region), capital in Zlín.

Elections to regional assemblies took place for the first time on November 12th 2000. Regional **assemblies** elected regional **councils** and the lead representatives – regional governors (the capital of Prague has a mayor in this position).

2.1.3 Regions for regional (cohesion) policy of the EU – NUTS regions

Within the EU there was introduced a unified nomenclature of territorial statistical units (NUTS) in 1988 in order to carry out statistical monitoring and analysis in regions. Based on this there are three main levels of territorial division defined according to number of inhabitants (see the following table).

Table 3: Number of inhabitants for NUTS regions

Level	Recommended min. number of inhabitants	Recommended max. number of inhabitants
NUTS I	3 mill.	7 mill.
NUTS II	0,8 mill.	3 mill.
NUTS III	0,15 mill.	0,8 mill.

Source: <http://www.mmr.cz>

Established superior self-governing territorial units (regions) proved to be too small from the point of view of the EU to receive finances from EU funds. These regions match the NUTS III level. CR had to introduce between the state and regions one extra level matching the NUTS II level due to accession to the EU – so called **cohesion regions**. Financial support from EU is directed to the NUTS II level.

In addition to the NUTS I – III levels there exist also two lower levels of territorially-administrative statistical division which are, however, not decisive for the allocation of finances from EU funds. They are so called local administrative units (LAU). They are sometimes referred to as NUTS IV and NUTS V in literature. Numbers of NUTS units in the CR are shown in the following table.

Table 4: Numbers of NUTS units in the CR

Level	Name	Number of units in the CR
NUTS I	State	1
NUTS II	Cohesion regions	8
NUTS III	Regions	14
LAU I (NUTS IV)	Districts	76 + 15 Prague districts
LAU II (NUTS V)	Municipalities	6249

Source: <http://www.mmr.cz>

The following cartogram shows 14 regions (NUTS III) and the related division into 8 cohesion regions (NUTS II) that are specified by the act No. 248/2000 Coll., on regional development support.

Cartogram 1: Cohesion regions (NUTS II) and regions (NUTS III) of the CR



Source: <http://www.mmr.cz>

Cohesion regions (NUTS II):

Prague (The Capital of Prague)

Middle Bohemia (Středočeský kraj (region))

Northwest (Karlovarský and Ústecký kraj (region))

Northeast (Liberecký, Královéhradecký and Pardubický kraj (region))

Southwest (Plzeňský and Jihočeský kraj (region))

Southeast (Vysočina and Jihomoravský kraj (region))

Middle Moravia (Olomoucký and Zlínský kraj (region))

Moravia-Silesia (Moravskoslezský kraj (region))

2.2 Municipalities and their position

2.2.1 Municipalities by extent of state administration execution

A municipality is a basic self-governing territorial community of citizens; it represents a territorial unit with territorial municipality border (§ 1 of the act No. 128/2000 Coll.). Taking into account the extent of state administration execution within the frame of delegated competencies the act distinguishes:

- municipality with extended powers (205 municipalities)
- municipality with an authorized municipal office (393 municipalities)
- municipality with a basic extent of delegated competencies (all 6249 municipalities)

Municipalities with an authorized municipal office and municipalities with extended powers are specified by a special regulation.

Municipal office in a municipality with extended powers – municipalities of type III. (MEP)

Municipal office in a municipality with extended powers is an office that executes, besides the basic tasks of delegated competencies (according to § 61, par. 1, letter a) of the act No. 128/2000 Coll.) and besides delegated competencies of authorized municipal offices (according to § 64 of the act No. 128/2000 Coll.), further tasks within the delegated competencies in the administrative district specified by an implementing legal regulation. The extended powers are defined factually in the act on municipalities and in numerous special regulations. E.g. issuance of travel and personal documents and cards, driving licenses, trade authorizations, water disposal regulations etc.

Authorized municipal office – municipalities of type II. (AMO)

An authorized municipal office executes, besides the basic tasks of delegated competencies (according to § 61, par. 1, letter a) of the act No. 128/2000 Coll.), further tasks within the delegated competencies in the administrative district specified by an implementing legal regulation. An authorized municipal office is superior, among others, to register office and to building office.

Municipalities with a basic extent of state administration execution

A municipality represents fundamental self-governing territorial arrangement of citizens; it forms a territorial unit delimited by a municipality territorial border. A municipality governs its matters independently. State and regional authorities may interfere with the self-government only if it is required in order to protect the law and only by legally specified manners. Extent of independent competencies may be limited by law only. Obligations may be imposed by an independent acting municipality in a form of municipal by-laws. Municipal authorities execute delegated competencies in a basic extent in matters that are specified by special regulations; in this case the municipal territory represents an administrative district.

Prague

A special regulation governs position of the capital of Prague. This regulation says that Prague is at the same time the CR capital, region, and municipality. Inner conditions of the capital of Prague related to the local government are specified in the Statute. The capital of Prague is governed independently by a city assembly; other bodies and authorities of the capital of Prague are the Council of the Capital of Prague, mayor of the capital of Prague, Municipal Office of the Capital of Prague, special authorities of the capital of Prague, and municipal police of the capital of Prague. The capital of Prague is divided into city districts. Tasks that belong to self-government of the capital of Prague are executed by the capital of Prague in the extent specified by the law and adequately to the needs of the capital of Prague. Tasks that belong to self-government competencies of city districts are executed by these districts in the extent specified by the law and by the Statute of the Capital of Prague, adequately to the needs of city districts.

2.2.2 Classification of municipalities – city/town, market-town, municipality

Cities/towns have been historically established in a free landscape (“on a green meadow”) or have developed from older non-urban settlements. Until 2006 a municipality could become a city/town if it had at least 3000 inhabitants, and if it was decided so based on the municipality’s request by a chairman of the Chamber of Deputies having received statement of government. At present the limit of a minimum number of inhabitants is not set. A city/town is governed independently by a city/town assembly; other bodies and authorities of a city/town are a mayor, city/town council, city/town office, and special city/town authorities.

Statutory city is territorially structured and its inner conditions in the matters related to city government are specified in a statute which is issued in a form of municipal by-law. Territory of statutory cities may be divided into city districts or quarters with independent self-governing authorities. Statutory city is governed independently by a city assembly; other bodies and authorities of a statutory city are city council, mayor, city office, and spe-

cial city authorities. A city district of a territorially divided statutory city is governed by the district assembly; other bodies and authorities of a city district are district council, mayor, district office, and special district authorities. Authorities of statutory cities execute delegated competencies that are legally entrusted to authorized municipal offices and to municipal offices of the municipalities with extended competencies. Statutory cities are: Kladno, České Budějovice, Plzeň, Karlovy Vary, Ústí nad Labem, Liberec, Hradec Králové, Pardubice, Jihlava, Brno, Zlín, Olomouc, Přerov, Chomutov, Děčín, Frýdek-Místek, Ostrava, Opava, Havířov, Most, Teplice, Karviná, and Mladá Boleslav.

Market-town, also a small town, is a historical municipality type between town and village. Market-town status used to be granted by a ruler since the 13th century, and by a council of ministers since 1918. A market-town had to bear a townlike character and to play a role of centre of gravity for surrounding villages. Granting a market-town status discontinued in 1949. Amendment of the act on municipalities from 2006 reinstated the market-town status. At present a municipality may become a market-town if it was decided so based on the municipality's request by a chairman of the Chamber of Deputies having received statement of government. A market-town is governed by the market-town assembly; other bodies and authorities of a market-town are market-town council, mayor, market-town office, and special market-town authorities.

2.2.3 Legislative frame of municipality position

Municipalities position is specified in several acts, the most important of them are:

- Act No. 128/2000 Coll., on municipalities (municipality order), as amended by later regulations
- Act No. 314/2002 Coll., on designation of municipalities with authorized municipal offices and designation of municipalities with extended competencies, as amended by Act No. 387/2004 Coll.
- Act No. 132/2000 Coll., on amendments and repeals of some acts related to act on regions, act on municipalities, act on district offices, and act on the capital of Prague, as amended by later regulations
- Act No. 129/2000 Coll., on regions (regional order), as amended by later regulations
- Act No. 131/2000 Coll., on the capital of Prague, as amended by later regulations
- Act No. 147/2000 Coll., on district offices, as amended by Act No. 320/2001 Coll.

2.3 Settlement and settlement structure

2.3.1 Demographic and social conditions

An unfavourable trend in demographic development until 2005 meant natural decrease of number of inhabitants. Overall demographic development trends are characterised by the following phenomena:

- Total women fertility, that shows the number of children born to one woman during her whole reproductive period, has not changed from the last century's nineties and keeps still, from the whole EU point of view, on very low values (1,1 – 1,2 child). Children are born to mothers who are 3-4 years older now, with minimum regional differences. In the last years we can observe increasing relative birth rate; in absolute figures, however, we can expect its decrease in all regions after 2010 again.
- Resulting from changed life style the number of single-person households increases and the mean life length too. Traditional differences between regions have connection with their age and social structure. Higher proportion of singles may be found in small municipalities and big cities. We can expect continuing present trend in the future, with probably more rapid rate in big cities.
- In relation to increasing mean life length and low birth rate the number of seniors increases. Taking into account a small differentiation of natural change the regional differences in post-productive population proportions are influenced primarily by long-term migration trends. Lower proportion of this component is to be found in the north-west part of the country and in small and medium towns. In the long-term view we can expect significant growth of number of seniors in all regions, with the growth rate differentiated according to migration activities of individual regions.

Table 5: Inhabitants by age groups in the CR regions as of December 31st 2007

Region	Total number of inhabitants	Age group			Age index	Economic dependence index	Average age
		0-14	15 – 64	65 and more			
Capital of Prague	1 212 097	12.1	72.3	15.6	129.4	38.4	41.7
Středočeský kraj	1 201 827	14.8	71	14.1	95.3	408	40
Jihočeský kraj	633 264	14.5	71.1	14.5	100.2	40.7	40.3
Plzeňský kraj	561 074	14	71	15	107.3	40.9	40.7
Karlovarský kraj	307 449	14.7	72	13.3	90.9	39	39.6
Ústecký kraj	831 180	15.3	71.7	13	85	39.5	39.4
Liberecký kraj	433 948	14.9	71.6	13.6	91.2	39.7	39.8
Královéhradecký kraj	552 212	14.4	70.4	15.3	106.1	42.1	40.7
Pardubický kraj	511 400	14.7	70.4	14.8	100.6	42	40.2
Vysočina	543 677	14.8	70.4	14.9	100.6	42.1	40
Jihomoravský kraj	1 140 534	13.9	70.9	15.2	108.9	41.1	40.6
Olomoucký kraj	541 791	14.2	71	14.7	103.5	40.8	40.3
Zlínský kraj	590 780	14.1	70.8	15.1	107.2	41.3	40.4
Moravskoslezský kraj	1 249 897	14.5	71.5	14.1	97.2	39.9	39.9
Česká republika celkem	10 381 130	14.2	71.2	14.6	102.4	40.4	40.3

Source: http://www.czso.cz/csu/redakce.nsf/i/publikace_regiony

Inhabitants structure by education in individual regions of the Czech Republic did not show important differences except Prague, where the proportion of university level educated inhabitants highly exceeds the republic's average. Above average number of university level educated inhabitants is also in Jihomoravský kraj (region), where the situation is being influenced by Brno, the second largest university centre in the Czech Republic.

Big differences in education structure, however, are to be found in individual size groups of municipalities. Lower level of education is quite clear in rural areas. The important influences are the prevailing agricultural nature of municipalities and partially also the less favourable age structure of inhabitants in small municipalities with predomination of inhabitants at the age of 60 (or 65) and above.

Table 6: Inhabitants at the age of 15 and older by the highest education level achieved and by the size of municipalities as of March 1st 2001

Size group of municipalities (by number of inhabitants)	Highest education level achieved							Inhabit. at the age of 15 and older – total
	elementary	secondary	complete secondary with GCSE examination	higher technical training and extension course	university level	no education	not ascertained	
< 2 000I	29	43.8	19.4	2.1	4.1	0.6	1	100.0
2 000 – 9 999	24.9	40.9	23.5	3	6.3	0.5	1	100.0
10 000 – 99 999	21.9	36.7	26.9	3.8	8.9	0.4	1.4	100.0
100 000 and more	16.8	30.5	29.2	4.7	16.8	0.2	1.8	100.0
Total CR abs. in %	1 975 109 23.0	3 255 400 38.0	2 134 917 24.9	296 254 3.5	762 459 8.9	37 932 0.4	113 127 1.3	8 575 198 100.0

Source: ČSÚ SLBD 2001

Development trend of economic active inhabitants structure by economic activity sector is quite clear from the long term view, showing the strengthening of services and decreasing the number of people employed in agriculture and industry. Proportion of persons employed in services exceeded one half of all employed people. Measured by importance of individual sectors the most important is industry, and in the area of services it is repairs of motor vehicles and consumer goods, and building industry.

Economic active inhabitants structure by economic branches is quite different in Prague, comparing that to other regions. Economic problems appear more often in regions with a high employment in agriculture and in traditional industrial sectors.

Table 7: Proportions of sectors in relation to total number of employees in main job in the 2nd quarter 2008

	CR total	by region:													
		Capital of Prague	Středočeský	Jihočeský	Plzeňský	Karlovarský	Ústecký	Liberecký	Královéhradecký	Pardubický	Vysočina	Jihomoravský	Olomoucký	Zlínský	Moravskoslezský
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
of it:															
agriculture, gamekeeping, forestry and related activities	3.2	0.1	3.2	5.6	4.7	1.8	2.9	2.8	3.8	4.6	8.9	3.2	4.1	2.7	2
fishing, fish farming and related activities	0.1	-	0.1	0.4	0.2	-	-	-	-	0.1	-	-	-	0.1	-
Industry - total	31.3	10.8	31.5	32.2	35.2	30.2	33.7	42.2	37.7	35	36.1	31.2	34.1	37.1	35.9
of it:															
mineral resources mining	1.1	-	0.4	0.3	0.2	2.9	3.4	1.1	0.3	0.3	0.5	0.6	0.5	0.1	4.5
processing industry	28.6	9.7	29.4	30.2	33.6	25.9	27.5	39.8	36.3	33.4	33.6	29.1	32.3	35.9	29.6
production and distribution of electricity, gas and water	1.6	1.1	1.7	1.7	1.4	1.4	2.8	1.3	1.1	1.3	2	1.6	1.4	1.1	1.8
building industry	9.3	8.3	9.3	9.9	8.5	11.1	9.7	9.3	8.1	9.9	8.7	9.7	9.7	11.2	8.7
commerce, repairs of motor vehicles and consumer goods	12.7	14.7	13.2	12.4	11.6	13.7	13	10.4	12.1	12.8	10.8	12.4	12	12.8	12.3
accommodation and gastronomy	3.5	5.7	3.4	3.7	2.9	6.9	3.2	2.9	2.3	3.2	2.7	3.5	2.6	3.2	2.4
transport, storage and communications	7.5	9.6	9.9	6.6	6.1	6	8.6	6.5	5.3	7.4	7	6.6	7.2	5.4	7
financial mediation	2.4	5.6	2.5	2	2	2	2.1	1.6	2.1	2.3	1	2	1.3	1.5	1.6
real estates, rents, entrepreneur activities	7.2	17.4	6.7	5.7	5.7	3.4	4.7	4.1	5.1	4.5	4	8.6	5.1	5	6.1
public administration, defence, obligatory social security	6.6	7.9	6.3	7.3	6.9	7.2	7.2	5.5	6.7	5.6	5.8	6.9	6.7	5.5	6
education	5.6	5.4	4.9	5.1	6.6	5.6	4.4	4.5	5.8	5.2	5.3	6.9	5.9	5.7	6.5
healthcare and social care, veterinary activities	6.5	7.2	4.8	6	6.5	8.4	5.8	6.3	7	6.8	6.6	5.6	7.5	7.4	7.6
other public, social and personal services	4	7.2	4	3.1	3.1	3.6	4.5	3.9	3.8	2.7	3.2	3.4	3.8	2.5	3.7

Source: ČSÚ – Results of selective survey of workforce

2.3.2 Settlement structure character

Settlement structure of the CR, inherited from several centuries lasting history of Czech countries settlement, is characterized by certain typical features; the most important of them are:

- high level of scattering of rural settlements pattern
- relatively low number of big cities
- significant role of small and medium towns

Number of rural settlements in the CR, i.e. villages, scattered settlements, hamlets, and hermitages is estimated for 40 thousands, with the average distance between settlements of about 1.5 km. Importance of rural settlements within the settlement pattern lies in their spatial, in fact uniform, distribution (even though regional differences exist), on the contrary to “spot” elements – towns/cities. Rural settlements are everywhere clearly visible elements of the Czech landscape, which continual utilisation (by agriculture, and increasingly by tourism and leisure time activities) is linked to them.

Settlements (rural, urban, suburban, with various specifics e.g. with production function, transport function, leisure time function etc.) represent for the needs of public administration municipalities. A municipality may include one or more settlements.

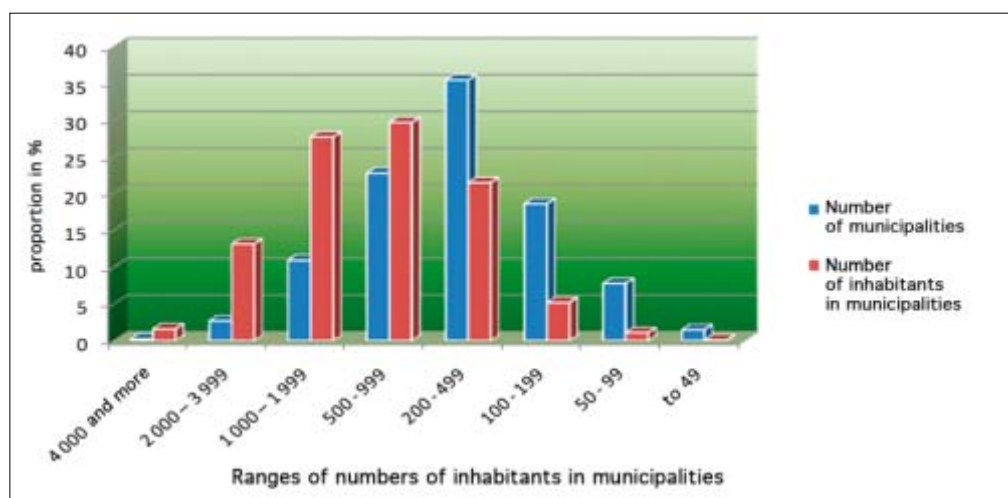
There existed 6249 municipalities in the CR as of December 31st 2007, of that 559 towns (in it there were 24 statutory cities) and 124 market towns. Rural municipalities (i.e. municipalities without any further specification) were 5566, which means 89.1% of all municipalities (together with market towns it would be 91.1%), but there were only 28.3% country inhabitants living there, together with market towns it was 29.7%. Urbanization degree of Czech settlements reached 70.3%, if we count market towns as rural municipalities. (Urbanization will be covered later in chapter 3.)

Vast majority of the smallest rural settlements (in particular hamlets and hermitages) may be included in the group of municipalities composed of several settlements. Yet the significant feature of the Czech settlement pattern – scattering of rural settlements – is evident at the level of municipalities. We can see that in the following table.

Table 8: Size classification of rural municipalities and market towns, 2007

Inhabitants number range	Number of municipalities		Number of inhabitants in the group of municipalities	
	abs.	proportion in %	abs.	proportion in %
4 000 and more	11	0.2	50 208	1.6
2 000 – 3 999	156	2.7	400 100	13.1
1 000 – 1 999	618	10.9	844 585	27.7
500 - 999	1 297	22.8	906 582	29.7
200 - 499	2 019	35.5	655 667	21.5
100 - 199	1 061	18.6	157 158	5.2
50 - 99	441	7.8	33 714	1.1
to 49	87	1.5	3 423	0.1
Czech Republic - total	5 690	100.0	3 051 437	100.0

Source: ČSÚ, Malý lexikon obcí ČR 2007, <http://www.czso.cz/csu/2007edicniplan.nsf/p/1302-07>

Chart 1: Size classification of rural municipalities and market towns, 2007

Source: ČSÚ, Malý lexikon obcí ČR 2007, <http://www.czso.cz/csu/2007edicniplan.nsf/p/1302-07>

Similar size analysis for a file of rural municipalities and market towns says that almost 2/3 of the given municipalities has less than 500 inhabitants and more than 1/4 (27.9%) has less than 200 inhabitants. The most frequent group is represented by municipalities with 200-499 inhabitants. Speaking about total numbers of inhabitants living in individual municipality groups the majority is represented by municipalities with 500-999 and 1000-1999 inhabitants (altogether they represent 57.4% of inhabitants from ru-

ral municipalities and market towns), and further the municipalities with less than 500 inhabitants concentrating more than 1/4 (27.9%) of rural municipalities and market towns population.

Another specific feature of the Czech Republic is a relatively low number of cities within the settlement pattern – even though the urbanization degree is high – and related significant number of small and medium towns. In addition to Prague there are only two cities exceeding 300 thous. inhabitants in the CR – Brno and Ostrava – and two other cities with more than 100 thous. inhabitants – Plzeň and Olomouc. These five cities rank the CR after many countries with about the same population in the European Union; the Netherlands has 25 cities, Sweden has 11, Hungary has 9, Greece has 8. About five cities may be found in countries with substantially less inhabitants than the CR has – e.g. Denmark, Finland, Norway, and even Lithuania with 3 mill. inhabitants. In Germany there are 83 cities, i.e. 17 times more than in the Czech Republic even if the number of inhabitants in Germany is only 8 times higher. Similarly Poland has 8 times more cities (39) than the CR, but its number of inhabitants is only 4 times higher. About the same level seems to be in Austria and Belgium. A lower level may be found, among equally populated European countries, only in Portugal.

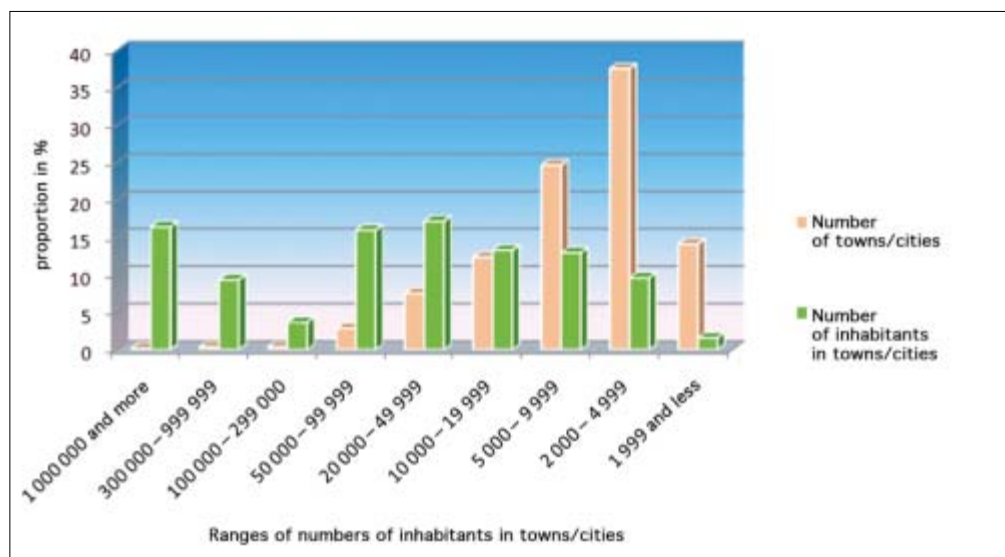
Size analysis of cities/towns can illustrate this fact. More than 1/2 (51.7%) of all 559 towns has less than 5000 inhabitants and more than 3/4 (76.4%) does not reach 10 thous. inhabitants. Taking into account the ratio of inhabitants living in cities the weight of small towns is obviously lower (24.1% resp. 37.4%). Typically, however, the major portion of urban population (17.2%) lives in towns with 20-50 thous. inhabitants, it means in typical medium size towns.

Table 9: Size classification of towns/cities, 2007

Inhabitants number range	Number of towns/cities		Number of inhabitants in towns/cities	
	abs.	proportion in %	abs.	proportion in %
1 000 000 and more	1	0.2	1 188 126	16.4
300 000 – 999 999	2	0.4	675 778	9.3
100 000 – 299 000	2	0.4	263 560	3.6
50 000 – 99 999	16	2.9	1 156 650	16.0
20 000 – 49 999	42	7.5	1 242 789	17.2
10 000 – 19 999	69	12.3	962 930	13.3
5 000 – 9 999	138	24.7	936 863	12.9
2 000 – 4 999	210	37.6	695 326	9.6
1 999 and less	79	14.1	113 730	1.6
Czech Republic – total	559	100.0	7 235 752	100.0

Source: ČSÚ, Malý lexikon obcí ČR 2007, <http://www.czso.cz/csu/2007edicniplan.nsf/p/1302-07>

Chart 2: Classification of towns/cities by size groups, 2007



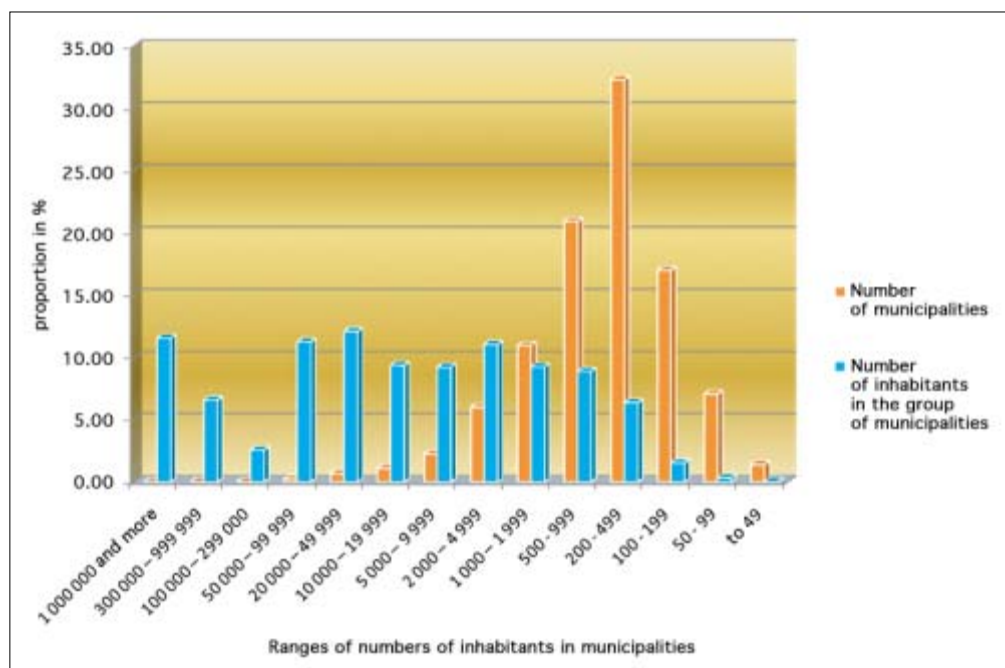
Source: ČSÚ, Malý lexikon obcí ČR 2007, <http://www.czso.cz/csu/2007edicniplan.nsf/p/1302-07>

Table 10: Czech Republic municipalities classified by size, 2007

Inhabitants number range	Number of municipalities		Number of inhabitants in municipalities	
	abs.	proportion in %	abs.	proportion in %
1 000 000 and more	1	0,02	1 188 126	11,55
300 000 – 999 999	2	0,03	675 778	6,57
100 000 – 299 000	2	0,03	263 560	2,56
50 000 – 99 999	16	0,26	1 156 650	11,24
20 000 – 49 999	42	0,67	1 242 789	12,08
10 000 – 19 999	69	1,1	962 930	9,36
5 000 – 9 999	140	2,24	947 225	9,21
2 000 – 4 999	375	6	1 135 272	11,04
1 000 – 1 999	685	10,96	950 291	9,24
500 - 999	1 307	20,92	913 985	8,88
200 - 499	2 019	32,31	656 020	6,38
100 - 199	1 062	16,99	157 333	1,53
50 - 99	442	7,07	33 807	0,33
do 49	87	1,39	3 423	0,03
Czech Republic – total	6 249	100	10 287 189	100

Source: ČSÚ, Malý lexikon obcí ČR 2007, <http://www.czso.cz/csu/2007edicniplan.nsf/p/1302-07>

Chart 3: Classification of CR municipalities by size groups, 2007



Source: ČSÚ, Malý lexikon obcí ČR 2007, <http://www.czso.cz/csu/2007edicniplan.nsf/p/1302-07>

2.3.3 Development of settlement and migration

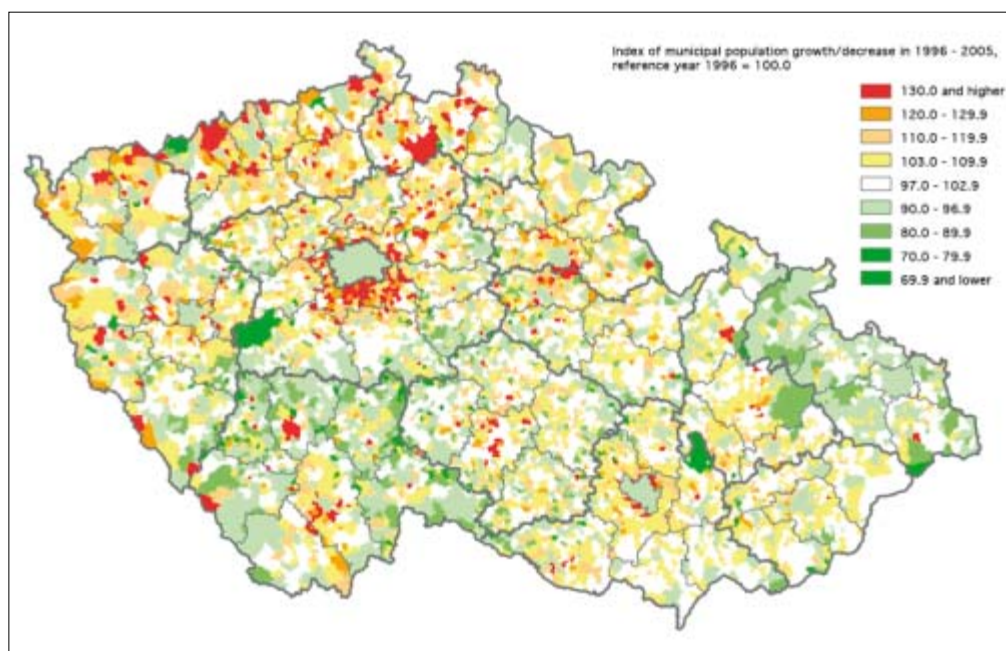
Main process that determines current development changes in the CR's settlement is a changing relationship between towns/cities, and big cities in particular, on one side and their suburban background on the other. While after the war there dominated centripetal tendencies leading to one-sided utilisation of suburban areas by towns/cities, the last 10-15 years show centrifugal trends – spreading development activities and capital from city cores to their suburban areas, and strengthening big cities position as cores of information contact points and of society innovations. This process has been developing in the old EU member countries since the 20th century 70's and makes thus the information value of the index on physical concentration of population in big cities less reliable.

Territorial distribution of municipalities' population dominant growth or decrease in the Czech Republic is currently influenced by these main factors:

- process of suburbanization – a dynamic growth and development occur in suburban areas of towns/cities and big cities, particularly in Prague, while the very core towns/cities encounter decreasing number of inhabitants living in there

- aspect of municipality location in relation to regional population centres; municipalities located in remote areas encounter decreasing number of inhabitants living in there
- age structure of inhabitants; areas with higher number of younger people (north and northwest Bohemia) show higher natural growth, municipalities in areas with a higher index of demographic age (e.g. parts of middle and east Bohemia) show negative population balance.

Cartogram 2: Development of inhabitants number in municipalities, 1996-2005



Source: ČSÚ, Městská a obecní statistika, index code 111000

From the above three main factors of population growth/decrease in municipalities, i.e. current settlement development in the CR, the first two are related to migration processes. Migration in this context means moving of people to other municipalities for permanent residence. The last – demographic – factor plays considerable role only in those places where certain dominance of individual age pole groups exist, i.e. children or seniors. That is why migration processes play decisive role in current settlement development in the Czech Republic.

Population migration assessment has two important characteristics: migration (bi-directional) intensity and migration balance.

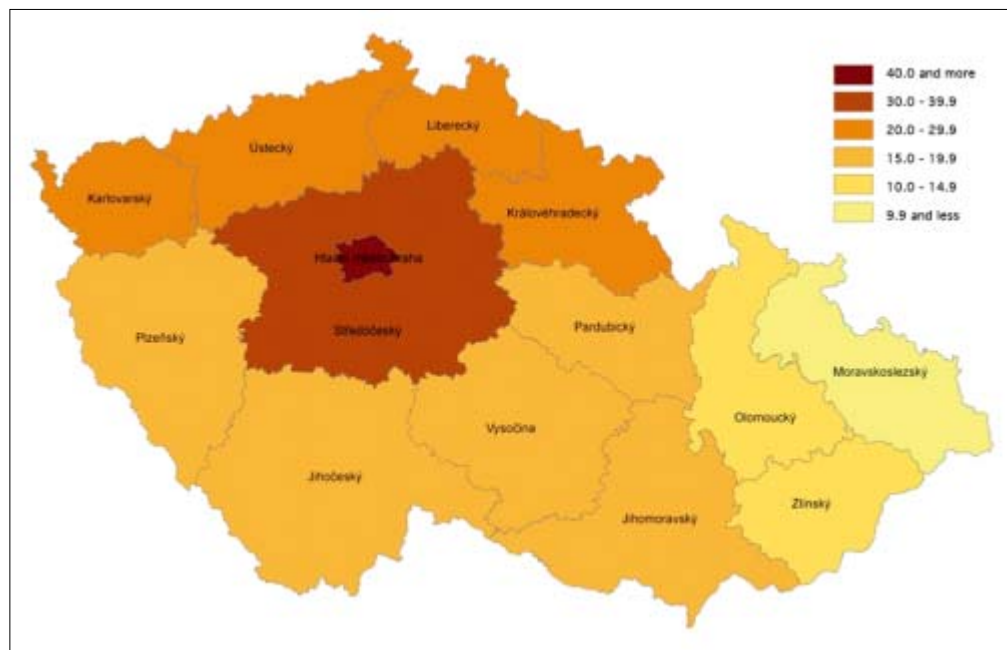
Migration intensity indicates degree of socio-economic dynamics of a region. It says nothing about attractiveness or marginal position of a region, but it has a relation to real, existing development movements within a community of the respective region. A region with higher migration intensity is more open to new trends that may influence both in-migration and out-migration. Out-migration may be, e.g. in case of Prague, connected with an active search for better nature and environment. Regions with lower migration intensity are relatively self-supporting and closed. Available statistical data from ČSÚ on migration are from 2004-2006. Migration intensity is measured by an index of in-migrating and out-migrating people numbers per 1000 inhabitants of the region. Migration intensity indices for this period were the highest in Prague (58.1) and in Středočeský kraj (region) (36.6). The lowest index was in Moravskoslezský kraj (region) (9.7).

Table 11: Migration intensity by region, 2004-2006

Region	Number of in-migrating and out-migrating in a year				Mean number of inhabitants in a region	Migration intensity*
	2004	2005	2006	Average 2004-2006	2004-2006 2006 in thous.	
Capital of Prague	50 818	69 195	83 862	67 958	1 170.6	58.1
Středočeský	39 676	40 000	46 118	41 931	1 144.1	36.6
Jihočeský	10 920	10 384	10 842	10 715	625.7	17.1
Plzeňský	10 710	9 105	9 920	9 912	549.6	18
Karlovarský	8 024	6 767	6 849	7 213	304.6	23.7
Ústecký	15 624	17 206	19 354	17 395	822.1	21.2
Liberecký	9 018	9 284	10 140	9 481	427.6	22.2
Královéhradecký	10 334	10 825	12 099	11 086	547.3	20.3
Pardubický	9 072	8 994	9 407	9 158	505.3	18.1
Vysočina	8 672	8 440	9 248	8 787	510.1	17.2
Jihomoravský	19 750	17 960	18 074	18 595	1 130.2	16.5
Olomoucký	9 361	8 908	9 799	9 356	639.4	14.6
Zlínský	8 343	6 989	7 045	7 459	590.7	12.6
Moravskoslezský	13 131	11 640	11 605	12 125	1 253.3	9.7

* Number of in-migrating and out-migrating in an annual average from 2004-2006 per 1000 inhabitants from the mean number inhabitants number in a region.

Source: ČSÚ, regional annual statistics, http://www.czso.cz/csu/redakce.nsf/i/krajske_rocenky

Cartogram 3: Migration intensity index by region, annual average from 2004-2006

Source: ČSÚ, regional annual statistics, http://www.czso.cz/csu/redakce.nsf/i/krajske_rocenky

Difference between the number of in-migrating to and out-migrating from a region, i.e. migration balance, shows degree of the region's attractiveness for inhabitants from other regions. Annual averages from 2004-2006 show that the highest excess of in-migrating over out-migrating was in Středočeský kraj (region) (+13,610). The second highest migration balance was ascertained in the capital of Prague (+8,246). As already shown before, some regions rank a less favourable positions here, particularly Moravskoslezský kraj (region) (-1,436).

Table 12: Migration balance by region, 2004-2006

Region		Year			Average 2004-2006
		2004	2005	2006	
Capital of Prague	In-migrating	28 763	40 482	45 061	38 102
	Out-migrating	22 055	28 713	38 801	29 856
	Balance	6 708	11 769	6 260	8 246
Středočeský	In-migrating	24 630	27 387	31 295	27 771
	Out-migrating	15 046	12 613	14 823	14 161
	Balance	9 584	14 774	16 472	13 610
Jihočeský	In-migrating	5 795	6 350	6 440	6 195
	Out-migrating	5 125	4 034	4 402	4 520
	Balance	670	2 316	2 038	1 675
Plzeňský	In-migrating	5 584	5 708	6 522	5 938
	Out-migrating	5 126	3 397	3 398	3 974
	Balance	458	2 311	3 124	1 964
Karlovarský	In-migrating	4 240	3 211	3 476	3 642
	Out-migrating	3 784	3 556	3 373	3 571
	Balance	456	-345	103	71
Ústecký	In-migrating	8 607	9 236	9 615	9 153
	Out-migrating	7 017	7 970	9 739	8 242
	Balance	1 590	1 266	-124	911
Liberecký	In-migrating	4 448	5 354	5 780	5 194
	Out-migrating	4 570	3 930	4 360	4 287
	Balance	-122	1 424	1 420	907
Královéhradecký	In-migrating	5 312	6 100	6 787	6 066
	Out-migrating	5 022	4 725	5 312	5 020
	Balance	290	1 375	1 475	1 047
Pardubický	In-migrating	4 629	4 996	5 525	5 050
	Out-migrating	4 443	3 998	3 882	4 108
	Balance	186	998	1 643	942
Vysočina	In-migrating	4 268	4 681	4 893	4 614
	Out-migrating	4 404	3 759	4 355	4 173
	Balance	-136	922	538	441
Jihomoravský	In-migrating	10 673	9 494	10 217	10 128
	Out-migrating	9 077	8 466	7 857	8 467
	Balance	1 596	1 028	2 360	1 661
Olomoucký	In-migrating	4 273	4 471	5 201	4 648
	Out-migrating	5 088	4 437	4 598	4 708
	Balance	-815	34	603	-59
Zlínský	In-migrating	3 972	3 510	3 528	3 670
	Out-migrating	4 371	3 479	3 517	3 789
	Balance	-399	31	11	-119
Moravskoslezský	In-migrating	5 850	4 983	5 201	5 345
	Out-migrating	7 281	6 657	6 404	6 781
	Balance	-1 431	-1 674	-1 203	-1 436

Source: ČSÚ, regional annual statistics, http://www.czso.cz/csu/redakce.nsf/i/krajske_rocenky

Cartogram 4: Migration balance by region, annual average from 2004-2006

Source: ČSÚ, regional annual statistics, http://www.czso.cz/csu/redakce.nsf/i/krajske_rocenky

3. RURAL ISSUES

3.1 Definition of rural municipalities

Rural municipalities have not been sufficiently defined in the Czech Republic so far. Generally, we can classify the most often used rural municipalities definitions by their contents according to four main criteria:

- definitions following settlement status
- definitions following population density
- definitions following municipality size
- definitions following other characteristics of a municipality.

For financing of development and reconstruction of rural municipalities there is often used a statistical definition. As an example we can take the Rural Development Program in the Czech Republic 2007-2013, which distinguishes municipalities with less than 500 inhabitants and municipalities with less than 2000 inhabitants for specification of territories and rural development to be subsidised. In future, however, we can use two cri-

teria to define a rural municipality. The program suggests that a rural municipality shall be a municipality with less than 2000 inhabitants and population density lower than 150 inhabitants / km².

Operational programs of cohesion regions (NUTS 2) support development and reconstruction of rural municipalities with 500-3000 inhabitants (middle Bohemia) or with less than 5000 inhabitants (southwest, middle Moravia, Moravskoslezsko).

3.2 Rural region types and development trends

3.2.1 Classification of rural regions

The main problem when specifying urban and rural areas is to define the rural territory. This issue has been and is being investigated by numerous Czech and foreign authors and institutions – both for theoretic-scientific reasons, and for pure practical motives – e.g. specification of rural areas for the needs of country administration and self-governments to be able to focus development programs correctly.

Countryside, contrary to a complex of rural settlements, is a continuously delimited space. Generally, we speak about countryside or rural areas in case of free, non developed landscape and rural settlements, that can be delimited as a certain complex of rural settlements, agricultural and water areas, forests and woods, local roads and other spaces and grounds within this territory. Countryside is usually specified by lower population density, by smaller settlements, by higher proportion of employment in agriculture (or forestry, fishing and other activities in primary sector), by certain close relation of local people to nature and landscape, by its architecture and typical character of buildings, and by certain lifestyle often significantly different from the town/city lifestyle. Countryside is characteristic for lower intensity of socio-economic contacts and lower density of relations among individual subjects who operate in countryside.

Taking into account these many characteristics of both rural and urban spaces which are usually not all fulfilled, we can understand that a precise delimitation of rural and urban settlements or rural and urban areas is problematic. There is no border that could separate countryside from towns.

Generally accepted international definition is specification from the Organisation for Economic Cooperation and Development (OECD) which is based on proportion of population living in areas with population density lower than 150 inhabitants / km² to total number of inhabitants. This methodology defines rural areas in two levels. At a local level (i.e. municipalities) the countryside means settlements with population density lower than

150 inhabitants / km². A regional level means the following regions

- predominantly rural, where more than 50% of region's inhabitants live in rural municipalities
- significantly rural, where 15-50% of region's inhabitants live in rural municipalities
- significantly urban, where less than 15% of region's inhabitants live in rural municipalities

This definition, however, does not take into account population in densely populated rural areas and it is, sometimes, difficult to apply it due to local (national) specifics. It is therefore used rather as a tool for international comparisons.

Specification of countryside in national documents

Development of countryside in the Czech Republic is described in a strategic document – the National Strategic Plan of Rural Development in the Czech Republic 2007-2013 – and is implemented through a program document – the Rural Development Program in the Czech Republic 2007-2013. The National Strategic Plan of Rural Development (NSPRD) is based both on the EU and the Czech legislations, it is intended for the whole territory of the Czech Republic, and it uses the OECD's methodology of countryside definition – except the capital of Prague all other regions belong to countryside. In order to classify rural regions it specifies more detailed categories of the CR countryside – suburban, intermediate, and distant areas.

Interconnection of sectoral views with territorial views is the regional policy's objective that is included in the Regional Development Strategy of the Czech Republic. Within the CR conditions the regional policy is applied onto chosen NUTS 2 regions from the EU level, onto state-chosen subsidised regions from the CR level (§ 4 of the act no. 248/2000 Coll.), and onto chosen regions from the regional level. Basic levels within regional development are:

- cohesion regions (NUTS 2)
- regions (NUTS 3) – superior territorial self-governing units
- districts – regional units for determination of focused state support
- administrative districts of municipalities with extended powers (MEP)
- municipalities – municipal and town offices.

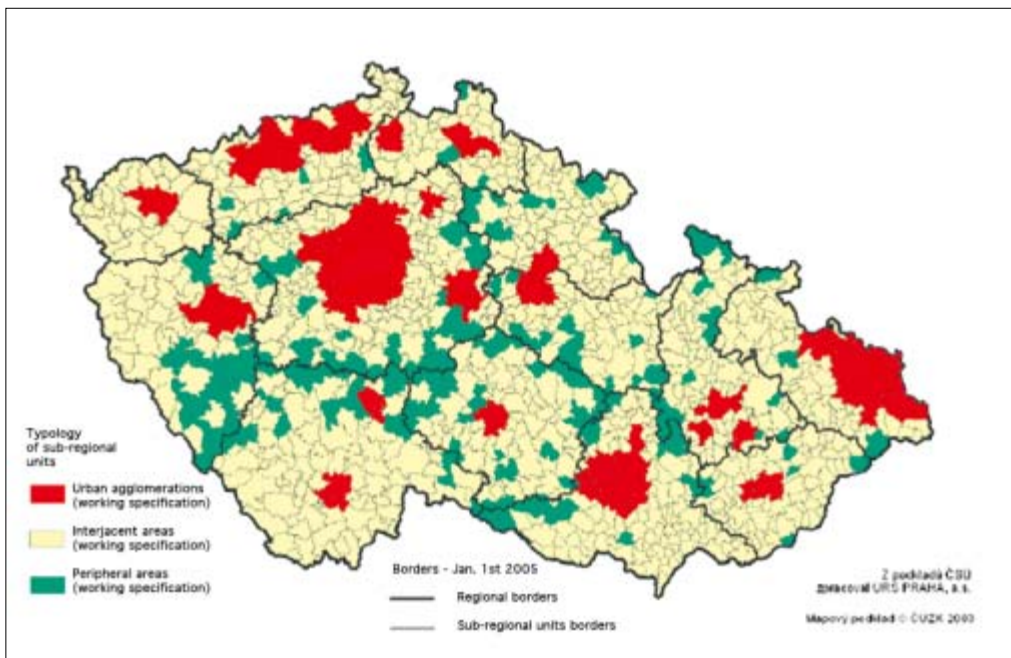
Countryside definition is not clear here either.

The Rural Development Program in the Czech Republic 2007-2013 reveals current non-existence of unanimously accepted countryside definition. It is written that it is necessary for countryside identification to use units one level lower than regions or districts or even administrative districts of municipalities with extended powers or municipalities with authorized municipal office. The most suitable detailed level could be small subregional units (ca 1000-3000 inhabitants) that represent municipalities with basic services (school, post-office, medical centre) and their closest catchment areas. With the help of units defined in this manner we can specify a more continuous area of three types:

- suburban countryside – rural municipalities within urban agglomerations or within strictly specified urban areas (with more than 50,000 inhabitants)
- distant countryside – in particular so called peripheral areas, i.e. areas with unfavourable socio-economic characteristics of population and settlement
- intermediate areas – the remaining CR territory

The document also says that the urban agglomerations and peripheral areas were defined in the past and their specifications are being updated currently.

Cartogram 5: Spatial typology for rural municipalities classification



Source: Rural Development Program in the Czech Republic 2007-2013, Ministry of Agriculture of the CR, Prague, May 2007 – map no. 5

3.2.2 Issues related to the great number of rural municipalities

The Czech Republic's characteristic is a high rate of settlement scattering (see Table 10: Czech Republic municipalities classified by size, 2007). Within the European space the Czech Republic together with France belong to countries with the highest numbers of small municipalities. Average number of inhabitants in a municipality was 1646 as of January 1st 2007.

It is in the cases of so small units where probability of difficulties in supply of basic services to their inhabitants increases. This is related to costly delivery of services in combination with the way of tax incomes allocation to local budgets. Current system of tax incomes allocation provides cities with much higher amounts per inhabitant than small municipalities. Law amendment on tax income allocations better respecting the needs of rural municipalities will come into force on January 1st 2009.

Apart from self-government the municipalities are entrusted with execution of state administration within delegated competencies. This is also a task the chairmen of villages consider burdening and difficult to handle.

Last but not least, many small municipalities, particularly in more distant rural areas, experience personal problems when carrying out the entrusted tasks. Many small municipalities have not a full-time village chairman, experienced professionals are rare and difficult to find.

Many of small municipalities representatives do realize these problems related to improving life quality of their fellow citizens and it motivates them to start collaboration with other municipalities, most often within micro-regions.

A positive fact for rural municipalities' future is that having a permanent rural residence is relatively popular in the Czech Republic. Apart from the possibility to live in own house, the quality environment, security, and good social climate are praised. Drawbacks of rural permanent residence are, in particular, insufficient number of job opportunities and insufficient transport connection. Migration potential of rural population is low. Three quarters of respondents do not want to move out elsewhere.

Table 13: Rating of chosen life quality indicators

	Excellent	Good	Sufficient	Insufficient	None
Job opportunity in municipality or close neighbourhood	1.04	13.4	21.36	50.61	13.16
Transport connection (to job. to shopping. to services...)	3.79	27.42	30.35	36.41	1.47
Social services for inhabitants	4.35	33.11	32.07	20.32	9.79
Culture. sports and social life offers and possibilities	3.24	22.15	30.91	32.31	10.95
Security in municipality	8.69	51.84	28.27	9.24	1.59
Life quality (quiet. natural environment)	29.19	51.71	15.3	3.06	0.43

Source: Survey study "Current countryside", Sociologická laboratoř 2003, research plan of MSM 411100011, prepared by V. Majerová

3.3 Collaboration of municipalities

3.3.1 Regions

A region is simply more or less explicitly delimited territory, smaller than the whole CR country, and larger than a municipality district. Typical feature of Czech regional structure is overlapping of individual region types. There exist numerous regional typologies using various criteria. In particular conception of area delimitation, area size, and contents play significant role always.

Taking into account the delimitation manner we can distinguish between two real region types – descriptive and normative:

1. **Descriptive** regions are delimited based on a situation analysis, and we may further distinguish homogeneous and heterogeneous regions.

- Homogeneous regions are characterized by an even intensity of the phenomenon occurrence. General homogeneous regions bear economic-geographical or physical-geographical inner similarity of their environments.
- Main characteristic of heterogeneous social-geographical regions is a regional core with its catchment area. Principal criterion when delimiting these types of regions is relation intensity between core and catchment area. Natural catchment areas of residential centres belong to this type.

Within the Czech Republic we can distinguish these hierarchical orders of heterogeneous social-geographical regions:

Macro-regions – type A – represents the whole country with a centre of Prague; type B – represents supra regional catchment areas of two other biggest cities – Brno and Ostrava.

Mezzo-regions – in fact matching the territories and centres of regions.

Micro-regions – the most important and basic regional processes between towns/cities and their catchment areas (consisting of rural municipalities and small towns) occur here. Their centres are equipped with basic public services. It represents in fact steady and traditional space order of settlements in the CR, continuing in the roles of former market towns, vicarages etc.

- Type A has centres that show apart from attraction of services also significant job commuting.
- Type B has centres that realize their social-geographical roles almost solely by “offering first accessible urban services above the rural level”, e.g. basic offer of retail shops or healthcare.

Subregions – their nature is “auxiliary” and in some (not all) spaces they represent partial completion of basic regional processes.

2. **Normative regions** – established by a political decision. Administrative-territorial regions belong here (municipalities with extended powers, regions). They are established by legislation, their borders are precisely defined. This type of regions is characteristic in its hierarchical system and it has the greatest practical importance for country and population life.

Apart from administrative-territorial regions there exist various single purpose and planning regions belonging to this group, that are formed intentionally by communities of several (at least two) municipalities, without recognizing them to be administrative-territorial regions though. Formation of single purpose region serves for solution of certain common tasks. Usually, it is an association of municipalities with certain declared purpose.

One type of normative region delimited by human activities, and established as a form of territorial cooperation among municipalities bears a working name “micro-region” (do not confuse with the descriptive heterogeneous social-geographical micro-region – see above). Micro-regions established as an expression of cooperation among municipalities bear usually the form of free association of municipalities (FAM).

Cartogram 6: Example of micro-regions and subregions



3.3.2 Micro-regions in collaboration of municipalities

Collaboration of municipalities may be voluntary or follow the legislation. Voluntary collaboration of municipalities may have certain territorial regulation, competence and organizational framework. Depending on the regulation nature we can distinguish two types of collaboration:

- exclusively inter municipal
- collaboration of natural persons or corporate bodies (including municipalities)

Municipalities may collaborate together only while executing their independent competencies. They may conclude a contract in order to carry out certain task, they may establish a free association of municipalities, or they may form a corporate body (company, cooperative etc.).

Principles of municipal collaboration are **freedom** (collaboration is based on a free political will of self-governing municipality representatives), **solidarity** (municipalities that share a micro-region area aware of its possibilities and needs as a whole, in achieving a common aim), and **purpose** orientation (collaboration has its purpose that is either defined from the very beginning, or develops as the collaboration progresses).

3.3.3 Forms of municipal collaboration

Contract on collaboration – Contract to carry out specific task represents a collaboration form where no corporate body comes into existence. It is realized according to the act no. 128/2000 Coll., on municipalities. This contract may be concluded between two or among more municipalities, for a definite or indefinite time, however always to carry out a specific task that falls within the independent competencies of municipalities and that usually exceeds one municipality's border. This collaboration form emerged in 2000 and is currently the second most frequent form used by almost one half of all municipalities in the CR. Similarly as in the case of free associations of municipalities, contracts to carry out specific tasks may be concluded by municipalities only, not by other corporate bodies or natural persons.

Interest group of corporate bodies may be established by corporate bodies only and its establishment and activities are governed by the act no. 40/1964 Coll., of the Civil Code as amended. Interest group of corporate bodies is an independent legal entity with own juridical subjectivity. Interest group of corporate bodies is usually established in order to coordinate activities and services and enforcing own interests.

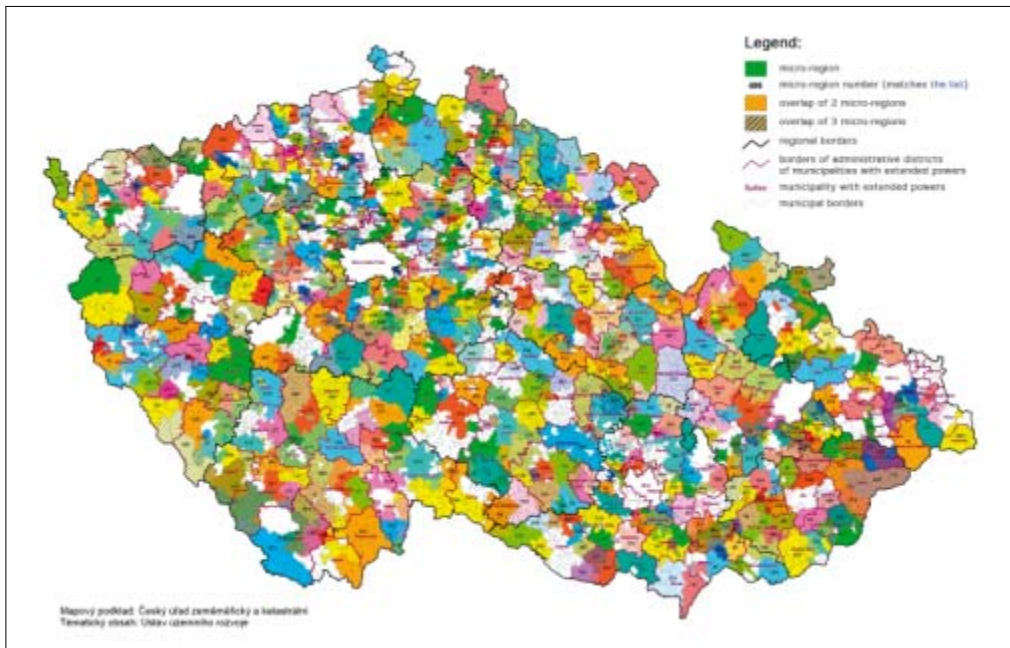
Establishing associations of corporate bodies by two or more municipalities and creating a joint legal entity is used when the common task requires long-term and more stable cooperation. Establishment of legal entities by municipalities and their activities are governed by stipulations of the act no. 513/1991 Coll., of the Commercial Code.

Free association of municipalities (FAM), as a most frequent form of collaboration among municipalities, is based on the act no. 128/2000 Coll., on municipalities. It is a form of micro-regions “being created from the bottom”. FAMs are usually created for territorially compact areas, but it is not a precondition. At the last time the FAMs bear more and more character of functional, nodal micro-regions, but we can find also FAMs like homogeneous micro-regions delimited by common natural, technical or other conditions. FAMs represent solely the inter-municipal cooperation because association members may be municipalities only. A FAM may carry out activities focused on protecting and enforcing common interests of participating municipalities. FAM is an independent legal entity and accounting unit. Rules similar to those applied to municipalities are applied to finances and assets of a FAM. It works on the basis of a budget, prepares closing balance etc. Extent, size, purpose, and intensity of collaboration within individual FAMs are really miscellaneous. More than 80% of the all CR municipalities participate in this form of collaboration. Currently there exist ca 570 complex oriented FAMs in the CR. Total number of FAMs, including single purpose associations established in order to carry out a single specific task, is about 800.

Free collaboration of municipalities oriented on solutions of common problems within so called micro-regions started in the second half of nineties, initiated primarily by the Countryside Reconstruction Program and the SAPARD program. At first it was a collaboration based on various legal basis, after 2000, however, the micro-region according to the act no. 128/2000 Coll., on municipalities, appeared as the most frequent basis. Municipalities conclude contracts among themselves in order to carry out a specific task, or multi-purpose contracts in order to cooperate on activities specified in § 50 of the above said act in a larger scale.

Micro-regions are suitable for common enforcing of interests and intentions of rural municipalities within a certain area. Formation of a micro-region is a prerequisite, particularly for smaller municipalities, to be able to obtain finances from various funds that would be unavailable for them otherwise when acting individually.

Cartogram 7: Micro-regions in the Czech Republic (2006)



Micro-regions have their management that is based on a free will of rural municipalities representatives to work together and to develop the given region. Organizational structure of a micro-region is described in the FAM's statutes and should contain the following basic components:

- **formal** – bodies specified by the official documents and memorandum of association (general assembly, council, auditing / inspection committee, etc.)
- **executive** – ensuring and being responsible for the given area development (chairman, vice-chairman)
- **initiating and coordinating** – additional structures of a micro-region being supervised and controlled by official micro-regional bodies (working groups, manager, etc.).

These components are reporting directly to the highest statutory body of a micro-region – to the general assembly that gathers at least 2 times a year.

Micro-regions may establish also other additional organizational structures, like service organizations or secretary's offices, working groups for individual projects etc., that serve for supporting area development. Micro-region's activity is financed from membership fees of the micro-region and from external subsidies. There exist various programs for countryside reconstruction, subsidies and grants for countryside. Countryside development within the Czech Republic is supported also by structural funds of the EU.

Tabulka 14: Participation of municipalities in micro-regions, 2003-2008

Year	Total number of municipalities	Municipalities in micro-regions		Municipalities outside micro-regions		Number of micro-regions
		absol.	%	absol.	%	
2003	6249	4625	74,01	1624	25,99	491
2004	6249	4685	74,97	1564	25,03	505
2005	6248	5280	84,51	968	15,49	533
2007	6249	5385	86,17	864	13,83	551
2008	6249	5473 *	87,58	776	12,42	570

* * as of August 31st 2008

** in 2006 the methodology of surveys changed and data for this year are estimations only, thus not included in this table

Source: Institute for Spatial Development

Strategic planning of micro-regions / free associations of municipalities

Basic tool of micro-regional development is strategic planning. Strategic plan of micro-region's development builds on principles of programming and must meet the European parameters of development documents, including incorporation of sustainable development aspects. This document must also follow up with the development documents of superior territorial units (region, country, EU). Strategic plan of micro-region's development is a conceptual document that describes key phenomena in the micro-region, assesses them and proposes long term aims and measures which should lead, when realized, to a positive development of the given area, local economic growth, to development of social and cultural activities, environmental protection, and sustainable development, utilising at the same time the micro-regional own resources and potential maximally.

Local activity groups (LAG), the so called "leader micro-regions" (specified by the Leader initiative), represent another form of micro-regions being established from "a bottom level" since 2004. EU LEADER initiative guidelines specify a "leader" micro-region as a continuous territorial unit with 10 000-100 000 inhabitants and population density not exceeding 120 inhabitants / km², that has an integrated development strategy. Currently there are more than 150 such micro-regions in the Czech Republic. Some of them are territorially equal to municipality associations according to the act on municipalities. This is, however, possible only in cases of FAM micro-regions without bigger centres, because otherwise the size criteria and requirements on micro-regional (LAG) population density are usually not met.

The LEADER program is meant for financing of local subjects (non-profit organizations, entrepreneurs, small businesses, municipalities) in rural areas. Main beneficiaries of financial supports are LAGs established on a principle of partnership among public administration, entrepreneurial sphere, and non-profit sector in the given region (e.g. non-profit organisations, entrepreneurs, chairmen of villages). At the level of decision making the group of private sector representatives must represent at least 50% of such a partnership.

While in other countries a LAG may bear the form of informal partnership, in the CR it must have a juridical subjectivity.

LAGs are usually non-profit organisations. LAG must be geographically, economically, and socially homogeneous, and must have a development strategy conforming to LEADER programs. Its main task is an effective utilisation of development potential in the region it is applied to.

Long term monitoring of micro-regions (FAM) reveals these fundamental general pieces of knowledge:

- Majority of registered micro-regions has a juridical form of FAM (according to §49 of the act no. 128/2000 Coll., on municipalities). Interest groups of corporate bodies are registered too (according to §20 f-j of the Civil Code). In the last time the number of LAG micro-regions is dynamically increasing.
- Subject of activity of a micro-region corresponds usually to the act no. 128/2000 Coll., on municipalities. Vast majority of micro-regions adopts its subject of activity in the full extent of the said act.
- Growing number of municipalities participates in micro-regions, covering thus larger and larger territory within the CR.
- Micro-regions overlap each other, sometimes multiple times.
- High percentage of micro-regions already has an up-to-date strategic development document, or is being procuring a document like that. In case of complex oriented micro-regions the percentage of units with strategic development documents is close to 100%.
- A professional company remains the most frequently employed elaborator of a strategic development document for a micro-region. The second place in the rank of elaborators is kept by a development agency. Increasingly we can meet a natural person as an elaborator.
- Development documents of micro-regions are usually in harmony with development documents of superior level, i.e. regional.
- Majority of strategic development documents of micro-regions is followed-up by concrete projects.
- Historical development of micro-regions establishment shows a trend of establishing even more complex development oriented micro-regions with a widely understood collaboration of participating municipalities.
- Geographical delimitation of new micro-regions is closer to real functional micro-regions and has a nodal nature in many cases.

3.3.4 Euroregions and other cross-border cooperation

Euroregion is a functional unit, established on the basis of agreement among close-to-border regions from two or more countries. It operates on the basis of own statutes and on a principle of optionality.

First Euroregions in west Europe were established in the last century's fifties and currently there are more than 170 Euroregions registered in Europe.

Our country witnessed establishing first projects of cross-border cooperation in the early nineties of the 20th century.

There were 13 registered Euroregions in the CR in 2007. Most often their form is interest association of corporate bodies, or they operate on a basis of contract on association, or like free associations of municipalities.

Aim of establishing Euroregions is increasing the life standard of inhabitants, cooperation in culture, in social area, in economics, in environmental issues, and in town & country planning, effort to improve infrastructure, to eliminate inequalities among close-to-border regions, and to balance economic and social development gradually.

Among others the cooperation of Euroregions is also focused on tourism promotion, collaboration when fighting fires and natural disasters.

The European Union supports cross-border development programs in order to overcome existing problems that hinder European integration. One of the cornerstones of the European integration process is creation of supranational units located along both sides of member countries borders.

Border regions, traditionally, belong to the less economically developed areas of every country; no exception in the CR. Through the cross-border projects the disadvantages of peripheral location can be overcome, good neighbourhood relationships can be maintained, and getting to know each other better can develop.

Cartogram 8: Euroregions along the Czech border with neighbouring countries



Source: <http://www.mmr.cz/euroregiony-v-cr>

3.3.5 Partner cities/towns and municipalities

High percentage of cities/towns and numerous municipalities in the CR cooperate with one or more partner cities/towns and municipalities in some of European countries. Co-operation is usually focused on the cultural and social areas, but also on exchange of experience in the areas of transport, tourism and town & country planning in public administration. The European Union supports the interests of European integration through cities/towns and municipalities partnerships, particularly in a form of organization of various conferences and seminars, and exchange stays of citizens from partner cities/towns and municipalities.

4. CITIES/TOWNS AS GROWTH POLES

4.1 Specification of Czech cities/towns

Settlement structure, i.e. size, inter-relations and functions of rural and urban settlements, has undergone significant evolution cycles in history. The number of inhabitants in cities/towns increases at the expense of rural population, and the urban life style develops. Process of population concentration as well as concentration of production activities leads to labour rationalization and saving for companies and citizens thanks to proximity of individual services. Cities/towns are becoming attractive because they bring not only better job opportunities, but also wider range of education options, research, financial, managerial, and commercial services; individual subjects can use specialised social and healthcare services.

Cities/towns are considered to be cornerstones of prosperity. In the course of history the cities/towns became accumulation centres of innovations, progress, wealth, human and cultural capital. Urban regions and cities/towns of any size are best positioned to use their strong points. Bigger towns can access bigger amounts of finances and invest them to improve technical infrastructure and public services, to develop offer of cultural institutions etc. The most important development poles in the Czech Republic are regional cities, in particular the capital of Prague.

Medium and small towns play important role in stabilizing the settlement structure, particularly in rural areas, where they have work and service functions for their closest surrounding. Basic precondition for functioning as stabilizing elements in rural areas is quality transport connection.

A dense network of small towns is typical of the Czech Republic. Many municipalities have juridical statute of towns, even though just a small number of them may be considered to be towns in the sense of international standards. A dense network of small and medium

towns, as a heritage from the past evolution, does not create preconditions for formation of stronger development poles outside territory of Prague; demographic stagnation creates competition in gaining human resources. While the early post-war period is characterised by continuous growth of regional towns above the level of 100 thous. inhabitants, the current post-industrial period brings alongside a threat of inhabitants outflow back to the national capital and strengthening thus the capital territory at the expenses of regional cities. Certain de-concentration development occurs in bi-central settlement structure of Moravia and Silesia.

Low urbanized areas in Kraj Vysočina (region) and parts of Moravskoslezský kraj (region) represent a specific problem. Their development must be linked to other economic activities.

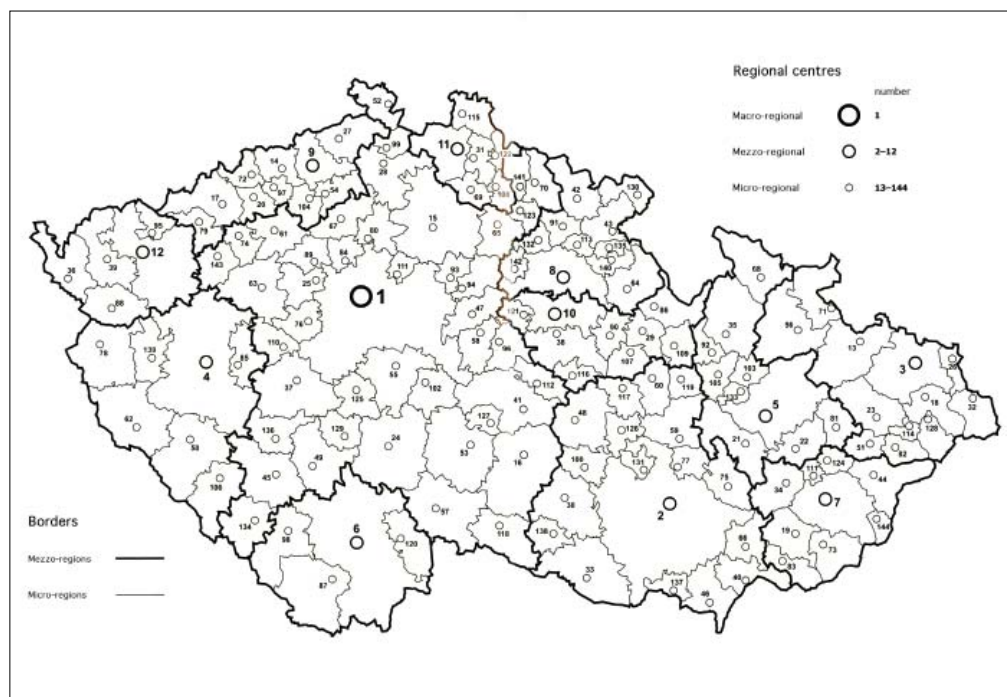
Table 15: Size groups of municipalities with more than 5000 inhabitants by regions

Region	Number of cities/towns					Number of inhabitants in %				
	5 000 – 9 999	10 000 – 19 999	20 000 – 49 999	50 000 – 99 999	over 100 000	5 000 – 9 999	10 000 – 19 999	20 000 – 49 999	50 000 – 99 999	over 100 000
Capital of Prague	0	0	0	0	1		0	0	0	100
Středočeský	19	14	4	1	0	10.3	17.5	11.1	5.9	0
Jihočeský	13	2	4	1	0	15.1	4.1	17.7	15	0
Plzeňský	8	4	1	0	1	8.8	8.8	4.1	0	29.5
Karlovarský	6	4	2	1	0	12.2	19.1	19.2	16.6	0
Ústecký	9	9	4	4	0	7.6	17.1	14.7	32.3	0
Liberecký	10	2	2	1	0	15.5	6.2	19.3	22.9	0
Královéhradecký	13	6	2	1	0	16.4	14.6	9.5	17.2	0
Pardubický	8	7	1	1	0	11.8	18.2	4.6	17.4	0
Vysočina	10	14	3	1	0	12.9	9.7	16.9	10	0
Jihomoravský	13	3	5	0	1	8	3.1	11.3	0	32.4
Olomoucký	3	6	3	0	1	3.8	12.8	18.9	0	15.7
Zlínský	11	4	4	1	0	11.8	11	18.7	13.2	0
Moravskoslezský	17	4	7	4	1	9.2	4.3	15.6	21.3	24.7
CR - total	140	79	42	16	5	10.2	10.5	13	12.3	14.5

Source: ČSÚ, Malý lexikon obcí ČR, 2007

The following cartogram shows distribution of Czech towns as macro-, mezzo-, and micro-regional centres based on the information from 2001 census, particularly data on job commuters.

Cartogram 9: Socio-geographical regionalization of the Czech Republic



Note: Numbers labelling individual centres represent the centre's rank according to its complex regional significance.

Source: Charles University, Faculty of Science, department of social geography

From the functional point of view regional cities represent centres of highly urbanized spaces:

- Prague agglomeration: mono central agglomeration with Prague in centre and other numerous towns in the surrounding. A limited space of Prague leads to dislocation of socio-economic activities outside the capital territory, accompanied by process of suburbanization. Global influence of Prague, that can be observed in daily and weekly commuting, is evident in whole Bohemia and part of Moravia.
- East Bohemian agglomeration has two major centres – Hradec Králové and Pardubice, with a smaller accompanying centre – Chrudim.
- North Bohemian conurbation represents a urban system created by functionally connected towns and cities. The main centres are Ústí nad Labem, Teplice, Most, Děčín, Litvínov, Chomutov, and other small towns.
- Liberec – Jablonec nad Nisou agglomeration. Liberec dominates the north-east Bohemia.
- Ostrava agglomeration is constituted by dominating Ostrava and directly connected cities/towns – Bohumín, Frýdek – Místek, Karviná, Havířov, Orlová, and Český Těšín and Třinec. Industrialization, that brought a boom to the region, led to formation of

industrial-urban complex. Ostrava agglomeration is connected directly to European wide significant conurbation of Upper Silesia.

- f) Brno agglomeration is constituted by the city of Brno, a regional metropolis of higher order, and by smaller centres – Blansko and Vyškov. Position of the second biggest centre is being deepened, even within connection to urban systems in other countries.
- g) Plzeň is the main development centre in south-west Bohemia. It is a centre of higher mezzo-regional order, that has succeeded in reforming its economic base from pure industrial town to a centre of services and education.
- h) České Budějovice is a dominant centre in south Bohemia with potential for further development.
- i) Karlovy Vary is a centre of lower mezzo-regional order which function in the territory is being bolstered up by an internationally accepted spa reputation.
- j) Middle Moravia is represented by Olomouc and other smaller centres, particularly by Prostějov and Přerov. This is a traditional Moravian polycentre pattern.
- k) Zlín is an industrial centre, forming one unit together with Otrokovice. This area still suffers from problems related to deep restructuring of economic base.

Overcoming consequences of demographic stagnation and running processes, that can adversely impact development of regional cities and complete regional agglomerations, requires searching for adequate economic structures that would support stabilization.

Measures for strengthening a poly central development through establishing the networks of towns and urban regions, that can utilise their strong points, collaborate with entrepreneurs and other subjects, are applied to achieve that goal. Particularly the “spin-off” effect of regional centres is a desirable stimulus to maintain settlement systems without a risk of their degradation or occurrence of structural problems. Progressively, the partnership between towns/cities and countryside develops and should improve utilisation of material resources and social capital.

Demographic stagnation can be compensated by an active support in the area of society social profile enhancement by higher education, diversification of workforce professional structure, and prolonging of productive age. Post-industrial society standing on intensive utilisation of human resources, knowledge economy, development of services, and supported by import of highly qualified workforce, offers a chance for sustainable development of regional agglomerations. Development trends that led to establishment of new regional universities, are backed by progressive constitution of clusters integrating research, technical, and entrepreneurial activities.

Support of transport networks development and ITC networks improves interconnection of centres and remote areas, particularly in Moravia-Silesia, including their connections to important close-to-border centres and networks.

4.2 Comparison of economic performance of cities/towns

Regional cities are the most important centres of economic development in the Czech Republic. The most important centre is **Prague** with one of the highest percentage of entrepreneurial subjects, and highest number of people employed in services. Economic attractiveness of Prague can be detected also in the highest number of completed flats constructed in 2000-2006, and in number of job commuters. Number of filled in vacancies per 1000 employed persons living in the city illustrates an important labour function of an area. Prague has the lowest number of unemployment in the CR. Ratio of capital expenditures from the city's budget dedicated to development of technical and services infrastructure and to development of cultural institutions in Prague belongs to the the highest ones.

The second biggest city in the CR is **Brno**. It has also a high proportion of entrepreneurial subjects (higher numbers, apart from Prague, are to be found only in Liberec, Karlovy Vary, and Zlín) and the third highest ratio of persons employed in services sector. Taking into account the job commuting Brno is the second biggest centre. Number of filled in vacancies per 1000 employed persons living in Brno illustrates Brno's important labour function. The city invests relatively the highest amounts into its development. Proportion of capital expenditures from the city's budget in 2003-2006 was the the highest one. Construction of new flats is very intense in Brno. Even though Brno is struggling with relatively high unemployment rate.

Ostrava is the centre of structurally affected region of Moravia-Silesia. Considerable finances are spent in order to support the region – funds from the EU, country, and the region. Ostrava invests considerable amounts into development of technical and services infrastructure and cultural institutions too, as seen from the ratio of capital expenditures within the city's budget. The city is a significant labour centre. Ostrava's job commuting area is even larger than the Brno's one. There are some sectors with a huge development potential in Ostrava, e.g. we can expect development in the area of services or entrepreneurial activities. The city is still struggling with high unemployment rate.

Plzeň has succeeded in transformation process and rebuilt its economic base that stands on industry. It is evident from the decreasing unemployment rate, increasing labour function of the city, increasing number of entrepreneurial subjects, and developing construction of flats.

Olomouc is an important job commuting centre with a high ratio of persons employed in services sector. Unemployment falls down gradually and the city invests almost one third of its budget into technical and services infrastructure and cultural institutions, thus trying to increase the city's attractiveness and boost economic growth.

Huge development potential lies in **České Budějovice** with low unemployment rate, significant labour function, and high percentage of persons employed in services sector. Attractiveness of the city is also evident in flat construction activities.

Zlín is still in a process of coping with troubles related to deep restructuring of its economic base. Despite that its job offer for commuters from the region is high and entrepreneurial activities of its citizens are numerous. Unemployment rate, taking into account the economic problems, is relatively low. We can expect expansion of services here, e.g. in connection with development of university education.

Two cities that are located 12 km from each other – **Hradec Králové** and **Pardubice** – compete and collaborate in the same time. Their economic performance is about equal. Hradec Králové has a slightly higher number of persons employed in services sector and its labour function is a bit higher in comparison. They each invest about one quarter of their city's budgets into development.

Serious economic problems are in **Ústí nad Labem**. We can observe a steady high unemployment rate here together with relatively low job offer and low entrepreneurial activity. Relatively high portion of the city's budget is invested into the development.

Liberec is a city with the highest proportion of entrepreneurial subjects, but employment in the services sector is relatively low as well as the labour function of the city. The city invests relatively high portion of its municipal budget into its development.

Specific position belongs to **Karlovy Vary** – the internationally recognised spa resort. The spa status implies the high ratio of persons employed in services and high number of entrepreneurial subjects. The city invests into its development and increases its attractiveness. However, it has to cope with unemployment and modest job offer.

Economically the least distinct regional centre is **Jihlava**. Employment in services sector is the lowest one from all regional cities as well as entrepreneurial activities. Construction of flats suggests, however, certain attractiveness of the city.

Table 16: Economic sectors, job market, and public administration in regional cities

City name	Economy, labour market											Proportion of capital expenditures to the total city's budget (% 2003-2006)
	Average official agriculture land price (CZK/ m2, 2005)	Completed flats (abs. 2000-2006)	Ratio of employed in services (% 2001)	Total potential of tourism (points, 2002)	Number (as of Dec. 31st 2006)	Number (as of March 1st 2001)		Micro-region (subregion) by job commuting (2001)		Unemployment rate as of Dec 31st (%)		
					Entrepreneurs per 1000 inhab. - age 15-64	Job commuters (abs.)	Vacancies per 1000 employed	Number of municipalities	Number of inhabitants (thous.)	2000	2006	
Prague	8.07	32 842	77.1	232	339	163 108	1 226	294	1 443	3.4	2.8	33.1
České Budějovice	4.06	2 021	63.9	240	281	23 791	1 359	98	165	4.6	4.6	27.3
Plzeň	5.1	2 551	62.8	259	293	27 362	1 237	149	272	7.5	5.6	26.5
Karlovy Vary	3.84	839	69	281	338	8 690	1 151	54	115	7.5	8.3	31
Ústí nad Labem	3.18	490	66.4	106	240	9 965	1 082	25	119	13.4	13.6	23.4
Liberec	2.08	2 161	57.8	200	364	10 927	1 094	26	129	5.7	6.9	30.7
Hradec Králové	8.94	1 294	67.4	237	292	19 135	1 288	94	151	5.7	4.8	22.5
Pardubice	6.97	1 672	62.2	167	278	16 199	1 180	70	124	5	5.4	24.7
Jihlava	2.75	1 898	52.4	191	231	11 536	1 359	92	99	7.1	7.1	29.3
Brno	7.92	8 171	68.3	250	306	65 127	1 296	197	579	8.3	8.8	37.7
Olomouc	10.38	1 975	65.9	241	271	24 227	1 371	65	172	10.6	7.4	31.6
Zlín	4.57	1 007	57	146	333	17 513	1 258	70	137	5.5	6	28.6
Ostrava	5.65	1 971	60.8	181	235	45 359	1 247	62	597	16.5	14.2	31.8

Source: Hampl (2005), collection of materials from ČSÚ

Economic performance of cities changed in the course transformation. Since we have no information on economic performance of individual towns/cities, for assessment of current state and development trends we used district information where driving forces of economic development are former district towns/cities. Districts of big cities were joined with their natural backgrounds. For assessment we used an economic aggregate (EA) which is defined as a product of job opportunities number and average employee's salary so that it is a representative replacement for usually used gross national income. Reviewing EA distribution in relation to territory and in relation to population we can distinguish trend and rate of geo-social inequality.

Districts with the highest EA per km2 are Prague, Brno, and Ostrava. EA per inhabitant changes significantly. The highest numbers in 1991 were ascertained in mining districts – Most, Ostrava, and Sokolov, while the 2001 highest numbers appeared in Prague, Mladá Boleslav, and České Budějovice.

Table 17: Changes of most important districts during transformation

Rank	EA per km2 (CR = 100)				EA per inhabitant (CR = 100)			
	1991		2001		1991		2001	
1.	Prague	758	Prague	1124	Most	130	Prague	180
2.	Ostrava	420	Brno	354	Ostrava	120	Mladá Boleslav	139
3.	Brno	333	Ostrava	316	Sokolov	120	České Budějovice	118
4.	Most	256	Ústí n.Lab.	216	Praha	120	Brno	115
5.	Ústí n.Lab.	256	Most	185	Ústí n.Lab.	114	Hradec Králové	105
6.	Teplice	215	Teplice	169	České Budějovice	110	Zlín	105
7.	Jablonec n.N.	162	Jablonec n.N.	155	Zlín	110	Plzeň	105
8.	Zlín	160	Zlín	153	Brno	107	Jihlava	105
9.	Kladno	159	Hradec Králové	148	Česká Lípa	107	Pardubice	99
10.	Hradec Králové	148	Pardubice	138	Hradec Králové	104	Liberec	99

Source: Hampl (2005), collection of materials from ČSÚ

4.3 Comparing urbanization degree by region

Degree of urbanization is defined as proportion of population living in cities/towns. It is however practically difficult to specify the lower limit of a town. In the CR we can consider all municipalities bearing this name to be towns, and further all municipalities with higher number of inhabitants than certain limit.

Taking into account the towns' name (status) as a base for urbanization degree, we can find problematic that the town proclamation act is not bound by specified minimum number of inhabitants in a municipality since 2006. Currently (2008) we have these smallest towns in the CR – Přebuz (87 inhabitants), Loučná pod Klínovcem (93 inhabitants).

Second approach – taking certain minimum number of inhabitants to consider a municipality to be a town – suffers from a limited information capability. In former Czechoslovakia the usual limit was 2000 inhabitants, but at present, within the frame of integrated municipalities conditions, there are numerous clearly rural municipalities that exceed this limit. It is, however, interesting that the UN statistics still show this definition of towns for the Czech Republic. Considering (realistically) 5000 inhabitants as a lower limit seems to be more appropriate.

Thus we can get the urbanization degree in three ways:

- as a proportion of population living in municipalities with town status (statutory urbanization degree)
- as a proportion of population living in municipalities with 2000 and more inhabitants (general urbanization degree)
- as a proportion of population living in municipalities with 5000 and more inhabitants (real urbanization degree)

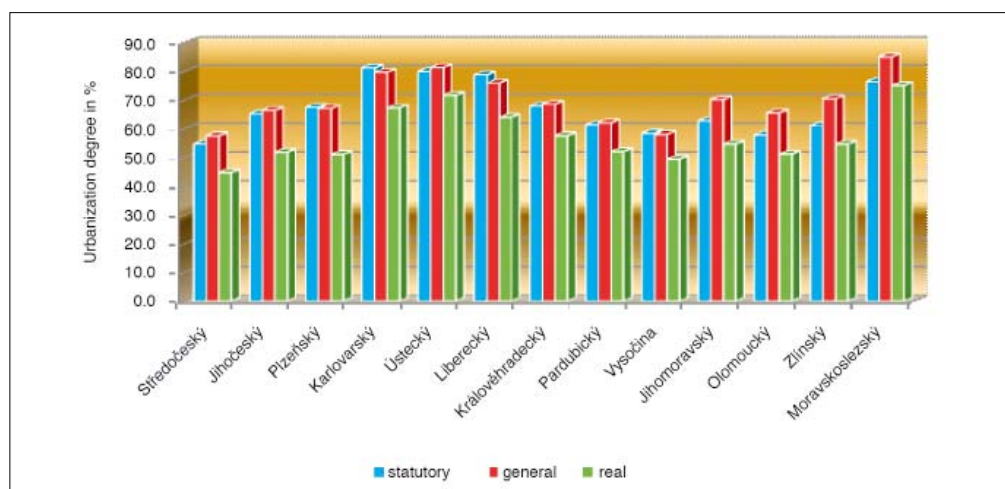
The results for each of these ways for the CR regions based on the data from municipal statistics as of Dec. 31st 2007 are shown in the following table.

Table 18: Urbanization degree by region, 2007

Region	Number of inhab. in thous.	Number of inhab. in thous. in municipalities			Urbanization degree in %		
		with town status	with 2000 and more inhab.	with 5000 and more inhab.	statutory	general	real
Hl. m. Praha	1 188,10	1 188,10	1 188,1	1 188,10	100	100	100
Středočeský	1 175,30	643,5	676,9	526,2	54,8	57,6	44,8
Jihočeský	630	410	417,7	326,9	65,1	66,3	51,9
Plzeňský	554,5	373,7	371,7	283,5	67,4	67	51,1
Karlovarský	304,6	246,9	242,4	204,7	81,1	79,6	67,2
Ústecký	823,3	657,8	668,9	589,7	79,9	81,2	71,6
Liberecký	430,8	339,1	326,8	275,3	78,7	75,9	63,9
Královéhradecký	549,6	372,6	376,6	316,4	67,8	68,5	57,6
Pardubický	507,8	311,2	315,5	264,5	61,3	62,1	52,1
Vysočina	511,6	298,6	297,3	253,4	58,4	58,1	49,5
Jihomoravský	1 132,60	710,5	793,8	620,3	62,7	70,1	54,8
Olomoucký	639,9	369,9	418,7	327,7	57,8	65,4	51,2
Zlínský	589,8	359,5	415,5	323,5	61	70,4	54,8
Moravskoslezský	1 249,30	954,4	1 062,50	936,8	76,4	85	75
Úhrn ČR	10 287,20	7 235,80	7 572,30	6 437,10	70,3	73,6	62,6

Source: ČSÚ, Malý lexikon obcí ČR 2007, <http://www.czso.cz/csu/2007edicniplan.nsf/p/1302-07>

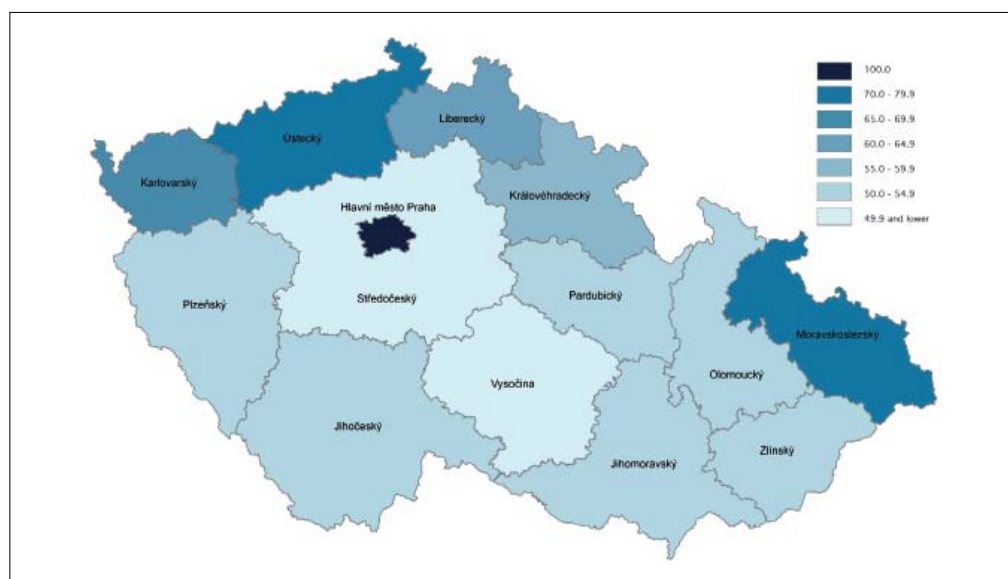
Chart 4: Urbanization degree by region, except the capital of Prague, 2007



Source: ČSÚ, Malý lexikon obcí ČR 2007, <http://www.czso.cz/csu/2007edicniplan.nsf/p/1302-07>

Statutory and general urbanization degrees do not differ too much from each other in the CR. In Moravian regions, with higher proportion of populated rural (or non-urban industrial) municipalities, the general urbanization degree is about 10 percent higher than the statutory urbanization degree. The latter is relatively higher in areas of former German settlements with historical dense network of towns and townlets that have now just a fraction of former population due to after-war resettlement (Karlovarský, Liberecký, Plzeňský kraj (region)). Real urbanization degree reaches 62.6% in the CR, i.e. about 10 percent less than both previous degrees. Its territorial distribution is shown in the following cartogram.

Cartogram 10: Real urbanization degree in % by region, 2007



Source: ČSÚ, Malý lexikon obcí ČR 2007, <http://www.czso.cz/csu/2007edicniplan.nsf/p/1302-07>

4.4 Comparing urbanization degree in the CR and other EU member countries

When making international comparisons the problem of different national definitions of towns becomes really evident. That is why the comparisons of urbanization are not published at all, or there are so many missing countries in them that the results are not representative. The first case is represented by the European Commission's statistical institution – Eurostat which offers data for EU countries without numbers of urban population. The second case is represented by the UN's Statistical Service (UN Statistics) which prepares a table – Population by age, sex and urban/rural residence – for all UN countries

annually but information on urban/rural population is often missing for many countries here. Unfortunately including numerous EU countries – Belgium, Denmark, France, Germany, Greece, Italy, Luxembourg, Malta, Spain, and Sweden.

Factual comparison of urbanization degree in the Czech Republic with other EU countries can be made only by proportion of population living in cities with more than 100 thous. inhabitants (city urbanization degree). Source is the UN's statistics again. Information is available for all EU countries, despite the fact that the comparability is not perfect in cases of two countries (Great Britain, Cyprus), because the cities are specified as agglomerations here.

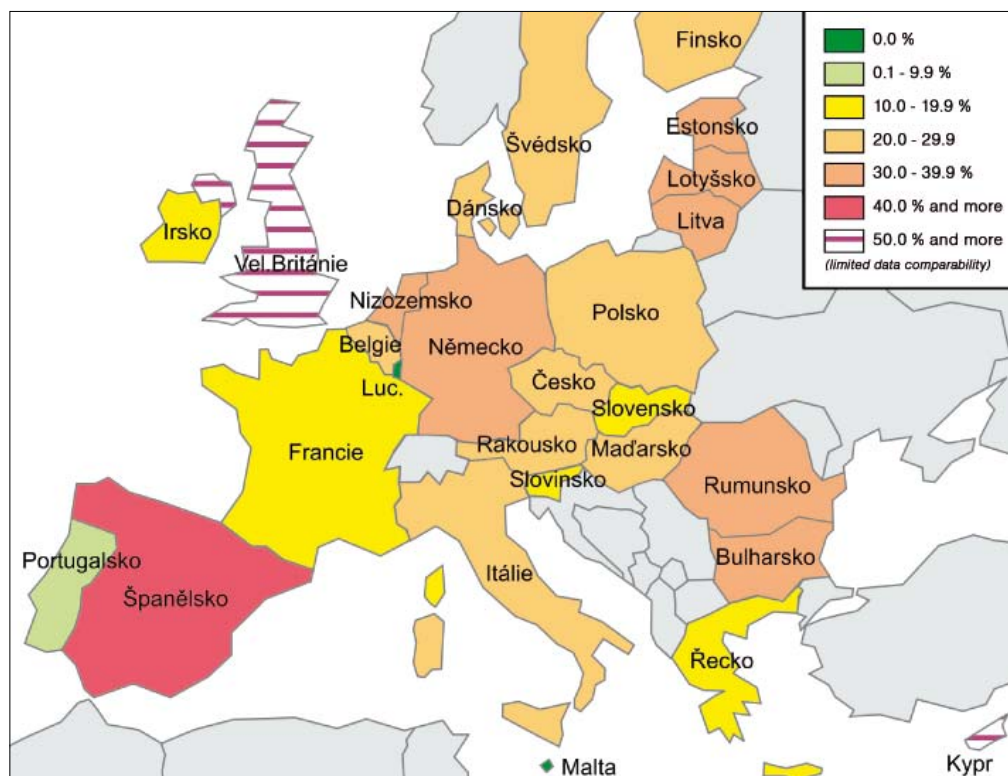
Table 19: City urbanization degree in EU countries, 2006

Country	Number of inhab. in thous.	Number of inhab. in cities with 100 000 and more inhab. in thous.	City urbanization degree in %
Belgium	10 541.9	2 904.4	27.6
Bulgaria	7 699.0	2 407.3	31.3
Czech Republic	10 287.2	2 116.9	20.6
Denmark	5 434.6	1 144.9	21.1
Estonia	1 343.5	498.4	37.1
Finland	5 266.3	1 494.6	28.4
France	61 166.8	8 865.6	14.5
Ireland	4 239.8	618.8	14.6
Italy	58 941.5	13 607.8	23.1
Cyprus	770.9	401.4*	52.1
Lithuania	3 394.1	1 332.0	39.2
Latvia	2 287.9	833.8	36.4
Luxembourg	472.7	0	0
Hungary	10 071.4	2 850.4	28.3
Malta	406.5	0	0
Germany	82 365.8	25 308.4	30.7
Netherlands	16 346.1	5 135.8	31.4
Poland	38 132.3	11 051.3	29
Portugal	10 584.3	920.4	8.7
Austria	8 281.9	2 349.7	28.4
Romania	21 584.4	6 559.0	30.4
Greece	11 148.5	2 053.8	18.4
Slovakia	5 391.2	660.5	12.3
Slovenia	2 008.5	246.5	12.3
Spain	44 068.2	18 530.5	42
Sweden	9 080.5	2 601.6	28.7
Great Britain	60 587.3	30 369.5*	50.1

* In extent of agglomerations, i.e. including other municipalities and towns.

Source: UN Statistics, <http://unstats.un.org/unsd/demographic/products/dyb/dyb2006.htm>

Cartogram 11: City urbanization degree in the EU, 2006



Source: UN Statistics, <http://unstats.un.org/unsd/demographic/products/dyb/dyb2006.htm>

The Czech Republic with its city urbanization degree of 20.6% belongs to the lowest part of the interval 20-30% representing an average within the EU. Another 6 countries, located in a band leading through the middle of Europe from north to south starting in Scandinavia and going as far as Italy, belong here. Neighbouring Germany with its 30.7% exceeds this level significantly (as well as Poland and Austria within the same statistical interval with 29% resp. 28.4%), on the opposite side of the scale lies Slovakia with its 12.3% not reaching the Czech level.

5. URBAN – RURAL RELATIONSHIP

5.1 Concentration of economic and social activities in cities

Within a settlement pattern of each country the small and medium towns play irreplaceable role because they represent a stabilizing and development element in rural areas. Their importance for rural regions even increases with distance from centres of higher order or metropolitan regions.

Apart from population the towns/cities concentrate economic and social activities on their territories that are represented by a higher proportion and diverse structure of manufacturing sector (secondary sector), first and foremost by services (tertiary sector), or by services with high added value (quaternary sector). Standard of these activities and dynamics of their changes are usually proportional to the size of city/town and its position within the country's settlement pattern hierarchy.

Urban-rural relationship may be generally explained on the principle of nodal region, where a city/town represents regional centre/core and adjacent rural area represents its background. Background size depends on interactions between core and background, and extent of relationship depends on interactions intensity. The basic and most important interactions are job and school commuting, and further services commuting – both public and commercial.

Existence, number and structure of subjects offering jobs and services in cities/towns, together with their accessibility for background inhabitants, seem to be decisive for rural space operation and determine life standard and life quality in countryside. Cities/towns provide service function in this manner. One of the most effective ways to stabilization (keeping inhabitants in countryside) and to countryside development is strengthening the service function of cities/towns that can act as growth poles of micro-regional and regional importance in rural areas.

Settlement system framework, not only in the Czech Republic, is represented by hierarchical order of settlement centres, with towns playing the title role. Their importance can be evaluated e.g. by an index **of complex functional size – CFS** (Hampl, 1996). Complex functional size is calculated as an average of basic departmental functions, i.e. residential function (R), labour function (L), and service function (S).

$$KFV = \frac{O + P + N}{3} \times 10\,000$$

Individual departmental functions are specified as proportions of the city/town on the values for the whole Czech Republic:

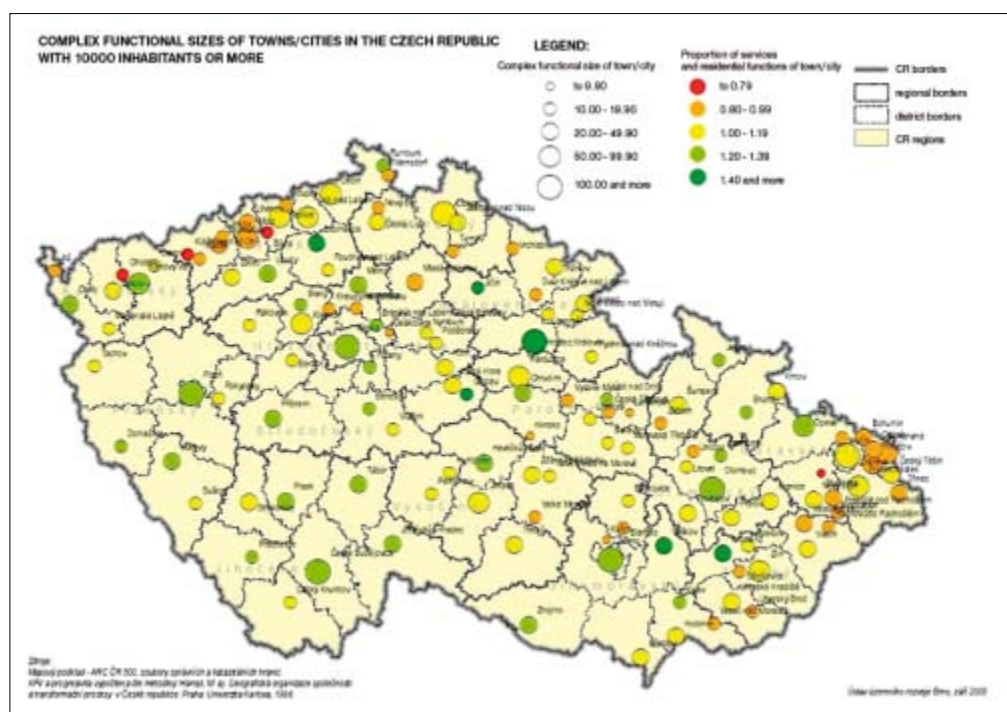
R proportion of city/town on the total number of inhabitants with permanent residence in the CR (residential function)

L proportion of city/town on the total number of job offers in the CR (labour function)

S proportion of city/town on the total number of job offers in chosen services in the CR (service function)

CFS of the Czech Republic = 10 000.

Cartogram 12: Complex functional sizes of cities/towns



Source: Institute for Spatial Development Brno, September 2008

The following cartogram shows complex functional sizes of cities/towns in the Czech Republic that have 10 000 inhabitants and more¹⁾. Further we can see here progressivity of individual cities/towns, expressed as ratio of service and residential functions (S/R).

1) Main problem of complex functional size calculation is the lack of input data. Some information is collected during census only, therefore we used a homogeneous database from the 2001 census. Due to the same reason the numbers of job offers (indices “L” and “S”) were substituted in complex functional size calculations with numbers of economically active inhabitants

Ratios of service and residential functions in progressive centres are supposed to achieve values higher than 1 (drawn in green and yellow colours in the cartogram).

The cartogram 12 indicates that regions with higher concentration of centres with higher complex functional sizes (e.g. Ústecký kraj (region), Moravskoslezský kraj (region)) have a small number of progressive centres. On the contrary, in regions with lower proportion of centres (e.g. Plzeňský kraj (region), Jihočeský kraj (region)) the importance of individual centres grows and all centres have progressive nature.

5.2 Role of small and medium towns in countryside development

Effect of small and medium towns in meeting needs of countryside and its development is realized, in particular, by providing a range of necessary services for rural municipalities and by job offers outside agricultural sector.

Historically there has been created a specific settlement group in settlement pattern of the Czech Republic – municipalities – that play role of micro-regional centres. Term “micro-regional” bears territorial content only, and describes a hierarchical order of “natural” residential-geographical centre.

Micro-regional centres are sites of public services (complete elementary school, general practitioner, pharmacy, post office with usual working hours, basic range of manufactured goods in retail shops etc.). In the CR there exist realistically about 1000 micro-regional centres. In the areas that are characterised by large villages there exist situations when a settlement shows a micro-regional centre nature but it has no adequate catchment area, i.e. it exists for “itself” only.

Micro-regional centres with higher population and stronger economic base offer broader job offer that implies a daily job commuting. Strong micro-regional centres have a broad range of services, more specialised retail shops (e.g. book stores, furniture shops), restaurants and bars, various handicraft services, apart from an elementary school there are also secondary schools and professional schools, healthcare services include specialised doctors if not even a hospital. There are about 200 such strong micro-regional centres in the Czech Republic. At present their network matches quite well the network of municipalities with extended powers (MEP).

Medium and big towns/cities play roles of hierarchically higher (macro-regional) settlement centres (apart from their roles of micro-regional centres) which infrastructure serves not only to own local inhabitants but also to inhabitants of rural regions. We can find here extended offer of public services and broad job offer.

5.3 Suburbanization of medium towns and big towns/cities (above 20 thous. inhabitants)

Suburbanization seems to be the most significant feature of current settlement pattern development in the Czech Republic (see chapter 1.3 of this publication).

The primary impulse of suburbanization development was intensification of regular and recurring population migration (job commuting and services commuting) between settlement centres and closest settlements in their catchment areas. Suburban municipalities have been becoming different from remoter rural areas. Intensified “roads” between town and its catchment area helped spreading some urban functions to formerly rural landscape. It is clear that general social evolution and overall countryside modernization played also their roles. The close surrounding of bigger towns prepared thus for the final suburbanization step – transfer of growth bringing activities from towns to their close surrounding, i.e. to accessible and communication ripe catchment areas. In regions of big cities the formerly rural municipalities have become main growth elements while the regional cores are losing inhabitants. Obviously the cores still keep their functions of socio-economic contact centres and points of progressive innovations.

Suburbanization in the Czech Republic started to develop rapidly after 1989 when urban housing estates projects were terminated. In the period 1961 – 1980 between two censuses the Czechoslovakia towns and cities (i.e. municipalities with municipal people’s councils) encountered population increase of 2086 thous. inhabitants, while other municipalities showed decrease of about 549 thous. inhabitants. In the last decade (1997-2006) the growth indices of towns/cities and rural municipalities reversed (see table 20); the positive balance of rural municipalities is mainly caused by municipalities in the reach of suburbanization processes.

Table 20: Population growth in towns/cities and rural municipalities of the CR, 1997-2006

Territory	Population number in thous. in year		Index, 1997 = 100.0
	1997	2006	
towns* in the CR	7 692.1	7 574.4	98.5
rural municipalities in the CR	2 611.5	2 712.8	103.9
Czech Republic	10 303.6	10 287.2	99.8

*municipalities with 2000 and more inhabitants

Source: UN Statistics, <http://unstats.un.org/unsd/demographic/products/dyb/dyb2006.htm>

People often see a positive side of suburbanization in an option for inhabitants of big cities to move to more healthy and free environment while keeping their contacts to urban job opportunities and services. From the point of view of nature and landscape preservation

and maintaining basic settlement proportions within an area the suburbanization brings along some risks. These risks may be seen particularly in the urban sprawl, i.e. expansion of towns/cities to surrounding landscape.

5.4 Urban sprawl

Growth of urban agglomerations is a current global trend in settlement. Development sprawling into landscape hit also the CR. Areal development may be observed around both big cities and small towns. Expansion of towns/cities is an expression of suburbanization and is called urban sprawl; we speak of urban sprawl if the speed of changing land use in favour of urban utilisation is higher than speed of population growth.

Urban sprawl's consequence is a mosaic like structure of residential and commercial areas located in landscape in town hinterland. Commercial, logistical, industrial and other businesses build their facilities outside the developed areas of settlements – on greenfields, along highways and main roads. Colonies of family detached houses are emerging in surroundings of towns/cities without any connection to existing public services.

Negative aspects of this development are:

- increasing demands on transport services and infrastructure in new locations,
- increasing dependence on transport, particularly cars,
- risk that there will be lack of public funds and private capital in developed areas and town/city centres for renovation of existing buildings, or existing insufficiently utilised infrastructure,
- risk that town/city housing estates will become ghettos with increased level of criminality and outworn, half vacant housing stock,
- damages to environment impacting life quality of people who live in the towns/cities or their surroundings. Inhabitants suffer from serious, localised problems like noise, air pollution, waste disposal, and impermeability of landscape.

Expansion of developed areas occurs almost in all big towns/cities in the CR. Proportion of urban population in the Czech Republic in 2006 was 70.3%. Population living on the CR territory decreased by one quarter of a million since 1930, and despite this fact the urban area almost doubled since that time. Annually there are about 4500 hectares of agricultural land transferred for non-agricultural use in the CR.

Key impact on land use generally has implementation of planning policy, both at local and at regional levels. Decisions on area development in the CR are made at the level of local self-governments. Municipalities, driven by an effort to gain new investments, overestimate their growth needs very often and reserve further development areas in their local

plans in spite of existing options in utilisation of areas already developed. Towns/cities are often struggling with depopulation in favour of municipalities, they are losing investments and activities in already developed areas, and these investments and activities are relocated to greenfields. It is necessary to create tools that would simplify utilisation of already urbanized areas, particularly brownfields – land and real estates inside urbanized areas which lost their functions and use, are derelict or underused, often with environmental burdens and devastated industrial or other buildings. Development should be projected, preferentially, in places where infrastructure already exists, particularly inside developed settlements. It is also necessary to protect land from new development in favour of its production function in more responsible manner. Currently there is being reviewed an amendment of act on agricultural land in amendment procedure in the CR which should increase existing fees for exemption of agricultural land from land fund significantly.

5.5 Transport accessibility and transport service of an area

Mobility and accessibility are basic preconditions of economic development in all regions. Taking a look from the urban-rural relationship point of view the transport impacts significantly both urbanization, including suburbanization of towns/cities, and development and location of transport infrastructure within an area with related transport-operational organization.

Time and space accessibility and intensity of connections being offered imply interest to offer and develop further areas. On the contrary – intensification and improvements of transport in existing urban environment of towns/cities promotes intensification of use of existing developed land and effectively prevents suburbanization. Financial intensity of revitalization (even reconstruction) of transport and technical infrastructure when utilising existing developed land remains still a big problem.

All negative effects and processes known from west Europe since the sixties occurred in the sector of transport in the Czech Republic in the nineties and in the beginning of this century. A significant transfer of transport distribution workload occurred among individual kinds and types of transport.

In passenger transport the individual transport forms strengthened at the expense of public passenger transport, including railway. Increase in individual transport forms led to traffic jams at road accesses to towns/cities. That is why solutions of public passenger transport improvements have been sought since the beginning of millennium and the systems of integrated transport are being implemented gradually and currently work at various levels in almost all regions of the CR.

Integrated transport system (ITS) is a system of transport service within certain territory consisting of several means of public transport (trains, buses, subways, trams, trolley-buses, cableways, and ships), combining the transport means ranges (local, municipal, regional), and using lines of several providers, usually at united tariff conditions and with one common coordinator of transport providers. Individual car transport (ICT) and bicycle transport can be also parts of the system.

Currently there are working these integrated transport systems in the CR:

- Pražská integrovaná doprava (PID) (Prague);
- Středočeská integrovaná doprava (SID) (middle Bohemia);
- Českobudějovická integrovaná doprava (IDS ČB) (České Budějovice);
- IDS Tábor – includes Tábor, Sezimovo Ústí and Planá nad Lužnicí;
- Integrovaná doprava Plzeňska (IDP) (Plzeň);
- Integrovaná doprava Karlovarského kraje (IDOK) (Karlovarský kraj (region));
- Integrovaný dopravní systém Libereckého kraje (IDOL) (Liberecký kraj (region));
- Jablonecký regionální integrovaný dopravní systém (JARIS) (Jablonec);
- Východočeský dopravní integrovaný systém (VYDIS) (east Bohemia);
- Integrovaná regionální doprava Královéhradeckého kraje (IREDO) (Královéhradecký kraj (region));
- Integrovaný dopravní systém Pardubického kraje (IDS Pk) (Pardubický kraj (region));
- Integrovaný dopravní systém Jihomoravského kraje (IDS JMK) (Jihomoravský kraj (region));
- Integrovaný dopravní systém Olomouckého kraje (IDSOK) (Olomoucký kraj (region));
- Zlínská integrovaná doprava (ZID) (Zlín);
- Ostravský dopravní integrovaný systém (ODIS) (Ostrava).

Establishment of an integrated transport system has one important precondition – considerable transport catchment area represented usually by a regional town/city, or by another big town in the region. Therefore some integrated transport systems overlap or complement each other (Liberec – Jablonec; České Budějovice – Tábor; Hradec Králové – Pardubice). In areas with no significant centre or with several insignificant centres (Kraj Vysočina (region)) no ITS has been implemented so far.

Existing time and space organization and utilisation of miscellaneous transport types result in the situation that there are areas in the CR with time accessibility to regional centres via ICT taking longer than 1 hour. Those are in particular areas close to country border, e.g. substantial part of Šumava, Krkonoše, Broumov, Orlické hory, Jeseníky and areas to the north-east, part of Bohemia-Moravia border area in the south. Inland areas affected are border areas between Plzeňský and Jihočeský kraj (region), Jihočeský and Středočeský kraj (region), central parts of Blatensko (situated within Jihočeský kraj (region)), border area between Ústecký and Středočeský kraj (region), and border areas in Pardubický kraj (region) and Kraj Vysočina (region). These remoter areas suffer from decreasing popula-

tion in the last time. Some of them will experience improvements after completion of projected highways and speedways network.

Time accessibility lower shorter than 30 minutes (thanks to highways) has been achieved in areas of Prague, Ústí nad Labem, Jihlava, Brno, and Olomouc. The very city centres (Prague and Brno) experience, however, problems with internal 30 minutes time accessibility.

Traffic in the CR is clearly road-oriented. Transport infrastructure does not follow this trend in the moment, though. Not completed networks of highways and speedways cause traffic jams and higher wear of existing roads (in particular the D1 highway in its part between Prague and Holubice, and D5 highway in its part between Prague and Beroun). In areas where speedways and highways are missing the capacities of the 1. class roads seem to exhausted. This initiates pressure of state and regions and stresses the need of new capacity highways and roads, which collides in some places with environment preservation and nature and landscape protection. Railways undergo reconstructions in many places too because their state is bad. Bicycle transport which is often taken into account in strategies of tourism development, particularly in rural regions, experienced unprecedented boom in number of marked cycle tracks, however separated stand-alone tracks are still very rare.

Finances from EU transport infrastructure funds will be used for completion of major part of highways and speedways network, and for reconstruction, modernization and optimization of railways. Improvements to the ITS will take place, in particular by better link-up connections, shortening the intervals, and perfection of transfer terminals; further the P+R (Park and Ride) and B+R (Bike and Ride) systems will be introduced, and the backbone railways for ITS in big agglomerations will be improved.

Establishment of public logistics centres could further bring an increased interest of small and medium entrepreneurs in utilisation of railways, thus making the reloading more effective and offering more services that are usual in such centres.

In a view of projected changes that will become true with completion of transport infrastructure, the time and space accessibility of regional towns/cities and peripheral areas will improve.

6. TOOLS FOR TERRITORIAL DEVELOPMENT

6.1 Tools for regional and town & country planning

6.1.1 Strategic, financial and methodological tools

In the last months and years one can hear about crises more and more often – economic crisis, democracy crisis, society crisis, crisis of public budgets, environmental crisis... Usual causes of crises at local, regional, or country-wide levels are failures in administration of the given territory. These failures in territorial administration occur not only at global or national levels, but at regional and local levels too.

Peter Drucker describes two general causes of crises or failures (see Drucker, 2004, p.19): “Every existing organization becomes bankrupt without innovations very quickly. Every new organization collapses without control and management very quickly too.” This is applicable, said Drucker, to profit making and non-profit sector, including state, self-governments and their organizations. Fundamental product (say output) of town/city, municipalities, or regions management is their development. Have we enough tools for effective management of development in our municipalities, towns, or regions? Are we innovative enough in today’s turbulent and global world?

Tools for territorial development may be classified from the CR regional development’s point of view as follows:

- strategic tools – described in chapters 6.1.2 and 6.2
- financial tools – see chapter 6.3 for more information; the tools are financed from the European Union (EU funds etc.)
- national level (national programs)
- region, town/city (regional and additional programs)
- methodological tools
- consultation and advisory
- methodological instructions – e.g. methodological instruction to Integrated plan of town development (to be downloaded from <http://www.mmr.cz/metodicky-pokyn-k-iprm>)
- research tasks – e.g. programs of the Ministry for Regional Development – WB Research for the needs of regions (2004-06), WD Research for dealing with regional disparities 2007-11

6.1.2 System of strategic documents

System of strategic documents may be classified by the levels of its formation:

- **European level** – e.g. Strategic general principles of Community, documents for regional (cohesion) policy of the EU, documents for common agricultural policy etc.

- **national level** (state) – e.g. strategy of regional development, development policy, strategy of sustainable development, strategy of economic growth, other sectoral policies, National strategic reference framework etc.
- **regional level** – e.g. strategy of regional development, program of regional development, development principles, sectoral strategies at the regional level etc.
- **municipal level** – e.g. strategy of town, local plan etc.

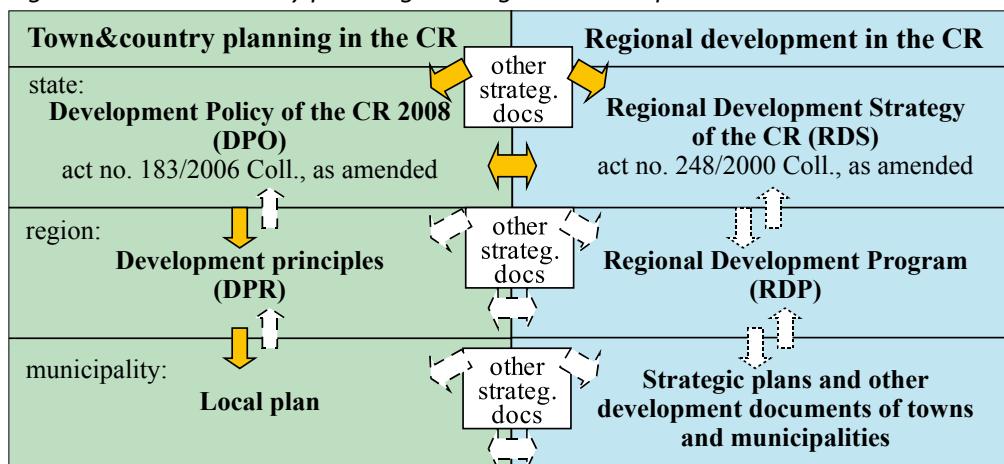
In order to meet requirements of EU statistics and to be able to draw on the structural funds another level of cohesion regions (NUTS II) exists between the national level (NUTS I) and regional level (NUTS III). Similarly, there exist various forms of municipal associations between regional and municipal levels (e.g. micro-regions, associations of municipalities etc.). Also these levels may create, and usually have, their strategic documents.

Interrelations of documents can be assessed horizontally (e.g. how individual regional documents link to each other), or vertically (e.g. whether regional documents respect country level, or municipal documents respect regional level).

Horizontal aspect of documents relations differs at different levels. At the level of country, the strategic documents must (should) respect legislation, international contracts, and other strategic documents (adopted by the governmental decision).

At the regional and municipal levels it is often not so. Strategic documents do not link to each other, sometimes they even contradict each other. It is essential, at the level of region or municipality, to link planning and strategic development documents. It means to link development principles with regional development program at the level of region, and local plan with strategic plan at the level of towns and municipalities. Frequently asked question – **What should come first – local plan or strategic plan?** – becomes unnecessary. The point is that one of these documents already exists usually and the second (if some external influences do not exclude it, or if some changes or modifications to it are not necessary) should respect the first. The strategic plan needs to respect land use limits (they are specified within planning documentation). On the contrary, plan preparation can not proceed without land use intentions (that may be specified within a strategic plan).

Figure 1: Town & country planning and regional development documents



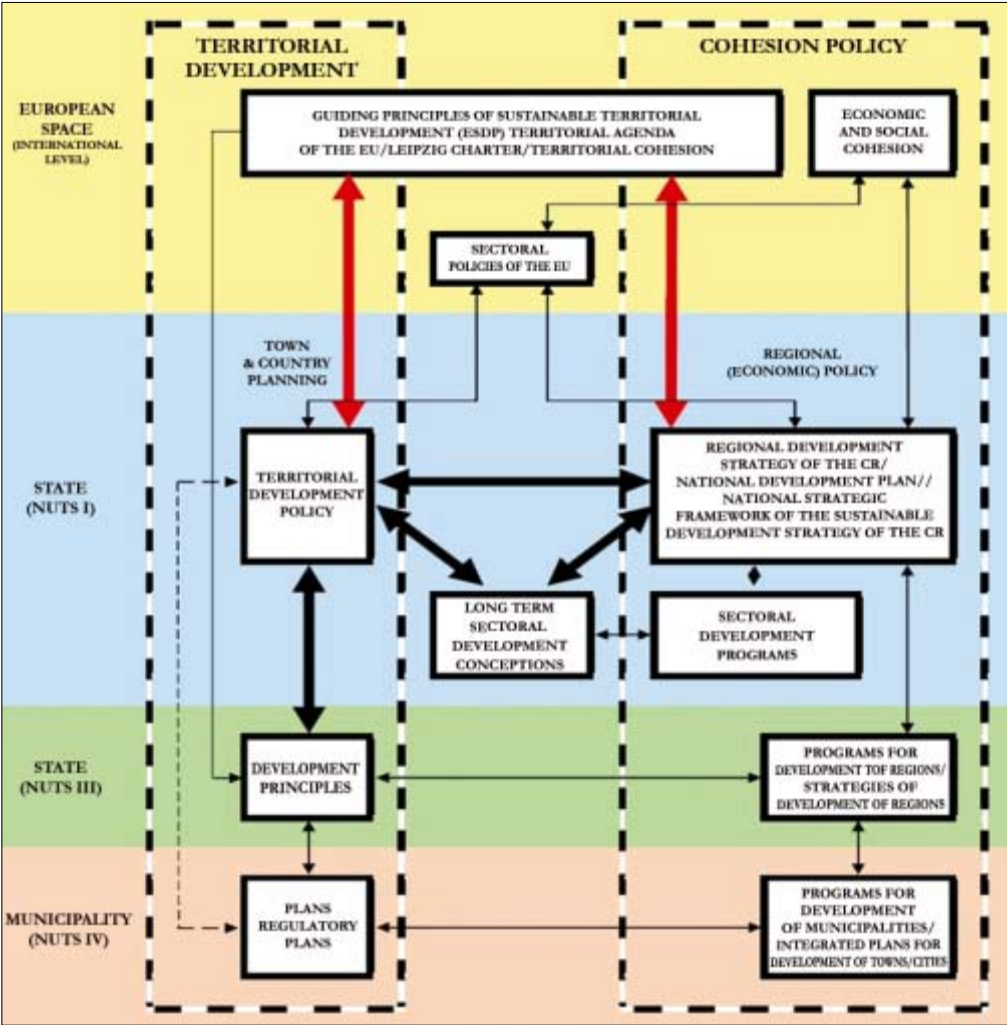
There exist a legal obligation related to the **town & country planning** (act no. 183/2006 Coll.) to respect superior level (**vertical linkage**). This means that regional development principles must respect development policy at the country level. Local plan must respect both development policy of the country, and regional development principles. In the same time a principle is applied that the inferior level participates in creation and submitting comments to the superior level appropriately.

The situation, however, differs in cases of **regional development** documents. Regional development program is compulsory (act no. 248/2000 Coll.) but respecting superior level documents is not mandatory (it is recommended only). The same applies to region-municipality links. Municipal strategic plan thus does not have to respect regional development program.

Regional (cohesion) policy and spatial development of the EU

Adding the European level to the previous figure creates a chart of **conceptual links of development policies** (the following figure).

Figure 2: Chart of conceptual links of development policies



Source: General position of the CR towards cohesion policy future

6.2 Strategic documents

6.2.1 Strategies and programs of regional development

Strategic regional planning may be specified as a process implementing regional policy into real conditions of individual regions, i.e. as a methodological approach to regional policy realization. Regional policy and regional development use strategic development documents in order to achieve the above aims.

Strategic documents of regional development are generally, legislatively described in the Act on regional development support no. 248/2000 Coll.

Strategy of regional development in the Czech Republic is a fundamental document of regional policy at the level of country. Strategy of regional development of the CR falls within the competences of the Ministry for Regional Development. It is defined as a medium term document for a period of 3-7 years that forms attitude of state to regional development support, provides necessary presumptions, and sets development objectives and principles for preparation of regional development programs. Strategy of regional development forms also a principal framework for regional policy of the Czech Republic which is complementary to regional policy of the EU.

Strategy of regional development of the Czech Republic for 2007-2013 was approved by the decision of the CR government no. 560 in May 2006. Strategy of regional development of the CR contains, in particular, an analysis of regional development status, specification of weak and strong points in development of individual regions, strategic objectives of regional development within the CR, determination of state-supported regions, and recommendations to the respective central administration offices and regions regarding the development focus in sectors falling within their competences. Updated development strategy contains also implications of new EU rules in the area of economic policy and social cohesion influencing the strategy, priorities, and measures of the Czech regional policy.

Responsibility for regional development in the Czech Republic lies especially with regions. **Regional development strategy** is a conceptual document that accords with the Development strategy of the Czech Republic. It formulates approach of region to support of its territorial development in the longer time horizon. It sets strategic objectives of regional development as a whole and its functional parts and specifies important measures leading to realization of set goals. The strategy is a basis for elaborating or updating program documents of other subjects within the region's territory, particularly of associations of municipalities. It formulates principal vision of development and global objectives for individual priority development axes, it specifies them in details in a form of strategic development objectives and measures in order to achieve them. Regional development strategy is a basis for elaborating Regional territory development program.

Act on regional development support, connected to the act on regions, specifies a program document – **Regional territory development program** – suggests suitable structure of the regional territory development program, and specifies in details the areas which should become targets for this support.

Regional territory development program is an important part of the system of strategic and program documents for regional development support. It is a medium term program consisting of aimed measures and interventions focused on versatile regional development, coordination of regional territory development, and mobilisation of own resources and regional potential utilisation. A region, within the frame of its independent competences, supports development in areas specified in the Regional territory development program in accordance with its needs and with respect to balanced development of its whole territory.

Regional territory development program contains especially economic and social growth analysis of the regional territory, specification of weak and strong points of its individual parts, and main directions of development. An important part of the document is also specification of areas to be supported in order to maintain a balanced regional development together with definition of sectors to be supported including suggested measures.

Finances for regional territory development are reserved within the regional budget in order to realize the regional territory development program in an extent approved by regional board of representatives. Financial funds for this purpose may be raised by a region. Beneficiaries of financial support from a region may be associations of municipalities or municipalities, and corporate bodies established by municipalities, entrepreneurs, and other corporate bodies who ask for the support and present a project that realizes a measure contained within the regional territory development program.

Competences in regional development are being transferred still more and more to regional and local levels. Associations of municipalities or individual municipalities take over activity in defining development strategies and realizing development steps. Elaboration of strategic documents, especially at lower levels (micro-regions, associations of municipalities), has no clear support in the law and other legislation rules though.

Act on regional development support specifies conditions for providing support to regional development aiming at balanced development of the whole country or regional territory; related competences of administration offices in regions and municipalities. The law, however, does not speak about strategic documents at other (lower) territorial levels than a region, e.g. at a level of micro-region.

But micro-regions should enable conceptual and executive activity of municipal self-governmental bodies in the area of local development, initiating activity in solution of micro-

regional problems, and defining micro-regional programs and activities including their participation in regional programs realization. In order to specify development directions, development activities and strategic decisions it is necessary for micro-regions to procure development strategies covering their territories.

Strategic development document of micro-region is a conceptual document that analyses conditions of a micro-region, and helps to manage and organize changes in the area systematically. It is a document that is based on a good knowledge of the given area and its potential, that characterises weak and strong points of the area, defines principal priorities of development to be supported, defines development objectives, individual measures leading to their realization, and recommendations. Strategic development document of rural micro-regions can be understood as a set of concrete, successive steps that respect limits of natural environment utilisation, and that will lead to improvement of social-economic environment within the whole investigated area.

Municipal development program represents a strategic document of regional development at the lowest territorial level. It determines main municipal development directions for the given electoral term. Municipal development program is an important material used for municipal budget preparation and decisions made by municipal local board. It is also a document for municipality to join the Countryside Reconstruction Program.

State program of regional development. Based on the governmentally approved regional development strategy the Ministry in cooperation with respective central administration offices, regions, and if needed with other persons affected, prepares a draft of state program of regional development. State program of regional development is a medium term document that specifies direction of regional development support for one or jointly for several regions. State program of regional development is approved by the government upon the motion of the Ministry for Regional Development.

Related legislation:

Act no. 129/2000 Coll., on regions (regional order), as amended on April 12th 2000.

Act no. 248/2000 Coll., on regional development support, as amended on June 29th 2000.

Act no. 128/2000 Coll., on municipalities (municipal order) from April 12th 2000.

6.2.2 Planning materials and planning documentation

Town & country planning in the CR is governed by the act no. 183/2006 Coll., on town & country planning and building regulations as amended (hereinafter only the Act) since January 1st 2007.

Main objective of town & country planning is creation of preconditions for construction and sustainable development of an area, consisting of balanced conditions for favourable environment, for economic growth, and for cohesion of community living in the territory. Following this objective the Act sets up an obligation to accompany the documents – **Development policy** and **Development principles** – with assessment of their impacts on sustainable development of the territory. In specific cases this obligation applies to **plans** too.

Town & country planning protects and develops natural, cultural and civilization values for public benefit, including urban, architectonic, and archaeological heritage.

All changes in a territory should be addressed in a systematic and complex manner with the help of planning tools in order to achieve publicly beneficial harmony of public and private interests related to the territorial development.

Planning tools

Planning tools serve for promoting objectives and tasks of town & country planning within an area at the level of country, region, and municipalities. Basic tools of town & country planning are planning materials, development policy, planning documentation (PD), and planning permission.

Planning materials

Planning materials are:

- planning analytic materials (PAM) that survey and assess area stage and development. They contain, among others, definition of problems to be solved within the planning documentation. Following the law they are procured for the whole CR territory and constantly updated. Planning analytic materials serve especially as a material for procurement of development policy, planning documentation, and for decisions within an area. PAMs are procured within the frame of delegated competences by a planning office for an administration district of a municipality with extended powers, or by a regional office for territory of a region;
- planning study that verifies possibilities and conditions for changes within an area.

Development policy

Development policy is a planning tool at the country level, binding for procurement and issue of development principles, plans, regulatory plans, and for decisions within an area.

Development policy sets up requirements and frameworks for detailed specification of town & country planning tasks within republic's, cross-border, and international relations. It is procured in order to achieve necessary coordination of sectoral conceptions, of planning documentation of regions, and of aims that influence the CR development and exceed, by their significance, territory of one region. Taking into account unique character of the CR territory and settlement structure it respects requirements for sustainable territorial development and territorial cohesion that arise for the CR from international contracts, agreements and treaties related to spatial development. Procurer is the Ministry for Regional Development. Development policy is approved by the government. Updates of this document take place once in four years.

Planning documentation

Planning documentation's function and contents are defined by the law and respective decree.

Planning documentation (PD) comprise these types:

- development principles,
- plan,
- regulatory plan.

Development principles

Development principles (DP) represent a PD procured at the level of region. Procurement of development principles is mandatory. Development principles are binding for procurement and issue of plans, regulatory plans, and planning permission proceedings.

Within the supra-local relations of a region they refine and develop objectives and tasks of town & country planning in accordance with development policy; they set a strategy for realization of these objectives and coordinate planning activities of municipalities. Development principles specify, among others, basic requirements for reasonable and economical regional territory arrangement, delimit areas or corridors of supra-local significance, especially for public works, and determine requirements for their utilisation. Development principles draft is procured by a regional office and it is given to a regional board for acceptance and issue. Regional office shall present a report on DP implementation during the last period to regional board not later than two years after development principles issue. Based on this report the DP are updated or a new draft is prepared.

Plan

A plan is procured and issued for the whole **municipal territory** or for a delimited part of the capital of Prague. A plan is binding for procurement and issue of a regulatory plan and for planning permission proceedings.

A plan sets, among others, a basic conception of municipal territory development, of protection of its values, its area and spatial arrangement, arrangement of landscape, and conception of public infrastructure, further it delimits developed areas and areas with development potential as well as areas for public works.

Local board decides on procurement of a plan. It also issues finished and approved plan as a measure of general nature. Every 4 years from a plan issue a report on the plan implementation during the last period is prepared. Based on this report the local board may decide on an amendment to the plan, or if it has become obsolete, on procurement of a new plan.

Regulatory plan

A regulatory plan is procured for specified grounds within a **municipal** or **regional** territory.

A regulatory plan sets detailed conditions for land use, location of structures, their spatial layout, for protection of area's values and character, and for creation of favourable environment; it also defines public works.

A regulatory plan is issued either at incentive of regional board, municipal board, or at the request of a citizen or corporate body – provided that the grounds to be solved in the regulatory plan are delimited within the development principles or the plan. Regulatory plan incentive is approved by respective board. Procurement of a draft of regulatory plan at incentive shall be made for a municipality or for a region by a procurer. A regulatory plan at the request shall be procured by the requesting party. Respective board issues the regulatory plan as a measure of general nature.

Planning permission

Location of structures or facilities, their modifications, changing land use, and protecting important interests within a territory is possible based on the planning permission only, or based on the planning approval, unless specified otherwise by the law.

Planning permission is a decision on:

- location of a structure or a facility,
- change of land use,
- change of a structure and change of structure impact on land use,
- partition or consolidation of plots,
- protective zone.

The law specifies which structures and activities do not require planning permission, at which conditions the planning permission and building permit proceedings may be combined, or at which conditions a planning permission is not required in areas where a regulatory plan exists etc.

Related legislation:

Act no. 183/2006 Coll., on town & country planning and building regulations, as amended on May 11th 2006, including implementing decrees.

Act no. 500/2004 Coll., administrative procedure code from 2004

6.3 Financial tools – EU funds and subsidies

6.3.1 EU funds

Territorial development tools may be divided into strategic tools (strategic documents), methodological, and financial tools. EU funds represent an important financial development tool. EU funds contribute to urban-rural partnership formation significantly. Introduction to regional (cohesion) policy of the EU is in chapter 1.2.

The Czech Republic can use 26.7 billion € totally in 2007-2013. Basic principles for use of these funds are described in the National strategic reference framework (to be downloaded at <http://www.strukturalni-fondy.cz/regionalni-politika/nsrr>).

Explicit rules for consumption of these finances are set within individual operating programs. There are 8 operating programs in the CR (total amount is 21.3 billion €), 7 regional operating programs (total amount is 4.7 billion €), 2 programs for Prague (amount is 0.34 billion €), and programs of European territorial collaboration (0.39 billion € is reserved for cross-border cooperation for the CR). Allocation of finances for individual operating programs is shown in the following table. The column – supervising body – contains an abbreviation of the supervising body (MolAT - Ministry of Industry and Trade, MoT – Ministry of Transport, MoE – Ministry of the Environment, MoLaSA - Ministry of Labour and Social Affairs, MoEYaS - Ministry of Education, Youth and Sports, MfRD – Ministry for Regional Development).

Table 21: Operating programs for 2007-2013

	Title	Supervising body	Amount	
			mil. €	%
Specialised programs	OP Entrepreneurship and innovation	MolaT	3 041.30	11.4
	OP Transport	MoT	5 774.10	21.6
	OP Environment	MoE	4 917.90	18.4
	OP Human resources and employment	MoLaSA	1 837.40	6.9
	OP Education for competitiveness	MoEYaS	1 828.70	6.9
	OP Research and development for innovation	MoEYaS	2 070.70	7.76
	Integrated operating program	MfRD	1 582.40	6.04
	OP Technical assistance	MfRD	247.7	0.92
Regional operating programs	ROP NUTS II – Southeast	Reg. council	704.45	2.6
	ROP NUTS II – Southwest	Reg. council	619.65	2.3
	ROP NUTS II – Moravia-Silesia	Reg. council	716.09	2.68
	ROP NUTS II – Northeast	Reg. council	656.46	2.46
	ROP NUTS II – Northwest	Reg. council	745.91	2.79
	ROP NUTS II – Middle Bohemia	Reg. council	559.08	2.09
	ROP NUTS II – Middle Moravia	Reg. council	657.39	2.45
OP Prague	OP Prague – Competitiveness	Capital of Prague	234.9	0.88
	OP Prague – Adaptability	Capital of Prague	108.4	0.4
European territorial collaboration	OP – cross-border cooperation CR – Bavaria	MfRD	55.04	0.2
	OP - cross-border cooperation CR – Poland	MfRD	103.68	0.39
	OP – cross-border cooperation CR – Austria	MfRD	69.12	0.25
	OP – cross-border cooperation CR – Saxon	MfRD	67.2	0.25
	OP – cross-border cooperation CR – Slovakia	MfRD	56.55	0.2
	OP – transnational cooperation	MfRD	37.46	0.14
	INTERACT II	MfRD	---	---
	ESPON 2013	MfRD	---	---
	OP – interregional cooperation	MfRD	---	---
Total			26 691.58	100

More information can be obtained in the publication – Abeceda fondů Evropské unie 2007-2013 – to be found at <http://www.strukturalni-fondy.cz/nrps/publikace-abeceda-fondu-eu-2007-2013>.

6.3.2 National programs

Financial tools for territorial development are represented also by programs financed from the CR budget. They are provided by several ministries. The Ministry for Regional Development provides aids in the areas of housing and regional development.

Subsidies in housing area

There exist four subsidy titles at the Ministry for Regional Development: support of technical infrastructure construction, construction of subsidised flats, regeneration of housing estates, support of lead distribution systems reconstructions. Individual types of subsidies are listed in the following table. It is clear that national subsidies dropped from 1055 million CZK to 409 million CZK in the period 2005-2008. At the same time an average amount of one subsidy dropped significantly too, or the number of actions increased each year. There were 169 actions subsidised in 2005, and 275 actions in 2008.

Table 22: Review of housing subsidies in 2005-2008

	year	2005		2006		2007		2008		total	
		applied for	provided	applied for	provided	applied for	provided	applied for	provided	applied for	provided
Technical infrastructure subsidies	actions	200	94	203	125	106	78	159	103	668	400
	in mill. CZK	796	412	405	193	137	99	153	89	1 491	793
Construction of subsidised flats	actions	76	29	81	41	70	54	67	40	294	164
	in mill. CZK	1 085	477	1 070	518	553	425	223	115	2 931	1 535
Regeneration of housing estates	actions	91	42	93	51	91	71	85	49	360	213
	in mill. CZK	440	165	542	179	530	310	313	180	1 825	834
Lead distribution systems reconstructions	actions	19	4	58	49	75	56	95	83	247	192
	in mill. CZK	3	1	15	13	17	12	26	25	61	51
total	actions	386	169	435	266	342	259	406	275	1 569	969
	in mill. CZK	2 324	1 055	2 032	903	1 237	846	715	409	6 308	3 213

Regional development programs

The following table shows structure changes of subsidy programs within regional development. Due to decreased volume of finances (from 3.6 billion CZK in 2006 to 0.7 billion CZK in 2008) there were 3 programs suspended in 2007 and 2008 – those were programs focused on development in economically weak and depressed regions, on support of entrepreneurial subjects in northwest Bohemia and Moravia-Silesia, and on support of former military areas in Ralsko and Mladá. Based on the analysis of needs there was started a program of reconstruction of former military areas for municipal utilisation in 2007.

Drop in finances is caused by concentration of state resources for EU funds completion in 2007-2013.

Table 23: Review of regional development subsidies in 2006-2008

	year	2006		2007		2008		total	
		applied for	provided	applied for	provided	applied for	provided	applied for	provided
Countryside reconstruction	actions	458	332	624	306	492	448	1 574	1 086
	mill. CZK	349	140	201	78	121	110	671	328
Reconstruction of former military areas for municipal utilisation	actions	0	0	44	37	56	37	100	74
	mill. CZK	0	0	308	134	367	126	675	260
Reconstruction and restoration of municipal and regional assets damaged during natural disasters	actions	823	523	557	689	135	282	1 515	1 494
	mill. CZK	918	651	1 013	967	216	489	2 147	2 107
Development of NW Bohemia and Moravia- Silesia	actions	858	224	241	163	6	18	1 105	405
	mill. CZK	1 799	570	892	331	6	9	2 697	910
Development in economically weak and depressed regions	actions	147	85	177	85	0	0	324	170
	mill. CZK	240	115	386	98	0	0	626	213
Support of entrepreneurial subjects in NW Bohemia and Moravia-Silesia	actions	12	10	17	11	0	0	29	21
	mill. CZK	186	174	153	77	0	0	339	251
Support of former military areas in Ralsko and Mladá	actions	16	15	0	0	0	0	16	15
	mill. CZK	100	53	0	0	0	0	100	53
total	actions	2 314	1 189	1 660	1 291	689	785	4 663	3 265
	mill. CZK	3 592	1 703	2 953	1 685	710	734	7 255	4 122

More information on individual subsidy titles at www.mmr.cz.

6.3.3 Subsidy management and project management

6.3.3.1 Project management

For the sake of good work of urban-rural partnerships the municipalities, towns, micro-regions and other “key players” in regions have to be able to use financial development tools. An important part of each partnership is specification of financial frame. Moreover, many free associations of municipalities (micro-regions) have been established in order to push through and realize certain concrete projects, often financed from the EU resources. That is why a subchapter on subsidy management and project management has been included in this publication.

What is a definition of a project (see ISO 9000, page 25): “A **project** is unique process consisting of several coordinated and managed activities with start and end dates. This process is carried out in order to achieve the goal that meets set requirements, including time, costs, and resources limitations.”

We are just a step from **derivation of “project management” term** here. **Project management** means planning, realization and inspection of set of activities (e.g. complicated activities, single time actions) that must be performed:

- in within specified **time**/by specified **deadline** (time schedule of a project must be followed)
- at specified **costs** (project budget must be followed)
- in order to achieve projected **goals** (to meet outputs and results of a project)

6.3.3.2 Phases of subsidy project management from the applicant’s point of view

What is a subsidy management

The principal functions of management, generally, are:

1. planning that sets objectives, target values, and means to achieve them;
2. organization includes structures and procedures that ensure project realization;
3. directing that means leading, motivation and initiation of organization to activities which are specified in a plan;
4. inspection: feedbacks direct activities so that the objectives and target values are achieved.

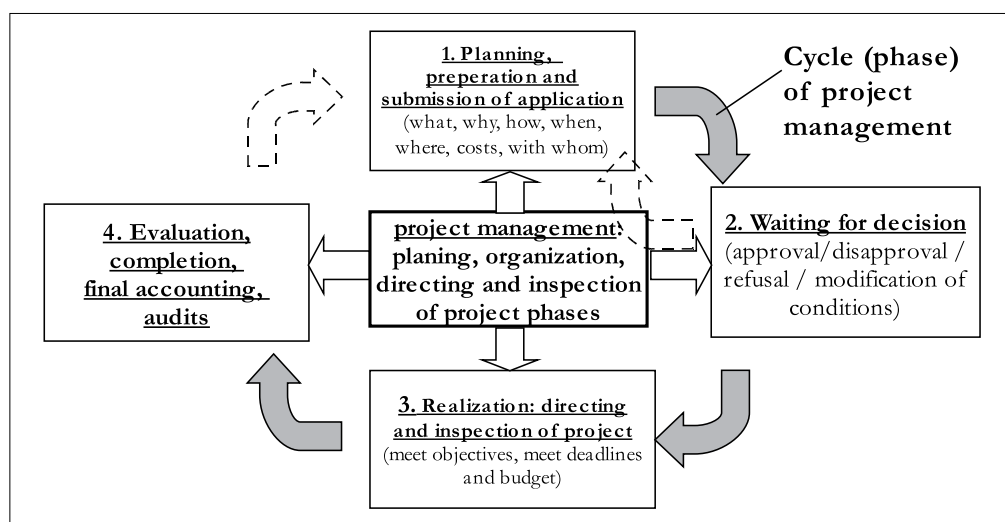
This can help us to derive what a subsidy management is. Subsidy management means planning, organization, directing, and inspection of a subsidy project. A subsidy project is co-financed from public sources (especially from the EU, countries, regions etc.). We can also say that applicants compete with each other within these projects to gain co-

financing from the EU, state or other enunciator. Successful applicants – project realizers – become in fact “suppliers” of requested outputs, results, or impacts (project objectives that match program objectives) within a requested time and approved budget. The EU or a country “purchases” changes (outputs, results, impacts) from individual project realizers – in the areas of life quality, environment, economy, and society (e.g. GDP growth stimulation, job opportunities, new services, necessary infrastructure, innovation etc.).

Phases of a subsidy project

Individual phases of preparation, realization and completion of a subsidy project from the applicant’s point of view are shown in the following illustration.

Figure 3: Phases of a subsidy project from applicant’s perspective



Source: Půček, Matochová 2007, p. 55

Each of described phases is important, bears its risks, and requires effective management. The following description is definitely not complete – it shows just some aspects worth of attention.

Phase 1: Planning, preparation and submission of application

If we underestimate the preparatory phase of a project – planning, preparation and submission of application – we can easily get in troubles with meeting the objectives, costs, or time schedule. We have to answer the questions very carefully, like – what do we want to do and why, how are we going to progress, when and with what deadlines, where should

the activities take place, what will be the costs and what resources will we use, who will we be working with etc. This is the phase when we can often find out that our project is superb but absolutely unfit to be submitted as an application within a concrete call for co-financing (simply – our project does not meet objectives of the call or guidelines for applicants). We have to plan also all financial aspects of the project in this phase (budget, separated book-keeping, manner of financing – enough resources for the whole duration of the project, procuring financial participation, solution of financial risks, way of financial audits etc.). This phase is finished by submitting the project at specified deadline.

Phase 2: Waiting for decision

Inn the second phase we wait for the decision whether our project succeeded in competition of others and will be co-financed. It was not exceptional in the past that one had to wait for months, even more than a year, for decisions on applications submitted to the EU funds. This phase includes possible amendments to the application (if we are asked to do so), approval or disapproval of the project, possible refusal of approved project by applicant (e.g. due to cuts in budget, changes of parameters to be monitored etc.). In some cases, discussions on modifications of project conditions take place. This phase is finished by signing a contract on project realization (or by a similar act).

Phase 3: Realization – directing and inspection of project

The third phase means **realization, i.e. management and inspection** of the project progress. **What is necessary to monitor at the project?** Well, an attentive reader can answer this question easily. It is necessary to monitor the **deadlines** (follow the time schedule), monitor the costs (meet the budget, usually ensure a separate book-keeping). This all, however, would be completely useless if the project did not meet **specified objectives** (often referred to in the project application as planned outputs/results, or sometimes also parameters to be monitored).

A project is successful when we realize it in time, for specified (or lower) costs, and we achieve the project's objectives. This can often become a sticking-point – is we specify absurd or senseless objectives, we achieve absurd or senseless results. If we estimate the costs wrongly, the project becomes unreasonably expensive (increased costs are usually unacceptable and we pay them in 100%). Unrealistic time schedule or its wrong timing leads to missed deadlines or unsatisfactory monitoring parameters or increased project costs (it can lead even to subsidy return). In order to be bale to avoid these problems, we have to manage the project and specify checking procedures.

Phase 4: Completion, final accounting, evaluation and ex-post audits

The fourth (often underestimated phase) includes project completion, its evaluation and final accounting. It is necessary to keep in mind that even after years there may come project audits (e.g. from the grant giver or tax office). There exists also a big potential risk that if we do not meet the specified objectives partially, we will have to return the subsidy.

7. SUMMARY

This publication illustrates considerable variety of settlement and population growth in the Czech Republic, some of the characteristics are unique even in the European scale. Settlement structure of the CR is characteristic for its high degree of rural settlements scattering, relatively low number of big cities, and significant role of small and medium towns.

Territorial differentiation of settlement evolution in the Czech Republic has been influenced by three main factors. The first is the process of suburbanization that brings a sprawl of municipalities in suburban zones of big cities, especially around Prague; city cores witness decreasing number of inhabitants usually. The second is the aspect of geographic location of a municipality in relation to regional settlement centre; municipalities located further in remoter areas witness, usually, decreasing number of inhabitants. The third is the age structure of population; areas with higher proportion of young people (north and northwest Bohemia, east Moravia) experience natural population growth, on the contrary areas with higher proportion of post-productive people (e.g. part of middle and east Bohemia) are usually facing population decrease.

Migration processes play the decisive role in current development of the CR settlement. Significantly positive for the population growth is Prague and Středočeský kraj (region), the highest emigration may be found in Moravskoslezský kraj (region).

The Czech Republic is one of the countries with the highest proportion of small municipalities. About 80% from 6250 municipalities have less than 1000 inhabitants each. Very low average of inhabitants number per municipality (1773) may be found in the EU only in France, where about 57.4% of all municipalities have less than 500 inhabitants each. Small municipalities are more endangered by troubles in providing basic services to inhabitants, because the re-allocation of taxes per capita does not guarantee enough resources for financing of expensive services etc. It is difficult to gain professionals in order to carry out all tasks and development plans in small municipalities from remote rural areas.

In order to be able to provide services to inhabitants, prepare quality and realistic development projects, utilise financial means effectively etc. municipalities form free “mi-

cro-regions” with other neighbours. Free collaboration of municipalities may bear more forms, most often it is a free association of municipalities.

Urban regions and towns/cities are best fitted to use their strong points, they can utilise higher financial amounts and invest them into development. The most important development poles in the CR are regional cities – the most important is the capital of Prague, followed in distance by Brno, Ostrava and Plzeň. Medium and small towns in rural areas have labour and services functions and play important role in stabilization of settlement structure.

In the settlement structure of the CR there evolved a group of municipalities that operate as micro-regional centres. These are equipped with basic public services (complete elementary school, general practitioner, pharmacy, post office with usual working hours, basic range of manufactured goods in retail shops etc.). We can count, realistically, about 1000 of such micro-regional centres. Further there exist about 200 strong micro-regional centres with a broader range of services, specialised retail shops (e.g. book stores, furniture shops), restaurants, various handicraft services, apart from an elementary school there are also secondary schools and professional schools, healthcare services include specialised doctors if not even a hospital.

Medium and small towns have function of hierarchically higher (macro-regional) settlement centres, their infrastructure serves to inhabitants in rural areas too. They have extended public services and broad job offer in various sectors.

The most important feature of current settlement structure development is suburbanization. Suburbanization represents a possibility for many inhabitants in cities to move to more quality environment while preserving contacts to urban job offers and services. However, suburbanization brings also some risk factors when we take into account nature protection and landscape preservation, or preservation of some basic proportions of settlement within an area. These risks appear especially in a form of “urban sprawl” - sprawling of towns/cities into surrounding landscape. Apart from agriculture land loss there are also other risks connected to the “urban sprawl”. Increased demands on transport services and infrastructure, damages to the environment in towns’ surrounding, lack of finances for reconstructions of existing housing stock and infrastructure in towns/cities, threat that housing estates will become ghettos etc.

Principal prerequisite of economic growth in all regions is mobility and accessibility. Traffic in the CR underwent a big transfer of transport labour distribution among transport types and kinds in the nineties and in the beginning of this century. Individual personal transport increased at the expense of public transport. Individual personal transport increase led to searching of a suitable improvement of this transport type. Gradually, the

integrated transport systems are implemented that are operating, currently, at different levels in almost all regions of the CR.

At present transport arrangement there are areas in the Czech Republic where the accessibility of regional cities via individual personal car transport is longer than 1 hour. These are especially the close-to-border areas. Particularly in these remoter areas the population decrease occurs.

Strategic regional planning may be described as a process of implementation of regional policy into actual conditions of individual regions. Strategic planning uses strategic development documents to plan its objectives.

Regional development strategy of the Czech Republic is a fundamental document of regional policy at the country level. Based on the governmentally approved regional development strategy the Ministry for Regional Development prepares a draft of state program of regional development. State program of regional development is a medium term document that specifies directions of regional development supports for one or several subsidised regions.

Responsibility for regional development in the CR lies particularly with regions. Conceptual document at this level is a Regional Development Strategy. In the area of regional development the competences are still more and more transferred to local level. Associations of municipalities, but also individual municipalities, take over initiative and prepare development strategies and own conceptual documents.

Town & country planning in the CR is governed by the act no. 183/2006 Coll., on town & country planning and building regulations as amended, since January 1st 2007. This act sets objectives and tasks of town & country planning. Main objective of town & country planning is creation of preconditions for construction and sustainable development of an area. Town & country planning protects and develops natural, cultural, and civilization values of an area for public benefit, including urban, architectonic and archaeological heritage.

At the levels of region, towns, and municipalities, it is important that the planning documents and strategic development documents are interlinked. It means for a region – development principles with regional development program, for towns and municipalities – plan with strategic plan. Land use limits (taken from planning documentation) determine a strategic plan and are necessary for it. In order to prepare a plan it is necessary to know land use intentions (taken e.g. from strategic plan).

EU funds represent an important tool for development of regions, towns/cities, and municipalities. EU funds contribute significantly to building up urban-rural partnerships.

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