

The impact of the implementation of European regional policy to the importance and competences of regions in Czech Republic

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Abstract

The regions in Czech Republic were created on the base of the administrative regionalism. Their main and principle role was to distribute the finances from Structural Funds to the individual projects in the territory within limited other competences and mainly financial resources. The contribution presents the main objectives and results of the decentralization of some competences of the regional policy to the regional level in Czech Republic. Paper shows also the main strong points and weaknesses of the actual legislative and administrative framework of the realization of regional policy at regional level from the point of view of its effectiveness. Analyze of the change of the legislative, economic and mainly political power of the regions in the framework of the implementation of regional policy makes a very important part of the contribution.

Keywords: Public administration reform, competences of Czech regions, regional policy, financial resources

JEL Classification: R58

Introduction

The concept of realization of regional policy on the European level as well as on the national levels of individual European countries can be in the last fifteen years characterized by quite strong decentralization tendencies. In the framework of this decentralization process, understood as a transfer of competencies and responsibilities of policy implementation from national level to lower administration levels, more and more competencies in preparation and realization of regional policy are dedicated to lower territorial self-governments levels, called regions.

The main objective of the transfer of competences of the regional policy implementation to lower administrative levels is to define and realize the type of policy that would be more responsive to the regional specifics and actual development needs of the territory. The decentralization theories presuppose that the regions are closer to the populations and other territorial actors so they can react better and quicker to their needs and fulfill better their life priorities.

This process, called also as a regionalization of regional policy, makes a part of the large decentralization processes that were started in many European countries at the end of eighties of last century. These processes were mostly orientated to the promotion of the competences of towns or municipalities, more than the growth of the regions competences. On the other hand the actual processes of the decentralization of regional policy are mostly orientated to the regional level with the respect of the existing autonomy of local level.

The impact of the decentralization of the regional policy to the role and importance of regions has in comparison with the large administrative decentralization processes some specifics and common points for different countries. The global decentralization processes were mostly motivated by the will to promote the economic effectiveness of public sector. The scale of the transfer of competences was in different countries quite different with the respect of the legislative and economic framework of the countries as well as their public administration structures tradition. In many countries the economic objective of the decentralization was also accompanied by the promotion of local democracy motives.

The decentralization of regional policy has some unified administrative background on the contrary with the economic and political decentralization to local level that's aims and results depended mostly on the will of the state and on the successful lobbying of lower administrative unites. Even there are also the regions who try to determine the priorities and objectives of regional policy there is always a European Union institutions that guarantee the overall process and methods of regional policy implementation and the character of regional policy decentralization.

The concept of regional policy is unified within individual European countries. One of the conditions that should be respected is the existence of the regional administration structure with some competences quite clearly defined. In this context at least some competences of regional level administrative structures are guaranteed even if the state isn't interested for many reasons to create this level of public administration structure or it isn't interested to growth their competences.

Decentralization of the regional policy has in many countries the character of administrative decentralization. The regions were created just for the competences of regional policy and their role in the whole public policy structure isn't quite important. On the contrary new tendencies in realization of regional policy could contribute in many countries not only to the growth of the competences and responsibilities of regional self-administration unites, but also to the growth of their autonomy and their status in whole public administration organization structures. In countries where the regions played already more or less important economic and social role in the territory development can the actual tendencies of the decentralization of the regional policy contribute to the continuous growth of their economic and political autonomy.

The position of the regions can also in some cases move from the administrative status, determined by the rules of European policy, to the functional political or economic status more determined by the specifics of the country. This is also a case of the Czech regions whose status changed quite quickly in past ten years. The creation of regions had quite limited

administrative character with the primer objective to realize regional policy. Nowadays the regions play quite important role in the global regional development processes.

The following text presents how the implementation of the regional policy based on some common European methods and principles contributed to the regional economic and political autonomy development in Czech Republic.

Basic change of the organizational structure of Czech Public Administration in the framework of the European regional policy implementation

Even the fact that the creation and functioning of regions, in Czech called “kraje”, was guaranteed in Czech Constitution since 1993 and attended by local and regional actors, their real elaboration waited until the end of nineties. The main motivation of their creation was the demand from the European institutions to create an adequate regional structure to enable the implementation of European Cohesion policy.

Regional structure had in Czech Republic quite long history with well defined administrative territory of individual regions. In spite of this fact this structure was at the beginning of nineties abolished with the vision of the later reconstruction of this type of lower self-government bodies. Nevertheless the new creation of regions wasn't during the nineties realized mostly due to the strong political opposition from the national level politicians. The politicians argued that the Czech Republic can solve its economic and social needs better at national level than at the regional or local level. The politicians were mostly afraid of the political power decentralization to the regional level and the growth of the political opposition from lower self-administration bodies.

The lack of will of the political representatives to create the regional units defined in Constitution was modified in the framework of the process of the preparation of the Czech Republic to enter to the European integration structures. In this context the Czech Republic was obliged to accept some legislative and institutional conditions that would permit the integration and realization of European policies. Between others it was also the European Cohesion and Regional policy and the new possibilities to finance the regional development that demanded the new legislation and organization framework of the Czech administration structure.

The negotiation process between Czech Republic and European institutions contributed to the elaboration of basic legislative and strategic documents that define basic characteristics of the regional policy to be implemented on the national level and the mechanisms of its coordination with European level. In 1998 government of Czech Republic accepted the basic principles of Czech regional policy (Government decree No. 235/1998). This document first presented the basic principles of the institutional framework of the implementation of regional policy. Between others this document anticipated the constitution of regional administration units. According this document these regions should play an important role in preparation of

strategic documents as well as in coordination of the regional development in the administrated territory.

The formation of the regions was finally realized after long discussions about their structure, positions and competences in the context of the law No. 129/2000 “About Regions”. This law defined the administrative regional structure and basic responsibilities of new defined units. Whatever low political support for the creation of new regional governmental units influenced the whole character of their legislative background. The new defined unites received a very limited competences that were not really quite well defined. New competences were mostly linked only with the regional policy implementation obligations, others rights and responsibilities of regions were defined on a very basic general level without deepen specifications.

The role of regions were very basically defined like the units that are responsible for the “coordination of the development within their administrative territory, preparation and realization of the strategic regional development documents and preparation and monitoring of the territorial planning documents”¹. The law itself isn’t quite specific and it stays in a very general level. Besides some competences linked with regional policy regions received some basic competences in development of tourism, transport, environmental issues, education and culture.

Lack of the adequate legislative framework as well as not clear definition of roles of regions in their self-governmental status caused some incertitude and some problems in realizing development activities and in preparing and realizing the development projects. Between others the status and competences of regional institutions in realizing some regional development activities weren’t well defined, as well as the methodology of the whole implementation structure of the regional policy.

In the other way this situation permitted regions to realize “all that isn’t forbidden by the law”, respectively to realize their development priorities by their own political and economic considerations with the respect of existing general legislative environment. In this sense the different responsibilities in socio-economic development of regions were developed from the bottom-up approach and their scale growth considerably during next nine years after the creation of regions. In this context the role of regions, first linked only with the implementation of regional policy, growth slowly and they are nowadays becoming an equal partners in defining and realizing the development priorities not only at regional and local level but more and more also at national, event. at European level.

Regions and the barriers of implementation of regional policy

Lack of will of the state representatives to create regional level of public administration and to develop the region’s competences is evident not only at the legislative framework of their

¹ For more specifications see the Law about regions, No 129/2000 COLL.

functioning but also in some other barriers limiting their activities in different development politics implementation, including regional policy. Between these barriers it was mostly the financial and methodological background that limited the possibilities of regions to develop different activities in the sense of regional development policy implementation.

As mentioned above the creation of the regions was mainly linked with the possibilities of Czech Republic to participate at the European Cohesion policy and their role was mostly to distribute the European subventions towards different actors in administrated territory (towards municipalities, small and medium sized entrepreneurs, NGO's and others partners). In this context regions didn't receive mostly any financial autonomy, their budget depended on national and European subventions. The own financial autonomy was approved only to the five per cents at 2000, after some legislative changes in 2002 and next years it growth to the mostly 30 per cents. From the point of view of the regional authorities the low financial autonomy and high dependence to the subventions is one of the important barrier of the more dynamic development of the administrated territory as well as the barrier of the more effective implementation of European regional policy.

Regions consider in general their limited financial resources as the main limit of the regional development. The problem is not only the lack of financial means to realize their own development projects but also the lack of financial means to co-finance the projects supported from the European Union. The important barrier of the financing and implementing the regional policy is from the point of view of the individual representatives of the regional governmental units the actual system of the public finances, complexity and lack of transparency of the budget planning, late receiving of the information about the European subventions possibilities and long waiting periods to receive the approved subventions from the central administration level.

The financial background approved to the regional units at the beginning of their functioning in 2000 wasn't really adequate their important role in the process of the implementation of regional policy. We can state that the regions were established to reply to the demand of some conditions from above-national level to participate at European Cohesion policy. During the next years they were lobbying for more financial autonomy that could permit them to realize the competences in regional policy. For the moment the regions were successful only partly in receiving bigger part from nationally collected taxes. All the financial background of regional units functioning is nowadays the part of wider political discussion about the changes of the whole tax system of Czech Republic and about the new methodology of public finance redistribution between different public administration levels.

The possibilities of regions to implement effectively regional policy within their competences were also limited by the not adequate methodological background from the national level institutions in preparing and realizing the development projects in the framework of regional policy. Very quick formation of regional units without deepen specifications of their legislative and financial functioning was also linked with the lack of conceptual support from the national level institutions. Regional actors often complained about the lack of the

communication from the national institutions as well as insufficient methodical aid in preparation and realization of the strategic documents and development projects.

Between the most important problems linked with the realization of the regional policy was lack of important information about the Structural Funds, lack of professional aid in preparing the projects demanding support from Structural Funds, very complicated administration fixed by Czech authorities, a lot of bureaucratization linked with the preparation of the development projects, not clearly defined criteria for the projects, delays from the national institutions in sending the information about the projects as well as about the results of the procedures of the projects selection, a lot of changes in the formal necessities of supported projects, lack of transparency and objectivity during the project selection procedures and others.

The above mentioned problems complicated since 2000 and still complicate the exercise of regional competences in the realization of regional development policy. Even this fact the regional actors became quite emancipated in last nine years. Regional representatives started directly after the creation of regions to lobby for their interest at national level. With the respect of the European Cohesion policy principles, mostly principle of subsidiarity and partnership, they are negotiating with the national regional policy leaders for better conditions of the exercise of the regional duties and as well as for more transparency and objectivity in according the priorities for the development projects.

Regional authorities are nowadays present in all discussions and preparation of strategic documents that have some consequences to the regional competences. The regions became also in last few years strong political actors that are often in the opposition with the national policy (political structure of regional representatives is quite different to the one on the national level). Lack of the will to support the regional level of public administration has to be more and more replaced nowadays by the communication and effort to make the mutual consensus. In this sense the European principles of partnership and cooperation help to consider regions as the important partners in preparation and realization of regional policy not only at regional level but also at national level.

This growth of the regional economic, social and political emancipation has its consequences not only to the processes of the realization of the regional policy but also to the exercise of the others politics on regional level. The regions are more and more responsible and dynamic in the support of the overall support of the increasing of the quality of life of the population by developing their activities in social policy, transport policy, policy of the entrepreneurship support, cultural policy, rural development policy and others sectors promoting the whole socio-economic environment of the regions.

Conclusion

European Regional and Structural policy is orientated not only to the diminution of regional differences within the EU territory but also to the promotion of the effective administration of the socio-economic development of the individual regions. Countries that are interested to participate on the regional policy are obliged to respect some basic principles and

recommendations, between others also the necessity to promote the efficiency of the public sector and services delivery.

The global tendencies to promote the public sector efficiency are nowadays based on the decentralization theories that suppose that some of the public policies and services can be better allocated on the regional and local level than on the national level. In this sense the European regional policy has also strong decentralization tendencies with a lot of accent to the regional level of its execution.

Reconstitution of the Czech regional government level didn't have during the nineties strong political support. The regional administration level was renewed due to the European integration process and the will to participate on the Cohesion policy. Even the fact that the regions didn't receive in the first phases of their functioning many competences and they were considered more like the necessary administration structure to distribute European subventions, their economic as well as political status developed considerably in last years.

The necessity to establish regions in the framework of European Cohesion and Regional policy and to invite the regional actors to participate at the preparation of the national development documents and strategies on the base of the partnership principle permitted in the time to promote the position and role of the regions. They are now more and more active in preparing and realizing the regional development politics that develop their responsibilities also in others politics than only regional policy.

The decentralization of the regional policy in Czech Republic wasn't supported by the adequate legislative, financial, institutional and methodological background with real consequences in efficiency of regional politics. Even these facts regions are able to solve some basic problems connected with their functioning and they are starting to be more and more strong partners in economic and social politics realized on different administration level. It's supposed that the political and economic role of Czech regions will grow considerably also in forthcoming years.

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