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THE IMPACT OF EUROPEANIZATION ON DECENTRALIZATION PROCESSES IN THE CZECH REPUBLIC

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After the fall of communism, the Czech Republic underwent a democratic transition that included institutional reforms. The final reform implemented was the decentralization of public administration, which occurred about ten years after the collapse of communism. However, this reform faced two main challenges: the post-communist development of the regions and the reluctance of the political elite to delegate power to the regions. Eventually, the Czech Republic's preparation for joining the European Union and involvement in European regional policy facilitated the completion of the decentralization reform. The European standards of decentralized public administration have helped the Czech Republic overcome its post-communist political legacy. The Europeanization processes in the Czech Republic during the late 1990s led to the institutionalization of public administration through several key reforms: (a) the administrative-territorial reform of 1997, which established 13 self-governing NUTS 3 regions; (b) the political decentralization of 2000, which created regional self-government bodies known as Regional Assemblies and initiated electoral processes at the regional level; (c) the administrative and fiscal decentralization of 2003, which granted both administrative and fiscal powers to regional self-governments. The overall success of these decentralization reforms is evidenced by the Czech Republic's effective adaptation to the European Union's governance system.

The Czech model of decentralization, established after the country joined the European Union, has demonstrated its effectiveness. Over the past 20 years of EU membership, the Czech Republic has strengthened the institutional foundations of administrative, political, and fiscal decentralization. This reinforcement has facilitated the active participation of Czech regions in the European Union's regional policies.

Key words: the Czech Republic, democratization, regional policy, decentralization, eurointegration, NUTS.

Демура Ю. В. Вплив європеїзації на процеси децентралізації у Чеській Республіці

Після падіння комунізму Чеська Республіка ввійшла до демократичного транзиту, який передбачав складні інституційні реформи. Однією з останніх успішно реалізованих реформ стала децентралізація публічного управління, яка стартувала приблизно через десять років після краху комунізму. Проте ця реформа зіткнулася з двома головними викликами: труднощі посткомуністичного розвитку регіонів і небажання політичної еліти делегувати владу до регіонів. Суттєво завершенню реформи децентралізації сприяли підготовка Чеської Республіки до вступу в Європейський Союз та подальше залучення чеських регіонів до європейської регіональної політики. Європейські стандарти децентралізованого публічного управління допомогли Чехії подолати посткомуністичну політичну спадщину. Процеси європеїзації в Чеській Республіці наприкінці 1990-х років призвели до інституціалізації децентралізованої системи публічного управління через кілька ключових реформ: а) адміністративно-територіальна реформа 1997 року, на основі якої було створено 13 самоврядних регіонів NUTS 3; б) політична децентралізація 2000 року, яка ініціювала створення регіональних органів самоврядування (Регіональні Збори), і започаткувала виборчі процеси на регіональному рівні; в) адміністративна та фінансова децентралізація 2003 року, що надала як адміністративні, так і фінансні повноваження органам регіонального самоврядування. Про загальний успіх реформи децентралізації свідчить успішна адаптація Чеської Республіки до системи управління Європейського Союзу.

Чеська модель децентралізації після вступу країни до Європейського Союзу підтвердила свою ефективність. 20 років членства Чеської Республіки в Європейському Союзі зміцнили інституційні основи адміністративної, політичної та фінансової децентралізації, сприяли ефективному залученню чеських регіонів до регіональної політики Європейського Союзу.

Ключові слова: Чеська Республіка, демократизація, регіональна політика, децентралізація, євроінтеграція, NUTS.

Introduction. During the 1990s, the Czech Republic effectively addressed the adverse repercussions of its socialist legacy and progressed toward a consolidated democratic framework. Notably, the direction of democratic evolution in the Czech Republic remained unwavering throughout the inaugural decade of transformation. Significantly, the nation not only disengaged from its socialist history but also witnessed the conclusion of the historical epoch of Czechoslovak federalism. Commencing on January 1, 1993, the Czech Republic and the Slovak Republic pursued separate trajectories. The Czech Republic's achievements during the primary post-socialist decade, notably leading up to its accession to the EU, provide compelling evidence of an exceptionally flawless transition trajectory [5, p. 192]. Furthermore, the Czech Republic exhibited a notable degree of political stability. No political parties or high-ranking government officials promoted undemocratic principles. The nation effectively established a bicameral parliamentary system and endeavored to facilitate efficient administrative cooperation between the central government and local regions. The Czech political leadership drew valuable insights from the experience of the “velvet divorce” with Slovakia in 1992–1993 [9, p. 36]. Hence, the forthcoming decentralization reform should also serve to contribute to the political stabilization of the country. Following the attainment of political stability and the prevention of severe governmental crises, the Czech authorities prioritized the preparation and accession to the European Union. The process of European integration played a pivotal role in the political and administrative transformation of post-socialist countries. The successful integration of the Czech Republic into the EU not only acknowledged the “Europeanness” of the country but also contributed to its joining the community of EU members [17]. The acceleration of the administrative-territorial reform in the Czech Republic was significantly influenced by the demands of the European bureaucracy on the eve of 2004. The successful implementation of reforms aimed at optimizing the Czech Republic's administrative-territorial system played a crucial role in shaping the country's standing in European regional politics.

The Czech Republic's membership in the European Union has profoundly impacted the structure of subnational governance, particularly in the implementation of European regional programs. Although regional self-government possesses significant administrative powers, it is less dynamic in its collaboration with European funds compared to local self-government [16]. The strengthening of decentralization at the regional level in the Czech Republic, along with the country's accession to the EU, has encouraged regional governments to play a more active role in the legislative process. However, regional governments have often been unprepared for these law-making responsibilities, a situation that has been exacerbated by political confrontation between the capital and the regions [4]. The current extensive decentralisation system in the Czech Republic creates new administrative contexts. For instance, the political impact of regional elections on administrative processes in the Czech Republic is increasing [15] and the response of Czech municipalities to the humanitarian impacts of the Russian-Ukrainian war [6]. Despite the Czech Republic's membership in the EU for over 20 years, Europeanization remains a relevant context in the country's public administration today.

Materials and methods. The main purpose of this article is to clarify the impact of Europeanization processes on the decentralization of public administration in the Czech Republic. To achieve this goal, we utilized relevant materials and applied appropriate methods. The primary focus of the study was the conclusions of the European

Commission [2] regarding the challenges associated with decentralization reform in the transitional Czech Republic. To better understand the features of administrative-territorial reform in the Czech Republic, we analyzed the legislative framework in effect during the years 1997 to 2000. Significant attention was given to the provisions of the Law on Regions (*czech.* – Kraje) enacted in 2000. In addition to reviewing the relevant legislative framework, we also considered critical perspectives on the decentralization process from leading Czech researchers (K. Kouba, J. Lysek, J. LaPlant, M. Baun, J. Lach, D. Marek). Using a systemic approach, we developed a comprehensive framework for the administrative-territorial organization of the Czech Republic prior to its accession to the European Union in 2003. We believe that the processes of Europeanization have not only influenced the successful implementation of decentralization reform but continue to impact it today.

The Influence of European Integration on Decentralization Reforms in the Czech Republic. The Czech Republic's preparations for EU accession and the concurrent implementation of a comprehensive decentralization reform were interrelated processes. It can be argued that the Czech Republic's alignment with the EU served as a strong impetus for the government to undertake the decentralization of Czech regions. As a candidate for EU accession, the Czech Republic committed to fulfilling the requirements set forth in the "acquis", which are obligatory for all candidate countries seeking EU membership. Of particular significance in the context of decentralization is Chapter 22, "Regional Policy and Coordination of Structural Instruments". A core provision entailed aligning candidate countries with the regional policy programs of the Structural Funds and the Cohesion Fund [1]. Secondly, the Czech Republic's involvement in the EU regional policy would not have been possible without the necessary administrative and territorial reforms. The EU's approach towards candidate countries was to allow each country the autonomy to choose the best institutional framework for regional and local self-government. As a result, the governments of candidate countries had considerable freedom in the decentralization process, taking into account national traditions and internal constitutional requirements [9, p. 36]. In analyzing the foreign policy approach of the Czech Republic toward European integration, it is noteworthy that this approach contributed to the deepening of decentralization processes, albeit over the long term. As a post-socialist nation transitioning to a democratic regime, the Czech Republic underwent significant institutional reforms. Throughout the early 1990s, the prospect of EU membership appeared remote. The Czech Government promptly expressed the country's aspiration to "return to Europe" and undertook concrete measures in this regard. In 1993, the Association Agreement with the EU was concluded, and the then-Prime Minister Vaclav Klaus submitted the application for joining the EU in 1996. Subsequently, negotiations between the Czech Republic and the EU bureaucracy on membership commenced in the spring of 1998 [7]. The Czech government implemented further reforms in accordance with EU requirements and standards. The negotiations with the EU had a political impact on the Czech Government, lasting four years until December 2002. Throughout this time, the EU provided several critical feedback to the Czech Republic, in its 1998 and 1999 reports [7]. One of Brussels' main demands to Prague was to complete the regional administration reform [9, p. 37]. The decentralization reform in the Czech Republic was a form of "catch-up modernization" of the administrative system as part of the negotiations for EU membership.

An important aspect of the decentralization reforms in the Czech Republic involved the alignment of the administrative and territorial organization system with EU

standards, specifically transitioning to the European standard of the Nomenclature of Territorial Units for Statistics (NUTS). This transition is pivotal for a country aspiring to engage in EU regional policy [18]. The Nomenclature of Territorial Units for Statistics (NUTS) is an integral component of the European Union's cohesion policy. This policy entails the allocation of financial subsidies and the formulation of investment policies for legally competent regions [1]. The Czech Republic needed to bid farewell to the consequences of the centralized bureaucratic system of public administration and to find an optimal model for the administrative-territorial system. This model should meet the country's national interests and satisfy the requirements for organizing EU regional policy. The government introduced a modification to the administrative-territorial system. This change in itself was a considerable challenge. The adoption of European administrative-territorial standards in the Czech Republic was perceived as highly politicized. Two predominant approaches to administrative-territorial reform in the Czech Republic shaped the political landscape in the 1990s. The initial approach sought to establish the highest number of regions possible. The proposed approach aimed to diminish the political influence of demographically small regions, as their greater reliance on the central government diminishes their autonomy. This perspective found favor among opponents of effective decentralization reform, notably former Prime Minister Vaclav Klaus. The alternative approach aligned with the EU's call for decentralization reform and revolved around establishing a reduced number of large self-governing regions endowed with the political capacity to implement independent policies and access European regional funds [9, p. 40]. Two distinct approaches to regional decentralization sparked significant political debates in the Czech Republic during the latter half of the 1990s. A proposal was made during 1994–1995 to establish several self-governing regions based on existing districts. Notably, the following prominent projects were put forth by both the ruling coalition and the opposition:

(a) The ruling ODS proposed transforming the existing 75 administrative districts into self-governing regions;

(b) as an alternative to the abovementioned proposal, ODS also suggested a new administrative-territorial system based on 17 self-governing regions;

(c) another proposal, supported by the pro-government KDU-ČSL and the opposition ČSSD, was the creation of nine self-governing regions [9, p. 42].

None of the proposed models for administrative-territorial reform received final approval. Instead, there was an increase in political discussions in the Czech Republic as the EU was expected to provide recommendations for changes in regional policy. Under these difficult political circumstances, the report issued by the European Commission in July 1997 on the Czech Republic's progress towards EU membership played a significant role in assisting the Czech Government in formulating its final decentralization strategy. European bureaucrats underscored that the Czech Republic should adhere to all European regional policy requirements and ensure the involvement of regions in the cohesive EU policy. Furthermore, the Association Agreement underscored the importance of cooperation at the level of capable regions and the implementation of extensive regional development planning. To this end, it was essential to establish an effective system for the exchange of management resources, including information, civil servants, and specialized experts, between national authorities and local and regional self-government bodies in the Czech Republic [2, p. 77–78]. The Czech Government endeavored to meet the requirements for optimizing the management system by implementing an effective administrative and territorial reform. The European Commission's criticism of Czech efforts to develop regional policy concerned the following issues:

- according to European experts, as of 1996, the Czech Republic had no regional policy institute because all regional initiatives were implemented only with the support of the national government;

- there was an absence of elected bodies at the regional level. Neither the 77 districts (district territorial units), nor the 6233 local self-government units had the authority to implement regional policy. Regional self-government units should be established in order to comply with the Constitution.

- there were limited financial opportunities for the implementation of regional policy initiatives. The incomplete administrative and territorial reform has rendered it impossible to ascertain the allocation of additional funding for Czech regional policy from European funds [2, p. 77–78].

In the face of such criticism directed at the endeavor to establish a regional policy framework, the Czech Government diligently pursued the implementation of practical measures aimed at fostering closer alignment with the European Union.

Embracing Decentralisation: Czech Path to a Decentralised System. Upon receiving critical feedback on the regional policy formation, the Czech government promptly initiated concrete measures to finalize the administrative and territorial reform. In December 1997, the Constitutional Law “On the Establishment of Higher Units of Territorial Self-Government” was enacted, delineating the regional level of territorial self-government. Consequently, 13 self-governing regions (Kraje) were established in the Czech Republic, and the capital, Prague, was accorded the administrative and legal status of a region [13]. The Czech Republic introduced the NUTS 3 administrative-territorial level, essential for European regional policy, which still required the necessary competence and legal powers at the legislative level.

The Czech Government’s initiative towards decentralization involved granting administrative and political authority to the regions. In April 2000, the Law “On the Regions (Kraje)” was enacted to define the administrative framework of the regions, establishing unicameral Regional Assemblies (Zastupitelstvo kraje) in the regions. Members of these assemblies were to be elected during regional elections, and the composition of the Assemblies was determined based on the size of the region:

(a) 45 deputies must represent regions with less than 600,000 inhabitants,

(b) 55 deputies must represent regions with more than 600,000 but less than 900,000 inhabitants,

(c) 65 deputies must represent regions with more than 900,000 inhabitants (§ 31, 1) [10].

The President of the Region (Hejtman) was designated as the highest official of the regional self-government. The appointment process involved selection by the majority of the newly elected members of the Regional Assembly, rather than through standard elections. Similarly, the Regional Assembly (Rada kraje) assumed the role of the executive body of the regional self-government, comprising the President of the Region, the deputies, and individuals responsible for defining regional policy directions. Furthermore, the composition of the Regional Assembly was contingent on the population of the region, with 9 members in regions with a population below 600 thousand, and 11 members in regions with over 600 thousand inhabitants (§ 57. 2) [10]. In addition to the aforementioned authorities in the region, the Regional Office carried out the delegated powers (Krajský úřad).

An essential step required for the decentralization reform to reach its final stage was the transfer of management authority from the district level to regional and local self-government. In January 2003, the “On the Regions (Kraje)” law was amended,

marking a significant milestone in the decentralization process by delegating management powers from district offices to the Regional Assembly and councils of municipalities [12]. In anticipation of the Czech Republic's accession to the EU, a model of administrative and territorial management was established to fulfil the requirements outlined by the European Commission in the late 1990s.

Following the restructuring of the administrative-territorial system in the Czech Republic, the subsequent step entailed the provision of political capacity to regional self-government. A crucial aspect of this endeavour involved streamlining the electoral procedures for the newly established representative bodies of regional self-government. Notably, elections to councils of municipalities marked the onset of democratic transformations in Czechoslovakia, with the first elections to municipal councils taking place in 1990. Furthermore, the amendment of the Law "On Elections to Municipal Councils" occurred in 2001 [14]. The composition of the Prague Assembly was determined precisely during the local elections.

In anticipation of the Regional Assembly elections, the relevant legislation was enacted in 2000. The elections operate on a proportional system, with voters selecting from political party lists. Allocation of mandates to the Regional Assemblies is conducted proportionally. The term of office for a deputy is four years, and the President of the Region is elected from among the deputies for a 4-year term [11]. The current electoral system for representative bodies of local self-government ensures proportional political representation, even with a threshold set at 5% [8, p. 488]. The first elections for the Regional Assemblies were conducted in November 2001, with the latest elections having taken place in October 2020 [3]. Throughout the 24 years of regional self-government, there have been six election campaigns since the Regional Assemblies insitutionalisation. This indicates that the mechanisms of decentralization have consistently operated as a stable system.

Conclusions. In the context of post-socialist Czech Republic, the decentralization of public administration has presented a formidable challenge to the smooth progression of democratic transition. Principally concerned with safeguarding its economic interests, the Czech authorities encountered a deadlock in the mid-1990s when implementing the decentralization strategy. Within the framework of European integration, several primary aspects of the Czech decentralization reform can be outlined. The Czech Republic's decentralization processes and European integration are closely intertwined. The government's formulation and execution of a decentralization strategy in the 1990s underscored this correlation. The inclusion of its regions in European regional policy was strategically imperative for the Czech Republic, given the substantial financial assistance available from the EU. Nevertheless, aligning the Czech Republic's regional policy with EU standards proved to be among the most formidable challenges encountered by the Czech government during the process of European integration. The decentralization reform in the Czech Republic has been a major topic of political debates. The government has been cautious due to the historical "federal divorce" from Slovakia in the early 1990s and concerns about separatism within the country. Then-Prime Minister Vaclav Klaus had a skeptical approach to the reform, which slowed down its progress. Opponents of V. Klaus, especially the social democrats, highlighted the need for an effective decentralization reform that would establish strong regional self-government with fewer regions.

The process of European integration sped up the decentralization reform in the Czech Republic. However, internal political conflicts caused a significant slowdown in the development of regional politics. As a result, various conflicting projects for regional

self-government emerged, proposing different numbers of regions ranging from nine to 75 units. The European Commission's negative assessment in 1997, highlighting the absence of a regional policy system in the Czech Republic, compelled the Czech Government to carry out an effective decentralization reform.

The Czech Republic embarked on effective decentralization in 1997 through the implementation of administrative-territorial reform. This initiative entailed establishing 13 self-governing regions, modifying the administrative status of Prague, and initiating regional electoral processes to align with EU regional policy requirements. Subsequently, the first regional elections took place in 2000, followed by five additional election campaigns, which bolstered the political capacity of the regions at the electoral level.

The implementation practices of decentralization in the Czech Republic have underscored the pivotal role of European integration in fostering an effective regional policy. Adherence to the stipulations and benchmarks of the EU regional policy facilitated the successful integration of Czech regions into European financial funds.

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