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ABSTRACT

Local government transformation in the Czech Republic is documented and analyzed in a case study of the town of Liberec. Local government transformation, comprising political, economic, administrative and policy dimensions, has meant a profound historical change for the town. The major qualitative changes have been greater local autonomy, more discretion in local decision-making and policy-making, a wider scope of local government activities and enhanced predictability of the local government revenues. The main characteristics of local political culture in Liberec are the technocratic managerialism of local political elites, on the one hand, and the very low participation of the citizens in local politics and their very low confidence in fair handling of their problems by the municipal office, on the other. The local authority in Liberec has shown a high capacity of adaptation to the rapidly changing political and economic environment. Its policy style has been characterized as active, initiating and open both to regional and international cooperation.

1. INTRODUCTION

This paper presents the case study of the town Liberec as an integral part of the research project that deals with the question how do the local and regional tiers of the public administration system change in terms of political and administrative structures and policy content and style in the old industrial regions in North Bohemia. The research design of the whole project is based on the comparison of the two North Bohemian districts, Most and Liberec, and on the comparison of 14 municipalities, 7 in each district that exhibit the most different social, economic and political characteristics. For the discussion of the research project and of the first findings see Dostál, 1993 and Hanšpach, 1994. The research project strives towards a linking of levels, i.e. a synthesis of case study and comparative analysis, which is essential for a policy study (Jenkins, 1978).

Local government transformation is a very complex and multidimensional issue to grasp. It comprises political, legal, economic, administrative and policy changes that coincide in a relatively short time span. At this stage of the research we have decided to present the case study of the largest municipality in our sample where the range of municipal affairs is expected to be the widest and its administration consequently the most complex. Liberec case will also serve as a model for other case studies which should follow the same structure as much as possible. According to Yin, a case study is an empirical inquiry that investigates a contemporary phenomenon within its real life context, when the boundaries between phenomenon and context are not clearly evident and in which multiple sources of evidence are used (Yin, 1989). The main research questions that we ask are what have been the changes in local politics, administration and policy making since 1989, how are these changes happening and partly also what are the reasons for these changes or at least what is the reasoning of the actors about these changes.

Multiple sources of information about the town of Liberec have been used. The study of the local council meetings records from the last six years serves as the basic guideline for the chronology of political events in local government and source of knowledge about political debates in different periods of time. The structured interviews with the mayor, the previous mayor, vice-mayors, leader of the opposition, chief administrative officer and some officials give more insight into the practise and motivation of the main actors in the local authority. The content analysis of the election programmes of local political parties should elucidate the differences in the perception of policy preferences between parties. Very fruitful and interesting material to be explored are the two surveys - one of local councillors and the other of Liberec citizens, both concerning local politics with some directly comparable questions. Complementary sources of information have been also local press and participant observation of local council meetings.

Liberec is a statutory city with 100 743 inhabitants by the end of 1994. It belongs to one of about a dozen natural (not administrative) regional centers of the Czech Republic. Liberec was one of the 19 provincial capitals in the period 1949-1960. Then it became a part of the region North Bohemia with the regional capital Ústí nad Labem. In the centralized communist administrative system this meant a substantial disadvantage for the development of the town and its hinterland. Now, Liberec is

aspiring and lobbying to become one of the newly established centers of regional self-government that should be stipulated by the long expected legislation on higher territorial administrative units.

Liberec is both the economic and cultural center of the region. The prevailing light industry consists mainly of textile production, engineering and plastic production. There is a number of institutions in Liberec serving the whole region or even wider area such as a regional university, the ZOO, the botanic garden, two theaters, the North Bohemian museum, the art gallery and exhibition halls. Some of these facilities are maintained exclusively by the municipality of Liberec which means an enormous burden for the municipal budget. That is one of the strongest cases for establishing the higher territorial-administrative and self-governmental units that would help to solve the economic side of supra-local issues. The town also aspires to become the center of the Euroregion Neisse, taking advantage of its population size and its central position at the borders with Germany and Poland.

2. THEORETICAL BACKGROUND

Let me now shortly turn to the theoretical background of this investigative endeavour in order to provide the necessary context. There is very little, if any, professional literature in Czech language related to either the transformation of local government or policy analysis, not even speaking about a theory developed from or related to the Czech situation. I have to rely on the professional literature which is supposed to reflect or explain somewhat different reality of the West European countries and the United States. It increases the danger of simplification and forced analogies. These are the pitfalls that one should avoid to the largest possible extent. One general remark to this point is the difference between the relatively stable Western societies with more or less predictable patterns of political, social and economic development on the one hand and the the transitional turmoil full of profound changes, uncertainies and enormous chances in all aspects of social life in Central and Eastern Europe on the other.

There are not too many books elsewhere either that would deal with the local government developments and policies inside one state on a comparative basis where the unit of analysis is a municipality. Very inspirational for my work has been Robert Putnam's thoroughly acclaimed book Making Democracy Work focusing on the institutional performance of newly established regional governments in Italy, especially the indicators of institutional performance that are almost universaly applicable. Nevertheless, the most interesting is the convincingly presented connection between the character of civic life and institutional success. The more civic virtues can be traced in the region, the better is the performance of the new institutions. Such conclusions are of great interest to the transforming countries, where the rebirth (in some of them the birth) of civic society is still expected to come. Considering the fact that the unit of analysis has been the region, it is more plausible to relate it to the inter-district comparisons in the Czech context.

The most useful for the development of a theoretical perspective that would help to predict and consequently to anchor the empirical findings into a broader and

systematic framework has been the book Between Center and Periphery written by Sidney Tarrow. Although it deals with the comparison of Italy and France as regards the type of central-local relations and their policy impacts for the periphery, there are several levels of analysis that help to relate the adaptive strategies of local political elites to the character of central-local relations in a general perspective. Let me present Tarrow's synthetic model of central-local relations with policy relevance summarized in figure 1, where he combines observations on national elite coalitional strategies and type of institutional linkages into a hypothetical typology of policy impacts on the periphery.

Figure 1 **Four Types of Policy Impact on the Periphery by Strength of Institutional Linkages and Elite Coalitional Strategies**

		Vertical Institutional Linkages	
		Strong	Weak
	Populist	Redistributive	Clientelistic
National Elite Coalitional Strategy			
	Productive	Dirigiste	Extractive

Source: Tarrow, S. 1977. Between Center and Periphery. New Haven and London: Yale University Press, p.42.

In the Czech context and in Tarrow's terms, we can characterize the national elite coalitional strategy as the productive one which is most likely to be translated into policies that aim at reorganization of the periphery's structures of production and service delivery and that perceive the periphery through an ideological lens of technocratic reformism. Productive strategy is based on rather narrow "productive alliance" between the national elite and the most productive groups on the periphery supposing that they will be most likely to generate a multiplier effect out of the public resources that are expended. Institutional linkages in the Czech Republic are relatively strong, the only administrative bodies at the intermediate level are the district offices which perform the functions of state administration. There is no self-governmental body between the municipality and the parliament. Several biggest towns (statutory cities, including Liberec) have the possibility of direct access to the central government bodies, similarly as the officials from the district offices. This aspect partly weakens, in case of statutory cities, the importance of the traditional administrative linkage of the municipality to the center via district office.

As follows from this brief elaboration, dirigiste policy impacts are the most expected to prevail in the Czech Republic. In such situation, an elite bases its rule on a narrow productive coalition and has at its disposal a strong state with which to regulate the periphery. It can limit the worst extractions of the market through

selective regional aids and through urban policies on behalf of the most productive and active cities. In case of the statutory cities, including Liberec, we can expect a partial shift towards clientelistic policy impacts which are highly succeptible to political influence on both their transmission and their implementation.

Dirigiste and clientelistic types of policy impacts are supposed to produce different adaptive strategies on the parts of local actors. Administrative activism should be the response to the dirigiste type and political entrepreneurship to the clientelistic type of policy impacts. Both adaptive strategies have been used in Liberec quite extensively. Liberec is the only municipality where we have expected the clientelistic type of policy impacts.

Also other hypothesized adaptive strategies are of high relevance for the comparative design of the research, especially the distinction between adaptive strategies used in urban and rural settings and between lack or presence of the cross-local partisan ties of the mayor. Urban-rural differences are expected to influence the strategies of local elites in such a way that the more rural the leader's community, the more consensual are its instincts and less receptive it is to the divisive ideologies of political parties. A strategy of administrative activism thus has strong appeals for a village or small town mayor. In more urban settings, existing social and political divisions frequently prohibit the success of the former strategy and local politicians are forced to use more political and partisan channels. Political party differences also help to determine which kind of strategy a local leader adopts. Liberec mayor, being a member of the largest governmental political party (Civic Democratic Party) and maintaining close contacts with the top party functionaries in the government has automatic ingress into the central administration. When the mayor is in the opposition, extraordinary efforts may be necessary to capture a share of public resources.

Besides the above disused issue of central-local relations, their policy impacts on the periphery and possible adaptive strategies of local elites, there are also other theoretical dimensions that are related to the organizational adaptation of the municipalities. A number of dimensions of organizational adaptation can be examined as variables depending on the socio-spatial context and the new institutional environment (Dostál, 1993). There are five such dimensions: policy content, policy style, structure of public-private relations, internal structure and intergovernmental relations.

Policy content and changes in internal structure of the Liberec municipality are discussed in the sections on policy challenges and major organizational and administrative changes. Intergovernmental relations are looked at in terms of various bridging strategies that seek to enhance the functioning of the organization in relation to its environment (Scott, 1977). Bridging strategies involve local and regional associations and cross-border interregional cooperation. Liberec closely cooperates with the neighboring districts Jablonec nad Nisou and Česká Lípa which may one day become parts of the proposed Liberec region. Liberec also actively supports the activities of the Euroregion Neisse based on the Czech-German-Polish borderline cooperation.

The structure of public-private relations is examined in terms of the extent of change from "socialist welfarism" in service delivery to the externalization of public services that used to be provided by local authorities. The shift towards externalization (e.g. privatization or contracting out) has been an important buffering strategy (Scott, 1987) delineating a new organizational scope for local authorities. Nevertheless, the municipalities still remain responsible for the service provision, the way how they do it is solely theirs. The investigated character of public-private partnership can be summarized on a continuum ranging from:

externalization....to....internalization (status quo or "lost child coming back home")

Policy style comprises three continuums ranging from:

- active.......to.......passive

- initiating...to.......responding

- open.........to.......close

Liberec policy position with respect to the four above mentioned continuums is quite clearly on their left pole. Public private partnership has been developing towards externalization in terms of pronounced privatization. Extensive use of available manouvering space ranks Liberec among very active municipalities. Initiating policy style can be documented by a high degree of creativity and initiative taking in policy making. Liberec municipality is also very open in a sense of behaving like a regional center not only of North-East Bohemia but also of Euroregion Neisse. Another aspect of its openness is the use of Western experience in local management, collaboration with foreign consultants (US AID), continuous effort to attract foreign capital and generally positive acceptance of international contacts. These findings are quite in accordance with the initial hypotheses of the project that Liberec will exhibit these qualities because of its population size, political support patterns, industrial structure, demographic characteristics, geographic and administrative position.

3. POLITICAL CHANGE - THE FIRST STEPS OF TRANFORMATION

Political changes at the local level were proceeding much quicker than the economic ones during the first three years of transformation (Illner, M., Hanšpach, D., 1994; Dostál, P., Kára, J., 1992). Territorial self-government in all types of municipalities was introduced in 1990. Generally, there have been several important moments in municipal politics during the transformation years.

1) Round table negotiation after November 1989, where freshly established Civic Forum challenged the communist leadership and deputies of National Committees and some new deputies were co-opted to replace some of them.

2) The first free municipal elections in November 1990, in urban municipalities usually characterized by the sweeping victory of the Civic Forum candidates.

3) A longer term process of political self-definition of the previous Civic Forum candidates after the split of this political movement at the national level in 1991.

4) The municipal elections in November 1994 with candidates from clearly defined political parties at the local level.

Political changes in Liberec came very soon after November 1989. The first political activities of the Civic Forum started around actors and ambitious local people (mostly intelligentsia) who were not compromised with the communist regime. There were no members of the communist party from the 1980's in the Liberec Civic Forum. This information is based on the interview with the chairman of the National Committee from 1989-1990 who was asked by the Civic Forum to hold this function in the revolutionary period. He was not co-opted as it was usually the case but he was elected in the by-elections in December 1989 because two deputies of the National Committee resigned immediately after the November events. He was a so called "sixty-eighter", a reform communist from the sixties, chairman of the National Committee at that time who criticized the invasion of the Warsaw Pact troops in 1968 and had been persecuted since that time by the "normalization" communist regime. Together with him returned also the chief administrative officer of the National Committee from the 1960's. These two men realized most of the personal and organiational changes in the National Committee until the first free local elections in November 1990.

Already in December 1989 the executive board of the National Committee was enlarged and restructured in order to "reflect" the new political situation. The new composition of the board was 8 non-party members, 7 communists, 2 members from the Christian People's Party and two socialists so that the communists lost the majority. Further personal changes were realized at the next plenary meeting in January 1990. The disputes between the communists and the Civic Forum activists were calmed down by the promise that further personal changes would be done step by step, only when first-rate candidates were available.

Not only politicians but also officials were changed. They were looked at individually. Two main criteria were applied. To what extent they were supporting the communist regime during the revolutionary weeks in November 1989 and what is their qualification for the work in the office (there were many unqualified officials, very often the wives of communist functionaries). The estimate of the chairman of that time is that about 20% officials were replaced during the first year after November 1989. Relatively low replacement rate was explained by the lack of qualified people who would be interested in working in the office.

Other main tasks of the one year leadership was to start the reconstruction of the town square and of the tram rails, stopping the sewage waters from the huge housing estate to flow into the lake. A lot of time was consumed by the preparation of the first free and democratic municipal elections. The housing construction continued from the previous years and was covered by the central government grants. The activities of the town were limited by the prolongation of the centralist system of local government financing. The 1990 year's budget was several times lower then the 1995 one. The main development strategy of the 1990 leadership was to put together the most capable and smart people in the town, collect good ideas and try to put them to life.

When the political fight calmed partly down, the council started to deal also with the policy issues. In March 1990 emerged the first potential buyers of hotels and at that time state flats. The hotels were not sold, the suggestion that the town should establish joint ventures with the private firms was endorsed. In the case of flats, on the contrary, the town decided to sell the state flats because it had no financial resources to maintain the houses. The necessity to have the directions for sale of the flats and houses was stressed several times but without any output. The decision was taken that the number of councillors would be reduced from 181 to 70. As the year 1990 was passing, the discussions in the council were more and more determined by the lack of financial resources (housing, schools, traffic, living environment in the housing estates).

The 1990 chairman of the National Committee was persuaded by the Civic Forum, despite his hesitation because of age (he was 66 in 1990), to stand as their candidate for mayor in the first free municipal elections. What was his surprise when he was told a short time before elections that he was not considered a good candidate any more because of his communist past in the 50's and 60's, despite the fact that he was persecuted by the communist regime in the 70's and 80's. He was offered a position of a vice-mayor what he rejected. Since that he has not been involved in local politics. The fight for the position on the list of candidates inside the Civic Forum was tough because the victory was almost unavoidable.

The results of the first free municipal elections in 1990, of the political self-definition of the councillors during the election period after the split of the Civic Forum at the national level and of the 1994 municipal elections can be summarized in table 1.

Table 1 **Political structure of the municipal council in Liberec in 1990, 1992 and 1994**

	Share of seats (%) in		
Party	*1990*	*1992*	*1994*
Civic Forum	37,1	-	-
Civic Democratic Party	-	15,7	28,2
Civic Democratic Alliance	-	1,4	10,3
Free Democrats (Civic Movement)	-	5,7	15,4
Social Democratic Party	5,7	8,6	12,8
Communist Party	12,9	12,9	12,8
Green Party	12,9	7,1	0,0
Independent candidates	12,9	31,4	*
other parties/iniciaties	18,5	17,2	20,5
total	100,0	100,0	100,0
	N=70	N=70	N=39

Notes: *) independent candidates were in coalitions with Free Democrats and Communist Party

Sources: Kadlas, Z., Dostál, P., Hampl, M. (1994) Administrative Issues at the Elementary Level: Liberec Municipality; Municipal Office of Liberec.

The first free municipal elections were characterized rather by the rejection of the communist regime than by voting for different political parties with clearly stated programmes. The support for the Civic Forum was higher than the national average, the support for the Communist Party was lower than the national average. Remarkable succes had had the Green Party but then it was gradually disappearing from the political scene. The numbers from the 1992 show that almost one third of the councillors remained independent and the largest party in the council became the Civic Democratic Party, the winner of the parliamentary elections in 1992 and one of the two main succession parties of the Civic Forum. The mayor was from the Civic Democratic Party, too. The second succession party of the Civic Forum was the Civic Movement, later renamed to Free Democrats.

Together with the further decrease in the number of councillors in 1994 (from 70 to 39) and with the crystallization of the political spectrum increased the competition among political parties. Independent candidates formed election groupings with political parties. Political parties prepared specific local election programmes. The turn out in the 1994 municipal elections was 55,9%. The interesting feature of these municipal elections was the fact that the voters did not respect the rank order of candidates on the voting lists of the Civic Democratic Party and the Civic Democratic Alliance and they preferred candidates who were on the next positions (doctors, teachers, a manager of the North Bohemian museum). That signalizes the distrust in professional politicians compared to the candidates who are because of their profession in close and day-to-day contact with the citizens. Nevertheless, these winners did not want to change their jobs for a local political career.

The election results in 1994 could have been more or less expected but the political composition of the board (the executive body of the municipal council) was quite surprising. The Civic Democratic Party formed a coalition with some right wing parties and with the Social Democratic Party, which would be almost unconceivable at the national level. Free Democrats (liberal party in the center of the political spectrum) were left out from the board and remained in the opposition together with two rather extremist parties - the Communist Party and the Republican Party. This interesting constellation can be explained by personal fights and very pragmatic reasons, surely not by similarity of political programmes and ideals. The preferred coalition was such a one, that secured the continuity of the mayor from the Civic Democratic Party, even if the coalition was politically rather heterogeneous. The other serious candidate for mayor was from Free Democrats and the victory of the previous mayor from the Civic Democratic Party was very close. There were probably further issues at stake but not all of them were available for the researcher coming from outside, possibly personal sympathies or strategic reasons not to loose good connections with the center through the mayor who is the member of the major governing party.

Although the political views of the Civic Democratic Party and Free Democrats are often quite similar, the main declared difference between them was the political style. Free Democrats presented themselves as a party standing unambiguously for very open politics to the public and sticking to as democratic procedures as possible. They put such a political style into partial contrast with the managerial style of the Civic

Democratic Party leadership that stresses effective, highly professional and quick decision making. This style does not have to be necessarily undemocratic but sometimes it leaves too much space for ad-hoc decisions of the board and too little space for the council and the public to discuss the respective issues. It surely does not enhance public involvement and mutual confidence between the municipal office and the public.

Political heterogeneity of the board has been the characteristic feature of Liberec municipality not only since 1994, but also since 1992. The period around 1992 has been in the literature described as the period of political fragmentation (Kadlas, Z., Dostál, P., Hampl, M., 1994). The board consisted at that time of 13 members, 8 of them were from 5 political parties ranging from the right wing parties to the left-wing Social Democrats (including the Green Party and excluding communists) and 5 of them were independent. That was the result of the process of political self-definition of the board members who had been elected for the Civic Forum in 1990. This situation complicated the decision making of the executive body not only because of the ideological differences resulting in diverse policy approaches but also because of the unpredictability of the "independents".

Looking more closely at the election programmes of the main political parties (the Civic Democratic Party, the Civic Democratic Alliance, the Social Democratic Party, Free Democrats and the Communist Party), we can trace some interesting differences among the parties. One difference seems to follow from the fact whether the parties were rather sure of the support of their voters or whether they rather decided to try to win the votes with the help of the thorough political programmes. To the first group belongs the Communist Party with the briefest programmes of all and the Civic Democratic Party with the brief and general programme relying on the citizens' satisfaction with the work of the townhall and on the several publicly known local politicians. The most detailed and critical political programmes have had the Social Democratic Party and Free Democrats, taking explicit standpoints to specific policy issues and both stressing the need for more communication and openness to the public in order to have a better feedback. Social Democrats suggested even introduction of more direct democracy principles into the local political life. Rather detailed and uncontesting to the previous political course of the townhall has been the programme of the Civic Democratic Alliance.

4. MAJOR ORGANIZATIONAL AND ADMINISTRATIVE CHANGES

The changes that were taking place during the last five years will be dealt with by looking back in time. First, I will present the current situation and then consider the major organizational changes and attempts to reform local administration that have resulted in the present state of affairs. The local authority in Liberec will be examined following the two complementary dimensions (Smith, 1985, Scott, 1987):

- the hierrarchization of decision making and information flows and the functional differentiation of the political and administrative parts of the institution;

- the departmentalization of the internal structure of the administrative apparatus focusing on division of tasks.

The statute of the town of Liberec was approved by the council in November 1995. Every statutory city ought to have its statute. It stipulates that Liberec is the statutory town with one additional city part on its territory (Vratislavice nad Nisou). The town manages independently its territory and executes state administration in the extent of the transferred domain. The statutory body of the town is the mayor (in the case of statutory cities in the Czech Republic called "primátor" and the municipal office is called "Magistrát"). The municipal office consists of the mayor, the vice-mayors, the chief administrative officer (secretary) and municipal employees. The chief administrative officer is superior to all municipal employees. The elected bodies of the town are the council, the board and the mayor, the executive body is the board. The mayor and the four vice-mayors are full-time politicians and members of the board. The mayor delegates some of his activities to the vice-maoyrs. The other board members keep their jobs outside the townhall.

The municipality, represented by its local authority, is a juridical person that acts in its name in juridical relations and bears responsibility resulting from it. The law distinguishes between the independent domain (devolved self-governmental functions) and the transferred domain (delegated functions of state administration) of municipalities and determines what local authority is responsible for and to whom. In the performance of functions in the independent domain, the municipality is bound only by the acts and by legal regulations issued to perform them. In the performance of delegated functions, the municipality is subordinated to the higher level of state administration.

In the independent domain, the municipality secures the economic, social and cultural development and the protection of the healthy environment on its territory, with some exceptions given by the law. In the transferred domain, the municipality exercises state administration roughly to the same extent as it was exercised by the National Committees until November 1990. These are mainly activities of the construction, transport and trade offices, register and offences department. Liberec performs the function of state administration also for some other municipalities as it was determined by the district office (Liberec is the "commissioned" municipality).

From this perspective of dividing the municipal activities into the independent and transferred domains, the mayor and the board (the executive body) are responsible for both domains while the council (the legislative and controlling body) only for the independent domain. The board is accountable to the council in the sphere of the independent domain. The board executes most of the municipal competences with the exception of the property, legislative and financial (above certain limit) issues that have to be approved by the council. The board establishes the municipal office (the administration), determines its structure and makes appointments and removals of the chief administrative officer (the head of the office) and the heads of the departments. It also establishes and abolishes commissions and working groups and their heads, manages and controls the activity of these bodies and gives them tasks in the sphere of the independent domain.

At the present time, there are 39 councillors in the council and the board has 11 members. The mayor, the vice-mayors and the other board members are elected from within the council at the first council meeting after municipal elections. At the

present time, there are 5 full-time politicians in the board (the mayor and four vice-mayors). It is seen by local actors themselves very positively that there are so many "professional" board members. It helps to make the decision making process more competent and effective. The board convenes minimally every fortnight, the council meetings take place usually every month. The board meetings are closed to the public, even to the councillors, only invited guests to the specific issues are allowed to take part when the concerned matter is to be discussed (this is according to the Municipal Act and its interpretation by the Ministry of Interior, not the measure of the municipal board in Liberec). Nevertheless, the regular guests of the board meetings are the chief administrative officer and the townhall spokesman. On the contrary, the council meetings are open to the public with an average attendance of approximately 20 to 30 citizens.

4.1. The Present Organizational Structure of the Municipal Office

One of the main goals of the new organizational structure of the municipal office of Liberec which was approved by the board in May 1995 has been the administrative separation of the independent and the transferred domain. This also coincides with the appointment of the new chief administrative officer who came from the district office and his plans for the administrative reform of the municipal office. Another important factor initiating the recent organizational changes was the lack of internal rules of communication among the departments in the office resulting in the situation where there were no clear responsibilities of individual departments and officials. The flow of documents and information was based on intuition and tradition on who is supposed to do what. The introduction of the bureaucratic procedures into day-to-day life of the office was felt as very urgent. This messy situation was predominantly the result of the hectic development and the huge increase of tasks during the last several years combined with internal organizational changes and continuous changes in legislation.

Ten departments have been established in the municipal office. The activities in the independent domain (self-governmental functions) are concentrated into four departments: Department of Economic Affairs and Capital Management, Technical Department, Department of Economic Development and Department of Social Affairs. These departments provide the professional service for the decision making of the board and the council. They were established already in August 1994 as a result of the previous internal administrative reform. They are managed by the directors who closely cooperate with the vice-mayors. The spheres of interest of the four vice-mayors correspond to this division. The changes have aimed to exclude the delegated functions of state administration from these departments (with one exception - social security). The structure of the municipal office in 1995 is presented in figure 2 (included on the last page).

The Department of Economic Affairs and Capital Management consists of four sections: budget and finance, fees and taxes, land administration, sales and municipal property administration. Economic agenda of this department includes responsibility for the municipal revenues, grants, subsidies and active search for the financial resources. Capital management means exercising of the ownership rights

by the municipality. The department considers all property-legislative transactions and executes the property rights of the town as a legal entity.

There are four sections in the Technical Department: investment, public tenders, technical administration of land and administration of buildings and school facilities. This department coordinates building activities on the municipal territory, secures technical preparation and realization of investments, prepares plans of repairs and reconstructions of roads and infrastructure and materials for the economic plan of the town.

The Department of Economic Development is divided into four sections: territorial plan and architecture, municipal marketing, managerial and informational group. This department defines the developmental strategy of the town and provides technical service to other self-governmental bodies of the town as a support for the effective decision making. The department also initiates and manages the municipal projects. This activity aims to increase the level of municipal management and the success of municipal projects. The other important function of this department in the area of town development is the coordination of the relationship between the political and technical part of the townhall and between the townhall and private entrepreneurs. Although it has lost its direct subordination to the mayor, it still keeps the strategic position inside the municipal office.

The Department of Social Affairs has remained untouched by the organizational changes. Both the independent and the transferred domains have remained together in one department. The organizational structure of this department will be rediscussed when the new laws concerning social security system will be implemented. The department consists of seven sections: health care, family and child care, education, care for pensioners and disabled people, housing allocation, social curator and culture and sport.

The sphere of the municipal activities in the transferred domain is divided into four departments, two of them are called "offices". Commerce and Trade Office issues, abolishes and changes trade licenses, keeps the list of private entrepreneurs and controls them according to the law. It has two sections: registration and control. The Construction and Traffic Office consists of three sections: building regulations, territorial proceedings and traffic, all three performing the state administration stipulated by the law.

The Department of Environment exercises the transferred domain in the sphere of nature and landscape protection, agricultural land protection, air protection, waste and water management, animal protection and veterinary care. The Administrative and Offence Department includes three sections: register, citizens' records and offences.

There are two other departments in the municipal office that provide the service functions for the townhall - the Mayor's Office and the Department of Internal Affairs. The Mayor's Office consists of four sections: secretariat, organizational, controlling and legal. The Mayor's Office provides administrative and professional service to the councillors, the board, the mayor and his vice-mayors. It guarantees the controlling function of the municipal office and of the organizations established by the town and

represents the town in the administrative procedures and trials. The Department of Internal Affairs creates conditions for the activity of the municipal office as such. It includes four sections: personal, economic administration and civil defence, work safety and fire protection.

4.2. The Previous Organizational Development

The search for the optimal functioning of the municipal office has been a continuous effort of the Liberec townhall since 1990. The new tasks, new legislation and still increasing agenda have been a great challenge both for local politicians and officials. Besides the tasks inherited from the National Committees, the new agenda was arising step by step (the transfer of the state housing stock to the municipalities, privatization of the municipal property, increased activity in the sphere of environmental protection, reconstruction of the deteriorated municipal infrastructure etc.). The enlarging scope of local government activities can be documented also by the increase of the municipal budget during the last several years which is presented in table 2.

Table 2 **The Development of the Municipal Revenues in Liberec (in thousands of Czech crowns)**

		Year	
Item	*1990*	*1992*	*1994*
Central grants	227859	201370	126997
Own revenues	88599	383295	939418
Total revenues	316458	584665	1066415

Source: Municipal Office of Liberec

The total revenues of the Liberec municipality more than tripled between 1990 and 1994. The bulk of this increase was due to the more than ten times higher own revenues, because the 1994 central grants were almost half of those in 1990. The expenditures never exceeded the revenues and they almost amounted to the total revenues each year. The numbers are less impressive if we take into the account the inflation that was around 100% during the mentioned period of five years but the increase is still substantial.

The enormous pressure under which the municipal office has been operating can be documented by the fact that there were appointed four different chief administrative officers during the last five years. Even the candidate selected by the major political party in the council (Civic Democratic Party) and the member of the same party, who was appointed in 1994, has not survived more than one year in function. The structure of the municipal office has been very unstable mainly during the last two years. More effective management, improvement of the performance of state administration and fight against corruption were the major incentives for the two

last organizational changes in 1994 and 1995. There has been little information available about the earlier changes.

A quite divergent tendency in the numbers of local councillors on the one hand and of officials on the other could be witnessed during the last several years. While the number of officials has more than doubled to 274 persons, the number of councillors has decreased more than four times. The maximum number of officials in the municipal office is determined by the board and at the present time the limit is 280. No further increase of personnel is planned, rather some personal changes if adequate candidates are available. There were 181 deputies of the National Committee (councillors) in 1989 who were elected in 1986, each having its own small electoral district in the town, 70 councillors after 1990 municipal elections and 39 after 1994 municipal elections. The board had 15 members in 1989, it was broadened to 19 members in 1990 in order to "reflect the new political reality", then it had 13 members after municipal elections in November 1990 and 11 members after 1994 municipal elections. The number of the full-time members of the board has increased since 1994 from three to four (the vice-mayors).

There has been a considerable shift to professionalization and bureaucratization of local politics and policy making in the Liberec townhall. The changes went slowly and with considerable difficulties. There has been a lack of qualified personnel willing to work in the municipal office in Liberec which is the general problem of the whole sphere of public administration in the Czech Republic. The dramatic reduction in the number of councillors has been explained as an effort to make the council meetings more effective. It is predominantly in the interest of the full-time politicians and the municipal office to make the council meetings shorter and more competent. The present numbers of councillors are supposed to be high enough to represent adequately the public. Liberec is no exception in this respect, the similar tendency can be seen all over the country.

4.2.1. The Communist Organizational Structure in 1989

The inherited organizational structure in the fall of 1989 looked as follows. There was the chairman of the National Committee (now mayor), three deputy chairmen and the secretary who altogether constituted the board. The secretary was at that time one of the elected deputies (now councillors). The function of the secretary was at that time highly political. He was then elected from within the deputies on the plenary meeting as well as the chairman and the deputy chairmen. The National Committee consisted of 11 departments. The heads of all the departments were members of the Communist Party. There were the following departments:
    - personnel and political cadre
    - internal affairs
    - organizational
    - social affairs and health
    - housing
    - local economy and trade
    - traffic
    - financial

- construction
- territorial plan and architecture
- planning

November 1989 meant predominantly personnel changes that were taking place during 1990. The National Committee was transferred into the municipal office after the first free municipal elections in November 1990.

4.2.2. The Organizational Structure of the Municipal Office in 1991-1993

The changing role of the municipal office was reflected in its organizational structure. According to the documents of the municipal office, the structure at the level of the departments looked in 1991 as follows. The first vice-mayor managed two departments:
- education and culture
- health and social affairs
The second vice-mayor managed three departments:
- economic
- housing
- services and business
The third vice-mayor managed three departments:
- main architect including construction office
- investment
- traffic

The chief administrative officer managed organizational and internal affairs department and the legal section. The mayor's additional specific competences were foreign affairs, press, section of control, city police and civil defence.

Four new departments were established in 1992 - the department for economic development managed directly by the mayor, the health department managed by the first vice-mayor, the property and legal department managed by the second vice-mayor and the environmental department managed by the third vice-mayor. The establishment of the new departments with the exception of the health department shows nicely the prevailing shift in policy making - towards developmental strategies, increasing public private partnership, privatization and environmental protection.

Especially the establishment and the activity of the department for economic development was quite unique in its time and in comparison with other towns. Its main role was supposed to be the coordinative function of the diverse municipal activities. It is also possible that the mayor needed an active, loyal and reliable task force that would help him to get through his policies in the administrative environment of the municipal office that was politically heterogeneous and not so well organized. The department for economic development has been defining the investment rules in the town, observing and coordinating the process of privatization in the town and recommending pertinent decisions to the board. The other activities of this department has been e.g.: management of the municipal shares, investment projects, giving support to the entrepreneurs, participation in the international institutions and programmes, municipal property sales, town promotion, supporting

tourist industry, contacting local, Czech and foreign entrepreneurs. Since its establishment, the department for economic development has been playing the key role in the municipal office being managed directly by the mayor and performing the coordinative and strategic functions. The other very important department has been the economic one, later transformed into the economic affairs and capital management department.

The year 1993 was relatively stable from the organizational point of view. The department of the main architect was split into the department of territorial development managed by the third vice-mayor and into the construction office in the sphere of the chief administrative officer. Also the organizational and internal affairs department was split into two separate parts. The department of services and business managed by the second vice-mayor was renamed to the department of commerce and trade. The housing department was abolished because of the suspicion of corruption and the loss of loyalty, most officials from this department were sacked and housing was incorporated as a section into the property and legal department managed by the second vice-mayor.

4.2.3. Organizational Changes in 1994

The last but one organizational reform took place in August 1994 and meant quite profound changes to the organizational structure of the office. Also the 1994 organizational reform was in close connection with the replacement of the chief administrative officer. It followed his appointment with several months delay. All twelve departments were abolished and their heads dismissed. Four new department were established and their heads appointed, three of them had been the heads of a department already before. The twelve departments shrank into the following four ones: Department of Economic Affairs and Capital Management, Technical Department, Department of Economic Development and Department of Social Affairs. These ones are in fact the present four departments fulfilling the self-governmental functions. The other departments were incorporated as sections either in the direct domain of the chief administrative officer or into the newly established departments. The Department for Economic Development has become one of the four newly established departments, loosing its direct subordination to the mayor.

This reform aimed to improve the professional standard of the work of the municipal office and of the materials prepared for the board and council meetings, to fight the corruption, to make the management of the municipal office more effective, to improve the communication among different parts of the municipal office and also to separate the execution of self-government from state administration. The reform declared the new approach to the management of the municipal property, differentiating three complementary dimensions: the owner (considering the profit from the sale or rent), the manager (considering the most effective management and maintenance) and the operator (considering the most useful and suitable use of the particular property).

There were several consequences of these changes. The maneuvering space for the chief administrative officer increased in terms of personnel policy because he

could directly appoint or remove all the managers with the exception of the four heads of the departments. There were changes in the meetings of the top management of the townhall, too. The new participants of these meetings were besides the mayor, the vice-mayors and the chief administrative officer (who met together already before) also the four heads of the newly established departments as the administrative counterparts to the vice-mayors responsible for their respective areas. These meetings preceded the board meetings and they have survived up till now in the same composition with the four heads of the "self-governmental" departments.

The previous and the current chief administrative officers have been interviewed so that it is possible to compare their views on the situation in the municipal office in 1994 and 1995. Both have been the members of the right wing parties, the previous of the Civic Democratic Party and the current of the Civic Democratic Alliance. They have been asked the structured question about the difficulties and problems they face. There are three clusters of answers: where they are in accordance that some issues mean a problem for their office, where they substantially differ in their answers whether something is a problem or not and where they both say that something is not a problem. Generally, the current chief administrative officer gave mostly more positive answers in a sense that he usually saw "surely" or "rather" no problems.

Where both chief administrative officers are in accordance about a problem, it is an indication that the respective issues mean a real problem. These are mainly difficulties in recruiting the first-rate candidates for important positions in the municipal office, lack of municipal officials, changes in the composition of local government officials and insufficient revenues from local fees and taxes. The biggest differences emerged on issues like disrespect for the budgetary limits, disputes between the councillors and the officials and the activities of the different pressure groups, where the current chief administrative officer saw surely no problem but the previous chief administrative officer perceived these areas as surely or rather problematic. There must be some difference in subjective perceptions or in willingness to report the situation as it is, although some improvements in time cannot be excluded but they probably could not be so dramatic. Good example in this context can be the issue of the still increasing town debt, which was perceived as "rather" a problem in 1994 but as "rather not" a problem in 1995. Less problematic are issues like resistance of officials towards changes, ability of the politicians to set priorities or interference of central government into the local affairs.

4.3. Public Image of the Municipal Office

And how is the work of the townhall evaluated by the councillors themselves and by the Liberec citizens? The results are summarized in tables 3 and 4 and they are based on the survey of councillors (1) from the fall of 1994 and on the survey of citizens (2) from the beginning of 1995.

Table 3 **Performance of the Municipal Office**

	better	the same	worse
		than before 1989 (%)	
Councillors	60	28	12
Citizens	39	42	19

Councillors: N=25

Citizens: N=743

Source: Survey of Liberec citizens and councillors

60% of the councillors and 39% of the citizens think that the performance of the townhall is better than before 1989, 28% of the councillors and 42% of the citizens sees it as the same and only 12% of the councillors and 19% of the citizens as worse. This shows the prevailing positive and neutral subjective evaluation of the work of local authority in comparison to the end of the 1980's. The councillors see it far more positively than the citizens do. That is at the general level of evaluation.

When the citizens were asked two specific questions about the work of local government officials whether they think that there is more or less corruption and bothering the citizens in comparison with the situation before November 1989, the majority of them sees the present situation as worse.

Table 4 **Citizens' Evaluation of the Work of the Municipal Officials in Comparison with the Situation in the 1980's**

	% of citizens who think that there is		
	more	less	do not know
corruption	56	7	37
bothering the citizens	59	14	27

N=743

Source: Survey of Liberec Citizens

56% of the citizens think that the corruption has increased, 7% of the citizens think that the corruption has decreased and 37% of the citizens do not know whether it has increased or decreased. The question about bothering the citizens gives similar answers. 59% of the citizens think that the bothering has increased, 14% of the citizens say that it has decreased and 27% of the citizens do not know. That is surprisingly negative evaluation of the work of the officials which partly contradicts

the relatively positive picture of the municipal office given in table 3. These two questions from table 4 have been phrased in a way that people should base their opinion as much as possible on their personal experience with the municipal officials. That is why there are so many answers "do not know". The prevailing negative evaluation can have several reasons:

- the increasing scope of activity of local authority which can result in the bigger amount of the necessary administrative activities, in the nervousness of the officials and also in temporarily higher discretion of the officials to make ad hoc decisions in a constantly changing legal and organizational environment

- a high number of property transfers mostly in the process of privatization necessarily increases public suspicion about the interests of the actors involved in these transactions

- the cases like dismantling the housing department because of the suspicion of corruption or millions of Czech crowns from the municipal budget paid to the banks as the debts of the private entrepreneurs whose loans were secured by the municipal property surely do not enhance the public confidence

- low professional standards in communication with the public

In the open question what are the greatest problems in the work of the townhall 88% of the councillors mention the bad performance of local government officials. There are different forms of it, most frequent comments are: inadequate qualification of the officials, the lack of qualified officials and good professionals, corruption, bad communication with the public, survival of the old patterns of behaviour from the communist times, inefficiency, incompetence. Still, when asked about their own spending preferences, only 18% of the councillors would prefer to spend more money for the municipal officials, 36% of the councillors would spend the same amount as it is actually spent and 46% of the councillors would spend less. Under such circumstances, when the need for more qualified officials is not reflected in the respective area of spending preferences, it is really difficult to attract good professional into the municipal office.

5. POLICY CHALLENGES

One of the crucial issues of this investigation has also been the question what policies will be adopted by the municipalities in the new political and economic environment when their autonomy in decision-making has substantially increased. According to Peterson, city policies can be divided into three types: developmental, redistributive and allocational (Peterson, 1981). Developmental policies aim to enhance the economic position of the city. Redistributive policies benefit low-income residents or certain groups of citizens but at the same time negatively affect the local economy. Allocational policies are more or less neutral in their economic effects. From this perspective, the bulk of policies in Liberec has been clearly developmental, improving the neglected infrastructure from the communist times, attracting businessmen, expanding the tax base of the community and promoting tourism.

Several ways of finding out the policy content have been used in the case study of Liberec. An open question in the survey of councillors, two questions in the survey of citizens and last but not least the thorough study of the council meetings. The content analysis of the open question given to councillors about the policy priorities in their work during the last four years reveals the following rank order of issues (each councillor could mention maximally three items, the number gives the relative frequency of the item's occurrence in all responses):

1) privatization of the municipal property - 25,4

2) town renewal and development, infrastructure - 22,2

3) public transport - 14,3

4) environment, waste disposal, gasification - 11,1

5-6) public safety - 9,5

5-6) organizational and personnel changes in the municipal office - 9,5

7) support of private entrepreneurs - 4,8

8) financing of cultural facilities - 3,2

Comparing this rank order with the frequency and time spent on particular issues at the council meetings during the last five years, the first position of the privatizational issue would be even more pronounced. Privatization concerns the housing stock, other municipal immovables and some public services (public transport, municipal cleaning, garbage removal and waste disposal). The frequency of other discussed issues does not follow the above mentioned rank order, they were rather equally dispersed throughout the council meetings. A lot of time was spent on personal and political fights, procedural matters and on the effort of political opposition (Social Democrats in 1990 - 1994, Free Democrats 1994 and onwards) to make themselves as visible and troublesome as possible.

The citizens were asked to select those five out of fourteen items which they regard as "should be" priorities for the work of the councillors (the number gives again the relative frequency of the item's occurrence in all responses):

1) environment - 25,7

2) availability of housing - 23,5

3) criminality, public safety - 22,2

4) health services - 8,1

5) housing in terms of maintenance of the housing stock - 6,9

6) public transport - 4,1

7) social services - 2,8

8) others - 6,7

The citizens were not offered the items about the town development, infrastructure and privatization in the questionnaire, though they could have added them as the last optional item. These two overviews are not directly comparable but they offer two

different evaluations of the municipal policy priorities, one from the inside given by the councillors themselves and one from the outside given by the public. Nevertheless, it is interesting to see how do the top three policy priorities differ in both samples. While the citizens would like to live foremost in a clean and safe town where they could rent or buy a flat for a reasonable price, the councillors focus on the sale of the municipal property to the private persons and companies, on rebuilding of the deteriorated infrastructure including public transport that would otherwise impede the developmental chances of the town. There are two issues that seem to be marked by mutual partial blindness from both sides - housing is underestimated by the councillors and technical and infrastructural issues by the public.

The scale of the privatization of the municipal immovable property can be illustrated by the following figures: 536 contracts of purchase were closed in 1991-1994 period in the total sum of 439,3 millions of Czech crowns. The income from these sales has been invested into the municipal infrastructure. The privatization of the municipal flats will be dealt with in the section on housing.

A pronounced support to the private entrepreneurs has been also at the center of the townhall policy-makers' attention. It has had its pros and cons. It has surely helped to enhance the pro-entrepreneurial atmosphere in the town and to increase the numbers of private entrepreneurs. The most controversial measure was the decision to secure some loans of private entrepreneurs by the municipal property. It resulted in the municipal payments to the banks amounting to millions of Czech crowns each year when some entrepreneurs went bankrupt. The townhall had to stop this policy under such circumstances.

Nevertheless, the general success of these policies can be documented by an extraordinary fact in the Czech context: the income tax of natural persons (self-employed entrepreneurs) was in 1994 higher than the wage tax (all employees). Their ratio was 185 millions to 146 millions of Czech crowns. It is of great importance for the municipal budget, because the income tax of natural persons with permanent residence in a particular municipality is not a shared tax and it is fully the municipal revenue. There were 9850 private entrepreneurs (natural persons) in the town of Liberec in 1993 and 10804 of the same kind of entrepreneurs in 1994.

How do the citizens evaluate the policy outcomes of the townhall during the last four years in some of the above mentioned areas? The citizens were asked the question about their evaluation of the town development during the last five years. Some results are summarized in table 5.

Table 5 **The Citizens' Evaluation of Selected Policy Areas**

| Policy area | % of citizens who think that the situation has | | |
	improved	worsened	difference
Availability of housing	5	86	-81
Public safety	7	76	-69
Public transport	13	41	-28
Environment	43	21	22
Services	56	27	29
Town center appearance	93	3	90

N=743

Source: Liberec citizens survey

The terrible situation in housing provision is reflected quite clearly in citizens' opinions. Dissatisfaction with the public safety situation goes only partly on the account of municipal policies, the bulk of responsibilities in this area lies in the domain of state police. The crime rate has been increasing since 1990 by approximately 30% each year at the district level (municipal level is not available but because of its size and urban character it accounts for most of the district). Municipal police was established in 1991 and the number of municipal policemen has increased four times (up to 83 employees) since that date. We can only speculate that without municipal police could have been the crime rate increase even sharper. Drugs have been the most recent issue perceived as the greatest problem in this area. There are at least two important factors that cause the negative evaluation of public transport in Liberec: the huge reconstruction of the tram lines taking several years and one of the most expensive public transport fares in the Czech Republic without quality increase.

Substantial improvement in the quality of environment is perceived and appreciated by Liberec citizens. Environmental policy will be elaborated separately. Better services for the citizens have been one of the by-products of the privatization and of the emergence of high numbers of private entrepreneurs. The focus of the townhall on the renewal of the town center already in 1990 has resulted in far the best evaluation of this policy area by the citizens.

5.1. Environmental Policy

There have been two major environmental priorities in Liberec since 1989 - air and sewage water cleaning. Solid waste management is another issue of increasing importance. The building of the sewage water cleaning station started already in 1990 and was financed by the state grants. The foremost priority has been the air quality. The air quality in Liberec is classified as "very polluted". It ranks Liberec among the areas which require special protection of the air.

There are several causes of the air pollution: burning of low quality fossil fuels, inversions, winds from the direction of the power stations, local industry and traffic. The professional estimate is that the German and Polish power plants cause about 30% of all air pollution in Liberec. This pollution should be reduced in the near future within the framework of negotiations in the Euroregion Neisse, where the trade off is agreed that the Czech side will reduce water pollution (the rivers are flowing into Germany and Poland) and the foreign power plants will be closed down or equipped with cleaning technologies. The elimination of local sources of pollution has been the major goal in the environmental policy making of the townhall.

According to Andrews, municipal environmental protection initiatives in the Czech Republic have been limited so far by three problems: lack of data about the real state of environment, and about both the extent and the meaning of individual risks; higher priority given to other problems despite the formal acknowledgment of the significance of environmental problems; and limited municipal authority to influence the firms that are major pollution sources, including the fact that many laws are new, still being phased in and subjects to further amendments. These external constraints are complemented by many internal problems associated with the inexperience of the local administrations. For all these reasons, the steps they have taken so far have been largely intuitive, and not yet guided by any more systematic order (Andrews et al., 1994).

I would add the fourth important problem in local environmental protection so far. It is the fact that the municipalities have been almost totally dependent on the state grants in their environmental policy making because otherwise, without these additional financial resources to their budgets, they would not be able to start any policy measures. To a large extent, environmental improvement has been dependent on the ability of local elites to get the state grants. Although there are universal rules according to which each municipality can apply for the state grants, the discretion of the state officials is secured by the formulation that the municipality "can" get the money, which does not mean at all that the municipality has to get the grant.
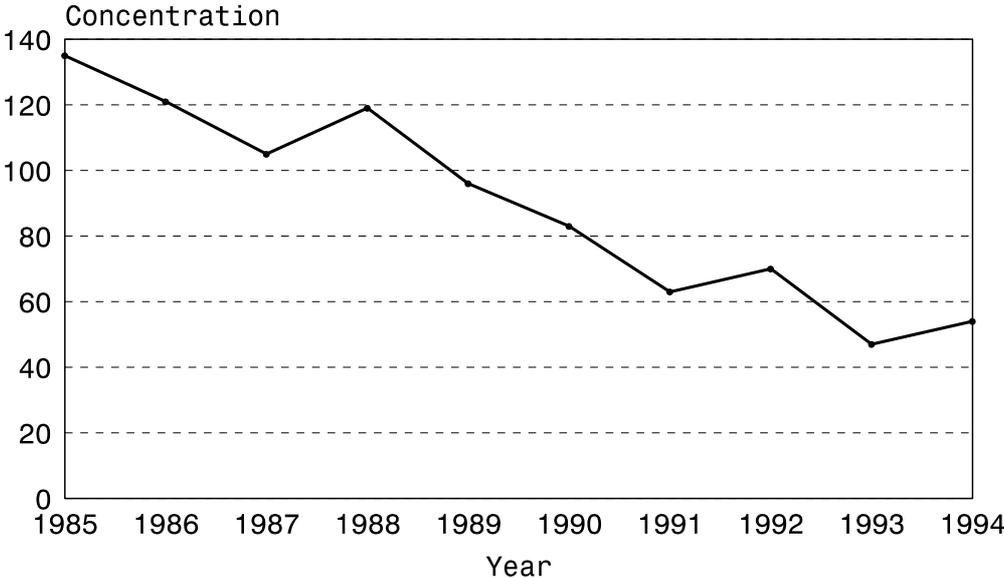
The role of the councillors in the process of fund raising has been relatively small. There is no standard procedure in this but as I have understood from the interviews it seems to be a two-stage process. First, there is the direct negotiation of the mayor with the minister of environment about the sum of money that can be available from the state budget. Second, there follows an analysis of the effective use of these money which is done in the office, not in the council. The criteria applied are either the highest possible number of citizens that can benefit from the measure or particularly unfavorable environmental conditions of a locality, e.g. valleys. Some subsidies are based on the financial participation of the municipality. In such cases, there is a principle that the town pays what is necessary because much more state money would be needed anyway.

In Liberec, they have developed relatively quickly more strategic approach to the environmental management. There was approved the Programme of the Air Recovery in the spring 1995 that stipulates the priorities and policy measures in this field. The main stress has been put on fuel conversion from coal to gas, electrification and installation or modernization of the long-distance heating, dismantling of the

furnace-rooms based on coal burning and energy saving, especially metering and control of heating. Liberec has been the first Czech town which has managed to get the middle-term loan from the foreign bank (ABN-AMRO Bank). It was in 1994 and the money have been used for the purchase and installation of the metering equipment into the municipal flats. The interest rate was half of that offered by Czech banks.

Also the institutional set up follows the same tendency towards rationalization of the environmental management. There has been instituted a task group in the department of economic development which has the coordinative and planning function in environmental management and policy making. Besides this body there is the whole department of environment which exercises the state administration in the respective sphere and small environmental group in the technical department that cares for the town cleaning and greenery. The success of the environmental policy in the air protection is documented in figure 3. The similar development can be traced in other North Bohemian towns, too (e.g. Most or Děčín). The situation concerning dust particles has been also gradually improving.

Figure 3 **Average Annual Concentrations of Ambient Sulphur Dioxide in Liberec, the Center of the Town, 1984-1994 (ug/m3).**

Source: Municipal Office of Liberec.

Far more controversial issue than the air protection has been the planned construction of an incinerator close to the center of the town combined with the production of heat. The incinerator plays the key role in strategic planning of waste disposal in the near future. It is not a brand new idea, it is something that the town started to think about two decades ago. The capacity of the present solid waste dump will be finished in two years and the incinerator has got preference against the opening of a new dump. The new private company TERMIZO will be established by

Liberec and nearby municipalities to build up and operate the incinerator. It is a good example of intermunicipal cooperation among the municipalities to formalize a cooperative regional institution to solve a common problem. The economic prospects of the incinerator depend among other criteria also on the fact whether the operating of waste dumps will be in the near future subjected to additional environmental fees or not. In Liberec, they anticipate such a piece legislation, otherwise they would impose additional financial burden on their citizens.

The incinerator has got the endorsement from most of the councillors who have seen the same type operating in Switzerland and surprisingly also by the majority of citizens (76% of them support the construction of the incinerator, though they have seen it hardly on a picture). Very negative attitude towards its construction has had the environmental group Children of the Earth who argue that there is a high danger of toxic emissions such as dioxin. After many negotiations, the town prepares the monitoring of the present levels of dioxin in the town in order to be able to show later that the incinerator does not cause substantial increase of dioxin levels.

5.2. Housing

There have never been enough flats in Liberec, nor in the communist decades, neither after November 1989. In 1992, all the state flats were transferred to the municipalities and became their property. Considering the deterioration of the housing stock and the centrally regulated rent that does not cover the maintenance costs, it has meant real troubles for the municipalities what to do with this additional burden. Keeping the status quo means in fact the performance of a redistributive policy, because the rent of approximately one third of the Liberec citizens living in the municipal flats is inadequate and the maintenance costs have to be subsidized by the public money (by all tax payers). The housing construction has almost stopped as in most municipalities in the Czech Republic in these days. There are about 2500 citizens applying for the possibility to rent a municipal flat on the official waiting list (e.g. 20 flats were rented according to this waiting list in 1995, other 129 municipal flats were rented for "other reasons"). The citizens are dissatisfied with the housing situation.

Liberec municipality is the owner of approximately 14000 flats, both in the blocks of flats and in the old town. They decided to privatize most of the municipal flats in order to get rid of the problems and hoping that this process could help to start the local housing market. But the preparation of the privatizational rules has already taken several years because of many political controversies around it and a lot of amendments to it. It was possible to trace an interesting development in this area. The political leadership which was in charge before the 1994 municipal elections wanted to sell the municipal flats for as high price as possible (market price). This standpoint effectively blocked the privatization especially of the blocks of flats because there were almost no buyers for such a price and it was probably also rather sensitive issue before the elections. After municipal elections in 1994, when the new coalition of right wing parties with social democrats was established, the suggested price of the municipal flats for sale dropped by one half.

The current privatizational rules stipulate 6 types of immovables and three zones in the city (A, B, C) that influence the price and the necessary procedures. The zone "A" is the center of the town and several other most attractive localities in the city where the townhall will strive for the maximum prices. In this zone, the tenants will not have the right of preemption as in the other two zones. The town decides what and when will be offered for sale. Generally, the town prefers to sell rather the whole houses than the individual flats. There are some incentives (price reductions etc.) for the potential buyers in that direction.

How successful can this policy be partly indicates the survey of the Liberec citizens. All municipal flats should be privatized according to 11% of respondents, most flats according to 16% of respondents, some flats according 58% of respondents and no flats according to 15% of respondents. The other question relates only to people who live in the municipal flats. 26% of citizens would like to buy the municipal flat they live in, 44% of citizens think that the flat they live in should remain the municipal property and 30% of citizens do not know which of these two possibilities would be better. The numbers show that the citizens are not very enthusiastic about buying a municipal flat.

What does the town do for the support of housing construction? They invest into the infrastructure and then sell the land usually to private firms which build family houses or larger houses that they sell flat by flat. The price of such flats is several times higher than the price of the privatized municipal flats. Liberec has been the first municipality in the Czech Republic that managed to attract the state funds for construction of small "social" flats in 1995, when this funding started. The state covers half of the construction costs and the flat has to be rented for a centrally regulated rent.

5.3. Developmental Strategies

Local authority in Liberec has shown a high degree of adaptive capacity to the rapidly changing political and economic environment. Its strategy can be characterized, in J.Friedrichs terms, as a hybrid between "revitalization by public-private partnership" and "show strategy" (Friedrichs, J., 1993). Attracting the private companies and capital into the city requires a high degree of cooperation of diverse public and private bodies, that is probably why the department of economic development has had the strategic position in the structure of the municipal office. Another important factor is the quality of the urban infrastructure which has been at the top of the municipal policy priorities.

The "show strategies" aim to improve the economic conditions and image of the city. The reasoning is to get national and international funds, revitalize parts of the city and attract international tourism. Liberec wants to stand as a candidate for the Winter Olympic Games in 2003 taking advantage of its tourist capacity used to accommodate thousands of German tourists and of the mountain surroundings. There are also smaller projects but going in the same direction - construction of a small airport for businessmen, recreational center at the newly built up dam. There is a lot of political will and consensus in Liberec that the town should become a regional

(euroregional) business, cultural and recreational center. The first steps towards this goal has been already done.

6. LOCAL POLITICAL CULTURE

The components of political culture can be quite complex. Agreement on a definitive set of constituent elements of political culture does not seem likely at present, given the different emphasis to various elements by individual writers. Any efforts to measure political culture must confront decisions about which elements to select for operationalization. Theory is not sufficiently developed at this time to offer explicit criteria for those choices (Knoke, 1981). The concept of local political culture is here in order to present several interesting points about councillors' subjective evaluation of the town's situation, public participation, confidence in institutions and community power structure. Also the type of the mayoral leadership style and the character of local oposition will be discussed.

One of the crucial questions related to this investigation seems to be the extent of satisfaction of local politicians with the development in different areas of local government. At the beginning of the questionnaire, the councillors were asked a question: How would you evaluate the present situation in your municipality in comparison with the situation before November 1989 as regards the following areas? The distribution of answers is shown in table 6.

Table 6 **Evaluation of the Present Situation Compared to the End of the 1980's.**

Area	% of councillors who think that the situation is		
	better	the same	worse
The degree of autonomy in local decision-making	92	8	0
Financial situation of the municipality	70	17	13
Environment	68	28	4
Relations between the district office and the municipality	33	38	29
Willingness of citizens to hold public functions	24	36	40
Cooperation between local enterprises and the municipality	22	35	43

N=25

Source: The survey of councillors.

I regard this question as a very important indicator of the direction of changes in the Liberec municipality during the last five years. Substantial improvement is seen by the councillors in three important areas - the degree of local autonomy, financial situation and environment. In other words, local politicians feel themselves much freer to make decisions about their municipality, they think that they have better financial resources than before and they perceive the state of environment also as much better than several years ago. These are the crucial areas for the performance of the local authority and their positive evaluation indicates the high level of satisfaction with the new situation.

Status quo seems to remain in relations to the district office. There are some current tensions, e.g. Liberec municipality, because of its population size, has the majority in the District Assembly, the body which approves the district annual budget. That means that it has the capacity to force or block some financial flows inside the district. Both sides proclaim that they are for a dialogue and respect for other smaller municipalities. Also the direct contacts of the Liberec municipality with the center can create some tensions in these relations because then the district office feels outmaneuvered from the political and administrative game and it also reduces its possibilities of administrative supervision. There is also a political difference between the head of the district office who is a member of Free Democrats (current opposition in the council) and the key politicians in the townhall who are the members of the Civic Democratic Party.

The situation has got worse in mutual relations with local enterprises which have probably a lot of their own problems. The willingness of citizens to take part in public and political life is perceived as lower than before 1989. This finding also coincides with the fact that only 38% of the citizens think that they have now bigger chance to influence the development in Liberec and the way it is managed than before 1989. 10% of the citizens actively participate in public life holding functions in civic or political organizations, unions, working with children etc.

What do the citizens expect from the newly elected councillors in 1994? The vast majority of citizens, around 90% of them, think that the councillors will always or sometimes prefer their own personal interests, behave according to their best self-consciousness and will make their best to fulfil the programmes of their political parties. Another question about the confidence of citizens to certain institutions shows that about two thirds of the have full or moderate confidence to both the local council and the district office. It is surprising that these two completely different institutions, one elected by the citizens themselves and the other full of appointed state officials, exhibit the same confidence of citizens. Either it is an excellent evaluation of the work of the district office or people do not differentiate between these two different local government institutions.

There was asked one directly comparable question in both surveys about the influence of different actors on local decision-making. The results are summarized in table 7.

Table 7 **Influence in Town (the numbers in the brackets give the councillors' opinions).**

	influence in town (%)			
Actors	big	average	small	no
Mayor	64(68)	28(28)	8(4)	0(0)
Council	53(40)	35(36)	11(24)	1(0)
Different Mafias	41(20)	33(24)	18(44)	8(12)
Townhall officials	25(24)	41(36)	28(36)	6(4)
Political parties	23(16)	47(52)	25(32)	5(0)
Civic organizations	2(0)	17(16)	58(72)	23(12)

Citizens: N=743

Councillors: N=25 (percentages in the brackets)

Source: Surveys of Liberec citizens and councillors.

The mayor is seen both by the citizens and by the councillors themselves as the most influential political actor in the town followed closely by the council. It is good when as the most influential political actors are seen the legitimate representatives of the citizens. On the other hand, the third position occupy "different mafias". In the Czech context we can understand by that some informal interest groups more or less secretly connecting the officials, politicians, entrepreneurs and other potentially influential people, or just people who know each other and have some economic gain from the exclusively mutual cooperation. The activities of mafias can be both "not illegal" and illegal. There seems to be some deficit in establishing the local civil society, ideally one would expect rather bigger influence of political parties and especially of civic organizations, which have almost negligible influence. The numbers give probably quite truly picture because when we sum up the two categories big influence and average influence, there is little difference between the views of the citizens and the councillors.

The current mayor has been in function since November 1990. He has closely won the contest after 1994 municipal elections. He is a strong personality on the local political scene determined to get through his visions of the town. In The Ungovernable City, Yates described four types of mayoral leadership styles (see figure 4).

In this typology, mayors differ along two dimensions:

- the amount of political and resources that they possess in dealing with their various problems

- the degree of activism and innovation that they display in their daily work.

Figure 4 **The Typology of Mayoral Leadership Styles**

		Activism/ Innovation	
		High	Low
Political power base	Strong	Entrepreneur	Boss
	Weak	Crusader	Broker

Source: Yates, D. 1977. The Ungovernable City: The Politics of Urban Problems and Policy Making. Cambridge, Mass: MIT Press, p. 164.

The mayor of Liberec and his leadership style fits the category "crusader" and his "crew" is then the department for economic development. For Yates, the crusader style of mayor emphasizes symbolic politics and crisis management because he (she) does not have enough local political and financial resources to govern and control the city consistently. Instead, he must dramatize issues and develop support through the force of his principles and personality. The local political power base of the Liberec mayor is not particularly strong, his last victory was very close and he is dependent on the agreement with social democrats in the executive body (the board). It means that he has to be ready to make concessions. Also the financial situation of the municipality is far from being ideal, though there has been substantial increase of local revenues since 1989. Active and initiating policy style of the political leadership in Liberec headed by the mayor has been already documented.

The mayor who was in charge for one year between November 1989 and November 1990 behaved rather as a broker. Such a role is characterized by Yates as accepting limitations of the power (in this particular case also age limitation and the transient character of his function resulting therefrom) and keeping peace in the city by carefully balancing and adjusting conflicts, demands and interests. Although his political power base was relatively strong in the beginning of his function due to the revolutionary euforia, it was at the same time rather unpredictable due to the rapidly changing political development inside the Civic Forum as well as in the community. It seems that the described sequence of mayoral leadeship styles from broker to crusader has been quite functional in the case of Liberec when the more consensual approach has been after one year of transformation replaced by the more active and assertive political style.

Another important feature of local political culture in Liberec has been the character of the local political opposition. Surprisingly enough, local political cleavage is not about the policy content but about the policy style. It is because of the fact that the strongest and most active oppositional party are Free Democrats, a liberal and centrist political party which calls for more public involvement in local politics. Their policies would not be substantially different from those realized by the present coalition. The contradicting political styles can be characterized as technocratic managerialism striving for maximal effectivness vs. the style that would be more open

to the public, that would include the learning process of the public and which would possibly facilitate the development of civic society at the local level. So far, the first political style has been prevailing. The role of the communists in local politics in Liberec has been negligible since 1990.

7. CONCLUSIONS

The town of Liberec has been presented as the most advanced case in the comparative research of local government transformation in North Bohemia as well as the most complex one. The local authority in Liberec has shown a high degree of adaptive capacity to the rapidly changing political and economic environment. The Liberec case has been put into the theoretical and comparative framework of the research project. It has been indicated that Liberec as a statutory city and with the mayor who is the member of the strongest governmental party, maintains direct and close links with the central government in Prague. This puts Liberec, according to the Tarrow's classification, into a rather exceptional position in the Czech context. We can find there both the dirigiste (which are prevailing in the Czech Republic) and the clientelistic policy impacts. The administrative position of Liberec as a statutory city weakens traditional institutional linkages of the center and the periphery via district offices and secures direct access of local top politicians to the central government. Moreover, such contacts can be exceptionally fruitful when the political colour of the actors coincides as in the Liberec case.

Liberec has been extensively using the bridging strategies involving local and regional associations and cross-border cooperation. The externalization (privatization) has been an important buffering strategy. The policy style of the townhall has been characterized as active, initiating and open to both regional and international cooperation. The prevailing developmental strategies of Liberec have been the revitalization by public-private partnership and the show strategy.

Local government transformation in Liberec, comprising political, economic, legal, administrative and policy dimensions, has been of the profound historical importance for the town. The timing of the individual changes has been different. The political and personnel changes have been followed by the gradual economic change introduced by the central government. Although the search for an optimal set up of the municipal office has been a permanent effort, substantial organizational changes started as the last ones, in 1994.

The major qualitative change since 1989 has been the increase in the degree of local autonomy. Its consequences have been more discretion in local decision-making and policy making, the enlargement of the scope of local government, higher predictability of local revenues that can be to a certain extent positively influenced by local government policies. After the decades of neglect under the communist system which had different preferentially treated regions and towns, Liberec has used the new policy opportunity space to a large extent. There is a lot of political will and consensus in Liberec that the town should become a regional (euroregional) business, cultural and recreational center.

Local political culture in Liberec is characterized by the technocratic managerialism of local political elites on the one hand and by the very low activity of citizens in local politics on the other. The willingness of citizens to participate in local politics is perceived by the councillors as lower than before 1989 and the influence of the civic organizations almost negligible. This lack of civicness in local political life is partly reflected by the political cleavage among local political parties which is surprisingly not about policy content but about policy style when the oposition is pushing for much higher involvement of the public into politics. It seems that the citizens do not feel to be part of the current political game, nevertheless they gave their support to the same politicians and the same political course in local elections in 1994.

Notes:

(1) The survey of councillors was realized in October 1994, before the municipal elections. It was a mail survey done by the researcher, the councillors were asked to fill in the questionnaire of ten pages. The total number of respondents was 25, the response rate was 35,7%. 56% of the respondents were members of political parties. The representativity of the sample as regards political affiliation covers the whole political spectrum from the right to the left with the exception of the Civic Democratic Alliance and the Communist Party.

(2) The survey of citizens was done in the first months of 1995 by the research agency TiMa Liberec for the Liberec townhall. The researcher helped with the preparation of the questionnaire but the final wording was out of his control. It was a random sample of 743 citizens.

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