

Integration and independence in the perspective of rural municipalities

Integrace a nezávislost v perspektivě malých venkovských obcí

H. HUDEČKOVÁ, M. PITTLERLING

*Department of Humanities, Faculty of Economics and Management,
Czech University of Life Sciences, Prague Czech Republic*

Abstract: In order to develop the quality of life in small rural municipalities, their representation faces the thoughts about the perspective of these municipalities in economic terms (the capacity to finance long-term investments) as well as in the socio-cultural terms (the development of participation in public life embedded in the local identity). This article presents the results of the pilot empirical survey in one micro-region of the Czech Republic. The results of the in-depth interviews clearly indicate the preference of the investigated communities to choose the strategy of supporting their independence (which might result in the risk of lower ability to deal with economic problems) prior to the strategy to strengthen the economy of the community through merging the municipalities (and to risk the potential loss of local identity). The conclusions consider the possible forms of municipal cooperation reinforcing the capacity to address economic problems while preserving the autonomy of small rural municipalities. However, the low ability of the partnership cooperation of these municipalities is demonstrated.

Key words: social action, local government, small rural communities, local identity, the budgetary allocation of taxes

Abstrakt: Má-li být rozvíjena kvalita života v malých venkovských obcích, je jejich reprezentace vystavena uvažování o perspektivě těchto obcí z hlediska ekonomického (schopnosti financování dlouhodobých investic) a zároveň sociokulturního (rozvoj participace na veřejném životě opřené o lokální identitu). Článek prezentuje výsledky pilotního empirického šetření ve vybraném mikroregionu České republiky. Výsledky hloubkových rozhovorů svědčí jednoznačně o preferenci volby strategie udržet samostatnost (a případně riskovat menší schopnost řešit ekonomické problémy) před strategií posílit ekonomiku slučováním obcí (a riskovat případnou ztrátu lokální identity). V závěrech je uvažováno o formách obecní spolupráce posilující schopnost řešit ekonomické problémy při zachování samostatnosti malých venkovských obcí. Je ale konstatována nízká schopnost partnerské spolupráce těchto obcí.

Klíčová slova: sociální jednání, lokální správa, malé venkovské obce, lokální identita, rozpočtové určení daní

The question how to determinate the proportion of the national shared tax revenue to be shared among municipalities, administrative regions and state funds has been under a serious discussion for a long time. The crucial step in addressing this issue was at the turn of the years 2001 and 2002 in relation to the implementation of the reform of public administration. At this time, the share of the income tax for the regions was allocated. The search for a possible solution continued in the connection with the second stage of the reform of public administration, when the administrative regions (in the CR NUTS 3) received

other competencies transferred from the abolished district offices. Regarding the municipalities, the system of the national state tax revenues is set differently. Till 2000, there was applied the principle, under which the basis for determining the share in the shared taxes of municipalities was created by the real total amount of tax revenue delegated to municipalities by the state according to the budget rules. In 2001, the new so-called "solidarity principle" was introduced. Under this new rule, the total amount of the shared taxes collected at the state level was distributed to municipalities according to the number of population

Supported by the Ministry of Education, Youth and Sports of the Czech Republic (Project No. MSM 6046070906).

recalculated by the approved rates (coefficients) related to the size category of municipalities. It was done under the Act No. 243/2000 Coll., on the budgetary allocation of certain taxes to territorial municipalities and certain state funds – the Act on Budgetary Allocation of Taxes (Peková 2008).

Rural areas are the dominating areas in the Czech Republic according to the indicators of the number of municipalities related to the definition of city/town given by the Act on municipalities (Act No. 128/200 Coll.). This fact is documented by Vosejpková (2002) who points out that municipalities with less than 3 000 inhabitants (according to the Czech Act on municipalities, the statute of town/city is given to the municipality with more than 3 000 inhabitants) represent a large percentage of municipalities (93.2%) and the number of inhabitants of the Czech Republic (30%). One of the categories of municipalities, when using the size categories as they are defined in the Act No. 243/2000 Coll., on budgetary allocation of taxes (the size category of municipalities with up to 300 inhabitants), constitutes undoubtedly rural municipalities. There are 2 513 such municipalities, it means 40.24% of the total number of municipalities of the Czech Republic. Other category spanning from 301 to 5 000 inhabitants comprises 3 463 villages (55.44%). In this broad category, there included are other rural municipalities, where even small towns (from 3 000 to 5 000 inhabitants) often have a rural character (Maříková 2007; Šimková 2007). Small towns act as regional centres; the so-called municipalities with extended powers often belong to this category if we use the terms of state administration here.

It is well known that the revenue from taxes composes about 60% of the budget of the municipalities in average¹. It allows making an expert estimation that in the case of small rural municipalities, the revenue from taxes might range at approximately from 70 to 80% of the income of these municipalities. It is therefore in the interest of small rural municipalities to gain a larger share of the tax revenue. The reason of such behaviour is that one of two the most common problems (which are often reported by the representatives of small rural municipalities) is the inability to finance long-term investments (in addition to the qualified and skilled workers in public administration).

BACKGROUND OF THE PAPER AND ITS GOALS

The background of the text is rooted in the thoughts of Max Weber (Klofáč, Tlustý 1965; Weber 1999) about different types of action. The concept of Weber's purposeful (goal-oriented) behaviour is reworded in the situation of municipalities considering their amalgamation with other communities or their independence in the following words: to achieve the goal (i.e. to increase the share in the national income tax for the municipality), using the most rational tool (instrument) which is in accordance with the institutional setting, means to merge with other communities. This way of action is contradicted by the other Weber's ideal type of behaviour. It is the value-oriented action. It is also a rational behaviour but rooted in one value which might depend on the existing cultural settings (out of many values, this one is considered as the supreme value). Such a long-lasting value is local identity. However, the value-oriented behaviour rooted in local identity is against the amalgamation of villages.

The research question, which is asked by the authors, concerns the positions of the representation of small rural municipalities (the text will work with the categories of maximum up to 2 000 inhabitants and not located in the urban vicinity as suburbia) as for the character of their action regarding the development of their municipality. It means the paper asks if they choose a purposeful (goal-oriented) value-oriented action (eventually even traditional behaviour; this behaviour is oriented through the habituation of many times repeated long-time practices) when considering the future development of their municipality. These considerations will be framed into the context of local conditions, which influence the thoughts about the amalgamation of municipalities. These starting thoughts will be also considered in the relation to social capital. It means that mutual trust, willingness and ability to cooperate in the case of opting for a certain behaviour, which would lead to merging of municipalities, will be addressed as well.²

When developing the basic research question of the text – the integration or independence of small rural municipalities – the authors found an interesting parallel with the well-known Fromm's concept

¹This information is based on the web page of the Association of Towns and Municipalities of the Czech Republic (*Svaz měst a obcí ČR*) <http://www.smocr.cz/cinnost/financovani-obci/rozpocetove-urceni-dani-znovu-v-senatu-1-2-3-4-5-6.aspx>. The web was cited on November 11, 2009.

²Similar problem was addressed by co-author in the text Svatý Jan pod Skalou: Case study about integration of small rural settlements (Hudečková, Ševčíková 2007). As regards the category of "social capital", see also Chloupková, Bjørnskov 2002; Hudečková, Lošťák 2003; Hubík 2004; Lošťák 2005.

of “to have or to be?”. It also refers to the ideas of other authors (e.g. G. Marcel and B. Staehelin in Fromm 1994). These authors, although in different contexts, address the problem of humanism. Fromm’s focus refers to value orientation in the life of people in modern (or late modern) society. Consumerism, materialism and utilitarianism are the attributes of human existence of the type “to have”. This approach is typical for the development of late modern society. Fromm builds the opposite way of “to be” against “to have” approach in human existence. “To be” approach is characterized by the focus on the development of the essential creative forces and on the guidance of life under moral consciousness and personal responsibility to himself/herself and to the surrounding community.

In a similar sense, the paper is inspired by E.F. Schumacher, an economist and a radical humanist, who is known through his most famous work “Small is Beautiful” (1973). Also R.F. Inglehart is a certain inspiration for the text because of his concept of the “quiet revolution” (Rabušić 1990).

This article will not consider the individual existence in the approach “to have” and “to be”. It will use parallels of these two modes of existence in a reworded sense and in the application to the perspective of the existence of small rural municipalities as it is constructed by their representatives. Do they incline to consider the future development more in the “to have” approach (related to the purposeful /goal-oriented/ behaviour), or rather in the “to be” approach (related to the value-oriented behaviour)? How far do the representatives of municipalities envisage the concept of merging of municipalities as a “logical necessity”, the implementation of which corresponds with the modernistic tendencies and with the institutional framework, which is given? Whether and how much do they perceive the threats to local identity, associated with the possible merging of municipalities? Do they consider local conditions, which might result in the risk of losing local identity, when opting for the purpose (goal-oriented) behaviour? How do they evaluate the local identity as a potential of their own local development? There is not any large empirical research, which (at least partially) addresses the out-

lined questions. Nevertheless, even these few findings³ from already existing research allow to formulate a preliminary hypothesis that the representatives of local governments do not support merging of small municipalities and that they significantly prioritize their independence.

GENERAL FRAMEWORK OF INVESTIGATED ISSUES

The field of research is framed by the concept of the nation-state and its function of the reproduction of the society as a whole, namely in the public interest. People are often not aware of the advantages of this arrangement (it means a much higher level of matching the conditions of life of the majority of the population living in the nation-state compared to the patrimonial administration), because we often live through the so-called unexpected consequences of the bureaucratic administration (in Weber’s terminology). The complexity of administration of the modern society (implemented through the number of specialized expert systems) has implications in the life of individuals, which is symbolically portrayed by Whyte’s “organizational man” or Riesman’s “other-directed individual”. Both terms refer to the alienation of the human being from the way of existence, which Fromm calls “to be”. It is either because of the complex organization of the society which becomes unclear and people cannot orient themselves in such society, or it is because the people are manipulated in the name of their well-being.

Bureaucratic (this means the rational and efficient) administration of the society is developed, according to M. Weber (in Keller 1996) under two conditions – the developed monetary economy⁴ and the related developed monetary tax system. Therefore, there are frequent questions about the legitimacy of taxes. P. Bourdieu (1998), similarly as M. Weber, starts from the historical analysis and describes the creation of a special economic logic, based on the one-sided collection of taxes and their redistribution. In the case of modern nation-state (i.e. the state operated in the mode of the Weberian bureaucracy and bureaucratic

³For example Majerová et al. (2004); Hudečková, Ševčíková (2007); Perlín (2005).

⁴In the so-called second phase of the development of modern society, called the “organized modernity”, G. Simmel (1997) wrote a study about the strength and power of the developed monetary economy in the implications for human existence. Cash in the modern culture brings an unprecedented potential for individual freedom. If its intermediary function overlaps with its ultimate goal, and if the money became the ultimate goal, man is being alienated from his/her nature. Then the conditions for developing the way of human existence characterized by Fromm as “to have” are met; Simmel considers that the overlapping objectives are a typical feature of the modern culture (freely according to Simmel 1997).

control and use of the taxes), it is about the use of taxes for the public expenditures. Bourdieu agrees with N. Elias, who suggests that tax collection had initially a form of extortion (racketing). It is a gradual process and takes a long time till the tax begins to appear as a necessary contribution to the needs of the impersonal state. Bourdieu demonstrates questioning the legitimacy of the tax not only by historical examples but also by the current phenomenon of tax fraud. Similarly, he refers to the huge efforts in the process of building the legitimacy of state taxes by the modern states. The introduction of uniform taxation is a very important factor of the concentration of economic capital of a public authority. Therefore, it is constantly suspected that such funds of the public authority as taxes are alienated, that the bureaucrats are corrupted, etc.

The research in this paper is not interested in the measures of collecting taxes, but it focuses on the redistribution and the return of the collected taxes to localities. The contemporary issues related to this field are outlined in the next section.

CONTEMPORARY DEBATES ON THE BUDGETARY ALLOCATION OF TAXES WITH RESPECT TO SMALL RURAL COMMUNITIES

The proportion of municipalities in shared taxes⁵ till 31. 12. 2007 was measured by using the basic parameter, which was the number of inhabitants. Municipalities were divided into 14 size-categories, whereas a coefficient of the municipal size category was assigned to each municipality. With the help of this coefficient, there has been measured the final proportion of the municipality in the shared taxes (Decree No. 232/2007 Coll.). A significant discrepancy between the different size categories of municipalities, which favoured larger municipalities (in the terms of population), as it results from the Explanatory Memorandum to the Act on Budgetary Allocation of Taxes, was created due to this system of redistribution of tax revenues. Another negative feature of this system was the “jump” when “crossing” the division line between the different size categories of municipalities. It resulted in a significant difference between two comparable municipalities: on one hand, the municipality with the number of population located

just below the threshold and on the other hand, the municipality with the number of population just above the threshold, which has a higher proportion of the shared taxes. However, small municipalities felt this disadvantage less intensively, because the difference in the absolute amount of the share was not high. Conversely, in the case of larger municipalities in the categories over 10 000 inhabitants, this situation has raised the municipality’s efforts “to attract” inhabitants at the expense of other municipalities as well as through various, even financial incentives.

The difference between the smallest and the largest municipalities in the calculation of the share in the shared taxes per capita was more highlighted; with the growing size of the municipality, the share in the shared taxes of municipality per capita also increases. In comparison of the municipality with up to 100 inhabitants with the largest municipalities, such as the capital of Prague, the difference was significantly in favour of Prague, which scored 6.5 higher income per capita in comparison with the municipalities with up to 100 inhabitants. Similarly also Brno, Ostrava and Plzeň received almost four times more (source: the original explanatory memorandum to the Act No. 377/2007 Coll.).

This situation mobilized especially small municipalities to create the purpose-built association, the aim of which is to promote changes in the law on the budgetary allocation of taxes so that they achieve a higher proportion in the shared taxes for small municipalities. This initiative is known as the “Agreement of Municipalities and Cities Against the Tax Discrimination” (*Smlouva obcí a měst proti daňové diskriminaci*) or also the “Initiative of Zlín” (*Zlínská iniciativa*).⁶ The Ministry of Finance in the second half of 2007 prepared the governmental draft of an amendment of the budget allocation of taxes with contribution of this association of municipalities. The Parliament of the Czech Republic has approved this amendment. The approved act was subsequently published in the Collection of Laws under No. 377/2007 Coll., with effect from 1. 1. 2008.

The system of the budgetary allocation of taxes, which is based solely on the population of municipalities, was amended by the additional criteria to strengthen the position of small municipalities - the total area of the municipality was adjusted by the coef-

⁵The shared taxes are value added tax, personal income tax from dependent activities and function benefits, personal income tax and corporate income tax.

⁶This initiative was transformed to the Association of Local Governments of the Czech Republic (*Sdružení místních samospráv ČR*) at the inaugural assembly (January 31, 2008). According to the information of this association, it has 1 056 members – 1 053 municipalities and 3 other members. This information is based on the web page of the association mentioned above http://smscr.cz/seznam_clenu_a-z.php. The web was cited on November 9, 2009.

ficient of 0.03 and the simple number of inhabitants was adjusted by the coefficient of 0.03. The current criterion of population was adjusted by the coefficient of size categories of municipalities, which was newly adjusted by the coefficient at the rate of 0.94.

The expected effect of applying the criteria of the area of municipalities was to strengthen the position of small municipalities with a lower density of population and also those municipalities, which are not able to merge with other municipalities due to their geographical position. Adjusting the criteria of the number of inhabitants adjusted by size categories of municipalities is also alleviating the effect of the division thresholds between different size categories of municipalities. The number of size categories of municipalities was in this context reduced from 14 to 4, and also the progression of rates was reduced.

The last major change in comparison with the budgetary allocation of taxes valid until the end of 2007 is the increment of the share of municipalities in the shared taxes from 20.59% to 21.4% since 2008. The Ministry of Finance estimated the transfer of 4.6 billion CZK from the state budget in favour of municipalities.

PILOT EMPIRICAL SURVEY

Selection and description of objects studied

An empirical investigation was conducted in the selected micro-region of the Pardubice region in July and August 2009. Small municipalities have been selected (the smallest with 237 inhabitants and the biggest with 465 inhabitants) at the distance of 2 to 7 km from the micro-regional centre, which is a small town with about 10 000 inhabitants. The survey was conducted with 8 representatives of municipal councils (4 mayors and 4 members of municipal councils). With those representatives, the in-depth interviews were conducted, which lasted from 80 to 120 minutes. The selection of municipalities was carried out with respect to their geographic layout, which allows the municipalities to potentially consider the merger with others on one hand, or the merger with the regional centre on the other hand. The anonymity of municipalities and respondents was guaranteed; their other characteristics are described in the following paragraphs about the similarities and differences.⁷

All four municipalities have the following similar basic characteristics (informations are based on Census of Population and Housing 2001):

- their size is less than 500 inhabitants
- the demographic structure is characterized by approximately the equal proportion of women and men, 40–45% of the population is under 30 years of age and 30–40% of the population is over 50 years of age;
- economically active inhabitants represent from 43% to 45% of the total population;
- municipalities are not very attractive both in terms of tourism and economic and technical infrastructure;
- municipalities have an experience in cooperation with other municipalities on individual projects to improve their infrastructure.

The municipalities vary significantly in the terms of land use:

- forests range from 24% to 72% of the cadastral acreage;
- agricultural land ranges from 23% to 58% of the cadastral acreage;
- water area ranges from 0% to 9% of the cadastral acreage.

The municipalities are also significantly different in the characteristics of business structure – one municipality (compared to the remaining three municipalities) has a lower representation of businesses per capita (0.14 per capita compared with 0.20 to 0.24 per capita);

- in this municipality, there is a much lower proportion of farm operators (5% vs. 21–23%) and a higher proportion of industrial businesses (33% vs. 16–20%) and businesses involved in construction (22% versus 6–10%);
- in another of the four municipalities, there is in the structure of businesses a significantly lower number of operators in trade, sales and hospitality (18% vs. 26–36%).

With reference to the research question, the text will focus on the description of the municipalities more closely regarding the population and cadastral acreage operated by these municipalities:

- the largest of the municipalities has about twice as many people as the other three municipalities in the individual terms; this municipality belongs to a different range for the conversion of shares of the shared taxes compared to the other investigated municipalities;
- an even bigger difference is registered in the cadastral area (the municipality, which is the second in ranking, has 77% of the area of the largest municipality; the area of other two municipalities is about one fourth compared to the largest municipality);

⁷The empirical survey will continue in other regions of the Czech Republic in a similar way.

– all four municipalities have noticed the legal amendment on the budget allocation of taxes, which is in force from 1. 1. 2008 (the percentage increase in the share of income taxes consisted of + 0.000353%, + 0.000431%, + 0.000067%, + 0.000079% in the order of their cadastral area) (Decree No. 316/2008 and No. 276/2009).

The comparison of the years 2007 and 2008 suggests a significant impact of the parameter of the size of the cadastral area. This fact is particularly evident in the municipalities, which were investigated in this pilot survey. It is significant in comparison of the increase of the proportion in the shared taxes in the municipality with the lowest density of population (21 inhabitants per km²) with the municipality with the highest density of population (62 inhabitants per km²). The biggest increase was found in the municipality with the lowest density of population.

The total revenue of the investigated municipalities (when taking into account the increase in the percentage of the shared revenue from national tax, which is intended for the redistribution to municipalities) is obvious.⁸

It appears to be useful to conduct an empirical survey in this situation, when there is a discussion about the links between the size of municipalities and their share in taxes and about the changes as a response to this issue. It may be the motivation to remain in the status of the independent municipality (because, as it had been already recorded, there is an increase in the share of income taxes in favour of small municipalities) on one hand, or it may reflect some considerations about a merger, because (as already mentioned) there is a significant difference between the share of the revenue shared taxes per capita of the municipality in favour of large municipalities (cities) on the other hand.

Another important issue outlining the context of the research is that three of the investigated municipalities created a purpose-built association for the implementation of the project of gas pipe-lines in the communities. This cooperation continues also in another project which aims at the development of sewage systems. The latter case suggests that there are considerable difficulties, particularly with regard to the administrative matters concerning the project documentation. The experience of cooperation can potentially also be considered as a factor influencing the thinking for or against merging of the municipalities.

Weber's purposeful (goal-oriented) or value oriented thinking about the prospects of municipality

Shares in the shared tax revenue are crucially vital items of the municipal budget (from 78% to 85%) for all investigated municipalities. Other sources, namely the income from the property tax, local fees, the income from operating municipal property and other sources are insignificant. Resources transferred from the regional level (regional government) do not exceed 10 000 CZK. The same concerns the possible sources from the association of municipalities (where the investigated municipalities participate). These sources also do not play an important role in the municipal budget.

The change of the system of redistribution of the shared taxes is positively perceived by representatives of municipalities, but they do not consider any significant outcome from this change for their municipalities. However, this is not the only one reason why they do not consider this change as a motivating factor for the merger. They identically share the idea that any large increase in the proportion in the shared taxes would not be a sufficient motivation for the merger.

All respondents therefore opted for remaining an independent municipality (i.e. they thought in the mode of the value-oriented action coined by M. Weber). This decision was argued by the following arguments:

- own decision-making about their own municipal issues;
- flexibility in dealing with the current local problems;
- non-anonymity of such action which enables transparency, understanding and mutual control;
- only such conduct (the own decision-making, flexible responses to local issues, non-anonymous action) strengthens trust, cooperation etc., i.e. it supports the local social capital;
- autonomy of municipalities does not exclude a purpose-built and temporal association to deal with larger projects.

Against the merger, there were presented mostly the inverse arguments. Explicitly, there is worth mentioning the loss of autonomy, because from this argument other related partial arguments are deduced.

⁸Notwithstanding this, the representation of one municipality pointed out that in the absolute amount, this amendment was not noticeable. We can exclude the change in the calculation as the reason for this situation. The reason may be a lower assessment of shared taxes at national level, thereby the part of the revenue determined for redistribution decreased in absolute figures.

The representatives were also asked if any merger would bring some advantages to their municipalities. The responses were not worded in the mode of Weber's traditional or affective action (which is obvious). The respondents thought about them rationally. Most of them mentioned the possibility of finding additional sources of funds – tax revenues, support from the European funds and sources generated by joining the property of municipalities (this joining of property could be used as collateral for a credit latter). However, it also demonstrated the scepticism whether this increase in revenues would be reflected in a specific municipality in the case of the argument to obtain additional sources of finance. There was given another rational reason but only in the case of one municipality – the merger could mean a better staffing and qualification equipment for managing the local affairs, especially those that are dealt with at a higher level than the micro regional.

The research also examined which particular municipalities would be selected as a partner for the possible merge, if the municipalities would be “forced” to do that. The respondents were offered several variants of merging, i.e. with other municipalities of the same category, or with the regional centre. In this question, there was recorded the biggest contradiction in the answers:

- more frequently the chosen option was a merger with the nearby municipalities; i.e. with the municipalities with which there already exists a concrete experience of cooperation (this preference was opted for more often than a merger with the regional centre);
- however, the previous answer generated the problem which one of the original municipalities would become the “leading element” of the new municipality – there was recorded a clear relationship of rivalry between the municipalities and the fear of the lack of competencies to achieve the consensus in negotiating the issues of possible newly merged unit;
- the merge with the regional centre was rejected by the majority of municipalities, they often referred to the existing real example (in the nearby municipality, which was in the 1990s amalgamated with the regional centre, there is no development despite the fact that this municipality is situated on the main /national/ transport network; there was also mentioned another example of the municipality, which became independent and is developing now); another reason against the merger with the

regional centre was the fear of the forced adoption of the position of an outsider (the power interests of the centre could prevail over the interest of the joined municipality),

- nevertheless, the previously mentioned advantage of a better qualification of people in the local governance structures resulting in facilitating the local administration work was associated only with the case of the merger with the regional centre.

After questioning the possible future merging with other municipalities, there were asked questions about the future of the independence of municipality. These questions included also the consideration of both economic and social and cultural dispositions to maintain the own identity of municipalities. The answers are summarized here:

- in the poor region, where it is difficult to benefit from the previously built infrastructure (for the development of agriculture, industry or tourism), the development is not expected, but maintaining of their own autonomy is assumed (to remain autonomous and to retain the basic elements of the of quality of life);
- the current level of the municipal budget (if it retains similar proportions) allows (under the conditions of the good and skilled municipality management) to sustain the basic elements of the quality of life;
- when the reality outlined in the previous two paragraphs was considered, there was no doubt about the support of the independence in the future in three cases (unless there is a legislative pressure for mergers),
- the issue, that determines the local identity in these three cases, is the specific cultural heritage, which is shared by the majority of the local population across generations⁹ (this cultural heritage failed to be sustained in the case of the fourth municipality and any other specific pillar of the local identity was not mentioned there);
- if the heritage mentioned above is (as it is today) maintained, promoted and developed, there could be expected a certain economic benefit (subsidies from the Ministry of Culture, subsidies from the European funds),
- this heritage must be handled sensitively, the economic dimension – to not succumb to commercialization – was emphasized and also the social dimension – to be able to cooperate with municipalities in the dissemination of this tradition – was strongly articulated.

⁹This is about the maintenance of certain regional customs, linked to specific rituals practiced in three investigated municipalities. In cooperation with the regional organization of the care for historical monuments, there was submitted an application to add this tradition to the UNESCO list.

CONCLUSIONS

The quality of life, which is an important area in any large or small settlement, is now increasingly highlighted. If applying this requirement to small rural municipalities (up to 500 inhabitants), its application includes contradictory tendencies. Some of them were addressed in this paper.

One of the most important aspects of the quality of life is the participation of citizens in public life. This is significantly linked with the local identity. It is known that the level of the awareness of the local identity is linked to the autonomy of the municipality. Another important aspect of the quality of life is to ensure a standard level of the technical infrastructure and civic amenities in the place of residence. This need implies the ability to finance long-term investments. It is known that the failure in this aspect is one of the biggest problems of small rural municipalities.

If thinking about the investigated cases, the impossibility to finance long-term investments especially in small rural communities might activate the thoughts about merging with other communities. It is because the share in the shared taxes constitutes (in many cases) more than 80% of their budget and it is significantly linked to the size of the population of the municipality (the proportion of revenues from the shared taxes increases as the population of the municipality grows).

Looking at the Weber's ideal-type models of value-oriented behaviour (towards maintaining independence) and purposeful (goal-oriented) behaviour (calculating with merger); it is obvious which of these types of behaviour is preferred by the representatives of small rural municipalities when they consider the future of these municipalities in a broader social and political context.

The pilot survey, which included the selected municipalities of one micro-regional association, presented the following findings. The choice of the value-oriented thinking strongly prevails. It is rooted in the durability of the value of the municipal identity. When the in-depth interviews addressed the past, the shift to this type of thinking was not clearly distinguishable from the so-called traditional model of thinking and action. However, the consideration about the future of the municipality, particularly in its economic, social and cultural capacities to maintain autonomy, always included thoughtful and rational arguments. The prevailing type of the strategy which was found in the research is not to think about any

flourishing and spectacular development but about achieving and maintaining an average standard in the municipality with its own autonomy. This approach is possible if managing the assets (if they remain on the same level as today) in a rational way. It is preferred to continue this position and not to pursue any clear and flourishing development (especially if the last would result in the loss of autonomy). The development when the autonomy is lost is under a question mark. It is because there is the idea among the representatives of the investigated municipalities that such development would be the most likely placed in other settlement of the merged municipality than in the originally autonomous municipality. The distrust in cooperation among municipalities, when the benefits from the partnership are equally distributed among the partners, was obvious in this approach.

If thinking more generally, the situation of the outlined distrust could be improved by the collaboration at the level of new forms of cooperation among municipalities when they address more complex issues of their activities (Hudečková, Ševčíková 2007). That would be a cooperation that does not have an impact on the autonomy of the municipality and a part of duties of municipalities related to the strategic development of municipality transfers to the higher territorial unit.¹⁰ In this case, the content of such cooperation could be particularly natural heritage and its use for tourism (development of the tourist infrastructure and building links with the traditional crafts).

The last point of the conclusions is the finding (valid for three of the investigated municipalities) about the central roots of the local identity in the shared cultural heritage. If such findings in the research of other cases in other micro-regions are repeated, it would confirm the importance of this intangible phenomenon for rural development.

REFERENCES

- Act No. 128/2000 Coll., on municipalities (municipal arrangement), as subsequently amended. Czech Republic.
- Act No. 243/2000 Coll., on the budgetary allocation of certain taxes to territorial municipalities and certain state funds (Act on Budgetary Allocation of Taxes), as subsequently amended. Czech Republic.

¹⁰This concluding thought is published with the knowledge of the fact, that the appropriate legislation for such forms of cooperation is absent.

- Act No. 377/2007 Coll. amending Act No. 243/2000 Coll., on the budgetary allocation of certain taxes to territorial municipalities and certain state funds (Act on Budgetary Allocation of Taxes). Czech Republic.
- Bourdieu P. (1998): *Teorie jednání (Theory of Action)*. Karolinum, Praha.
- Census of Population and Housing 2001. Czech Statistical Office. Available at <http://www.czso.cz/sldb/sldb2001.nsf/okresy/CZ0531> [Quoted August 31, 2009].
- Decree No. 232/2007 Coll. on the share of each municipality on the set percentage of gross national income of the value added tax and the income tax. Czech Republic.
- Decree No. 316/2008 Coll. on the share of each municipality on the set percentage of gross national income of the value added tax and the income tax. Czech Republic.
- Decree No. 276/2009 Coll. on the share of each municipality on the set percentage of gross national income of the value added tax and the income tax. Czech Republic.
- Explanatory memorandum to the Act No. 377/2007 Coll. Czech Republic.
- Fromm E. (1994): *Mít nebo být (To have or to be)*. Naše vojsko, Praha.
- Hubík S. (2004): Social construction of local/regional capital – methodology. *Agricultural Economics – Czech*, 50 (10): 445–449.
- Hudečková H., Lošťák M. (2003): Social capital in the change of the Czech agriculture. *Agricultural Economics – Czech*, 49 (7): 301–309.
- Hudečková H., Ševčíková A. (2007): Svatý Jan pod Skalou: Case study about the integration of small rural settlements. *Agricultural Economics – Czech*, 53 (1): 9–20.
- Chloupková J., Bjørnskov Ch. (2002): Could social capital help Czech agriculture? *Agricultural Economics – Czech*, 48 (6): 245–249.
- Keller J. (1996): *Sociologie byrokracie a organizace (Sociology of Bureaucracy and Organization)*. Slon, Praha.
- Klofáč J., Tlustý V. (1965): *Soudobá sociologie I. Naladatelství politické literatury*, Praha.
- Lošťák M. (2005): New possibilities of identifying social capital for its use in sustainable rural development. *Agricultural Economics – Czech*, 51 (2): 57–63.
- Majerová a kol. (2004): *Český venkov 2003 – situace před vstupem do EU (Czech countryside 2003 – the situation before joining EU)*. Česká zemědělská univerzita, Praha.
- Maříková P. (2007): Countryside in the Czech Republic – determination, criteria, borders. *Agricultural Economics*, 53 (6): 247–255.
- Peková J. (2008): *Financování veřejné správy (Financing of Public Administration)*. In: Peková, J., Pilný, J., Jetmar, M. (2008): *Veřejná správa a finance veřejného sektoru*. Aspi, Praha.
- Perlín R. (2005): The co-operation of rural municipalities – chance or condition of achievement. In: *Agrární perspektivy XIV (Znalostní ekonomika)*, pp. 569–576.
- Rabušic L. (1990): Tichá revoluce neboli od materialismu v západních společnostech (Quiet revolution or from materialism in western societies). *Sociologický časopis*, 26 (6): 505–517.
- Sdružení místních samospráv ČR (Association of Local Governments of the Czech Republic). Available at <http://smscr.cz> [Quoted November 9, 2009].
- Schumacher E.F. (1973): *The Small is Beautiful – Economics as if People Mattered*. Perennial Library, Harper & Row, New York.
- Simmel G. (1997): *Peníze v moderní kultuře a jiné eseje (Money in Modern Culture and Other Essays)*. Sociologické nakladatelství, Praha.
- Svaz měst a obcí ČR. Available at <http://www.smocr.cz> [Quoted November 11, 2009].
- Šimková E. (2007): Strategic approaches to rural tourism and sustainable development of rural areas. *Agricultural Economics – Czech*, 53 (6): 263–270.
- Vosejpková M. (2002): The identification and solution of problem areas of the rural municipalities' development with regard to the civic and technological equipment. *Agricultural Economics – Czech*, 48 (11): 511–518.
- Weber M. (1999): *Základné sociologické pojmy (Basic Sociological Terms)*. SOFA. Bratislava.

Arrived on 16th October 2009

Contact address:

Helena Hudečková, Marcel Pitterling, Czech University of Life Sciences Prague, Kamýcká 129,
165 21 Prague-Suchdol, Czech Republic
e-mail: marcel.pitterling@mfcz.cz
