

# Hibernating Democracy? Local Governments in the Czech Lowest Income Municipalities 2010-2022

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**Abstract:** Since 2008, when a major amendment to the Act on Budgetary Allocation of Taxes in the Czech Republic came into effect, there have been regular changes in the value of the municipal income shares for the so-called shared taxes, the profits of which are shared between the state budget, regions and municipalities. Currently 6,258 municipalities are allocated a total share of 25.28% of the taxes collected. This money makes up the largest part of municipal revenue. In 2021, municipalities received a total of 64.4% of their revenue from taxes. Although municipal incomes have been steadily increasing over the last 10 years, there are hundreds of municipalities each year that have to manage incomes of less than €100,000. In 2010, there were 1,145 municipalities in the Czech Republic that had a total annual income below this threshold. In the following years, the number of these municipalities has been decreasing, which is also due to the increase in tax incomes. In the election year 2014, there were 846 municipalities, the number in 2018 was 456 municipalities and 218 municipalities in 2022. In the same period we can observe a different trend in the country. Since 2010 there are more and more municipalities in which we know the election results in advance, because the number of candidates is the same as the number of elected representatives (663 – 2010; 689 – 2014; 874 – 2018; 1006 – 2022). At the same time, the number of municipalities with only one candidate list is increasing (from 1,156 municipalities in 2010 to 1,778 municipalities in 2022). Similar problems are not only affecting the Czech Republic but also other countries in the region such as Poland, Slovakia, Hungary or Romania. The paper will also touch upon this issue as a necessary international context.

Our research focuses on the situation of all Czech municipalities that managed incomes of less than €100,000 per year in the election years 2010, 2014, 2018 and 2022. Do these municipalities have a problem with their citizens not participating in local governance? Are elections in these municipalities non-competitive and thus lacking impulses for municipal development? Are they operating on debt or do they have to inefficiently save to invest? Does the generally low budget affect the nature of local democracy and the functionality of the municipality?

A regression analysis will be used to test the relationship between electoral indicators in the municipality, such as voter turnout, number of candidates, lists of candidates and councillors, and factors such as the financial status of the municipality, its size and population, living standards or other selected characteristics. Data from the Czech Statistical Office, the Ministry of Finance and the municipalities themselves will be used for this purpose. The presented research will show what variables have had the greatest impact on political participation in the lowest-income municipalities in the Czech Republic over the last four electoral periods. The purpose of the article is to help understand the financial situation of the lowest-income municipalities in relation to local electoral (in)competitiveness and thus to contribute to the current debate, which is becoming increasingly relevant not only in the Czech Republic but in the whole region.