

CHARACTERISTIC OF THE CAPITAL CITY OF PRAGUE

Prague (Praha) is the Capital City of the Czech Republic. It is a natural centre of politics, international relations, education, culture and economy. Within the EU, the Capital City of Prague is considered as one of the most attractive historical European cities. Since 1992, its historical centre has been on Unesco's World Heritage List. All these aspects are reflected in the specific character and position of Prague among the regions of the CR.

Pursuant to the Act of the Czech National Council on the Capital City of Prague, the city is a **statutory town**. It is administered by the bodies of the Capital City: the Assembly of the City of Prague, the Council of the City of Prague and the Prague City Hall. For execution of the state administration, Prague is from 2001 divided to 22 administrative districts, from the point of view of self-government it consists of 57 autonomous city sections with own elected bodies. These city sections are significantly different. There are city sections of distinct character of urban centre, city sections of prevalent residential area with houses dating back to the 1920's and 1930's, city sections of chiefly industrial nature, neighbourhoods of high-rise houses, and suburban areas many of which originated by gradual connection of surrounding municipalities of rural type. They differ in the level of urbanisation, population density, quality of technical infrastructure and socio-economic conditions of life of their inhabitants. As for the number of inhabitants these city sections are also very different. While population of four (in 2007 only three – excl. Prague 6) city sections account for more than 100,000 each (Prague 4, Prague 10, Prague 8 and Prague 6), twelve city sections comprise less than 2,000 inhabitants each, of which three have less than 500 inhabitants each (Prague-Nedvězí, Prague-Královice and Prague-Benice).

Prague ranks among important and developed regions even within the entire EU. This position of Prague is given by its long-term historical development and also its geographical location contributes to that. Especially after 1990 a very fast transformation in a wide range of socio-economic areas has taken place in Prague. The City has very rapidly recovered its prestige; it is permanently an attractive territory for investors especially from among foreign economic entities, for which it is a question of good reputation to acquire residencies on Prague's territory. What has substantially improved is the quality of connection of Prague to European and worldwide communication network. There is a stable and manifold labour market and potential of labour force with qualification that is above the average. Quality background of educational, scientific and research institutions plays an important role, too.

However, what cannot be forgotten are weaknesses: mounting crime, bad environment, overloaded transport, and increased costs of living for the population.

The Capital City of Prague is the largest city of the Czech Republic. Its area is 496 sq km, which is only 0.6 % of the CR's territory, but with **the population of 1,249,026 inhabitants as at 31 December 2009** it represents 11.9 % of the total population of the CR. Prague then markedly dominates the population structure in the Czech Republic as its second largest city, Brno, makes one third of the Prague's population.

From geographical point of view, Prague can be considered a centre of Europe. It lies almost in the centre of the Continent, approximately the same straight-line distance away from three seas: the Baltic Sea (365 km), the North Sea (495 km) and the Adriatic Sea (490 km).

The current area of the city is a result of natural historical development and a long-term **territorial growth**. The beginnings of Prague could be put in the second half of the 9th century when the Prague Castle was founded and independent settlements began to develop under its protection in the surrounding area. These settlements grew to constituent independent towns of Prague: Staré Město (the Old Town) called the Head (caput regni), i.e. the capital of the Kingdom of Bohemia, as early as before 1280, Malá Strana (the Lesser or Little Quarter), Nové Město (the New Town), and Hradčany (the castle district). Milestones in the development of Prague so far include the year of 1784, during the reign of Joseph II, when the four still independent towns were joined into the town of Prague, then the years of 1850, 1883, 1884 and 1901 when other four towns were attached, respectively Josefov, Vyšehrad, Holešovice-Bubny, Libeň. At the beginning of the 20th century the territory of Prague consisted of only 8 parts with the area of approximately 2000 hectares which is about 4 % of its present area. **The Act of 6 February 1920** established the **Great Prague** when other 39 nearby municipalities joined to the existing eight Prague neighbourhoods. **Further territorial growth took**

place in 1960 (attachment of three municipalities and two cadastral areas), in **1968** (attachment of 21 municipalities of the former Středočeský Region, in **1970** (modification of the territorial borders of Prague, particularly in relation to the surroundings of the Prague-Ruzyně airport) and finally in **1974** when other 30 municipalities of the former Středočeský Region were attached to Prague. There have been no other territorial changes since this year.

Population of Prague had been increasing already from half of the 17th century. It culminated in 1992. When we look at the results of periodic censuses that were carried out regularly every ten years (with the exception of the Second World War), we can see that Prague's population increased 4.5 times from the first census (1869) to 1991 Census in which the biggest number of Praguers was counted (all that calculated for the same territory). From 1991 to 2001 Census Prague's population decreased for the very first time of censuses taking place. According to the 2001 Population and Housing Census, the number of inhabitants was even lower than the number in 1980. During the last years, Prague's population has been yearly slightly increasing again. In recent years, the increments resulted only from migration, namely persons in productive age, who move to Prague especially due to ample opportunity to find a job on the labour market. Persons with foreign citizenship prevail among them. **In 2006, it was the first time after a longer period when a positive natural increase was noticed (number of live-births was higher than number of deaths).** The increase came from bigger number of children born to women belonging to the baby boom generation in the 1970's. Since 2006, the number of live-births is always higher than number of deaths and from year to year, this value is constantly increasing. In 2009 the natural increase of population was 2,123. Natural increases of the population occurred namely in the period of the First Republic (1920-28) in the war and post-war years (1940-56) and in the 70's (1973-79). When judging Prague as such, in its historical context, its population grew very noticeably. From the end of the 18th century to the beginning of 21st century the population of Prague grew almost eight times on the territory that belonged to Prague at that time; the amount of 1 million was exceeded in the 1961 census.

The constant slight increase of the average age of population of Prague, which is still higher than in the Czech Republic itself is traditionally characteristic for **population situation** in Prague. In 2009, slightly increasing share of children occurred. At the same time, an absolute growth of productive population was recorded, but the share of these people in population decreased. Slightly increasing number of up to 5-years-old children in last years is influenced by heightened birth rate. **Index of ageing (129,5) in Prague is constantly highly exceeding average of Czech Republic (107,0)** and contrary to the previous year, this ratio has increased again. The economic burden index (39,9) is constantly lower than in the Czech Republic in total. Changes in the age structure of the population owe mainly to migration – moving of young families with children to the city suburbs and, in contrast, inflow of people of the productive age to Prague, especially because of their careers. Positive development of natural change had smaller impact on age structure of Prague population.

Considerable mobility of foreign nationals moving for work leads to high gross migration in Prague. Mobility have decreased as a result of economic crisis impact. Resulting from migration for work is thus both an increase in the number of foreign nationals in Prague's population and also shifts in the population age structure. Permanently increasing is the share of inhabitants in the age of 15-59, who find their job in Prague.

What is a clearly positive feature of demographic development for the last decades is **improving of life expectancy**. Prague's inhabitants live to the oldest age when compared to all regions of the CR. In 2009, the life expectancy at birth increased moderately for women to 80.84 (compared to 80.81 years in 2008) and for men to 76.25 years (compared to 75.90 years in 2008). When comparing Prague's values to national average, life expectancy of women was higher by 0.71 years and the value for men was higher by 2.06 years. High values of life expectancy in Prague are attributed to better availability of medical care, but also to some favourable tendencies in the way of life even despite worse parameters of the environment. Also infant mortality is very low in Prague. Its value in 2009 increased a little compared to 2008 to 2.35 per mille. In general, mortality figures for the whole CR are slightly higher but their development trend is similar.

As for **economy**, the Capital City of Prague has a unique position within the Czech Republic; it is the economic centre of the state and also a centre for intermediation of impacts of multinational economic relations in the whole state. Apart from all of the main authorities of the state administration most of

financial institutions and foreign enterprises are based here. All this has a significant effect on the economy of Prague, whose economic output makes up permanently almost a quarter of the national gross domestic product (GDP). Privileged position of Prague owes also to investors interested in this area which is a gateway to the Central and East European markets.

Economy of the region expressed in GDP in current prices records a permanent growth. The year-on-year increments since 2001 in Prague stand at the national average even after the accession of the CR to the EU in 2004, which positively affected the economy of the whole country by improving conditions for trade with the EU states. GDP in Prague per capita constantly highly exceeds the CR value and, at the same time, the average for the whole EU. **Higher level of GDP production is typical for metropolises.** This is caused by many factors: **higher level of wages, location and registration of headquarters of economic subjects in the city, presence of subsidiaries of multinational companies, concentration of central bodies of public and private sector.** These phenomena are linked with agglomeration effects which lead to cutting company costs as a result of concentration of various economic and supporting activities.

The **situation on the labour market** is also connected with the performance of the economy. **Prague is the largest regional market in the CR.** Characteristic features of existing development are on the one hand high localization attractiveness of Prague's labour market, on the other hand Prague's ability to cover increased demand. This is given by a significant professional mobility of internal sources as well as to date fast growing sources of out-of-Prague and foreign workers. Prague's labour market thanks to a wide offer of professions was able to absorb almost all labour force released in the process of transformation as well as the new coming one. Prague affects also to the rest of the Czech Republic and especially the Středočeský region which is integrated with Prague due to an intensive commuting which lowers the unemployment in the region.

Job positions in the Capital City of Prague are not only opportunities for inhabitants of the capital but also for inhabitants from wide surroundings and in fact the whole CR. According to results of the 2001 Population and Housing Census the number of filled job vacancies in Prague represented a fifth of all job vacancies in the CR. Number of jobs as at 1 March 2001 was nearly 726 thousand and active inhabitants of Prague were by 125 thousand less. The importance of commuting has got an exceptional meaning for Prague. Labour force in Prague has significantly higher professional skills compared to other regions. More than 30 % of employed are persons with a university degree and their number has got lately a regular increasing trend. Also average wages in Prague reach significantly higher values than in the rest of the regions. Another characteristic feature of Prague's labour market is also below the average unemployment. **During the on-going economic crisis the characteristics of Prague's labour market slightly deteriorated,** however, compared to other regions they still show good results. The registered unemployment rate was as at 31 August 2010 4.06 % which is even more when compared to the corresponding period in 2009 and 2008. The total number of unemployed (registered by labour offices) was by 21 % higher than in the last year.

Basic structural reconstruction was reflected in changes of **branch structure of Prague economy.** Characteristic features of the development of Prague economic basis are strengthening of the sphere of services and decrease of share of production industries. Tertiary industries represent now in Prague more than 80% of value added. Also employment rate in this sphere in Prague markedly exceeds data from all the regions. In 2001, 77% of all employed in Prague worked in services and in 2009, it was 80 %. The share of people employed in tertiary industries is constant for a relatively long time.

On the contrary, the share of **industrial sector** in creation of value added and Prague's employment is much lower than national average. Industry as a branch does not have such an important position in Prague as in other regions of the CR.

Also construction showed consequences of crisis. 147 construction enterprises with 50+ employees were based on the territory of Prague by the end of 2009 (it is by 20 more than in 2008). Number of completed and started dwellings was, as usual, second highest from 14 regions, right after the Středočeský region. In 2008, the decline of intensity of dwellings construction was recorded. In 2009, the builders concentrated on the finalisation of the dwellings (the number of completed dwellings have increased), but less dwellings were started, which confirms the economic crisis influence.

An important branch for Prague's economy is **tourism**. Prague has become a favourite destination of **tourists from abroad, who represent more than 90% of all accommodated guests**, most often come clients from the United Kingdom and Germany. However, Prague is also a common target of domestic business trips and it is an important centre of congress tourism.

As regards collective accommodation establishments their capacities remained basically on the level of the previous year 2008. Since 2006, however, the number of rooms and beds has been growing. Even in 2009 a moderate growth of the number of hotels with more stars (4* and 5* hotels) was recorded. As air transport gets cheaper, there has still been an increasing popularity of weekend tours. Tourist season in Prague is not limited in time, however, preferred are summer months. **Number of guests in collective accommodation establishments in Prague declined by 5 % when compared to 2008**. Guests accommodated in Prague was one third of all guests in the Czech Republic, when foreigners represented 63 % of all foreigners accommodated in the Czech Republic.

As for other parts of social life, Prague has a significant position also in **education, health and culture**. It can be said that it is a national centre of education. Already from the secondary level of education upwards there is an increased concentration of schools. Prague has the highest number of grammar schools and secondary technical schools of all the regions. In university education, Prague's position is absolutely unique. In the school year 2008/2009, there was 33 universities at which 119 thousand students were studying. Their number is slightly increasing. During the last few years, existing demographical development has been reflected also in shifts in school establishments. Number of basic schools as well as their pupils is slightly decreasing. Numbers of students at secondary schools are more or less stagnating.

Also health establishments are concentrated on the territory of the City. They are mainly specialized and often also research establishments, which, however, serve to patients from all over the Czech Republic. Almost one fifth of all physicians working in the CR are employed there. **Relative indicators from health grossed up to 1,000 population are permanently the highest of all regions** and are markedly above the national average, because all Prague's health establishments serve also to the surroundings of Prague and some specialized establishments serve the population of the entire CR. While in other regions (after transfer of health establishments to the competence of regions) there are more and more non-state establishments, this does not apply to Prague, in which **almost a half of all physicians work in state health establishments**. It is a phenomenon, which is characteristic for Prague. Statistical data on the number of establishments, beds and workers in health sector cannot show changes of quality in the care. **A long-term increase in health care quality is reflected rather in demographic indicators such as life expectancy or deaths by cause of death**.

Prague is of extraordinary importance also for culture. Majority of cultural institutions of nationwide importance are placed there as well as a dense network of other cultural facilities.

In spite of marked improvement in the 90's, Prague belongs among the most affected regions of the state from the **quality of the environment** point of view. Air quality in Prague's centre and some areas of the mid-distance settlements is still very bad. Although in this area many indicators have also markedly improved in that sense during the last years, the unfavourable situation still persists. The emissions from stationary polluters dropped, but the emissions from mobile polluters (vehicles) are stagnating (in the long term) or increasing (yearly). Along with the increase in road traffic during the summer months, the level of ozone concentration increases as well, though not dramatically. The most serious of the physical factors having impact on the environment is noise pollution.

On the territory of the City of Prague there are 89 special protected areas making up 4.3 % of the area of Prague of which 8 belong to National Nature Monuments (Barrandovské skály, Čikánka I., Dalejský profil, Lochkovský profil, Požáry, U Nového mlýna and part of the territory of the Černá rokle National Nature Monument the biggest part of which lies in the Středočeský Region), 15 natural preserves and 66 nature monuments. However, Prague's centre has not much **lawn and planting** (public parks) of good quality. After fortification wall had been demolished (in 1871-1888) the space that was made available has been built up unlike many European cities have done it. Nevertheless, the state of urban and suburban greenery, which used to be previously pretty neglected, has improved recently. Gradual recultivation of particular gardens and parks is in progress.

In accordance with the importance, location and role of Prague, a wide range of **transport links** has developed over time. Mutual regional links with the surrounding Středočeský Region are the closest ones. People are coming to Prague (as it is the capital) from the entire Czech Republic. On the other hand, Prague population goes for recreation not only to its nearest surroundings but also all over the CR. Thanks to its highly central location both within the CR and Europe, Prague is determined to play the role of transport crossroads as well as a target destination of goods and persons movement. Traditionally, Prague is the largest centre of international transport in the country, both in the west-east and north-south directions, as well as the largest transport node interconnecting the individual regions of the country.

Prague is a central point of all **highway routes**. Before the split-up of the former Czechoslovakia the first highway D 1 linking Prague, Brno and Bratislava was developed. The construction of the highway D 8 to lead from Prague via Dresden to Berlin is under construction. More and more painful becomes especially absence of alternate routes around Prague and, most of all, around the inner city. Up to now, only partial segments were built out of two rounds planned. Car city ring road Myslbekova – Pelc Tyrolka called „Blanka“ is now under construction (started in 2007) to be put into operation in 2011. The south part of Prague ring was finalised in September 2010.

Prague is an important **international railway node**, too. Stress is being put on the development of railway transport on the European basis (e.g. Eurocity trains) along with the current phase-out on the less travelled tracks. What is under preparation is the reconstruction of key railway routes to fit express traffic. The reconstruction will contribute to high comfort of travel on long-distance routes, especially international ones. Trains connecting suburban areas form part of the Prague Integrated Transport. At present the construction of the “New Connection” was finished. Its aim is to connect the Hlavní nádraží railway station and Masarykovo nádraží railway station at one side and Libeň, Vysočany and Holešovice railway stations at the other side, to increase the capacity of these stations. The final deadline of the construction is scheduled in December 2010 (including recultivation of surroundings).

Air transport of freight as well as passengers is provided particularly by the Prague-Ruzyně airport. In 2009 there were 11,643,366 passengers checked-in, which represents 7.8 % yearly decrease. The new Sever 2 terminal was opened in January 2006 to which all the flights to Schengen countries were transferred. What is important for the Prague airport is the development of long-distance flights, thanks to which the number of passengers who use the Czech capital as a transfer point for flights to distant destinations increases. The Prague airport also prepares an expansion of the airport track, the new parallel track should be put into operation in 2010. At present, in respect of the airport, the issues of connection to the public city transport as well as the privatisation of the airport are broadly discussed.

Prague has relatively well functioning **public transport** with a backbone system of the metro (almost 60 km long) and networks of tram railways (142 km long). Annually, more than 1 billion passengers use public transport vehicles and 1650 million km are driven. Urgent need to make the public transport more attractive helped gradual origination of the system of Prague integrated transport. Now, it is operated up to 35 km far from Prague and thus it includes also an important part of the Středočeský Region (about 240 municipalities). Even though important investments were completed building of transport infrastructure in order to help the city centre suffering from traffic jams remains to be a priority in Prague. The growth of number of cars is not as high as it was in the past, but there is still some. By the end of 2009 635,092 cars were registered.