

SOCIO-DEMOGRAPHIC CONSEQUENCES OF THE RENEWAL OF PRAGUE'S HISTORICAL CENTRE AND ITS FUNCTIONAL TRANSFORMATION

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The heart of Prague, the capital city of the Czech Republic, historically belongs to the most valuable city centres in the world. It has always been an attractive place to live at, as well as an area where social and economic contrasts meet. The town has inherited these contrasts, which accumulated throughout centuries and their traces are still well reflected by some urban characteristics, especially in Prague's city centre. However, its historical character has been changing rapidly during the past two decades. After 1989, with the return of the country to market economy, the city centre of Prague turned into a very attractive area for governmental functions, both new and traditional services, various prospering economic branches, business companies, the tourist industry, and last but not least, for new types of inhabitants. The intensive commercialization of the centre supported by the restitution process of the 1990s has increased commercial activities in the historical core of Prague at the expense of its existing residential function and resulted in the rapid functional transformation of its territory. The recent transformation process, its dynamics, main outcomes, and some important consequences are easily recognisable even through official population statistics available on the local level. Our objective is to document and demonstrate, by using standard data of population statistics, how explicit recent changes and trends in the city centre have been.

1 The historical city centre of Prague

The historical centre of Prague is practically identical to the administrative district of *Prague 1*. This district in itself represents slightly above one percent of the territory of Prague (5.5 sq. kms) and covers the cadastral territories of the Old Town, the Lesser Town, Josefov, Hradcany, the New Town, or their parts and a very marginal part of Vinohrady (*Figures 1, 2*).

Nearly the entire territory of Prague 1 is a homogeneously built-up area, except for a larger part of the Strahov Hill and several other parks and gardens. Altogether 1996 (96.7 percent) of the 2064 residential houses were permanently inhabited at least by one resident on the eve of the latest population and housing census, 1 March 2001. Despite many historical monuments, dozens of noble palaces, medieval burgher houses or houses with apartments to rent, churches and other parochial buildings, the largest part of current urban infrastructure and especially housing on the territory of Prague 1 was constructed during the second half of the 19th and the early 20th century. Almost half (49.1 percent) and one third (33.0 percent) of all permanently inhabited buildings registered by the 2001 census were built or fully reconstructed before the year 1900 and between 1900–1945, respectively. These numbers are in complete contrast with the 6.5 percent of buildings reconstructed or newly built during 1946–1989. Approximately 140 houses (i.e. about 7 percent of the total housing stock) built or more recently reconstructed – between 1991 and 2000 – signal the start of revitalization of the historical city centre of Prague, an area extensively neglected by investors and builders for more than half a century.

FIGURE 1
City district Prague 1 (5.5 km²) within the capital city of Prague



Source: CSO (2003d).

FIGURE 2
Location of Prague (496.2 km²) within the Czech Republic



Source: CSO (2003c).

2 Urban dynamics

The long-term neglect of the housing stock was a logical result of World War II and the subsequent political changes. Clear priority was given to industrial reconstruction and modernization that was accompanied by the complete eradication of the original ownership relations to real estate and housing during the state-socialist period (1945–1990). This period was characterized by a specific housing policy and a very low impact of market mechanisms. It resulted in the intensive preservation of residential functions in the city centre and the partial social erosion of the local population. The relatively high spatial stability of the historical core and its local society also led to the social and economic degradation of the area through the ageing of population. However, ageing is only one of those factors that influence the current situation and dynamics of urban processes in the city district Prague 1.

Other important factors and mechanisms that influence the transformation processes are:

- Continued strong regulation of housing rents and powerful legal protection of tenants;
- Attractiveness of the area for commercial as well as administrative activities, implying top real-estate prices and up-market rents;
- Fashion trends in housing (style and place);
- High historical heritage status of the district and related legal obligations of real estate owners, (re)construction limits and a wide range of renewal incentives.

Under these conditions, renewal and functional transformation represent the main processes in the current development of the city centre of Prague. Administrative and commercial functions are rapidly replacing the originally prevailing residential function. This process can be easily documented by the most recent housing indicators describing the housing capacities of Prague 1: they show a strong tendency of decrease with regard to the number of residential buildings and apartments, especially those permanently inhabited (*Table 1*).

TABLE 1
Housing capacities change, Prague 1, 1991–2001

Characteristic	1991	2001	Change (1991 = 100)
Residential buildings – in total	2,260	2,064	91.3
Permanently inhabited residential buildings	2,145	1,996	93.1
Appartments – in total	18,821	17,505	93.0
Permanently inhabited appartments	17,701	15,164	85.7
Number of economic households	20,115	16,955	84.3
Average size of an ecobnomic household	2,11	2,02	95.8

Source: CSO (1993a,b); CSO (2003a,b).

A nine-percent decrease of residential buildings within a decade is a clear signal of the above-mentioned functional transformation, especially if we take into account that virtually no demolitions have occurred in this historical district. However, the observed reduction has not only concerned buildings not permanently inhabited (not having at least one resident with a permanent status), which represented about 5 percent of buildings in 1991. Three quarters, i.e. about 150 of almost 200 buildings that lost their residential function during the last decade were houses with permanent dwellers, tenants or owners. It means that the dynamics of functional transformation were in both building categories fully comparable. Since the total number of all houses was decreasing more rapidly than

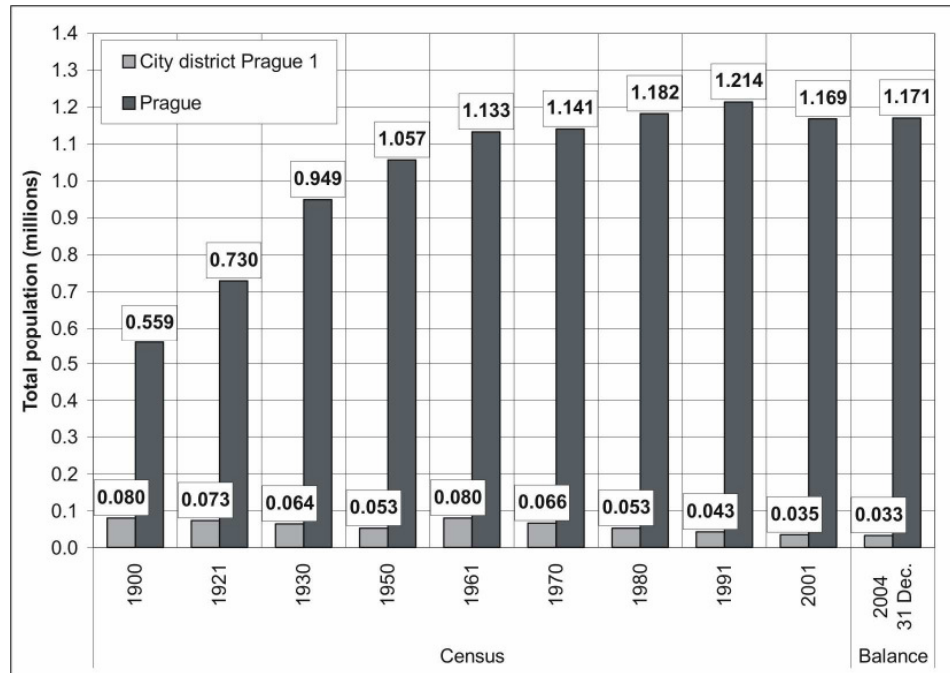
the number of apartments (9 percent vs. 7 percent), we can deduce that functional conversion concerned mainly smaller buildings or more exactly buildings with a below-average number of apartments. Among permanently inhabited houses, conversion was most likely to affect those with higher apartment numbers, i.e. higher than average, since the reduction of the number of buildings by a few percent is in sharp contrast with a more than fourteen-percent decrease in the number of permanently inhabited apartments. The comparison of the last two numbers, however, does not allow us to state that the converted buildings of the given category were twice as large as the average size, because an undoubtedly significant number of apartments were merged into larger units (sometimes returned to their original plan) during reconstructions. Last but not least, one has to take into account that many apartments formerly inhabited permanently could be presented as *de jure* empty but having unofficial temporary tenants or dwellers with non-permanent residency at the time of the 2001 census.

As a direct outcome of building renewals and functional shifts, the total population of Prague 1 has been decreasing, and widening social differences among its inhabitants can be observed.

3 Population response

Between 1991 and 2004 Prague 1 lost nearly one quarter (!) of its population. If only the number of permanent residents was considered, population loss would be even higher, since a new, wider definition of inhabitants, also covering foreigners with long-term visas (about 1.5 percent of the country's total population) was adopted in 2001. However, the increasing depopulation of Prague 1 is not a new phenomenon. While the overall population of Prague grew during most of the 20th century, the population of Prague 1 has been continuously decreasing, except in the 1950s. The decade after the Communist takeover in 1948 was a period of large-scale nationalisation of apartment houses and large villas followed by the frequent partitioning of so-called 'oversize apartments'. As a result, the population of Prague 1 increased by 27 000 inhabitants (i.e. 50 percent) between 1950 and 1961, and reached its peak during the 20th century. Since then, the historical core of Prague has lost a large part of its population. The last census (2001) counted about 34,600 inhabitants, and statistics based on population balance at the end of the year 2004 reported only 32,600 residents living in the city district of Prague 1, on the same area where almost eighty thousand people lived a century earlier (*Figure 3*).

FIGURE 3
Development of total population, Prague 1 and Prague, 1900–2004



Source: CSO (different sources).

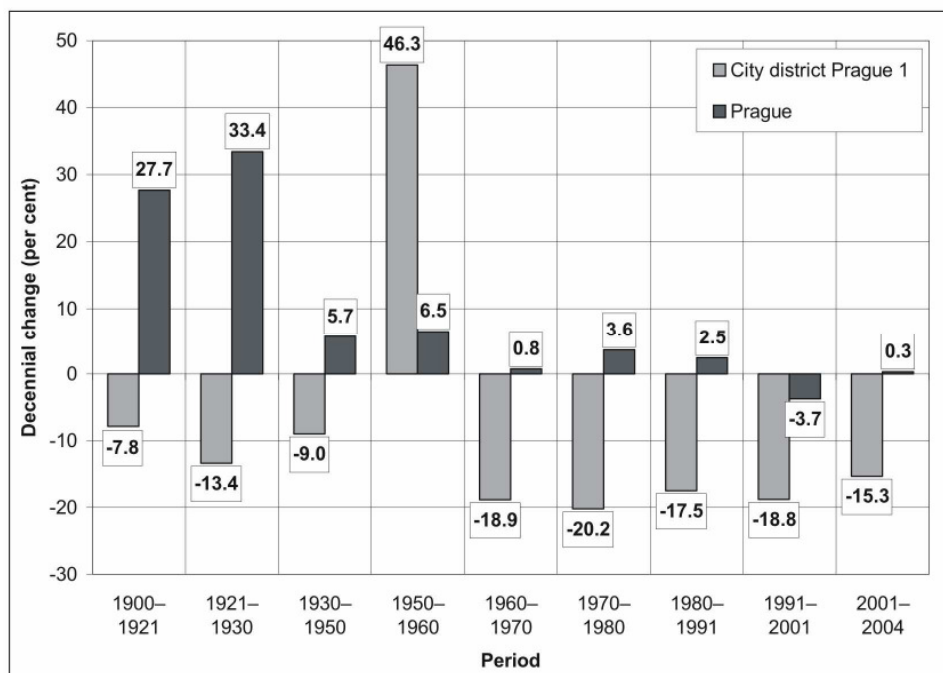
The latest statistics published in March 2006 reported 32,000 persons living in Prague 1 at the end of 2005, which confirms the continuation of this trend. If we were able to count only permanent residents in 2001 and the following years, corresponding to the population definition used by the 1991 census, the currently reported difference would be significantly higher, and the total population would definitely be below 30,000 inhabitants. The concentration of foreigners with long-term (non-permanent) residency permit is substantially higher in Prague than in other parts of the Czech Republic (about 5 percent of the total population), and Prague 1 belongs to the locations most favoured by foreigners within the city.

Thus, the district with an originally strong residential function has been turning into an area with predominantly administrative and business functions. The presented numbers also show that the transformation of the area in its intensive form is not only a recent phenomenon. This process *de facto* started immediately after the end of World War I. The first stage of this transformation proc-

ess could be related to the constitution of Czechoslovakia. The increase of non-residential functions at that time was a logical outcome of the fact that Prague had become the capital of a new, independent state. Moreover, the city district Prague 1, showing the highest concentration of representative buildings in the city, always gave place to major central institutions. Thus, the fact that population decline shows a continuous intensity during the entire period of the last 80 years, except for the 1950s, is undoubtedly remarkable. Since 1961, the population loss of Prague 1 has reached about 18 percent of its permanent residents per decade (*Figure 4*).

In this respect, the federalization of Czechoslovakia in October 1968 was one of the main impulses for the continuation of transformation. Federalization led to the necessary establishment of new legislative and governmental bodies on the 'national' level for the newly created Czech Republic, which was a member state of the Czechoslovak Federation during the period of 1968–1992.

FIGURE 4
Dynamics of population changes in Prague 1 and Prague, 1900–2004
(per decade)



Source: CSO (different sources), own computations.

The 1990s show a relatively turbulent population development. The newly arisen political and economic environment had a strong influence on the quantitative aspects of population development fully comparable with the preceding decades. However, entirely new qualitative changes could also be observed. New economic and social conditions, splitting the country, opening the borders, breaking the old rules and values, stimulating new migration patterns, strongly influenced the population development of the area. Migration, and especially its fluctuation component, became a major ruling factor in the population development of Prague 1. As a result, a substantial part of pre-1990 inhabitants was replaced by newcomers, frequently of other nationalities, from higher educational and social strata than the native population.

The decrease of total population in the historic city centre of Prague was slightly less intensive within the last four years (2001–2004) than in the previous period. However, this does not necessarily mean a growing stability of residents. First of all, the lower decrease of population is a result of the above-mentioned new definition of inhabitants introduced by the Czech Republic official statistics in 2001. Since then, foreign citizens with a long-term visa (over 90 days) or long-term residence permit are also counted as inhabitants of the Czech Republic in all administrative units. The number of these people is extraordinarily high in Prague (56,000 out of 154,800 foreigners registered in the Czech Republic on 31 December 2004) and in the city centre they represent a substantial share of the population. The number of foreign long-term residents is permanently growing (16.2 percent increase between the end of 2001 and 2004). This trend is in contrast with the general decline of native population.

Population decline is only one consequence of the complex transformation processes observed after 1990. Depopulation is also accompanied by marked socio-demographic processes: ageing, changes in the reproductive behaviour of inhabitants, signs of gentrification – all having led to the marginalization of the native population in the past years.

4 Socio-demographic changes

Though the population decrease observed in the district of Prague 1 and the reduction of its residential function was analogous to developments in Western European and North American cities after World War II, the change of its social structure was different. While the social degradation of city centres was mainly caused by specific selective in-migration flows into the central neighbourhoods in the West, the social situation in Prague 1 worsened because of more complex demographic changes. A specific age structure, a low level of natality, higher

life expectancy and a dominant out-migration of young people resulted in the early ageing of the city centre and the disempowerment of its elderly population. On the other hand, actual global trends could also be recently observed in the central part of Prague: regardless to a continuing negative population growth and a quite intensive desurbanization process, some re-urbanization tendencies have also appeared after 1990. The city district Prague 1 has recently become attractive to middle- and upper-class young families, mainly foreigners.

Population is ageing, but the currently observed dynamics of ageing in Prague 1 is lower than in the rest of the country or in Prague itself, mainly due to the initially old-aged demographic structure. Especially the proportion of female birth groups constituted before 1930 is extremely high. For instance, the generation of females born in the year 1921 was the most populous group in Prague 1, according to the results of the 1991 census. In 2001 the size of the generation covering females born in the 1920s was still fully comparable with the size of generations belonging to the 1940s–1950s and 1970s baby-boom. The current intensive decrease of this 1920s generation is temporarily inhibiting the process of ageing of the Prague 1 population, especially if measured through the proportion of the post-productive age category (*Figure 5*).

Besides the specific age structure, there are currently at least two other relevant aspects of demographic processes observed in Prague 1: specific features of migration balance and a rapidly increasing number of young children since the year 1999.

The last intercensal change of particular generations' size has confirmed the attractiveness of the city centre of Prague, namely for people aged between 20 and 30, and up to 35 years in the case of males. On the other hand, some middle-aged people and very probably elder ones as well are being pushed out of this residential area (*Figure 6*).

They are mostly native people whose social status/income level does not correspond to their housing location and quality. It does not mean that younger people are excluded from or less represented in migration flows driving out of Prague 1. On the contrary, they are more mobile than people over age 35, but in their case migration out-flows are more than fully countervailed by in-flows, which does not apply to higher age groups.

The recent increase of the number of young children (practically doubling between 1998 and 2004) can be explained by the realization of postponed reproduction among a populous generation of potential mothers born during the 1970s, and partially also by migration, since wealthy couples with very small children or those not facing material and other obstacles in planning reproduction are overrepresented among in-migrants arriving at the area.

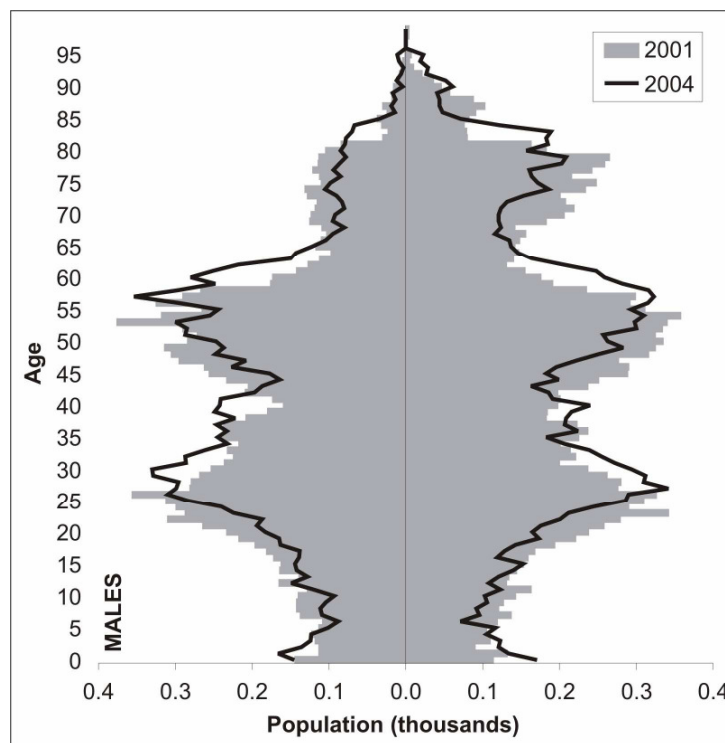
Unfortunately, most of these qualitative changes remain hidden behind the observed changes of the size and demographic composition of population. Yet,

they can be directly observed or indirectly estimated: directly observed, for example, through developments of educational and other demo-social structures, and indirectly through changes of other characteristics, for instance the change of housing quality.

In the case of the city district Prague 1 a growth of education level among the population older than age 15 can be observed. In 1991 19.7 percent of adult inhabitants of Prague 1 were university graduates; a decade later this indicator was 24.2 percent. The proportion approximates one quarter of all adults, and the growth (4.5 percent) was substantially higher and more dynamic than in Prague as a whole (18.8 percent in the year 2001 and an increase of 2.8 percent between the two censuses). This finding corresponds to the above-mentioned outcome of growing housing attractiveness and costs, and the presence of other value aspects. In this respect, we can also estimate past and future demo-social developments indirectly through the development of housing quality.

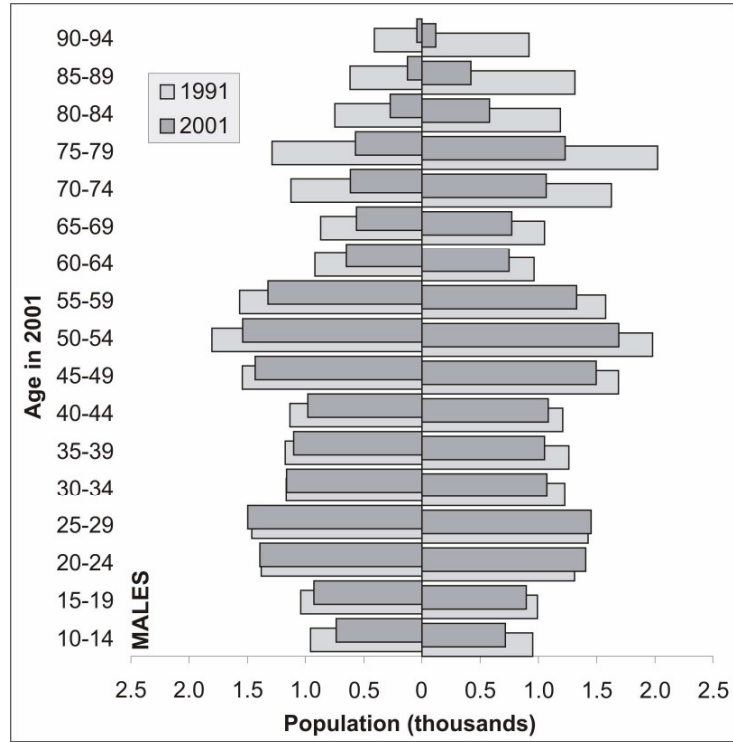
FIGURE 5

Change of population age-structure in Prague 1, 2001–2004



Source: CSO (different sources).

FIGURE 6
Population change by age groups, Prague 1, 1991–2001



Source: CSO (1993a), CSO (2003b).

The results of the past two censuses recorded a distinct shift in the quality of housing in the historical core of Prague. In 1991 almost half of all apartments did not comply with highest-quality housing norms (category 1), while ten years later only one eighth of them did not do so (*Table 2*).

TABLE 2
Change of housing quality, Prague 1, 1991–2001

Year	All	1 st category	2 nd category	3 rd category	4 th category
1991	100.0	56.7	29.4	8.0	5.8
2001	100.0	87.9	8.9	2.7	0.4

Source: CSO (1993a), CSO (2003b).

Moreover, it seems that it is only a matter of time when the remaining lower-quality housing will be reconstructed and upgraded into category 1 or converted into space with no housing function. The time factors of this process, which should correspond with the main phase of the demo-social transformation of the Prague 1 population, depend on the dynamics and extent of housing rents liberalization.

The growing quality of housing implies structural social changes, which are also signalled by the dynamic change of the size-structure of apartments in Prague 1 (*Table 3*).

TABLE 3
Change of apartments' size-structure, Prague 1, 1991–2001

Year	All	1 room	2 rooms	3 rooms	4 rooms	5+ rooms
1991	100.0	32.8	37.4	21.2	6.7	1.9
2001	100.0	26.5	38.2	26.4	8.9	2.9

Source: CSO (1993a), CSO (2003b).

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Between 1991 and 2001, the average growth of dwellings was 0.25 rooms per apartments, and this indicator reached 2.33 rooms by 2001. At the same time, a positive correlation between the size categories of apartments and their growth dynamics was recorded.

These tendencies, as well as many other phenomena, signal and at the same time support the process of gentrification in the area. In the given context, gentrification of the Prague 1 city district contributes to the marginalization of a relatively significant proportion of the native population. However, their marginalization has its roots in the above-discussed functional transformation, namely the reduction of residential function and growing administrative and business functions of the historical core of Prague. A continually growing number of tourists, especially those who use the expanding accommodation

services in the city district, generally induces higher prices for goods and services needed by local residents as well. It creates the paradox situation of many local people having to leave the central district with highly developed services to be able to satisfy their basic needs. This situation, together with an assumed liberalization of housing rents, can lead to the pauperization of a substantial part of current inhabitants of Prague 1, particularly pensioners without any other income besides old-age pension.

This fact is not sufficiently reflected in local public policies, or at least strategies yet. The protection of local population against marginalization by local, regional and central governments is practically the same as in any other municipality in the country. The danger of marginalization threatening a significant part of local society is, however, identified and reflected by some market subjects. For instance, some grocery stores offer a basic assortment at 'normal' prices and supplementary goods at 'tourist' ones. In the mid-1990s the case of the famous first-class restaurant *U Vladaře* met a wide international response, when its owner, Dr. Vladař, reserved one room of his restaurant for locals only, set the prices there corresponding to prices in local districts and strictly limited the access of foreigners to that room.

5 Population prospects and risks

The shape of the current sex and age structure determines the major features of future population development. As it was already mentioned, the extraordinary high proportion of inhabitants born during the 1920s and their current decease principally reduces the intensity of population-ageing in the city district of Prague 1. This phenomenon is only of a temporal character and will be replaced by further ageing when the wave on the age pyramid comprising the populous generation of the 1970s will have moved over the average age of Prague 1 population (cc. 41 years for males and 45 years for females, as in the year 2004). It should happen in the case of both sexes approximately between 2015 and 2020. However, migration could play a key role in both the deceleration and acceleration of the population-ageing process.

Current migration patterns contribute more to deceleration but they can be radically changed, for instance, through a more intensive liberalization of housing rents. A substantially dynamic growth of rents could lead to a much stronger marginalization and even to the empowerment of wider population groups. Besides migration, a rapid deregulation of housing rents could further induce an increase of mortality, at least due to psychological stress among the elderly. Regardless the speed and level of further rent liberalization and its demographic

consequences, the native population is very likely to be replaced by an immigrant one to a large extent, many of them inhabiting the Prague 1 city district only temporarily, for the period of their professional mission to our country. The recent annual migration turnover rates of 5–6 percent of the total population of the district suggest that in about 20–25 years the population of Prague 1 will be completely changed. As a result of migration patterns already observed, we could even expect a temporary complete overturn of the ageing process in a medium-term perspective. On the other hand, due to high spatial mobility, the new inhabitants of the district will be more weakly rooted in their territory than the present population.

Surprisingly, the most difficult thing is to estimate the future population size of the city district. Regarding the most recent age-structure, the sitting population does not have a very strong internal growth potential. Low fertility rates, deeply below replacement level, and the rapidly decreasing number of women – potential mothers – in the age of high fertility (between 25 and 32 years) will cover only part of natural losses caused by mortality. Therefore, migration and housing capacities available in the district will be determinant factors in the future. The recent process of housing conversion especially into tourist accommodation facilities can lead to a further rapid decrease of residential capacities, buildings and apartments, which would definitely generate a further decline of population. Viewed from the current perspective, there is practically neither market nor administrative limits that would protect Prague 1 from an almost complete deterioration of its population and the concurrent ‘skansenzation’ of this originally residential quarter.

Population decline would undoubtedly be accompanied by the further gentrification of Prague 1. Expected further gentrification would bring a further population decrease, even if the present residential capacities remained preserved, because the new types of residents require substantially more living space in comparison with the native population. Under the current situation and the observed trends, there is a very low likelihood that the already low number of inhabitants of Prague 1 will be stabilized or even grow again.

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