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**Article**

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# Involvement of cities with county rights in financing tasks pertaining to physical culture

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**Abstract:** Units of local governments in Poland are responsible for running actions in the sphere of physical culture. The growing number of people practicing sports, as well as social and rearing aspects related to sports exert an influence on the activity of sports clubs and social organizations which promote physical culture. While only some sports organizations are self-sufficient economically, most of them must rely on public support. In Poland, like in the majority of European countries, one of the main sources of financing are public grants. Cities with county rights (CCRs), being a specific type of commune, undertake tasks of both communes and counties. In the sphere of tasks pertaining to physical culture this can manifest itself by higher budgetary expenses in general, including grants. Local tasks connected with sport are stiffly defined by central regulations only to an insignificant extent. Therefore it is accepted that local governments possess considerable autonomy as regards deciding about allocation of the means assigned for their realization. This concerns also the grant-based expenses. Thus, the aim of the article is to examine whether the scale of expenses borne on physical culture, including local government grants, is dependent on the size of CCRs and on the level of their financial autonomy. In this paper, the author presents differences in expenses from budgets of CCRs on tasks pertaining to physical culture (Section 926 of the budgetary classification), with particular taking account of grants which constitute them. The basic tools of descriptive statistics and study of interdependences were used. A very large spatial difference in the examined variables, both in the regional framework and within the types of communes, was found. The mean interdependence was identified between grant-based expenses and the level of financial autonomy of the cities with county rights.

**Keywords:** *budget, grants, local government, financing sports activity*

**JEL codes:** H71, L31, Z23

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## 1. Introduction

Public authority, in their everyday activity, implements various types of tasks which are vital to society. They are also obliged to create favorable conditions which are conducive to satisfying collective demand for public services. One of the areas of local government's activity is the sphere of services in the scope of sport, physical education and motorial rehabilitation, that is physical culture (*The Act on sport*, 2010). Physical culture, in a direct and indirect way, impacts society's physical activity. Its fundamental aim is to care for the proper citizens' psychic and physical development, as well as health. The range of the impact exerted by physical culture, including sports, also extends beyond the sphere of health and sports rivalry. This was made prominent in 2007, when the European Commission declared that both the social role of sports and their economic influence contribute to a great extent to the achievement of strategic goals of individual states as well as the whole of the EU, in such spheres as: solidarity and affluence (COM 2007). Despite this, while physical activity is constantly being promoted, the EU is still faced with high indexes of shortage of sports-recreational activities. According to the latest data supplied by Eurobarometer, 46% of Europeans confirm their lacking in any physical activity (Special Eurobarometer, 2018). Poland has taken its place among the countries with a high percentage of inhabitants who are passive as regards sports activity (56%). This confirms the argument that undertaking and organizing actions which propagate physical activity is an important sphere of public activity. Hence it seems justified to engage public subjects (state-run or local government entities) to not only promote, but also to (co-)finance (directly or indirectly) sports- and recreation-oriented tasks. The model of financing the broadly understood physical activity, which has been in operation for many years now, assumes that the basic source of financial outlays on physical culture, including sport, is the very local-government-run public sector itself. The structure of public expenses from the budget confirms a considerable share of cities with county rights in financing tasks in this sphere, as well as points out that one of the major sources of financing them are budgetary grants (Eurostrategies, 2001).

Cities with county rights (CCRs), being a specific type of commune, undertake tasks of both communes and counties (Kotlińska, 2012: 151; Dworakowska, 2013: 31). Tasks related to sport which are undertaken by local authorities and which – in consequence – enhances raising attractiveness of regions and the quality of public services being provided, is connected with the need to incur expenses from the financial means which come from own resources. A significant

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role in this respect is played by financial autonomy of the local government, which is revealed not only in the scope of financing and carrying out developmental tasks, but also in current facultative ones (Surówka, 2013: 29). It was assumed, in the article, that the concentration of tasks and public means that results from the dual character of the CCRs improves on carrying out public tasks and also translates into a broad range of their financial autonomy. Regarding the sphere of tasks pertaining to physical culture this can manifest itself in higher expenses from the budget in total, including grants. However, independent of the direction and type (capital, current) of the expenditure, researchers identify a limited scope of decision-making powers of local authorities in this respect. This results from both the level and structure of local incomes and specific legal regulations which are defined by the central authorities and which concern execution of tasks assigned to local governments (Bach et al., 2009; European Commission, 2013). Local tasks connected with sport are to a lesser extent stiffly defined by regulations from the central authorities, though. Therefore it is accepted that local governments hold a considerable range of autonomy in deciding about allocation of means to realize their tasks (Ostrowska, 2018; Kopańska et al. 2018: 95). This relates also to grant-based expenditure. In consequence, the aim of this article is to examine whether the scale of expenses incurred on physical culture, including grants from the local government, is dependent on the size of a CCR and also on the level of its financial autonomy. In the first part of the article, the problem of grant-related autonomy is sketched briefly as set against the background of characteristics of the essence of the local government's financial autonomy. The second part, apart from making a presentation of the research methodology, discusses the differences in expenses from budgets of CCRs on tasks pertaining to physical culture, with particular taking account of grants which constitute them. The presentation of the research results ends with a description of interdependences between the level of expenses based on grants, which were borne by the CCRs, and selected variables characterizing their financial autonomy. The considerations are closed with conclusions following from the conducted analysis.

### **2. Autonomy of units of local government regarding formation of grant-based expenses**

Financial autonomy makes a superior value of the local governance. This is a property which,

irrespective of the rung of the local government, is not of the homogenous character. Treating this notion in a multi-layer manner, the literature of the subject points to three particular approaches that treat the autonomy of the local government as: *freedom from* higher authorities, *freedom to effect* particular outcomes and *reflection of local identity* (Pratchett, 2004: 363). Stressing the first and the second of the above-mentioned aspects, it is indicated that local financial autonomy determines real possibilities of realization of tasks set to units of local government (Dylewski et al., 2007: 150-151). It provides freedom of decision-making by organs of the local government, regarding acquisition and expenditure of financial means within the limits of their budgets (Patrzalek, 2010: 68, Jastrzębska, 2004: 106). Within limits of the Constitution, declarations of the uniform character in relation to equipping entities of local government with autonomy are included in relevant legal acts. In accordance with them, units of local government are independent to run the financial economy on the basis of their own budgets and their autonomy is subject to judicial protection. Nevertheless, in practice, full autonomy of local governments does not occur. Their competence and procedural powers in this respect are not free, also from legally defined limitations.

Financial autonomy depends on the structure of the budget, sources and ways of financial feeding and the possibilities of an independent shaping of budgetary expenses. As a result, the autonomy consists of the following types regarding: taking decisions – in the scope of elaborating and executing the budget; income – accumulating incomes and revenues and controlling their level and structure, as well as expenditure – in the scope of realization of outlays and expenses and also freedom of disposing of revenues (Kosek-Wojnar, 1996: 10; Owsiak, 2005: 441). Restrictions on the financial autonomy interpenetrate and condition one another. Both the value, structure and possibility of influencing the capacity of the local government's incomes, the directions, amount, type structure and mandatoriness of expenditure, as well as regulations determining the shape of the budget through, for instance, limits on the expenditure or the level of indebtedness, do impact the freedom of taking decisions concerning incomes and expenditure by the local government (Poniatowicz, 2015: 17; Martinez-Vasquez, Timofeev, 2010: 19).

A plane of local government's autonomy which is often underestimated and rarely analyzed in the literature is the autonomy related to expenditure. Yet, even a most substantial dose of autonomy connected with incomes may be of little significance in the situation where the

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local government is not free to take decisions concerning their expenditure (Swianiewicz 2011: 39-41). The wide range of autonomy on the part of units of local government is connected with the process of awarding grants from the local government's budget. Public grants and subventions are one of the basic intervention instruments which is capable of shaping directly the socioeconomic development and stimulating various subjects to run socially-useful activity, including that in the sphere of sport. In Poland, Article 126 of the Act on public finances defines grants from the budget as means which are subject to particular principles of clearing, ones which units of local government assign to financing or co-financing of realization of public tasks (*The Act on public finances*, 2009). Granting them is a typical practice in Polish local governments, the more so as in the scope of carrying out their own tasks, from the point of view of the general principle, local government organs have the freedom to both form the substantive and objective scope of subsidizing; likewise they can choose the criteria of granting the subsidies. The scope of freedom of subsidizing is determined, among others, by the type of own tasks (obligatory or facultative), as well as by financial possibilities of local governments, delineated first of all by the level of own incomes. Tasks in the scope of supporting physical culture count as voluntary ones. Thus, the decision whether they will be carried out is left to organs of the given unit of local government. The more so as the legally defined possibilities of subsidizing subjects engaging in socially useful sports activity require socially effective and responsible grant-related policy. In this respect, it is of key importance to create proper formal-legal conditions which make it possible to decide about awarding a grant, its height, allocation and control of its utilization. Defining the conditions and mode of proceeding while applying for subsidies has been settled along two procedural paths: in the case of non-governmental organizations (including sports clubs) – in the records of the Act on activity of public benefit and voluntary work (*The Act on activity of public benefit and voluntary work*, 2003), and strictly for sports clubs applying for grants on the basis of the Act on sports – in compliance with the mode and principles defined by the so-called grant resolution of the organ being an entity of the local government (i.e., on the basis of local legal regulations). Due to the lack of requirements which standardize the range of indispensable conditions defined in the grant resolutions the procedure defined by the regulations of the Act on activity of public benefit and voluntary work can be considered a good model of awarding grants. Nevertheless, in both the literature of the subject

and beneficiaries' opinions there is raised the objection of vagueness of the norms which deal with the practice of subsidizing subjects with the means from local governments' budgets (Ostrowska, 2018).

### **3. Materials and Methods**

The research problem area dealt with in the paper concerns spatial differences in expenses from local governments' budgets incurred on physical culture (Section 926 of the budgetary classification), with particular account taken of the grants constituting it. Out of all the rungs of local government units in Poland it is communes, including CCRs, that spend the most on tasks relating to physical culture. Therefore, the research was conducted solely with reference to them.

The selection of the research sample was intentional – all the CCRs in the country were included in the research (N=66), distinguished according to the administrative and statistical units layout by NUTS 2016. Regarding the analyzed CCRs, a group of 12 cities which hold the status of metropolis was distinguished<sup>1</sup>. This division was made with the aim to examine whether the size of a CCR, determined by its considerable economic potential, highly developed sector of services of higher order, performed functions (political, economic, cultural) and the range of influence (Korcelli, 2008: 5; Markowski, Marszał, 2006: 12), generate differences in the level of expenses incurred on tasks pertaining to sport.

With respect to its subject, the research was conducted with the use of the desk research method. The primary financial data (height of the expenses from the budget in total under Section 926 of budgetary classification, including the amount of grants awarded) and complementary data which were necessary to establish indispensable relative variables, were obtained from the resources of Local Data Bank (Local Data Bank) and data provided by the Ministry of Finance (Ministry of Finance, 2018). The thus prepared set of data was subjected to exploration and analysis.

For the sake of greater clarity, the research was carried out in division into two main research areas: (1) spatial difference in expenses in total which were borne on physical culture by the CCRs in 2017 (including subsidies) in the regional framework (division into 16 provinces) and in metropolises, and (2) interdependences between the level of expenses based on grants,

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<sup>1</sup> There have been 12 metropolitan cities distinguished in Poland, that is: Białystok, Bydgoszcz, Gdańsk, Katowice, Kraków, Lublin, Łódź, Poznań, Rzeszów, Szczecin, Warszawa, Wrocław.

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which were borne by the CCRs and selected variables characterizing their financial autonomy. In order to make the examination more precise the following research questions were formulated in the individual areas: (1) In which provinces of Poland did the CCRs incur low and in which high expenses on financing tasks in the sphere of physical culture, including grants for subjects realizing these tasks? (2) How did the level of analyzed expenses evolve in the metropolises? (3) How did, in the regional system, connections between the height of awarded grants and the selected measures of financial autonomy of the CCRs form?

In the examination of differences in the incurred expenses, the total expenses from the CCRs' budgets (Section 926 of the budgetary classification – physical culture) were denoted as variable  $y_1$ , while the grant-based expenses realized in this section – as variable  $y_2$ . In order to make a presentation of the regional distribution of the examined variables, which would allow making comparisons within the provinces, the values of the examined variables per one inhabitant were accepted. The basic tools of descriptive statistics were applied mainly: measures of central tendency, measures of dispersion and asymmetry. The results of the statistical analysis of the basic descriptive parameters for grant-based expenses were expanded with an examination of the dependence between their nominal value and the financial autonomy of the CCRs. To examine the interdependence Pearson correlation coefficient was applied. Accepting that the height and structure of incomes are deciding as regards the possibilities of running the local expenditure policy by the local government, the general coefficient of financial independence (variable  $x_1$ ) and that of share of operational surplus in total revenues (variable  $x_2$ ) were accepted as measures of the financial autonomy. The overall coefficient of financial independence (expenditure of the second grade) provides information on to what extent the given unit wholly and without limitations take decisions concerning allocation of own incomes and general subvention for expenses which are realized. It determines the share of incomes which the local government can use freely in the total sum of the incomes. This independence allows a greater freedom in realization of tasks, since it limits financing local government's needs relating to expenditure by incomes which come from central transfers<sup>2</sup>. A higher value of this coefficient is favorable and testifies to a real freedom in making decisions by a unit as regards expending budgetary incomes (Dylewski et al., 2007: 99). In turn, the share of the coefficient of operational

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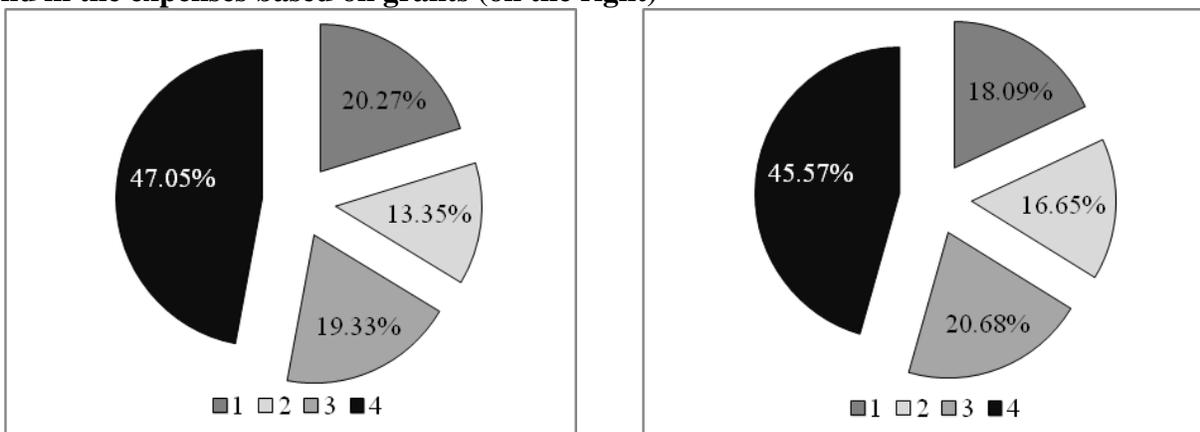
<sup>2</sup> It needs noting that this does not mean the necessity of self-financing of the unit or its self-sufficiency, which would require running an activity based solely on the unit's own income.

surplus in total incomes determines the degree to which a unit could contract new obligations, in relation to the obtained incomes. The operational surplus is a category which has a very strong cognitive significance. It determines what part of current incomes is left at the local government's disposal after paying mandatory running expenses, including costs of debt servicing. The higher the value of this coefficient is, the greater the investment possibilities are or the stronger the possibility of increasing the running expenditure (Ministry of Finance, 2018; Morgan et al., 2015: 307). The calculations were executed with the use of *Statistica* software package.

#### 4. Spatial differences in the expenses incurred by CCRs on physical culture

In 2017, the communes incurred a total of PLN 4,869.30 million on realization of tasks connected with physical culture, including PLN 921.87 million (18.93%) in the form of grants. The share of individual types of communes in the expenses borne is presented in Diagram 1.

**Figure 1. Share of communes according to their type in the expenses in total (on the left) and in the expenses based on grants (on the right)**



Types of communes: 1 – urban communes; 2 – rural communes; 3 – urban-rural communes; 4 – CCRs

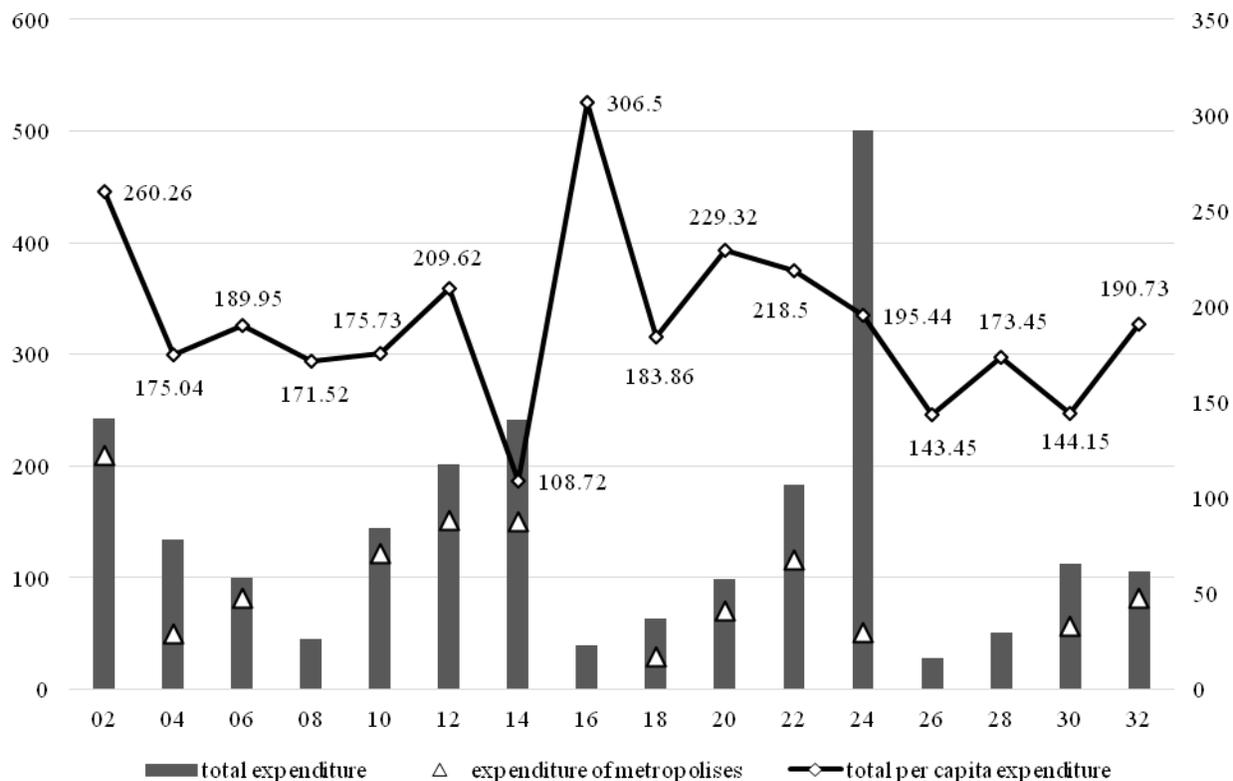
Source: author's own elaboration on the basis of collected data

The decisive majority of Polish communes (N=2448; 98.79%) incurred expenses on tasks pertaining to physical culture, with the CCRs having the largest share in them and rural communes – the lowest. In the case of the communes which finance this type of tasks, there were 10.25% of them (rural communes) which did not incur grant-based expenses at all. All of the CCRs (66) incurred expenses on tasks connected with physical culture. All of them also incurred

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grant-based expenditure. The total CCRs' expenditure on the tasks amounted to PLN 2,290.95 million, including PLN 420.10 million (18.34%) in the form of grants. According to the provinces, the value of these expenses nominally and *per capita* is presented in Diagrams 2 and 3, respectively. In the nominal framework, in the year 2017, the highest expenditure connected with tasks pertaining to physical culture was incurred by the CCRs located in the following provinces: *śląskie* (Silesian), *mazowieckie* (Masovian) and *dolnośląskie* (Lower Silesian). However, when it comes to calculating the sums *per capita*, the highest expenditure on this sphere of services was incurred in the following provinces: *opolskie* (Opole Province), Lower Silesian and *podlaskie* (Podlasie Province). It is worth paying attention to the fact that the distinguished metropolises allocated 50.96% (PLN 1,167.52 million) of the total amount of the CCRs' expenses and 55.85% (PLN 234.63 million) of grant-based expenses on tasks related to sport. The highest share in the CCRs' expenditure on physical culture were those of the metropolises in the following provinces: Lower Silesian (Wrocław, 86.08%), *łódzkie* (Łódź Province: Łódź, 84.4%), *zachodniopomorskie* (West Pomeranian: Szczecin, 76.81%) and *małopolskie* (Lesser Poland: Krakow, 75.47%). On the other hand, the lowest percentage of the total amount of expenses was found in the case of metropolises from the following provinces: Silesian (Katowice, 10.18%), *kujawsko-pomorskie* (Kuyavian-Pomeranian: Bydgoszcz, 36.79%) and *podkarpackie* (Subcarpathian: Rzeszów, 46.88%).

**Figure 2. Expenses incurred by CCRs on physical culture (the left axis, in million PLN) and their value *per capita* (the right axis, in million PLN), according to the provinces in Poland in 2017**



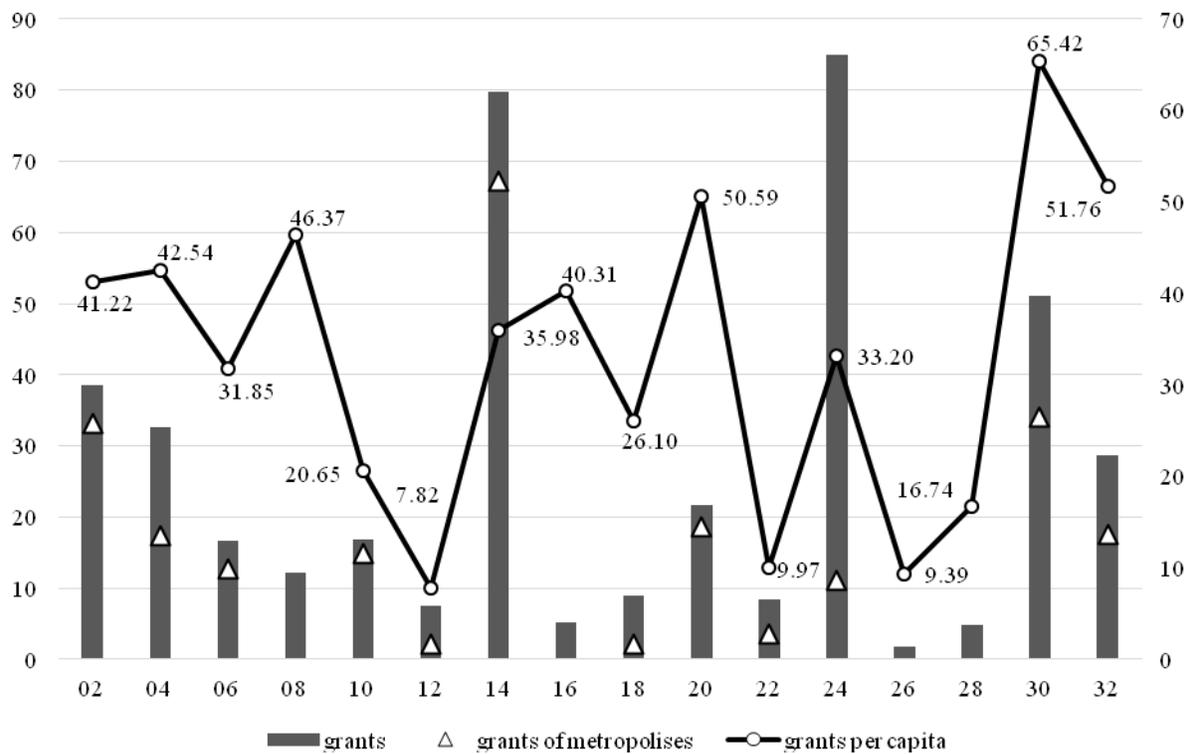
Province code: 02 – dolnośląskie; 04 – kujawsko-pomorskie; 06 – lubelskie; 08 – lubuskie; 10 – łódzkie; 12 – małopolskie; 14 – mazowieckie; 16 – opolskie; 18 – podkarpackie; 20 – podlaskie; 22 – pomorskie; 24 – śląskie; 26 – świętokrzyskie; 28 – warmińsko – mazurskie; 30 – wielkopolskie; 32 – zachodniopomorskie

Source: author’s own elaboration on the basis of collected data

A slightly different case was noted as regards the CCRs’ involvement in incurring budgetary means as grants for subjects realizing tasks pertaining to sport. In the nominal framework, in 2017, the highest amounts allocated to grants were incurred by the CCRs from the following provinces: Silesian, Masovian and *wielkopolskie* (Greater Poland). A substantial part of the grant-based expenses was realized by the metropolises. The highest share in the CCRs’ grant-based expenditure was found to be in the following provinces: Łódź (Łódź, 87.9%), Lower Silesian (Wrocław, 86.0%), Podlasie (Białystok, 85.66%) and *lubelskie* (Lublin Province: Lublin, 75.7%). On the other hand, the lowest percentage of the expenditure on grants was found in the metropolises situated in the following provinces: Silesian (Katowice, 12.98%), Subcarpathian (Rzeszów, 24.05%) and Lesser Poland (Krakow, 29.15%).

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**Figure 3.** Grant-based expenses in total (the left axis, in million PLN) and their *per capita* value (the right axis, in million PLN), according to the provinces in Poland in 2017



Source: author's own elaboration on the basis of collected data

The examination of the differences in the level of variables  $y_1$  and  $y_2$ , applying basic tools of descriptive statistics, was carried out in the regional system (according to the provinces). As regards the national level, the results obtained for all communes in Poland, all the examined CCRs and the metropolises were juxtaposed in Table 1.

**Table 1. Descriptive statistics of the examined variables for the communes in total, CCRs in total and metropolises**

Variables	N	M	Me	min.	max.	SD	V	As	No. of communes
communes in total									
$y_1$	2448	74.67	34.79	0.05	1 802.73	111.30	149.05	5.47555	1726
$y_2$	2197	17.51	12.90	0.17	329.24	19.23	109.87	5.93244	1501
CCRs in total									
$y_1$	66	192.76	174.40	69.02	614.38	103.74	53.82	2.14923	39

$y_2$	66	33.14	26.94	0.59	95.53	24.14	72.85	0.88441	38
metropolises									
$y_1$	12	190.31	186.41	85.88	327.96	67.22	35.32	0.38552	6
$y_2$	12	35.54	37.81	2.86	63.08	20.55	57.82	-0.31169	8

Denotation of measures: M – arithmetic mean (in PLN); Me – median (in PLN); C – minimum (in PLN); D – maximum (in PLN); SD – standard deviation (in PLN); V – coefficient of variation (in %); As – asymmetry

Source: author's own elaboration on the basis of collected data

In comparison with the total number of communes in Poland, the analyzed expenditure of the CCRs was on a much higher level. In 2017, the CCRs spent PLN 192.76 *per capita* on the average from their own budgets on financing tasks related to physical culture and PLN 33.14 as support from grants. The arithmetic mean for each of the variables was higher than the median. The positive values of the asymmetry coefficient testify to the fact that the distribution for each variable is right-skewed. This means that in the majority of CCRs in Poland, the values of the examined variables remained on the lower level than the average for Poland. In the case of variable  $y_1$  such a situation occurred in 39 CCRs (59.1%), and in that of variable  $y_2$  – in 38 CCRs (57.6%).

However, the characteristics identified for all the Polish CCRs were not confirmed in full in the study in the case of metropolises. In this group of subjects, the coefficient of variation for both variables formed on a lower level than that for the CCRs, in total. This points to a lower dispersion of their values with reference to the mean. The fact is confirmed also by low (absolute) values of the coefficient of asymmetry. However, it needs drawing attention to the fact inasmuch as variable  $y_1$  is characterized by right-skewed distribution in both sets of subjects under analysis, variable  $y_2$ , in the case of the metropolises, is characterized by a left-skewed asymmetry of distribution. As a result, in the case of eight metropolises, the value of variable  $y_2$  formed on a level that is higher than the mean. In the group of metropolises, the highest expenditure incurred on the realization of sports-related tasks was found in the case of the City of Wrocław (PLN 327.96) and the lowest in Warsaw (PLN 85.88). Then, as regards the awarded grants, the highest values were established for the cities of Poznań and Białystok (PLN 63.08 and PLN 62.68, respectively), whereas the lowest one occurred in the case of the City of Krakow (PLN 2.86).

The properties established for all the CCRs in Poland were not confirmed after having been examined according to the provinces, either. Selected descriptive statistics for the CCRs in the regional system are presented in Table 2. In the set of 16 provinces, the mean for variable  $y_1$

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took values from the range [134.66; 306.5], while the mean for variable  $y_2$  remained within the range [9.39; 66.58]. The lowest mean value for variable  $y_1$  (PLN 134.66) was found in the CCRs of Lublin Province. Apart from that, a low mean value of expenses borne on physical culture was also characteristic of the City of Kielce in Świętokrzyskie Province (PLN 143.45). The highest mean value of expenses incurred on physical culture was found in the City of Opole in Opole Province (PLN 306.5) and the CCRs in Pomeranian Province (PLN 282.41). In the remaining 12 provinces, the average of total expenditure on physical culture stayed on an average level, that is within the range [153.39; 243.32]. In the case of variable  $y_2$ , the lowest mean value was found for the City of Kielce in Świętokrzyskie (PLN 9.39) and the CCRs in Pomeranian Province (PLN 15.26). On the other hand, the highest mean value of expenses based on grants *per capita* was noted for the CCRs in West Pomeranian Province (PLN 66.58), then those in Greater Poland (PLN 66.48). As regards the other 12 provinces, the mean grant-based expenditure ran on levels within the range [16.62; 49.6].

**Table 2. Selected descriptive statistics of the examined variables for CCRs, according to the provinces**

Province code	N	variable $y_1$				variable $y_2$			
		M		V	As	M		V	As
02	4	165.70	A	66.51	1.77410	27.15	A	65.43	1.25941
04	4	184.12	A	20.88	-0.23651	34.94	A	63.79	0.06969
06	4	134.66	L	53.28	1.56956	25.77	A	39.40	-0.26881
08	2	166.95	A	66.55	-	46.67	A	15.76	-
10	3	181.46	A	6.74	1.73143	19.42	A	44.36	-0.96047
12	3	232.09	A	20.92	1.61529	21.30	A	132.33	1.68389
14	5	194.67	A	56.90	0.28394	37.49	A	63.93	0.03886
16	1	306.50	H	-	-	40.31	A	-	-
18	4	210.93	A	58.71	1.20134	35.54	A	46.40	-1.68518
20	3	218.97	A	27.03	-1.21906	36.41	A	63.66	1.45358
22	4	282.41	H	80.77	1.67659	15.26	L	58.74	0.86370
24	19	182.12	A	63.79	2.98508	30.07	A	93.37	1.30746
26	1	143.45	L	-	-	9.39	L	-	-
28	2	175.78	A	10.62	-	16.91	A	8.48	-

30	4	186.97	A	58.74	1.41626	66.48	H	33.60	0.30425
32	3	198.85	A	37.65	-0.08897	66.58	H	32.85	-0.51406

Denotation: A – average, L – low, H – high

Source: author's own elaboration on the basis of collected data

The substantial differences in the examined variables in the spatial system are indicated also by the values of the coefficients of difference and asymmetry. Additionally, the asymmetric distribution of the examined variables does not have the homogenous (as far as the type and strength are concerned) character. In consequence, the CCRs for which the examined variables were lower than the mean for the given area (province) made 59.09%, in the case of variable  $y_1$ , while in that of  $y_2$  – 51.52%, of all the units. Notwithstanding this, the last observation concerning the presented data allows selecting six provinces in which the type of asymmetry of the variables distribution agrees with that identified for all the CCRs in Poland (in the table these values are given against the grey background).

The analysis of descriptive statistics for the indexes of financial autonomy ( $x_1$ ,  $x_2$ ) which are presented in Table 3, reveals that they are differentiated within all the CCRs and the set of metropolises. The fluctuations in the values are considerable and run in different directions. The distribution of the results for the CCRs is right-skewed, whereas for the very metropolises themselves – left-skewed, which means that for the majority of them, the values of the studied indexes remained on a level which was higher than the mean.

**Table 3. Selected descriptive statistics for the indexes of financial autonomy**

Variables	N	M	Me	min.	max.	V	As
CCRs in total							
$x_1$	66	0.769	0.758	0.703	0.880	5.69	0.76685
$x_2$	66	0.068	0.067	-0.005	0.166	53.39	0.32765
Metropolises							
$x_1$	12	0.807	0.823	0.711	0.871	6.48	- 0.79490
$x_2$	12	0.088	0.091	0.034	0.129	34.07	- 0.39948

\* The negative value comes from the operational deficit, which one the CCRs declared in 2017.

Source: author's own elaboration on the basis of collected data

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The study of the interdependence between the value of grant-based expenses and the degree of autonomy measured with the general index of financial independence (variable  $x_1$ ) and with the share of operational surplus in total incomes (variable  $x_2$ ) revealed that  $x_1$  and  $x_2$  are strongly correlated with each other, both in the set of all the CCRs ( $r(x_1, x_2) = 0.658433$ ) and selected metropolises ( $r(x_1, x_2) = 0.606919$ ). Moreover, in the both sets of subjects, the variables  $x_1$  and  $x_2$  are unidirectionally correlated with  $y_2$ , with the dependence  $r(x_i, y_2)$  being stronger. The dependences for the individual variables concerning the CCRs in total, metropolises and according to the provinces are presented in Table 4.

**Table 4. Correlation coefficients for variables  $x_1$ ,  $x_2$  and  $y_2$**

Province code	$r(x_1, y_2)$	Strength of union	$r(x_2, y_2)$	Strength of union
	CCRs in total			
	0.433889	A	0.181978	W
	Metropolises			
	0.471795	A	0.289268	W
CCRs according to the provinces				
02	0.989775	AF	0.998108	AF
04	0.801489	VS	0.528262	M
06	-0.004682	F	-0.167564	W
10	0.980497	AF	0.265318	W
12	-0.533720	S	-0.997334	AF
14	0.834686	VS	0.246316	W
18	-0.887157	VS	-0.776983	M
20	-0.999068	AF	-0.808514	VS
22	-0.125125	W	0.403706	A
24	0.580201	S	0.594477	S
30	0.967804	AF	0.798226	VS
32	-0.345577	A	-0.251649	W

Denotation: A – average, AF – almost full, VS – very strong, S – strong, W – weak, F – faint

Source: author's own elaboration on the basis of collected data

The coefficient of correlation between the CCRs' expenses based on grants and the degree of financial independence amounted to 0.433889, this same dependence forming on a slightly higher level in the group of metropolises (0.471795). In the both cases, it points to an average level of correlational dependence between the variables ( $x_1, y_2$ ). The sign of the coefficient

testifies to a positive dependence, meaning that higher values of the coefficient of financial independence are accompanied by higher expenditure based on the CCRs' grants borne on financing tasks dealing with physical culture (and the other way round). In turn, the relation between the index of share of operational surplus in incomes in total and the level of grants which were paid out turned out weak, both in the case of the CCRs in total ( $r(x_2, y_2) = 0.181978$ ) and the metropolises themselves ( $r(x_2, y_2) = 0.289268$ ). The differentiation in the examined dependences (as far as the strength and the direction are concerned) did not get revealed until the analysis of the CCRs in the framework of provinces had been executed. The interdependences  $r(x_1, y_2)$  are strong and very strong (positive or negative) in  $\frac{3}{4}$  of the provinces, including the following: Lower Silesian (02), Łódzkie (10), Podlaskie (20) and Greater Poland (30), where the values of the correlation coefficient came close to 1.

## 5. Conclusion

The growing number of people practicing sports as well as the social and rearing impact of sport do influence the activity of organizations promoting physical culture. Whereas only a few sports organizations are self-sufficient in terms of economic capacity, for most of them public support seems indispensable. Accordingly, in Poland, like in the majority of European countries, one of the main sources of financing them are grants from public means.

On the basis of the study which was carried out, it was found out that of all the types of communes (*gminas*), cities with county rights (CCRs) could boast about the greatest share in the local government's expenditure dedicated to financing tasks pertaining to physical culture. Their mean values remained on a much higher level than that of communes in total. The fact that due to their size and the range of their impact the CCRs form an inhomogeneous community translates into a spatial differentiation of the incurred expenditure. This is indicated by not only differences in the values of the expenses borne, but also by the level of the coefficients of variability and asymmetry. Ultimately, it is possible to distinguish Świętokrzyskie Province which is characterized by a low level of expenditure in total and that of expenses based on grants. A large number of provinces (10) are characterized by average values in the both categories of expenses. In none of the provinces did the CCRs generate high expenditure in total and expenses based on grants at the same time. Nevertheless, the analysis which was made, allows distinguishing six of

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them, where the type of asymmetry of the distribution of variables is identical with that identified for all the CCRs in Poland. They are the following provinces: Lower Silesian, Lesser Poland, Masovian, Pomeranian, Silesian and Greater Poland. The scale of the total expenses and the grant-based expenditure under analysis in metropolises remains on the level close to the mean for the CCRs in total. However, the values of the examined variables are characterized by a lesser dispersion around the mean.

The financial independence, as one element of the manifestation of local government's autonomy, decides about the real ability to carry out public tasks by them. It facilitates undertaking ventures upon their own initiative (facultative). The study of the dependence revealed that in the group of CCRs in total and also in that of metropolises, the expenses based on grants are medium-strongly correlated with the financial independence, whereas they are correlated weakly as regards the share of operational surplus in incomes in total. This leads to the conclusion that despite high values of the index of expenditure autonomy, the range of units' freedom of taking decisions related to disbursing budgetary incomes is rather limited. This may be caused by the low ability of CCRs to generate an operational surplus on a level that permits to increase current and/or investment expenses. Moreover, this interdependence is formed in a varied manner within individual provinces. As a result, this may suggest that it is both a province and a type of CCR which exert an influence on the height of incurred grant-based expenses.

The identified differences in the examined expenditure suggest that the analysis and measurement of local financial autonomy (including also that of incurring expenses) should follow with reference to not only individual rungs of the local government, but also types of communes or, indeed, individual local governments. This is justified by the specifics of tasks assigned to them and the expenditure connected with carrying them out. Therefore, the presented problem area requires further exploration with the use of de-aggregated (more detailed) financial data which make possible identification of the factors that condition the expenditure-related activity of local authorities in the sphere of tasks pertaining to sports. It seems especially justified to select obligatory and facultative tasks and expenses from among them (cf. Bach et al., 2009; Kopańska, 2014; Spahn, 2013; Oulasvitra, Turala, 2009). This division turns out to be of paramount importance as far as the structure of expenditure on grants is concerned, in the first place. A grant awarded to realize facultative tasks is of the discretionary character, is unilateral

and not popular. Due to the fact that in Poland, the system of public subsidizing is to a large extent created in compliance with the theory of public choice (Ostrowska, 2018: 47), continuation of the studies will contribute to filling the gap which exists in the theory dealing with the local government's autonomy as regards expenditure, particularly in the sphere of local facultative tasks.

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### **Zaangażowanie miast na prawach powiatu w finansowanie zadań w zakresie kultury fizycznej**

#### **Streszczenie**

Jednostki samorządu terytorialnego w Polsce są odpowiedzialne za działania z zakresu kultury fizycznej. Rosnąca liczba osób uprawiających sport, oddziaływanie społeczne i wychowawcze sportu wpływają na aktywność klubów sportowych i organizacji społecznych promujących kulturę fizyczną. Podczas gdy tylko niektóre organizacje sportowe są samowystarczalne pod względem ekonomicznym, dla większości z nich wsparcie publiczne pozostaje niezbędne. W Polsce, podobnie jak w większości krajów europejskich, jednym z głównych źródeł ich finansowania są dotacje ze środków publicznych. Miasta na prawach powiatu (MNPP), jako szczególny rodzaj gminy, podejmują zadania zarówno gmin, jak i powiatów. W sferze zadań dotyczących kultury fizycznej może to przejawiać się wyższymi wydatkami budżetowymi ogółem, w tym dotacjami. Zadania lokalne związane ze sportem w nieznacznym stopniu są sztywno definiowane przepisami centralnymi. Dlatego przyjmuje się, że samorządy posiadają znaczną swobodę w decydowaniu o przeznaczeniu środków na ich realizację. Dotyczy to także wydatków dotacyjnych. Stąd też celem artykułu jest zbadanie czy skala wydatków na kulturę fizyczną, w tym samorządowego dotowania, jest uzależniona od wielkości MNPP, a także od poziomu ich autonomii finansowej. W artykule przedstawiono zróżnicowanie wydatków budżetowych MNPP na zadania z zakresu kultury fizycznej (dział 926 klasyfikacji budżetowej), ze szczególnym uwzględnieniem składających się nań dotacji. Zastosowano podstawowe narzędzia statystyki opisowej oraz badania współzależności. Zidentyfikowano bardzo duże zróżnicowanie przestrzenne badanych zmiennych tak w ujęciu regionalnym, jak i w obrębie typów gmin. Zidentyfikowano średnią zależność między wydatkami dotacyjnymi a poziomem autonomii finansowej MNPP.

**Słowa kluczowe:** budżet, dotacje, samorząd terytorialny, finansowanie sportu