

## **PUBLIC MANAGEMENT IN THE CONTEXT OF ANALYSIS BUDGETARY REVENUES AND EXPENDITURES ON EDUCATION INCURRED BY LOCAL GOVERNMENTS IN POLAND**

JUSTYNA ŁUKOMSKA-SZAREK – MARTA WŁÓKA – AGNIESZKA MAJEWSKA

**Abstract:** *The multitude of changes and challenges of contemporary and evolving economy more often creates dilemmas for public organizations, which primarily affect improvement of efficiency their management. This issue, besides broadly practical dimension, which postulates amelioration of previous management methods, expresses also adhesion in terms of increase of theoretical knowledge in this area. The considerations contained in this publication, treat this problematic as paramount, both at the local self-government units and the units created them level. The main focus of the scientific investigations of the present study is to bring the problems discussed closer and to analyse budgetary revenues and expenditures on education incurred by local governments in Poland in 2009-2011. In particular, the authors presented the data for the Częstochowa powiat, which includes 16 gminas.*

**Keywords:** *public management, budgetary revenues, budgetary expenditures, local governments*

**JEL Classification:** *P35, M21*

### **1. INTRODUCTION**

The scientific problem of this publication is concentrated in analysis of budgetary revenues and expenditures in the area of education executed by 20 gminas of Częstochowa powiat. It puts the most emphasis on assessment of their structure and dynamics in 2009-2011, and following on from this appraisal of educational awareness of individual local governments executives and their level of investments in view of education, therein improvement its. This problem has become predated by theoretical contents of public management, which also relates to public sector area.

Due to the fact that public sector units bring fundamental and immeasurable accent on society, their significance is difficult to formulation and describing. Widely conceived issue of functions and activities of public sector is based on open system idea. Speaking of this, public sector as a whole is understood as a several concepts, namely: arrangement containing a set of operations and structures; system, which functions based on needs reported by society; system oriented on objective defining in order to conceptualizing apposite government's policy; and system aimed at effective fulfilling of accepted policy[9]. According to the worldwide definition, public sector is understood as a composite system of institutions and their executives at the central and local level, which affect entities uniquely on state significance, moreover semi-self-governing units and state-run companies [10]. Afore mentioned general nature of public sector functioning comprises basis to considerations undertaking in public management and consequent on its, education issue.

### **2. PUBLIC MANAGEMENT IN THE CONTEXT OF EDUCATION ISSUE**

The issue of management in public sector units treats especially managers defined in diverse institutions and is created by a number of changes and challenges in external

environment, therein mainly at three following spheres: changes in the macro scale, both at the national as well as international level; changes in the organizational scale, at the public sector units level; and changes in terms of modern methods and procedures management at the micro level [2]. Generally, public management is aimed at achievement public goal, which affects human resources. In large-scale, this term relates mainly to that kind of organizing way of people and the other resources, which enables common purposes obtainment [3]. This process can't take place with simultaneous overlooking of external environment area around that unit, because its real monitoring is adhesion of accepted purposes and protection attempted operations so far, from possible threats [7]. Literature on the subject, defines public management also as integration between conventional approach of traditional administration and instrumental approach of overall management. In this context, primary aspect of public management comprises independence of management at the organizational level. It can affect both delivering services to citizens and as well as budgetary activities. Public management which relates to effective functioning all entity, distinguishes this sphere as expression of realized operations responsibility in regard to members of society [8].

Over time, the issue of striving for effective public management both from executives as well as citizens point of view become priority of public sector units functioning. Numerous challenges incurred by globalization processes have brought on change of management systems approach in public sector [6]. The form of response for a number of numerous global transformations has been successive evolution, which distincted fundamental public management reform referred to as New Public Management reform. This idea has been oriented on

restructuring public sector therein improvement of effectiveness and efficiency of essential for it sectors, especially: healthcare, members of society service and education [11].

Classical definition of public management reform expresses that it *<<consists of deliberate changes to the structures and processes of public sector organizations with the objective of getting them (in some sense) to run better>>* [8]. In regards to education issue in the context of public management, the major part of scientific investigations concern higher education reforms. Among them the most essential significance roleplay two determinants, towards which have followed development of higher education sphere and management as a whole. Literature on the subject distinguishes re-approach and reforming of state-owned navigation of higher education system and then implementation management systems and attitudes, postulated by private enterprises to higher education units activity [12]. Fundamental influence on change of attitude and following on from this promulgating improvement way of management has had a number of essential currents, namely: 1) formulating dimension between autonomous and competitiveness which promulgates using market rules and methods, moreover recognition enterprising spirit as a primary direction to efficiency achievement; 2) rivalry between self-governance higher education units and their dealings with stakeholders as a fundamental indicator in the allocation of financial resources and occurring modern ways of institutional review; 3) striving for organizational effectiveness equated with resignation from traditional ways of decision-making process at the academic level; 4) abstaining from confrontations which slow down decision-making process by means of standardizing internal management and its structures, and centre on authority at the highest level of administrative hierarchy [5]. Generally, all management reforms which have took place in public sector over time are called New Public Management, in the context of education

in a row better term is *<<managerialism>>*, which expresses the same idea. In regards to institutional management in higher education, which comprises essential component of mentioned public management reform, it is understood as *<<the notion of relationship or dynamic interaction of bodies and groups operating at different levels of higher education system>>* [4]. Besides afore mentioned higher education issue, which comprises one of the crucial sector of New Public Management reform, essential role plays education development in separated areas in the way of territorial apportionment, which is competence of local executives. In order to presentation of collected and expanded finance on education goals, in next part of this publication the considerations focus on analysis of this problematic as part of chosen units.

### 3. ASSESSMENT OF BUDGETARY REVENUES AND EXPENDITURES ON EDUCATION

Empirical analysis presented below which affects advance level of budgetary revenues and expenditures realized on education in the context of total revenues and expenditures, comprises assumptive research method. It has been based on method of statistical analysis of structure and dynamics these transfers. This assessment first of all, relates to interpretation of budgetary revenues and expenditures value, which presented in Table 1.

Information presented in Table 1, indicate fundamental difference between budgetary revenues value and budgetary expenditures value on education, where the most can reach a dozen million zlotys. This basic gap results especially from the fact, that worth of achieved and created financial resources in the issue of education therein mainly from general subsidy for local-self government entities of which for educational tasks is inadequate in regards to gminas requirement. Among them the most essential significance roleplays covering the cost in the area of maintaining educational units, teachers training or assistance the most needy students.

**Table 1** Value of budgetary revenues and expenditures on education incurred by 16 gminas of Częstochowa powiat in 2009-2011

Specification	Value of budgetary revenues on education (in thousands zlotys)			Value of budgetary expenditures on education (in thousands zlotys)		
	2009	2010	2011	2009	2010	2011
Blachownia	395,19	468,46	571,47	9509,53	10090,52	10126,97
Dąbrowa Zielona	159,96	1609,24	831,29	5165,53	4753,67	5196,07
Janów	232,66	226,61	321,45	6601,87	5942,23	6061,93
Kamienica Polska	39,3	28,12	217,85	4096,89	4500,09	4972,35
Kłomnice	356,98	296,66	1047,77	13911,33	17114,59	15287,53
Konieczpol	233,5	2724,88	483,74	8960,6	10678,11	9698,17
Konopiska	472,4	340,77	712,9	10321,73	11040,18	11491,43
Kruszyna	107,87	223,28	693,01	5224,94	5790,3	6262,96
Lelów	2092,53	1794,77	147,45	7220,44	7813,22	5217,81
Mstów	341,25	204,83	2512,36	10980,83	14891,62	12373,78
Mykanów	714,21	369,71	1235,1	16410,13	17097,20	19310,86
Olsztyn	653,89	614,25	2168	8698,67	9598,17	10359,87
Poczesna	200,37	102,74	802,27	10392,07	12702,89	20417,44
Przyrów	56,45	690,79	345,52	3697,71	3470,12	4378,77
Rędziny	170,02	237,74	257,47	9338,76	10314,62	11126,41
Starcza	154,14	237,46	198,15	2187,61	2473,78	2784,75

Resources: author's own study based on: [1]

**Table 2** Structure and dynamics of budgetary revenues and expenditures incurred by 16 gminas of Częstochowa powiat in 2009-2011

Specification	Share of budgetary revenues on education in total budgetary revenues (in %)			Share of budgetary expenditures on education in total budgetary expenditures (in %)		
	2009	2010	2011	2009	2010	2011
Blachownia	1,51	1,67	1,68	34,24	33,74	28,49
Dąbrowa Zielona	1,35	14,18	4,57	39,72	46,93	24,82
Janów	1,74	1,44	2,06	41,14	33,79	39,18
Kamienica Polska	0,31	0,22	1,44	29,80	35,59	32,72
Kłomnice	1,14	0,83	2,53	44,90	38,36	37,80
Koniecpol	1,17	10,91	1,87	39,04	40,76	30,64
Konopiska	1,89	1,01	2,08	38,62	26,69	31,52
Kruszyna	0,91	1,61	4,51	38,54	31,29	34,85
Lelów	15,55	14,12	0,83	50,05	51,04	27,56
Mstów	1,40	0,76	8,31	39,44	41,65	44,50
Mykanów	2,10	1,06	3,49	43,95	42,46	55,69
Olsztyn	3,30	2,29	8,77	40,74	28,85	37,54
Poczesna	0,74	0,30	1,99	37,72	34,43	45,82
Przyrów	0,56	7,06	3,22	36,03	30,53	36,20
Rędziny	0,63	0,83	1,06	34,82	32,20	43,57
Starcza	2,40	3,48	2,58	32,65	32,69	35,04
Specification	Dynamics of budgetary revenues on education (in %, previous year=100)			Dynamics of budgetary expenditures on education (in %, previous year=100)		
Blachownia	66,91	118,54	121,99	108,36	106,11	100,36
Dąbrowa Zielona	80,91	1006,03	51,66	137,66	92,03	109,31
Janów	47,54	97,40	141,85	130,16	90,01	102,01
Kamienica Polska	35,46	71,57	774,61	106,33	109,84	110,49
Kłomnice	178,60	83,10	353,19	122,75	123,03	89,32
Koniecpol	106,60	1166,96	17,75	112,06	119,17	90,82
Konopiska	127,07	72,14	209,20	108,65	106,96	104,09
Kruszyna	114,78	206,99	310,37	114,02	110,82	108,16
Lelów	2271,57	85,77	8,22	172,55	108,21	66,78
Mstów	60,59	60,02	1226,56	117,93	135,61	83,09
Mykanów	88,55	51,77	334,07	114,78	104,19	112,95
Olsztyn	141,00	93,94	352,95	111,44	110,34	107,94
Poczesna	49,76	51,27	780,88	100,95	122,24	160,73
Przyrów	40,59	1223,76	50,02	95,60	93,84	126,19
Rędziny	71,02	139,84	108,30	102,99	110,45	107,87
Starcza	191,96	154,06	83,44	114,82	113,08	112,57

Resources: author's own study based on: [1]

Due to the fact, that appropriate education development has fundamental influence on socio-cultural progression of citizens and then local economic growth, local self-government units are obliged to quest new way of funding assumptive tasks which next to financial independence comprise essential source of realized gmina's policy.

For comparison, Table 2 contains share of budgetary revenues and expenditures on education and dynamics of budgetary revenues and expenditures on education in 2009-2011.

Turning to the analysis of Table 2, share of budgetary revenues in total budgetary revenues in almost all cases in every of analyzed years places on even level i.e. between 1% and 4%, where the expectations to rule affect values of about 14-15%, for Lelów gmina in 2009-2010 and about 8,31% in 2011 in regards to Mstów and Olsztyn which results from increase of revenues of general subsidy for local self-government units of which for educational tasks. From dynamics of this transfer point of view, take place significant escalation budgetary revenues on education, which eventuates from needs progression in the context of education. For example, in some cases this situation expresses growth of 2171, 1126 or 1066 percentage point. In contrast to structure of budgetary revenues on education

which are unclearly arranged, share of budgetary expenditures on education in total budgetary expenditures in 2009-2011 focus on similar values between 30-50%. This interpretation brings that in each case, at least 1/3 of budgetary expenditures comprises budgetary expenditures on education, what decides about essence of this problematic. Absence of chaos defines it as rule at the region scale. Absence of chaos is noticeable also in the issue of growth rate of budgetary expenditures on education, where practically all units characterizes progression, from 1 to 60 percentage point. Merely in several entities, is perceptible drop.

#### 4. CONCLUSION

The issue of social service comprises priority of functioning all units, defined as part of public sector. This sector in turn, on the grounds of complexity of realized activities and supported spheres is exposed to multitude and comprehensiveness challenges and problems in the area of management. The most dilemma of management system improvement affects absence of values scheme balance between fulfilled areas by these units, therein separated in the way of territorial disintegration aimed at ensuring public goods. Besides executives which are the most essential for local self-government units management,

toward which should occur change of management style expresses by management reform, important is also to keep in mind that public sector comprises also other spheres

which decide about economic growth at the local likewise regional level, therein for example education area.

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**Justyna ŁUKOMSKA-SZAREK, PhD**

**Marta WŁÓKA, MSc**

**Agnieszka MAJEWSKA, MSc**

Częstochowa University of Technology

Armii Krajowej 19B Avenue, 42-201 Częstochowa, Poland

e-mail: jlszarek@zim.pcz.pl, martibubu@o2.pl, agmaj@o2.pl