

What are the centralization factors for public services co-production? Reflections based on a Local Initiative and a Community Fund in Poland

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Introduction

The aim of the article is to determine the factors of centralization of public services co-production. The legal framework for selected two legal tools, functioning in Poland, will be analyzed, followed by the context of their introduction and the historical and social background. Next, the analysis of secondary data on the functioning of the tested tools will be analyzed in order to try to determine the effectiveness of both approaches. The results of the analysis of the legal regulations and their practice for research on other forms of co-production of public services and the improvement of their legal regulations. Therefore, it is important for practitioners in public administration, especially engaged in the provision of public services.

The author will present and analyze state law concerning the Local Initiative and regulations regarding Community in Fund.

1. 2. Local Initiative in Poland as an example of centralization of legal framework

1.1. Legal framework

Local Initiative is a form of co-production of local public services introduced by national legislation in Poland, in 2010. Local Initiative focuses mainly on small projects aiming at maintenance or upgrading the local infrastructure, e.g. parks, playgrounds or leisure facilities. According to the legislation, the citizens' input may have the form of labour, providing raw materials or financial contribution. The procedure for establishing the cooperation requires an application from the group of interested residents to be submitted to the local government. Local government considers application and, in case of acceptance, concludes an agreement with the applicants for implementation of the projects. This agreement specifies scope of the projects and contributions of both parties.

The Local Initiative stipulated in the title is a legal institution governed by Chapter 2a of the Act on Public Benefit and Voluntary Service, where residents of a local self-government, directly or through other public benefit entities, may submit a request for a public task and – once the request has been granted – participate in the task implementation.

In accordance with state law, under the Local Initiative, residents of a local self-government unit directly, or through NGOs or other entities carrying out public benefit activities, may submit a request for a public task to a local self-government unit in which they are resident or established.

The Act defines the scope of tasks that can be implemented as part of a Local Initiative:

- 1) activities supporting the development of communities and local communities, including in particular the construction, extension or renovation of roads, sewage and water supply networks (owned by local government units), as well as buildings and landscaping structures;
- 2) charitable activity, activity in the area of maintaining and disseminating national tradition, nurturing Polishness and development of national, civic and cultural consciousness; activities for national and ethnic minorities and the regional language, culture, art, protection of cultural goods and national heritage; activity in the field of volunteering promotion and organization,
- 3) activities in the field of science, higher education, education, education and upbringing,
- 4) activities in the sphere of supporting and disseminating physical culture, tourism and sightseeing,
- 5) activities in the field of nature protection, including greenery in cities and villages (ecology and animal protection, and protection of natural heritage),
- 6) activities in the field of public order and safety,
- 7) activity in the field of revitalization.

Importantly, state law specifies that the application for the implementation of a Local Initiative is an application within the meaning of the Code of Administrative Procedure. This means that the Code specifies the requirements of this application, and local law, it is lower-level law, can not regulate this issue in a different manner and should stop at all from adopting provisions on this already regulated issue.

The council of local self-government defines the procedure and detailed criteria for the assessment of applications for the implementation of a public task within the framework of a Local Initiative. The detailed assessment criteria should take into account, above all, the contribution of social work to the implementation of the Local Initiative. However, in accordance with the Act, the executive body of the local self-government unit, when assessing the application, takes into account detailed criteria for the evaluation of the application and its purpose in terms of the needs of the local community.

The statutory law stipulates that after the local authorities take into account the application for the implementation of a public task as part of a Local Initiative, the executive body of the local self-government unit concludes for a definite period an agreement for the implementation of a Local Initiative with the applicant. The executive body together with the applicant develops the documents necessary to conduct the Local Initiative, including the schedule and cost estimate.

This contract specifies the responsibilities of both parties - on the social side and on the side of local self-government authorities. The law also stipulates that the applicant's obligation may consist in the provision of social work, cash or in-kind benefits. In addition, the applicant may receive from the local government unit for the duration of the contract the things necessary to carry out the Local Initiative.

Although the Local Initiative has been functioning in the Polish legal system since 2010, the results of comprehensive research on the functioning of this instrument have not been presented in the literature so far, neither have the results of the evaluation of the functioning of existing regulations. Legal science deals with the Local Initiative only incidentally, and the publications issued have been of a contributory nature at most (Szalewska 2014; Rzeczkowska 2016), whereas the publications and materials prepared by NGOs are of an orderly or popular science nature (*per exemplum* Mojkowski 2016; *Zachodniopomorskie samorządy z inicjatywą lokalną. Praktyczny przewodnik tworzenia uchwał i realizacji zadań publicznych w trybie inicjatywy lokalnej* [Local self-governments from the West Pomeranian Voivodeship with a Local Initiative. A practical guide to creating resolutions and implementing public tasks in the Local Initiative mode], published by Fundacja ROESF, Koszalin 2017).

Providing public services on the basis of partnership, non-commercial cooperation and combination of public administration resources and citizens (usually service recipients), acting individually or in formal or informal groups constitutes the essence of public service co-production (Sześciło 2015, p. 84-85). It is related to the view that the state can not effectively perform its tasks without involving the citizens interested (Pestoff 2006, p. 509; Ostrom 1996, p. 1073). The idea of co-production arose from the discussion of the optimal public service model which uses the synergy between public authorities and citizens (Pestoff 2012, p. 1103; Needham 2008, p. 223). Co-production is the result of a search for an approach to public services based on the review of two previously dominant attitudes, namely, state control (in which the state has the monopoly on performing public tasks through its own authorities, institutions, etc.) and market (assuming public service delivery marketization).

While general principles of the Local Initiative are set by national legislation, the local governments enjoy extensive autonomy in regulating detailed elements of initiative through local legislation. While Local Initiative was introduced to the legislation in 2010, the history of this model of partnership is much longer. It was particularly interesting to discover that the current legislative model of the Local Initiative is largely based on regulation adopted in 1961 for community work. The idea of voluntary community work played very important role in socialist propaganda as an act strengthening the social legitimacy of the socialist regime and demonstrating citizens' commitment to building new state and new society. According to the 1961 Regulation of the Council of Ministers on community work and state's support for organization and realization of community work, the community work was defined as voluntary activity of local population – based on their financial contribution, in-kind contribution or voluntary (unpaid) work –leading to execution of some tasks relating primarily to upgrading the public infrastructure and other facilities available for public use.

This model involved also financial and material support from the state authorities. However, the role of state's support was subsidiary – state's resources could be released only if the citizens' resources were not sufficient to implement the initiative despite “maximum mobilization of the population's own resources”. This principle seems to be the only significant difference, in terms of legal regulation, between community work in socialist times and current Local Initiative. Other aspects of the initiatives (scope, types of contributions from the community) are regulated in practically the same manner. The real difference between socialist

community work and modern Local Initiative lies in practice rather than regulatory framework. Community work was voluntary, but only nominally. In practice, it was crucial element of the state propaganda and informal pressure on citizens to participate in community work, as well as top-down steering and supervision over community work, completely undermined the formally voluntary character of this tool and compromised the whole idea of civic engagement in community work.

The experience with community work under socialist regime provides some important observations about the nature of co-production and defining elements of co-production. We can learn from this experience that co-production cannot be perceived as technical operation of mixing up public and private resources to deliver some public value and improve the quality of life of the community. It is crucial to ensure that co-production results from genuinely voluntary citizens' engagement. The only form of 'coercion' might be intrinsic compulsion stemming from voluntary ethos, not from pressure of state authorities (Petukiene 2010). The voluntary nature of co-production has been already underlined in academic discourse (see e.g.: Pestoff 2006; Alford 2011). However, this case illustrates the degrading effects of forced co-production. Due to its coercive nature and abusing it for propaganda purposes, it effectively undermined the idea of community engagement and made it extremely difficult to restore the citizens' trust in similar arrangements.

The 1961 Regulation of the Council of Ministers on community work and state's support for organization and realization of community work has never been formally repealed. However, as one the symbols of socialist regime, it completely lost its normative value and remained in the legal system as dead letter. For two decades following the fall of socialist regime, no special regulation for similar form of co-production has been adopted. However, at the local level some bottom-up initiatives began to emerge. As the local self-government was restored in 1990 and equipped with contractual capacity (as legal persons independent from the state), new opportunities for cooperation have been created.

In legal terms, the mechanism of potential cooperation was very simple. The citizens entered into contract with local self-government unit (commune) that regulated implementation of joint project. These agreements in many cases related to small infrastructure projects, primarily construction of upgrading the local roads or walking areas. Standard model of cooperation was based on 50/50 principle, i.e. project was financed by equal contributions from the interested group of citizens and local self-government. However, the dominant arrangement did not involve direct participation of citizens in project implementation. Construction works were usually conducted by the contractors employed by the local self-government, according to the public procurement rules. In that sense, co-production was usually limited to co-funding of public infrastructure projects. Introduction of Local Initiative in 2010 does not eliminate this form of partnership. Arrangements based on contractual capacity of local self-government remain available, especially for the projects where Local Initiative does not apply due to legislative restrictions.

1.2. Historical perspective

Karl Marx created a utopian version of society in which society is not divided into classes, no one owns anything, but everyone owns a collective, collective property. Marx's vision was also

based on the assumption that everyone transfers to the community the good according to his abilities, and he receives it according to his needs. It was associated with the recognition that people will work voluntarily - in the sense that they do not contribute to their own needs, but the needs of the community. The thought of Karl Marx inspired the leaders of communism. The conceptualization of Marx's thought was the adoption of a transitional phase in which the state was to make citizens citizens of the state and do their work (for the benefit of the community) in accordance with their abilities. The role of the state was to be the education of appropriate foundations and practices, and the conceptualization of this practice was subbotnik (Sundstrom, Beaumaster, 2016). You can meet with the definition of this legal institution as "mandatory participation in employee volunteering" (mandated voluntary labor participation).

The social act is a reflection of the Soviet institution, called the subbotnik (from the word Sufubeta [subbotah], which means "Saturday") or the voskresnik (from the word "voskresenye", which means "Sunday"). Using these concepts, days of unpaid work were determined. The first subbot was held in the Soviet Union by the forces of 15 employees of the Moscow railway, it involved the repair of three steam locomotives outside working hours (on Saturday), without remuneration for the work provided. It took place on 12 April 1919 and was a response to the needs reported by the party (Zemtsov 2001). Locomotives were needed to transport people and equipment to the front where the Red Army fought. Lenin saw in the subbotnik proof of the commitment of the working class to the slogans of communism. For this reason, the subbotom became a permanent element of the Soviet reality. The first large-scale subbot took place on May 10, 1919 on the Moscow-Kazan railway route. 205 participants took part in it. In the subbotniks (Chase 1989), Lenin saw the manifestation of victory over capitalist habits, the beginning of patriotic movements, and in the subbotniks of social work - the main form of work and an important element of the socialist economy (Sundstrom, Beaumaster).

In the text titled *Work in a Revolutionary Way. And Communist Saturday*, you can read about the fact that due to labor shortage and labor productivity, locomotives were urgently commissioned and repaired, which was taken up by railway employees, performing activities outside of work and without remuneration. The value of work was valued at five million rubles, taking the normal salary, because the remuneration for working overtime would be by half higher. It was pointed out that subbots must be more often and better organized, including by the Soviet authorities.

From 1979, subbotniki and voskresniki were carried out on the basis of a resolution of the Council of Ministers. They were organized on the occasion of Christmas, including on the occasion of Lenin's birthday, or as part of the jubilee of the first subbotnik. The shares were also carried out at workplaces to catch up on the implementation of the plans.

Subbotniki and voskresniki were implemented in various distinct forms in the countries of the Soviet Union. In Poland, the subbotnik was implemented due to a social act.

In the Federal Republic of Germany you can meet with shares Initiative Z - Zeit und Herz. (time and heart). They are organized by the Aktion Mensch association. The action consisted in supporting volunteers of families consisting of children in infancy or school age who have no relatives or friends nearby. However, the Initiative Z - Zeit und Herz is not a continuation or incarnation of a subbotnik or voskresnik, but a manifestation of the activity of a non-

governmental organization, which name refers to a tool functioning in the countries of the Soviet bloc.

Initiative Z functioned in Czechoslovakia (in Czech: Akce Z from the word zvelebování, which means "improvement" or "improvement"). As part of Akce Z, pavements and roads were cleaned or repaired, sports fields in local communities, which took the form of unpaid work. It was otherwise described as *Pracovní sobota*.

The reason for the public authorities using public participation was the lack of public resources.

Despite the fact that in 1989 the political system changed in Poland (including the repeal of legal acts concerning a social act), the tradition of a social act was still present. It manifested itself in:

- regulations in the statutes of auxiliary units for a social act
- programs of organization and financing of investments with the participation of population funds (regulations of these programs were introduced by resolutions of the commune council)
- civil law agreements between residents and city authorities, which were negotiated each time.

In the 1990s, the so-called social acts mainly consisted in supporting public authorities when they were unable to perform their tasks (regarding public infrastructure) due to lack of money. It was a difficult time for the Polish economy.

The draft amendment act shows that the purpose of introducing a Local Initiative institution into Polish law was to create a legal framework for social involvement by persons who until now had not simple and friendly tools to do so. In turn, the analysis of the course of legislative work, especially the analysis of recordings of the subcommittee, shows the reason for seeking new legal forms. They were connected with functioning in practice, but causing practical and legal doubt, contact between public authorities and informal groups. The problems that arose were at all doubts about the possibility of concluding civil law contracts for the implementation of the so-called Local Initiatives (the "Warsaw" argument), as well as the freedom of public authorities in choosing these and not other contractors. The analysis of legislative work proves that the institution of the Local Initiative introduced to Chapter 2a of the Act was supposed, on the one hand, to confirm the ability of local authorities to conclude civil law agreements regarding the implementation of joint ventures. On the other hand, the newly established legal institution aimed to standardize the functioning of this tool, including the introduction of a general framework for the selection of projects to be implemented, which would limit the arbitrariness of the bodies of public authorities.

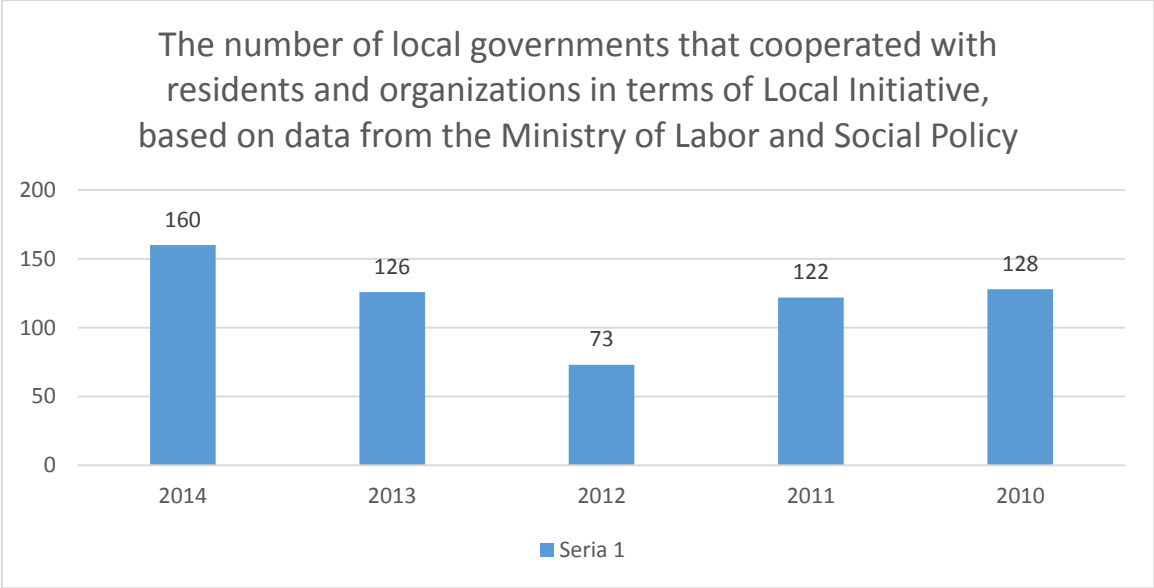
1.3. Analysis of the effectiveness of legal regulation of Local Initiative

The latest analysis regarding the functioning of the Local Initiative was presented by the Supreme Audit Office. They are based on the results of questionnaires from 434 municipalities (questionnaires were sent to 600 randomly selected municipalities, 11.5% of communes declared their own tasks in the form of a Local Initiative in 2015-2017 declared by 50

municipalities (11.5%), and the remaining 384 municipalities (88.5%) did not use this form of cooperation with residents.

The analysis prepared by the Polish non-governmental organization estimates that 23% of local governments have adopted local law regarding Local Initiative, which is required by state legislation (Mojkowski 2015).

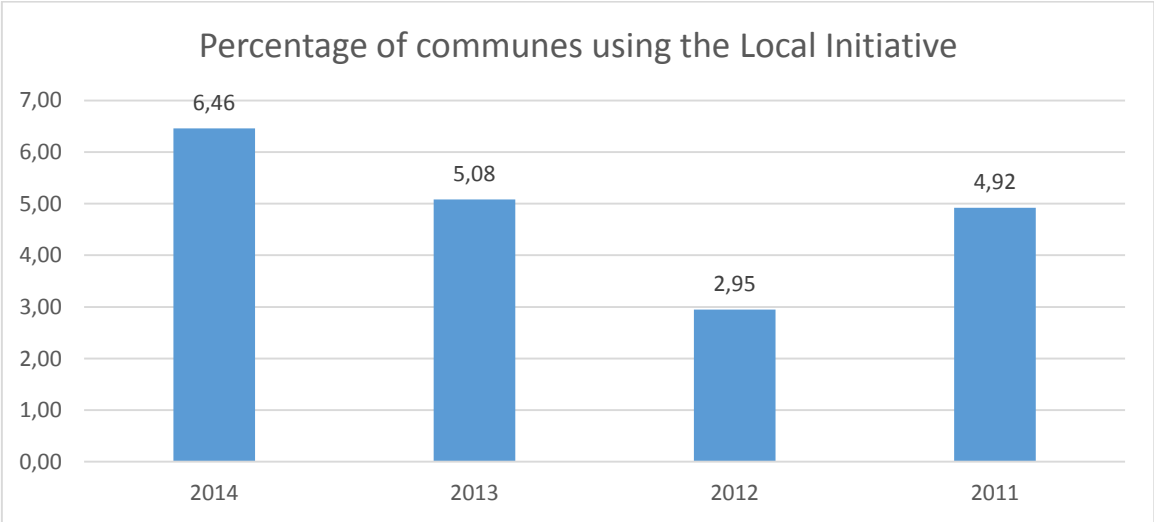
Figure 1. The number of local governments that cooperated with residents and organizations in terms of Local Initiative, based on data from the Ministry of Labor and Social Policy



Source: Kraszewski, Zielińska (2018).

This information, imposed on the total number of communes in Poland, is presented as a percentage.

Table 2. Percentage of municipalities that cooperated with residents and organizations in terms of Local Initiative



The data show that although the conduct of a Local Initiative is the responsibility of local authorities, it is used sporadically. Local laws are more often adopted regarding a Local Initiative, although this does not mean that the tool is being used.

2. 1. Community fund in Poland as an example of top-down legislation

Participatory budgeting arrived to Poland only few years ago, yet it evolved rapidly into one of the most popular innovations in local governance. It has developed in two, parallel forms: 1) as bottom-up initiative promoted by civil society groups that managed to disseminate this concept among local authorities; and 2) as uniform, country-wide model established by national legislation. In 2018, from the new term of local self-government, come in force new legislation of PB in municipalities. PB will be mandatory in large local government units.

Top down, legislative model of PB in the form of community fund has been adopted in February 2009 with the effect to local budgets for 2010. Law on the Community Fund has limited scope of application. Community funds might be introduced only in rural or urban-rural communes that created special auxiliary units for rural areas, called communities or villages (*sołectwa*). Communities does not enjoy any formal autonomy from communal authorities and do not have their own budgets and functions to be performed independently. They have no capacity to get into contractual relations. Decision on establishment of communities and specifying scope of their tasks is under exclusive competence of communal council. Typical functions delegated to communities includes organization of cultural or sports events, local roads improvement or flood protection. Traditionally, the elected representatives of communities supported communal administration in collecting local taxes (Kulesza and Sześciło, 2012). Currently, there are over 40,000 of communities in 2173 rural and urban-rural communes (Central Statistical Office of Poland, 2015).

Communities are managed according to the bylaws adopted by communal councils, yet the national legislation established community gathering of all residents as decision-making body for community and community mayor (*sołtys*) as executive organ appointed by the gathering. Hence, communities might be perceived as a form of traditional direct democracy. It is feasible thanks to the size and population of communities that predominantly cover single village area.

Taking into account the formal status of community, community fund cannot be regarded as separate budget of this unit (Paczocha, 2009; Augustyniak, 2010). Extracting community fund from the communal budget is not mandatory. However, if the communal council once decided on establishing the fund for a given year, this decision remains valid also for subsequent years, until it is repealed by special resolution of the council. On the other hand, the resolution on the non-separation of the community fund may cover only one year. This means that in the next year local authorities will have to reconsider the creation of the community fund. This contributes to greater stability of this arrangement and minimizes the risk of its abandoning.

If the community was created, it must be implemented in accordance with the standards and procedures specified in the Law on the Community Fund. First of all, the minimal amount of the fund needs to be calculated according to statutory formula. This amount might be increased by the communal council. This formula takes into account two variables relating to population

and income capacity of the commune: 1) number of residents of each community; and 2) communal budget income per capita.

Although community fund is covered entirely from communal budget, the Law on the Community Fund contains partial refund scheme addressed to the communes. They are entitled to receive from the state budget reimbursement of up to 40% of their expenditure on the community fund. The highest refund might be granted to the communes with the budget income per capita below the national average. This mechanism plays crucial role in incentivizing communes to introduction of the community fund.

The decision-making process on distribution of already calculated amount of community fund is set out in the Law on the Community Fund. It includes four main stages described below.

Figure 3. Management of the community fund.

APPLICATION

- Community gathering, open to all residents of the community, adopts the list of the projects to be implemented within the community fund. The projects need to be compatible with the scope of communal tasks and contribute to improving the quality of life of residents
- The application should describe each project, explain their rationale and estimate their costs. Estimation of total costs of all projects cannot exceed the amount established by the communal council as community fund for a given community
- Full list of projects adopted by the community gathering is submitted to the mayor of the commune

REVIEW

- The mayor may reject the application solely on formal grounds, e.g. incomplete or adopted with procedural errors
- In case of rejection, the community mayor may uphold the resolution of the gathering and submit it directly to the communal council
- Alternatively, the community gathering may rectify its resolution and resubmit it to the mayor

DECISION

- The mayor includes the projects submitted by the communities into communal budget proposal
- Communal council, while considering budgetary proposal, has to accept the communities' application
- The application might be rejected by the communal council only in case of incompatibility with the local development strategy, does not fit into

catalogue of communal tasks or does not contribute to improving the quality of life of the residents

IMPLEMENTATION

- The projects are implemented as typical communal initiatives (investments), i.e. by the communal administrative apparatus. No funds are transferred directly to the community and community representatives does not have direct competences in the process of projects' implementation
 - There are no legislative guarantees of community's participation in projects' implementation or evaluation
 - However, during the budgetary year the community gathering may apply for modifications and alterations of the list of projects or detailed content of each project
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Source: Based on 2014 Law on the Community Fund. Sześciło, Wilk (2018).

2.2. Functioning of Community Fund in Poland

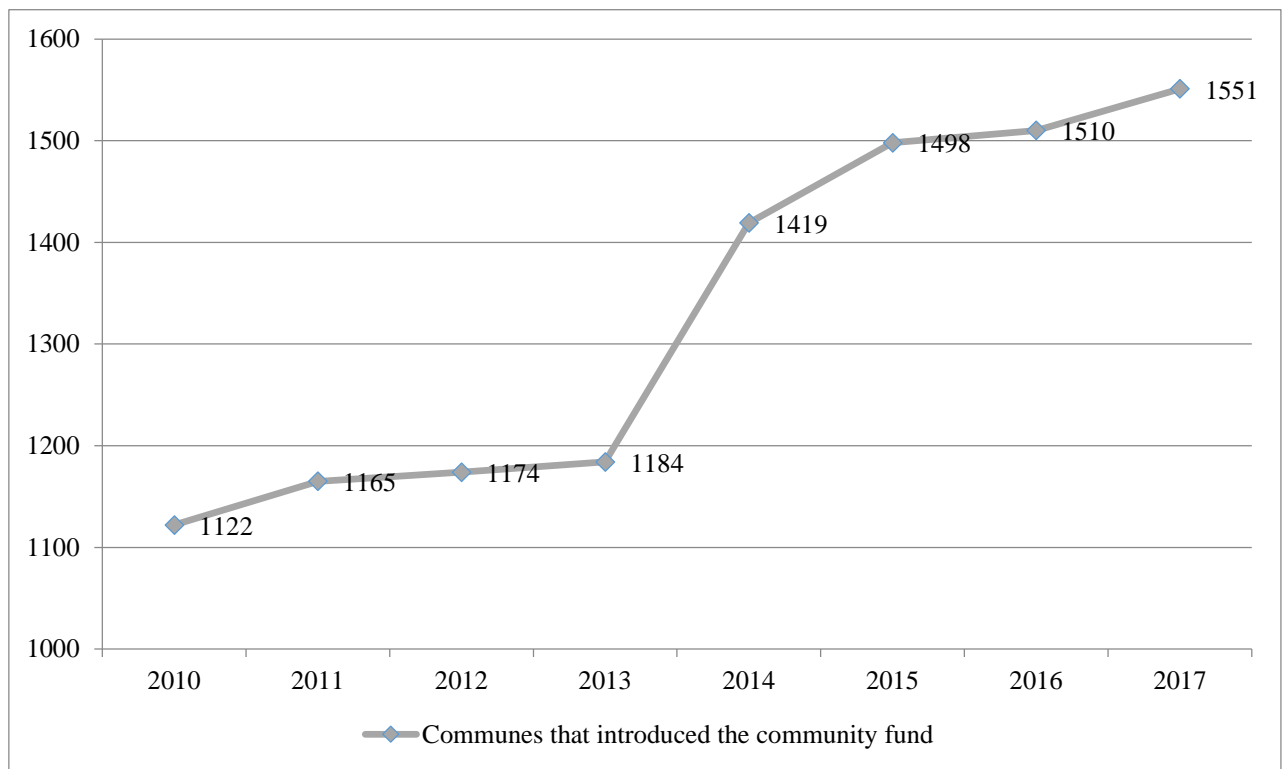
Introducing PB as top down initiative, driven by national legislation was a risky endeavor, taking into account the dominant approach to PB as locally, bottom up instigated governance innovation. The main question is, therefore, if the local communities approved and absorbed this uniform and regulated in detail scheme. Considering the key elements of the model set by the Law on the Community Fund, the following indicators might be used in order to assess the reception of the community fund at the local level:

- The number (share) of communes that adopted the community fund;
- The total expenditure on the community fund that was realized (not only planned).

Data for this research has been provided by the Ministry of Public Administration, Council of Ministers of the Republic of Poland, Central Statistical Office of Poland, National Community Mayors' Association and Watchdog Polska (non-governmental organization monitoring the implementation of community funds across the country).

The number (share) of communes that - via resolutions of communal councils - decided to introduce community fund is the main indicator of the reception of this mechanism among local communities. As the decision in this matter is absolutely voluntary, this indicator explicitly reflects the level of acceptance and legitimacy of top down PB in the form of community fund. The figure below illustrates the dissemination of community fund among rural and urban rural communes since the introduction of this mechanism in the local budgets for 2010.

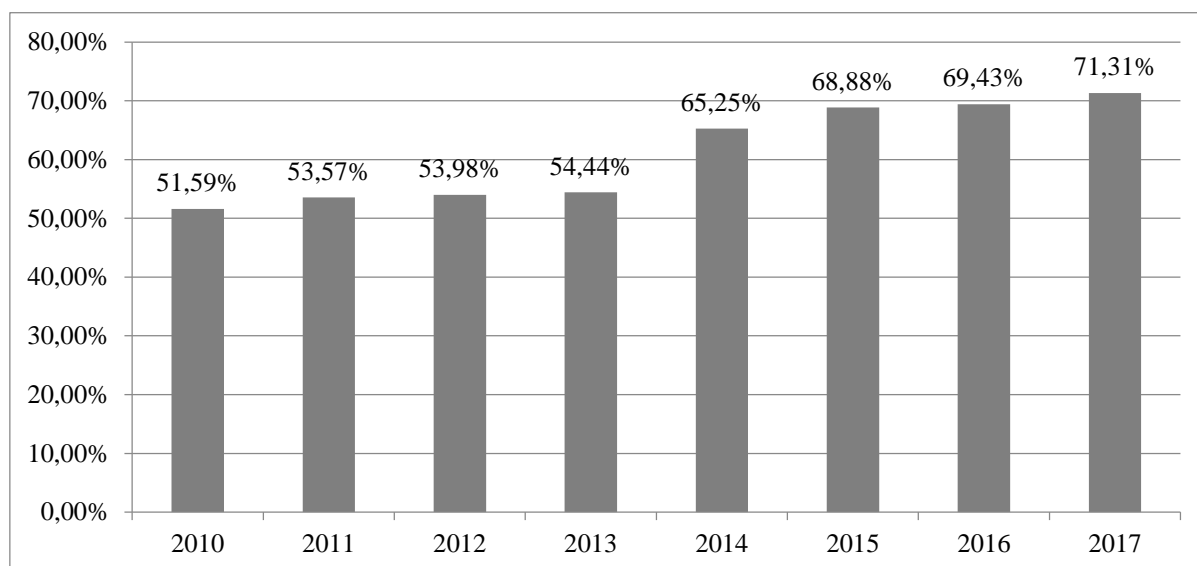
Figure 4. The number of communes that introduced the community fund (total number of rural and urban-rural communes: 2173)



Source: Ministry of the Interior and Administration 2018, <http://administracja.mswia.gov.pl/adm/fundusz-solecki/statystyka/10370,Fundusz-solecki-w-liczbach.html>, Sześciło, Wilk (2018)

Broad dissemination the community fund over the years is evident. In 2015 it functioned in 64% of the communes, and in 2017 - 71,31%. Rapid expansion of this instrument occurred in 2014 when the new Law on the Community Fund entered into force, providing some technical arrangements facilitating implementation and management of the funds (For instance, the available refund from central budget was increased and joint applications from more communities were allowed). Six years' experience is long enough to conclude that the community fund gained stable and noticeable position in the local landscape of Poland. In terms of number (share) of communes that implemented PB, community fund appeared to be much more popular than urban PB adopted according to rules and procedures set out entirely by local government. Community fund was not rejected as a formula contradictory to the idea of local governments' autonomy and inconsistent with the global trends in PB's development. Top down, essentially bureaucratic approach has been approved the majority of the local government and the level of acceptance remained high over the years.

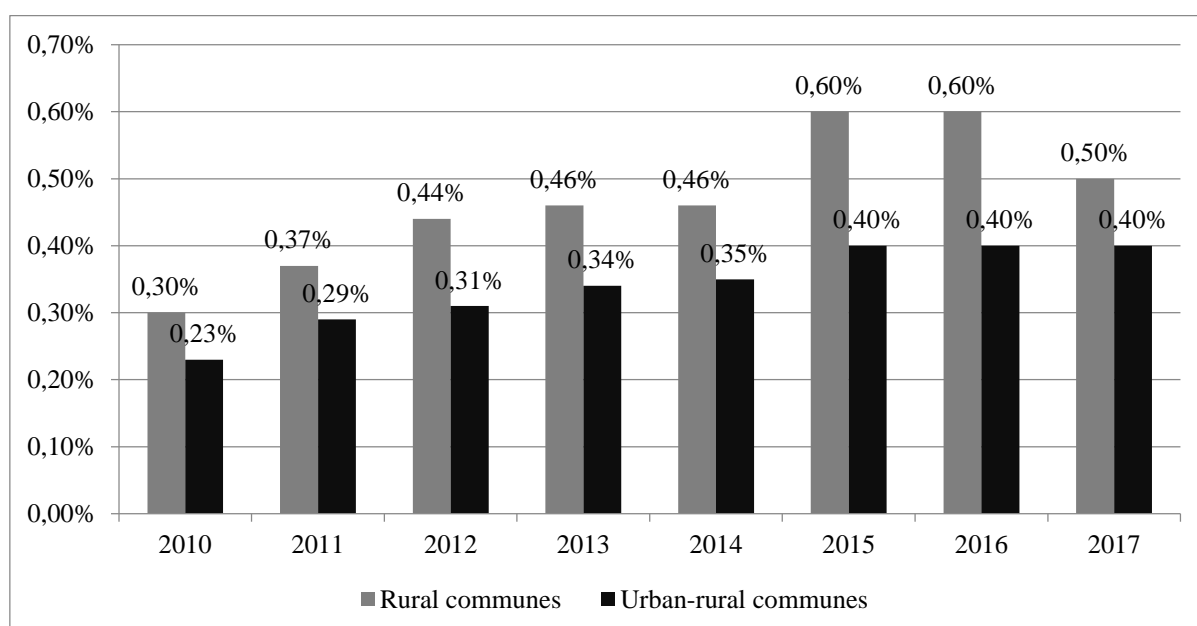
Figure 5. Share of communes in which the community fund was established, to the number of all communes in which there are auxiliary units for rural areas (*solectwa*)



Source: Reply of the deputy Minister of the Interior and Administration to interpellation No. 24306 on the scope of dissemination of the community fund; Sześciło, Wilk (2018).

What is more, the total share of community fund in the budgets of rural and urban-rural communes increases faster than the number of communes using this mechanism (figure 3). While the number of communes applying community fund increased by 4% between 2010 and 2014, the share of budgets allocated to the community fund grew by 53% in case of rural communes and by 52% in case of urban-rural communes. This means that increasing number of communes decided to set allocations for community funds above statutory minimum. However, there are no comprehensive statistics on the share of communes, where the extra allocation has been provided.

Figure 6. Share of budgets of rural and urban-rural communes allocated to the community fund.



Source: Council of Ministers of the Republic of Poland, 2015, 2016, 2017, 2018, Central Statistical Office of Poland, 2014; Sześciło, Wilk (2018).

This effect cannot be linked only with the financial incentive for community fund's implementation. Firstly, the refund scheme activates *ex post*. This means for the municipality that the refund will take place in the next budget year in relation to the year in which the expenditure was made.. Furthermore, the amount of available refund is strictly limited, as mentioned above. What are the other factors that contributed to high reception of the community fund among local governments? First of all, it is crucial to take into account the historical context. Law on the Community Fund did not introduce completely new instrument, yet institutionalize and developed the mechanism that has been already applied in some communes. It needs to be reminded, the Communal Government Act contained (and still contains) provisions enabling local governments to empower communities to manage specified share in communal budget (Trykozko, 2014). Detailed procedures for setting this share and disposing it should be established in the commune's bylaws. Traditionally, one of the most popular instruments adopted locally were so called "community deductions" - mechanism very similar to the community fund, i.e. based on authorizing the community to dispose the share of local budget calculated primarily with reference to community population. Sobiesiak-Penszko (2012) claim that the community fund has been introduced most extensively in the regions where the practice of community deductions or other similar instruments was most disseminated.

It is clear, therefore, why the Law on the Community Fund has been contested by the Polish Association of Rural Governments as limiting the communal autonomy (Swianiewicz, 2011). The introduction of uniform legislative model interfered with well established and developed locally practices. On the other hand, this law secures wide scope of autonomy for communal councils in determining key elements of community funds on their territory. What is essential, the communal councils are allowed not to introduce community fund in the formula imposed by the legislation and may continue to use their own scheme. Obviously, financial incentives made the legislative model of community fund more attractive, yet regulatory approach reflected in the Law on the Community Fund is relatively flexible and general. It focuses on setting minimum standards and protecting communities against arbitrary decisions of the communal councils or mayors. Communal councils are still authorized to make final decision on the allocation of funds to the communities and under circumstances that are broadly defined (see: figure 1) it may reject the community's proposal. The mayor has supervisory powers over the activities of community bodies and is entirely responsible for implementation of the projects selected by the communities.

Hence the communal autonomy is not undermined by the Law on the Community Fund. The major drawback of this law is rather lack of sufficient guarantees for empowerment of communities, primarily in the phase of projects implementation. The role of the communities ends up when the list of projects is submitted to the communal authorities. They are not provided with any rights to participate in the final decision-making and or realization of the projects. The same disadvantages have also introduced in 2018 PB and mentioned above regulation of PB, based on the mechanism of public consultations. As they do not enjoy judicial capacity, they cannot challenge in the administrative courts any decisions and actions

undertaken by the commune with regard to the community fund. They need to rely on, in this matter, central government's bodies performing supervision over local governments. Therefore, introduction of the community fund might be perceived as an important, yet cautious step towards communities' empowerment.

3. Conclusions. Towards factors for centralization and formalization phenomena of co-production

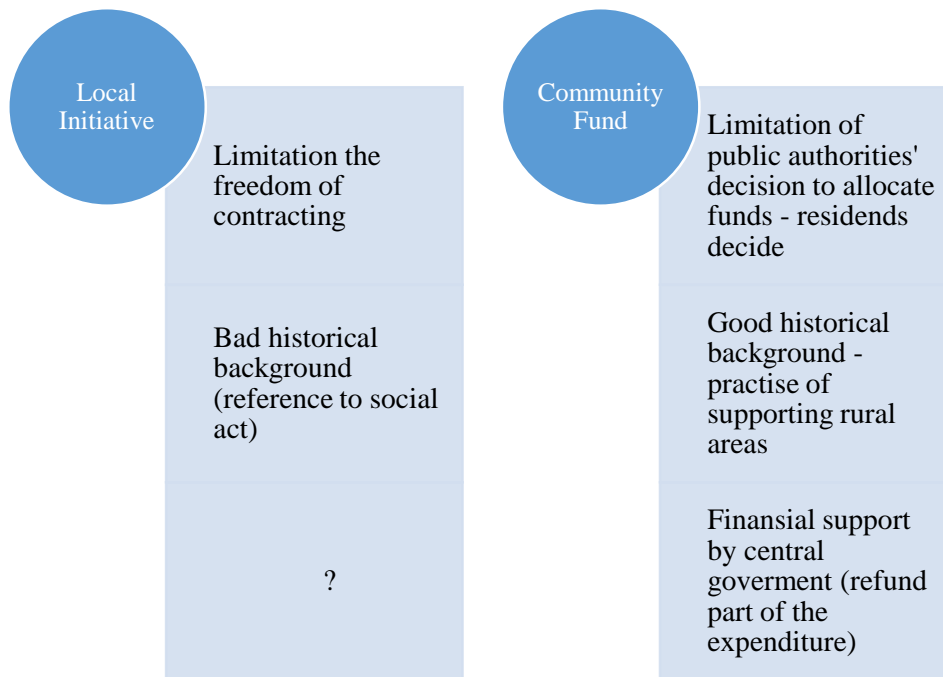
The analysis of two cases of co-productions, operating in Poland, prompts the following conclusions and hypotheses. Factors and reasons for centralizing co-productions can be:

- I. **Promoting coproduction** (case of Local Initiative: practical and legal doubt concerning contracting informal groups by public authorities). In Poland we have no information about practise before 2010, when came in force national legislation, so there is no possibility to evaluate the effectiveness of Local Initiative. In turn, case of community fund show increasing number of municipalities with rural areas using this instrument.
- II. **Limiting the freedom of contracting by public authorities.** The rationale in this case may be to protect other public values (equal access to services, fairness of contracting).
- III. **Implementation of public policies. An example is the community fund in Poland, whose aim was to support rural areas.**

Centralizing co-productions limits the freedom of local self-government, which can make these tools ineffectively used at the local level. For this reason, take a good look at the circumstances that may allow you to successfully centralize the coproduction - of course, when centralizing finds rational justification in the presented guidelines:

- I. **Financial support.** The central authority provides financial support in the implementation of co-productions (example of the community fund, municipalities may apply for reimbursement of expenses from the state budget, the poorer the municipality the greater the return).
- II. **Historical background.** In Poland, the factor supporting the development of the community fund may be the tradition of supporting rural areas by local authorities (in various forms, but always dependent on public authorities). In turn, the barrier of the Local Initiative may be for many people bad experiences and negative public perception of the initiative as a continuation of the social act from the times of Soviet domination.

The graph below presents the indicated conclusions with reference to the two co-production tools analyzed.



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