

MAIN DIRECTIONS OF REFORMS AND CULTURE FINANCING METHODS IN POLAND AFTER 1989

***Summary.** Processes of systemic and economic transformations in Poland that began in the eighties of the 20th century have also affected the public sector, including the cultural one.*

The cultural policy in Poland after 1989 has been influenced by intensifying processes of globalization and internationalization, which result in a faster merger of various cultures. The most significant reforms that have been implemented in the sector of culture in Poland since 1989 include privatization, decentralization of public administration and introduction of the rules of modern public management.

The purpose of this paper is to present key changes in the organization and financing of culture in Poland after 1989 and in the adaptation of the cultural policy in Poland to the objectives of cooperation within the European Union.

Keywords: culture, cultural policy, Multiannual State Financial Framework, Modern Public Management, performance budget

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***Анотація.** Процеси економічної та системної трансформації в Польщі, що розпочалися у 1980-тих роках, також зачепили державний сектор, включно із культурною сферою. Політика у сфері культури в Польщі після 1989-го року перебуває під впливом інтенсивних процесів глобалізації та інтернаціоналізації, що позначаються швидким взаємопроникненням різноманітних культур. До найважливіших реформ у сфері культури належать: приватизація, децентралізація системи управління та запровадження сучасного менеджменту.*

У статті представлено ключові зміни в організації та фінансуванні сфери культури в Польщі після 1989 р. та підходи до адаптації відповідної політики згідно із цілями європейської співпраці.

Ключові слова: культура, культурна політика, багаторічна програма державного фінансування, сучасний менеджмент громадського сектора

1. Introduction

The transformation processes in Poland and in other countries of the Central and Eastern Europe that date back to the eighties of the 20th century included both systemic and economic transformations. The systemic transformation is a sequence of changes occurring in various areas that lead to significant transformations in the entire social system. The economic transformation, on the other hand, is an element of the economic policy and it involves actions aimed at the creation of market conditions for the operation of business entities.

The systemic transformations initiated in Poland have enabled one to implement changes in sectors connected with culture, and to create conditions for setting new directions of the cultural policy. The purpose of the implemented reforms was to preserve the national, regional and local cultures in the new economic and social conditions³⁸. The above described new challenges required both development of a strategy of operations in the scope of socio-economic policy and determination of directions of cultural policy in the short, medium and long term. It involves planning of long-term systemic solutions that require cooperation of relevant ministers, including ministers of finance and culture, local government units and non-governmental organizations. This cooperation should relate to the process of planning, implementation and financing of culture development programs. The scope of duties and responsibilities of particular decision-making units should be taken into account in the process of preparation of relevant strategic plans, and currently in the public management strategies.

Cultural policy in Poland after 1989 has been affected by intensifying processes of globalization and internationalization, which result in a faster merger of various cultures. Modern convergence processes have contributed to a growing interest in the economic determinants of culture and impact of culture on the economic growth and competitiveness of the regions. Various analyses of the role and place of culture in the national economy place an increasing emphasis on the significance of culture to the entire economy. The impact of culture on the human behaviour (including the economic one³⁹, the purpose of which is to ensure welfare) is also worth noting⁴⁰.

The broader than ever before understanding of culture⁴¹, and particularly its economic nature, has become a basis for conducting research focused on the economic aspects of culture regarded as the sector of economy. In accordance with this concept, culture is one of elements of the public sector and it is subject to general economic rules, with a limited role of the market mechanisms.

Limitation of the market mechanisms in the sector of culture as well as duality of values attributed to all products of culture are the reason for which the public authorities should determine who they are going to represent and in whose interest they are going to fulfil their functions while undertaking decisions on the access to the above mentioned cultural goods. They should also decide what criteria of allocation of this type of cultural goods are to be accepted. Consequently, a proper production of goods and services and their distribution requires an efficient state apparatus and a properly functioning public finance system⁴².

Successive reforms of the public sector (including the sector of culture) don't refer only to changes occurring in the area of economic research, but they also relate to changes in the public management, currently defined as *New Public Management*⁴³. This new approach is characterised by comprehensiveness of decisions, orientation

³⁸ <http://www.krzysztoftyszkiewicz.pl>, (27.03.2013).

³⁹ Barker Ch. (2005), *Studia kulturowe. Teoria i praktyka*, Kraków, Wydawnictwo Uniwersytetu Jagiellońskiego s.XIX.

⁴⁰ Cochrane Ph., (2006), *Exploring cultural capital and its importance in sustainable development*, ELSEVIER, "Ecological Economics", no. 57, p. 323.

⁴¹ Suhecki A. M. (2012), *Naukowe rozumienie kultury jako zjawiska naukowo-ekonomicznego – przegląd koncepcji*, „Zeszyty Naukowe Ostrołęckiego Towarzystwa Naukowego”, no. XXVI, Ostrołęka, p. 297

⁴² Frączkiewicz-Wronka A. (2009), *Zarządzanie publiczne – elementy teorii i praktyki*, Katowice, Wydawnictwo Akademii Ekonomicznej in Katowice, Katowice, p.145.

⁴³ Lubińska T. (2009), *Nowe zarządzanie publiczne – skuteczność i efektywność*, Wydawnictwo Difin, Warszawa p. 9.

towards the future, focus on the results, rationality of the economic process and inclusion of the surroundings in the treatment of public entities⁴⁴.

New trends in the public management have resulted in treating the sector of culture in a way similar to other sectors of the economy, but with taking into account the specificity of this sector as a functional system.

Acceptance of this concept requires determination of strategic action lines, included in the state cultural policy⁴⁵. In the strategies accepted by the government, the attention was given to the necessity to separate culture from an instrumentally understood politics, and to apply a managerial approach towards the sector of culture. Creation of the functional system provides a basis for treating culture as a long-term economic investment that generates income and creates workplaces in various time periods.

In Poland, such aspirations are underlined in the National Plans of Development and National Strategies of Cultural Development, prepared for the coming years that form an organized and coherent structure, consistent with its particular elements⁴⁶. The above documents take into consideration changes in the directions and trends in the modern management of the state. Currently it is believed that one of the key and modern instruments that enables one to improve the state management system is the performance budget. The priorities, tasks, functions and funds designated for the implementation of tasks set out in the budget, display the scale of the state interventionism. Currently, the scope of the state intervention is determined by the process of deregulation and privatization.

Deregulation is a process that involves limiting the scope of involvement of the state in the regulation of the economy. Privatization, on the other hand, is aimed at transferring the business activities conducted by the state to the private sector⁴⁷. Intensification of the privatization processes in the transformed economies resulted in the adaptation of ideas, methods and techniques used in the private sector to the public sector.

Objectives formulated by economists that should be implemented by the public sector emphasize a significant role of the performance budget in the state management system. Introduction of the performance budgeting principle by the state enables one to determine the key tasks for achieving the set objectives and to use proper measures for assessing the level of their implementation and performance⁴⁸.

Trends in the organisation and financing of culture observed after 1989 are aimed at breaking the state monopoly through a gradual decentralization of public tasks in the culture and through the creation of conditions for the functioning of private institutions (with particular emphasis put on non-profit organizations) which may also be financed from the public funds.

The purpose of this paper is to present significant changes in the organization and financing of culture, which result from systemic and economic transformations implemented after 1989 as well as adaptation of the cultural policy of Poland to the principles of cooperation within the European Union. To explain the problem, this

⁴⁴ Szewczuk A., Ziolo M., (2008), *Zarys ekonomiki sektora publicznego*, Wydawnictwo Naukowe Uniwersytetu Szczecińskiego, Szczecin, p. 356.

⁴⁵ Suchecki A. M., (2007), *Ekonomiczne uwarunkowania sektora kultury*, „Problemy zarządzania”, no. 3/2007 (17), Wydział Zarządzania, Uniwersytet Warszawski, p. 63-65.

⁴⁶ Borowiecki R. (red.), (2005), *System regulacji w kulturze – finansowanie, zarządzanie, współdziałanie*, Oficyna Wydawnicza ABRYS, Kraków, p. 45.

⁴⁷ Stiglitz J. F., (2004), *Ekonomia sektora publicznego*, PWN, Warszawa, p. 19.

⁴⁸ Lubińska T. (2009), *Nowe zarządzanie publiczne...*, op. cit., p. 21-22.

paper describes the main assumptions of reforms aimed at developing the Polish culture and changing the methods of its financing, which means discontinuation of the financing based on traditional budget and implementation of the performance budget.

2. Main assumptions of the reform for development of the Polish culture

The assumptions of the National Strategies of Culture Development underline a highly significant role of the reform of the culture organization and financing in a new economic and social environment, with the preservation of national, regional and local cultures. Considering the new conditions, the successive governments undertake various actions to develop a new cultural policy that would be based on the following pillars:⁴⁹

- strengthening the autonomy of entities involved in the cultural activity through the extension of formal and legal possibilities of functioning of cultural public institutions, transformation of public institutions into foundations or companies, and development of long-term plans of financing of the cultural activity;
- introduction of new categorization of entities conducting activity in the public sector of culture. This proposal is aimed at reducing the number of state institutions and maintaining only the communal local government cultural institutions;
- changing the role of the Minister of Culture – the authority responsible for the development of the cultural policy of the country, from the management to the strategic one;
- changes in the financing of culture from the resources of local governments and indication of communes as the relevant level for the organization of cultural activity;
- leaving the decision-taking process related to targeted grants within the competence of all levels of local government;
- changes in methods of the co-financing of cultural projects and possibility of financing the projects by natural persons;
- multiple sources of culture financing, including a search for new solutions;
- attempt to allocate public resources to targeted grants awarded by the Ministry of Culture and appointment of authorities responsible for content-related decisions on the distribution of extra-budgetary public resources;
- adjustment of the status of monitoring the implementation of the cultural policy in Poland to the new socio-economic conditions;
- regular studies of culture and cultural industries, so that they can be included in the process of formulating new directions of the cultural policy of the state and of the local government authorities.

Considering system changes in the Polish economy implemented after 1989, the most significant for the cultural sector was the process of decentralization⁵⁰ in the years 1989 – 2001. The above process can be divided into four stages.

The first stage was implemented in the years 1989-1991. It was an initial stage of transformation, during which a privatization of the book and music market was carried out and a process of decentralization of public tasks in the field of culture was initiated. During the above period the majority of existing institutions responsible for disse-

⁴⁹ <http://www.kszyzstofytyszkiewicz.pl>, (27.03.2013), p. 5.

⁵⁰ As a result of decentralization, the territory of Poland was divided into the following public administration units (according to statistical data of the Central Statistical Office for 2008): 16 provinces (NUTS 2), 314 districts and 65 cities with district rights (NUTS 4), 2478 communes (NUTS 5).

mination of culture, such as libraries, community centres, care centres, clubs and some museums were taken over by the communes. The process of handing over the institutions responsible for dissemination of culture to the communes was not only a consequence of implementation of the policy of a new, democratic country, but it was also dictated by a poor economic situation.

The second stage implemented in the years 1991-1993 was an attempt to carry out a system reform of cultural institutions. The clear decentralization in the management of cultural institutions has been reflected in their new division, corresponding to the three organizational levels of the country. The first level refers to cultural institutions of great significance to the national culture, which are under direct care of the Ministry of Culture and Art, and which are financed by the mentioned Ministry. The second level refers to the institutions which are under the care of the state. These institutions are supervised and financed by provincial governors, with a clear support of the central-level governmental institutions. The third level refers to institutions subordinated to the local government, which are supported by the provincial level authorities. In 1991 the Act pertaining to the organization and conduct of cultural activity (Dz. U. /Journal of Laws/ of 1991 no 114, item 493) was adopted, which, with several amendments, still remains in force.

The third stage of decentralization in the field of culture occurred in the years 1993-1997. During this period no significant continuation of the process of decentralization in culture occurred. However, there were many gestures from the central government, the purpose of which was to emphasise the caring role of the state towards the cultural sphere.

The fourth stage of decentralization was commenced in 1997 and it lasted until 2001. In the above period the decentralization reform was completed. Self-government provinces, districts and communes appeared. The provincial government units became the organizers of majority of the state cultural institutions⁵¹.

The process of decentralization of public administration has resulted in changes in the role of particular public bodies in organizing and financing the cultural activity. Nevertheless, despite the above described changes, the role of the state bodies in this area is still significant. It results from the role assigned to the state bodies, serving as regulatory institutions in the scope of organizing and financing the cultural activity, or as direct organizers of cultural institutions.

The regulatory function of the state bodies is reflected in decisions of the parliament and government, constituting legal provisions relating to the cultural activity. The obligation to organize and conduct the cultural activity still lies within the competence of principal and central state administration bodies, and the main state administration body in the sector of culture is the competent Minister of Culture.

The scope of responsibilities of the minister includes: promoting event and entertainment activity, organizing and supporting art exhibitions, preserving the achievements of culture, museology, folk culture and handicraft. The minister is also responsible for issues related to cultural education, cultural exchange with other countries, support of the publishing sector, book fairs, libraries, reading, amateur artistic movements, regional and socio-cultural organizations and associations.

⁵¹ *Raport o stanie kultury*, (2009), Ministerstwo Kultury i Dziedzictwa Narodowego, Warszawa, p. 17-19.

The competent Minister of culture is also a direct organizer of cultural activity for state institutions of culture, i.e. the institutions which are particularly important for the development of national culture on the nationwide scale, such as the National Library in Warsaw, the National Philharmonic in Warsaw, Poznan and Cracow, the National Audiovisual Institution.

The years 1991-1998 witnessed significant changes in the circle of organizers. Apart from the competent Minister of culture, province governors and local government bodies also became involved in the organization and financing of the cultural activity in Poland. Province governors were authorised to organize the activity of the state institutions of culture, including provincial public libraries, art exhibition bureaus, philharmonics, operetta houses, theatres and museums. Until 1998 the state institutions of culture had been under the supervision of the province governors.

Since May 1990 the right to organize the cultural activity has also been awarded to the local government bodies. Pursuant to the Local Government Act of 1990, the local government was obliged to perform the public tasks, but above all, to meet the collective needs of the local community, including the cultural ones. The communes are still responsible for conducting obligatory cultural activities. Their tasks in the scope of culture involve dissemination of culture and popularization of communal libraries. Although the cultural activity has been classified as the community own task, the responsibilities of the local government in this scope have not been clearly defined. This poses a serious problem, since the shape of the cultural life of a particular community is determined to a large extent by the willingness and involvement of the local government and by the activeness and power of persuasion of the representatives of cultural circles in a given region⁵².

Since 1999 the circle of the cultural activity organizers (apart from the commune self-government) has been extended by the district self-government⁵³ and provincial self-government⁵⁴. The district authorities are responsible for the performance of the tasks in the scope of culture and preservation of cultural achievements of supra-commune character. The responsibilities of the province in the scope of culture include: implementation of the province development policy (one of the elements of which is the support of cultural development) and preservation and rational use of cultural heritage. The provincial self-government is also authorised to perform tasks of provincial character, related to culture and preservation of cultural achievements. After 1999 provincial governors ceased to be organizers of the cultural activity, which was in line with the assumptions of the decentralization process. The institutions previously managed by the province governors were taken over by the district authorities. The process of taking over the institutions of culture, located on the territory of particular provinces (formerly managed by the ministers and managers of the central offices), by the province local authorities, was carried out in a similar way⁵⁵.

The organization and financing of culture in Poland is regulated by the provisions of two acts of general nature. The first act regulating the fundamental issues related to

⁵² Przybylska J., (2007), *Finansowanie działalności kulturalnej w Polsce*, Wydawnictwo Akademii Ekonomicznej w Poznaniu, Poznań, p. 52-55.

⁵³ Dz. U. 2001 No. 142, item 1592.

⁵⁴ Dz. U. 2001 No. 142, item 1590.

⁵⁵ Ibidem, p. 52-56.

the organization and financing of culture is the Act of October 25 1991 on the organization and conduct of cultural activity. It specifies the main principles of the functioning of cultural institutions and distribution of public expenditures for culture. The second act, which is essential in terms of organization of culture, is the Act of November 26 1998 on public finance, regulating the general rules of conducting activity by entities from the public finance sector. The Act on the organization and conduct of cultural activity is supplemented by the following four sector-specific" acts:

- Act of February 15 1962 on the protection of cultural heritage, replaced by the Act of July 23 2003 on the preservation and protection of monuments;
- Act of November 21 1996 on museums;
- Act of June 27 1997 on cinematography, replaced by the Act of June 30 2005;
- Act of June 27 1997 on libraries.

Bearing in mind the system changes introduced to the sector of culture after the period of political transformations, one can notice that the main purpose of the above changes was to implement mechanisms ensuring a rational and efficient management of public resources, introduce changes related to the competences of public administration authorities, decentralize the management system of the institutions of culture, increase the autonomy of institutions of culture and enable private entities to participate in the implementation of tasks in the area of culture and art.

3. Long-Term State Financial Plan – essence and goals

The process of decentralization and accession of Poland to the European Union created conditions for the acquisition of extra-budgetary funds for culture both from the EU funds and from domestic extra-budgetary resources. The new possibilities of acquiring extra-budgetary funds in accordance with the strategic objectives of the EU structural financial policy have contributed to the determination of the main priorities of the cultural policy of Poland, including the following:

- expansion and modernization of cultural infrastructure and protection of cultural heritage;
- development of new technologies in the field of culture, digital resources and modern media, international promotion;
- increase of competitiveness and employment in the sector of culture and cultural industries (creative industries) ⁵⁶;
- introduction of innovative solutions to the system of cultural activity organization, improvement of effectiveness of management in the sector, protection of intellectual property, offering support and employment to young artists;
- improvement of the cultural competences of the society (e.g. cultural education, social adaptation of persons excluded from the society and persons at risk of social exclusion).

The most significant change in terms of the financing of culture and other public sectors was the amended act on public finance, introducing the Long-Term State Financial Plan. It is a plan of incomes and expenses, incomings and outcomings of the

⁵⁶ Znaczenie przemysłów kreatywnych [*Significance of creative industries*] described in detail in the final report *Analiza potrzeb i rozwoju przemysłów kreatywnych [Analysis of requirements and development of creative industries]*, prepared by M. Mackiewicz, B. Michorowska, A. Śliwka at the request of the Ministry of Economy, ECORYS Polska Sp. z o.o., Warszawa, 2009.

state budget, which is prepared for the period of four financial years. The plan describes functions of the state, together with the goals and indicators of performance of a particular function. It covers mid-term objectives for the state development strategy and directions of the socio-economic policy specified by the Council of Ministers⁵⁷.

The Long-Term State Financial Plan, divided into particular financial years, determines the basic macroeconomic values, directions of the fiscal policy, expected budget revenues and expenditures, amount of the budget deficit, borrowing requirements of the state treasury and sources of their financing, expected EU budget revenues and expenditures, EU budget results, consolidated forecast on the public finance sector balance and amount of the public debt. The above plan constitutes a basis for the preparation of the budget act for the next financial year, consisting of the state budget plan, attachments and provisions, and indicating a significant role of the performance-based budget in the state management system.

General deliberations on modern management systems should emphasise the fact that implementation of performance-based budget will enable the state to specify tasks that will be of great importance for achieving the set goals, and to apply appropriate indicators to determine the scope of their implementation and performance⁵⁸. Therefore, the reforms implemented in the public sector, including the sector of culture, involve changes in public management, currently defined as the *New Public Management*. The above described approach is characterised by comprehensiveness of decisions, orientation towards the future, focus on the results, rationality of management and taking into consideration the environment in the treatment of public authorities. Currently it is believed that one of the key and modern instruments that enables one to improve the state management system is performance budget.

The definition of performance-based budgeting can be interpreted in many different ways. In the broad sense this term may refer to each budget that includes information on using or plan of using funds by particular ministries. In this case, the definition of performance-based budget refers only to information on the obtained results, which is an element of budget documentation or classification, where allocation of the funds is based on the outputs and outcomes. In the strict sense, the essence of performance-based budget is understood as a method of budget preparation that makes the allocation of funds dependent on the results measured with the application of the output and outcome instruments.

For the purpose of this paper one has accepted a definition according to which the performance-based budget is a method of public funds management that constitutes a consolidated plan of expenditures of the public finance sector entities. The performance-based budget is prepared in a period of time longer than one year and is based on a system of the state functions, budget tasks and subtasks, together with indicators describing the goal implementation level⁵⁹. Performance-based budgeting enables one to: formulate and prioritize the objectives for the tasks, orient the tasks and public expenditures toward the objectives, measure the objectives using the outcomes measuring instruments and link them with the public tasks and expenditures.

⁵⁷ Ustawa o finansach publicznych Dz.U. 2009 no. 157 p. 1240.

⁵⁸ Lubińska T. (2009), *Nowe zarządzanie publiczne...*, op. cit., p. 9.

⁵⁹ Postuła M., Perczyński P., (2010) *Budżet zadaniowy w administracji publicznej*, Ministry of Finance, Warszawa, p 26.

The essence of the performance-based budget is management of public funds through goals. This imposes upon the minister of finance an obligation to precisely define and determinate the hierarchy of the implementation of these goals, together with indicators enabling one to evaluate particular effects. The mentioned obligation is particularly important when it comes to the part of the budget that refers to expenditures, as they have to be assigned to particular tasks.

4. The financing of culture in Poland in accordance with the performance-based budget

The structure of expenditures accepted in the Long-Term State Financial Plan (in the performance part of the budget) enables one to manage the expenses at all stages of the budgeting, as the funds administrator receives an initial limit of the funds, prepares a detailed plan for implementation of the tasks, and then allots the funds to individual tasks after conducted analysis and assessment of the plans and their anticipated results. Thanks to this procedure each individual task may be accounted for as a separate project.

In the *Justification to the Budget Draft Act for 2009* a new method of classification of budget expenditures was adopted and a function of the state, serving as a classification unit within the task-based system, was introduced, which will contribute to the coherence of the system of goals. In accordance with the above concept, one distinguished 22 functions of the state, that group the expenditures of administrators of particular budget funds according to the basic business activities⁶⁰. In this functional approach, these activities correspond to detailed policies conducted by the state.

The cultural policy is determined by the goals, tasks and subtasks assigned to function "Culture and national heritage protection" function (Function 9). This function provides one with regular information on the subject and main purpose of the actions undertaken by the state in the field of culture. Within the framework of this function it is possible to assign expenditures to each public institution implementing tasks specified in the above function. In this plan the Ministry of Culture and National Heritage formulated objectives, taking into account the National Development Strategy and other strategic documentation.

Two main goals set for "Function 9" include dissemination of Polish culture and protection of cultural heritage. However, in the performance-based plan of budget expenditures for 2010, in accordance with detailed provisions of the regulation specified by art. 124 item 9 of the Act of June 30 2005 on public finance and in accordance with the *Justification to the Budget Draft Act*, the public funds administrators are obliged to assign no more than two goals to each task and up to two goals to each subtask, as well as up to three measuring instruments to a single task and one measuring instrument to one subtask. The structure of the required performance-based system includes the following:

- preservation and dissemination of the national and state tradition (task 9.1);
- protection of national heritage (task 9.2);
- artistic activity and promotion of culture (task 9.3);
- construction and modernization of cultural infrastructure (task 9.4).

The purpose of the implementation of the recommended structure of the performance-based system is to ensure transparency and cohesion of the presentation of the state budget expenditures. The measurement of the implementation of the assigned

⁶⁰ The Council of Ministers (2009).

tasks is to be monitored by the Ministry of Culture and National Heritage with the application of measuring instruments formulated specifically for this purpose.

The administrators of public funds allocated to the implementation of the tasks within the framework of the "Culture and protection of national heritage" program in 2009 were the ministers from:

- 1) Ministry of Culture and National Heritage,
- 2) Ministry of National Defense,
- 3) Ministry of Interior and Transportation,
- 4) Ministry of Agriculture and Rural Development
- 5) and province governors.

Over the years, the circle of the funds administrators has been extended by the Office of the President of the Republic of Poland. Among the administrators of the funds assigned to "Function 9" of the performance-based budget for 2011, one can also find the following: Fund for Promotion of Culture, Polish Film Institute, Creativity Promotion Fund and Polish Institute of International Affairs. Within the scope of this function, the above mentioned institutions have also implemented tasks covered by their financial plans.

The administrator of public funds is obliged to determine base values for particular measuring instruments. These values are of informative character and enable one to assess the scope of performance of the task and to determine a discrepancy between the planned and implemented task.

The application of performance-based budgeting in financing the culture from public resources contributes to a more effective use of public funds, and it also extends the scope of responsibility of the authorities, which implement the cultural policy, eliminating thus the problem of overlapping competences. Undoubtedly, the division of expenditures among the tasks and subtasks, and assigning to them relevant administrators and measuring instruments, in case of culture (the effect of which are generally unmeasurable) is a difficult and disputable issue, as the proper implementation of this process constitutes a condition for effective functioning of the performance-based budget. In Poland this process facilitates orientation and assessment of the cultural policy performance, reduces the risk of diffusion of responsibility of individual administrators of the funds, and finally enables one to assess the scope of implementation of the goals of the cultural policy.

5. Conclusions

The most important reforms implemented in the sector of culture in Poland after 1989 included: privatization, decentralization of public administration and introduction of the principles of the New Public Management.

The first of the mentioned reforms enabled one to break the state monopoly in the sector of culture, establish private institutions of culture and increase the impact of creative industries on the national economy. Decentralization of public administration enabled one to determine tasks in the scope of culture to be implemented by individual local government units. The reform has also introduced changes in the distribution of obligations in the scope of culture and bottom-up management of institutions of culture by the local authorities, which in turn has contributed to a more effective management of these institutions and implementation of the cultural policies on the local level. The initiated process of implementation of the methods of New Public Management to the system of financing the culture from public funds is a significant stage in the reforms of this

sector. Application of the above described methods, particularly the method of performance-based budgeting, increases efficiency of the distributed public funds, enables one to implement long-term investments connected with determination of long-term objectives of cultural policy, reduces the risk of overlapping competences of individual organizers, and finally introduces the responsibility of the organizers for the distributed public funds.

To conclude, implementation of the Long-Term State Financial Plan and performance-based budgeting method in Poland should contribute to a more effective distribution of the public funds in the sector of culture and should prevent its marginalization in the planned budget expenditures, provided that it is supplemented by implementation of other solutions e.g. determination of the minimum amount of budget expenditures for culture of up to 1% of the total expenditures.

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