DETERMINANTS AND EFFECTS OF STRATEGIC MANAGEMENT IN THE LOCAL GOVERNMENT IN POLAND AND WESTERN EUROPE.

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Abstract

The main objective of this paper is a comparative analysis of the nature and characteristics of strategic management in local government in Poland and Western Europe.

The hypothesis is based on the assumption that, despite the favorable conditions for the implementation of effective management tools in the administration of most local governments in Poland, in contrast to Western Europe, do not apply a comprehensive strategic approach to creating a socio-economic development.

Conducted research are comparative character. There are comparison of strategic management in local government units in Poland and chosen countries in Western Europe. The paper uses the research method involving the analysis of problems related to conditions and infirmity of strategic management in local government in Poland. The paper uses the research method of system analysis research local government systems functioning on different levels of local government.

In the paper is an analysis of the following issues: analysis of the essence of strategic management in the local government; analysis of local government reform in Poland and Western Europe and their effect on decision-making by local authorities; analysis of strategic management tools in local government in Poland and Western Europe.

The analyzes performed have been made based on the current literature and source documents, as well as the author's own observations, specializing in the implementation of strategic management tools in local government units in Poland.

1. Introduction

In recent decades, local governments have introduced a wide range of techniques to improve their management. The objectives pursued vary depending on the initiatives, the implementers, the specific contexts and the moment. Nevertheless, they have usually been to reduce costs, to improve performance in terms of quality, efficiency and effectiveness, to improve citizen satisfaction, to become more responsible and accountable and to improve citizen trust in government. In spite of the criticisms about the suitability of some of these techniques or the difficulties that they imply in practice, public sector organizations are "obliged" to introduce new ways of managing their resources as traditional managerial processes seem to have serious shortcomings. Management improvement has become a must as the environment has become more competitive and uncertain².

This atmosphere of necessary change has encouraged the implementation of performance measurement and strategic management systems. Public organizations, particularly local governments, have embraced different management initiatives and municipal managers have adopted recognized private sector management tools, such as the Balanced Scorecard (BSC), the Triple Bottom Line (TBL) and Global Reporting Initiatives (GRI), in their quest to introduce strategic management. Poister and Streib show the growing interest in strategic management in the public sector, despite the difficulties of implementing

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it in the public arena. According to Chan, in the USA and Canada, most municipal governments have developed measures to assess their key organizational areas such as finances, customer satisfaction, operating efficiency and employee performance\(^3\).

Changing the socio-political and economic system in Poland after 1989 led to the introduction of a system of law based on democratic rules of governance. One of the key elements of the new system has become established in the 1990 local government. He was a manifestation of the decentralization of public administration and became the impetus for inclusion in the decision-making process the local representatives of the local community. Standards for laying the foundations of a new system came primarily from Western Europe. At the beginning of the nineties began implementation in Polish municipalities local management model based on a system of strategic planning.

Integration of Poland with the European Union and further stages of reform of public administration at the end of the nineties, led to the development of strategic management tools in the Polish local government.

At the time of entry Poland to the European Union, the local government has become one of the main actors involved in the use of EU funds. This became the immediate cause of the implementation of strategic planning in virtually all local government units in Poland.

2. The essence of management and strategic planning in local government units

Address the needs of local communities and creating conditions to increase the competitiveness of local government and entities operating is associated with the development of the local government and the local development.

It is considered appropriate idea Marek Ziółkowski, who defines the essence of local development, indicating that it was, among others process of positive change in the form of increased quantitative and qualitative changes in the relevant territorial unit, which take into account the needs, priorities and preferences and value systems considered residents. An important feature of local development is also harmonized and systematic action by public authorities, communities and other entities operating in the area, aiming to create new and improve existing values subdivision, creating favorable conditions for the economy and provide spatial and environmental governance\(^4\). Local development is largely actions took from the will of the so-called local actors social and economic life\(^5\).

In the process of local development is crucial to the optimal development of the ratio between the following elements: needs, preferences and recognized systems of the inhabitants; functions (activities) area management, natural environment and cultural heritage. These proportions and certain relationships and opportunities to develop local socio-economic development, in relation also to a set of external factors should be determined by a basic management tool local government, which is a strategic planning and local development strategy.

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These strategic planning and the same strategy is a key element of strategic management, which there is the process of identifying and implementing this strategy of local government. Strategic management is the process of defining and redefining strategies in response to changes in the environment or with the intent to advance or even induce certain changes. This is also coupled with the implementation process, in which the resources and organization skills are implemented, in order to achieve long-term development goals adopted, as well as safeguard the survival of organizations in the so-called. conditions of uncertainty. Strategic management is also based on thinking and strategic approach, which is characterized by originality, creativity and power of imagination and the desire to create something new, and the ability realization that in a way that enhances the efficiency and ensuring the competitiveness of the organization. Of course, these strategic thinking, in the case of local government, is primarily a local government authority domain.

Polish law does not impose a duty on local authorities to develop a local development strategy. The exception is the Act on Regional Government, which includes an instruction to develop the regional development strategy. In the case of municipalities and counties as a motivating factor for the development, adoption and implementation of strategic plans are numerous social, economic issues, and as a direct result of the implementing of the EU budget, as part of our membership in this organization.

Strategic management in terms of public organizations, particularly at the local government has a defined specificity. It is mainly the status of the local government, which is determined by legal, financial and organizational or territorial restrictions, as well as specific circle of recipients of public services. However, for Henry Gawroński strategic management in local government can be described as future-oriented planning development objectives and the selection of the tasks, implementation of these decisions, as well as monitoring and supervising the implementation of the adopted provisions. There are the essential features of such a specific management:

- comprehensive approach to the problems of development, which consists of recognizing interdependent spheres of economic, social, spatial, ecological and cultural diversity;
- efficient use of endogenous growth factors;
- definition of the local government as part of the environment;
- orientation for the future;
- compliance with the principles of good governance;
- gradual implementation of the principles of sustainable development.

Strategic planning is a long-term planning aimed at defining and implementing specific objectives of local government. Strategic planning is closely connected with the functions of management decision-making process, increasing adaptive capacity by being able to reduce considerably the uncertainty operation and development in a changing environment. Strategic planning is based on the forecasting and developing the concept of action and different variants of the plan. Also take into account the potential limitations that the organization may encounter on the road of development. These include not only the internal conditions in the form of financial barriers or constraints on resources (including lack of competence), but also an insufficient level of the organization's information on changes in the competitive environment and the actions of competitors, that are primarily for local governments other neighboring local authorities.

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6 H. Gawroński, Zarządzanie strategiczne w samorządach lokalnych, Warszawa 2010, p. 29.
8 H. Gawroński, Zarządzanie strategiczne..., p. 31-32
The main tool for setting goals, directions and approaches in the strategic planning process is the strategy of local development. It is characterized primarily:

- back on a sustainable development values and stable elements of capacity, resources and environment of the local government;
- subordination of the current long-term actions to strategic goals;
- holistic approach to development issues through the systemic approach;
- the active participation of local authorities and communities in the process of formulating and implementing strategy.  

The process of strategic management in local government units is complex. It includes in particular the development of the organization's strategy, its implementation, monitoring and management of strategic change. For all activities in this area the main responsibility lies with the local authorities, which, however, have a task to enable this process the largest number of key representatives of the local community. Stages of the strategic management process are complex and involve a variety of activities that must be performed in a specific order. These stages include:

- Initiate and agreement on the strategic planning process. This step is often referred to as the so-called plan for planning. The components of this phase, among others decision to launch a process to determine the scope and timing of material and financial activities and also to identify the so-called stakeholders.  
- Conducting strategic analysis, which assesses the local government against its environment. 
- Diagnosis of local government, which is the starting material for the work of the strategy development. 
- Creating a SWOT analysis, which is a qualitative research technique. The result is a list of such factors as: the strengths and weaknesses of the internal and the opportunities and threats that exist in the external environment of local government. 
- Preparation of analysis of problems in various areas of social life and economic development of local government. 
- Identify and formulating of goals, (mostly at the strategic level and operational) activities and specific projects. 
- Developing a set of measures of objectives and activities. 
- Final gathering all the data and finalize the strategy document development and approval by an authorized entity (e.g. the municipal council). 
- Implement a strategy, advertising and information, monitoring and evaluation. 

Above presented outline of the strategic planning process, which in this form is most common in Polish local government units, on the one hand requires a lot of effort and organizational logistics of local authorities, on the other hand encourage the participation and inclusion of representatives of the local community. This is due primarily to the implementation of the so-called participatory model of the strategic planning process and is

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10 E. Wysocka, J. Kozieński, Strategia rozwoju lokalnego i regionalnego po reformie administracyjnej państwa, Warszawa 2000, p. 51-52. 
12 Stakeholders defines, as a all the social partners, the business that are connected with the problem in the area, irrespective of the legal form of the organization, and who have the legal and beneficial interest in taking part in the discussion public. These are the people, organizations, which on one hand can take a direct part in the process of strategic planning, on the other, their interests may be indirectly or directly from the specific influence arising of the creation of the local development strategy. See: H. Gawroński, op. cit., p. 148 and next. 
13 H. Gawroński, Zarządzanie strategiczne..., p. 262. 
14 Ibidem, p. 262.
based on the use of various techniques and tools related to the broadly conceived public consultation.

3. Public administration reform in Poland selected countries of Western Europe and changes in the approach to strategic management

3.1 Public administration reforms in Poland

Changing the socio-political and economic life in Poland after 1989 led to the introduction of a system of law based on democratic rules of governance. One of the key elements of the new system became established in 1990, local government, whose shape is defined in the Act on Local Self-Government on 8 March 1990\textsuperscript{15}. It was a manifestation of decentralization of public administration and gave impetus to the inclusion in the decision making process at the local level representatives of the local community. Local self-government existed then only at the municipal level. In addition, the structure of local public administration was created by the province and administrative region. These levels were the central government. It should be noted that the patterns to create the foundations of a new system came primarily from Western Europe. At the beginning of the nineties are being implemented in the Polish communities of local management model based on a system of strategic planning.

In 1993 were created a Joint Commission of Government and Local Government, and work began on a draft law on the county government and the introduction of the pilot counties. Unfortunately, for political reasons, until 1998 failed to increase the number of tiers of local government in Poland.

New conditions for further reforms of the political system of public administration was created in the Constitution of 2 April 1997\textsuperscript{16}. Measures have been taken to further decentralization of public administration in Poland. In 1998, the Act reforming the terrain was passed. Adopted on 24 July 1998 law on introduction of the three division of the country was an instrument of the reform basic territorial division\textsuperscript{17}. From 1 January 1999, began to operate alongside local and municipal governments at the county and region. Therefore created three-tier structure of local government. Rightly emphasizes Stefaniuk M. and J. Szreniawski that the changes made by widening the power of self-government to the level of districts and provinces, have helped to create the institutional basis for the development of civil society. The contemporary reform also contributed to the creation of conditions for the introduction of regional policy in Poland, which is essential in the process of Polish integration with the EU\textsuperscript{18}.

On 1 May 2004, Poland was granted membership in the EU. Further reform of the public administration were largely determined by both the responsibility of the implementation of the national system of regulation in the EU, as well as the need to take over modern models and methods of management in public administration.

The ongoing process of Polish integration with the European Union and the further steps of reforming public administration, led to the development of strategic management tools in Polish local government units.

At the time of entry into the European Union Polish local government has become one of the main actors involved in the use of EU funds. This was the immediate cause of the implementation of strategic planning in virtually all local government units in Poland.

\textsuperscript{15}Dz. U. 2001, Nr 142, poz. 1591.
\textsuperscript{16}Dz. U. 2007, Nr 65, poz. 437.
\textsuperscript{17}Dz. U. 1998, Nr 96, poz. 603.
3.2 The modern administrative reforms in Western Europe - New Public Management

It should be noted for A A. Podgórniak-Krzykacz that management reforms in public administration are a multi-step process of gradual change. The demand for this type of transformation occurred in Western Europe in the late seventies of the twentieth century, when as a result of rising oil prices followed the first phase of the global economic crisis. Stagflation, and the associated high unemployment have contributed to difficulties in financing the public sector. Since the early eighties, prevailing in almost all industrial countries the global economic crisis has led to budgetary restrictions and financial crises. They began to look for new sources of government revenue (eg privatization), and to strive to rationalize budgetary expenditure by the transformation in the public sector.

The need for functioning public sector based on limited resources (mainly financial) and meet the growing public expectations of government have changed the administrative ideology, based on abandoning the administration model towards the new public management.\(^\text{19}\)

Public management models was developed in response to the challenges brought of process public management reform. These processes have increased the emphasis on the economic aspects of the spending of public funds to improve the quality of public services and ensure greater effectiveness of public organizations.

The reform of public management assumes that the implementation of new management concepts will affect the efficient implementation of the tasks completed by the citizens. New public management introduces managerial approach to public sector management\(^\text{20}\). New this management model is to adapt management methods and techniques used in the private sector for the management of public organizations. This is especially the attitude of these organizations to achieve results, decentralization of management, the acquisition of their strategic perspective and the use of market mechanisms. This model of management ensures economy, efficiency and effectiveness of public organizations\(^\text{21}\).

New Public Management has the following features:

- orientation no on processes, but to achieve results,
- transition from traditional public administration in the model of putting much more emphasis on the personal liability of directors,
- move away from the classic bureaucracy towards a more flexible employment conditions, work and organization,
- challenges to the organization and the employees are clearly defined, and the scope of their execution is possible to assess by means of indicators.
- some of the tasks performed by the public sector are assessed by the market in the form of, for example, contracts,
- there is a push in the direction of limiting the functions carried out by public authorities through privatization.\(^\text{22}\).

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It should be noted that the so-called clean NPM model and its use in the management of its elements, in particular at the level of local government raises a number of concerns. The effectiveness of this approach and its tools is highly dependent on many factors that are associated with the role of public administration in the country, the socio-economic development and specific traditions and momentum in the development of democracy. According to A. Podgórniak-Krzykacz, the development of the concept of new public management in individual countries is determined by their economic, political and social as well as the specificity of the local administrative apparatus. The author based on these factors distinguishes three types of reforms: Westminster: including Anglo-Saxon countries (United Kingdom, Australia, New Zealand and the USA), Scandinavia (Norway, Finland, Sweden and the Netherlands) and the German-speaking (Germany, Switzerland and Austria). The most radical and massive transformation took United Kingdom, Australia and New Zealand. The second group includes the Scandinavian countries, the Netherlands, USA, Canada, German-speaking countries, where reforms were no longer such a radical course, as in the first group. Latest reform measures undertaken France and countries of southern and central-eastern Europe, which has the lowest radicalism in relation to other groups. This is confirmed by a study conducted by Ch. Pollite and G. Bouckaert, which showed that public administration reform in the countries of continental Europe lies between the strategy of Maintaining and modernization strategy (Modernizing). This means that the formation of a functioning administrative structure between the Weberian and managerial which the authors call neoweberian.

Additionally, in conjunction with the above, it is worthwhile to pay attention to the existence of other models of governance in local government, in addition to NPM are also visible in the specifics of these entities. It is about the so-called bureaucratic model and the model based on the so-called good governance. The following table presents the characteristics associated with the existence of these management models.

Table 1 Comparison of models of public management

<table>
<thead>
<tr>
<th>Specification</th>
<th>Model bureaucratic</th>
<th>New Public Management</th>
<th>Good governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>Hierarchy</td>
<td>Market</td>
<td>Network</td>
</tr>
<tr>
<td>Legal basic</td>
<td>Administrative Law</td>
<td>Contracts</td>
<td>Conventions</td>
</tr>
<tr>
<td>Management style</td>
<td>Bureaucratic</td>
<td>Managerial</td>
<td>Partners - consulting</td>
</tr>
<tr>
<td></td>
<td>Management order</td>
<td>Competition and cooperation</td>
<td></td>
</tr>
<tr>
<td>The nature of the</td>
<td>Domination and</td>
<td>Calling the changes</td>
<td>Building social understanding</td>
</tr>
<tr>
<td>relationship</td>
<td>submission</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The aim of activities</td>
<td>The consolidation</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>order</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Targeting actions</td>
<td>Procedures</td>
<td>Effects</td>
<td>Needs</td>
</tr>
<tr>
<td>Organization of the</td>
<td>Monocentric systems</td>
<td>Autonomous systems</td>
<td>Civil Society</td>
</tr>
<tr>
<td>State</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: H. Krynicka, Koncepcja nowego zarządzania w sektorze publicznym (new public management), „Studia Lubuskie” 2006, Nr 2, p. 201.

23 A. Podgórniak-Krzykacz, Kierunki modernizacji..., p. 84.
24 Ibidem.
Below we refer to the practical manifestations of the use of these models in the process of strategic management in local government in Poland and Western Europe.

4. Analysis of strategic management tools in local government in Poland and Western Europe

Complex transformations taking place within the framework of local government, leading to an increase in the efficiency of their operations, resulting in optimization of public services and improve their quality, are associated with the notion of institutional development. It consists in the development, implementation and application of the principles, mechanisms, and management tools to improve the efficiency of the public office in the main areas of its activity. Appropriate institutional capacity (including, among others. strategic management, instrument management solutions, the quality of human resources) is an important determinant of allowing local governments to provide high quality public services and effective support of socio-economic development of local communities²⁵.

4.1 Strategic and financial management tools in the Polish local government

As discussed in the first part of this paper, the effective development of local self-government is essentially impossible without a long-term development strategy. The lack of local development strategy will be always caused immediacy for action, lack of proper coherence between them, irrational spending of budget resources and consequently deprivation of the local community needs.

On the basis of the study by B. Urbaniak, P. Bohdziewicz "Diagnosis of potential local government units" in the survey of local government almost universally common standard is to have a strategy of local development. Only among rural communities, this solution is somewhat less. Having a strategy frequently declared by the local government of the Pomeranian Region (95.8%) and Lublin Region (95.7%) and the least - in the region of Podlasie (69.8%)²⁶.

Table 2 Implementation, monitoring and evaluation of development strategies by type of local government units

<table>
<thead>
<tr>
<th>Type of local government unit</th>
<th>% of local governments with the development strategy</th>
<th>% of local governments that are monitor the development strategy</th>
<th>% of local governments that lead the evaluation owned development strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>rural municipalities</td>
<td>83,0</td>
<td>89,9</td>
<td>69,9</td>
</tr>
<tr>
<td>Urban municipalities</td>
<td>86,7</td>
<td>87,4</td>
<td>77,5</td>
</tr>
<tr>
<td>Urban-rural municipalities</td>
<td>89,6</td>
<td>90,8</td>
<td>71,6</td>
</tr>
<tr>
<td>Cities on the county rights</td>
<td>100,0</td>
<td>100,0</td>
<td>92,5</td>
</tr>
<tr>
<td>Counties</td>
<td>92,1</td>
<td>93,3</td>
<td>82,2</td>
</tr>
<tr>
<td>Regions</td>
<td>90,9</td>
<td>100,0</td>
<td>90,0</td>
</tr>
</tbody>
</table>

²⁶ Ibidem, p. 17.
In almost all local governments have defined development strategies it carried out the monitoring the process of implementation the operational tasks. Monitoring strategy is most usually by local governments in the region of Opole (100% of local government units in the region) and Lublin (95.5%), and least likely - by local governments from the Region Świętokrzyskie (84.1%).

Monitoring the development strategy, however, is often interpreted too broadly by the local government, as a normal process of peer review of its effectiveness. Only about two thirds of the units such monitoring is based on formal procedures and indicators (individual strategic objectives are assigned specifically defined sets of parameters). So conceived monitoring provides quantifiable data to make an adjustment to its development strategy. Slightly less than the monitoring it leads the evaluation strategy, namely its review under the realization of the objectives. In about 30% of rural and rural - urban development strategies the assessment is not conducted at all. The highest percentage of self-evaluation adopted strategies reported in the Lodz region (81.8%). The results clearly lower than the average achieved while the local government of the Mazowieckie (63.3%) and Świętokrzyskie (61.4%)27.

An important determinant of achieving specific effects of the implementation of the development strategy is the implementation of other management instruments in the unit of local government relating to financial management. These include for example multi-year investment plan or long-term financial plan. These documents should be consistent and based on assumptions of a local development strategy.

In Poland, the level of implementation of these tools is disappointing. The following are the particulars of what percentage of the local government implements the basic tools of financial management.

Table 3 The implementation of management solutions for the financial management of local governments according to their kinds

<table>
<thead>
<tr>
<th>Type of local government unit</th>
<th>% LGUs implementing the task budget</th>
<th>% LGUs have long-term plan financial</th>
<th>% LGUs have long-term plan of investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>rural municipalities</td>
<td>20.6</td>
<td>39.4</td>
<td>92.4</td>
</tr>
<tr>
<td>Urban municipalities</td>
<td>21.1</td>
<td>38.3</td>
<td>93.8</td>
</tr>
<tr>
<td>Urban-rural municipalities</td>
<td>22.3</td>
<td>45.6</td>
<td>92.7</td>
</tr>
<tr>
<td>Cities on the county rights</td>
<td>37.5</td>
<td>45.0</td>
<td>95.0</td>
</tr>
<tr>
<td>Counties</td>
<td>17.4</td>
<td>37.1</td>
<td>94.4</td>
</tr>
<tr>
<td>Regions</td>
<td>18.2</td>
<td>45.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Local government</td>
<td>21.0</td>
<td>40.3</td>
<td>93.1</td>
</tr>
</tbody>
</table>

27 B. Urbaniak, P. Bohdziewicz, Zdiagnozowanie potencjału administracji samorządowej,..., s. 18-19.
Long-term investment plan and long-term financial plan are the tools necessary for the proper financial management of local government units, enabling determination of the optimal path of financing projects undertaken by the individual. They allow for a realistic assessment of its financial capacity and lead to effective execution of tasks. Thus become an effective tool for the development of the individual. The standard of among local government units is to have a long-term investment plan. However they are less inclined to establish long-term financial plans (approximately 40% of the units), while other local governments often confine themselves only to estimate the cost of their investment. In these units, which have both long-term investment plan and financial plan, usually takes place the correlation and cross-linked to the local development strategy. The frequency of ownership by local governments long-term financial plan is clearly differentiated by territory: most often document was created in the local governments of regions: Zachodniopomorskie (49%) and Kujawsko-Pomorskie (46.3%) and the least - in the region of Silesia (22.7%) and Pomerania (27.1%)29.

One of the elements of modern management in local government units is to use task budgeting. It is the management of local government activities by clarifying the tasks that relate to both the obligations imposed by law, as well as those resulting from their own individual projects. Performance budget covers all the tasks carried out by a body, shows direction of financial interventions, includes measures of task. Thus allowing the rational, efficient and transparent management of funds. Just over 20% of local governments apply in their practice based task budget management. More often, such a solution has been implemented in most units, employing over 300 people, mainly in towns on the county rights. By far the highest proportions of local governments implementing the budget task force reported in the provinces of Opole (45%) and Świętokrzyskie (43.8%). Significantly lower within the scope of this solution showed local governments of the regions of Lubuskie (12.5%) and Podkarpackie (14.1%)30.

Referring to the above presented models of governance in local government (bureaucracy, NPM and good governance) should be stated that in Poland, taking into account the actual approach to local government, operates a mixed model. First there are attempts in a legal manner and through the use of various incentives to promote the local management based on the characteristics of NPM, second, preaches the ideals of civil society development and create more and more new instruments of social participation. Third, there are significant remains of the actual and awareness clerical bureaucracy, which in many cases means that, despite the use of modern management tools are not achieved certain results of their implementation.

4.2 Instruments strategic and financial management in selected European countries

As mentioned at the outset of the reform of public management in local government in Western Europe began much earlier than in Poland. This was related mainly to the existence, of course, a democratic system and partly taking over models of effective management in other countries (USA, Canada). Below, they are selected items related to the implementation of tools and instruments of strategic management for example, Germany and Ireland.

Example of Germany

Strategic programming of development in the Federal Republic of Germany should be considered in the context of the division of the country. Germany is a federal state made up of sixteen lands, with a high level of autonomy and at the same time taking an active part in economic and social programming in the country. Socio-economic programming in Germany should therefore be considered at both the federal and the Länder level. Programming on the federal level revolves around two main lines of action. The first is the creation of regional operational programs to implement the guidelines of the government. The second course of action at the local level is the creation of new strategic programs and relating them to the federal strategy 31.

In Table 4 are presented statistics on the implementation strategic management instruments of the municipal offices in the county rights of Germany compared to the situation in selected management instruments in Poland. In case of Germany, used the results of research on the modernization of local government in Germany, which was conducted in 2008 among 31 such cities (representing 27.2% of all the cities in this category). Polish data are derived from previously presented the final report of the system project commissioned by the Ministry of Internal Affairs and Administration: "Diagnosing the potential of local government, the assessment of the training needs of local government personnel and the preparation of personnel competence profiles of local government". The analysis was in this case, 19 of 65 cities with such status (29.2%) 32.

Table 4 Use of selected management solutions in cities with county rights in Poland and Germany (in %)

<table>
<thead>
<tr>
<th>Instruments</th>
<th>Cities on the county rights of Germany (%)</th>
<th>Cities on the county rights of Poland (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local development strategy</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Task budgeting</td>
<td>25,8</td>
<td>37,5</td>
</tr>
<tr>
<td>Long-term Financial Plan</td>
<td>100</td>
<td>45,0</td>
</tr>
<tr>
<td>Long-term Investment Plan</td>
<td>100</td>
<td>95,0</td>
</tr>
<tr>
<td>quality Management</td>
<td>48,4</td>
<td>80,0</td>
</tr>
<tr>
<td>Product datasheets, catalogs services</td>
<td>58,1</td>
<td>21,1</td>
</tr>
<tr>
<td>performance Indicators</td>
<td>61,2</td>
<td>31,6</td>
</tr>
<tr>
<td>Benchmarking</td>
<td>71,0</td>
<td>100,0</td>
</tr>
<tr>
<td>Strategic scorecard</td>
<td>12,9</td>
<td>0,0</td>
</tr>
</tbody>
</table>

According to the author's analysis, the German reforms much more focused on efforts to measure and increase the efficiency of public services. Main trends therefore focus on economization of administrative action (based on the account of the advertising and focusing on financial instruments), managerism and the entrepreneurial public management. The use of strategic planning, financial and investment in communities in Germany due to the solutions introduced obligatory by law. In the case of Polish cities there are dominant solutions: strategy development, long-term investment plans and quality management. To a lesser extent applies advanced performance measurement tool\textsuperscript{33}.

In the other hand it is important to present created in the 1990s, the German New Steering Model (NSM)\textsuperscript{34}. NSM became the predominant reference model of a performance-oriented administrative modernization in German local governments. According to S. Kuhlmann and P. Fedele research the NSM was largely inspired by the international debate on New Public Management, particularly in the Netherlands and pushed ahead by the one NGO. According to the abovementioned survey, virtually all German communes with more than 10,000 inhabitants (92\%) have pursued modernization activities since the 1990s, guided by the NSM. Although NSM have repeatedly pointed to the necessity of a holistically NSM reform implementation, more than 66\% of the cities only refer to some selected elements of this concept, whereas local governments aiming at entirely implementing the NSM are by far in the minority (15\%). After more than twenty years of NSM modernization in Germany, there is no single element of the NSM, which has been implemented by a majority of German local governments. Only 22 communes (2\%) can be referred to as “NSM-hardliners” considering that they have implemented (according to their own statements) seven important NSM elements in their whole administration\textsuperscript{35}.

Example of Ireland

The first step in strategic planning in Ireland was the establishment in 1991, the Committee for the Review of Industrial Policy. The result of the committee's work was the report: "Time for a change", which introduced new approaches to economic development in Ireland: formulation of a new strategy for economic development, reform of the tax system and the emphasis on technical and vocational training\textsuperscript{36}.

In 1996 established Better Local Government Programme (BLG) which states that: “To date, local government in Ireland has rarely been accorded a status commensurate with its democratic mandate or been accepted fully as a valid partner in the process of government”.


\textsuperscript{34} NSM borrowed the following ideas: 1) the product approach (i.e. describing all outputs and services of municipality as “products”); 2) the integration of responsibilities for services and resources and the decentralized assignment of these responsibilities to semi-autonomous units (responsibility centres); 3) the perception of city organization – with all of its entities and corporations – a holding structure; 4) the output (product) – oriented budget and the comprehensive reporting system based on performance indicators; 5) the distinction between strategic role of the council and the operative role of the administration: Ch. Reichard, \textit{Local public management reforms in Germany}, “Public Administration”, Volume 81, Issue 2, p. 352.


The main goal of BLG is to enhance democracy at local authority level as part of the general modernization of local government. In particular, three broad aims are established in this context: to recognize the legitimacy of local government as a democratic institution; to enhance the electoral mandate within local government; and to broaden involvement in local government.

The last two aims: enhancing the electoral mandate and broadening involvement in local authorities are primarily to be met through the creation and operation of strategic policy committees (SPCs) and area committees.

The main result of the implementation of the program in Ireland was that by the end of 2002, all county and municipal local governments have developed their strategies for economic, social and cultural development. Local development strategies have been developed based on real analysis of the needs and problems of the local community. In the process of creating integrated local social environment consisting of different groups.

The Irish example shows that the actual determinant of strategic management is primarily the existence of certain categories of problems, that can solve through strategic planning process in local government.

**Conclusion**

Local government in Poland, which operates more than twenty years, has undergone several reforms in the way the political system, functional and financial. These reforms were largely conditioned by the process of European integration. In the 90s of the twentieth century promoted a number of practices in the use of innovative tools, strategic and financial management such as strategy development, performance budget, long-term financial plan or investment. These activities were supported by U.S. programs (USAID). Many local governments actually developed and implemented strategic plans, which at that time have been implemented to a large extent.

After 2004, that is, after the Polish accession to the EU, there has been a dramatic acceleration in the implementation of strategic management tools in local government. Unfortunately, the main premise of creating such a plan or a local development strategy was not to create a true facilitator of decision-making processes at the local level, but need to meet the requirements of institutions implementing European programs.

It should be noted that this situation has caused a kind of real distortion of the idea of strategic management and to move away from so-called. strategic thinking. We can easily be argued that the local government in Poland adjusting itself only for obtaining grants from the EU programs have begun to treat the strategy development and planning process as a formality.

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38 With regard to SPCs, BLG states that: 1) Each county and city authority and the larger urban authorities will be required to establish SPCs mirroring the major functions of the local authority; 2) The number of SPCs will be tailored to the size of the local authority, but should be between two and five; in the smaller authorities, therefore, each SPC would cover several functional areas; 3) Each SPC will be supported by the programme manager (subsequently entitled director of service) for the relevant service who will operate under the general direction of the committee and submit policy review papers for the service or services in question. This will give a clear focus to the work of the committee and allow it to play a major role in the development of corporate policy and in the local SMI process; 4) Within this framework, SPCs can identify particular policy areas for special consideration, arrange for their in-depth examination and report on necessary changes to the full council. The authority’s annual report will include material specifically dealing with the work of the SPCs: R. Boyle, P. C. Humphreys, O. O’Donnell, J. O’Riordan, V. Timonen, *Changing Local Government...*, p. 34.
The experience shows that many municipalities that have developed a local strategy, put this document "on the shelf". The effectiveness of the strategy or its usefulness depends not only on the relevance of the objectives and tasks. As usual in such cases, determined by the human factor, namely, belief in the usefulness of strategies, which translates into reliability in fulfilling the tasks ahead. Another condition is to update the strategy, at least annual consultation. In that space of time it is already known that the scheduled tasks and to what effect have been fulfilled. It should also be taken into account any changes in internal and external conditions and adjust the budget and re-prioritize to make investments. Analysis of strategic documents of many local governments show that the local authorities are not doing that.

There is another the situation related to strategic management in most Western European countries. Despite the fact that there is a number of different management models, however Poland's main differentiating factor between these countries is that local authorities see the real need and desire to implement and develop such a system. Perhaps this is due to the longer tradition of democratic and free market, as well as the earlier takeover of different patterns from other countries, such as USA.

Despite these weaknesses directed to the Polish reality in this topic, is starting to reveal the initiative at various levels of government, aiming to increase both knowledge and skills, but also to raise awareness of modern public management.

It should be noted that Polish local government have the desire and willingness to take action to retrofit their own authority. Evidence of this is a very strong interest in obtaining funds from the Operational Programme Human Capital measures aimed at among others strengthening the capacity of local administration\(^{39}\).

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