

## 2. Financing the development of tourism in the Łódź Voivodeship and Oppland county (Norway)

### 2.1. Introduction

The main objective of the study is deep characteristics of tourism development expenditure disclosed in the budgets of local government units (hereinafter: LGUs) in Łódź voivodeship and in the Norwegian county of Oppland. The implementation of the above-mentioned goal required prior characterization and comparison of the construction principles of budgets in Poland and Norway. It was also necessary to determine the place of spending on tourism in the structure of Polish and Norwegian LGU budgets. By comparing the financing of tourism development by LGUs of Łódź voivodeship and Norwegian Oppland, the authors have encountered the issue of the various structures of local government budgets, including the different treatment of expenditure on the development of tourism in the budgets of local governments. These problems have been widely discussed in the first part of this work. The rest of the study is devoted to the discussion of expenditure on the development of tourism in the municipalities and communes of Łódź voivodeship. They were compared with the expenditures of Oppland County and the expenses of the municipalities included in the commune.

The authors would like to point out that comparison of the results of research on the budgets of Polish and Norwegian local governments is not perfect. They indicate that the difficulties of analyzes resulted even from the fact that the administrative division of Norway is not adequate to the division of Poland. While the local government in Norway operates at the level of municipalities and counties, in Poland at the level of municipalities, communes and voivodeships. The authors have assumed that the reference for individual communes and municipalities of Łódź voivodeship will be the County of Oppland and the municipalities forming them. For formal reasons, cities with commune rights (Łódź, Piotrków Trybunalski and Skierniewice) have been excluded from the analysis, as their local governments simultaneously carry out the tasks of municipalities and communes. It is worth noting that by making the abovementioned exclusion, the average number of inhabitants of the municipality in Łódź voivodeship is 9.6 thousand (in Oppland county, 7.2 thousand), and the commune 79.6 thousand (for comparison the Oppland county has a population of 187.1 thousand). It should be noted, however, that the average country county in Łódź voivodeship consists of 8 municipalities, while Oppland county has as many as 26 municipalities.

Data for the current budgets planned for implementation in 2012 were sought for Łódź voivodeship. To ensure a more objective characteristics of budgets, the amounts of budget revenues and expenses planned for 2009 were recognized.

For the Oppland region, however, data for completed (and not planned as in the case of Łódź voivodeship) budgets from 2009 and 2011 were obtained. In spite of the problems identified, the authors believe that the characteristics and comparisons carried out will be a source of valuable inspiration for people involved in budget planning in the LGUs in Łódź voivodeship, but also in Oppland county.

## 2.2. Rules for the construction of budgets of local government units in Poland and Norway

Local government finances are defined as: 1) resources and monetary funds at the disposal of LGUs, as well as 2) financial operations consisting in collecting own revenues, compensatory income and revenues, as well as making spending and expenditures by LGUs in order to finance own tasks and tasks delegated to them by the state and common tasks (CHOJNA-DUCH 2001). The ability to make decisions in the field of finance is a confirmation of the guarantee of the self-sufficiency of LGUs, which is related to the partial freedom to spend public money. At the same time, it imposes the obligation of efficient management of the entities in question. The implementation of the socio-economic policy of the entire country and the LGUs that are part of it is carried out through the use of a number of instruments. Among them, spending is important. They are specified in statutes or budgetary resolutions. It is worth emphasizing that the well-being of citizens depends on the degree of planning effectiveness and the implementation of budgets, at each level of state management.

The Polish Budget Act covers only a certain part of spending, the majority of which concerns the state budget, public spending or financing of government agencies. The remaining ones were put at the disposal of local governments, and thus are characterized in the budget resolutions of LGUs. According to the Public Finance Act (Journal of Laws of 2009, No. 157, item 1240 as amended), the main assumption of the said documents is to create a plan of revenues and spending of municipalities, communes or voivodeships. The plan also informs about the condition of LGUs, it is also a summary of actions taken by them, it indicates the ways of implementation and financing of these activities (ZIEMIECKA 2006). The effect of the above is the parallel operation of two intertwining approaches to the budget structure: 1) traditional - the budget is presented in accordance with the applicable budget classification (parts, sections, chapters), and 2) task-based - the budget constructed based on the task classification is extended by the efficiency part (LUBIŃSKA 2008). Parallel application of two different approaches to the construction of budgets results from the need to precisely determine the places and objectives of spending public money.

The authors want to draw the attention of the reader to the most important differences in the rules of constructing LGU budgets in Poland and Norway. It is obvious that each separate local government unit in Norway (as in Poland) has its own budget (Håndbok for KOSTRA rapportering 2011). In the case of Poland, we are dealing with a similar degree of detail in the description of the structure of budgets, regardless of the analyzed level of public administration.

In Norway, however, few very general rules governing accounting and budgeting at the national level are applied, in contrast to the extensive and detailed rules for local governments (MONSEN 2008). In addition, the budgeting methods applied at the national and local government level are different. Both methods derive from the accounting principle of the double entry of L. Pacioli (simultaneous, carried out on two different accounts of the budget, settlement of assets and settlement of sources of its financing). However, at the level of municipalities and counties, the modified version of the method was used. It takes into account the fact that in the past the accounting system based on the single-entry rule was used (MONSEN 2006). Similarly to Poland, also in Norway LGU budgets are prepared simultaneously in the traditional and task-based approach. It is worth noting that the task-based approach appeared in Norwegian budgets in 1996 (in Poland two years earlier).

In both countries, LGU budgets are prepared annually, their content is made public. In Poland, this is done by publishing in the electronic Public Information Bulletin (hereinafter: PIB), which every local government unit is obliged to possess. In Norway, however, the content of budgets can be found directly on the LGU websites. There are clear differences in the quality of the materials prepared. In Norway, budgets are made available with due care for the editorial side of the presentation, ensuring the legibility of electronic documents. They are prepared in easy to use and read \*.pdf formats. Polish budgets are often presented in a sloppy way, it refers to the form itself (carelessly scanned budget resolutions of cities and municipalities), as well as the presentation method (budgets are difficult to find in the bulletin resources, some entities do not comply with the obligation to publish the budget at all). What's more, in both countries there is a different way of presenting content in documents describing LGU budgets. In Poland, we are dealing with transparent documents, rich in financial content, but not describing the strategy of undertaken activities. The Norwegian documentation is informative and promotional in nature, however, the content in the field of accounting and public finance is marginalized. When talking about the presentation of local government budgets, one should also mention the material made available in both countries by public statistics institutions. Statistisk sentralbyrå, equivalent to the Central Statistical Office, administers the KOSTRA system (KOSTRA: Kommune-Stat-Rapportering). Since 2001, data from obligatory budgetary reporting of counties and communes have been aggregated and classified in KOSTRA. In the case of the Central Statistical Office, data on local government budgets are much poorer, published only since 2007, made available on the office's website with a significant delay (Local Data Bank).

From the point of view of expenditure analysis (it should be recalled that the characteristics and comparison of expenditure on tourism in Norwegian and Polish budgets is the basic objective of the study), the way of grouping individual expenses is important, the so-called budget classification. In Polish and Norwegian conditions, we have a standardized division of budget expenditures by various types of activities. In Poland, expenditures are described respectively in sections, chapters and paragraphs, each of the subordinate elements is contained in the superior element.

A similar solution was adopted in Norway. The basic differences in the Polish and Norwegian budgeting are visible when we analyze the coherence of departments in LGU budgets at various levels. Polish units have full, detailed budgetary classification available, regardless of their place in the hierarchy of administrative division. Thus, any voivodeship, commune and municipality will use the same structure and numbering of departments, chapters and paragraphs, adequate for a financial description of similar activities. This is not the case for Norway, where the level of detail of the budget classification increases with the lower rate in the hierarchy of the administrative division. In addition, the structure and numbering of departments in which budget revenues and expenses are classified are completely changed. In contrast to Poland, the comparison of Norwegian budgets, developed for units at various levels, is therefore significantly impeded.

Tab. 3.1: Differences in the budgets of Polish and Norwegian local government units.

Characteristic	Poland	Norway
Traditional budget	+	+
Task budget	+	+
Consistency of departments in LGU budgets at various levels	+	-
Completeness and detail of published statistical materials concerning LGU budgets	-	+

Source: Own study.

### 2.3. Place of tourism in the budget classification of local government units

Determining the amount of expenditure incurred by local government units on tourism is associated with the need to determine the exact place of aggregation of planned financial resources in the budget structure. In Polish legislation regarding public finances, two main types of expenditure are distinguished: current (related to the functioning of the unit) and property (related to direct and portfolio investments). Expenditure on tourism development may have both the nature of current and property expenses. What is important, in the Polish budget classification a place for expenses related directly to tourism has been distinguished. It is department 630, which includes the following chapters: 63001 - the chapter covers expenditure on tourist information centers, 63002 - the chapter includes funds provided to the Polish Tourist Organization, 63003 - the chapter covers expenditure on tasks in the field of tourism dissemination, 63078 - in the chapter there are funds allocated for the disaster recovery, only mentioning the consequences for tourist economy, and finally, 63095 - this chapter includes expenditure on other tourism-related activities. Importantly, in the course of the research, the authors revealed that the municipal and communal governments of Łódź voivodeship do not use chapters 63002 and 63078 at all.

Interestingly, according to art. 14 of the Act of 25 June 1999 on the Polish Tourist Organization (Journal of Laws of 1999, No. 62, item 689 as amended), every enterprise and every local government unit can financially support the organization's activity. The above assumption was a probable reason for the creation of the said chapter 63002 in the Polish budget classification. Due to the dubious benefits of this financial support, the opportunity to use the title of Partner of the Polish Tourist Organization, none of the LGUs surveyed decided to support the organization in question, so it did not disclose any expenses under the indicated chapter. In the authors' opinion, it is not good to duplicate chapters where expenditure on disaster recovery is disclosed within most of the budget departments. It seems that it is not always possible to assign a given effect of extraordinary phenomena to a specific field, e.g. tourism. However, the authors did not verify whether the lack of use of chapter 63078 in the budgets of municipalities and communes of Łódź voivodeship resulted from the fact that natural disasters did not occur, or from the negative effects of the indicated events for tourism, or from attributing effects of these events to fields other than tourism.

Tab.3. 2: Place of spending on tourism in the structure of the budgets of Poland and Norway.

Budget of the Polish municipality/commune	Budget of the Norwegian commune	The budget of the Norwegian county
Department 630 - Tourism	Department 140 - Advertising and information	Department 705 - Financial business support
Department 750 - Public administration (including chapter 75075 - promotion of the municipality/commune)	Department 325 - Business support	Department 710 - Regional business
Department 921 - Culture and protection of national heritage	Department 335 - Recreation in urban areas	Department 715 - Local and regional development
Department 925 - Botanical and zoological gardens and natural areas and objects of protected nature	Department 360 - Space and environmental management	Department 716 - Environment
Department 926 - Physical culture and sport	Department 365 - Protection of cultural heritage	Department 760 - Museums Department
	Department 375 - Museums	775 - Sport
	Department 380 - Sports and sports facilities	
	Department 381 - Communal sport centers	
	Department 386 - Communal culture centers	

Source: Own study.

It is not clear, on the basis of the description of the Polish budget classification, the expenses for which activities should be demonstrated in section 630. While conducting research on LGU budgets in Łódź voivodeship, the authors revealed a number of tourism activities financed from local government funds, which for various reasons (error, and above all the possibility of linking one activities to various budget departments at the same time) have not been assigned to section 630. It would be incorrect, however, to conclude that municipalities or communes, which in their budgets do not include section 630, do not financially support the development of tourism.

Bearing this fact in mind, the authors identified sections of the budget classification in which significant expenses directly stimulating the development of tourism were revealed. A similar procedure was performed for the Norwegian budget classification. While in the budgets of Norwegian counties, tourism was not directly taken into account, the municipal budgets, department 325 (business support) point to the need to maintain tourist information. The results of the works discussed are summarized in the table. What is important and logical, not all expenditures within the specified departments are expenditures related to tourism.

It is worth emphasizing that a simple, direct comparison of spending on tourism in LGU budgets in Poland and Norway is not possible. The authors, however, point out that a comparison of expenditure on culture, sport or promotion is possible. It was in these areas that expenditure on tourism development was identified.

#### **2.4. Methodology of collecting data on expenditures on tourism development in the budgets of local government units of Łódź voivodeship and Oppland County**

The aim of the undertaken research was to recognize the total amount of expenditure in departments or chapters (tourism, promotion, culture and sport), in which detailed expenses related to tourism were previously disclosed. The research was carried out for all municipalities and communes of Łódź voivodeship, as well as for the Norwegian county of Oppland and the municipalities that are part of it. The highest expenditure of cities and municipalities on tourism in the broad sense is presented in the tables below. It is not surprising that the largest expenditure on tourism in the strict sense, as well as the promotion of LGUs, culture and sport has been diagnosed in urban municipalities of Łódź voivodeship, and above all in urban municipalities, which also have the status of a township.

As a basic unit of analysis, communes were chosen for which the amount of expenditure realized by the communal government was recognized, and for which the amount of expenditure implemented by the municipal governments included in them was aggregated. Cities with commune rights whose local governments simultaneously carry out the tasks of municipalities and communes have been excluded from the analysis. The argument in favor of this solution is the very significant deviation of the values identified for townships in comparison with rural communes. Including these units in the analyzes would significantly reduce the possibility of inference and interpretation of results. In addition, as already discussed in greater detail in the introduction to this study, the Norwegian county of Oppland was adopted as the area of comparison. It was pointed out that Norwegian counties have the most features in common with Polish rural communes, despite the fact that they include a significantly larger number of municipalities. In the case of Łódź voivodeship, the time scope of the study covers the years 2009 and 2012. For both periods, budget plans of all municipalities and communes were identified. In the case of Oppland county, due to the availability of data in the KOSTRA system discussed above, the time span of the study covered the years 2009 and 2011.

Tab. 3.3: The municipalities of Łódź voivodeship, which in 2009 planned the largest expenditure on tourism, promotion, culture and sport.

Communes	Expenses in thousands zlotys on...			
	(department or division of budget classification given in brackets)			
	tourism (630)	promotion (75075)	culture (921)	sport (926)
Łódź commune	880	35,106	128,622	150,818
Uniejów commune	-	350	5,846	124,130
Bedlno commune	96	221	6,777	14,890
Bełchatów commune	-	600	8,167	7,916
Piotrków Trybunalski commune	42	273	7,045	8,636
Rawa Mazowiecka commune	-	360	8,497	3,685
Kleszczów commune	34	733	5,609	4,016
Poddębice commune	-	114	2,154	7,370
Tomaszów Mazowiecki commune	-	600	6,189	2,467
Aleksandrów commune	1,000	600	4,910	2,395

Tab. 3.4: - in 2012

Communes	Expenses in thousands zlotys on...			
	(department or division of budget classification given in brackets)			
	tourism (630)	promotion (75075)	culture (921)	sport (926)
Łódź commune	1,163	20,903	82,325	43,115
Uniejów commune	5,794	1,326	11,767	18,881
Bedlno commune	6,300	607	10,984	4,219
Bełchatów commune	28	722	15,740	1,386
Piotrków Trybunalski commune	91	193	5,421	10,175
Rawa Mazowiecka commune	-	138	2,430	13,055
Kleszczów commune	-	406	7,348	7,755
Poddębice commune	-	277	1,388	13,722
Tomaszów Mazowiecki commune	-	375	8,892	5,987
Aleksandrów commune	-	1,110	1,037	11,888

Source: Own study.

Obviously, the authors are aware of the imperfections of comparing Polish data from 2012 and Norwegian data from 2011. It should also be clarified that the expenditure values in the budgets of the municipalities in Oppland county and in the budget of the county itself were expressed in Norwegian kroner. To ensure comparability of data, the indicated values have been expressed in Polish zlotys, having previously translated them at the average exchange rate of the National Bank of Poland, which on June 15, 2012 defined the value of one Norwegian krone at 0.5718 zloty.

## **2.5. Expenditures on tourism development in the budgets of local government units of Łódź voivodeship and Oppland County**

Direct expenditure on tourism (department 630) was not disclosed in a significant part of municipality or commune budgets in Łódź voivodeship. In the case of Norway, as discussed above, no similar division of the classification of local government expenditure was found. In Łódź voivodeship, three communes were recorded (Brzezina, Skierniewice and Tomaszów), in which no amount was allocated directly to tourism, both in 2009 and 2012. This applies to both commune budgets as well as the budgets of municipalities included in the aforementioned communes. In commune budgets, the amount allocated directly to tourism, regardless of the year of analysis, varies between 2 thousand and over 1 million zlotys. For municipalities budgets aggregated (summed up) to the commune level, the analyzed expenditure ranges from as little as 1,000 up to almost 7 million zlotys. It is worth noting that the large spread of the volatility area for direct expenditure on tourism and a small number of municipalities (only 21, not counting three cities with commune rights) disclosing department 630 in their budgets, do not explicitly show lack of expenditure, and especially lack of investments supporting tourism development undertaken by voivodeship local governments. On the other hand, this is an important piece of information which proves that LGUs have interpreted department 630 differently. Only a small part of the units uses it as intended, including current expenditure on tourism or related to tourist investments. This confirms the need to look for expenses related to tourist activities in other departments and prompts us to think about the Polish construction of LGU budgets. The flexibility of the Polish budget classification, resulting from the wide range of departments in which LGUs can book various expenses is an unquestionable advantage. However, this raises the problem of reduced comparability of budgets between units at the same level. In the opinion of the authors, reliable systematization of departments and their clear description would remove the indicated disadvantage.

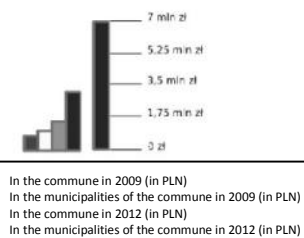
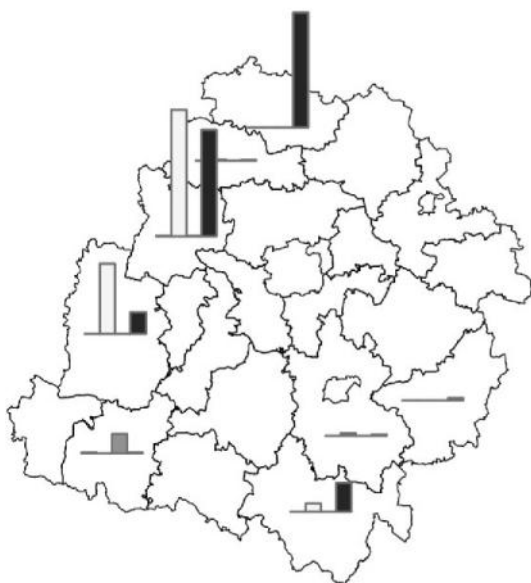
The development of tourism in the area should be considered in the context of elements that create tourism potential, as well as with the perceived tourist attractiveness, and thus the awareness of the potential tourist of the value of a specific location (KACZMAREK, STASIAK, WŁODARCZYK 2002). While expenditure on culture, sport, and environmental protection can serve directly to strengthen tourism potential, expenditures on LGE promotion can be associated with tourist promotion of areas, and thus enhancing perceived tourist attractiveness.



The authors would like to emphasize that due to the limited use of department 925 in the structures of municipality and commune budgets (botanical and zoological gardens and natural areas and objects of protected nature), they decided to give up the analysis of expenditures disclosed in the indicated department.

a)

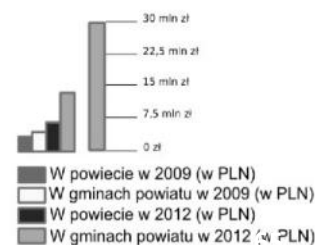
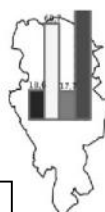
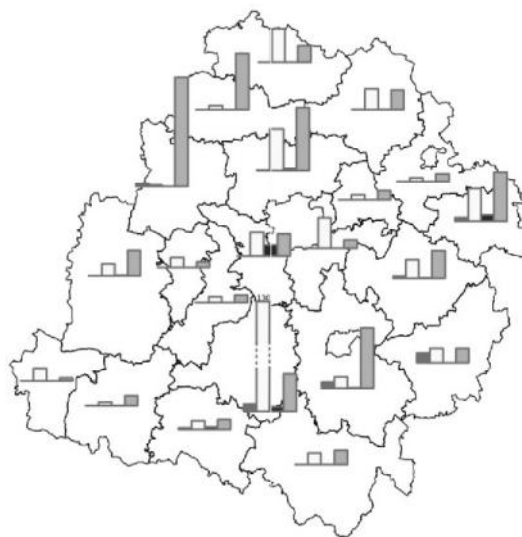
### Department 630 - Tourism



■ W powiecie w 2009 (w PLN)  
 ■ W gminach powiatu w 2009 (w PLN)  
 ■ W powiecie w 2012 (w PLN)  
 ■ W gminach powiatu w 2012 (w PLN)

b)

### Department 926 - Physical culture



■ W powiecie w 2009 (w PLN)  
 ■ W gminach powiatu w 2009 (w PLN)  
 ■ W powiecie w 2012 (w PLN)  
 ■ W gminach powiatu w 2012 (w PLN)

c)

Chapter 75075 - Promotion of LGUs



d)

Department 921 - Culture and protection of national heritage

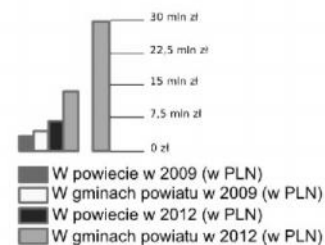
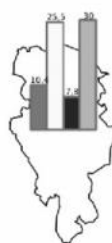
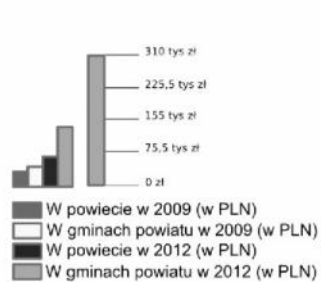
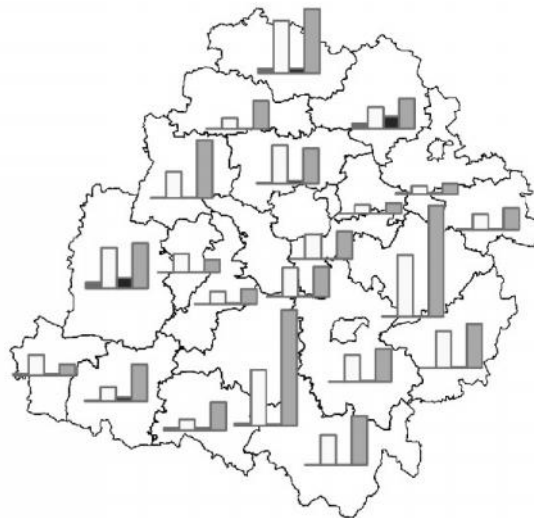


Fig. 1: Expenditure on (a) tourism, (b) sport, (c) promotion, (d) culture in budgets of municipalities and communes of Łódź voivodeship and Oppland county in Norway, in 2009 and 2012.

Source: Own study.

The development of tourism in the area should be considered in the context of elements that create tourism potential, as well as with the perceived tourist attractiveness, and thus the awareness of the potential tourist of the value of a specific location (KACZMAREK, STASIAK, WŁODARCZYK 2002). While expenditure on culture, sport, and environmental protection can serve directly to strengthen tourism potential, expenditures on LGE promotion can be associated with tourist promotion of areas, and thus enhancing perceived tourist attractiveness. The authors would like to emphasize that due to the limited use of department 925 in the structures of municipality and commune budgets (botanical and zoological gardens and natural areas and objects of protected nature), they decided to give up the analysis of expenditures disclosed in the indicated department.

The functioning of cultural and art institutions, including museums, cinemas and theaters, affects the development of tourism in the region (KRAKOWIAK, LATOSIŃSKA 2009). Sometimes these entities are in themselves the purpose of the trip. Thus, expenses related to their activities and borne by local governments are directly related to tourism. What's more, in department 921 (culture and protection of national heritage), expenses incurred by LGUs for the protection of monuments are included. It is not necessary to convince that monuments are one of the key elements shaping the tourist potential of the area. In the case of Łódź voivodeship, expenditure on culture and protection of national heritage was declared by over 95% of the analyzed municipalities and communes. The amounts allocated by local governments for this purpose range between 11,000 and over 3 million zlotys in commune budgets and from 2 to 30 million zlotys collectively for municipalities in individual communes. What is important, based on the analysis of skewness of the distributions, it was found that the majority of municipalities and communes allocate more money to culture in their budgets than the average for the voivodeship. The units in which the largest expenditures were diagnosed are the Bełchatów and Tomaszów communes. The culture expenditures disclosed in the Oppland county budget and in the budget of the municipalities of the Norwegian region in question are several times larger than the expenditure of Polish municipalities and communes. It is worth emphasizing, however, that the difference was calculated after converting Norwegian expenses by the stock exchange and banking exchange rate. However, the discussed difference is significantly reduced after taking into account the purchasing power parity of the Norwegian krone. It is important, according to the authors, to determine the proportion in which culture is financed from commune and municipality resources. In the case of Łódź voivodeship, communes participate to a small extent in financing culture in comparison to municipalities, on average in a ratio of 5:100. It is different in Oppland, where the ratio is over 35:100. In the authors' opinion, the Norwegian practice favors the consolidation of activities in a larger area (counties), thus relieving smaller units (municipalities).

Among the departments of the budget classification, in which the authors disclosed expenses related to tourism, one should indicate department 926 (physical culture and sport), e.g. funds allocated for the construction and maintenance of sports facilities. Importantly, department 926 was recorded in the budgets structure of virtually all LGUs in Łódź voivodeship (all communes and 95% of municipalities). It is used by over 95% of the municipalities of Łódź voivodeship and by all research units. The amounts allocated by local governments for physical culture and sport range between 8,000 and over 3.4 million zlotys at the commune level and between 0.5 and 130 million zlotys collectively for the municipalities included in the communes. Areas of variation are greater than in the case of expenditure on culture and protection of national heritage.

A significant part of expenditures relates to the maintenance of facilities which, due to the profile of their activity, are used mainly by local communities. In the opinion of the authors, only the largest investments have a chance to stimulate the tourist movement. The largest expenditures were diagnosed in the Bełchatów commune in 2009. This was due to an investment financed by the Kleszczów municipality amounting to 122.8 million zlotys. These funds financed the construction of a recreational and sports complex "Solpark", providing services to the residents of the municipality, especially school children, but also promoting its offer on the voivodeship and supra-regional scale. It is worth noting that this amount was more than 4 times higher than the maximum disclosed in 2012 in the Poddębice commune. As in the case of the previously analyzed department 921, there is a significant disproportion (11:100) between the amount of funds allocated to sport and physical culture in the commune budgets and in the collectively considered budgets of municipalities included in these communes. This disproportion is significantly smaller for Oppland county (27:100).

From the perspective of supporting local tourism development by local governments, an important element of budget classification is department 75075 (promotion of LGUs), which is included in department 750 (public administration). In the indicated chapter, the authors identified expenditures whose aim was to increase awareness (of potential investor, resident or tourist) about the diverse offer of the area (convenient investment, housing or tourist conditions). Over 85% of municipalities and all communes of Łódź voivodeship declared their financial commitment to the promotion in their budgets. The amounts allocated for the analysed goal range between 12,000 and over 370,000 zlotys at the commune level and between 70,000 and 2.3 million zlotys collectively for the municipalities included in the communes. As it can be seen, the differences between the minimum and maximum values are small compared to the areas of volatility determined for the previously discussed departments. Expenditures for the promotion of LGUs, exceeding 1 million zlotys, were reported in the budgets for 2012 of the following communes (and municipalities included in them): Łowicz, Pabianice, Piotrków, Poddębice, Sieradz and Tomaszów. Bełchatów and Zgierz communes (and municipalities included in them) are planning to spend over 2 million on the discussed goal. In the Norwegian budget classification for municipalities, the existence of department 140, coincident with the Polish department 75075, was found. However, both in 2009 and 2011, for the budgets of the municipalities in Oppland county, no funds were posted in this department. In the opinion of the authors, a significant oversight is the lack of obvious disclosure of expenditure on promotion in the budgets of municipalities of the Norwegian Oppland.

Through the research undertaken, the authors attempted to diagnose the existence and strength of dependence between the total amount of municipal budget expenditures or the number of municipality residents, and expenditure values in particular departments of the budget classification in which tourism-related measures were disclosed. For simplicity, only the existence of linear dependencies was verified. The results of the conducted analysis indicate that in each case there is a proportional increase in the value of variables. Detailed results are presented in the table below. It can be noticed that the expenditure on culture in the municipalities of Łódź voivodeship grew in proportion to the size of the budgets of these municipalities. The more total expenditure, the more expenditure on culture.

Tab. 5.3: The values of Pearson's linear correlation coefficients for the assessment of the relationship between expenditures on promotion, culture and sport and total expenditure in municipal budgets or the number of inhabitants of municipalities.

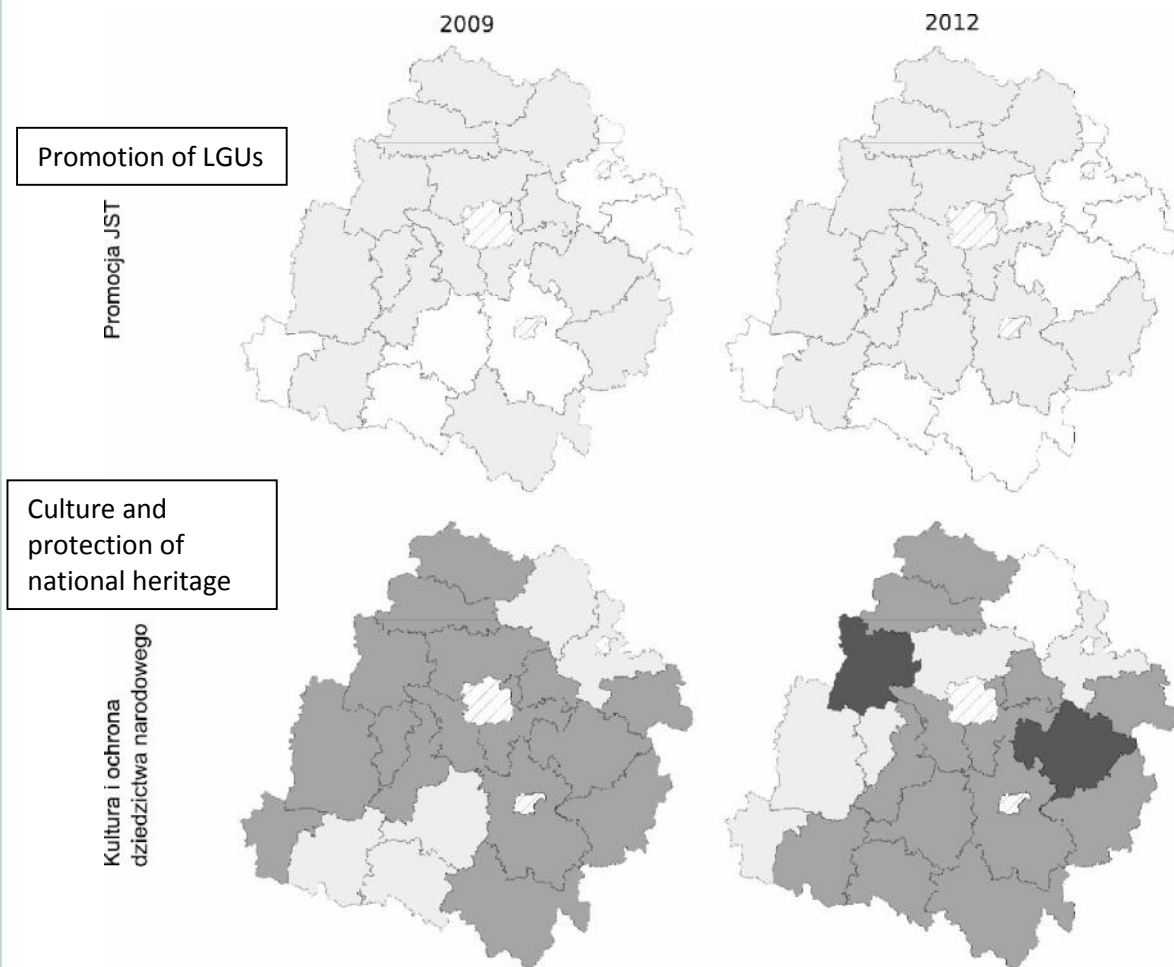
values of Pearson's linear correlation coefficients	expenditures on		
	promotion	culture	sport
municipalities of the Łódź voivodeship in 2009			
▪ total expenditure in budgets of municipalities	76.87	83.92	68.73
▪ number of residents of municipalities	83.91	77.68	5.88
municipalities of the Łódź voivodeship in 2012			
total expenditure in budgets of municipalities	61.65	71.46	52.10
number of residents of municipalities	38.0	50.46	19.02
municipalities of Oppland county in 2009			
	-	60.52	93.33
	-	56.59	91.37
▪ number of residents of municipalities			
	-	49.55	87.80
	-	46.96	85.62
municipalities of Oppland county in 2012			
▪ number of residents of municipalities			

Source: Own study.

Also, these expenditures were proportionally larger for municipalities with a larger number of inhabitants. Slightly weaker correlation was recorded for total expenditure or the number of residents compared to expenditures on promotion, and above all to expenditure on sport. Apart from the few exceptions, it can be stated that regardless of the number of inhabitants or the size of the budgets of the municipalities of Łódź voivodeship, the municipal governments allocate similar funds for sport, and in 2012 also for promotion. In the case of Oppland county, an opposite regularity was observed. There was a markedly stronger relationship between expenditures on sport and physical culture and total expenditure in county municipalities or the number of inhabitants of the municipalities concerned. However, a weak correlation was recorded in the case of expenditure on culture. The above observation confirms the character of the Oppland region, focused on the development of sport and winter tourism.

It was important to determine the impact on the expenditure related to tourism at the level of the local government unit. The maps show the relative (calculated as a percentage of expenditure booked in a given department to total budget expenditure) differences between the financing of promotion, culture or sport by municipalities included in the commune and by the commune itself. Positive values prevailing on the cartograms testify to greater participation of municipal governments in expenditure. The relatively higher, financial involvement of municipalities compared to communes was observed primarily for expenses incurred for promotion, in the northern part of Łódź voivodeship (in the communes of Łęczyca, Łowicz, Poddębice and Zgierz), in 2012. What is important, in the case of the Norwegian Oppland, the discussed values oscillate around zero. This means that the county government finances sport or culture to the same extent as municipal governments. From the point of view of municipalities, the system in which higher-level entities actively engage in financing the discussed activities is definitely more beneficial.

a) Difference between relative expenses in municipalities of a given commune and commune in 2009



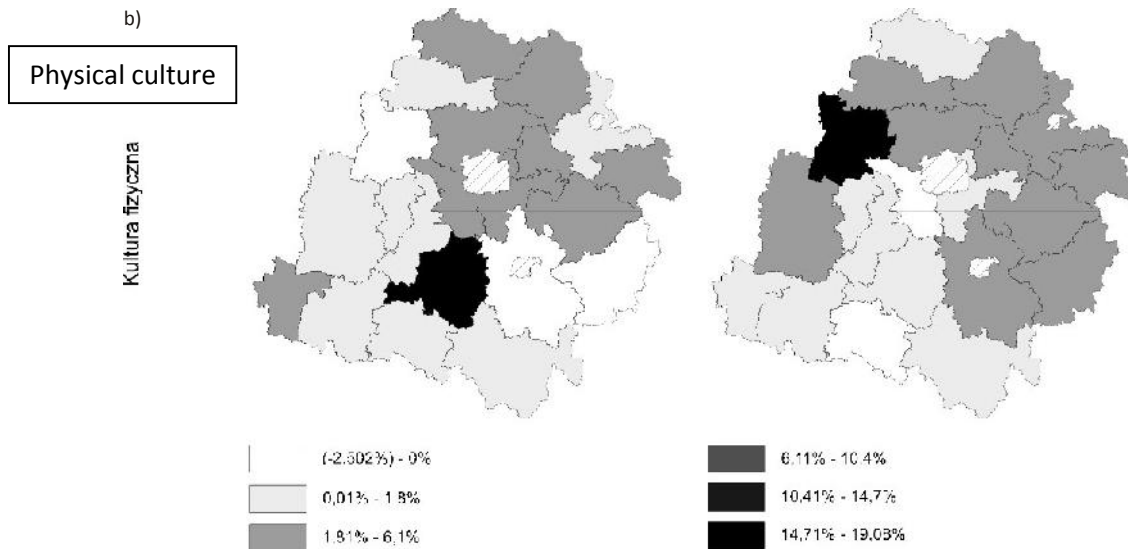


Fig. 2 a) and b): Relative differences between the financing of promotion, culture and sport by municipalities included in communes and the communes themselves of Łódź voivodeship, in 2009 and 2012.

Source: Own study.

In the opinion of the authors, it was important to determine the variation in expenditure within the tourism related departments borne by the municipality governments in the area of individual communes. High deviations from the average, expressed in percentages, indicate significant differences in expenditures between individual municipalities creating communes. It can be concluded that these high values indicate a significant concentration of local government activities on tasks identified as priorities by individual municipalities in communes. According to the authors, this is a positive phenomenon, provided that it follows the strategy of the whole region, which assumes the specialization of individual municipalities in various types of activity. In other case, it means a small degree of coordination of works carried out by neighboring municipalities. The opposite situation occurs for low values. They inform about a small variety of expenditures and are a testimony to the similarity of the financial strategies of individual municipalities or evidence of joint, focused actions undertaken by neighboring municipalities. The authors would like to emphasize that they did not compare the deviation from the average for absolute values of expenses disclosed by municipalities in communes. The comparison was made for deviations from the averages for relative values, i.e. the shares of the studied expenditure groups (for promotion, culture and sport) in the total sum of municipalities' expenditures in communes. The coefficient of variation was assumed as a measure of the dispersion of given relative values.

In the Kutno, Łaski and Wieluń communes there were the highest dispersion values in the case of department 75075 (LGUs promotion), both for 2009 and 2012. However, it should be pointed out that in 2012, the highest value of the average deviation from the average share of expenditure on promotion in total expenditure was recorded for the communes of the Bełchatów commune. The area of variation in the value of expenditure on promotion of LGUs varies for the indicated commune from 5,000 (Kluki municipality) to over 720 thousand zlotys (the city of Bełchatów). It is difficult to conclude that this differentiation testifies to the planned diversification of promotional activities within the commune. In the opinion of the authors, the above is rather evidence of a significant advantage of individual actions of municipalities. The lowest dispersion values are observed for the communes of East Łódź and Brzeziny. In municipalities belonging to both communes, the share of funds allocated for promotion is similar, and at the same time very low. Therefore, we do not deal with the cooperation of municipalities in the field of promotion, but only with the similarity of the structure of their budgets.





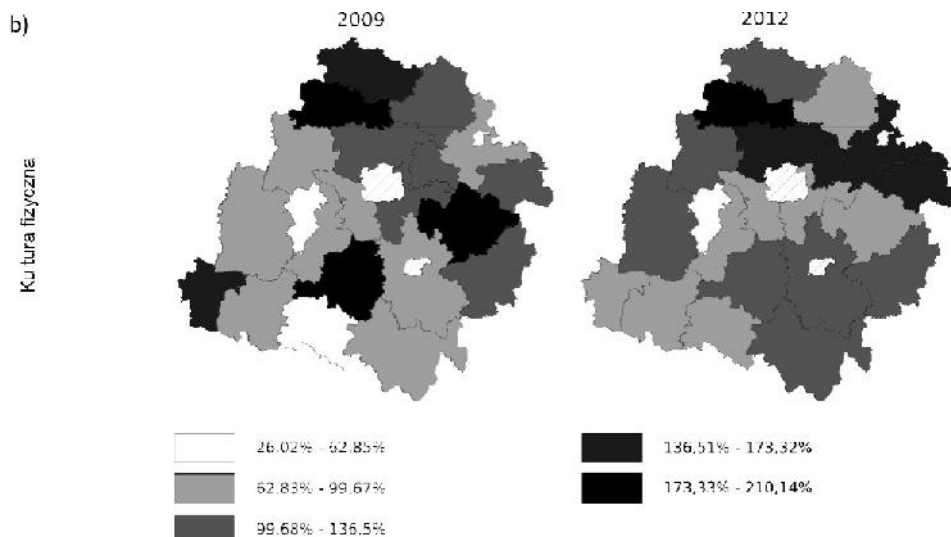


Fig. 3 a) and b): Coefficients of variation of shares of specific expenditure groups in total expenditure, in the budgets of municipalities included in communes, in 2009 and 2012.

Source: Own study.

The authors analyzed the diversity of expenditure on culture in the budgets of the municipalities of Łódź voivodeship. They determined the shares of the indicated group of expenditures in the total sum of budget expenditures of municipalities. They showed that within the limits of individual communes, relatively low (as compared to expenditure on promotion or sport) is the average deviation from the average share of expenditure on culture in total funds spent by municipalities included in communes. The highest diversity of communal expenditure on culture was revealed in the Kutno, Łęczyca, Podębicza and Tomaszów communes. It should be emphasized that these are areas of intensive tourism development, although this development is not homogeneous. In the most intense way, municipalities that are most popular among tourists are promoted, allocating the most resources for this purpose. These are the urban-rural municipality of Uniejów and the cities of Łęczyca and Tomaszów Mazowiecki. It seems that the higher dispersion indicates the lack of activities integrating the activities of municipalities within the aforementioned communes.

Similar, high values were estimated for the Norwegian county of Oppland. Here, too, there is a significant diversity in the share of expenditure on culture in municipal budgets. The larger part of Łódź voivodeship consists of communes, whose municipalities allocate to culture, similar but also a very small part of the total funds spent.

Sieradz commune district should be distinguished here. All municipalities forming this commune spend significant resources on culture, constituting an important part of municipal budgets. In the authors' opinion, this is evidence of coordinating municipal actions for culture in the Sieradz commune, as well as confirming the importance of these activities in the policy implemented by the municipal authorities.

Finally, attention should be paid to the assessment of the diversity of shares in the budgets of municipal expenditure on sport and physical culture. Exemplary values, in the opinion of the authors, were recorded in the Norwegian county of Oppland. The diversification of the importance of sports expenditure in the budgets of county municipalities is noticeable. However, it is lower than in any commune of Łódź voivodeship. The authors emphasize the strategic orientation of the region on the development of sport and tourism. They point to the variable importance of the share of sports expenditure in municipal budgets, depending on natural and infrastructural conditions in these municipalities. A significant dispersion of the share of expenditure on sport in the budgets of the Oppland municipalities confirms the specialization of the individual municipalities of the region in the development of sports tourism. On the other hand, it confirms the coordination of activities at the level of the county, aimed at creating a regional brand, significantly stronger on the tourism market than local brands. The authors perceive such activities as exemplary. They give the opportunity to accumulate more investment capital and achieve the scale effect in the conducted activities, they increase the transparency of the process of spending funds through common and mutual control of several jointly involved LGUs.

In contrast to the Oppland county, communes of Łódź voivodeship are clearly internally differentiated in terms of the importance of spending on sport in the structure of municipal budgets. In some cases, deviations are close to 200%. The causes of the phenomenon should be seen in the fact that usually single municipalities, implementing large investment tasks in the field of sports or recreational infrastructure development, stand out against the neighboring units. While the municipality has sufficient potential for the development of recreation or sports tourism, the possibility of creating a strong brand in the voivodeship or on a national scale (e.g. the urban-rural commune of Uniejów), such activities should be considered correct.

In conclusion, it should be noted that the interdisciplinary nature of tourism leads to a discussion whether it is advisable to maintain a department dedicated exclusively for tourism (630) in the Polish budget classification. In the opinion of the authors, it is necessary to undertake detailed research on the real share of expenditures on tourism development in expenditure on the promotion of LGUs, culture or sport. This will allow to determine the real financial involvement of local authorities in the development of tourism in the areas they manage. Analysis of the correlation of expenditure on culture or sport and promotion with the size of all budget expenditures or the number of inhabitants, allows to conclude on the nature of tourism supported by LGUs. It also allows determining the involvement of local governments in the promotion of tourism development. It should also be indicated

that the participation of Polish communes in financing the development of broadly understood tourism is scarce, especially from the perspective of the involvement of municipal governments.

## 2.6. Conclusion

In this article, the authors determined the specific features of the construction of budgets in Poland and Norway, pointed to the place of tourism in the budget classification appropriate to both countries. Then, they analyzed in detail the expenses realized by municipalities and communes of Łódź voivodeship, booked within budget departments that have strong links with tourism. This means direct relationships, as well as indirect influence on the development of tourism through promotion, development of culture or sport. The obtained results were compared to the analogous values observed in the Norwegian county of Oppland and in the municipalities constituting it.

It should be emphasized that thanks to the research works carried out, it was possible to indicate the strengths and weaknesses of the construction and presentation of local government budgets in Poland and Norway. The flexibility of the Polish budget classification, comparability of LGE budgets at every level are the most important advantages of Polish budgets. On the other hand, a precise, separate description of budget departments and high quality of official statistics, within which the characteristics of Norwegian local government budgets are disseminated, are undoubted advantages of the budgets of Norwegian local governments. It is a fact that the funds that the Norwegian local government has at its disposal, even taking into account the different purchasing power of the Norwegian krone and the Polish zloty, are objectively higher in Norway. It is worth noting that the amount of funds that are used to finance specific activities, e.g. related to the development of tourism, can not be equated with the effectiveness of spending them. This issue, however, was not the subject of work undertaken by the authors. Thanks to the research undertaken, the authors could also assess the location of tourism in the Polish and Norwegian budget classification. Despite the fact that a department dedicated to tourism was revealed in the Polish classification, a low level of its use in the planning of local government budgets was also diagnosed. In connection with the above, both Polish and Norwegian problem is the lack of the possibility of simply estimating the amount of funds allocated for the development of tourism in the local government budgets. The authors suggest conducting detailed research in the given scope, proposing to recognize individual tasks financed from local government resources and to determine the degree of their impact on the development of tourism in municipalities or communes. Therefore, they hope that this article will contribute to further research on the importance of tourism in local government budgets.