

**LOCAL COMMUNITIES
AND THEIR IMPACT ON FUNCTIONING OF PUBLIC SECTOR
- PRAGMATICS OF IDENTIFICATIONS OF DEPENDENCIES**

Summary

The restoration of self-government in Poland in 1989 started long-term process of reforms of Polish public sector. The most important and sophisticated reform was devolution of power and responsibility between local and central government. At present, decentralization process in Poland has focused on building and strengthening of local authorities. Polish experience shows that successful implementation of three dimension of decentralization process (financial, administrative and functional) requires that a number of barriers have to be overcome. Legal framework and insufficient financing at LGEs' level are still major constraints, which have big impact on regional and local development process.

At present, public sector in Poland is limited and responsibilities for fulfilling public tasks are also a part of the activity of local government. There are still many unsolved problems, which impact on public sector effectiveness and fiscal burdens. The tasks handed over to local government are underfinanced and have influenced the local debt value. All factors mentioned above and demand for higher quality of public tasks determine outsourcing public services to commercial sector and requires radical reforms of public sector in Poland.