

## SUMMARY

The main function of local government, as an entity of public authority, is to perform public tasks, not reserved for the benefit of other bodies governed by public law. Such a broad presumption of competence should be followed by financial resources adequate to the tasks entrusted and changing. The analysis of the economic structure of municipalities is therefore of fundamental importance for assessing both the feasibility of local government units to perform their tasks and the assessment of their independence.

The Act on Municipal Self-Government indicates that satisfying the collective needs of the community (which should be understood as the inhabitants of the municipality) is one of the basic tasks of the commune. These tasks are supplemented by a changing catalogue of commissioned tasks, which the government side, on the basis of separate acts, transfers to individual local governments. Both the implementation of own and commissioned tasks requires guaranteeing the participation of the local government in public finances. This share should be proportionate and correlated with the costs of the task.

In this dissertation, a study was conducted on the issue of repartition (distribution) of financial resources between the local government and the state budget. The focus is on the same distribution structure as well as the adequacy of the distribution of financial resources between the surveyed entities, in relation to the actual costs of task implementation. These flows are a source of income available to local governments, which in turn are guarantees for the implementation of tasks.

The main goal of this dissertation was to assess the significance and transparency of the distribution of funds between the state budget and local government units and their impact on the financial independence of local government units. Additionally, a number of specific objectives were formulated, the consistent implementation of which allowed for an in-depth analysis and evaluation of the studied phenomenon.

In the dissertation, three research hypotheses were adopted:

H1: In the distribution of funds between the central budget and local government units, the state uses the unilateral possibility of shaping the financial policy based on legislative competences.

H2: Financial transfers from the state budget to local self-governments are inadequate to the actual costs of their tasks.



H3: As regards targeted subsidies, the amount of funds granted from the state budget to municipalities depends on non-substantive factors.

In the course of the research, all the hypotheses were positively verified. The main research methods in this dissertation were: literature review, examination of documents, analysis of legal acts, comparative analysis, case study, inductive reasoning.

The research carried out for the purposes of this dissertation proves that the financial resources transferred from the central budget to local governments are inadequate to the tasks entrusted, to the extent that it violates the independence of local government units.

This dissertation is a contribution to research on the economic analysis of financial relations between the government and local government, as entities involved in the transfer of public funds. In the author's opinion, the analysis of the issue raised is of particular importance in view of the increasing budget deficit in local governments resulting from the underestimation of public tasks performed.

