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## Selected moral values and their influence on financial decision making within the public sector: A case study of Poland

### Abstract

*Objectives:* The general aim of this article is to propose a theoretical model for the determinants of the optimal (required) operating of the public sector, including financial decision making in the scope of the creation of law and its application. At the same time, authors assert that universal moral values affect and should affect the legal system (including the creation and application of law governing public finances).

*Research Design & Methods:* Precisely in the context of the values mentioned below, authors have decided to verify to what extent the mentioned model works in practice (an initial practical test). For this purpose two pilot studies have been conducted by use of the diagnostic poll method.

*Findings:* Although in common (i.e. public) conviction decision making by public authorities (including decisions on public spending) should be based on moral values culturally accepted by society (which are often reflected in binding law), the results of the afore-mentioned studies were less than conclusive.

*Recommendations:* The results underlined the need for in-depth interdisciplinary research (both legal and sociological), mainly into the moral aspects of legislating with regard to public finances, both at the state and local levels.

*Contribution:* Research into the issue of the role of morality in financial decision making in Poland has not been undertaken yet. The authors created (and proposed) a theoretical model for the optimal operating of the public sector and decided to test the validity of the assumptions of the basic elements thereof by way of pilot studies.

*Article Classification:* Research article

*Keywords:* financial decisions, legislation, public finance, moral values, politics, civil society

*JEL classification:* A13, E62, H50, K40

### 1. Introduction

In scientific literature, including work produced in Poland (Szyszkowska & Kozłowski, 2001; Modzelewski, 2006; Sutor, 1994), the problem of the relationship between morality and politics

(including political ethics) is subject to constant analysis, regardless of the frequently expressed idea of the contemporary immorality of politics. It is still a domain of political scientists and philosophers, while lawyers, or, more precisely, theoreticians of law, in their research focus on the relationship between morality and law (Fuller,

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2004). It is undisputed that, although the categories of law and morality can be analysed separately, from the perspective of the rules of law-making and law application they are not entirely separable. Hence, from the axiological point of view, they should not be separated.

In a given context or, in general, in the morality of politics one should scrutinise the process of financial decision making in the public sector and its social impact. Moreover, the attention is both on law-making decisions (first of all) and their implementation. As is widely known, in particular the former are created by politicians (however, by applying the law on public finance by, for instance, spending public money, politicians are also engaged in that, often holding ministerial or presidential posts). In addition, considering the fact that the financial decisions of public entities have a significant social impact, both nationwide and locally, it seems reasonable to conduct research into the issue of the role of morality in financial decision making. It needs to be emphasised that in Poland research into this area has not been undertaken yet.

Our major assertion was that morality, perceived as a recognised (and applied) system of values, universal in nature, is an indispensable element of not only the decision-making process in the public sector but also of forming civil attitudes. The theoretical model for this issue is presented next.

## **2. Literature review: General determinants of the optimal operating of the public sector, including the role of morality**

The model below sequentially shows the factors that determine the possibility of the optimal (required) operating of the public sector. It also concerns the operation of state and local government finances, including the optimisation of budget creation and implementation. The work on this model included current various social and economic theories (below), supplemented with aspects of legal conditions. However, it should be emphasised that

the ‘original’ basis here was the theory of scarcity, which is widely known in economics, resulting from two contrasting phenomena: the unlimited nature of human needs and the limitedness of resources to satisfy them (Eklund & Hebert, 2007; Murherjee, 2005; Perelman, 1987). What is important, in the field of public finance, is that the theory of scarcity has a stronger impact there than in the private sector. The authors have also taken into consideration the moral aspects of the issues discussed, which are rather under-considered in Poland, while in developed countries they seem to be a perennially important issue, especially in the process of motivating politicians or managing public administrations (Boston, Bradstock & Eng, 2010; Huberts, 2014; Lewis & Gilman, 2012).

For various reasons, politicians and public officials are not entirely or sufficiently motivated to make decisions which would rationalise the financial management of the state (Buchanan & Tollison, 1972). Therefore it was completely justified to start with the principal–agent model for the public sector (Moe, 1984; Weingast, 1984), where the citizens are the principals and the politicians are the agents. We have assumed that in order to make the principal (i.e. society) feel responsible for public matters and – something which is related to that – to be able to motivate politicians to make decisions effectively, there must be a civil society. The basic prerequisite for that to exist in democratic states is appropriate education about public matters, including public finances. This condition is correlated with material transparency, as without real transparency of the activities of the authorities and information about public finances, civic education cannot exist. Material (i.e. real) transparency is meant here as presenting information and data in an understandable and accessible way. Although formal transparency (presenting data and information in any form, lay-out, etc) ensures the transfer of information and data, it is all too often highly specialised or actually merely apparent.

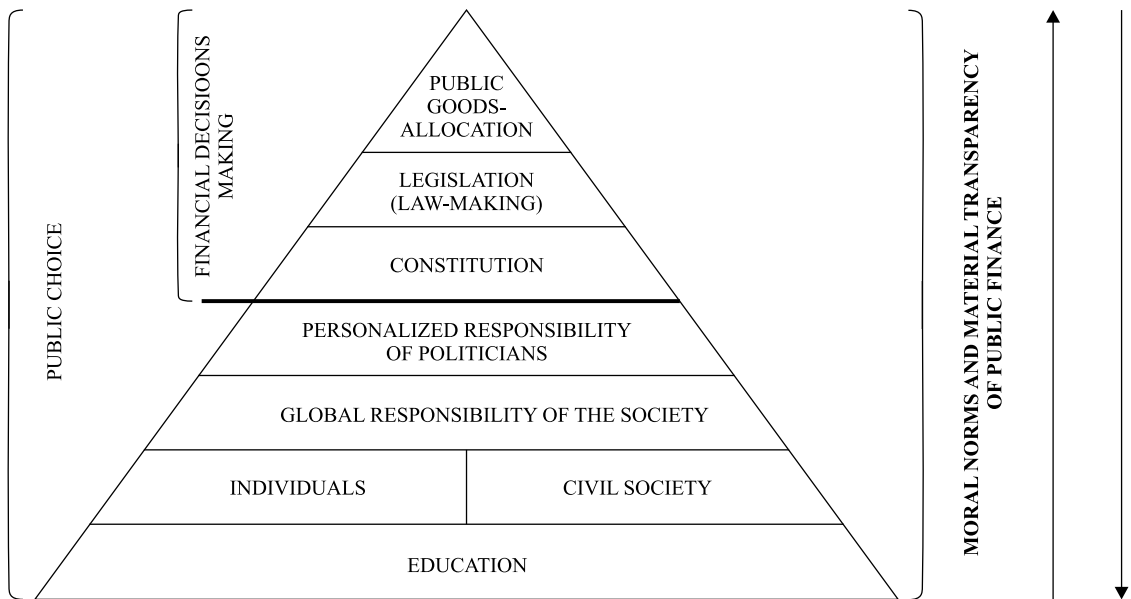


Figure 1. The determinants of the optimal operating of the public sector

Source: own study.

On the other hand, continual education gradually widens the scope of information which can be understood by citizens (material transparency). The existence of real, not only apparent or residual, and developed forms of civil society creates a state/feeling of responsibility and influences citizens with regard to matters including public finances (the global responsibility of society). That constitutes the basics for building the responsibility of each and every politician (i.e. personalised responsibility of politicians). However, the concern is not only, or first and foremost, legal responsibility. Politicians should be accountable to their principals (i.e. society) when making (financial) decisions. Certainly, one should bear in mind that the motivational incentives of representatives (i.e. politicians) will never be based on entirely the same interests of the principals (i.e. society). Despite that, it is necessary to control the actions of politicians, and additionally that causes, so to speak, a redistribution of some elements

of power (Fukuyama, 2005), since the above-mentioned relationships between the elements of the presented model move in the opposite direction (top-down). Political decisions, including the passing various legislative acts, influence the responsibility of politicians, the development of civil responsibility (including individuals) and the strengthening of the institutions of civil society.

One should also not forget that the operating of the public sector, of which crucial components include financial decisions taken by public authorities, in fact affects the theory of public (fiscal) choice, which is concerned with the issues related to the choice of allocation of goods and redistribution of profits. In other words, it concerns the type, quantity and quality of public goods and the ways of paying for them (Buchanan, 1987; Buchanan & Musgrave, 2001; Kiefer, 1997; Lee, 2013; Musgrave & Musgrave, 1989; Stiglitz, 2000). This is to be decided upon by citizens by means of a democratic election, which reduces the arbitrariness and decisional freedom of public authorities. This way

of expressing one's election preferences is part of the theory of agency described above.

In the presented model moral aspects shown in the figure play a crucial role. Here we see feedback in operation. On the one hand, moral convictions/attitudes determine the attitudes and expectations of society (e.g. the requirement for honesty, reliability, acting in the public interest) with regard to politicians, who should take optimal decisions. On the other hand, the decisions made (e.g. with regard to laws) influence the forming/changing of moral attitudes. In the case of the 'young democracies', historical background can be of some significance (from the previous communist times).

### **3. Material and methods: Examples of the implementation of moral values<sup>1</sup> concerning public spending (goals, hypothesis and research methods)**

#### **3.1. Morality and financial decision making**

As mentioned previously, this part of the article discusses in detail the aspect of morality (i.e. moral values) in the presented model for optimal public sector functioning and its special significance in the process of motivating politicians who make financial decisions, which is one of the topics of this publication. Moreover, when referring to financial decisions, we basically mean the ones which deal with public finances (i.e. public money). In addition, they need to be broadly understood, i.e. the point is not the decisions themselves in the strict sense, i.e. individual decisions which exemplify the application of law, but first of all other forms of expressing will in the field of financial policy in the form of, inter alia, financial plans (strategies) and normative acts (laws and regulations). Optimisation, in turn, is interpreted by the authors from the point of view of effective achievement of the assumed goals and implementation of public

tasks while maintaining cost effectiveness, taking into consideration the scarcity of resources.

We have hypothesised that morality, perceived as a group of values, besides material transparency, occurs (should occur) at each stage of the optimal operation of the public sector. Moreover, we have also asserted that its impact on the sector is bidirectional (what is referred to as the feedback effect). In view of this, we can point to two detailed and expanded hypotheses, the affirmation of which will define the meaning of the moral values in the model proposed.

Firstly, moral values are a kind of a reference (background) for laying the foundations of the model, i.e. the method and quality of educating society and transferring information to it, which concurrently fulfils the premise of real (not apparent or formal) transparency concerning, inter alia, public finance. In this situation interactions are observable between not only morality and education but also between morality and material transparency.

In addition, moral values are an indispensable determinant of a real, not only formal, formation of civil society, their responsibility for the condition of the state and the responsibility of politicians. A 'formal' civil society will mean that social organisations pursue specific activities, but their impact on the functioning of the state and political authorities will be significantly reduced or very limited. The functioning of the civil society exemplified by Poland has been discussed in point 2 of this article. The case of the formal responsibility of politicians is similar: although it may be provided for by law, it is either not enforced or legal regulations are merely apparent (e.g. diffused responsibility), and in fact politicians bear practically no consequences.

Proceeding to the next (higher) segment of the operating of the sector, i.e. formal decision making, morality should be one of the determinants of law-making, expressed within the framework of the constitution or statutes. It will ultimately affect the optimal allocation of public goods from the point of view of the economic policy adopted by the state.

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<sup>1</sup> The notion of 'a moral value' is used interchangeably with 'a moral principle'.

Secondly, when analysing the entire model of the operation of the public sector through the prism of morality, the occurrence of a specific feedback effect should be emphasized, which is the impact of moral values on each determinant (segment) of the sector not only bottom-up but also top-down. This effect is analysed further in this article.

In the context of the presented model of the optimal functioning of the public sector, it needs to be noted that, depending on each determinant, the impact of the moral values on them will be diverse. In other words, with reference to the determinant placed at the base of the model, i.e. education, it needs to be transmitted in such a way that it covers specific moral values. Therefore, it is not only about transmitting factual knowledge, for instance about public spending, on different levels of education. This knowledge should convey specific moral values. In the field of public finance the latter include care for public good, justice, solidarity, subsidiarity, cost efficiency, honesty and reliability, although undoubtedly they also have their universal meanings. These elements will subsequently influence the publicising of information in an appropriate way, e.g. honest and reliable information about public finance, since it serves to increase social awareness and strengthen civic attitudes, the results of which will increase the sense of responsibility for the condition of the state and the responsibility of politicians for the decisions taken, including in the field of finance.

However, the impact of morality on the process of politicians making decisions, e.g. while making laws, will follow a slightly different course. Considering the specific nature of the language of law, one can claim with a high degree of probability that it will be ineffective to literally name moral values in the text of specific laws, e.g. passing a law which states 'public money should be spent in a way characterised by honesty, reliability and for the public good'. In the context of legal jargon, these notions are so imprecise that they could be interpreted in many ways – especially in favour of those who dispose of such

finance. Consequently, formal regulations would be in operation, but in practice they would be defunct or would be applied incorrectly, i.e. without achieving the stated aim. Therefore the point is to construct laws in such a way that the legislator takes into consideration moral values translated into the language of law – the language of legal texts.

Within the established goal of this article the authors conducted the pilot studies presented below so as to point out the mechanism of exerting the impact of morality on legal systems in accordance with the proposed model. However, in legally doubtful or vague situations, especially when the rule of law allows for a high degree of decision-making freedom, or when what are known as general clauses occur, politicians and officials making decisions about public spending should be guided by moral values (in particular those commonly named in constitutions of democratic countries, such as public good, justice, solidarity and subsidiarity), since, according to our model, they feel the pressure of responsibility (individual responsibility) and are aware of the social control inherent in civil society, which in its operations follows moral principles acquired in the process of education (including religious education) as a crucial determinant of the model of the optimal operation of the public sector.

The mechanism of transposing moral values into the language of law is also determined by the feedback effect, which includes the impact of these values on specific determinants of the top-down sector. Specifically, the laws passed and enforced with respect to moral values strengthen both the sense of individual responsibility of politicians and of society as a whole and contribute to increasing its civic virtues. Active operations of social organisations within the framework of current legislation (which already respects these principles) will make moral values a desirable element of the widely-perceived process of education, which will be aimed at transferring knowledge in an understandable way, by which a requirement of substantive disclosure will be satisfied. In the area of public finances it means

the transfer of knowledge, information and data, at different education levels and advancement, e.g. about state and local government finances, taxes and the influence (possibilities, effects) of citizens on the way public money is spent by social control based on civil society. Thus the next determinants of the sector emerge, going from bottom to top. In fact it will be a feedback effect with repeated cycles.

### 3.2. General characteristics of the conducted pilot studies and research methods

For the purpose of initial verification of the presented model of the optimal operating of the public sector the authors decided to test the validity of the assumptions of its basic elements (those which belong with the principal-agent relationship). In order to verify the model in detail, two complementary pilot studies were conducted.

The first one, which was quantitative in character, was conducted with the help of the diagnostic poll method: a survey which used an anonymous internet questionnaire.<sup>2</sup> It contained nine questions: five closed-ended questions (with the cafeteria-style checklist) and four open-ended questions (where respondents wrote their own opinions). Two hundred and twenty questionnaires were received, with respondents answering from the perspective of taxpayers, voters and public administration staff. The group surveyed included: 54% students,<sup>3</sup> 20% government office workers,<sup>4</sup> 24% workers employed in offices other than government offices and 2% unemployed.<sup>5</sup> With regard to gender, 31% of those who completed the questionnaire were male and 69% female.

The questions with the response options provided (closed-ended questions) covered the opinions of the respondents about the following issues:

- the transparency of information on public spending;
- the degree of satisfaction with the ways public money is spent;
- the desired/expected level of influence of citizens on decisions concerning public spending;
- the usefulness of politicians possessing knowledge regarding public spending;
- the desired or preferred institutions/entities which should control public spending by politicians.

The respondents formulated their own opinions (i.e. answered open-ended questions) on the following issues:

- the causes for the lack of interest on the part of citizens as to how public money is spent;
- the reasons for politicians not revealing information about public spending which is easily understandable to the average person;
- the factors motivating politicians to reveal understandable information about public spending;
- which moral values should guide politicians when spending public money.

The next pilot study was conducted among 211 students of universities in Białystok and Łomża<sup>6</sup> in December 2016, which means the respondents were answering from the perspective taxpayers and voters. Again the diagnostic poll method (i.e. a survey) was used, with the tool again being an anonymous internet questionnaire. The questionnaire included 16 closed questions the aim of which was to discover the opinions of the respondents about the following values and the influence thereof on the making of financial decisions: public good; justice; solidarity; and subsidiarity in public spending. All the questions were constructed in the same way: an example was given of a specific situation depicting the practical implementation of the above-mentioned principles. The respondents

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<sup>2</sup> via: <https://www.interankiety.pl/>

<sup>3</sup> A perspective of taxpayers and voters.

<sup>4</sup> A perspective of taxpayers, voters and public administration staff.

<sup>5</sup> A perspective of taxpayers and voters.

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<sup>6</sup> The University of Białystok (the participants were students of law & administration) and Łomża State University of Applied Sciences (the participants were the students of administration).

assessed the legitimacy of each of them by choosing one of the following responses: definitely agree, partially agree, partially disagree, definitely disagree. The majority of the respondents were women (73%) with 27% men. Most of the respondents studied in Białystok (72%), with the remaining 28% studying in Łomża. With regard to the level of education, 40% were one-cycle programme students, 37% were first-cycle programme students and 23% were second-cycle programme students.

#### 4. Results and discussion – analysis of the results of the pilot studies

When conducting analysis of results of the diagnostic polls, with regard to first one the authors in this article – taking into consideration its limited extent and issues raised – focused on the question about the significance of moral values in public spending. Given its voluntary character, the respondents could leave it unanswered or could provide an ambiguous (extended) response. That is why only 178 of the 220 respondents answered this question. The analysis of the responses allowed for 46 types of responses to be distinguished, although some of them despite being named differently were actually identical (the phrases were synonyms). As a result, for the purpose of transparency and generalisation of the results, the responses were categorised into eight groups: honesty, reliability, (social) solidarity, care for public good, cost efficiency, religious principles, politics and morality (opposed to each other), reason, and others.

The following diagram presents the results in percentages. It quite unambiguously shows that in the opinion of the respondents the most significant moral values with regard to public spending are the following: honesty (66.29%), care for public good (42.13%), cost efficiency (24.72%) and reliability (22.47%).

However, for methodological reasons the following issues need to be explained.

First, the last group, i.e. ‘other’, includes various responses (e.g. modesty, humbleness, respect,

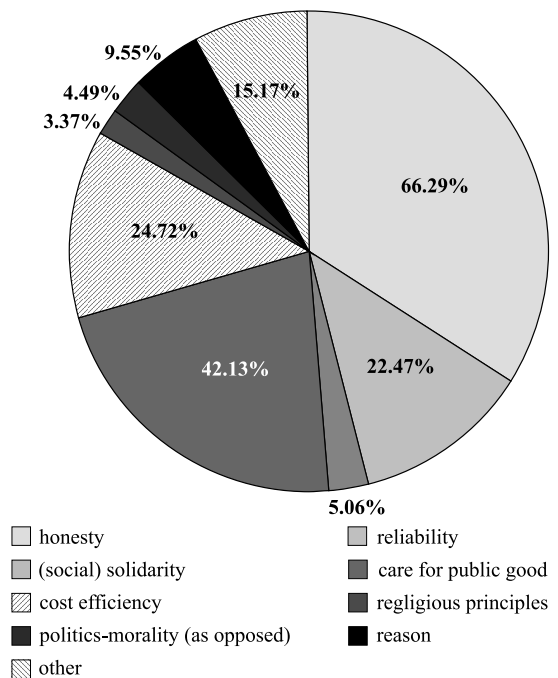


Figure 2. Moral values and public spending

Source: own work based on a survey conducted.

conscience, empathy, safety, cooperation, dignity, honour, and personal culture) which were not covered by the previous categories or were not an actual answer to the question (i.e. were irrelevant to the question). This group also included quite unique responses such as: ‘Politicians should take their hands off our money, we should decide ourselves how to spend it’ and ‘Politicians should do more and speak less’.

Secondly, it is worth noting that in the respondents’ opinions (the seventh from the top in the list in Figure 2, accounting for 4.6%) politics and moral values are mutually exclusive. In other words, speaking about morality in the case of politics does not make sense.

Thirdly, the ‘Religious principles’ group could be encompassed in other groups such as, for example, honesty, reliability, solidarity. However, due to its broad meaning and the fact that the respondents literally gave such an answer, the authors decided to single it out.

The above-mentioned survey results showed that the respondents not only stated how important it is for them to consider moral values with regard to the spending of public money but also pointed to those values that are particularly important for them. For the purpose of verifying the extent to which the belief in the necessity of applying moral values to public spending is reflected in practice, as well as the aforementioned principle of transparency of Polish law, in the second of the empirical studies specific actions were given as examples of the implementation of moral principles in decisions concerning public spending. Those will also be used in an attempt to answer the following important questions: Does the principal (i.e. the citizen) really feel responsible for public spending? Does he/she feel responsible only for spending the money which affects or may affect him/her directly? Is the principal likely to give priority to the benefits that society may gain at the expense of his/her own interests?

In this study the examples were used to show practical application of the following moral principles: public good, justice, solidarity, and subsidiarity. The choice of these principles is justified by the fact that each of them is mentioned in the 1997 Constitution of the Republic of Poland as principles on which the Polish legal system is based. Articles 1 and 2 of the Constitution point to the idea of public good (Art. 1: 'The Republic of Poland shall be the common good of all its citizens.') and justice (Art. 2: 'The Republic of Poland shall be a democratic state ruled by law and implementing the principles of social justice.'). Another one is mentioned in the Introduction and expounded on in the further part of the Constitution, which is one of the basic pillars of legal order: the principle of subsidiarity. Moreover, Art. 20 of the Constitution states clearly that the social market economy based on the freedom of economic activity, private ownership and solidarity, as well as dialogue and cooperation between social partners, is the foundation of the economic system of the Republic of Poland.

According to the model presented in this article, education is an element creating foundations for developing morality and material transparency. Referring concurrently to the cultural and religious reality which plays a significant role in forming the social reality of contemporary Poland (including in the scope of public spending) – as an example of a Catholic country (it is not insignificant that a vast majority of Poles state they not only believe but also practise)<sup>7</sup> – it can be concluded that the young generation, by its participation in religious education containing the elements of Catholic social teaching,<sup>8</sup> learnt about basic moral values, which are of great significance for creating a civil society.

It needs to be mentioned that the principle of respect for public good fosters the building of not only the moral order but also the legal order, which ensures every person enjoys basic rights and freedoms. As a result, the questions concerning the principle of public good were asked first. Also, the respondents were asked to consider the questions of using public roads, protection and renovation of monuments, environmental protection, and the method of financing enclosed areas for smokers.

A vast majority of the respondents declared that the right to use public roads should be

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<sup>7</sup> The surveys of the Public Opinion Research Centre (CBOS, 2015), gradually carried out since the late '90s, show that constantly more than 90% of Poles consider themselves to be believers, while the percentage of non-believers is relatively low, within the range of 4% and 8%.

<sup>8</sup> The assumptions of subsidiarity were discussed as early as by Aristotle, but the actual term 'subsidiarity' was coined by Gustav Gundlach, a representative of Catholic social teaching, and it was described by Pope Pius XI (1931) in his encyclical *Quadragesimo anno* and Pope John XXIII (1961) in his encyclical *Mater et magistra*. The principle of solidarity was described by, inter alia, by Pope John Paul II (1987) in his encyclical *Sollicitudo rei socialis*. Justice was discussed by Pope Leo XII (1891) in his encyclical *Rerum novarum* and Pope Pius XI (1931) in his encyclical *Quadragesimo anno*. The issue of public good was touched on by Pope John Paul II in the encyclicals *Laborem exercens* (1981), *Sollicitudo rei socialis* (1987), *Centesimus annus* (1991).



made available to every citizen free of charge (58.0% definitely agreed, while 30.0% partially agreed). The respondents were also positive towards the question of environmental protection. However, the percentages of responses were slightly different with regard to whether the financing of protection and renovation of monuments should be covered by the state budget in the opinion of 77.0% students (with 29.0% definitely agreeing, and 48.0% partially agreeing); the remaining (23.0%) expressed the opposite view. As for financing environmental protection from the state budget, a positive response was given by 83.0% of the respondents (36.0% definitely agreed, while 47.0% partially agreed) and a negative response was given by 17.0% of students. It is significant that the majority of the respondents disagreed with the statement that installing and maintaining enclosed areas for smokers in public utility places should be financed from the state budget. That was definitely opposed by 37.0% and partially opposed by 33.0% of the students, while 21.0% partially agreed with the statement, and only 8.0% definitely agreed.

The distribution of responses to the above-mentioned questions shows that the respondents are definitely positive about the implementation of the public good principle which affects them directly. Everybody using roads and the natural environment perceives the need for public spending on those. Considering the fact that the continuity of the nation as a social group is ensured by, *inter alia*, tradition and culture, the respondents considered it purposeful to protect and renovate monuments (one of the examples of the realisation of culture). On the other hand, although enclosed areas for smokers help to protect the environment and other people (from the effect of passive smoking), a prevailing conviction is that it is not a problem that concerns everybody, which is why the question arises of why the budget should be burdened with additional costs incurred by those who voluntarily and consciously decide to poison not only themselves but also the natural environment.

Another moral value for public spending included in this study was justice. Two questions were discussed, access to free part-time education and additional benefits from social welfare, which were analysed with reference to income levels. Also analysed were the respondents' opinions on applying the principle of justice to estimate the amount of remuneration for employees of social welfare institutions and the availability of family benefit (granted in connection with having children) within the '500+' government programme discussed below.

The respondents stated that in families where the income *per capita* is PLN 674 (in Poland the amount of the income criterion is applied in granting a family benefit) or below, that income should be a sufficient criterion for free part-time education. Such was the opinion of 66.0% of the respondents (36.0% definitely agreed, while 31.0% partially agreed), with 34.0% negative responses. The above-mentioned income criterion should be sufficient for awarding additional social benefits for only slightly more than half of the respondents (56.0%, while 20.0% definitely agreed and 36.0% partially agreed).

Even more controversial is the question of access to the '500+' government programme irrespective of income and social circumstances. Only slightly over a quarter of the respondents (27%) said that every family with at least two children should have access to this benefit, while nearly half of the students (46.0%) definitely disagreed. These examples prove that the respondents feel a strong need to regulate access to selected goods and benefits, with the income level playing a significant but not key role (e.g. access to additional social benefits). It needs to be added that not every case requires the implementation and realisation of the social justice principle, since, as Pope Pius XI (1931) wrote, 'By this law of social justice, one class is forbidden from excluding the other from sharing in the benefits. [...] To each, therefore, must be given his own share of goods [...]' (57). According to the words of the Pope, limiting the accessibility of the '500+' benefit will be identical to infringing

on the principle of social justice. A perfect example of the application of the moral value involved is the respondents' conviction that irrespective of the place of work (voivodeship, city) each employee of social welfare institutions should enjoy equal remuneration (i.e. those holding equivalent positions should earn as much, irrespective of the voivodeship of their employment); this is the opinion of 75.0% of the respondents.

The solidarity principle, understood as '[...] a firm and persevering determination to commit oneself to the common good; that is to say to the good of all and of each individual [...]' (John Paul II, 1987, 38), may constitute a foundation of community life. Thus, this principle should be one of the premises for creating laws, including those governing public finance. The respondents' opinions on the implementation of the principle of justice are diverse, depending on the thematic area and, similarly to the public good, the feeling of how much does the issue in question concern me personally, since a majority of the respondents (63.0%) think that the legislator should make possible taking early retirement with a guaranteed old-age pension in its full amount, but the policy of the state involving increased spending for social purposes at the expense of raising taxes or increasing state debt is accepted only by 15.0% of the respondents. We observe here a *sui generis* 'paradox of unawareness': on the one hand the respondents expect more social rights, on the other hand they do not accept excessive (in their view) fiscalism in the form of increased tax burden for the purpose of financing those benefits. Such an attitude is by no means surprising, as it is rooted in individual and egoistic attitudes. However, based on these results, we propose a thesis of the incomprehension of the meaning and practical implementation of the principles of justice and public good.

Not all of the respondents feel the need for an equal distribution of public money with a view to creating a level playing field for children, adolescents and the elderly. Despite the majority of responses supporting equal distribution of public

funds (64.0%), quite a large group (36.0%) held the opposite view. It is unfeasible to conduct a relevant in-depth analysis, as the respondents did not indicate to which social group the funds should be allocated. This way of thinking is difficult to comprehend, since the two stages (childhood and adolescence as well as the old age) are mutually dependent and concern us all. The preference of one group over the other may result in the social exclusion of one of them.

A positive phenomenon (from the point of view of social solidarity) is the respondents' conviction of the priority of public spending for activating citizens over social spending. This regularity was accepted by 80.0% of the respondents. The opinion on the way public money is spent seems logical, because by activating society not only do we contribute to decreased spending on social welfare but also counteract social exclusion.

The last moral value subject to analysis, which is an indispensable element for formation of civil society and making decisions of public spending, is subsidiarity. In this case, the respondents' opinions are also diverse. The vast majority (69.0%) disagree with the idea of raising taxes by a few percent in order to gain extra funds for creating special educational programmes and programmes professionally engaging those socially excluded as a way to counteract that exclusion. At the same time, 57.0% of the students (with 17.0% definitely agreeing) are willing to support a politician who states in his/her election platform that, due to an increasing state debt, extensive budget savings need to be made (such as limited social spending), which may concern each citizen. These two views of the respondents display an inconsistency.

The majority of those surveyed (78.0%) are in favour of delegating more tasks and public funds to local governments. This can be attributed to the fact that local governments, as the authorities located closer to 'average' citizens, will thanks to increased funds be able to cater more for the needs of local society. The opinions concerning the decentralisation of selected public tasks are almost evenly distributed: 55.0% of the respondents were

in favour of centralisation (15.0% definitely agree, while 40.0% partially agree with the purposefulness of this solution), and 45.0% of the respondents were against it (with 11.0% definitely disagreeing).

## Conclusions

The conducted pilot studies allow authors to draw several general conclusions:

- firstly, the principals show interest and responsibility for public spending – however, not in every case should the decisions relating to the allocation of these funds be made (in the respondents' opinion) in accordance with moral values (the example of subsidiarity and solidarity);
- secondly, the principals display a particular interest in the way of spending public funds which may concern them directly;
- thirdly, the principals are not particularly likely to give priority to the benefits that society may gain at the expense of their own interests;
- fourthly, the principals stated religiosity in Polish conditions and their adherence to moral values as well as the consent (desire) for those values to be considered when spending public money is not reflected in the practical application of these principles.

Due to the limited scope and character of the conducted pilot studies, which were aimed at initial testing of the proposed theoretical model concerning public sector functioning, the authors become conscious that above conclusions cannot be recognised as clearly definitive. Nevertheless, the results do allow us to state that in-depth research into the assumption concerning the dependence on morality (moral values) and the financial decision making in the public sector is worthwhile. It is both a scientific and a practical undertaking. It meets the requirements of the analysis of legal institutions (their creation and application) not only in the systemic context but also (and first of all) in the social one. Moreover, the law is the form/instrument of organising social life. Considering also a specific impact of public finance law on

social life and the potential social effects on the financial law created (the feedback effect), it is our conviction that research in this scope conducted by lawyers and sociologists is desirable.

Moreover, it seems that the presented model of operating of the public sector must be subjected to further in-depth theoretical analysis, and not only in the context of the impact of moral values on it. The other elements (determinants) of this model are extremely important and worthy of scientific attention, what concurrently opens the way for further research.

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