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The vouchers scheme as a mechanism of public support allocation in theory and practice

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Abstract

Sport support at the municipal level has a long tradition, especially in Europe. Youth involvement to the sport is usually one of the important aspects of grant policies. There are questions regarding how to allocate public resources more efficiently and how to increase youth participation in sport. We analyze the sport vouchers as a tool for increasing transparency and efficiency as well as the involvement of youth and their parents in sport policy at the local level.

Vouchers typically transfer purchasing power to the client. Using sport vouchers as a tool for allocating public resources is still quite rare, though some attempts with sport vouchers were made in the Australia, UK and there are examples of sport vouchers in the Czech Republic.

The aim of the paper is to discuss the vouchers as an alternative method of sport support at the municipality level and identify strengths and weaknesses of this method. Finally we formulate recommendation for implementation the voucher system.

Key words:

sport; voucher; transparency; grant; voucher scheme

JEL classification: H76, L31, L83

CONTENT

1. Introduction
2. The Sport vouchers in theory and practice
 - 2.1 The sport vouchers in practice*
 - 2.2 The sport voucher definition and categorization*
3. Variables affecting the vouchers system
4. Discussion of the voucher system and recommendations for implementation
 - 4.1 General weaknesses of vouchers*
 - 4.2 General strengths of vouchers*
 - 4.3 Recommendation for implementation*
5. Conclusions
6. Bibliography

1. Introduction

Support of the sport from public budgets has a long tradition at the municipal level, especially in Europe. Youth involvement to the sport is usually one of the important aspects of grant policies [1, 2, 3]. There are questions like “how to allocate public resources more efficiently” or “how to increase youth participation in sport” and many others. There have been many papers about grant policy principles and effectiveness, advantages and disadvantages of sport grant policies, but only few of them took vouchers into consideration. We assume that vouchers may be a tool for increasing the transparency and the efficiency as well as the involvement of youth and their parents in a sport policy at the local level. This discussion is based not only on theoretical reasoning but also on analysis of empirical evidence. Several Czech municipalities have started experiments with vouchers as tool for allocation financial support for sport clubs.

The application of vouchers as a tool/method for public resource allocation was originally introduced in the education system. One of the earliest suggestions for the government use of vouchers, made by Milton Friedman in 1962, was as a way to fund education, without excessive government intervention in the market [4]. Valkama & Bailey [5] gather from the literature following approaches to vouchers: (1) A voucher has been defined as a token that may be exchanged for goods or services; (2) as paper given instead of money, (3) as a document that controls and/or separates expenditures by authorizing and/or recording them separately, and (4) as a state benefit tied to a specific defined purchase, the financing of which comes from a source other than where the actual purchase takes place. Cave [6] assume that “Voucher systems of distribution are defined as regimes in which individuals receive (pay for or are allocated) entitlements to a good or service which they may 'cash in' at some specified set of suppliers, which then redeem them for cash or the equivalent from a funding body.” He also pointed that the goal of voucher in the case of public services “is not to facilitate market exchange but to redistribute income or guide consumption”. The vouchers were tested not only for the education [7, 8, 9] but also for a housing [10, 11], a distribution of health care services [12, 13, 14], or social services [15]. However usage vouchers in a sport is still quite rare [16, 17, 18, 19, 36].

The original idea of vouchers is to transfer purchasing power to the client as a “free choice of school” and this transfer solves the problem with private versus public school problem. But the “sport voucher” as an alternative to grant system brings different situation. There are no public versus private sport clubs. Sport clubs are almost non-profit (based on their legal form in the Czech Republic) and they provide “desirable services” i.e. sport opportunities for youth/citizens. There are no “state sport clubs” at municipality level therefore the role of the voucher is slightly different. The vouchers enable a chance to participate on sport for those who are not members yet and simultaneously support sport clubs through subsidies allocated according the number of members. In other word the vouchers ma open the doors and keep them opened. The public support (vouchers as well as grants) is based on assumption that by the support of these sport clubs the municipality increase (or stabilize) supply of sport opportunities. One on legitimate question is if this assumption is valid [31, 32]. At this moment we respect the EU which believes that “in grassroots sport, equal opportunities and open access to sporting activities can only be guaranteed through strong public involvement.” [3]. We also agree with those [33, 34] who empathize the role of transparency during grants allocation as well as the important role of participants as a target group.

Youth, and consequently their parents are affected by municipal grant policies indirectly; they usually have no idea about the quality, transparency, or effectiveness of the grant system. However they perceive if the municipality “do something for sport” as well as they receive some “feedback” from sport club (if child is a member). Vouchers may be a way to increase citizen (and not only adults) involvement in sport policies. We seek to answer the question under what conditions the vouchers are better than standard grants. Hence **the aim of the paper is to analyse theoretical and practical experiences with sport vouchers; identify key variables as well as strengths and weaknesses of the voucher system and finally to suggest principles and conditions for implementation.** We gather theoretical resources and use available data on websites and results of interview with officials responsible for vouchers management in each municipality (the interview was done during spring 2013).

2. The Sport vouchers in theory and practice

The definition and categorization of sport voucher would be probably first part of such paper however in this case we do this taxation as a result of noticed reality and relevant theory. Thus the description of practical evidence is enlisted as a first part.

2. 1 The sport vouchers in practice

The sport vouchers are still quite rare; we notices cases in Australia, United Kingdom, Luxembourg and Czech Republic. Each municipality present different vouchers scheme, although the principle was the same “to support” youth in sport.

At the regional level two Australian regions, Northern Territory and Queensland, introduced the sport vouchers for youth (see [17, 18]). The individuals eligible to receive a voucher in **Queensland** are children and young people from the age of five and under the age of 18 who are residents of Queensland [29] and: (1) hold or whose parent, carer or guardian holds a Centrelink Health Care Card or Pensioner Concession Card; (2) other children or young people identified by two referral agents. The voucher can be given only to registered sport clubs and there is a limit of one voucher per child/young person per calendar year. The sport clubs has to operate as non-profit organization.

Northern Territory defines as eligible individual all children enrolled from preschool to Year 12 across the Northern Territory. Similarly as Queensland sport clubs have to be registered as approved recipient of vouchers and [30] if a student is enrolled in a region with limited access to registered sporting clubs, his/her \$75 Sport Voucher will be allocated to his/her school to support school council-endorsed sporting activities.

We also noticed one UK municipality [19], **East Renfrewshire**, where the council launched a pilot outreach programme. Youngsters can pick up a free voucher book to take part in activities on offer in two sport centers. The aim was to encourage those aged between five and 18, to take part in sport. However this opportunity was only offered only during summer holidays [19].

Luxembourg introduced vouchers scheme for childcare, sport and music in 2009. Under the scheme, all children under the age of 13, irrespective of household income,

have access to a limited number of hours of free or subsidized childcare or after school activities. Children in vulnerable situations benefit from additional free or reduced-cost hours. The scheme also covers music schools and sports clubs within the child's town or district of residence. The scheme also covers age group 13-19 (see [36]).

Three Czech municipalities (**Hodonín, Opava, Poděbrady**) have introduced the sport vouchers (and Prostějov considered it as proposal only). All cities have one year experience excluding Hodonín with 4 years of experience. All cities use similar pattern (see picture 2) with small modification (see [20]) and they use vouchers as a supplementary method of allocating financial support to sport clubs based on number of members in selected age groups. For the year 2013 Hodonín made some inventive changes. They set up two different values of the voucher according two categories of activity (competitive sport, non-competitive sport). There also some new restrictions for using money received based on collected vouchers (see [22]). Participation in the voucher system enables the right to ask for the standard grants (1) support for coaches (2) special grants. New rules seem to be clear however the situation can be more unpredictable for sport clubs – how they can anticipate the income based on gathered vouchers.

The comparison of main differences among analyzed cities and municipalities is present in the follow table 2. Unfortunately not all information is easily accessible as should be.

Different level of the value of the voucher is predominantly determined by economic limits of cities as well as total portion of budget dedicated on sport (in other words how important is the sport in comparison with other agenda in the city).

Table 2: Main differences among the voucher schemes in analysed municipalities (2012)

City/ region	Determination of the value of the voucher	Expenditure on one eligible individual in EUR	Target group	Number of voucher parts *	Number of supported individuals
Hodonín	Floating (ex post)	85 (year 2012)	Age 6-18	2	875 (year 2009)
Opava	Floating (ex post)	40 (year 2012)	Age 6-19	2	966 (year 2012)
Poděbrady	Floating (ex post)	youth 36; seniors 12 (year 2012)	No age limit	3	NA
Prostějov (proposal)	Fixed (ex ante)		Age 6-19	2	–
Queensland	Floating with fixed maximum	x 120 ar 2013)	5-18 (only vulnerable groups)	1	NA
Northern Territory	Fixed (ex ante)	ar 2013)	5-12	1	NA
East Renfrewshire	Fixed		5-18	1	NA
Luxemburg	NA		0-19 (vulnerable groups get more)	1	NA

*) Note: The voucher has 2 or 3 part. Each part can be given to different sport club or all parts may be given only to one sport club.

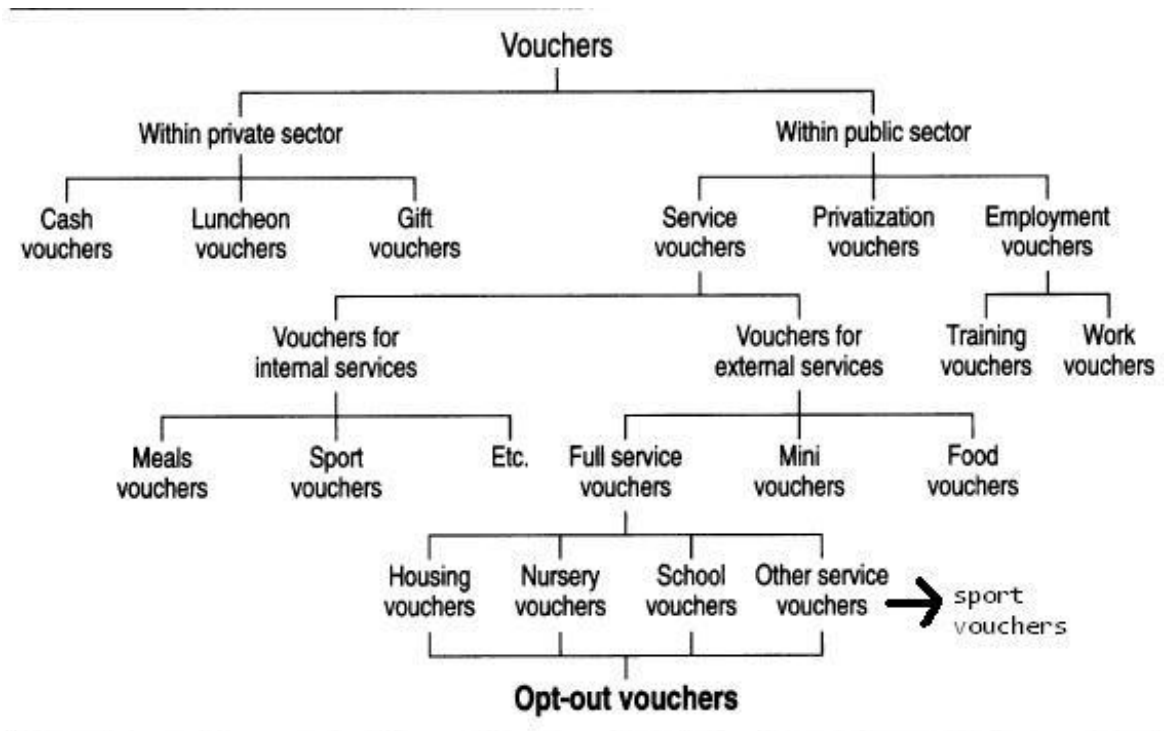
Source: Czech cities [16]; UK, Luxembourg and Australia added by author

2.2 The sport voucher definition and categorization

As it was mentioned the first problem and question is “how to define and categorize the sport vouchers distributed by local authorities and dedicated as support for sport clubs into common vouchers taxations?”. General taxation of voucher is provided by Valkama, Bailey [5]. Although they identify also sport vouchers (see picture 1) these are identified in different context (as a motivation tool for public service employees). The Sport vouchers as a tool for allocation public resources can be sorted to service vouchers as vouchers for external services (as other service vouchers. See black arrow).

For the purpose of the paper we define the “sport voucher” as a tool of how to distribute financial support from public budgets to sport clubs based on number of member or/and as a tool of how to spread opportunity to participate on sport activities across youth population. The voucher is a coupon which is emitted by the municipality and picked-up by an eligible individual (voucher holder). The voucher holder give the voucher (or its part) to the sport club where is he/she member. The sport club claims the request to municipality and receive money based on the number of collected vouchers.

Picture 1: Categorization of vouchers

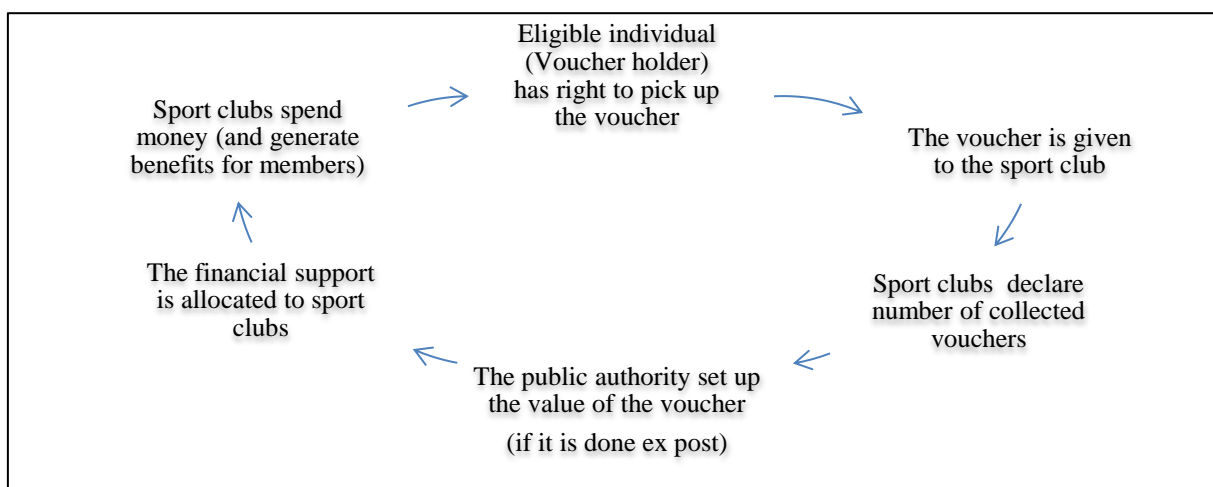


Source: [5] modified by author

Using vouchers as a tool for allocation of public financial resources to sport clubs creates a necessity to establish relatively simple and understandable scheme. The voucher scheme has to be clear and transparent at least in the part which expects active involvement of target groups (i.e. recipient of vouchers). Following picture 2 represents simple cycles of the sport voucher which was noticed in mentioned municipalities.

The first phase not mentioned in the scheme is that the municipality has to set up the sport policy respectively the sport vouchers scheme. These decisions usually include following parts: (1) Who is eligible individual for the voucher? The voucher holder can be determined by the age, address, or other. (2) Which organizations can accept the vouchers e.g. only non-profit organizations focused on the sport, only organizations previously registered at municipality or anyone? (3) What are other conditions for pick-upping the voucher and giving it to the sport club? (4) What are conditions for sport clubs when they ask for money based on collected vouchers? (i.e. list of members, deadlines, approved costs etc.)? Decision about these rules is made by the public authority – generally by the municipality body. However during introduction of the sport vouchers it seems that extremely important is gaining of the support of the street level bureaucracy (probably important for any other public policy since Lipsky 1980 [21]). Officials are often responsible for technical details. (It seems that the effort as well as support of the head of economic department was crucial in the case of the first municipality which started to use the sport vouchers).

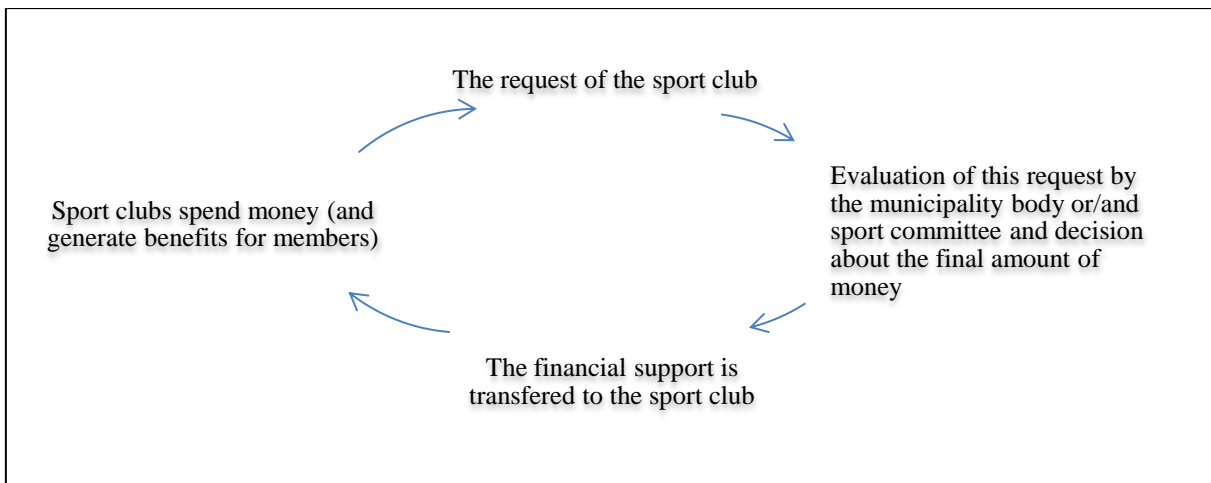
Picture 2: The process of vouchers scheme



Source: author

It seems that the voucher scheme involves more steps and actors than the standard grant policy (see picture 3) but at this case it doesn't mean that more steps induces inevitably more inefficiency. Similarly to the picture 2 the first phase is the definition of the sport grant policy by the municipality body. Sometimes is sport policy missing; there is a simply tradition to give some money to sport clubs and there is an evidence of non-transparent environment [e.g. 16, 35].

Picture 3: The process of standard grant allocation (source: author)



Source: author

An analysis previously done in [16] on the case of the three Czech cities shown advantages and disadvantages of vouchers for each interesting group. We modify this list by adding some new characteristics (see table 1). We assume that each interesting group may affect real effect of vouchers on society or municipality (based on the level of support and consequently involvement in the process). Interview among municipality officers showed that after initial scepticism of interesting groups the support of the sport vouchers is increasing (expressed as increasing number of picked-up vouchers and number of sport clubs participating in the vouchers system).

Table 1: Advantages and disadvantages of the sport vouchers

Interesting group	Advantages (benefits)	Disadvantages (costs)
Eligible individuals (Voucher holder)	<ul style="list-style-type: none"> ▪ Motivation to continue or start with sport ▪ Freedom of consumer choice - A chance to support favourite sport clubs ▪ Indirect involvement in public affairs 	<ul style="list-style-type: none"> ▪ Time (and cost) for collecting the voucher from the local municipality
Sport clubs /organization (Voucher recipients)	<ul style="list-style-type: none"> ▪ Increasing interest in services granted by the voucher ▪ Guaranteed support not dependent on a political decision-making process (i.e. more transparent environment) 	<ul style="list-style-type: none"> ▪ Administrative stress (it is disputable if higher, same or lower in comparison with standard grant system) ▪ The risk that no public resources would be gained if no vouchers from members were gathered (similar risk to grant system in the case of rejection of grant request) ▪ The value of the voucher is the same for all; hence cost differences among sports are not taken into consideration ▪ The value of the voucher can be floating (derived from the number of collected vouchers), and thus the sum of money can be unpredictable
Municipality (voucher emitter and administrator of the system)	<ul style="list-style-type: none"> ▪ Establish a transparent system based on inhabitants' revealed preferences instead of on a political decision ▪ Absence of the necessity to manage grant policy and make the decisions – consumers' choice determines allocation 	<ul style="list-style-type: none"> ▪ Costs of distribution of vouchers ▪ Increasing of administrative stress especially if vouchers are used in combination with the previous system

Source: [16]; modified by author

What we assume is that the sum of new obstacles (disadvantages) should be the same or lower inside each group as well as the sum of new benefits (advantages) should be higher than sum of disadvantages. Is it truth? The level of obstacles – especially administrative stress - for municipality may be increased in short time and stabilized (or decreased) during time. Introducing the new system was referred as difficult by all municipalities, but after that they manage new methods and consider situation as similar or acceptable. And if some of interesting group may suffer by new administrative stress of other obstacles it should be only municipality. Their benefit, not mentioned in table, is satisfaction of inhabitants.

Sport clubs represent the second interesting group. Their experiences may be broadly different; some of them may notice new costs or administrative stress, some may be satisfied. The impact depends of the complexity of the previous grant system; the complexity of the new voucher system and the level of active participation in these systems. Anyway the compensation of these obstacles depends in public money gained through the system and most sport clubs will profit from the transparent environment. Research [20] among sport clubs showed that about 44% of sport clubs consider grant allocation as a result of informal relationship with decision makers and only 22% considered decision about grants as results of clear criteria of the examination process.

The voucher holders, members of sport clubs or prospective new members, are the last interesting group. They always get a new obstacle; they have to pick-up the voucher and give it to the sport club. As the benefit they may receive the satisfaction of free choice, the good feelings about supporting their own sport club and in some voucher schemes the economic barriers for entering the sport activity is reduced. But if the benefit should overcome disadvantages voucher holders should receive some new value e.g. lower member fees, no fees, free training hour, free equipment etc. This value also may motivate those who are not already members of sport clubs and who are socially excluded (low income families). If this value is not guaranteed by “the rules” than providing of such benefits depends at good will of sport clubs.

3. Variables affecting the vouchers system

The previous table catch some advantages of voucher but their relative importance in comparison with disadvantages is unclear. The question is when and why these advantages overcome disadvantages? To answer questions like (1) what affects the vouchers system and when it could be useful for other municipalities or (2) when the voucher system could be priori better than standard grant policy, we have to determine variables which affect the system functions and consequently outcomes. Based on previous analysis we determined **7 variables**.

The first and most complex variable is the **mechanism of how is determined the value of voucher and predictability of the next year value**. One non-realized proposal expected the fixed value of the voucher (Prostějov [23], Northern Territory [17] and

partly Queensland [18]) but almost all already implemented vouchers systems derived the value of the voucher “ex-post”, based on the amount of disposable resources and number of collected vouchers. Hence all sports clubs have to face some level of uncertainty. The total amount dedicated on sport is known, but the number of picked-up vouchers is unknown (and not exactly predictable) and unknown is also number of vouchers which will be given to sport clubs.

Hodonín [22] introduces (for the year 2013) two different values of the voucher according two categories (competitive sport, non-competitive sport). The value of the voucher for the competitive sport is twice higher than for the non-competitive ones. The voucher declared as a “competitive” has to correspond with the evidence of the sport club (i.e. given child has to be member of sport club and participate on competitions). This new rule supports competitive activities and consequently makes the system more unpredictable (nobody knows how many “competitive” vouchers will be collected by sport clubs). Possible solution is obvious – to set fixed value of the voucher. This solution is clear for recipient and sport clubs but bring obstacles for the municipality. Municipalities prepare their annual budget and dedicate amount of money on the sport support. In the case of fixed value of the voucher we can assume that not all vouchers will be picked up – hence unwanted savings in budgets would appear. On the other hand the rest of the budget (savings induced by unused vouchers) can be spent though traditional grant systems or provided as a direct subsidy to school or municipality companies operating sport facilities. Fixed value shifts uncertainty from sport clubs to municipality.

The uncertainty induced by ex-post value setting can be identified as a disadvantage of voucher system. If the club cannot predict the value, then it cannot be counted with this value although they are able to estimate number of collected vouchers. Hence the money gained through the vouchers system can be considered as “lottery” and maybe these money will not be spent effectively. One of variables which limiting the prediction is the return rate (percentage of vouchers is collected by sports clubs from eligible recipients). Crompton [24] shown that the return rate is growing approximately 6% per year (not proportionally spread) at least during first 6 years. The return rate started at 16% and end up after six years on 53%. Only Hodonín has more than one year

experience and their results can confirm the tendency to 6% annual growing of the return rate.

Second important variable is the **degree of clarity of voucher rules**. Rules determined by public authority can be simple or complicated e.g. the voucher can be picked up only at specific dates by the recipient at municipality office or the voucher can be downloaded and printed from the internet and validity check is done by the officials ex post (when the voucher is claimed by the sport club). Another example can be connected with the number of obligations for sport clubs – how many documents they need, how many administrative steps have to be done before they receive money. Finally important factor is also the stability of rules during time i.e. annually announced significant changes in the system will bring uncertainty and make system less transparent and probably decrease support of interesting group to the vouchers.

Another important variable in the vouchers system is the **level of “cost” freedom** for sport clubs. This means how freely they can spend money gained from the vouchers system. Rules of standard grants provision usually contains the list of approved expenditures including the rule, that all money has to be spent before the end of the accounting year.

We can identify two theoretical stances: (1) there shouldn't be any restriction, the money would be spend for anything which is according the mission of sport club (i.e. including salaries for trainers). And there shouldn't be time restriction i.e. money has to be spend anytime regardless of the end of accounting year. Obligation to spend all money in given time usually makes obstacles for sport clubs which need support at the beginning of accounting year (before the grants are allocated). (2) The rules limiting “cost freedom” enforce the desired effects i.e. support of the youth sport. The extreme version of the vouchers system could be defined as the obligation to decrease the level of membership fees according the value of the voucher. This argument could be useful in the situation when we want to attract more youth to sport and want to avoid or decrease any social obstacles (i.e. low income families).

Two cities (see [22, 25] determined the spectrum of approved costs as: material cost including energies and services, propagation and promotion, investments, events for youth, entry fee etc. The revenues for employees are forbidden. One city [26] did not

declare explicit list of approved cost and the keep the right to make an accounting control. It seems that some level of control is desirable, but strong limits cut down benefits of the vouchers system in comparison with the standard grants.

The fourth important variable is the role of **recipients' domicile**. This rule also influences the predictability of the voucher value. Each of analyzed cities chose slightly different approach (See table 3). Impact of this problem can be noticed in predictability of sum of vouchers which can be picked-up and consequently the return rate. Second important factor is under some circumstances there is a space for possible cooperation among municipalities as in the case of Hodonín. This means that non-resident may use voucher, but its value is decreased and can be compensated directly to sports clubs from budget of other municipality.

Table 3: Approach to resident and non-resident members of sport clubs

City	Approach
Hodonín	Primarily dedicated for recipients with the domicile in the city, but member of sport clubs from different municipalities may also use the voucher. The value of the voucher for non-resident is 1/3 and municipality where the non-resident has domicile may provide the rest of amount for the sport club.
Opava	The voucher may be used by registered member of sport club. The role of domicile is not emphasized
Poděbrady	The voucher is for residents but youth which are members of local sport clubs and at the same time visit nursery school, primary or secondary school may also use the voucher.

Source author based on [22,25,26]

What should municipality do in the case of non-resident kids visiting local sport clubs (should they receive voucher too?) or the case when resident kids are visiting non-local sport clubs (should be compensated?). This problem rises in the case of big cities divided into parts with own municipality bodies (and decision-making about local grants). There is no wrong solution; the answer depends on aims of the sport policy. Whether the city wants to support its own inhabitants or its own sport clubs or it doesn't want to make any segregation. The strategy of one city may affect the strategy of neighbor city.

The next important variable is which **legal form of sport clubs** are approved for the voucher system. Usually most of the cities enable grants only for “non-profit” legal forms of sport club. Although real activity of sport clubs may be almost the same if the club is “for profit” it is excluded. Typical examples may be small sport clubs operating on trade certificate or big football clubs designed as joint-stock companies). Generally

we can identify two opinions on this problem. The first, the grant should be given only to non-profit clubs because public money should not generate a private profit. The second opinion, the legal form is not important, important is the activity provided by the sport club. Hence youth members should be supported regardless of legal form of the sport club. And another one - non-profit organizations may misuse public resources or generate “hidden profit”. All three Czech cities follow traditional approach i.e. enables grants/vouchers only for non-profit sport clubs.

The sixth variable is **the aim of the sport policy**. Aside from complex debate about the role of the sport policy at the municipality level there is a simple question: (1) Do we want support sport clubs and their current members or (2) do we want to increase a number of sporting youth? Different answers bring different strategies. The first answers put a stress on transparent environment (an alternative to grant system), the second answers may put a stress on higher regulation of vouchers recipients (sport clubs). For example the voucher should grant free access to given number of training hours or lessons. Or demonstrably lower member fees for those who give the voucher to sport clubs. As it was argued a chapter before; the benefits from the voucher system should be higher than costs at least for the voucher holders. Encouraging youth to try some sport mean removing barriers. Some barriers can be economic (e.g. low income families) another psychological (if it is free I can try this sport).

Finally as variable can be identified **propagation and public discussion** of the idea of the sport vouchers during introduction and implementation the vouchers system. Based on experiences of analyzed municipalities we can expect cautious attitude to the sport vouchers and low support at the beginning as from recipients as from sport clubs. But during the time it seems that the support and satisfaction with the system is increasing. Voucher holders, officials as well sport clubs become familiar with the system. However the vouchers system may not be significantly changed from year to year or the transparency benefit disappears.

The list of variables cannot be considered as rigid. Obviously different circumstances in different countries may influence the role of variables. Discussing the role of variables in the system we soon or later accept that the sport policy and their aims are crucial for

role and importance variables in the voucher system. The problem is that sport policy is missing almost always at municipal level, often missing at regional level in the case of Czech Republic. Instead of clear aims there is a tradition in support and ad hoc sport grants occasionally accompanied by vague formulated sport policy. The vouchers represent new and rare mechanism and should be clearly said what is the aim of its implementation.

4. Discussion of the voucher system and recommendations for implementation

The obvious advantages and disadvantages of using the sport vouchers were shown in table 1; however based on literature review as well as discussions with officials and sport clubs in these municipalities; we identify list general strengths and weaknesses of vouchers. In cases of some weaknesses we also enlisted contra arguments. The discussion joins theory as well as practical experiences and partly author's own experiences with grant requests as chief of the sport club and decision making about grant request as a member of municipality body in a city where the sport vouchers hasn't been implemented.

4.1 General weaknesses of vouchers

Allocation of financial resources is based only on number of member. (a) Sport events or sport clubs with low number of members have limited access to the resources although they may provide services which are valuable. Theoretically we can found examples like events for handicapped athletes. (b) Different sports have different spectrums of costs as well as more competitive sports may have higher costs that non-competitive ones. (Contra arguments (1) These cases can be solved through special grants; (2) The idea of vouchers is based on the support of individuals which are members or potential members of sport clubs.).

More “persuasive” sport clubs can gain more vouchers even though their real number of member is lower. We have to assume that not all children in the municipality are member of sport clubs, hence there are “free vouchers” in the system (and possible

fictitious members of sport clubs). If the sport club persuades families (or children) who have free vouchers to give it to them, they receive more money than it corresponds with the real number of members. We also have to take into consideration the possibility of non-moral persuasive techniques (i.e. pressure on kids, blackmailing, higher member fees if the voucher is not given to the club, etc.). (Contra argument – this is kind of competition and the fact that more active/persuasive subject gain more vouchers is ok. The holder of voucher has to decide which of suggested sport is more valuable for him and will give the voucher to selected sport club.).

The problem with “wrong” settings of variables. The role of each variable will be different as the rules and aims of each municipality are different. To keep complete the list of contra arguments we have to mention the variable “difficult prediction of the value of the voucher”. This is weakness only if the value is ex-post announced. (Contra arguments – (1) the situation is the same in the standard grant provision system i.e. till the decision about the money is made the sport clubs has to wait; (2) The situation can be solved by setting fixed value even if it probably cause unexpended budget on the vouchers).

4.2 General strengths of vouchers

Power purchase transfer. This is a typical argument since introduction of the vouchers in education. Vouchers in sport may stimulate inhabitants (eligible individuals) to make the decision and support their favorite sport club. The process of allocation also involve the moment of individual’s activation hence the voucher holder may become more interested in the system of sport support in their municipality. This activation of inhabitants may induce positive effects for all local policy. Potůček [27] consider breaking the link between voters and politicians as one of most important failures of representative democracy).

Transparency. The process of money allocation is clear and transparent to all participants in the system including sport clubs, inhabitants, and any other interesting group. The standard grant provision is based on the money request and the decision about allocation (approving of the requested amount, cutting down the requested amount or rejection of the request). The process of evaluation of grant request is often

perceived as non-transparent [20]. Transparency is conditioned by annually announced results of the voucher system. This condition seems to be obvious however we noticed a lack of easy accessible information in the case some of Czech cities.

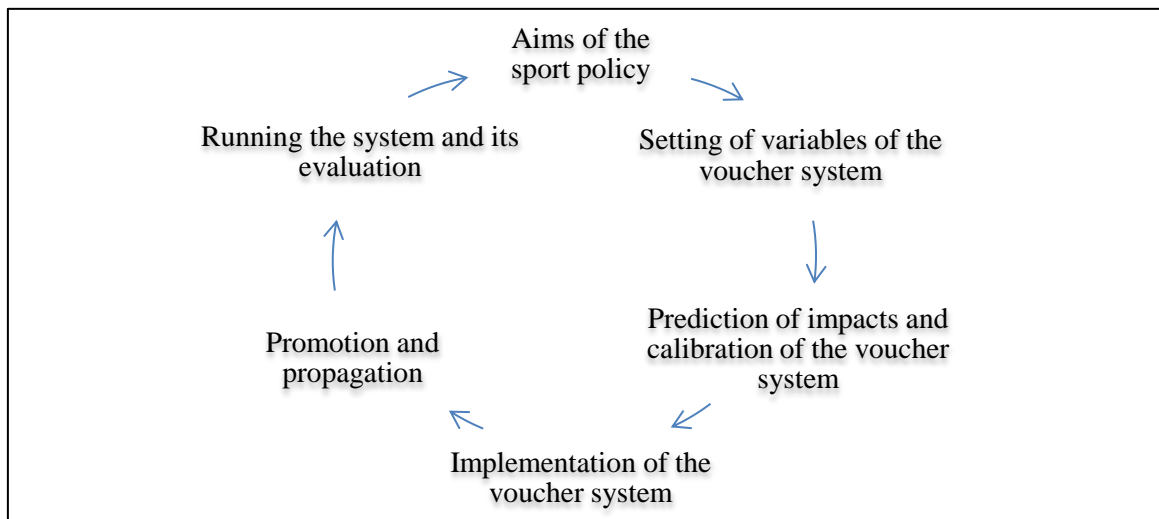
Youth involvement – all analyzed cities in the Czech Republic put a stress on the youth as a target group. Although we can image target group defined for e.g. pensioners. The vouchers may increase motivation to choose a sport as a leisure time activity. There is a possibility that vouchers can be perceived as chance to get the membership in sport clubs cheaper than without them. Vouchers can motivate eligible individuals to start with sport activities. The impact the vouchers on motivation will be strongly affected by the system rules and sport clubs behavior.

There is **no “inflation” risk** in comparison with the standard grant system. The most common situation in grant request system is that the club claims the amount which is necessary. After decision making process is usually this amount decreased. About 58% of sport clubs receive less than they asked [28], hence next time they will be asked for higher amount if they anticipate cutting down. After a few experiences the clubs will be able to estimate the percentage of cutting and therefore declare higher financial need. This situation creates pressure on resources and illusion that there is a lack of resources. The voucher system may notice some kind of “inflation” in first few years where number of voucher holders is increasing (the case of ex post value setting); however the number of youth in the municipality is limited and easily predicted.

4.3 Recommendation for implementation

We believe that the voucher may be an alternative or better way of how to attract youth to sport. Empirical evidence proved that vouchers scheme may be used in the city with 14 thousand inhabitants as well as in the region with 4.5 million inhabitants). The idea is similar but the voucher scheme is different. Based on previously gathered information we can suggest some recommendations. The following picture no.4 represents suggested steps of how to implement the voucher system in selected municipality.

Picture 4: Implementation scheme (Source: author)



Source: author

The analysis of selected examples also enables to formulate the list of basic rules which are applicable to any voucher scheme. Given recommendations are derived from the cases of three Czech municipalities, Two Australian regions and one UK city

- **To keep the system simple and clear.** E.g. (1) to use only one value of voucher or set two separated budgets for two different values of vouchers (e.g. non-competitive, competitive). (2) To keep or implement no time restrictions for spending money gained from vouchers. This solved the problem with “uncovered” periods of the year.

The risk of unclear scheme can be noticed in the case on Hodonín

- **To declare long term support to the sport** through vouchers as annual percentage of municipality budget of valorized amount of money (to make the system more predictable for clubs and fix the problem with “lottery”).

Short-term incentives like East Revenshire may not affect behavior of target group

- **To keep the system transparent** E.g. (1) To implement control mechanisms in relation to sport clubs; (2) To move as much administrative as possible on the municipality; (3) to publish results of the system; (3) to ask the sport clubs for annual reports including data about members, expenditures and activities.

All examined municipalities published some information about the voucher scheme on their websites, however annual report about voucher scheme output (as number

of supported children, total amount of money spend on sport ,etc) are often inaccessible.

- **To promote the idea of vouchers** among inhabitants especially among youth. The idea of voucher may involve support for increasing portion of youth members of sport clubs. Invite and cooperate with sport clubs.

Especially in the case of Czech municipalities it seems that major propagation is aimed at sport club instead of eligible individuals. The propagation is hardly evaluated because we are not able to catch informal flow of information (i.e. propagation in schools, local newspapers, local radio, etc.)

During the previous analysis we noticed many question categorized as “what would happen if...”. Next list represent some *theoretical suggestions which could increase number of sporting youth*.

- Enable possibility to **“spend the voucher” in commercial or municipal sport facilities** and keep the right to “spend” the voucher in sport clubs. This mean that vouchers wouldn't be only alternative grant mechanism of financial support for sport club but the tool of how to increase participation in sport. E.g. voucher could be turned into the pass to the gym, swimming pool etc. There could be a list of registered recipients of voucher regardless of profit or nonprofit legal form. This is conditioned by fixed value of the voucher (ex ante known amount).
- **Support free choice of youth.** We suggest setting two different regimes for voucher holders according the age group. Younger than fourteen/ fifteen would be represent by parents but older than 15 would have right to pick-up and spent the voucher without parents supervision. If we want to support youth involvement in sport we have to consider economic as well social obstacles including dysfunctional families were parent may ignore voucher system even though the child is interested in sport. The promotion of the voucher system can be done with the help of primary and secondary schools. Another reason for transferring decision power from parents to youth is that there is no effect if the person is forced to do some sport at this age. The youth should be encouraged to make his/her own choice and the voucher should simplify this choice.

5. Conclusions

We discussed the vouchers as an alternative method of financial support of the sport at the municipality level. We identified main strengths and weaknesses of this method and formulated some suggestions for implementation. Vouchers represent unambiguously an alternative or a supplementary method of how to support youth or any other selected groups. The system can generate benefits for citizens as well as other interesting groups in the municipality. Inappropriate setting of previously identified key variables may eliminate almost all advantages of vouchers. In other words we believe that the vouchers have chance to bring new positive effects for youth, sport clubs and their member in comparison with standard grant system or situation where is no public support.

The voucher system may be operated together with standard grant system and therefore advantages of both systems can be combined. The voucher system may be focused on youth and their life style and grants may support professional athletes and support investment projects. As examples of practice showed the vouchers system may be transferred from one municipality to another, from one country to another if country specific would be respected.

The challenge for next research can be seen at two streams. The first theoretical should be focused on modeling of impacts as well as definition of conditions of the voucher scheme which are necessary for successful implementation. The practical research could seek experiences of cities, sport clubs and inhabitants with sport vouchers and identify optimal system settings for given city and its sport policy.

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