USING WELFARE STATISTICS TO ALLOCATE THE MUNICIPAL BUDGET AMONG THE CITY OF STOCKHOLM'S GEOGRAPHICAL AREAS

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Introduction

In Sweden, the municipalities are responsible for planning and carrying out a number of activities in respect of such things as education, child care, eldercare and social welfare. The municipalities have the right to levy tax to cover the costs that arise.

The recession, which hit most of Europe and the USA in the beginning of the 1990s, has resulted in dwindling resources although the number of children and old people is increasing. This has resulted in a need to rationalise municipal activities, and the goal is that the quality standards of the various services should not deteriorate. Concurrent with this, budget allocations for activities are being increasingly determined by the population’s need of municipal service. Current consumption is having less and less (controlling) effect on the allocation of resources.

One way of achieving greater efficiency is to delegate activity and budget responsibility. From and including 1997, the City of Stockholm will be divided into 24 geographical areas, and each district will have this responsibility. Decentralisation will mean that the 24 district councils will have the right to prioritise various activities, on condition that the City’s goals for all the activities are achieved. Stockholm city has a total population of 711,000, and the number of inhabitants per district varies from 9,000 to 60,000.

An important problem to solve is how funds for the various activities should be distributed among the district councils. A system is needed that allocates the budget as fairly as possible, and takes account of the various requirements that exist in the different districts. Statistical analyses and research form the basis of the welfare indicators that have a tangible connection with the population’s requirements in respect of municipal service.

In instances where the population’s requirements form the basis of allocation, two models have been developed. The difference between the two models is that one has access to data for individuals while the other model does not.
Two models

Two different models have been developed. The one is in respect of eldercare, and is based on matching and linking the City's register of eldercare recipients with other registers that describe the population's social background. This matching and linking has been done for individuals. The other model is applied for those activities where no information is registered for individuals that can be matched and linked with social factors. This model relies on finding indicators that reflect the needs of the target groups of the respective areas of activity. Examples are provided for cultural/recreational activities for children and young people.

The factors, or variables that form the basis for the distribution of funds among the district councils, constitute an indirect assessment of the population's requirements of the respective activities. Variables have been chosen as they pinpoint the connection with the population's requirements. This connection is evident from the results of research or by means of reliable experience.

Eldercare – a model based on information about individuals

There are some 130,000 people aged 65 or older in the city. Almost 15% of these receive some form of eldercare. Over 60% of the oldest group, aged 90 and over, receive care. Just over 50 percent of the recipients receive care in their homes while the remainder live in some form of housing for the elderly.

The intentions that allocation principles should be according to the population's care requirements do not provide any guidelines on what the requirements are, or what level of ambition one should have in respect of care services. We know that eldercare requirements are affected by a number of factors. Besides health, the level of fees, the services that are currently on offer, access to informal assistance etc., are important factors. Today, it is impossible to quantify the difference between the requirements and the help the elderly actually receive.

There is no information regarding ill-health and reduced functionality, which create the need for municipal care, in the regular statistics. In addition, the connection is very often complex and difficult to gauge. Instead, one has to use background variables, which have an indirect connection with the utilisation of care, e.g., age, socio-economic background, family composition etc. We have tested this indirect connection with the help of statistical analysis.
The number of home-care hours utilized, and the number of days a recipient has been registered in housing for the elderly, have been used in order to estimate the costs per care recipient.

Age is, naturally, the most important factor in respect of care requirements. The percentage of people receiving care increases from 2% in the 65-69 age group to 78% in the 95+ age group.

In addition to age, the socio-economic structure, in particular, has a redistribution effect.
Percentage of children in the 0-17 age group with foreign citizenship, in Stockholm city, in 1995

Percentage of low-income households (< SEK 120t and < SEK 160t) with children, in Stockholm city, in 1993.

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