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**“Social Policy and the Global Crisis:
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Social assistance and local variation – a matter of institutional trajectories?

The Nordic social assistance schemes make up the last resort of the countries' social protection schemes, schemes that in comparative research often are classified as a distinct welfare state regime such as the social democratic regime (Esping -Andersen 1990) or the encompassing model (Korpi and Palme 1998). Focusing on regimes types explicitly directed at social assistance schemes this distinctiveness is not always as obvious (Bradshaw and Terum 1997, Gough et al 1997, Hölsch and Kraus 2006). In one of the earliest attempts to classify European social assistance schemes Lodemel and Schulte (1992) identified four regime types based on the two dimensions central versus local responsibility for administration and financing and the extent to which the social assistance schemes has been combined with social work provision. Finland, Norway, Denmark and Sweden are here placed in the same regime type, the residual poverty regime. However, based on a study of all OECD countries and combining institutional factors with information about the number of recipients Bradshaw et al (1997) placed Finland, Denmark and Sweden in the “citizenship- based but residual assistance” category, but Norway in another one: the “decentralized, discretionary relief”. The stronger discretionary feature of the Norwegian social assistance scheme was the cause of

that different classification. Also Hölsch and Kraus (2006) classified social assistance schemes according to their centralization degree and Sweden was classified as less centralized than Denmark and Finland (Norway was not included). Thus, differences within the Nordic cluster of social assistance systems are found with respect to the institutional design determining the distribution of power between the local and central level. But of course also similarities exist.

All Nordic countries have a single, general scheme that serves the whole population irrespective of the citizens' residence or other socio-economic characteristics. The right to support is stated in a national law, a so-called framework law that gives local levels of government discretion to formulate own local policies on social assistance. The intention with social assistance schemes in the Nordic welfare states is to guarantee all citizens help in situations where they cannot support themselves and all other maintenance possibilities are exhausted. Thus variation in social assistance payments is foreseen by law, since the benefit is only been paid out under certain circumstances. Yet, as has been shown in national studies, the discretion of local case workers and various local policies produce different assessments of similar needs and result in variation of social assistance payments. There is however, no evidence on a national and neither on a comparative bases on how variations in payments affect different groups of recipients. That is somewhat astonishing given the fact that the literature is quite extensive when it comes to intra-country variation. Both for Norway and for Sweden, several small- scale studies have shown that there exists a rather large variation in social assistance payments between and within municipalities (Gustafsson et al 1990, Hanssen 1998, Holmberg 1996, Hydén 1990, 1996, Hydén et al 1995, Mosesson 1993, Stranz 2005, Terum 1986, 1997, 2000).

In addition, there is no evidence if reforms altering the autonomy of the local governments have implications for the variation in payments. Several reforms introduced in recent decades seem likely to have changed the extent of variation in social assistance payments, both within and between municipalities. These reforms have generally involved a shift in responsibilities between central and local government, in one direction

or another. One type of reform is linked to legal changes that strengthen the emphasis on activation whereas a second trend is more about the organizational structure of the social assistance scheme. Finally, some reforms altered the role of the local governments more generally, changes that seem likely to influence the extent of variation.

Against this background, the aim with this paper is to study patterns of local variation of social assistance payments in Norway, Denmark, Finland and Sweden during the 1990s and subsequently. Local variation in-between municipalities, within municipalities and in-between the four countries will be studied. Specific questions include -

- Do changes in the institutional environment have an impact on the degree of variation of social assistance payments, both in-between municipalities and within municipalities?
- Are certain groups of social assistance recipients more exposed to intra-municipal variation than others?
- How similar/different are the countries with respect to the extent of local variation?

What are local variations and why do they occur?

Variations in the assessment of people applying for social assistance are in one sense a normal and intended result of applicants having different needs and living under different circumstances. The request of each applicant is assessed on the basis of his or her unique living situation (such as size of household, job situation, health situation etc) and thus looks differently. Thus, variation is the result of a professional judgment. Variations in assessments and payments however, can also be the consequence of other factors. One factor is the discretion local governments have to implement national legislation according to local conditions and to formulate own policies. As a result, two persons with exactly the same living situation and needs can be treated differently and receive different decisions regarding for example the benefit amount or demands that must be fulfilled to be eligible for the benefit. Even a third kind of variation is common. Here, social workers within the same municipality or even within the same office judge an identical type of client with the same needs and conditions in diverse ways. Studies concerned with

variation in social assistance decisions often captured this kind of variation by using so called vignette studies (see Gustafsson et al 1990, Hydén 1990, 1996, Hydén et al 1995, Mosesson 1993, Stranz 2005, Terum 1986, 1997, 2000). The limitation with this kind of studies is however the small – scale approach. They provide a picture of variation for a limited number of municipalities using cross-sectional data. Analysis comprising national longitudinal data is non-existing, likewise a comparative approach.

One reason behind the phenomenon of local variation in social assistance payments is the regulation of the benefit scheme. Somewhat simplified, one would assume that the more detailed the regulation the less variation is possible and vice versa. The degree of regulation and changes of regulation includes the legal structure of the scheme, the existence of guidelines or standards for benefit calculations but also the regulation of the autonomy of local governments. It also comprises rules regarding the more or less close cooperation with other relevant actors. The increasing emphasis on cooperation with employment services to improve activation may imply that social assistance recipients are more closely linked to the public employment services which in turn can result in a stricter assessment of social assistance needs. In that sense, regulation that strengthen local autonomy will be seen as an factor that might increase local variation in social assistance payments and regulations that reduce local power as an factor that might lead to a decrease of local variation.

Why are local variations in social assistance payments interesting to study?

As mentioned above, variation in payments are a consequence of individual needs in individual circumstances. So why bother to study these? In general, compared with insurance based benefits, means tested benefits generate a lower degree of predictability with respect to an eventual benefit receipt. Reliability and predictability, in the sense that support and services actually reaches those in need and only those in need, are essential conditions for the legitimacy of the Nordic social assistance systems. The vague regulation of the benefit scheme that transfers the balance between limiting the benefit to those really in need while at the same time offering help to those likely to be eligible to the local level may lead to varying procedures in assessing individual needs (Minas

2005). That is, a substantial part of the legitimacy of the social assistance system is based on the local implementation of equal access and eligibility standards for all citizens.

A reason for the low degree of predictability can be found in the legal structure. In all Nordic countries, the Social Service Act has the structure of framework laws that state general intentions and requirements regarding benefit eligibility, but leave much of the actual decision-making to the political-administrative discretion of social workers and/or local governments. The difference between detailed laws and regulations and framework laws represents a continuum rather than a clear dichotomy: A higher-level government introducing a framework law may allow local governments to make their own more detailed (informal) rules supplementing the overall framework, but it may also discourage local supplementary rules. Centrally prescribed mandatory benefit levels are also part of this discussion. The low predictability of the benefit may in some way be compensated by the fact that in all Nordic countries social assistance is an individual right on the part of the citizens to obtain help in certain circumstances. Help can not be denied because of local economic constraints. Further expectations and obligations are that work carried out shall be professional and guarantee the individuals' legal security. In that way can variation that is the not result of professional assessments be a problem from a legal perspective. From a social rights perspective it is even more important to stress that social assistance is supposed to guarantee a minimum level of social welfare to people living in vulnerable positions per definition constitutes a central element of social rights.

The study might also be interesting from a different point of view. If the assumption of this paper is proved to be right, local variation is also an effect of institutional factors, thus of the type or regulation and steering of a policy scheme. This can be placed in the discussion of the search after the most appropriate form of public organizations that is high on the agenda in most Western European welfare states. With respect to the last resort policy schemes, a general notion is that a tighter interlink of social and employment services increases the employability of the unemployed and accordingly, that social policy towards unemployed and others not in work (e.g. social assistance recipients) should shift from passive income support towards active measures. As a

consequence, the entitlement to benefits has in many member states been made conditional on active job search, availability for work or participation in training (Lodemel and Trickey 2000). Linked to that increased emphasis on reintegration of excluded into the labor market is the ambition of national governments in some countries to gain stronger control over activation policies. This has occurred in various ways in Sweden, Finland, Norway and Denmark. In addition, some more recent reforms have been carried out with the explicit ambition to reduce local variation of social assistance payments (e.g. introduction of a national benefit standard in Sweden). So far, there is however, no evidence if this reform fulfilled the ambition. Thus, steering of social assistance policies and its consequences on local variation of social assistance payments is the other motivation for that paper.

Trends influencing local variation

With respect to the increased emphasize on activation policies, one development has been the devolution of power to the local level, often with arguments linked to the local levels knowledge of the local labor market. A frequent argument promoting decentralization is exactly efficiency concerns, where some matters are handled better closer to the citizens and service-users. The counter trend (recentralization) can however also be observed, often motivated by poor local performance but at times also with excessive variation in standards. The power of local governments to formulate their own policies, demanding for example stricter participation in activation programs or verified job seeking activities, is thus an institutional factor that could explain parts of local variation. Policies limiting local authority or linking social assistance policies tighter to national labor market policies (such as the introduction of monetary standards, legalized sanctioning rules etc) in principle aim at limiting local discretion thereby influencing social assistance payments. The introduction of such centralizing institutional changes could lower local variation of social assistance payments, both between and within municipalities.

In the following, different types of changes shall be distinguished that may influence local autonomy in social assistance payments. The focus will only be on shifts of legal responsibilities and on changes of the organizational frame with respect to social assistance policies that either increase or diminish local autonomy and thus can result in

higher or lower local variation of social assistance payments. Changes that are of interest include both the increasing emphasis on integration of the income protection function of social assistance systems with labor market policy making income protection conditional upon participation in activation programs throughout the 1990ties but also changes regarding the organizational structure of social assistance. This trend is visible by extensive labor market reforms in Norway (introduction of NAV), Finland (LAFOS) and Denmark (Job centers) with the aim to integrate or even merge social and employment services. A third type of modifications is about transformations in the balance of power between the local and national levels with respect to more general aspects that can be of interest for local variations of social assistance payments.

Increased local responsibility for activation policies

As a starting point, one can point out more principle differences between the four countries regarding the responsible level of activation policy. Whereas activation of social assistance recipients in Norway and Sweden mainly is carried out at the local level, municipalities in Finland only organized their own programs to a limited extent. In contrast, Danish municipalities had an obligation to activate unemployed. However, the balance of power between local and national level of government has over time undergone dramatic changes.

Already in the late 70ties Danish municipalities were obliged to make an extra effort to curb youth unemployment, marking the beginning of a turn towards Active Labour Market Policy (ALMP) and altering the rather passive care approach the municipalities so far had applied. The social assistance system began a process of aligning its content to that of the employment system focusing on strategies that could improve the employability of the recipients of social assistance in order for them to join the workforce. The *Act on municipal activation* (Lov om kommunal arbejdsanvisning) in 1991 gave the municipalities autonomy to act as an employment service for especially vulnerable groups in all age groups. Shortly afterwards, Denmark's first mandatory activation program, the *Youth Allowance Scheme* (1990) was introduced focusing on 18-19 year old recipients. This program was extended in 1993 when all unemployed social assistance recipients below 25 years who did not have additional social problems had to enter

ALMP after no longer than 6 months of first receipt of assistance. In 1998 the target group was extended to the 25-30 year olds. This now also included those who do have problems other than unemployment (Rosdahl and Weise 2000). In 1998 the *Law on Active Social Policy* extended activation to claimants of social assistance and thereby also to municipalities in charge of social assistance. In October 2002, the Danish parliament approved a government proposal for an extensive labour market reform plan entitled 'bringing more people into employment'. The aim was to create a simplified single system of measures aimed at getting unemployed people back into work, to replace the previous dual system of separate provision for those with and without unemployment insurance. Since 2004, so called job centres were introduced (see below).

In 1991, local councils in Norway got the right to condition social assistance benefits on work or retraining efforts, but without further specification regarding the target group, sectors in which work should take place, duration etc. Thus, the new Social Service Act allowed for an open interpretation of the use of requirements (Lodemel 2000) – in contrast to the rather specific regulations of the Danish case. Accordingly, there tends to be large differences between municipalities in their involvement in ALMPs. In addition, all municipalities have been entrusted with organising the introductory programs for newly arrived immigrants (OECD 2009). In 2002, the Norwegian government launched an *Action Plan Against Poverty*, assigning an important role to inclusion in the labour market. The plan contained an activation program targeted at long-term social assistance recipients (Rønsen and Skarohamar, 2007). The program was expanded to include all municipalities in 2006. A new Action Plan was presented in 2006 (OECD 2009).

Turning to Sweden, the *Social Service Act* was revised in 1998 in a manner that gave municipalities the option of making participation in activation programs obligatory for social assistance recipients between 20 and 24 years of age. But already in 1995 the responsibility for labour-market policy efforts for unemployed youths under 20 was transferred to the municipalities (*Municipal Development Program*) and since 1997 also for young people between 20 and 24 (Act 1997:1268 on *Municipal Responsibility for Young People between 20-24 Years*). Yet, the act stated that the municipalities *might*

undertake the opportunity to offer employment to unemployed youths who had not obtained jobs, regular training or a place in a labour-market policy programme within 90 days. The employment should be full-time. The municipalities were also empowered to refuse or lower the assistance if the individual without reason did not participate in the program assigned (SOU 2000:37, p.99).

In Finland, activation of unemployed has traditionally belonged to the tasks of the public employment services (PES). But with the worsening labor market situation for long-term unemployed during the late 1980s more and more unemployed had to rely on the means tested labor market support (a basic unemployment benefit) and social assistance as a supplementary benefit (Hanesch 2001). The issue of activation policies entered the Finnish social welfare debate in the mid-1990ties and a policy shift was manifested in reforms of the unemployment and social assistance scheme. In 1996 and 1997 labor market support was made conditionally on participation in activation measures for young people. Simultaneously, the option to reduce social assistance in case of refusal of work or training (up to 40%) was for the first time introduced in the Social Assistance Act (1998). For the first time, municipalities were given the responsibility to organize activation measures with the Act on Rehabilitative Work in 2001. The act promoted a closer integration of activation measures carried out by the PES and the social welfare offices. The key reform in the legislation is the activation plan, which labor administration and the local authorities prepare together with the unemployed social assistance recipients. Activation plans are based on regular measures undertaken by the employment administration to promote employment but also the use of social welfare and health services, and in certain circumstances, the obligation to take part in rehabilitative work experience (organized by the social services).

A tighter link between the labor market policy and social assistance policy is also observable in the diffusion of the client groups. This started in Finland with the introduction of a means-tested Labor market support 1994 where because of insufficient benefit level of the support more and more people had to rely on social assistance. As a consequence of this development a large part of long-term unemployed receiving labor

market support (unemployment benefit) were also entitled to additional part of social assistance (top-up). This creates a sort of double clientism and dependency on two separate social security organizations. Actually the municipalities are in partnership with the state authorities combating persistent structural poverty. This tendency was even strengthened when municipalities became co-funders with the central state of the labor market support. In practice this means that local governments are now sharing also the fiscal burden of chronic unemployment. This is new and is meant to be a new and effective incentive for local policy makers to increase their efforts as well. A diffusion or merger of client groups in the labor market and the social assistance scheme is even more obvious with the recent labor market reform in Finland (LAFOS) but also in Norway (introduction of NAV) and Denmark (Job centres).

In sum, in all four countries legal changes during the 1990s enlarged the autonomy of local governments with respect to activation of social assistance recipients. In terms of local variation, one would thus expect a widening of variation during this time. The legislations do however vary in specificity, with the lowest degree of specification in Norway. Around the turn of the new millennium, policies in Finland, Denmark and Norway changed character in a similar manner with the ambition to introduce single activation system. One could assume that this shift results in a reduction of local variation in social assistance payments, since local autonomy clearly is reduced.

Increased central steering regarding activation policies

The plan with the *More people into employment* reform in Denmark (2002) was to integrate national Public Employment Services (PES) and municipal employment services. Thus, the intention was to abolish the distinction between the 'activation' activities undertaken by the municipal authorities in relation to people receiving social assistance and the public employment service's activities in relation to people receiving unemployment benefits. The different competencies should be united in one unit and all unemployed should be covered by an individualized tailor-made contact program. With a structural reform in 2007 the number of municipalities was reduced from 272 to 98. In each of the new municipalities, so called job-centers were introduced and made responsible for job-reintegration. In a first stage, two different types of job-centers exist.

In a first one, making up the majority of the cases, the PES and the municipal social and employment departments worked side by side in the same building, the PES being responsible for services for the insured unemployed and the municipalities responsible for social assistance recipients. Thus, the traditional division of work was maintained. The cooperation had the form of an organizational partnership between the state and the municipalities, also the costs are shared between state and municipalities. The remaining job-centers are organized exclusively by local authorities (Bredgaard and Larsen 2008). The intention behind the creation of jobcentres was to ensure equal treatment of insured and uninsured unemployed and to create a better coordinated and integrated employment services (Bredgaard and Larsen 2008). An additional goal was to gain control over municipal employment policies. Since 2009, the second type, job-centers are organized exclusively by local authorities, is introduced in all municipalities. Yet, even if the job-centres only are responsible for the activation part and not for the benefit administration, a more uniform assessment of the recipients' work capabilities could reduce the benefit administrators' discretion.

A similar development took place in Norway. A 2004 amendment to the Act on Social Services and benefits granted social assistance recipients the right to an individual plan that should be worked out between the case worker and the recipient. In addition, the social offices should cooperate with other relevant actors when setting up and executing this plan (Overby, wp1). Up to 2005 Norway had a traditional division of labor between welfare agencies: a National Employment Directorate, a National Social Security Directorate, and local (municipal) social assistance service. However, between 2006 and 2010 a merged Employment and Social Security Directorate (NAV) is being introduced (Act on Labour and Welfare Services). This reform was introduced shortly after a new ministry had been established integrating the responsibility for the insurance administration and employment administration. The merger of political responsibility thus, set the way free for the reform. The main objective of this large administrative reform was to establish a one-stop-shop, where all claimants for unemployment, social assistance and sickness, rehabilitation and disability benefits, as well as those wishing to participate in active labour market measures, will be offered the same services, located in

the same building. A central component of the reform is the governmental requirement of a mandatory partnership between the NAV and local councils. The municipalities will remain economically responsible for the social assistance costs after the reform, whereas the Employment Directorate, with regional and local sub-branches, has been and still is responsible for administrating activation services to all jobseekers, e.g. also social assistance claimants (Minas and Overby, forthcoming). The reform is aimed at increasing work participation by making the administration more user-friendly, holistic and efficient (Fimreite and Lagreid 2008). The local authorities have autonomy to make agreements with the central authorities on how they will implement the reform locally. However, one welfare office functioning as a joint frontline service shall exist in each municipality, e.g. a co-location of the social services and the new labor and welfare services is introduced.

The introduction of joint action plans in Finland was meant to coordinate activation measures and social and health care services in order to promote employment. Thus, long-term unemployed and young people without a job got access not only to activation measures, but also to health and social services. A tailored path to active solutions should be designed for every individual using – when necessary – also other services that would be subcontracted from a broader network. Holistic assessment was the new catchword. A further step in the institutional integration of activation services was to collect the relevant authorities' service packages together in so called joint service centers (JOIS) (employment offices, the municipalities and the social insurance institution) at local level on experimental basis in 2002 and 2003. One year later the joint service centers were divided into two parts: for customers with complex and multiple problems a joint municipal- state agency called the Labor Force Service Centres (LAFOS) was set up whereas more job-ready unemployed are referred to the Job Search Centres. The LAFOS gather the public employment services, social and health care services, services of the national social insurance agency and additional subcontracted professional expert services. The different partners coordinate these multi-professional centres.

A similar kind of organisational reform did not occur in Sweden. Yet, even here trends towards recentralisation took place. A first change was the introduction of the Activity

Guarantee, a framework within which all regular labour market measures can be used (Forslund et al 2004). The focus of the Activity Guarantee is unemployed persons with a particularly weak position on the labour market, e.g. those who are or are at risk of becoming long-term registered at the public employment service or those whose unemployment benefit eligibility is about to run out (thus both insured and uninsured unemployed). The intention with the Activity Guarantee was clearly to strengthen activation demands towards clients but also towards case workers by the introduction of mandatory activation plans. The Activity Guarantee was recently replaced by the Job and Development Guarantee program. Another change, implying a shift towards recentralisation, was the closure of the municipal youth programs (2007). The responsibility for young unemployed who have been registered as unemployed for over three months was transferred back to the national public employment service. Instead the *Job Guarantee for Young People* (16-24 years old) includes young unemployed who have been registered as unemployed for over three months was introduced. A further transformation of responsibility from the municipal to the national level concerns new immigrants. In 2010 the government passed legislation transferring the responsibility for coordinating measures for the integration of immigrants from the municipalities to the Swedish public employment services (*Lagen om etableringsinsatser för vissa nyanlända invandrare 2010:197*). The public employment services are in charge with setting up a so-called establishment plan that shall help the immigrant to integrate into the labour market.

In sum, profound shifts in responsibility were performed in all three countries, limiting the autonomy of the local governments. The question is if these modifications influence the local variation of social assistance payments.

Increased central steering regarding social assistance policies in general

In addition to the above named reforms, there are some interesting differences in the structure of the social assistance system among the Nordic countries. Irrespective of the overall similarities, such as a strong local dimension in all Nordic social assistance schemes, the degree of discretion the individual case worker has differs substantially and

has altered over time. In the context of this paper is the local autonomy to set monetary benefit levels of utmost importance. The introduction of a *monetary national standard* in Sweden 1998 clearly reduced municipal autonomy, and the explicit intent was indeed to reduce local variation. Until 1983 the level of social assistance was in Finland up to local decisions. In the late 1980s the basic norm for this benefit was however, gradually made more and more universal and general and the local discretionary power was reduced. The introduction of monetary national standards (when?) in Finland clearly reduced municipal autonomy. Also the Danish social assistance scheme has gradually been turned into a standardized benefit. During the 1970ties and 1980ties ceilings for social assistance were established, in 1987 nationally fixed rates for the basic benefit launched and in 1994 the discretionary supplements almost entirely abolished (Heikkilä, Fridberg and Keskitalo 2001). The benefit was turned into a taxable income. The Danish system thus seems to be more centralized, given less room for discretion. The central level legally sets out the size of the standard cash-assistance transfers (a cash-assistance ceiling was introduced in 2004) and can exercise indirect control through reimbursement schemes. The payment of cash assistance is shared between the municipalities and the state. The state uses reimbursements and earmarked grants (Ibid.: 24), but is has also financial incitement control by reimbursing a higher share of the assistance for “active” assistance recipients than for “passive” recipients.

A national monetary standard does not exist in Norway and the assessment of benefit levels is up to the social worker at the municipal level. The Norwegian Ministry of Social Affairs and Health in 2001 set governmental guidelines (no legally binding standards) on reasonable amounts, but municipalities can issue further guidelines and have maintained their prerogatives in rate setting (OECD 2009). However, there are some indications that the introduction of the guidelines reduced variation in social assistance payments in-between municipalities (Brandtzæg et al 2006).

With respect to case workers discretion, Sweden, occupies a middle ground.

An institutionalized type of variation in social assistance payments exists in Finland by a regulation of the Parliament that regulates the level of basic social assistance in two

different municipal categories based on a cost-of-living classification. A higher amount is though calculated for those living in bigger cities compared with those living in smaller cities.

Data and hypothesis

To answer these research questions, variation in social assistance payments will be studied along three dimensions. In all three cases interest will focus on total variation as well as on variation among specific groups of recipients. The latter primarily consist of young people, as these have been the subject of reforms in both Denmark and Sweden. (Would long-term unemployed and other groups such as single mothers also be of interest?)

The first dimension involves the evolution of intra-municipal variation in social assistance payments, while the second deals with changes in inter-municipal variation. In both cases, cross-sectional and longitudinal municipal variation in for instance municipal population, unemployment and the size of the immigrant population will be taken into account as far as possible.

The impact of institutional changes will then be examined as changes in the extent of local variation over time, and also in the pattern of changes among the various groups. There are some indications for that demands to participate in various measures are used more explicitly towards young social assistance recipients, recipients with immigrant background or long-term recipients without unemployment insurance than for example single mothers (Brandtzæg et al 2006). The reforms have dealt with municipal discretion with regard to social assistance payments, and thus primarily could be expected to affect inter-municipal variation. Nevertheless, the first dimension is of interest as the de- and re-centralization reforms inadvertently may have impacted on the variation within the municipalities as well.

Finally, in a third part, the impact of institutional differences will be analysed by focusing on inter-country differences in the level (and evolution) of inter- and intra-municipal

variation. All analyses should include controls for structural factors such as unemployment and immigration

The data used consists of national register data for each country covering the time periods from the late 1980s or beginning of the 1990s until 2007. More specifically, the Danish data span the period 1986 to 2007, the Norwegian data the period 1993 to 2007, and the Swedish data the period 1987 to 2007. Each data set contains information on annual individual social assistance payments for the whole period, i.e. some 15-20 years of longitudinal data on individual benefit receipt. In the Danish case, social assistance refers to *kontanthjælp*, in the Norwegian to *sosialstøtte*, and in the Swedish to *socialbidrag*.

A discussion about what social assistance covers in the three countries, including the fact that there are items that basically are not covered by the assistance that some municipalities may choose to include.

The dependent variable “variation in social assistance payments” will be defined by measuring the deviation in annual individual social assistance payments at the respective level.

Some preliminary hypotheses:

- The Danish reforms in 1990, 1993, and 1998 could lead to increased inter- and intra municipal variation for the groups affected, but not for other groups
- The Danish reforms in 2002, 2004, and 2007 could lead to decreased inter- and intra municipal variation generally [Will we be able to capture the 2007 reform?]
- The Norwegian reform in 2002 could lead to increased inter- and intra municipal variation generally
- The Norwegian reforms in 2004 and 2006 could lead to decreased inter- and intra municipal variation generally
- The Swedish reforms in 1995 and 1998 could lead to increased inter- and intra municipal variation for the groups affected, but not for other groups

- The Swedish reform in 1998, and 2004 (and 2007) could lead to decreased inter- and intra municipal variation generally
- The implications of the reforms on local variation may vary because of the different institutional design of these changes
- The extent of municipal variation could vary across the three countries over time. It could generally be expected to be greatest in Norway. The other two????

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Summary table

		Reforms leading to	
		Increased local autonomy	Decreased local autonomy
Norway	1991	Right to condition social assistance	
	2002	Action plan against poverty (long-term recipients) ?????	
	2006	Enlarged ??????????	
	2004		Social Service Act Individual action plans
	2006-2010		NAV
Denmark	1991	Act on Municipal Activation	
	1990	Youth Allowance Scheme (18-19)	
	1993	Under 25	
	1994		Discretion supplement benefit abolished
	1996	Until 30 years	
	1998	Law on Active Social Policy	
	2002		More People into employment
	2004		Cash assistance ceiling
	2007		Reduction of municipalities and introduction of jobcentres
	2009		Joint Job Centres
Sweden	1998	Revised Social Service Act (oblig participation in active pr)	
	1995	Municipal Development Progr (youth under 20 y)	
	1998	Municipal Responsibility for Young people (20-24y)	National Benefit standard
	2000		Activity Guarantee
	2007		Close down municipal youth programs (Job Development guaranty)
Finland			

Tabell 3-5. Gjennomsnittlig kommunal sats og standardavvik på sosialhjelpen for enslige (med eget hushold).

	Gjennomsnitt	Standard avvik	N
Vedtatt før 2001	4172	553	37
Vedtatt 2001-2003	4180	425	106
Vedtatt 2004 eller senere	4233	281	122
Total	4203	388	265