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Social assistance and local variation – a matter of institutional trajectories? Or what is the impact of decentralization on equity and equality?

The structures of the social assistance schemes in the Nordic welfare states guarantee all citizens help in situations where they cannot support themselves and all other maintenance possibilities are exhausted. In all Nordic countries this right to support is stated in a national law that gives local levels of government large discretion to formulate own local policies on social assistance. Thus, inter-municipal variation in social assistance expenditures is foreseen by law. Nevertheless, from an equity as well as an equality perspective, the extent of this variation as well as how the variation depends on the policy context are central policy questions.

Organizational reforms introduced in recent decades seem likely to have changed the extent of variation, both within and between municipalities. One trend is making social assistance conditional upon participation in activation programs. Mandatory activation policies are introduced, yet pace and content differ. Another trend is changes in the balance of power between central and local levels of government that could as well have an impact on local variation of social assistance expenditures. One example of such a shift of power is the introduction of national monetary benefit standards with the aim to reduce local variation (e.g. in Sweden). National standard does not exist in Norway. Thus, varying institutional arrangements exist that might explain different developments of local variation in social assistance expenditures.

Using register data on individual social assistance receipt in Sweden, Norway and Denmark this study examines local variation of social assistance expenditures in the Nordic countries, exploring variation both within and between municipalities. The analysis also includes a temporal dimension in order to examine the extent to which changes in the structural and institutional environment have an impact on the degree of variation of social assistance expenditures.