Local public expenditure: Equality, quality and growth

av

Emelie Värja

Akademisk avhandling

Avhandling för ekonomie doktorsexamen i nationalekonomi, som kommer att försvaras offentligt fredag den 18 november 2016 kl. 10.15, Hörsal F, Forumhuset, Örebro universitet

Opponent: Docent Niklas Jakobsson
Karlstad universitet
Karlstad

Örebro universitet
Handelshögskolan
701 82 ÖREBRO
Abstract


The focus of this dissertation is local government expenditure, where growth, quality, and equality is in the center of attention Essay 1: Sports and Local Growth in Sweden: Is a Sports Team Good for Local Economic Growth? The purpose of Essay 1 is to analyze the effect of professional sports on the municipality’s tax base. I find no indications of a positive effect on the growth rate of per capita income from having a team in the top series. Essay 2: Equality of Quality of Day Activity Service Programs in Sweden. In this Essay we investigate the equality of the day activity service programs for people with intellectual disabilities provided by local governments in Sweden. The findings are that despite the Act concerning Support and Service for Persons with Certain Functional Impairments intended to secure equality in living conditions, the quality of day activity service programs seems to be dependent on the local government’s tax base as well as the political preferences. In Essay 3: Analysis of Cost and Quality Indicators of Day Activity Service Programs in Sweden, we analyze the distribution of observable quality indicators for daily activity service programs. We find that municipalities that conduct regular user surveys find reasons to spend more per user on average. Additionally, the probability for transitions to employment at a regular workplace is higher in municipalities where a routine review is made of whether each participant can be offered an internship or work. The objective of Essay 4: The Composition of Local Government Expenditure and Growth: Empirical Evidence from Sweden, is to analyze whether there is a possibility of enhancing the average income growth rate at the local level by redistributing expenditure between main functional areas of local governments, while keeping the budget restriction fixed. We find that devoting large shares of expenditure on areas that increase labor supply, such as child care are positively related to growth in income. Additionally we find that spending areas previously categorized as productive can have a non-linear relationship with growth.

Keywords: Sports, growth, spatial econometrics, day activity service programs, intellectual disabilities, regional differences, local expenditure

Emelie Värja, Örebro University School of Business, SE-701 82 Örebro, Sweden e-mail: emelie.varja@oru.se