



Public Budgeting in Times of Fiscal Stress:

Advocates, Controllers, Priority-Setters and the Use of Private Suppliers in Danish Municipalities

SØREN KJÆR FOGED

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How does fiscal stress affect budgeting and spending policies of a political system? This question, so fundamental to the study of political science, is the topic of this book. The question is answered by an in-depth study of Danish municipalities under the recent economic downturn. In total, the book contains 9 independent articles and a summarizing dissertation report.

A main argument cutting across the different parts of the book is that an increase in fiscal stress benefits two types of coalitions involved in the budget process, namely the *controllers* and the *priority-setters*, while the coalition of *spending advocates* is weakened. Furthermore, the strengthening of controllers and priority-setters over spending advocates is found to influence the budgetary institutions and the budget output. Thus, the articles identify a centralization of the budget institutions and a budget output more in line with the preferences of the controllers and the priority-setters.

Finally, the book deals with one of the tools often mentioned as a way to mitigate fiscal stress, namely the use of private suppliers. In particular, the book investigates the drivers behind Danish municipalities' use of private suppliers, including the influence of fiscal stress.

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To my family

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List of Individual Papers in the Dissertation

A1: Foged, S. K. (2017a). *Central-Local Relations under Fiscal Stress: Centralizing Resources and Decentralizing Management?* Working paper.

A2: Foged, S. K. (2015a). En effektevaluering af sanktioner på danske kommuners regnskaber, 2010-2013 [An effect evaluation of state sanctions on the spending of Danish municipalities, 2010-2013]. *Økonomi & Politik*, 88(1), 57-75.

A3: Foged, S. K., Andersen, S. C., & Andersen, M. N. (2017). Hvad betød den økonomiske krise for danske kommuners økonomistyring? [What did the economic crisis mean for Danish municipalities' financial management?]. *Politica*, 49(1), 5-25.

A4: Foged, S. K., & Sørensen, E. M. (2016a). Krisen og 'koncernmodellen' I kommunerne [The crisis and the corporate model in the municipalities]. *Public Governance Research*, 1, 65-84.

A5: Foged, S. K. (2017b). *Public Spending Through Thick and Thin: The Relationship between Fiscal Stress, Total Spending and Spending Priorities in Danish Local Governments, 2007-2015*. Working Paper.

A6: Foged, S. K., & Sørensen, E. M. (2016b). Spareadfærd I krisetider: Danske kommuner mellem strategi, omkostningseffektiviseringer og grønthøstere [Cutback behavior in times of crisis: Danish municipalities between strategy, improvements of cost-effectiveness and across-the-board cuts]. *Public Governance Research*, 1, 133-166.

A7: Foged, S. K. (2015c). Årsager til konkurrenceudsættelse I danske kommuner, 2007-2013: Fra generelle til sektorafhængige forklaringer [The reasons for contracting out in Danish municipalities, 2007-2013: From generic to sector-dependent explanations]. *Politica*, 47(1), 24-45.

A8: Foged, S. K., & Aaskoven, L. (2017). Public Sector Unions and Privatization: Evidence From the Eldercare Sector in Danish Municipalities. *Journal of Public Administration Research and Theory*, 27(1), 135-149.

A9: Foged, S. K. (2015b). The Relationship Between Population Size and Contracting Out Public Services: Evidence from a Quasi-experiment in Danish Municipalities. *Urban Affairs Review*, 52(3), 348-390.

Summary

This dissertation answers the following research question: *How does fiscal stress affect local governments' relationship with the national government as well as the local governments' budget institutions, budget actors and budget output? And what drives the local governments' use of private suppliers as a tool imagined to mitigate the consequences (for service standards) of fiscal stress?*

This research question is fundamentally relevant from both a societal and scientific point of view. From a societal viewpoint, fiscal stress is imagined to be a main cause of changes in the distribution of power within a society and the overall conditions of public management. From a scientific perspective, the research question addresses issues which the literature has only modestly dealt with before as well as topics that have been systematically studied before, but where the major part of studies dates back to the late 1970s and the 1980s.

The research question is answered by the study of Danish municipalities in a period with considerable spatial and temporal variation in fiscal stress. In total, 9 articles and a dissertation report shed light on the research question. These contributions cover the period from 2004 to 2015 with most data covering the period from 2007 to 2013. Internal validity is pursued by using a mixed methods design where 5 articles rest on statistical analyses of (almost) all localities, 3 articles rest on an in-depth, comparative historical case study of 5/6 selected municipalities and 1 article is based on a single-case study. Given this research design, the findings of the dissertation probably have the greatest potential for generalization with regard to local governments in other developed democracies.

The 9 articles and the dissertation report contain a wide range of findings. In the following, I merely highlight some of the most important findings cutting across the contributions. First, the dissertation argues that fiscal stress, due to methodological considerations, should be defined as a variable exogenous to the political system of interest. However, I also argue that in order to understand the effects of fiscal stress in greater detail (such as the scale and the duration of budgetary changes), one has to pay attention to how fiscal stress *interacts* with endogenous factors, in particular what is locally perceived as the *trigger* of fiscal stress.

Second, the dissertation finds that an increase in fiscal stress benefits two types of coalitions involved in the budget process, namely the controllers and the priority-setters, while the coalition of spending advocates is weakened. This mechanism, through which controllers and priority-setters are strengthened over spending advocates, seems to be a change in the norms regarding legitimate/appropriate goals for the budget output when fiscal stress increases. The strengthening of controllers and priority-setters over spending advocates is found to have implications for both the budgetary institutions and the budget output. Thus, the articles identify a centralization of the budget institutions and a budget output more in line with the controllers' preference for budgetary discipline and the priority-setters' preference for more spending on municipal schools and less spending on disadvantaged children/young people.

Finally, the dissertation finds that the prevalence of private suppliers in the municipalities often cannot be explained by economic variables (such as fiscal stress, economies of scale and transactions costs). Instead, political factors, such as ideology/ideas and special interest groups, are

often found to drive private involvement. Moreover, the dissertation argues that political drivers, relative to economic factors, become more important for private involvement under certain conditions, such as when the effects of private involvement are uncertain and the influence of ideology/ideas and special interest groups is large. Based on these findings, the dissertation hypothesizes that the use of private suppliers is probably an ambiguous fix to the demand for cutbacks invoked by fiscal stress, since the effects of private involvement are probably highly dependent on contextual factors. These contextual factors can, for instance, be the extent to which the use of private suppliers is based on a well-documented business case or driven by beliefs and influential special interest groups.

Dansksproget Resumé

Denne Ph.D.-afhandling besvarer det følgende forskningsspørgsmål: *Hvordan påvirker et økonomisk pres forholdet mellem en nationalregering og dens lokalregeringer samt de enkelte lokalregeringers budgetinstitutioner, budgetaktører og budgetoutput? Og hvad driver lokalregeringers anvendelse af private leverandører som et muligt redskab til at dæmpe effekterne (for serviceniveau) af et økonomisk pres?*

Forskningsspørgsmålet er af grundlæggende relevans både ud fra et bredt samfundsmæssigt perspektiv og et mere snævert videnskabeligt synspunkt. Fra et samfundsmæssigt perspektiv er det hævdet, at et økonomisk pres udgør en hovedkilde til forandringer i et samfunds magtstruktur og i de generelle vilkår for offentlig styring. Fra et videnskabeligt perspektiv ser forskningsspørgsmålet både på emner, som den akademiske litteratur tidligere kun har studeret ganske lidt, og på emner, som tidligere er systematisk studeret i litteraturen, men hvor hovedparten af bidragene daterer sig helt tilbage til slutningen af 1970'erne og 1980'erne.

Forskningsspørgsmålet er besvaret ved et studie af danske kommuner under en periode med betydelig rumlig og tidlig variation i det økonomiske pres. I alt er der udarbejdet 9 artikler og en afhandlingsrapport til at kaste lys på forskningsspørgsmålet. Disse bidrag omfatter perioden fra 2004 til 2015, hvoraf det meste data vedrører perioden fra 2007 til 2013. Afhandlingen har bestræbt sig på at opnå høj intern validitet ved at basere sig på et *mixed method design*, hvor 5 artikler bygger på statistiske analyser af (næsten) alle kommuner, 3 artikler bygger på et dybdegående komparativt historiske casestudie af 5/6 udvalgte kommuner og 1 artikel bygger på et single-casestudie. Givet dette forskningsdesign er muligheden for at generalisere afhandlingens resultater nok bedst i forhold til lokalregeringer i andre udviklede demokratier.

De 9 artikler og afhandlingsrapporten indeholder tilsammen en række empiriske og teoretiske fund. I det følgende vil jeg fremhæve nogle af de vigtigste, tværgående fund fra disse bidrag. For det første argumenterer afhandlingen for, at et økonomisk pres af metodiske årsager bør defineres som en variabel, der er eksogen til det analyserede politiske system. Samtidig argumenter afhandlingen dog også for, at for at opnå en dybere forståelse af effekterne af et økonomisk pres (bl.a. omfanget og varigheden af eventuelle forandringer), bliver man nød til at se på, hvordan et økonomisk pres *interagerer* med endogene faktorer, herunder ikke mindst hvad der i det enkelte politiske system opfattes som *årsagen* til det økonomiske pres.

For det andet viser afhandlingen, at et stigende økonomisk pres styrker to aktører i budgetprocessen, nemlig kontrollanterne/vogterne og den prioriterende koalition, mens udgiftsadvokaterne svækkes. Mekanismen, hvormed kontrollanterne og den prioriterende koalition styrkes på bekostning af udgiftsadvokaterne, synes at være et skift i de generelle normer for legitime/passende præferencer for budgetoutputtet, når det økonomiske pres stiger. Det er et fund, at styrkelsen af kontrollanterne og den prioriterende koalition på bekostning af udgiftsadvokaterne får implikationer for lokalregeringernes budgetinstitutioner og budgetoutput. Således identificerer artiklerne en centralisering af de lokale budgetinstitutioner samt et budgetoutput som i stigende grad påvirkes af kontrollanternes præference for budgetoverholdelse og den prioriterende koalitions præference for højere udgifter til skoleområdet og lavere udgifter til det specialiserede område for børn og unge.

Endelig viser afhandlingen, at udbredelsen af private leverandører i kommunerne ofte ikke kan forklares med økonomiske variable (såsom økonomisk pres, skalafordele og transaktionsomkostninger), og at politiske faktorer, såsom ideologi/ideer og styrken af interessegrupper, i stedet ofte er udslagsgivende. I forlængelse heraf argumenterer afhandlingen for, at en række kontekstbetingelser i høj grad afgør om politiske og/eller økonomiske faktorer forklarer anvendelsen af private leverandører. Disse kontekstbetingelser vedrører bl.a. om effekterne af private leverandører er usikre eller veldokumenterede samt i hvilket omfang et område er præget af ideologi/ideer og interessegrupper. Baseret på disse fund, opstiller afhandlingen den forventning, at brugen af private leverandører vil være en ambivalent 'løsning' på de besparelser, som typisk følger med et økonomisk pres. Dette skyldes, at effekten af private leverandører formentlig vil variere med en række forhold, herunder i hvilket omfang brugen af private leverandører hviler på en veldokumenteret business-case samt i hvor høj grad ideologi/ideer og interessegrupper påvirker beslutningstagerne på et område.

1. Research Question and Contributions

The purpose of this chapter is to present the thesis' overall research question and related sub-question, and to provide information about how these questions are answered by the 9 articles and this dissertation report. Also, the chapter highlights the societal and scientific relevance of the research questions as well as the thesis' main findings.

1.1 The Research Question and Its Relevance

The overall research question, which this thesis tries to answer, is as follows:

How does fiscal stress affect local governments' relationship with the national government as well as the local governments' budget institutions, budget actors and budget output? And what drives the local governments' use of private suppliers as a tool imagined to mitigate the consequences (for service standards) of fiscal stress?

The research question can be broken down into 4 sub-questions focusing on different aspects of the research question. These 4 sub-questions are as follows:

1. How does fiscal stress affect the relationship between the national government and the local governments?
2. How does fiscal stress affect budget institutions and budget actors within local governments?
3. How does fiscal stress affect the budget output of local governments?
4. What explains local governments' use of private suppliers as a tool imagined to increase cost-effectiveness, in particular by seeking to implement cutbacks without reducing service levels?

The first 3 sub-questions deal with the effect of fiscal stress on different dependent variables; namely central-local relations, budget institutions, budget actors and budget output. Fiscal stress is defined as the exogenously determined ratio between the revenue and expenditures of a political system while holding the service level constant (see section 2.3.1). By central-local relations I refer to the relationship between the national government and its underlying local governments on a number of indicators (Foged, 2017a). By budget institutions I refer to formal budgetary rules endogenous to the political system of interest (see section 2.2.2). By budget actors I understand individuals and coalitions (consisting of one or more groups of individuals) unified by their preferences for the budget output and with the potential ability to influence the choices of the decision-makers (see section 2.2.3). Although budget institutions and budget actors constitute different dependent variables, they are answered in the same sub-question (sub-question 2) since they are dealt with together in the empirical articles. The budget output is defined as the monetary output of the budget process, typically recorded in the political system's account and budget (see section 2.2.4).

Besides the investigation of the effects of fiscal stress, the final sub-question 4 looks at one of the most prominent tools for dealing with an increasing demand for cutbacks; the use of private

suppliers. By the use of private suppliers I understand privatization, contracting out and the use of voucher markets (see section 2.4.1). The use of private suppliers has been a prominent tool imagined to increase public organizations' cost-effectiveness, in particular by allowing for cutbacks without reducing service levels. This thesis, however, questions that private involvement always raises cost-effectiveness. Instead, it is hypothesized that the use of private suppliers is as much a result of politics as considerations regarding cost-effectiveness. Consequently, I investigate the political and economic (such as the degree of fiscal stress) drivers behind the use of private suppliers.

The thesis' research question is of profound interest both from a societal and scientific perspective. From a societal perspective, changes in the economic conditions in a political system have often been found to be an important driver for changes in the distribution of power and the conditions for public management (Grøn, Hansen, & Kristiansen, 2014). From a more narrow academic perspective, the thesis builds on an existing body of knowledge (in particular the cutback budgeting/cutback management literature and the fiscal governance literature) which has made important advances in answering the research question, but which has also left many questions unresolved. A detailed account of how each article contributes to the existing body of knowledge is laid out in the individual articles. The following literature review is therefore only a very brief summary of what is known/unknown in regards to the research question.

From the cutback budgeting/cutback management literature (Good, 2007; Levine, 1978; Randma-Liiv & Savi, 2014; Rubin, 2015, 2016; Schick, 1983) and the fiscal governance literature (De Haan, Jong-A-Pin, & Mierau, 2013; Hallerberg, Strauch, & von Hagen, 2009; Martin & Vanberg, 2013), we already know something about the effects of fiscal stress on public budgeting. These two lines of literature have especially been occupied with sub-question 2 since it has been argued that an increase in fiscal stress is associated with a centralization of the budget process and a strengthening of budgetary controllers over spending advocates. This finding has, however, also been challenged/augmented by contributions arguing that an increase in fiscal stress makes the budget process more influenced by strong interest groups (see Foged & Sørensen 2016b and Foged 2017b for a discussion of this argument).

In general, a number of theoretical and empirical shortcomings can be identified in the existing literature (Bozeman, 2010; Rubin, 2015; Scorsone & Perhoples, 2010). First, it remains to be seen whether the existing insights (primarily dating back to the late 1970s and the 1980s), such as a centralization of the budget process and a strengthening of guardians over advocates, are also found for the recent fiscal crisis. Thus, a number of societal changes could have made these insights less relevant for the recent economic downturn (Rubin, 2015: 33). Second, exactly due to these societal changes, one could hypothesize that the 'old' theories and concepts are no longer sufficient to deal with the empirical reality and that new concepts and theories are therefore needed (Rubin, 2015). For instance, to what extent is the guardian-advocate dichotomy still relevant and to what extent should this perspective maybe be augmented with the concept of the priority-setter or blame-avoidance theory? Third, the existing literature has only to a minor extent studied the effect of fiscal stress on a number of important issues, such as central-local relations, the budgetary output, the cost-effectiveness of public organizations and the duration of potential budgetary changes as well as investigated the actual mechanism by which fiscal stress relates to budget institutions and budget

actors. Finally, until now the budget literature has viewed the use of private suppliers as a tool for ‘doing more with less’ without systematically challenging this assumption (Rubin, 2015: 31), for instance by understanding what actually drives political organizations’ use of private suppliers.

1.2 Research Design and Main Contributions

The overall research question and its sub-questions are answered by using Danish municipalities as a case of a larger population (see section 3.1.2). Together, a total of 9 articles and this dissertation report answer the research question and sub-questions. The articles cover the period from 2004 to 2015 with most data stemming from 2007 to 2013. Internal validity has been pursued by using a mixed methods design in the sense that the articles rest on statistical analyses of all (or almost all) 98 municipalities and/or a comparative historical case study of 5/6 selected Danish municipalities. The generalizability of the thesis is, of course, highly dependent on the particularities of the specific articles, but, in general, the thesis’ results probably have the greatest generalizing potential with respect to local governments in other developed democracies (see section 3.1.2).

Besides the 9 articles, the present dissertation report in itself contributes to answering the research question. In particular, the purpose of the dissertation report has been to cover important theoretical and empirical aspects not touched upon in the articles and to generate coherence across the contributions. This is done by, first, developing and discussing a new generic framework for public budgeting since such new theorizing has been called for in the literature (Bozeman, 2010; Rubin, 2015). By framework I understand a lens/model that organizes and elucidate our prior knowledge and, in this way, highlights the questions and explanatory variables likely to be important (see section 2). A new key element in this framework is the so-called *priority-setter* and a discussion of the analytical advantages and challenges related to this priority-setter has therefore been given priority. Based on the theoretical framework, hypotheses are finally operationalized for all 4 sub-questions. Second, the dissertation report summarizes the main results of the articles in light of these hypotheses. In that regard, the dissertation report also contributes with new empirical work, in particular a discussion and operationalization of priority-setters in Danish municipalities. Finally, based on the empirical results, the dissertation report highlights the thesis’ main contributions to the literature and suggests avenues for future research on fiscal stress, public budgeting and the use of private suppliers.

In line with the division of work between the articles and the dissertation report, it should be noted that the dissertation report in more cases only gives a brief account of issues that are instead dealt with in the individual articles. In particular, a more detailed account of the relevant literature and research methods is provided in the articles.

Although the main contributions of the thesis are described in the end of this dissertation report (see section 3.6), some of the main findings are briefly stated here. First, the thesis argues in favor of defining fiscal stress as a variable exogenous to the political system of interest, in particular as the exogenously determined ratio between the revenue and expenditures of a political system while holding the service level constant (see section 2.3.1). It is argued that fiscal stress has an independent effect on the relative strength of budget actors, the centralization of the budget process and the

resulting budget output. However, the thesis also finds that the extent to which these changes are small, large, short-term or long-term is moderated by endogenous factors, in particular what is locally perceived as the *trigger* behind the changes to the economic situation.

Second, the budget actors benefitting from an increase in fiscal stress are the controllers and, to a somewhat lesser extent, the priority-setters, while the spending advocates loose influence: The interpretation is that rising fiscal stress provides a window of opportunity for controllers and priority-setters to arrogate more power and, in that way, carry out their goals for the budget output. However, the degree to which this opportunity window is opened (for controllers and priority-setters) depends on the extent to which local spending advocates are perceived as worsen (i.e. trigger) the degree of fiscal stress, through for instance budget overruns.

Third, the thesis finds that the underlying mechanism, through which controllers and priority-setters are strengthened over spending advocates (due to fiscal stress), is a change in what is regarded as legitimate preferences for the budget output among the budget actors. In popular terms, this change in budgetary preferences can also be referred to as the effect of a general atmosphere of crisis/sense of urgency invoked by the deterioration of the economic outlook. A possible reason for the change to legitimate budgetary preferences among the budget actors is that a rise in fiscal stress changes the voters' preferences for the budget output in the direction of the controllers and priority-setters.

Fourth, the thesis finds that controllers and priority-setters can use their rising bargaining power vis-à-vis the spending advocates (due to the increasing fiscal stress) to push for a centralization of the budget institutions, which can in turn further help them to reinforce their influence.

Fifth, the thesis finds that the abovementioned changes to the budget actors' relative strength have consequences for the budget output. Especially, it is argued that an increase in fiscal stress strongly benefits the controllers' preferences for budgetary discipline and, as a result of this, decreases total spending (all else being equal). Similarly, increasing fiscal stress is (to a somewhat lesser extent than for the controllers' influence on the budget output) found to moderately benefit policy-areas highly regarded by priority-setters and to generate shifts in an otherwise incremental pattern of spending.

Finally, the thesis *discusses* how fiscal stress relates to cost-effectiveness. It is cautiously suggested that rising fiscal stress is a two-edged sword with respect to cost-effectiveness: Thus, priority-setters and controllers can, on the one side, have increased cost-effectiveness as an ambition inherent in their preferences for the budget output. On the other side, fiscal stress can also create a risk of a decoupling between the high-flying intentions of controllers and priority-setters and the lack of actual organizational changes (due to a decline in resources and capacity to implement these intentions) as well as lead to the implementation of 'modern' policies resting on uncertain means-end assumptions (Foged, Andersen, & Andersen, 2017). It is suggested that the use of private suppliers is exactly such a tool that in many cases rest on uncertain and untested means-end assumptions. This conjuncture is supported by the finding that the prevalence of private suppliers is, to a considerable degree, determined by political factors, such as ideology/ideas and special interest groups,

while economic factors, such as fiscal stress, economies of scale and transaction costs, often do not play a key role. This finding implies that we would expect the use of private suppliers to be an ambiguous fix to fiscal stress, since the economic effect would probably vary with contextual factors, such as whether a well-documented business case is at the table or whether the issue is heavily affected by ideological/ideational beliefs and special interest groups.

2. Theoretical Framework

The purpose of this theoretical chapter is, first, to present a generic framework of public budgeting and, hereafter, to link this framework with the concept of fiscal stress. The end result of this is the formulation of hypotheses on all the 4 sub-questions derived from the research question. Accordingly, the hypotheses deal with the relationship between fiscal stress, on the one hand, and central-local relations, budget institutions, budget actors and budget output, on the other hand, as well as the drivers behind private involvement.

In the following, the generic framework of public budgeting is presented. By framework I understand a lens/model that organizes and elucidates our prior knowledge as well as stresses the potentially relevant questions and the explanatory variables likely to be important. A framework allows one to assess a researcher's assumptions and derived hypotheses. In comparison to a fully specified theory, which answers more aspects in itself, a framework generates more questions that need to be answered empirically (Scharpf, 1997: chapter 1). A framework often constitutes a first step in the development of hypotheses since the formulation of hypotheses typically will require that the framework is further specified by addressing other empirical and/or theoretical insights.

The framework responds to a call for the development of new theories/concepts that take recent societal changes into account (Rubin, 2015: 33) and is not too narrowly formulated (Bozeman, 2010: 561). In particular, the presented framework incorporates a new set of budget actors, most notably the priority-setter. Moreover, the model is deliberately formulated for it not only to be relevant for understanding the consequences of increasing fiscal stress but also to say something about the influence of other changes in the organizational environment, such as political, social and institutional transformations. Thus, a problem of the cutback budgeting literature of the late 1970s and 1980s was its exclusive focus on *decline* which made the this literature less relevant when fiscal stress was no longer on the agenda (Bozeman, 2010). Therefore, the framework is, in the following, formulated in general terms and only hereafter systematically linked to fiscal stress.

The theoretical framework is a theory of public budgeting. Besides exiting budget theories, the framework rests on insights from theories of the policy process and public management theory. As a starting point the framework agrees with the statement that '*without a theory of the policy process one cannot have a theory of budgeting*' (Jones & Baumgartner, 2005: 92). That is to say that public budgeting can be understood as a subset of public policy-making. At the same time, however, budgeting is a distinct type of policy-making in need of its own analytical frameworks and concepts. As Rubin (2016: 319) formulates it: '*Public budgeting is highly political, but it is not the same thing as politics in general. It occupies a special corner of politics, with many of its own characteristics*'.

Besides literature on budgeting and public policy-making, the applied framework also rests on literature on public management and, in particular, writings on public management under fiscal stress (for instance cutback management). Insights from public management can meaningfully be incorporated within a budget theory: Thus, a considerable amount of scholarly attention within the last decades has been devoted to integrate public budgeting closer with public management (Schick, 2001, 2004). Also, the theoretical framework is seen in relation to the literature on private suppliers. The use of private suppliers is viewed as one among a number of tools to deal with the consequenc-

es (for service standards) of fiscal stress. Thus, the use of private suppliers is often seen as a way to ensure that cutbacks do not result in decreasing service levels, due to the expectation that private involvement raises cost-effectiveness.

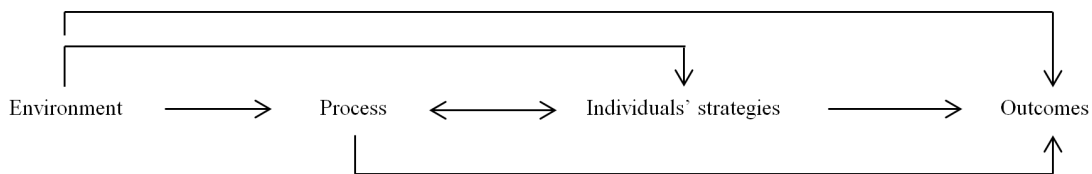
2.1 The Framework in Short

A simple way to differentiate between budget theories is to distinguish between supply and demand driven approaches (Beck Jørgensen & Mouritzen, 2005; Pallesen, 2014: 42-43). Supply driven budget approaches look at how institutions and actors *within* the political system shape budget output. By comparison, demand-side approaches look at how factors *outside* the political entity, such as voters, interest groups and environmental factors, affect budget institutions and output.

The framework presented here includes both supply and demand-side factors in explaining budget institutions and budget output. Thus, by ‘*Processes within the political system*’ (see Figure 2) I understand both supply and demand-side factors that political decision-makers are affected by, but can also manipulate themselves. That is factors *endogenous* to the political entity. By comparison, the environment is defined as factors outside the decision-makers’ (short-term) control, i.e. factors *exogenous* to the political entity. By incorporating both supply and demand-side factors, the framework seeks to reach a more complete understanding of the resulting budget output compared to approaches occupied with only supply or demand-side factors.

The chosen framework is based on Irene Rubin’s (2016: 32) budget model in which the budget output is explained as a result of the interaction between environmental factors, budget processes and individuals’ strategies. Rubin (2016) suggests the use of such a framework to analyze budgeting within 5 semi-independent policy clusters; the revenue cluster, the budget process cluster, the expenditure cluster, the balance cluster and the implementation cluster (Rubin, 2015; 2016: 28-34). Semi-independent means that the policy clusters should be analyzed separately, but that the politics and outcome of each cluster do influence each other. Rubin’s model is depicted in Figure 1 below:

Figure 1. Irene Rubin’s Model for Public Budgeting

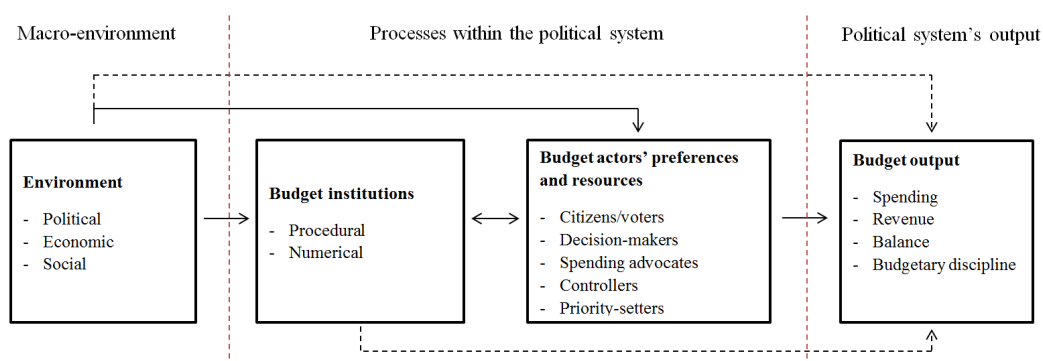


Note: (Rubin, 2016: 32)

This thesis builds on the abovementioned model by Rubin in the development of the dissertation’s framework. This framework is illustrated in Figure 2. Compared to Rubin’s model, the applied

budget framework employs slightly different concepts and definitions and gives more analytical weight to certain aspects. First, the framework uses the concept of budget institutions as something broader than only budget processes, incorporating both procedural and numerical budget rules (see section 2.2.2). Second, actors are explicitly defined as *both* individuals and groups, having the ability to form coalitions. Finally, the concept of *budget output* is used instead of *outcome* since the framework focuses on explaining the monetary output of the budget process and not the outcome/result for the service users. The framework is thought of as a generic model for analyzing various aspects of public budgeting. For instance, the framework can be used both at the national government level, at the local government level and in intergovernmental relations. Since the framework is developed for the study of local governments, which is the focus of this thesis, the framework should be particularly expedient for the analysis of local government budgeting.

Figure 2. Theoretical Framework for Analyzing Public Budgeting



The framework's elements are here only given a brief presentation as a more detailed description is provided in the next section. In short, the framework distinguishes between i) the macro-environment surrounding the political system of interest, in which the level of fiscal stress is a key factor, ii) the political processes, including the institutions and key actors within the political system, and iii) the budget output as a result of these processes. By environment I understand political, economic and social factors beyond the (short-term) control of the political system's decision-makers. In comparison, budget institutions are understood as formalized rules, which structure the actions of the relevant budget actors within the political system, but at the same time are manipulable by these actors. The budget actors are the formal decision-makers that are influenced by voters and three types of coalitions defined by their goals for spending (Meyers, 1996). The most important coalitions are spending advocates, controllers and priority-setters that (along the general voter), and under the constraints of the institutional and environmental setting, battle to gain influence on the budget output. By budget output I understand the monetary output of the budget process.

Before going into detail with the elements of the framework, some key analytical implications of the framework are highlighted. First, the framework is *actor-centered* in the sense that the budget output is thought of as the result of acting individuals, groups and coalitions. Of course the environment and the budget institutions also affect the budget output, but the impact of these elements is primarily *indirect*, going through the manipulation of the budget actors' preferences and resources. Environmental and institutional factors can in theory affect the budget output directly (i.e., wars, natural disasters and budget institutions having budgetary implications independent of actors' choices), but in the overwhelming number of cases environmental and institutional variables will work through the actors. In Figure 2, this primarily indirect influence is highlighted by dashed lines between the environment and the budget output and the budget institution and budget output.

Also, the two-way arrow in Figure 2 shows that actors are not only constrained by budget institutions, but can also try to manipulate these institutions to their own advantage. By contrast, the environment is by definition outside the actors' influence. In the following, the framework's generic elements and the interaction between the elements are outlined, while the influence of fiscal stress is developed in the section hereafter.

2.2 The Framework's Basic Elements

2.2.1 Environment

The environment is defined as political, economic and social factors beyond the (short-term) control of the decision-makers in the political system. In other words, the environmental factors can be said to be exogenous to the political system of interest. Comparable divisions between external factors, limiting the available choices of the decision-makers on the one hand, and internal factors, influencing (but not directly limiting) the choice of policy on the other hand, have previously been used within public administration and public budgeting (Andrews, Boyne, Law, & Walker, 2005; Boyne, 1996; LeLoup, 1978).

By environmental *political* factors one can think of regulation from overlying political levels, such as the national government's law-based, financial and informational regulation of the local governments (Baldwin & Cave, 1999). With reference to local budgeting, some of these external political factors has been referred to as *political institutions* (acting as constitutional rules for the localities), whereas *budget institutions* (summarized below) are nested within these political institutions and left to local decisions (Blom-Hansen, 2002). By environmental *economic* factors one can, for instance, think of the income of the households who receive public services, the economic resources directly available to local authorities (Andrews et al., 2005) and the production conditions, such as the size and density of the population. It is also as an environmental economic factor that we find fiscal stress (see section 2.3.1). Finally, by environmental *social* factors one can think of the 'objective' needs of the political system's population, such as the quantity and diversity of their service needs (Andrews et al., 2005).

2.2.2 Budget Institutions

Budget institutions are defined as systems of rules that structure the courses of actions that a set of actors within a political system may choose (Scharpf, 1997: 38) while these rules at the same time are under influence of the decision-makers of the political system. In other words, budget institutions are here understood as endogenous to the political system of interest (Blom-Hansen, 2002). Moreover, budget institutions are here viewed as formalized rules influencing the relative strength of the budget actors, through, for instance, assigning and promoting certain institutional roles and functions (associated with a given institutional role) to a specific actor (Good, 2007: 28-29). As an example, these budget institutions could be the political-administrative organization of the budget process, the used instruments of priority-setting as well as rules concerning the reallocation of wages with other current expenditures, the possibility to stretch the budget period and the use of net or gross appropriations (Blom-Hansen, 2002: 90-99).

In comparison, what is sometimes referred to as informal budget institutions, such as the norms and attitudes with regard to the budget, are here viewed as inherent in the budget actors' preferences and resources. Thus, as also noted by Good (2007: 28), an actor may adopt various *attitudes* towards the budget *despite* its institutional role and functions since a spending advocate can, for instance, *'take a total view rather than the traditional partial view of the budget and thereby have a greater regard for the budget's bottom line'*. In sum, where a change in the formal budget institutions is likely to change the formal roles and functions assigned to the budget actors, changes in budget actors' attitudes can happen without a change in the budget institutions, such as through shifting environmental conditions determining what is appropriate and legitimate behavior and goals.

While some budget approaches treat many institutions as part of the environment (Rubin, 2016: 33), the present framework distinguish between environmental and institutional factors. This analytical choice is partly due to the ambition of understanding the effect of a particular exogenous environmental factor, namely fiscal stress, on both institutions and actors (see section 2.3).

Generally, one can distinguish between *procedural* and *numerical* budget rules as part of a political system's budget institutions (Blom-Hansen, 2002). Procedural budget rules, in particular, involve the budget process. By the budget process I understand both the creation and implementation of the budget as expressed in the budget and the final account. As mentioned, this budget process is in turn influenced by a number of factors, such as the political entity's political and administrative organization and different priority-setting tools and procedures (Blom-Hansen, 2002). In comparison, numerical budget rules are locally formulated, quantitative goals for the budget and/or the account that the budget actors can adhere to more or less strictly.

2.2.3 Budget Actors

Within this environmental and institutional setting, the defined set of actors battles over influence on the budget output and the composition and functioning of the budget institutions. Budget actors are understood as individuals and coalitions (consisting of one or more groups of individuals) with the ability to influence the choice of budget output of the local decision-makers. Thereby, I follow

Scharpf's (1997: 43-44) understanding that actors can both be individual and corporate, and that these actors can form coalitions in order to pursue their goals.

Analytically, the most important actors are the legally authorized *decision-makers* (Meyers, 1996: 15), the *individual citizens/voters* (Rubin, 2016: 15-16) and the coalitions of *spending advocates*, *controllers* and *priory-setters* (Good, 2007; Meyers, 1996: 15). In short, the preferences and relative resources of the voters, spending advocates, controllers and priory-setters determine the budget output decided by the legal decision-makers. By resources/capabilities I understand '*all action resources that allow an actor to influence an outcome in certain respects and to a certain degree*' (Scharpf, 1997: 43). By preferences I simply understand the actors' goals for the budget output (Meyers, 1996: 15), for instance the policy-specific goals for spending, the total level of spending and the relative distribution of spending. In the following these 5 actors are described.

The decision-makers. The decision-makers are defined as the actors who are '*legally authorized to make budget decisions*' (Meyers, 1996: 15). Consequently, the voters, spending advocates, controllers and priority-setters try to influence these decision-makers. Depending on features of the political system, the legally authorized decision-makers can in public authorities be leaders of the government, their delegates (Meyers, 1996: 15) and the legislative assembly made up of the elected politicians. Besides following ideological considerations, a general feature of politicians is that they are office-seeking (Klein & Marmor, 2009).

Also, the political decision-makers will typically be part of some of the other actor groups depending on their institutional role and the functions they perform in different situations. For instance, local politicians in Danish municipalities act as legalized decision-makers in their role as members of the local council, but they typically also act as spending advocates and controllers depending on their membership of different committees (Bækgaard, 2010; Ibsen, 2016). In other words, the budget actors are not mutually exclusive since they can occupy more institutional roles and perform various functions, which altogether give them different spending goals in different situations (Good, 2007: 28-29; Imbeau, 1998).

Individual citizens/voters. The political decision-makers are influenced by the individual citizens/voters in general. Although the citizens' knowledge of the budget is not detailed, they often have an indirect role in the budget process (Rubin, 2016: 15-16). First of all, the citizens act as voters in returning elections and they can also voice their opinion and thereby affect the 'national mood' within elections periods. Second, they have the opportunity to exit from the political system (Hirschman, 1978).

Besides the voters in general, the legalized decision-makers are influenced by three types of coalitions; spending advocates, controllers and priory-setters. In theory, the influence between the voters and these coalitions can run in both directions. On the one hand, the ballot cast and the opinions of the voters can strengthen the power resources and preferences of specific coalitions. On the other hand, coalitions can also influence voters' opinions (for instance due to the information asymmetry between the two) and the voters' incentives to organize for a specific budget output. In other words, the role of a voter is not mutually exclusive from being member of an interest group.

Coalition of spending advocates. In general, a coalition can be defined as one or more groups of individuals, grouped together by their common goals for the budget output. In other words, in this framework coalitions are defined by their goals for spending rather than their institutional position (Meyers, 1996:14-15). Typically, these coalitions are made up of politicians and administrative actors within the political authority as well as interest groups outside the political organization.

The coalition of spending advocates usually comprises the responsible administrative agency, politicians from spending committees and one or more interest groups. The goal of the spending advocates is to increase or maintain funding for programs and policy-areas (Meyers, 1996: 15-16). Maximizing funding is seen as a dominating goal among administrative agencies (along other goals such as increasing predictability and autonomy) (Bozeman & Straussman, 1982). Besides administrative agencies and political spending committees, interest groups outside the bureaucracy can also be part of a spending coalition, either by trying to influence spending alone or by alliance-building with other actors. The most important interest groups, acting as spending advocates, normally involve staff unions and organized users of public services (Beck Jørgensen & Mouritzen, 2005; Christiansen, 2014).

Coalition of controllers. The coalition of controllers (often also termed guardians) is unified by their ambition to limit and/or control the amount of public spending going to a particular program or policy-area. Controllers normally consists of administrative budget controlling agencies, political members of the finance committee and potentially, also, relevant interest groups (Meyers, 1996: 15-16). Interest groups opposed to higher public spending for certain programs or policy-areas can, for instance, be organizations representing private companies hoping to win market shares from the public sector or interest groups seeking to limit one type of public spending in order to ensure more funding for a rival public activity (Meyers, 1996: 16).

Within the budget literature, it has been intensely discussed whether the distinction between spending advocates and controllers is still expedient. Thus, actors in the budget process clearly hold more sophisticated preferences than assumed by the controller-advocate dichotomy (Rubin, 2016: 10-18). In particular, the controllers' goals have been criticized for being too narrowly defined: For instance, centralized administrative actors, often associated with controlling, seem increasingly to be engaged with the priority of resources and policy-related goals (Good, 2007; Rubin, 2016: 10). Moreover, the operational focus in budgeting has gradually shifted from compliance to performance (Schick, 2001: 22-28), generating other priorities for actors traditionally associated with budget control.

Coalition of priority-setters. To deal with this potential shortcoming of the controller-advocate dichotomy, one can either assign more sophisticated preferences to the coalition of controllers or define a new actor. The latter approach has been pursued by Good (2007) in his notion of the priority-setter. According to Good (2007), priority-setters are engaged in the rising demand for prioritizing public resources. In the framework used here, the priority-setter is included as a potentially important separate coalition of actors along advocates and controllers. While Good (2007) views the priority-setter as an administrative actor, priority-setters are here defined as a coalition potentially comprising administrative and political actors as well as interest groups. Like spending advocates and controllers, the coalition of priority-setters is unified by common goals for public spending.

As opposed to spending advocates and controllers, the goals of priority-setters cannot be determined a priori. This is due to the fact that the priority-setters' preferences are a product of the context-specific political vision they try to accomplish and the more operationalized policy ideas (e.g., analysis, advice and other ideas influencing public policy) and strategies (overarching goals and priorities operationalized in sub-strategies) imagined to fulfil this vision (Campbell & Pedersen, 2014: 15; Klausen, 2014: 19-21). The priority-setters' goals can therefore, as an example, involve both more or less total spending.

Importantly, though, the content of the priority-setters' vision and strategies will (besides the absolute level) affect the spending distribution. Compared to the ongoing battle between controllers and advocates over the absolute level of policy-specific spending, priority-setters are thus more focused on total public spending and the relative spending across government policy-areas (Good, 2007: 38-39). Priority-setters are engaged early in the budget process and do not normally spend time on budget implementation, which is left to advocates and controllers (Good, 2007). This also means that priority-setters formulate visions, strategies and maybe also sub-strategies but often leave the actual action plan and implementation to others. This creates an ongoing risk of a decoupling/disconnection between the priority-setters' high-flying intentions, on the one side, and the potential lack of actual organizational changes, on the other side (Klausen, 2014: 236).

Within the bureaucracy the priority-setters are, like the controllers, centrally placed and work closely with the controllers. There exists a division of labour between the controllers and priority-setters since the controllers need policy direction to guide their operations. As Good (2007: 109) says: *'The more it is a question of what should be the overall priority for the budget, the more the influence from [...] the priority setters. The more it is a matter of what should be the initiative to effect the agreed priority, the more the influence from the finance guardians'*. In that sense, priority-setters are essential for understanding shifts in policies, for instance, by developing policies themselves or translating parties' platforms into new proposals (Good, 2007). Priority-setters are typically placed within the prime or finance minister's office at the national government level or within the mayor's office in a local government. Slightly different from Good's (2007: 93-117) approach (which does, however, recognize that interest groups can *influence* priority-setters), the framework used here allows interest groups to act as priority-setters. Such priority-setting interest groups can, for instance, be generally oriented employers' associations, a federation of trade unions or think tanks.

The features of the dominating coalition of priority-setters can vary markedly across political systems and over time within the same system. In some political systems, the priority-setter will primarily be a coalition of political and administrative actors, while private interest groups and think tanks can play a much larger role for the priority-setters' preferences in other systems. Also, acting as a priority-setter in some situations does not exclude acting as a controller in other instances (see Jensen, 2003 and Jensen, 2008 for an example regarding the Danish Ministry of Finance).

With the exemption of Good (2007), the priority-setting actor seems remarkably absent in existing budget approaches. This could constitute an analytical shortcoming: Thus, if the coalition of priority-setters does in fact influence the level and distribution of spending, then an important explanatory

factor is missing. Likewise, in some analytical situations it could be misleading only to look at actors wanting more or less money and not addressing actors more concerned about spending priorities, for instance based on their visions and strategies for the political system's long-term *survival*. While not holding a strong position within public budget theory, other literatures have exactly used such a long-term survival perspective that emphasizes the need for priority-setting. Notably, this has been the case for writings on organizational life cycles (Boyne, 2006; Bozeman, 2010; Levine, 1978).

Within the organizational life cycle literature, it has been investigated how organizations can follow different strategies to ensure their survival. Although, this organizational life cycle theory originally stems from the private sector, where organizational death is arguably more common than in the public sector due to the market mechanism, the life cycle literature has also been applied to the public sector (Boyne, 2006; Bozeman, 2010; Levine, 1978). Previously, life cycle theory has, in particular, been used when analyzing *decline* in public organizations. Within the life cycle literature, decline refers to a misfit between an organization and its environment. For public organizations such a misfit can be due to external political, economic and social factors or simply poor internal performance (Boyne, 2006: 370). This thesis looks at fiscal stress as one type of decline.

A noticeable use of life cycle theory in the public sector is Boyne (2006) who identifies three types of strategies for how public organizations can make a turnaround from decline; retrenchment, repositioning and reorganization. Retrenchment involves reductions in the scope or size of an organization. Repositioning is an entrepreneurial strategy that stresses growth and innovation based on the formulation of a new mission for the organization. Finally, reorganization is broadly viewed as any change in the internal management of an organization, often involving the replacement of one or more managers (Boyne, 2006: 378-380). What is important by the strategies in the life cycle perspective is that they are based on views on how to ensure the organization's long-term *survival*. This also means that, while the preferences of spending advocates and controllers are primarily defined by material interests and institutional role, priority-setters' preferences are also influenced by ideas concerning the political system's long-term survival.

Considering the potentially important influence of priority-setters on the budget output, the lack of priority-setters in most budget writings can seem surprising. However, a possible reason for this could be that the inclusion of a prioritizing actor makes analyses more complex, labor-intensive and methodological challenging: First, a methodological challenge associated with the concept of the priority-setter is the need to identify the priority-setters' preferences independent from the actual budget output. Thus, when preferences cannot be defined a priori, it will be difficult to precisely identify priority-setters' goals as well as changes in the distance from these goals to the realized budget output.

Second, since priority-setters' preferences cannot be determined a priori they need to be examined case by case. This identification of preferences is, however, a labor-intensive task since the dominating visions and strategies will vary across country and over time (Campbell & Pedersen, 2014). Hence, for each political system there will, in reality, exist several priority-setting coalitions and more visions and strategies competing for domination. The task of the researcher is then to identify the *dominating* priority-setting coalition and its goals for the budget output case by case. As

an example of such a detailed identification of a country's dominating vision and strategies, Pedersen (2011) showed how ideas about the national economy in Denmark started to change from the 1970s onwards, increasingly emphasizing the public sector's role in improving the input factors used by national businesses.

The identification of the dominant priority-setting coalition and its goals should in principle be enough to allow for analysis while the reason for these preferences should be secondary. That said, however, if the content of the priority-setters' preferences are, for instance, systematically related to changes in the environment and/or in the budget institutions, one could also improve the capacity for predictions by understanding the reasons behind these preferences (see also section 2.3.3). In that context, the dominating visions and strategies used by the priority-setters can probably be explained as a product of a nation's policy regime, production regime and knowledge regime (Campbell & Pedersen, 2014: 18). Where preferences will vary markedly across nations, the preferences of local government priority-setters *within* the same country will, however, probably show less variation due to the commonalities in the factors generating these ideas (that is the policy regime, production regime and knowledge regime).

2.2.4 Budget Output

The budget output is defined as the monetary output of the budget process, typically recorded in the political system's account and budget. It can, for instance, be the level and distribution of spending, the budgetary discipline, the chosen tax rate/tax structure as well as the balance between revenue and spending, expressed by indicators such as the operating result and the debt level. The budget output should not be confused with what is labeled output in a generic input/output/outcome model since what is here termed budget output will typically be input in such a generic production model (Pollitt & Bouckaert, 2011: 133).

When budget actors agree on a specific budget output, the output will often be explained with reference to improved *cost-effectiveness* (Rubin, 2016). Cost-effectiveness can be defined as the ratio between the level of achievement regarding a set of politically defined objectives, on the one side, and the resources spent on this achievement, on the other side (Elm-Larsen, 2007). Conceptually the level of cost-effectiveness is something different than the monetary budget output since we need to identify not only the level of spending, but also the results for the service users to determine cost-effectiveness (Pollitt & Bouckaert, 2011: 133).

A number of tools, highlighted both within the budget literature and the public administration literature in general, have been proposed as a way to channel spending to more cost-efficient policy-areas and interventions. Among these tools are the use of private suppliers (Rubin, 2015) which is an area of focus in this thesis (see section 2.4).

With the basic elements of the framework now laid out, possible drivers for changes in public budgeting should now be evident: Budgetary changes can be driven by environmental (such as fiscal stress) and institutional shifts, changing voter preferences or shift in the power relations between

spending advocates, controllers and priority-setters. Given these elements, I now turn to the predictions that can be derived from this framework when the level of fiscal stress changes.

2.3 Fiscal Stress and Public Budgeting

2.3.1 Fiscal Stress as an Exogenous Variable

Fiscal stress (and related concepts) has long been regarded as an important environmental variable within the budget literature (Behn, 1985; Bozeman & Straussman, 1982; Levine, 1978; Schick, 1983) and public administration in general (Kickert & Randma-Liiv, 2015). In accordance with the abovementioned framework, where fiscal stress is seen as an environmental factor *beyond* the actors immediate influence, fiscal stress is here given an exogenous interpretation: The degree of fiscal stress is defined as the exogenously determined ratio between a political system's revenue and expenditures holding the service level constant (see for instance Bailey, 1999; Hendrick, 2004: 82; Wolman & Davis, 1980: 231).

More implications can be derived from this definition. First, fiscal stress is here understood as a continuous variable going from resource abundance to resource scarcity. Fiscal stress can both be a measure of levels and change (Mouritzen, 1992: 31), and in this thesis I primarily focus on the effects of *increasing* fiscal stress (i.e. a measure of change). Second, I define fiscal stress as a factor exogenous to the political system of interest, meaning that it will be driven by either decreasing revenue (holding local tax policies constant) and/or rising expenditure needs due to sociodemographic changes. It is possible that these two elements of fiscal stress - changes in revenue or expenditure needs - have different implications for the budget output (Hendrick, 2004). Thirdly, fiscal stress can affect the budget output in a number of more or less direct ways. As indicated in Figure 2, it can both *directly* affect the relative strength of the budget actors (determining the budget output) or work *indirectly* though influencing the budget institutions. However, fiscal stress can also influence budget output even more indirectly by generating changes in other environmental factors, such as when fiscal stress invokes changes in the national regulation of the local governments (Foged, 2017a). In this thesis, the increase in fiscal stress in Danish municipalities was actually closely related to the adoption of national sanctions on spending overruns, since these sanctions were in itself partly a result of the deteriorating economy¹.

The chosen, exogenous definition of fiscal stress has strengths and weaknesses in need of discussion: Fiscal stress, and various related concepts, has long been a central concept within a diverse

¹ These sanctions became a more or less integral part of the fiscal stress that confronted Danish localities from 2009 onwards. Thus, on the one hand the fiscal stress led to a demand for lower municipal expenditures and, on the other hand, the observations of this demand became more toughly sanctioned by national regulation. Moreover, it was actually made probable that the national sanctions were, in part, a result of the increasing fiscal stress in the first place and, accordingly, also could be viewed as an intervening variable to the underlying rise in fiscal stress (Foged, 2017a; Suenson, Nedergaard, & Christiansen, 2015).

range of research traditions, for instance public administration, political science, economics and disaster studies. From the public administration perspective, the interest in fiscal stress is related to the fact that the health of the economy can be an important driver behind political and administrative *changes* (Peters, Pierre, & Randma-Liiv, 2011). Consequently, the conceptualization of fiscal stress should give us the tools to understand and predict such changes.

The exogenous definition used here has most in common with the approaches used within economics and some parts of public administration where fiscal stress has simply been defined as a tendency for the expenditures of a political organization to grow faster than its revenue (Bailey, 1999).

Within disaster studies, the concept of fiscal stress/fiscal crisis focuses on the importance of crisis-driven decision-making (under time pressure and insecurity) and the potential changes resulting from these decisions (Rosenthal & Kouzmin, 1997). This focus of disaster studies on important crisis-related decisions is shared with some parts of public administration. Hence, in recent discussions within public administration the inability of pure exogenous definitions of fiscal stress to capture political-administrative changes has been highlighted. The potential problem of pure exogenous definitions, for instance, arises from the fact that financial outcome data lags behind the political announcement of reforms and do not take contextual factors into account (Himaz & Hood, 2014; Kickert & Randma-Liiv, 2015). This insight has been supported in empirical studies, showing that more ‘subjective’ indicators of fiscal stress are often better at predicting political-administrative changes than purely exogenous measures (Cepiku, Mussari, & Giordano, 2016; Maher & Deller, 2007).

In sum: The weakness of the used exogenous definition can be relatively modest explanatory power since local political factors that interacts with fiscal stress are initially disregarded. However, the strength of the exogenous definition is, by comparison, that it allows for predictions on how fiscal stress affects the budget output without the need for a large amount of assumptions. Consequently, although less detailed predictions can, on the one hand, be derived with a purely exogenous definition of fiscal stress, hypotheses can, on the other hand, be stated at a higher analytical level and with fewer assumptions (Gerring, 2012: 116-130).

2.3.2 Fiscal Stress Strengthens Controllers

I expect fiscal stress to influence the relative strength of the three coalitions; spending advocates, controllers and priority-setters. This change in power relations is in turn expected to influence the budget output and budget institutions.

The first prediction, following from the framework’s elements, is that fiscal stress strengthens controllers over spending advocates. By comparison, fiscal abundance should lead to the opposite dynamic where spending advocates are empowered over controllers. This predicted strengthening of controllers, due to resource scarcity, is in line with the majority of existing studies, although this expectation does not stand unopposed in the literature (see Foged & Sørensen, 2016b and Foged, 2017b for a discussion). However, where the empowerment of controllers under fiscal stress is an often held assumption in the literature, the mechanism through which this strengthening of controllers unfolds is often less clear (Foged, 2017a).

Two theoretical explanations for the empowerment of controllers, emphasizing *institutional change*, can be identified. First, one line of literature argues that fiscal stress makes it possible for voters and politicians to overcome the pervasive common pool problem and, subsequently, agree on centralized fiscal institutions curbing the influence of spending advocates (Hallerberg et al., 2009). A centralization of the budget institutions can occur both as changes to the budget procedure/process or through numerical rules benefitting centralized controllers. Using the framework, this means that the institutional change should be stimulated by changing preferences among voters and legalized decision-makers, seeing the costs of higher than preferred spending more clearly due to the fiscal stress, and in turn centralizing the budget institutions.

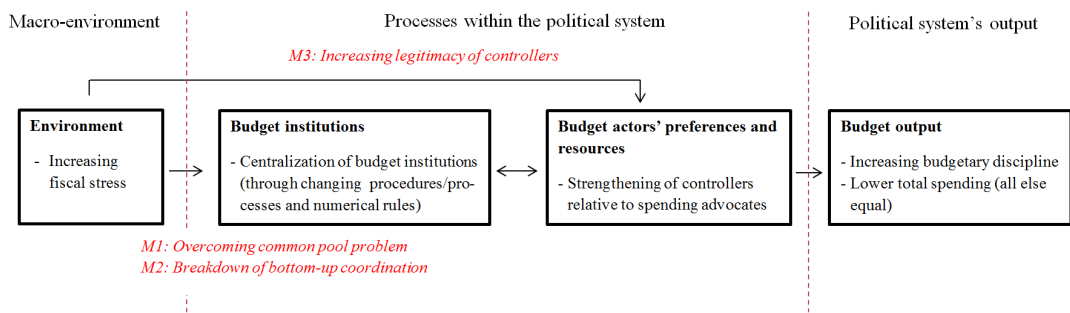
Second, other argues that fiscal institutions become more centralized due to the insurmountable challenges associated with ‘normal’ bottom-up budgeting when fiscal stress increases. According to this *coordination explanation*, agencies take a ‘*you first then me*’ approach to cutbacks, and the resulting rise in the level of conflict in the budgeting process makes bottom-up budgeting difficult (Raudla, Douglas, Randma-Liiv, & Savi, 2015: 2). The result is a shift to top-down budgeting and a strengthening of centralized controllers (Schick, 2009). Using the theoretical framework, this implies that the centralization of budget institutions is not so much a result of changing preferences among voters and decision-makers, as a consequence of the inability of the existing (bottom-up) budget institutions to handle the ongoing ‘battles’ between controllers and spending advocates.

Besides these two mechanisms (emphasizing the centralization of the budgeting institutions as the reason for empowered controllers), other arguments - not necessarily linked to institutional change – can also be identified in the literature: These arguments include that the goals of controllers become more *legitimate* when resources are scarce; i.e. a possible direct strengthening of controllers over spending advocates without first changing the formal budget institutions. This tendency for increased legitimacy of the controllers is probably exacerbated if an atmosphere of crisis exists where changes become regarded as urgent and inescapable (Stubager, Hansen, & Andersen, 2013). In relation to the theoretical framework, a direct link between fiscal stress and the budget actors’ relative strength can be interpreted in more ways: One interpretation is that fiscal stress generally changes the attitudes/preferences of all budget actors regarding the budget in the sense that actors’ increasingly take a total rather than partial view of the budget (Good, 2007: 28; Imbeau, 1998). Another related interpretation, based on the common pool logic, is that the voters (seeing the cost of spending more clearly under resource scarcity) align more closely with the goals of controllers under fiscal stress. Literature emphasizing a direct link between fiscal stress and the relative strength of budget actors often refers to the independent effect of an ‘atmosphere of crisis’.

The imagined implications of the strengthened controllers are a *budget output* which is more in line with the goals of the guardians. Since these goals can be determined a priori, we can typically infer some of the implications for the budget output: First, one can expect a reduction in the scale and frequency of budget overruns. Second, total spending can, all else being equal (that is by holding potential crisis-related stimuli spending and the influence of the priority-setters constant), be expected to decrease since the controllers are better able to turn down spending demands from the various advocates. Besides the influence on the budget output, *budget institutions* (both procedural

and numerical rules) are in large parts of the literature expected to become more centralized. This centralization can theoretically both be due to budget institutions being centralized as a direct response to the fiscal stress (coordination problem) or due to budget actors themselves pushing for centralization. In Figure 3 below, the various expectations are summarized, including the three possible mechanisms (M1-M3) by which controllers are believed to be strengthened.

Figure 3. Fiscal Stress and the Strengthening of Controllers



2.3.3 Fiscal Stress Strengthens Priority-Setters

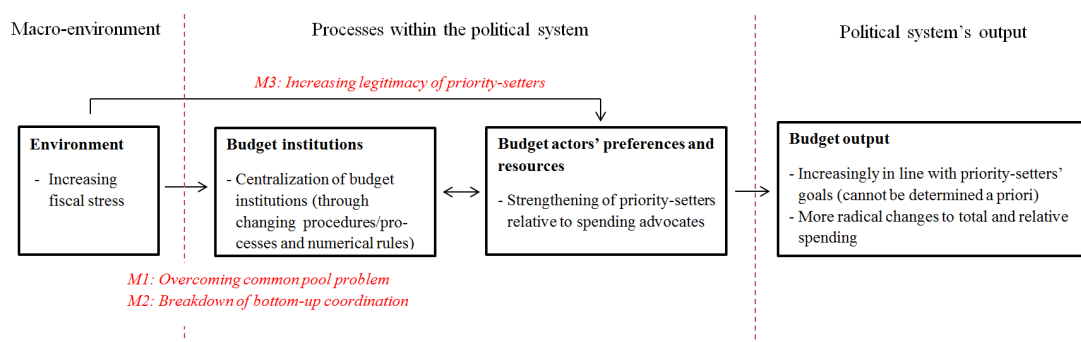
The second prediction is that fiscal stress strengthens priority-setters over spending advocates, whereas resource abundance should on average empower spending advocates over priority-setters. Compared to the expected empowerment of controllers, this prediction is much less theorized in the literature. That said, a key implication of the strengthened priory setters - more ‘radical’ shifts in public spending priorities - have been touched upon from more sides. As an example, Schick (2009) argues that public spending and revenue change more under fiscal stress compared to a more incremental spending pattern under economic growth. Also, it has been argued that fiscal stress and fiscal crises can render policies possible that under ‘normal’ circumstances would be met with fierce opposition (Stubager et al., 2013). In general, prominent theories on public policy-making often highlights the role of external events, such as an economic decline, in generating policy shifts, for instance by changing the attention of policy-makers (Baumgartner, Jones, & Mortensen, 2014) or creating a window of opportunity for policy-entrepreneurs (Zahariadis, 2014).

In this framework an actor-based explanation is given for why larger shifts in budgeting output are expected when resources are scarce. In particular, shifts are imagined to happen through the empowerment of priority-setters, primarily centralized political and administrative actors under influence from interest groups with a view on ‘all of government’. As was the case for the coalition of controllers, a reason for the empowerment of priority-setters is the assumed centralization of the budget institutions. Thus, political and administrative priority-setters should benefit from the centralization of the budget institutions since they are centrally positioned within the political authority (Good, 2007). Second, irrespective of such institutional change, the general legitimacy of ‘tough’ priorities can also increase. Thus, fiscal stress can exactly generate that ‘sense of urgency’ shown to

be so fundamental for organizational change (Kotter, 2008). In other words, when the economic situation deteriorates (and maybe even appears urgent), radical shifts in the level and distribution of spending become legitimate, as long as these shifts in spending credibly ‘promise’ to ensure the political system’s long-term survival.

The imagined implications of the empowered priority-setters are a *budget output* characterized by more radical changes to both the total amount and relative distribution of public spending compared to the development under resource abundance. The content of the changes to the total and relative distribution of spending cannot, however, be predicted a priori, but needs to take into account the preferences among the dominating coalition of priority-setters. Moreover, for the same reasons as laid out for the controllers, *budget institutions* are in large parts of the literature expected to become more centralized. That is to say that a centralization of the budget institutions can happen either as a direct result of the fiscal stress or as the product of budget actors’ manipulation of these institutions. The expectations are summarized in Figure 4 below.

Figure 4. Fiscal Stress and the Strengthening of Priority-Setters



Whereas it seems relatively straightforward that the strength of controllers depends on the level of fiscal stress, it can be less obvious that fiscal stress empowers priority-setters. Thus, it has been theorized that, although resource scarcity will often increase the *need* for organizational change, the *conditions* for generating this change in the form of sufficient slack resources and organizational capacity can be absent due to the general decline in resources (Levine, 1978; Pandey, 2010). Accordingly, one could speculate that fiscal stress maybe increases the legitimacy of priority-setters’ *talk*, and potentially also generate *decisions* to realize this talk, but that actual changes to *practice* become difficult due to the lack of implementation resources (Foged et al., 2017; Pollitt, 2002). Also, times of fiscal stress can be associated with uncertainty where the organizational risks associated with changing spending policy can be particularly high (Jørgensen, 1981: 162). And where the appropriate response to fiscal stress can instead be to keep the course until the environmental conditions stabilizes.

Another important aspect has to do with the fact that the expectation (of empowered priority-setters) is silent as to the exact content of the priority-setters’ preferences since these goals cannot be de-

terminated a priori. However, it is possible that one could in fact say something about what the priority-setters' crisis-related preferences will look like before having to investigate them. For instance, it has been argued that a fiscal crisis can both lead to a continuation of existing visions and strategies or provide the trigger for new ways of thinking about public management (Peters et al., 2011). In that context, a number of scholars doubt that the present crisis will fundamentally change existing visions and strategies in the same way as in the 1970s when the New Public Management paradigm emerged (McCann, 2013; Pollitt & Dan, 2011), because the present NPM-ideas already promise more service for less resources and are supported by vested interests and strong normative actors (Pollitt & Dan, 2011). Accordingly, Hood (2010) hypothesizes that present ideas will be revitalized to fit a context of resource scarcity. That is to say that the elements of existing NPM-ideas, which promise more or sustained service for fewer resources, can be expected to gain importance over other NPM-ideas.

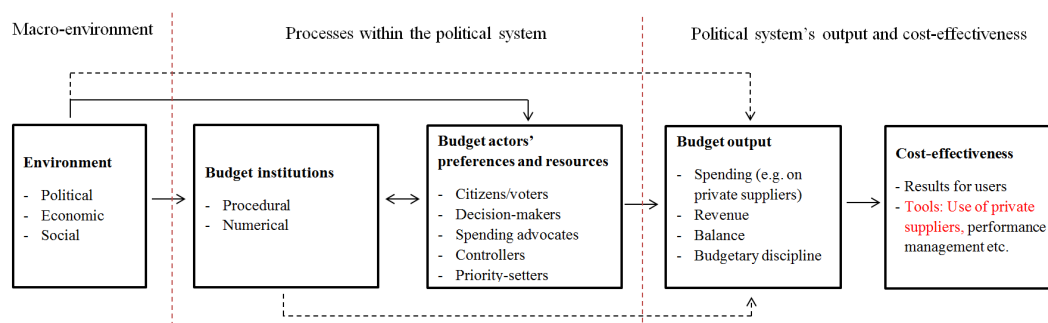
2.4 Private Suppliers as a Fix to Fiscal Stress?

2.4.1 Public Budgeting and the Use of Private Suppliers

A key prediction from the previous section was that centralized actors, under various levels of influence from interest groups, are strengthened by a fiscal squeeze. In the used framework these actors were denoted controllers and priority-setters. It was argued that, in order to understand the associated changes for the budget output, the goals of these actors had to be determined. This was particularly important for priority-setters, whose preferences could not be determined a priori. While recognizing this uncertainty associated with the content of priority-setters' visions and strategies, this section looks at one of the often-mentioned tools *expected* to flourish among priority-setters in Western countries: To use private suppliers as a way to avoid that cutbacks (due to fiscal stress) turn into declining service levels. By the use of private suppliers I broadly understand privatization, contracting out and the use of voucher markets (Foged & Aaskoven, 2017: 136).

In relation to the used framework, the use of private suppliers can both be viewed as a budget *output* or a *tool* responding to such an output. First, the use of private suppliers can be an output of the political and budgetary process, where the scale of private involvement is typically recorded in the political system's budget and/or account. At the same time, the use of private vendors can also be a response to the budget output, typically as a way to deal with a demand for savings without reducing service levels; that is as a tool for increasing cost-effectiveness (Levine, 1978: 321). Hence, private involvement can be one amongst several tools promising to do more with less (Levine, 1978; Pollitt, 2010). In this thesis, private involvement is exactly viewed as a *tool* intended to increase cost-effectiveness, since this is how the academic literature and the practitioners typically have looked at the subject (see Figure 5).

Figure 5. The Use of Private Suppliers as a Tool for Mitigating Fiscal Stress



2.4.2 Causes and Effects in the Study of Private Suppliers

Generally, the literature on private suppliers has differentiated between the *causes* and the *effects* of private involvement. This thesis looks at the causes of the use of private suppliers, including the importance of fiscal stress. However, by investigating the reasons for private involvement – and the conditions under which various drivers become important - the thesis can probably also say something about the effects. Thus, the dissertation generally hypothesizes that the use of private suppliers is an ambiguous fix to fiscal stress, since the effects of private involvement will probably vary significantly under different conditions. This can, in turn, has to do with the drivers of private involvement such as the extent to which the use of private suppliers is founded on a well-documented business case or driven by ideological beliefs and special interest groups.

A noticeable amount of studies have showed that the effects of private involvement vary a lot in the sense that although a majority of studies report savings (however, in most cases without controlling for potential quality effects), a large minority of studies find negative effects (Bel, Fageda, & Warner, 2010; Domberger & Jensen, 1997; Hodge, 1998; Petersen, Hjelmar, & Vrangbæk, 2014). By taking these varying effects of private involvement as a starting point, I discuss these varying findings in the light of the drivers behind private involvement. For instance, to what extent is private involvement actually driven by economic factors², such as the level of fiscal stress, scale economies and transaction costs, as opposed to political factors, such as ideology/ideas and special interest groups (Bel & Fageda, 2007)? For instance, it is possible that economic factors behind private involvement are under certain circumstances overshadowed by political considerations.

² Regarding the economic factors behind private involvement, we would, all else equal, expect an increase in fiscal stress to be associated with more private involvement since the economic downturn would lead to pressure for more cost-effective production. Similarly, we would expect political organization to use private suppliers to the extent that it optimizes the economies of scale and the transactions costs associated with either public or private production.

2.4.3 Fiscal Stress and the Use of Private Suppliers

The use of private suppliers has long been a buzz-word and an actual tool in Western government reforms. More broadly, the use of private suppliers has been associated with the NPM reform movement (Pollitt & Dan, 2011). In the literature, it is expected that this focus on private suppliers will not decrease with the present situation of high fiscal stress. By contrast, in the eyes of the priority-setters, the use of private suppliers can be a way of doing *'more with less'* or *'the same with less'* (Hood, 2010: 6). As an example, Lodge and Hood (2012) theorize that OECD states can choose different strategies in counteracting stress, among these the market-based response of the 'hollow state'.

Supporting this theoretical expectation, Vaughan-Whitehead (2013: 7) finds, based on an empirical study of 15 European states, that the shifting of activities from the state to the private sector were among the four most popular structural reform responses to the recent economic crisis. Also, for local governments it has been theorized that fiscal stress is associated with an increase in the use of private suppliers (Bel & Fageda, 2007; Boyne, 1998), although this has not yet been empirically investigated for the present economic downturn.

Given the prominence of the use of private suppliers as a possible tool for dealing with fiscal stress and a related demand for cutbacks, it becomes pertinent to examine whether privatization and contracting out actually improve cost-effectiveness. In fact, Rubin (2015: 31) argues that this is a key research agenda for the budget literature, which has so far seen the use of contracting as an advisable way to make more of a shrinking budget. Thus, many studies outside the budget literature have questioned that increased cost-effectiveness is typically the result of using private suppliers (Bel et al., 2010; Hodge, 1998), let alone the effect for other societal concerns such as employees' working conditions and equal service standard across the users of public services (Vrangbæk, Petersen, & Hjelmar, 2015).

2.4.4 Private Suppliers in the Thesis

As mentioned, this thesis takes the varying effects of the use of private suppliers as a starting point and instead tries to understand the *causes* of private involvement. The working hypothesis is that the use of different forms of private involvement is often as much a result of politics as considerations regarding cost-effectiveness (Bel & Fageda, 2007). In other words: The use of private suppliers should just as much be a result of political factors, such as ideology/ideas and the influence of special interest groups, as a consequence of economic considerations, such as the level of fiscal stress and service and market characteristics (Hefetz & Warner, 2012). In other words, the thesis analyzes the reasons for the use of private vendors under various conditions, and these results provide a perspective on why the literature has found mixed effects of private involvement.

While there can be many legitimate reasons for why the general voter and the politicians would prefer more or less private involvement (even though this does not necessarily constitute the most cost-effective form of production), one could, in particular, be critical of production decisions influenced by special interest groups (Foged & Aaskoven, 2017). These special interest groups, often holding other goals than the general voter, could for instance be public unions lobbying a public monopoly or private companies trying to limit competition from other private and public providers.

In sum, the use of private suppliers can both be viewed as a budgetary output due to fiscal stress and as a tool for dealing with a demand for cutbacks without reducing service levels. In this thesis I view the use of private suppliers as a tool for increasing cost-effectiveness in light of increasing fiscal stress. I look at the drivers behind private involvement in order to see how a number of economic (such as fiscal stress) and political factors relates to the use of private involvement. The findings give a perspective on why the literature has found mixed effects of the use of private suppliers.

2.5 Summing Up

The purpose of this theoretical chapter was to develop a generic budget framework for public budgeting and to use this budget framework to generate predictions on each of the 4 sub-questions. These predictions are summarized in Table 1 below.

Table 1. Sub-Questions and Hypotheses

Operationalized research question (sub-questions)	Hypotheses derived from the framework
1. How does fiscal stress affect the relationship between the national government and the local governments?	1.1 An increase in fiscal stress strengthens national government controllers over local government spending advocates 1.2 An increase in fiscal leads to a centralization of central-local budget institutions
2. How does fiscal stress affect budget institutions and budget actors within local governments?	2.1 An increase in fiscal stress strengthens controllers over spending advocates 2.2 An increase in fiscal stress strengthens priority-setters over spending advocates 2.3 An increase in fiscal leads to a centralization of budget institutions
3. How does fiscal stress affect the budget output of local governments?	3.1 An increase in fiscal stress increases budgetary discipline (and therefore reduces total spending, all else equal) (due to the strengthening of controllers) 3.2 An increase in fiscal stress makes the budget output increasingly in line with priority-setters' preferences (due to the strengthening of priority-setters) 3.3 An increase in fiscal stress leads to more radical shifts in the spending distribution (due to the strengthening of priority-setters) 3.4 An increase in fiscal stress leads to more radical shifts in the total spending level (due to the strengthening of priority-setters)
4. What explains local governments' use of private suppliers as a tool imagined to increase cost-effectiveness?	4.1 Economic factors (fiscal stress, economies of scale, transaction costs) drive the use of private suppliers 4.2 Political factors (interest groups, ideology and management ideas) drive the use of private suppliers

3. Main Findings

The purpose of this empirical chapter is, for once, to expand on the research methods used in the 9 articles as well as the empirical context of the Danish municipalities, in particular the role of the priority-setters in Danish localities. Hereafter, the main findings of the 9 articles are presented in light of the sub-questions and the hypotheses. Finally, the empirical findings are discussed with regard to the implications for theory and future research.

3.1 Short on Research Design and the Context

3.1.1 The Articles' Relation to the Research Question

The overall research question, which this thesis tries to answer, is: *How does fiscal stress affect local governments' relationship with the national government as well as the local governments' budget institutions, budget actors and budget output? And what drives the local governments' use of private suppliers as a tool imagined to mitigate the consequences (for service standards) of fiscal stress?* This research question was broken down into 4 sub-questions. These 4 questions have been investigated on the case of Danish municipalities. Below, I present which articles that deal with which sub-question, and what has been the specific focus in the articles. It should be noted that the articles typically look at only some of the aspects relevant to each sub-question.

1. How does fiscal stress affect the relationship between the national government and the local governments (focusing on the content of the national government regulation, both the strength of the central-local budget actors and the intergovernmental budget institutions, and the effect of this regulation for the municipalities' budget discipline, see A1 and A2)?
2. How does fiscal stress affect budget institutions and budget actors within local governments (focusing on changes to the power relations of local budget actors and changes to the budget process due to financial management reforms, the administrative organization and the process of finding cutbacks, see A3, A4 and A6)?
3. How does fiscal stress affect the budget output of local governments (focusing on budget discipline and the relative priority of spending to various policy-areas, see A2, A5 and A6)?
4. What explains local governments' use of private suppliers as a tool imagined to increase cost-effectiveness, in particular by seeking to implement cutbacks without reducing service levels (focusing on the importance of fiscal stress, conditions of production such as economies of scale and transaction costs, political ideology and special interest groups, see A7, A8 and A9)?

6 of the 9 articles (A1-A6) deal with the first 3 sub-questions, whereas the last 3 articles deal with the drivers behind the use of private suppliers (sub-question 4). Besides the 9 articles, 3 other articles have been made which provide background information to sub-question 2 (Sørensen & Foged, 2015) and sub-question 4 (Dahler-Larsen & Foged, 2017; Foged & Houlberg, 2015). The 9 articles constituting this thesis are as follows:

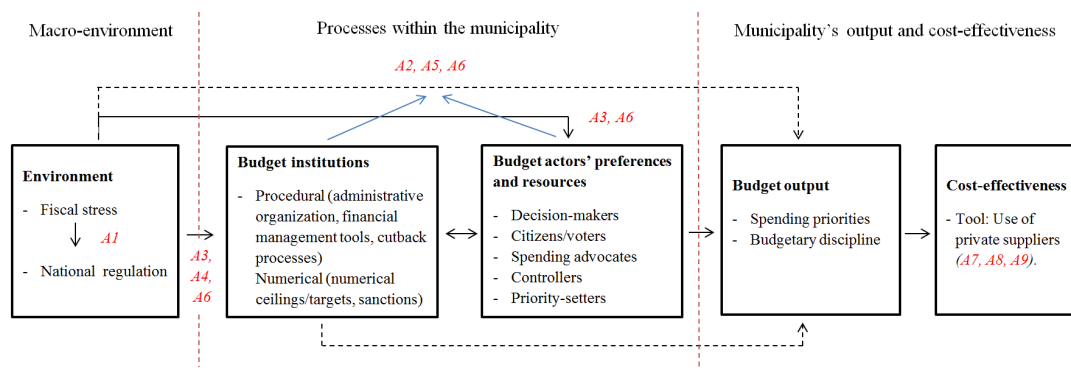
- **A1:** Foged, S. K. (2017a). *Central-Local Relations under Fiscal Stress: Centralizing Resources and Decentralizing Management?* Working paper.
- **A2:** Foged, S. K. (2015a). En effektevaluering af sanktioner på danske kommuners regnskaber, 2010-2013 [An effect evaluation of state sanctions on the spending of Danish municipalities, 2010-2013]. *Økonomi & Politik*, 88(1), 57-75.
- **A3:** Foged, S. K., Andersen, S. C., & Andersen, M. N. (2017). Hvad betød den økonomiske krise for danske kommuners økonomistyring? [What did the economic crisis mean for Danish municipalities' financial management?]. *Politica*, 49(1), 5-25.
- **A4:** Foged, S. K., & Sørensen, E. M. (2016a). Krisen og 'koncernmodellen' i kommunerne [The crisis and the corporate model in the municipalities]. *Public Governance Research*, 1, 65-84.
- **A5:** Foged, S. K. (2017b). *Public Spending Through Thick and Thin: The Relationship between Fiscal Stress, Total Spending and Spending Priorities in Danish Local Governments, 2007-2015*. Working Paper.
- **A6:** Foged, S. K., & Sørensen, E. M. (2016b). Spareadfærd i krisetider: Danske kommuner mellem strategi, omkostningseffektiviseringer og grønthøstere [Cutback behavior in times of crisis: Danish municipalities between strategy, improvements of cost-effectiveness and across-the-board cuts]. *Public Governance Research*, 1, 133-166.
- **A7:** Foged, S. K. (2015c). Årsager til konkurrenceudsættelse i danske kommuner, 2007-2013: Fra generelle til sektorafhængige forklaringer [The reasons for contracting out in Danish municipalities, 2007-2013: From generic to sector-dependent explanations]. *Politica*, 47(1), 24-45.
- **A8:** Foged, S. K., & Aaskoven, L. (2017). Public Sector Unions and Privatization: Evidence From the Eldercare Sector in Danish Municipalities. *Journal of Public Administration Research and Theory*, 27(1), 135-149.
- **A9:** Foged, S. K. (2015b). The Relationship Between Population Size and Contracting Out Public Services: Evidence from a Quasi-experiment in Danish Municipalities. *Urban Affairs Review*, 52(3), 348-390.

Figure 6 provides an overview of how the 9 articles relate to the theoretical framework. A1 looks at what the increasing fiscal stress meant for the national government regulation of the municipal sector, in particular the national adoption of the law-based expenditure ceilings backed up by sanctions (that is the effects on both the procedural and numerical budget institutions). A2 follows up on this article by investigating the effect of these national sanctions on the municipalities' budgetary discipline. A5 and A6 also look directly at the budget output, in the form of the municipal spending priorities, and examine how these priorities relate to the degree of fiscal stress. Although, A2, A5 and A6 look at the effect of fiscal stress (and related changes to the national regulation) on the budget output, it should be noted that we expect this effect to occur *through* changes to local budget institutions and the relative strength of local budget actors (in accordance with the theoretical framework).

The relationship between fiscal stress and the local budget institutions and local power relations was exactly the focus of A3, A4 and A6. These 3 articles looked at how different aspects of the budget process were influenced by the rising fiscal stress, in particular the local financial management

(A1), the process of finding cutbacks (A6) and the administrative organization surrounding the budget process (A4). Also, A3 and A6 examined how the fiscal stress affected the relations of power among particular budget actors. Finally, A7, A8 and A9 dealt with the drivers behind the use of private suppliers in Danish municipalities.

Figure 6. The 9 Articles and the Theoretical Framework



3.1.2 Research Design, Internal Validity and Generalizability

The 9 articles are based on different research designs and data sources. The research methods are more thoroughly described in the individual articles and here only some general features are mentioned. In general, the articles use one of two types of research designs (Gerring, 2007: 28), either i) a statistical analyses of all (or almost all) 98 Danish municipalities (cross-sectional or time-series cross-sectional) or ii) a comparative historical case study of 5/6 Danish municipalities. In that sense, the overall research question is answered by a mixed methods design intended to increase internal validity. In general, the ambition has been to maximize internal validity by benefitting from some of the methodological advantages related to studying local government where cases are many and the access to decision-makers relatively easy (John, 2006). It should, however, be noted that although the ideal is to *identify the causal effect* of fiscal stress and the causal drivers behind private involvement, the thesis' ambition has, in general, been limited to *render a causal relationship probable*.

The articles using statistical analysis utilize either purely spatial variation (cross-sectional) or spatial and temporal variation (time-series cross-sectional). The primary data sources in these articles are register data, sometimes supported by interviews and documentary sources. The collected data in these articles covers the period from 2004 to 2015, with most data stemming from the period from 2007 to 2013.

Besides the statistical analyses, 3 articles rest on a detailed study of 5/6 municipalities, constituting the comparative historical case study. All of these 5/6 municipalities experienced a rise in fiscal stress in the observed period but to varying degrees and from different starting points. The comparative historical case study concerns the period from 2009 to 2015, with most articles focus-

ing on the period from 2009 to 2013. The primary data source was interviews, supported by documentary sources and register data. For all 6 municipalities individual ‘case reports’ were made, on which a representative from each municipality were given the opportunity to comment. In total, 57 interviews were conducted as part of the 9 articles (see Appendix 1). This includes 46 interviews in the 6 municipalities, 7 interviews used as background for A8 and 4 interviews used for A1.

With respect to the thesis’ external validity, the purpose was to generalize to other political systems across time and space, ideally both national and local governments. However, the extent to which specific results are generalizable depends on specific features of each article, such as the exact research question, the unit of analysis, the used research methods and the actual empirical context. In general, the findings of the articles should have the greatest generalizing potential with regard to local governments in other developed democracies where a comparative research tradition already exist (Goldsmith, 2006; Kuhlmann & Wollmann, 2014: 96-112). Within this imagined population of local governments in developed democracies, Danish municipalities are characterized as nested within a unitary and comprehensive welfare state, where a very large share of public services are decentralized to local governments, in particular the 98 municipalities studied here. Furthermore, compared to local government in other developed democracies, Danish municipalities have a moderate degree of local autonomy over resources and management (Foged, 2017a).

The primary objective of the quantitative articles was to generalize to local governments in other developed democracies and to Danish municipalities across time. In comparison, the primary purpose of the comparative historical case study was to generalize to the remaining Danish municipalities and, secondarily, to local governments in other countries. An overview of the population, the sample, the used research designs and primary data is provided in Table 2.

Table 2. Research Design and Data Sources in the 9 Articles

Article	Population	Sample	Research design	Primary data
A1	Central-local relations in developed democracies (Danish central-local relations across time)	Danish central-local relations, 2008-2014	Single-case study (diachronic)	4 interviews Documentary sources
A2	Local governments in developed democracies (Danish municipalities across time)	98 Danish municipalities, 2010-2013	Time-series cross-sectional	Register data
A3	All 98 Danish municipalities (Local governments in developed democracies)	5 Danish municipalities, 2009-2015	Comparative-historical	6-9 interviews in each municipality
A4	All 98 Danish municipalities (Local governments in developed democracies)	6 Danish municipalities, 2009-2014	Comparative-historical	8-12 interviews in each municipality
A5	Local governments in developed democracies (Danish municipalities across time)	98 Danish municipalities, 2007-2015	Time-series cross-sectional	Register data
A6	All 98 Danish municipalities (Local governments in developed democracies)	6 Danish municipalities, 2009-2013	Comparative-historical	7-10 interviews in each municipality

				Register data
A7	Local governments in developed democracies (Danish municipalities across time)	98 Danish municipalities, 2007-2013	Time-series cross-sectional	Register data
A8	Local governments in developed democracies (Danish municipalities across time)	98 Danish municipalities, 2012	Cross-sectional	Register data
A9	Local governments in developed democracies (Danish municipalities across time)	98 Danish municipalities, 2004-2012	Time-series cross-sectional	Register data

Note: Across the 9 articles a total number of 57 separate interviews have been conducted (see the appendix 1 for an overview).

3.1.3 The Context: Spending Advocates, Controllers and Priority-Setters in Danish Municipalities

Before going in detail with the findings of the articles, a note on how the theoretical framework can be applied to Danish municipalities is in place: The legalized decision-makers in Danish municipalities are normally the elected council, while the voters are citizens over 18 years of age with residence in the locality. As illustrated in Table 3 (at the end of this section), the coalition of spending advocates will typically be made up of the political spending committees, the policy-specific administrative units, the decentralized service-delivering institutions and interest groups such as staff unions and organized service users. In comparison, the coalition of controllers will typically consist of the political finance committee, the municipal chief executive and the financial administration. This distinction between controllers and advocates is relatively well-established for Danish municipalities (Ibsen, 2016: 41).

However, a coalition of priority-setters has not been applied to municipal budgeting in Denmark before. Before applying the framework to Danish localities, I therefore, in the following, argue that a coalition of priority-setters can actually be identified for Danish municipalities. Furthermore, I argue that there are reasons to believe that such a priority-setting coalition has strengthened its capacity and willingness to influence the budget output under the recent fiscal stress.

First, over the last 30 years it can be argued that Danish municipalities have seen a gradual creation of a coalition of (in particular administrative) priority-setters with increasing capacity for actions. This development has happened parallel to a strengthening of centralized controllers (Bækgaard, 2013; Ejersbo, Hansen, & Mouritzen, 1998; Ibsen, 2016), which (at least in the literature) has overshadowed the related rise of the priority-setters. This strengthening of centralized actors has been evident in two ways; as a political and administrative centralization of the budget process and a professionalization of the administrative top management.

The *centralization of the municipal budget process* means that where the individual spending committee used to draw up its own budget contribution, this budget preparation is now centralized in the hands of the board of chief managers. Thus, previously the board of chief managers only prepared

the budget for the finance committee. As a result, in many municipalities the influence of the spending committees is now reduced to passing remarks on the budget proposal (Ibsen, 2016: 163). Supporting this centralization of the budget process, changes have occurred in the municipalities' administrative organization, starting in the late 1980s as a reaction to rising resource scarcity (Ejersbo et al., 1998). This administrative re-organization involved the creation of a cross-cutting board of managers with joint responsibility for the localities' economy. The point of establishing these boards was to change the role of the chief managers from acting as spending advocates, in their relation with the municipal chief executive, and instead installing a sense of common financial responsibility in the management team (Ejersbo et al., 1998; Ibsen, 2016).

Along the centralization of the budget process, a noticeable *professionalization of the administrative top management* has happened, including a change in the top management's role perception. The professionalization of the top management is evident in the increasing share of chief managers with a university degree in, for instance, social science and management. In 1980, only 7 % of the chief managers had this type of education compared with 40 % in 2008, and for the chief executive officers the number in 2008 was as high as 60 % (Hansen, Opstrup, & Villadsen, 2013; Ibsen & Opstrup, 2016).

Also, with respect to the top management's role perception changes have been observed. Municipal chief executives in Denmark have long seen themselves more as political bureaucrats than as classical bureaucrats (Ejersbo et al., 1998). In international comparison they have been among the most political (Mouritzen & Svava, 2002). This does not mean that municipal chief executive act partisan, but rather that they are active in the policy formation and give tactical advice (Ibsen & Opstrup, 2016). In general, neither the professionalization nor the still more political role conception of the administrative top management has slowed down in recent years. By contrast, it has been suggested that the structural reform in 2007, where 271 municipalities were amalgamated into 98, further strengthened the administrative layer over the local politicians since the administrative top management was further professionalized and the municipal organization were made more complex due to more employees and tasks (Ibsen & Opstrup, 2016; Olsen, 2013).

It can be argued that these changes to the budget process and the administrative top management's professionalization have not only benefitted the controllers, but also strengthened the coalition of priority-setters. This is partly due to the fact that there is a considerable overlap between the members of the coalition of priority-setters and the controllers (see Table 3). Thus, the political and administrative centralization has not only created better capacity for centralized actors to control expenditures, but also made it easier for them to develop and implement central strategies and spending priorities. In addition to this build-up of central capacity, it is possible that these action resources, and maybe in particular the opportunity and willingness to use them, accelerated with the increasing fiscal stress that hit Danish municipalities from 2010 onwards. Recent studies could point to such a further centralization of municipal influence due to the recent fiscal crisis (Hansen, Houlberg, & Pedersen, Forthcoming; Ibsen, 2016; Klausen, 2014).

Hence, recent studies from Danish municipalities show that municipal actors traditionally defined as controllers have been strengthened over spending advocates during the recent economic down-

turn, either directly due to the fiscal stress (Hansen et al., Forthcoming) or indirectly through the tightening of the national regulation (Ibsen, 2016). While both these well-informed contributions use the concept of the controllers/guardians, the studies also recognize the limitation of this conceptualization. For instance, Ibsen (2016: 44) notes that the distinction between controllers and spending advocates has become more blurry with the emergence of the board of chief managers. Likewise, Hansen et al. (Forthcoming) discuss whether the political priorities will, also, change with the strengthening of centralized actors.

The centralization of municipal influence under the recent fiscal crisis, evident in these two studies, can be explained with more factors. One such explanation can be a further centralization of the budget process due to the economic crisis. This argument is supported by Klausen (2014: 249-254) who finds that the fiscal crisis accelerated an already existing development (evident after the structural reform) towards a new model for administrative organization. This so-called ‘corporate model’ is characterized by the overall formulation of a corporate strategy - driven by the board of chief managers under the influence of leading local politicians (Klausen, 2014: 236-237) - and the anchoring of this strategy in integrated vertical and horizontal management groups. According to Klausen (2014), the municipalities have in this way broken away from the hitherto popular *management model* characterized by a strategy-formulating board of managers and a flat organizational structure, with considerable autonomy given to decentralized service-delivering institutions. By contrast, the municipalities have now established a more hierarchical organization with vertical and horizontal management groups. The purpose of the new model is to improve central control and reduce the risks of decentral sub-optimization and decoupling from the overall strategy. In other words, the new administrative organization, surrounding the municipal budget process, seems to have further benefitted the centralized priority-setters.

In Danish municipalities, the coalition of priority-setters will typically consist of the ruling party/parties (in particular the mayor, who is the only full-time local politician), the municipal chief executive and the board of chief managers, the vertical and horizontal management groups as well as potential interest groups influencing the former (see Table 3). In Table 3 below, the 3 coalitions are summarized for Danish municipalities.

Table 3. Spending Advocates, Controllers and Priority-Setters in Danish Municipalities

	Political level	Administrative level	Interest groups
Coalition of spending advocates	Spending committees (and their chairmen)	Policy-specific administration (and the chief managers)	Staff unions
		Decentralized institutions (and their leaders)	Organized users of public services
Coalition of controllers	Finance committee (and the mayor as chairman)	Municipal chief executive (and sometimes the board of chief managers)	Interest groups opposed to spending for particular policies
		Financial administration (and the financial manager)	

Coalition of priority-setters	Ruling party/parties (and their leading politicians, in particular the mayor.)	Municipal chief executive	Interest groups with a view on 'all of government'
		The board of chief managers	
		Vertical and horizontal management groups	

3.2 Sub-Question 1: How Does Fiscal Stress Affect the Relationship Between the National Government and the Local Governments?

A1 (Foged, 2017a) showed that the fiscal stress strengthened national government controllers vis-à-vis municipal spending advocates. The fiscal stress played an independent role for the empowerment of the government controllers, but this effect was exacerbated by the political construction of the economic downturn where municipal budget overruns were verbalized as co-responsible for the rising fiscal stress. The considerable strengthening of national government controllers made is possible for these to push for truly substantial institutional changes to central-local budgeting. These institutional changes involved both a centralization of the numerical and procedural budget institutions associated with central-local relations: Thus, the central-local budget relations became centralized through overall spending targets backed up by law-based sanctions. By contrast, the expectation derived from the blame-avoidance literature - that the rise in fiscal stress would lead to a functional decentralization and/or underfunding of the local governments - was rejected.

In explaining how the national government controllers were strengthened by the increasing fiscal stress, the article found the common-pool explanation most probable: Controllers seemed to be empowered by the voters and politicians valuing economic issues higher due to the rising fiscal stress .

A2 (Foged, 2015b) looked at how these institutional changes to the intergovernmental relations affected the budget output *within* the municipalities. In particular, it was investigated whether the law-based sanctions on potential municipal budget overruns had influenced municipal budget discipline. The article confirmed such an influence by showing that municipal budget overruns had been transformed to spending levels below the locally decided budget. The effect was, besides the specialized social area, driven by policy-areas with strong spending advocates. The reason for this was probably that the sanctions (decided by the national government and in itself partly a result of the economic downturn, see Foged, 2017a) strengthened municipal controllers vis-à-vis the advocates: Thus, whereas local spending advocates had previously been able to push for supplementary appropriations, controllers were now better able to oppose this pressure.

This empowerment of controllers over spending advocates within the municipalities was a general finding in several of the articles (Foged et al., 2017; Foged & Sørensen, 2016a, 2016b).

In sum, in relation to the theoretical framework the articles showed the following: First, as expected the fiscal stress benefited national government controllers over local government spending advocates. Second, the empowerment of national government controllers was explained by voters and

national politicians valuing economic issues higher due the increase in fiscal stress (e.g. overcoming the common pool problem). Whereas much of the literature emphasized controllers being strengthened *as a result of* centralized budget institutions, the study showed that controllers themselves played a significant role in pushing for such centralization (of the procedural and numerical budget institutions). Finally, a key feature of this centralization, the nationally decided sanctions on municipal budget overruns, was found to significantly reduce municipal budget overruns.

3.3 Sub-Question 2: How Does Fiscal Stress Affect Budget Institutions and Budget Actors Within Local Governments?

The second part of the thesis looked at how the fiscal stress affected budget actors and budget institutions within the localities. First, A3 (Foged et al., 2017) qualified the finding of A2 (showing that municipal budget overruns had been reduced). Thus, the article rendered it probable how tight spending controls in the municipalities had come about through the strengthening of municipal controllers. In particular, the local finance unit had been given a more important organizational position, closer to the top management, and a considerable amount of resources had been invested in the finance unit's management capacity. At the same time, the various policy-areas associated with administrative spending advocates were weakened, for instance by lower funding and the relocation of financially-oriented employees from the policy-areas to the centralized finance unit.

Besides initiatives benefitting tight spending controls, A3 also identified an increased focus on cost-effectiveness, at least in terms of more *talk* among the top management. In particular, municipalities sought to improve cost-effectiveness through better cooperation between the finance unit, intended to give more qualified advices, and the professionally-oriented managers. Such a closer integration of professionally-oriented goals with financial considerations was - from the administrative top management's viewpoint - seen as a key route to more cost-efficient production and as a way to inform the strategic priority of the most 'cost-effective' activities and investments. In that sense, the investments in a closer integration of professionally-oriented goals with financial considerations were a tool in the hands of the municipal priority-setters.

However, A3 did not find exclusive positive effects from these investments in a closer integration of professionally-oriented goals with financial considerations: Besides implementation barriers, this was explained by the fact that the spending advocates - actually the ones who had the authority and professional expertise to implement efficiency improvements - had been weakened by the removal of their financially-oriented employees.

At a more general level, A4 (Foged & Sørensen, 2016a) showed how increasing fiscal stress had contributed to an acceleration towards an administrative form of organization more conducive to centralized budget actors, such as controllers' and priority-setters. The administrative re-organizations seemed to be initiated by internal controllers and priority-setters. Hence, a more hierarchical administrative organization was found for municipalities that had previously been organized according to a very decentralized administrative model, which in the eyes of the controllers were seen as problematic for tight spending controls. Moreover, administrative re-organizations

with the objective of improving the conditions for strategic priorities, thereby benefitting priority-setters, were also identified. This involved strategically-motivated administrative fusions of policy-areas and the increasing use of strategic management groups.

Generally, the articles rejected the expectation in some parts of the literature that an increase in fiscal stress should benefit strong interest groups, defined as sector specific groups of users and producers. By contrast, powerful groups of users and producers were not found to influence the budget process more strongly under resource decline (A5, A6).

In sum, in relation to the theoretical framework, the articles identified the expected strengthening of municipal controllers as a response to the economic downturn (and the related state sanctions). In particular, the local finance unit was given more resources and a more important organizational position, while spending advocates were proportionally weakened. Also, already existing ideas of an administrative organization conducive to strategic budget priorities, and therefore advantageous to priority-setters, seemed to be accelerated by the fiscal stress.

3.4 Sub-Question 3: How Does Fiscal Stress Affect the Budget Output of Local Governments?

The study's third part examined the implications of fiscal stress for the municipal budget output. In A5 (Foged, 2017b), the expected implications of increasing fiscal stress and shrinking total spending were operationalized into hypotheses for the spending distribution. Specifically, it was hypothesized that rising fiscal stress, through a strengthening of priority-setters, would lead to more spending on municipal schools and less spending on the policy-area of disadvantaged children/young people (seen as crowding out funding for other policy-areas). Also, the empowerment of priority-setters was expected to generate larger shifts in relative spending across policy-areas compared to a more incremental spending pattern under economic growth. These two hypotheses were weakly supported: Thus, regardless of the used indicator, a rise in fiscal stress was associated with more spending on schools. However, it was only when using a measure of total spending, instead of an indicator of fiscal stress, that spending was found to decrease for disadvantaged children/young people and to become less incremental. It was suggested that this significant effect of total spending, as opposed to the insignificant effect of fiscal stress, could on the one hand indicate that spending priorities were particularly affected when fiscal stress was dealt with through cutbacks (instead of postponement strategies such as delaying capital investments and drawing on cash resources). On the other hand, it was also suggested that the finding could indicate that rising fiscal stress was particularly important for the distribution of spending, when fiscal stress interacted with endogenous factors.

Moreover, A2 - which also investigated the effect of fiscal stress (through changing national regulation) on a particular budget output - found that budget discipline had been improved in accordance with the controllers' preferences.

The quantitative findings of A5 were qualified by A6 (Foged & Sørensen, 2016b). First, A6 showed that, although A5 could document that some policy-areas were particularly vulnerable when re-

sources became scarce, cutbacks had, in general, been implemented across almost all policy-areas. The content of these cutbacks was characterized by a trust in economies of scale (in particular found for administrative tasks, schools, day-care and libraries) and the use of ‘new’ methods perceived as more cost-efficient in the short or long-term (especially found for the specialized social area and home help). Second, although A5 indicated that fiscal stress was a driver behind more radical shifts in spending priorities, A6 emphasized that this should be seen in the light of a relative high level of general spending stability: Thus, stability-oriented approaches to cutbacks, such as incremental and managerial strategies, were still the most frequently employed ways to reduce spending among the municipalities.

Finally, A6 substantiated the reasons for why external spending advocates, in the form of strong groups of users and producers, were not found to benefit from rising fiscal stress (by avoiding cutbacks): Thus, it was suggested that, although fiercely against losses, these interest groups were simply not able to obtain more resources in periods of fiscal stress since they were, at the same time, met with changing spending norms as well as empowered priority-setters and controllers.

In sum, in relation to the theoretical framework the articles weakly supported that the economic decline led to a spending output more in line with the preferences of the dominating priority-setters as well as larger shift in the relative spending across policy-areas. Furthermore, fiscal stress indirectly reduced budget overruns through the state sanctions, as predicted by a strengthening of local controllers in the budget process.

3.5 Sub-Question 4: What Explains Local Governments’ Use of Private Suppliers as a Tool Imagined to Increase Cost-Effectiveness?

The final part of the study looked at one often-mentioned *tool* for mitigating fiscal stress; the use of private suppliers. It was assumed that one reason for why varying effects of private involvement have been found in previous studies had to do with the causes of why public authorities used private suppliers in the first place. Thus, the municipalities’ use of private suppliers was believed not only to be the result of considerations regarding economic efficiency, but as much a reaction to politics. This contention was in general supported by the 3 articles, A7 (Foged, 2015a), A8 (Foged & Aaskoven, 2017) and A9 (Foged, 2015c). Together, these articles showed that the relative influence of political and economic factors on private involvement seemed to depend on conditional variables, such as the extent to which effects were well-documented as well as the extent to which a certain policy-area was affected by ideological differences and/or special interest groups.

A7 (Foged, 2015a) confirmed the great influence from politics on the use of private suppliers: First, it was shown that within policy-areas with strong user and producer groups the level of private involvement was lower. Second, the use of private suppliers was found to be more likely when it was associated with fewer electoral risks for the local politicians, such as when public and private production was not in direct competition and when the producer choice was in the hands of the users rather than the politicians. The latter was the case for voucher markets.

A8 investigated exactly this apparent ‘depoliticization’ of voucher markets by focusing on the voucher market for home help services. The article showed that politics played a key role for the share of elderly using a private supplier. Thus, although the decisions to use private suppliers had in principle been removed from local politicians to the users (elderly and their relatives), special interest groups and local politicians still influenced the public/private producer choice. In particular, it was found that the strength of the local public union, organizing the municipalities’ eldercare workers, predicted the degree of private involvement.

Finally, A9 (Foged, 2015c) indicated that, along political drivers, considerations of economic efficiency still influenced the use of private suppliers: The article found that an increase in local population size was associated with a decrease in the use of private suppliers for capital-intensive services, in accordance with arguments of economies of scale. Likewise, the results indicated that municipalities actually used their increasing administrative capacity, associated with being a large municipality, to increase their use of private suppliers for services that were difficult to measure.

In Table 4 below, the hypotheses (both derived from the framework and found in the individual articles) and empirical results are summarized.

Table 4. Hypotheses and Empirical Findings

Hypotheses	Empirical findings
Sub-question 1	
<u>Hypotheses derived from the framework:</u>	
1.1 An increase in fiscal stress strengthens national government controllers over local government spending advocates	+
1.2 An increase in fiscal leads to a centralization of central-local budget institutions	+(due to strengthened controllers)
<u>Alternative hypotheses from the articles:</u>	
1.3 An increase in fiscal stress leads to a decentralization of functions and/or underfunding of the localities (due to the national level incentives to avoid the blame associated with cutbacks).	÷
Sub-question 2	
<u>Hypotheses derived from the framework:</u>	
2.1 An increase in fiscal stress strengthens controllers over spending advocates	+
2.2 An increase in fiscal stress strengthens priority-setters over spending advocates	(+)
2.3 An increase in fiscal leads to a centralization of budget institutions	+(due to strengthened controllers and priority-setters)
<u>Alternative hypotheses from the articles:</u>	
2.4 An increase in fiscal stress has no effect on the relative strength of budget actors	÷
2.5 An increase in fiscal stress has no effect on the centralization of budget institutions (since incremental budget processes continues)	(÷) (incremental budget processes still widespread)

2.6 An increase in fiscal stress leads to a strengthening of strong interest groups defined as sector specific groups of users and producers (due to an increasing level of conflict in the budget process and a particularly strong opposition towards cutbacks among interest groups)	÷
Sub-question 3	
<u>Hypotheses derived from the framework</u>	
3.1 An increase in fiscal stress increases budgetary discipline (and therefore reduces total spending all else equal) (due to the strengthening of controllers)	+
3.2 An increase in fiscal stress makes the budget output increasingly in line with priority-setters' preferences (due to the strengthening of priority-setters)	(+) (weakly supported with an exogenous measure of fiscal stress)
3.3 An increase in fiscal stress leads to more radical shifts in the spending distribution (due to the strengthening of priority-setters)	(+) (insignificant with exogenous measure of fiscal stress, significant with total spending)
3.4 An increase in fiscal stress leads to more radical shifts in the total spending level (due to the strengthening of priority-setters)	Not tested
<u>Alternative hypotheses from the articles:</u>	
3.5 An increase in fiscal stress has no effect on the spending distribution (since the relative strength of budget actors and the budget institutions are unaffected)	(÷) (a high level of spending stability still prevalent)
3.6 An increase in fiscal stress makes the budget output increasingly in line with the preferences of strong interest group (due to the strengthening of strong interest group)	÷
Sub-question 4	
<u>Hypotheses derived from the framework</u>	
4.1 Economic factors (fiscal stress, economies of scale, transaction costs) drive the use of private suppliers	+ (in particular when interest groups are weak, effects are well-documented and ideological differences small)
4.2 Political factors (interest groups, ideology, management ideas) drive the use of private suppliers	+ (in particular when interest groups are strong, effects are uncertain and ideological differences large)

Note: + = supported); (+) = weakly supported; ÷ = rejected; (÷) = weakly rejected

3.6 Theoretical Implications and Future Research

The abovementioned findings have a number of theoretical implications, which also suggest avenues for future research. *First, the thesis finds it expedient to view fiscal stress as an exogenous variable that interacts with endogenous factors. Thus, the level of fiscal stress should have an independent influence on budgeting, but whether the effect is small or large depends on endogenous factors, in particular the perceived trigger behind the fiscal stress.* In that respect, fiscal stress can be viewed along other exogenous variables in a general framework of public budgeting. An exogenous definition of fiscal stress (here the exogenously determined ratio between a political system's

revenue and expenditures holding the service level constant) has the advantage of being relatively unambiguous, transferable to various contexts and able to generate predictions with relatively few assumptions. In other words, instead of defining fiscal stress as a mix of exogenous and endogenous factors (see for instance Heald and Hood, 2014), analytical rigor can be increased by separating the two and allowing fiscal stress to interact with endogenous factors.

In that regard, the thesis finds that changing levels of fiscal stress do in fact changes the probability of certain outcomes. From the thesis it is, however, also clear that the extent to which these changes are small, large, short-term or long-term are moderated by endogenous factors, especially what is locally perceived as the *trigger* behind the changes to fiscal stress. In particular, the thesis finds that rising fiscal stress provides an opportunity window for controllers and priority-setters (i.e. increases their probability of influence), but how much this window is opened depends on the extent to which local spending advocates are seen as aggravating the economic situation, through for instance budget overruns. This also implies (depending on the local blame-game) that changes to the relative strength of budget actors, the budget institutions and the budget output can be more significant for local governments with only a moderate change in fiscal stress compared to localities with a more severe deterioration of the economic situation. Future research could benefit from further exploring how the effect of fiscal stress on public budgeting is moderated by endogenous factors. This could be done in both qualitative research and quantitative studies, for instance by using interaction models.

Second, the thesis finds that the exogenous level of fiscal stress has a direct effect on the relative strength of the budget actors. In particular, an increase in fiscal stress empowers controllers and priority-setters while spending advocates are weakened. The mechanism seems to be an increase in the legitimacy of controllers' preference for budget discipline and a rise in the legitimacy of priority-setters' budgetary goals (that benefit from the sense of urgency related to the fiscal stress). This finding seems especially evident for the strengthening of controllers over spending advocates, while the empowerment of priority-setters is less clear-cut. The reason for this could be that the controllers' goal of budget discipline requires less resources and organizational capacity and is associated with fewer risks than the pursuit of priority-setters' goals. Thus, compared to the controllers' preferences, the goals of the priority-setters require more resources and organizational capacity in identifying and directing spending to the preferred policy-areas and programs, while also the means-end assumptions associated with the priority-setters' goals can be more uncertain (Foged et al., 2017). For instance, while the means to strengthen budget discipline can be relatively simple and well-proven, the effects of more fundamentally shifting spending policies can be more uncertain; a risk political organizations can be less willing to take in a situation with fewer resources and higher uncertainty (Jørgensen, 1981: 162).

In general, more research is needed in further describing the priority-setter and its role in the budget process, including understanding the conditions under which priority-setters drive substantial shifts in the budget output (such as the economic situation). In theory, such shifts in spending can occur both as a result of changes to the legitimacy of the priority-setters preferences or shifts in the content of these preferences (in turn, either due to ideational changes or a change in the group of actors constituting the dominating priority-setting coalition).

Third, the thesis finds that the mechanism through which an increase in fiscal stress empowers controllers and priority-setters over spending advocates is a change in what is regarded as legitimate preferences with respect to the budget output. This change in legitimate budgetary preferences can again be explained by a general change in the norms associated with appropriate spending goals and/or by the common pool logic (where voters see the costs of higher than preferred spending more clearly when fiscal stress increases). Building on the common pool literature, a possible mechanism is that a rise in fiscal stress makes the voters change their preferences, so that the voters align closer with the goals of the controllers and the priority-setters. Thus, voters can see the controllers as guaranteeing that the decided budget is also implemented, while priority-setters can be viewed as essential for the political system's long-term survival. While the controllers and priority-setters benefit from this shift in voters' preferences by pushing for their preferred policies, spending advocates increasingly take a total rather than partial view on the budget to remain legitimate and relevant.

The identified mechanism contradicts the assumption in large parts of the literature suggesting that a centralization of the budget process *precedes* the empowerment of controllers and priority-setters. In particular, the thesis finds little support for the coordination explanation where top-down budgeting happens as result of a higher level of conflict in the budgeting process (invoked by the increasing fiscal stress, see section 2.3.2). A possible reason for this is that the assumption of increased conflict in the budgeting process is simply wrong: Of course, budget units and spending advocates are opposed to cutbacks, but conflict can also be dampened by an atmosphere of crisis/sense of urgency as well as the use of fair-share principles in the distribution of cutbacks (Foged & Sørensen, 2016b). More research is needed in identifying whether the mechanism highlighted in this thesis is only applicable to the Danish case or an expression of something more general. Moreover, the underlying reason why the level of fiscal stress should affect legitimate spending preferences in the political system also calls for further research: For instance, does the change in legitimate preference has its origin in changing preferences among voters or certain types of political or administrative actors?

Fourth, the thesis finds that an increase in fiscal stress can indirectly lead to a centralization of budget institutions due to the budget actors' manipulation of these institutions. In other words, a rise in fiscal stress is expected to increase the probability of more centralized budget institutions, both understood as numerical and procedural institutions. However, the effect does not happen by itself and is instead mediated by controllers and priority-setters using their growing legitimacy to push for such centralization. This causal sequence has theoretical and practical implications: For instance, a change in the endogenous budget institutions cannot *alone* be expected to have a large effect on the budget output since local budget actors can, as examples, either manipulate the actual functioning of these institutions or simply ignore them. In that sense, the study underlines an important insight regarding *endogenous* budget institutions, on the one hand, and (political) institutions that cannot easily be manipulated by decision-makers, on the other hand (Blom-Hansen, 2002). Of course, endogenous budget institutions are not just a reflection of the relative strength of spending advocates, controllers and priority-setters at a given point in time, but compared to the relative strength of local budget actors one should be careful not to overestimate the *independent* effect of endogenous budget institutions.

By contrast, the thesis finds a considerable effect of political institutions on the budget output insofar as these political institutions are credible (Foged, 2017a). The distinction between political and budgetary institutions is especially clear when analyzing local governments, where political institutions can operate at the national level and budgetary institutions are established locally (Blom-Hansen, 2002). Thus, the thesis highlights how credible institutions founded at the national level, and therefore outside the local decision-makers immediate influence, can significantly affect both the relative strength of local budget actors and the resulting budget output (Foged, 2015b, 2017a). The discussion of the *independent* effect of budgetary institutions and political institutions is also relevant with respect to the question of whether changing levels of fiscal stress can be expected to have permanent or temporary consequences for the budget actors and the budget output. In this regard, the thesis cautiously suggests that institutions need to be outside decision-makers immediate influence as well as credible (also in times of economic growth) to have a noticeable, long-lasting effect. Thus, if decision-makers can easily roll back changes to the political/budgetary institutions or do not find the sanctioning-mechanism credible, changes to the relative strength of budget actors and the budget output will be temporary (for instance, contingent on changes in the economic conditions). In the Danish case, it remains to be seen whether the identified changes to the political and budgetary institutions will have a short-term or long-term effect on the budget actors and budget output.

Future research could study the conditions under which political institutions and budget institutions, respectively, have an independent effect on the strength of budget actors and the budget output as well as the conditions under which such a potential effect turns out permanent or temporary. Moreover, the broader effects of specific political and budgetary institutions could also be studied such as the possible unintended consequences. For instance, to what extent is higher budgetary discipline maybe achieved at the expense of lower cost-effectiveness (Foged, 2015b)?

Fifth, the thesis finds that an increase in fiscal stress affects the budget output through the empowerment of controllers and priority-setters whose budgetary preferences come to affect the budget output more strongly. In other words, when fiscal stress increases, the controllers' preferences regarding budgetary discipline and lower public spending (all else being equal) should carry over to the budget output. Likewise, an increase in fiscal stress should benefit policy-areas highly regarded by the priority-setters and, in this way, invoke shifts in an otherwise incremental spending pattern. For reasons already explained, an increase in fiscal stress will probably imply that controllers' influence on the budget output would increase dramatically, while the rising influence of the priority-setters on the budget output would be more moderate.

Related to how fiscal stress affects the budget output, the thesis generally rejects a widely held expectation in the literature; namely that strong interest groups are advantaged by fiscal stress since these groups should be able to successfully mobilize against cutbacks (see Foged & Sørensen, 2016b and Foged, 2017b for a discussion of this argument). Hence, while the articles shows that strong interest groups are indeed fiercely against cutbacks, the thesis suggest that these interest groups, in order to remain relevant, need to adjust their spending demands to the parallel changes in what is regarded as legitimate preferences. Actually, in theory, mobilized interest groups can be particularly vulnerable to cutbacks (inflicted by fiscal stress) since cutback potentials can be especially pronounced for policy-areas where strong interest groups have accumulated slack resources in

times of economic growth (Foged & Sørensen, 2016b). In general, more research is needed on the relationship between fiscal stress and the influence of different types of interest groups.

Sixth, although the articles do not explicitly deal with cost-effectiveness, the thesis cautiously suggests that an increase in fiscal stress can be a two-edged sword with respect to cost-effectiveness. An increase in fiscal stress can, on the one hand, provide a golden opportunity for controllers and priority-setters to implement their preferred policies where many of these policies can have improved cost-effectiveness as an inherent ambition. On the other hand, rising fiscal stress can also reduce cost-effectiveness due to a risk of a decoupling between controllers' and priority-setters' high-flying intentions and the actual, decentralized behavior of spending advocates. Furthermore, the policies put forward by centrally-positioned actors, in particular the priority-setters, can rest on uncertain means-end assumptions that ultimately can work against cost-effectiveness (Foged et al., 2017).

For once, the risk of a decoupling between central intentions and the lack of actual organizational change can be due to a lack of resources and organizational capacity to carry out investments and secure implementation in times of crisis. Moreover, a decoupling can also be due to a general weakening of spending advocates, exactly holding the type of specialized knowledge relevant for efficiency improvements.

Second, fiscal stress can increase the risk of introducing initiatives (typically initiated by the priority-setters) that rest on uncertain and untested means-end assumptions. The thesis argues that the use of private suppliers can exactly be regarded as such a tool, which in many cases rests on undocumented means-end assumptions and often is driven by political rather than economic factors. Future research could look further on the relationship between fiscal stress and cost-effectiveness. This task requires both very strong research designs and valid indicators since it, for instance, can be difficult to detect subtle changes in the service levels (Bezes, 2007). Likewise, there is a continuous need to look at both the causes and the effects of the use of private suppliers. For instance, under which circumstances does the use of private suppliers raise or lower cost-effectiveness?

4. Appendix: Overview of Interviews

- Chief consultant and consultant from LGDK. (2015, 29 July) *Interview with chief consultant and consultant from LGDK regarding municipal contracting out within elderly care, 2008-2013/Interviewer: S. K. Foged.*
- Chief executive from municipality in Copenhagen Area. (2014, 20 August) *Interview with chief executive from a municipality in Copenhagen Area/Interviewer: S. K. Foged & E. M. Sørensen.*
- Chief executive from municipality in east Jutland. (2014, 21 August) *Interview with chief executive in the mayor's department from a municipality in east Jutland/Interviewer: S. K. Foged & E. M. Sørensen.*
- Chief executive from municipality in North Zealand. (2014, 1 September) *Interview with chief executive from a municipality in North Zealand/Interviewer: S. K. Foged & E. M. Sørensen.*
- Chief executive from municipality in southern Denmark. (2014, 6 October) *Interview with chief executive from a municipality in southern Denmark/Interviewer: S. K. Foged & E. M. Sørensen.*
- Chief executive from municipality in west Jutland. (2014, 15 August) *Interview with chief executive from a municipality in west Jutland/Interviewer: S. K. Foged & E. M. Sørensen.*
- Chief executive from municipality in west Zealand. (2014, 4 September) *Interview with chief executive from a municipality in west Zealand/Interviewer: S. K. Foged & E. M. Sørensen.*
- Chief financial officer from a municipality in Copenhagen Area. (2014, 13 August) *Interview with chief financial officer from a municipality in Copenhagen Area/Interviewer: S. K. Foged & E. M. Sørensen.*
- Chief financial officer from a municipality in North Zealand. (2014, 1 September) *Interview with chief financial officer from a municipality in North Zealand/Interviewer: S. K. Foged & E. M. Sørensen.*
- Chief financial officer from a municipality in southern Denmark. (2014, 4 December) *Interview with the chief financial officer from a municipality in southern Denmark/Interviewer: S. K. Foged & E. M. Sørensen.*
- Chief financial officer from a municipality in west Jutland. (2014, 10 December) *Interview with chief financial officer from a municipality in west Jutland/Interviewer: S. K. Foged & E. M. Sørensen.*
- Chief financial officer from a municipality in west Zealand. (2014, 4 September) *Interview with chief financial officer from a municipality in west Zealand/Interviewer: S. K. Foged & E. M. Sørensen.*
- Chief financial officer from municipality in east Jutland. (2014, 21 August) *Interview with chief financial officer in the mayor's department from a municipality in east Jutland/Interviewer: S. K. Foged & E. M. Sørensen.*
- Chief for budget and planning from municipality in east Jutland. (2014, 11 December) *Interview with chief for budget and planning in the mayor's department from a municipality in east Jutland/Interviewer: E. M. Sørensen.*

Chief officer from municipality in Copenhagen Area. (2015a, 2 June) *Interview with chief officer for families and counselling from a municipality in Copenhagen Area/Interviewer: S. K. Foged.*

Chief officer from municipality in Copenhagen Area. (2015b, 9 June) *Interview with chief officer for training and elderly care from a municipality in Copenhagen Area/Interviewer: S. K. Foged.*

Chief officer from municipality in North Zealand. (2015a, 22 April) *Interview with acting chief officer for social service from a municipality in North Zealand/Interviewer: S. K. Foged.*

Chief officer from municipality in North Zealand. (2015b, 7 April) *Interview with chief officer for health and elderly care from a municipality in North Zealand/Interviewer: S. K. Foged.*

Chief officer from municipality in southern Denmark. (2015a, 18 March) *Interview with chief officer for children and young people from a municipality in southern Denmark/Interviewer: S. K. Foged.*

Chief officer from municipality in southern Denmark. (2015b, 18 March) *Interview with chief officer for elderly care and health from a municipality in southern Denmark/Interviewer: S. K. Foged.*

Chief officer from municipality in west Jutland. (2015a, 28 April) *Interview with chief officer for children and families from a municipality in west Jutland/Interviewer: S. K. Foged.*

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Director from municipality in east Jutland. (2014c, 11 December) *Interview with director for social service and employment from a municipality in east Jutland/Interviewer: E. M. Sørensen.*

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- FOA representative 2. (2015, 26 January) *Interview with FOA representative/Interviewer: S. K. Foged.*
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- Mayor from municipality with low and decreasing contracting out. (2014, 27 January) *Telephone interview with mayor from municipality with low and decreasing contracting out/Interviewer: S. K. Foged.*
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- Representatives from LGDK. (2013b, 2nd December 2013) *Interview with representatives from LGDK's economic bureau/Interviewer: S. K. Foged.*
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Article 1

Foged, S. K. (2017). *Central-Local Relations under Fiscal Stress: Centralizing Resources and Decentralizing Management?* Working paper.

Central-Local Relations under Fiscal Stress: Centralizing Resources and Decentralizing Management?¹

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1. ABSTRACT

This case study of Danish central-local relations in a period of increasing fiscal stress, 2008-2014, shows that the fiscal crisis contributed to more national government control over municipal resource totals. This vertical resource centralization was followed by stronger financial coordination among the municipalities. The main reason for the resource centralization seemed to be a strengthening of national government guardians vis-à-vis local government spending advocates. Where the *degree* of fiscal stress in itself influenced intergovernmental relations, a more nuanced understanding of the scale and persistence of the resource centralization was obtained by examining the perceived *trigger* behind the squeeze, in particular the municipal budget overruns in 2009.

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2. INTRODUCTION

This article deals with the relationship between fiscal stress and central-local relations. Does fiscal stress evoke more or less centralization in central-local relations and if so on which dimensions of centralization and for how long? The existing literature concerns insights from a cutback budgeting perspective (Good, 2007; Levine, 1978; Randma-Liiv & Savi, 2014; Rubin, 2015, 2016; Schick, 1983), a fiscal governance perspective (De Haan, Jong-A-Pin, & Mierau, 2013; Hallerberg, Strauch, & von Hagen, 2009; Martin & Vanberg, 2013) and a blame-avoidance approach (Heald & Hood, 2014).

The article makes two primary contributions to this literature. First, the influence of fiscal stress on central-local relations is only somewhat studied in the existing literature. Generally, few studies deal with the broader effects of fiscal stress such as the effects on more dimensions than budgeting/decision-making as well as the implications across organizations and political levels (Ringa Raudla, Douglas, Randma-Liiv, & Savi, 2015; Rubin, 2015). This article addresses this shortcoming by investigating the implications of fiscal stress on intergovernmental relations using a multidimensional view on centralization. Second, besides looking at the implications of fiscal stress for the (de)centralization of central-local relations, the article looks at the possible mechanisms through which fiscal stress affects central-local relations. These mechanisms have typically been treated as underlying theoretical assumptions in previous research (De Haan et al., 2013). In short, this article addresses both i) the lack of scholarly knowledge regarding the relationship between fiscal stress and central-local relations and ii) the underlying mechanisms driving this potential relationship between fiscal stress and central-local relations.

3. LITERATURE REVIEW

Up till now most studies dealing with the influence of fiscal stress for public administration have looked at the organizational level. The majority of these studies have on average reported a centralization of decision-making. For instance, in a comparative study of 9 European countries, public officials in 8 out of 9 countries reported that the crisis had triggered a centralization of decision-making within their organization (Kickert, Randma-Liiv, & Savi, 2013). Such country comparative research has been supplemented with a number of individual country studies also indicating that fiscal stress leads to a centralization of decision-making and decision-making institutions (Hallerberg et al., 2009; Jögiste, Peda, & Grossi, 2012; Savi, 2014; Schaechter, Kinda, Budina, & Weber, 2012). Recent research has also been conducted across organizational levels: Thus, Ringa Raudla et al. (2015) take a systemic, cross-organizational approach to the relationship between fiscal stress and decision-making at the central government level. Based on surveys from central government officials in 17 European countries, the authors find a ‘cascade’ of centralization where national politicians first seem to form an alliance with the Ministry of Finance (MoF) and hereafter distribute cutbacks to subjacent organizations, in which the local leadership in turn forms a centralized alliance with the budget planning unit (Ringa Raudla et al., 2015).

However, by now only few studies have dealt with the relationship between fiscal stress and intergovernmental relations and typically in an indirect way (Anxo, 2013; Bosch, 2013; Falletti,

2005; Hoggett, 1996; Pickvance & Preteceille, 1991; Tonboe, 1991). These studies indicate that fiscal stress leads to increased central government control over the total amount of resources that local governments raise and spend. By contrast, the studies are inconclusive as to whether local governments are given more or less autonomy within these tighter resource limits and whether a smaller or larger share of cutbacks is exported to the local level. For instance, based on case studies in 6 western countries, Pickvance and Preteceille (1991) found that in countries where the local governments take care of a relatively large share of public tasks (such as the UK and in Denmark) fiscal stress resulted in centralized resource control and a tendency for the central government to export the cutbacks to the local level (see also Tonboe, 1991). A tendency for central governments to export cutbacks to the local level - either through a cut in funds or an underfinanced decentralization of tasks - was also reported in Swedish and German intergovernmental relations after the 2008 financial crisis (Anxo, 2013; Bosch, 2013).

A final important discussion within the literature on fiscal stress and public administration has been the extent to which crisis-driven changes remain permanent or return to its starting point when the general economy improves (Heald & Hood, 2014; Peters, Pierre, & Randma-Liiv, 2011). In addressing this question, Himaz and Hood (2014) showed that among 9 Western countries only in one state had a fiscal squeeze resulted in persistent institutional or constitutional change.

The present case study suggests that fiscal stress does indeed increase central control over resource totals – at least in a unitary and functionally decentralized state like Denmark where the local governments spend a substantial amount of public resources. This vertical resource centralization was followed by noticeable horizontal resource centralization. Moreover, the article shows that where fiscal stress unto itself seems to influence intergovernmental relations, the actual influence of a fiscal squeeze - such as the scale and persistence of changes - depends heavily on how the politics of central-local relations is affected; that is not only the development in the *degree* of fiscal stress, but also the perceived *trigger* behind the squeeze.

4. CONCEPTS, THEORY AND HYPOTHESES

4.1 Fiscal Stress

In this article a political definition of fiscal stress is used since fiscal stress (or a ‘fiscal squeeze’ as the authors call it) is defined as *‘fiscal changes that reflect political effort put into belt-tightening or loss-imposition (i.e. spending cuts or tax increases imposed by governments, or both)’* (Heald & Hood, 2014: 5). What is important by this definition is the weight put on the political effort associated with fiscal stress rather than only technical indicators such as the extent of a deficit. Heald and Hood (2014) propose two dimensions of fiscal stress, which should be important for the actual politics emanating from fiscal stress. First, the authors do not deny the importance of the *degree* (strength and scale) of the squeeze since more political effort, all else equal, goes into dealing with severe fiscal stress. However, they also look at whether the *trigger* is (perceived as) external or internal since the perceived reason for the economic downturn play an important role for the resulting politics and decisions (Heald & Hood, 2014: 15; Levine, 1978).

Whereas Heald and Hood (2014) use the distinction between the degree and the trigger behind fiscal stress to look at the politics of blame-avoidance/credit-claiming between a national government and the opposition, the present article applies the concepts to central-local relations. In this sense, fiscal stress is viewed as a national-level phenomenon that, due to the local sector's share in the national economy, involves subnational governments. The *degree*-dimension of fiscal stress is then a relatively 'objective' measure, reflecting the development in the ratio between spending needs and revenue (at a fixed tax rate/tax structure) holding the level of service constant (Bailey, 1999; Wolman & Davis, 1980). Also, the degree of fiscal stress is in this article a measure of change rather than levels (Mouritzen, 1992: 31). Moreover, fiscal stress is viewed in absolute terms so that an increase in fiscal stress should reflect a deterioration of the spending need/revenue ratio and not just a slowing of a continuous upward trend in this ratio.

The *trigger* behind fiscal stress reflects the extent to which the reason for the squeeze is perceived as external, that is triggered by outside forces such as an international banking crisis, or as internal, that is triggered by an internal development such as a local budget overrun. In this sense, the trigger involves a clear 'subjective' dimension since a provoking factor can be difficult to identify and because framing and manipulation will affect such a blame-game (Heald & Hood, 2014). The perceived trigger behind the fiscal stress is expected to influence what measures are deemed appropriate and to define the agenda for the political battles evolving around central-local relations.

4.2 (De)centralization of Central-Local Relations

Centralization/decentralization has long been important concepts within public administration (Dubois & Fattore, 2009). Essentially, centralization has to do with the spreading of power on more or fewer actors (Pollitt, Birchall, & Putman, 1998: 6). This distribution of authority across government levels can, however, be challenging to investigate since the extent of centralization is a historically contingent, dynamic and multi-dimensional phenomenon (Goldsmith & Page, 2010; Kjellberg, 1995; Page, 1991; Vrangbæk, 2007). This raises the need for a conceptualization of centralization that is both encompassing and precise enough to lay the foundations for comparative research as well as in-depth case studies (Dubois & Fattore, 2009; Hooghe, Marks, & Schakel, 2010; Lidström, 1999; Wolman, 2008). In the following such an objective is followed by taking a multi-dimensional approach to centralization.

In their literature review, Dubois and Fattore (2009: 709) find that most scholars agree that centralization refer to the distribution of power on few or many actors where power in its broadest form encompass both formal and informal authority, responsibility, functions and resources. Importantly, power involves not only formal decision-making but also the scope and discretion of these decisions as well as implementation (Randma-Liiv & Savi, 2014; Vrangbæk, 2007). Although intuitively easy to grasp, the power-based view on centralization can be difficult to apply in an empirical setting. The reason for this is, first of all, that in determining the degree of centralization in central-local relations one has to possess an intimate knowledge of the specific context. For instance, central-local systems with a seemingly comparable degree of centralization can express different levels of actual centralization depending on the extent to which the decentral level has a power base independent of the central government (Falleti, 2005; Page, 1991). Second, centralization is

multidimensional which means that centralization and decentralization can happen simultaneously at different dimensions (Aucoin, 1990; Hoggett, 1996). Finally, the changing pattern of central-local relations can make some dimensions irrelevant over time (Goldsmith & Page, 2010; Page & Goldsmith, 1987).

In order to address the abovementioned challenges the concept of centralization should be multidimensional and the dimensions should both be distinct enough to spot differences in formal and informal authority and general enough to comprehend changing patterns of central-local across space and time. One such conceptualization is proposed by Dubois and Fattore (2009) that distinguish between the *content*, the *direction* and the *dynamic* of centralization on a number of underlying dimensions. A refined version of this conceptualization is applied in the following:

By the content of centralization we understand *what* is being (de)centralized as resource autonomy, managerial autonomy and/or functions. Resource autonomy regards the freedom of local governments to raise revenue, decide on the total amount of spending, decide on the specific distribution of spending (Dubois & Fattore, 2009) as well as the general availability of resources for the local government (relative to other government levels), so that fewer resources is associated with less real autonomy (Vrangbæk, 2007). By comparison, managerial autonomy involves the extent to which the administration, the provision, the planning and the control of tasks are decentralized (Dubois & Fattore, 2009; Vrangbæk, 2007) which should in turn be affected by the legal basis and regulations constituting central-local relations (Page, 1991). In the case where local governments' managerial autonomy is limited by extensive national regulation, one should take into account that this effect can be mitigated by the localities influence on this national regulation though some level of 'shared rule' (Hooghe et al., 2010: 8). Finally, the content of (de)centralization also involves functions. This aspect was not included in Dubois and Fattore's (2009) typology probably due to the fact that functional decentralization does not need to increase local autonomy if resources are not simultaneously decentralized (Falleti, 2005; Hoggett, 1996). However, all else equal, the functional distribution of tasks across central-local relations still seems to be an important dimension of centralization (Bailey, 1999; Boyne, 1992; Hooghe et al., 2010; Hutchcroft, 2001; Kuhlmann & Wollmann, 2014; Lidström, 1999). By functional centralization we understand the extent to which central-local relations approach either a fused or separationist system, the share of local government tasks as opposed to the state and the political importance of those tasks (Bailey, 1999; Kuhlmann & Wollmann, 2014; Vrangbæk, 2007).

Besides the *what* (the content) question, one can also pose the *to whom* (direction) and the *how* (dynamic) questions of centralization. In this article the directional dimension regards whether power relations are changed on a horizontal or vertical scale. By contrast, the dynamic of centralization - regarding the sequence, the pace and the actor(s) that initiates changes - is not touched upon. In Table 1 definitions and dimensions of fiscal stress and centralization are summarized.

[Table 1 around here]

4.3 Theoretical Expectations

In general, one can identify three theoretical perspectives dealing with the relationship between fiscal stress and centralization, which can also be used on central-local relations. In the following these perspectives are used to generate hypotheses.

4.3.1 The Cutback Budgeting Perspective

First, the cutback budgeting literature expects fiscal stress to generate more vertical centralization of central-local relations (Rubin, 2016; Schick, 1983). The mechanism is that fiscal stress induces a *coordination problem*ⁱ in the budgeting process since underlying budget units will find it troublesome to agree on how to distribute cutbacks (Ringa Raudla et al., 2015: 2). To solve this coordination problem, budgeting decisions can be centralized so that budget limits are decided top-down. For central-local relations this means that the central government would play a larger role in deciding on the spending limits of individual localities, equivalent to a vertical centralization of decision-making.

This vertical centralization would pertain to the dimension of resource autonomy since the cutback literature primarily deals with overall budget decisions such as revenue and spending totals, but not necessarily the specific allocation of funds. In comparison, the degree of functional decentralization and managerial autonomy should not (all else equal) be affected by the problem of distributing cutbacks. Having said that, newer contributions in the cutback budgeting literature have proposed that centralization of budget decisions can be followed by a decentralization of managerial and front-line autonomy in implementing the cutbacks (Randma-Liiv & Savi, 2014). Finally, the cutback literature would suggest that a more decentralized budgeting process would be temporary in the sense that the return of economic growth would end the coordination problem.

4.3.2 The Fiscal Governance Perspective

Second, the fiscal governance literature suggests that fiscal stress increases the vertical centralization of central-local relations (De Haan et al., 2013; Hallerberg et al., 2009). The supposed reason is that fiscal stress helps voters and policy makers to overcome the common pool problem by highlighting the costs of higher than preferred spending due to for instance visible budget deficits, debt and interest payments (Hallerberg et al., 2009). With voters reacting to a deterioration of the national economy and valuing the economic situation of the country higher (Stubager, Botterill, Lewis-Beck, & Nadeau, 2014; Suenson, Nedergaard, & Christiansen, 2015), *relations of power* among political and administrative actors in turn changes in the direction of spending guardians as opposed to spending advocates. By guardians I here understand actors (both groups and individuals) concerned with limiting total spending at a defined organizational level, while advocates, conversely, are actors maximizing resources at this organizational level (see for instance Wildavsky, 1986: 11-14).

According to the fiscal governance perspective, the expected result of fiscal stress is a vertical centralization of budgeting decisions in the hands of the guardians, which for central-local relations amounts to the central government. Besides sector-specific management of the localities, the national government is thus concerned with controlling local resources. By contrast, the local gov-

ernments are, aside from managerial autonomy, interested in maximizing resources (Blom-Hansen, 1998b), and therefore act as spending advocates. Also, *within* the national government and the local sector (as unified actors), one would expect sub-unit guardians to thrive: First, within the national government, the MoF can be expected to be strengthened as opposed to specific ministries. Second, within the local sector, guardian-oriented actors (such as the financial administrations in each locality and guardian-oriented actors within a local government interest organization) can prefer the national government to limit resource control to the extent that it makes these guardians better able to control local spending advocatesⁱⁱ.

On which dimensions the expected vertical centralization unfolds ultimately depends on the preferences of the strengthened national guardians. However, with the common pool problem often arising from a decentralized budgeting process (Hallerberg et al., 2009), the solution typically involves a centralization of resource autonomy, i.e. overall revenue and spending decisions. By contrast, managerial autonomy and functional division should not necessarily be affected. Regarding the persistence of the change, the fiscal governance literature would leave it as an open question as to whether the budget process would return to its decentralized point of departure as the economy improves (and the preferences of voters and politicians changes in the direction of spending advocates) or whether the guardians succeed in using their increased powers to implement rules with a long-term effect (Hallerberg et al., 2009; Schaechter et al., 2012).

4.3.3 The Blame-Avoidance Perspective

Finally, the blame-avoidance perspective, in principle, suggests that fiscal stress leads to a vertical decentralization of central-local relations. The supposed reason for this is that cutbacks are typically associated with electoral costs (Heald, Himaz, & Hood, 2014; Heald & Hood, 2014; Peters et al., 2011). In this light vote-seeking politicians can wish to pass on blame associated with cutbacks to entities at a lower level since such cutbacks are often unpopular among voters (Heald & Hood, 2014; Pollitt, 2010: 12).

This vertical decentralization would amount to either resource autonomy and/or functions since the objective of national politicians would be to export the blame for cutback to local entities. Thus, cutbacks can be exported either through functional decentralization, where local governments become responsible for more task and therefore more cutbacks (with or without appropriate financing), or through a larger reduction in the resources of local governments relative to the central government. This would be a de facto centralization of resource autonomy (Falleti, 2005; Vrangbæk, 2007). In comparison, managerial autonomy should not be affected (although a functional decentralization could maybe be followed by increased managerial centralization cf. Hoggett, 1996). Finally, the blame-avoidance perspective suggests that the decentralizing changes are reversed when the economy improves and the politics of credit claiming /blame-avoidance changes accordingly. Table 2 summarizes the expectations.

[Table 2 around here]

5. RESEARCH METHODS

5.1 Identification Strategy

The analyzed case is Danish central-local relations from 2008 to 2014, which include a period of noticeable fiscal stress (see section 6.2). The purpose of the case study is to obtain internal validity in claims on the relationship between fiscal stress and intergovernmental relations (Gerring, 2007). Thus, by exploring the case in depth one can explore the timing and mechanisms of events, which are often difficult to examine in quantitative sources (Heald & Hood, 2014; Himaz & Hood, 2014). In general, the purpose of case studies is not different from large N-studies, but the advantages and pitfalls vary between the two approaches (Gerring, 2012; King, Keohane, & Verba, 1994; Nørgaard, 2008). This article benefits from one of the case study's advantages, namely the rich amount of data related to the independent and dependent variable as well as the mechanism between the two (in itself is a criteria for a causal argument cf. Gerring 2012: 217). Thus, in order to substantiate the hypotheses it is not enough that fiscal stress and (de)centralization correlates as expected since the mechanism proposed by the hypotheses should also be supported by observable implicationsⁱⁱⁱ (Gerring, 2012: 309).

As a methodological challenge, the conducted case study is by nature limited in its ability to generalize findings to other intergovernmental relations. Despite this challenge, one can still learn from a case study by stating how the Danish case compare to other cases in a defined population (Gerring, 2007): With respect to central-local relations, Denmark constitutes a unitary state with a large public sector and with a very large share of these services being decentralized to local governments (Ivanyina & Shah, 2012). At the same time, Danish municipalities have a moderate degree of local autonomy over resources and management (see also section 6.1). In that sense, Danish intergovernmental relations can constitute a most-likely case for centralization due to the significant macroeconomic importance of the local sector. The study's findings can be of interest to Western intergovernmental relations in general, but probably most so for countries with similar central-local arrangements such as the Scandinavian countries (Blom-Hansen, 1999).

5.2 Indicators

In order to judge the merit of the hypotheses - and to remain open for (de)centralization on other dimensions than resources and functions - one has to measure (de)centralization on all the content dimensions of centralization, *functional decentralization*, *resource autonomy* and *managerial autonomy*? By *functional decentralization* we understand the share and political importance of tasks conducted by the localities relative to the national government, where a large share of politically important local tasks amounts to high decentralization. Indicators for this dimension are the number of tasks given to the local governments compared to the national level, for instance measured as the relative economic weight and/or political salience of the local tasks. Furthermore, since the responsibility for each task can either be shared between the national and local government (fused system) or fully placed at one government level (separationist system) (Kuhlmann & Wollmann, 2014), such an indicator of functional decentralization should also be addressed. All else equal, separationist systems should be associated with more decentralization since government interference through for instance local government offices and officials should be limited.

By *resource autonomy* we understand the freedom of local governments to raise revenue, to decide on the total amount of spending and the specific distribution of spending as well as the local resource abundance. Indicators of revenue autonomy are accordingly the local freedom to determine the tax rate/tax base, running deficits, obtaining debt etc. Indicators of spending autonomy are the local authority to decide on the total budget size as well as the specific allocation of spending. Finally, one should also assess local resource autonomy that regards the local level of resources relative to other government levels.

Lastly, *managerial autonomy* pertains to the extent to which the administration, the provision, the planning and finally the control of tasks are decentralized. Indicators of this are the national government's regulation of the localities' internal priority-setting such as changing legal requirements, financial incentives and information (Baldwin & Cave, 1999). Generally, the dimensions should not be viewed as mutually exclusive.

Besides the exploration of the development on the abovementioned (de)centralization dimensions (the dependent variable) the study also examines the *mechanisms* proposed by the hypotheses. Thus, in Table 3 observable implications on the mechanism are presented along the expectations regarding (de)centralization.

[Table 3 around here]

Aside from the expectations pertaining to (de)centralization (already laid out in section 4.3) the predictions pertaining to the mechanisms are as follows: If H_1 is to find support, I expect that the municipalities have a harder time coordinating on their budget and accounts due to the fiscal stress. In particular, coordination should be more difficult in 2010, which was the first year where the fiscal stress was felt in the localities (Foged & Sørensen, 2016; Houlberg & Jensen, 2010) and before the implementation of the many central-local changes with effect from 2011. In comparison, if H_2 is to be supported, voters and politicians should start valuing guardian objectives higher due the increasing fiscal stress, and national government guardians should, in turn, be strengthened vis-à-vis local government advocates. Finally, H_3 is corroborated if national blame-avoidance considerations play a role for potential decentralization of tasks and/or underfunding of the localities.

Whether the hypotheses are supported or not rests on an overall judgement given the available data on both the (de)centralization dimensions and the mechanisms. The data, relevant to each observable implication, is reported in brackets in Table 3 (In the appendix Table A1 one finds a full list of the indicators pertaining to the various dimensions of (de)centralization).

5.3 Data Sources

The case study rests on data from a number of sources (for an overview see the appendix Table A1). Most importantly, 4 interviews have been conducted with central government officials and representatives from the municipalities' interest organization, Local Government Denmark (LGDK). Besides these interviews a large amount of documentary sources was used such as existing peer-reviewed publications (Pedersen, 2016; Sørensen, 2014; Suenson et al., 2015), the yearly economy

agreements from 2008 to 2014 between the national government and LGDK as well as register data on spending and employment. This main data is supported by background case studies in six municipalities (Foged & Sørensen, 2016).

6. RESULTS

6.1 Intergovernmental Relations in Denmark

6.1.1 Key Features

After the structural reform in 2007 Denmark has two tiers of local governments in the form of 5 regions and 98 municipalities. The municipalities constitute by far the most important sub-governmental layer of the two and the article therefore focuses on the relationship between the national government and the municipalities. In international comparison Danish municipalities are large with a median number of inhabitants close to 43.000 (in 2015). Although Denmark is a unitary state, public tasks are to a large extent decentralized so that around half of all public expenditures are handled by the municipalities (Andersen, 2010) and around 60 % of the public workforce is municipal workers. The municipal tasks involve regulation, public utilities and service production with service production being by far the most important^{iv}.

In addition to a large degree of functional decentralization (that increased with the 2007-reform although some tasks, such as taxation, were also removed from the municipalities), Danish municipalities enjoy moderate financial and managerial autonomy (Andersen, 2010). Historically, the considerable amount of functional decentralization happened with the expansion of the Danish welfare state and was, according to Page (1991: 139-140), in general a result of national administrative expediency rather than a strong existing tradition for local self-government (as in for instance Sweden and the UK). However, like their British and Scandinavian counterparts, Danish municipalities have been subject to tighter national regulation since the mid-1990s through increasing process regulation and less national acceptance of variations in service standards (Andersen, 2010; Goldsmith & Page, 2010). In that sense, it has been noted that the large amount of subnational spending in the Scandinavian countries should not be confused with a high level of local resource autonomy (Hooghe et al., 2010: 18)

6.1.2 The National Government's Economic and Sector-Specific Management

Parallel to this municipal self-government the central government restrains the municipalities through national regulation decided both in a parliamentary and a cooperative arena (Blom-Hansen, 1998a, 1999; Lotz, 2007). A key part of the cooperative arena is the 'budget cooperation system', within which the central government since 1979 (except 1986) has negotiated an economic agreement with Local Government Denmark (LGDK) (Andersen, 2010). This yearly agreement sets non-binding collective targets for expenditures and taxation, and has over time covered still more elements related to, not only the local economy, but also the content and prioritization of municipal policies (Lotz, 2007). The agreement is collective, meaning that the municipalities (within the framework of LGDK) coordinate among each other to stay within total limits for taxation and spending. In addition to the budget cooperation system, the central government also steers the municipalities through considerable policy-specific regulation^v.

6.2 The 2008 Fiscal Crisis and Central-Local Relations

6.2.1 Changes Before the Crisis

In their first budgets after the 2007-reform the municipalities broke the ceilings on both spending and taxation agreed upon in the economic agreement between LGDK and the national government. This violation of the economic agreement was to some extent a culmination of a period at least since 2005^{vi} where the municipalities had violated the yearly agreements under the impression of the positive economic outlook and the preparation to the structural reform (Sørensen, 2014). The government reaction to the violation of the agreement in 2007 came in 2008 after the national election in 2007. In the early summer of 2008, the newly elected right-wing government passed a number of laws through the parliament. These laws mandated a mix of individual and collective sanctions for breaking the tax freeze, which had been in effect since 2002, and imposed collective sanctions if the municipal budgets violated the economic agreements from 2009 onwards. Also, temporary individual sanctions were imposed on the municipal accounts for 2008. Besides the imposition of sanctions, the economic agreement from June 2008 mentioned that the LGDK would start a tighter coordination of the municipalities' budgets in order to secure the observation of the economic agreement.

6.2.2 Changes after the Crisis

In the late 2008, the financial crisis hit the world as well as Denmark (Jensen & Davidsen, 2012; Kickert, 2013). In international comparison, Denmark was a moderately affected country: Danish GDP decreased with more than 5% in 2009^{vii} and a rising budget deficit meant that Denmark in July 2010 was requested by the EU to bring down its yearly deficit to below 3 % no later than 2013 (Foss Hansen & Kristiansen, 2012). Denmark succeeded in reaching this 3 % target, but very slow growth continued in the years after the fiscal crisis. Not until 2014 did things slowly seem to improve reflected in employment and BNP growth at around 1 %.

In the light of the already implemented sanctions on taxation and budgeted spending, the municipalities budgeted within the economic agreement in 2009. However, when the municipalities' accounts were finalized in 2010 a budget overrun of almost 3 % was revealed, probably partly due to municipal elections held in 2009^{viii}. The result of the 2009 budget overrun was yet another wave of parliament laws in 2010 (effective from 2011) that tightened and extended the sanctions imposed in 2008. First, the collective sanctions on spending were extended to cover not only the budgets but also the accounts and the sanctions on the accounts were given an individual element to supplement the collective penalty (at first only applicable to 2011)^{ix}. Second, the tax sanction was given a stronger individual element. Finally, the economic agreement for 2011 (agreed upon in June 2010) mentioned that LGDK should now extend their stronger coordination of the municipalities' budgets to now also cover the municipal accounts, and that the municipalities should from now on prepare and report a half-yearly account to the national government.

After the national election in 2011, the newly elected left-wing government continued the former right-wing government's policies by in 2012 making the abovementioned set of sanctions permanent, that is writing them into the law on municipal equalization and passing the so-called 'budget law' (Pedersen, 2016; Retsinformation, 2012). The budget law mandated the continuous

passing of 4 years spending ceilings decided by the national parliament (starting from 2014) and further institutionalized the already implemented sanctions.

The Danish budget law was not a direct result of the EU Fiscal Compact, agreed upon in December 2011, since the Danish budget law was actually drawn up before the Fiscal Compact and originally intended to come into effect already in 2011 (postponed due to the 2011 national election). Also, the law went further than the Fiscal Compact's requirement of structural balance and automatic correction by also imposing law-based expenditure ceilings backed up by automatic and individualized sanctions (Jensen & Davidsen, 2012; Pedersen, 2016; Suenson et al., 2015). Table A2 in the appendix provides a timeline of the key events/changes (illustrated with red) before and after the fiscal crisis.

6.3 Did the Fiscal Stress Affect Central-Local Relations?

As reviewed, a number of striking changes happened to Danish central-local relations in the period after the crisis. In the following I investigate these changes by i) assessing the possible implications for (de)centralization of central-local relations and (if such implications can be identified), by ii) assessing whether fiscal stress or some other factors can account for the identified changes. In other words, I examine whether it can be rendered probable that the abovementioned correlation between the increase in fiscal stress and the changes to central-local relations is causal. For this to be the case, the analysis should not only find that one or more of the hypotheses correctly predict de(centralization), but also that the observed mechanisms are as expected. I also remain open as to whether fiscal stress affects other dimensions of (de)centralization than predicted by the hypotheses.

6.3.1 Functional Centralization

With respect to the degree of functional centralization, Danish central-local relation was relatively stable from 2008 to 2014 and the moderate functional changes did not seem related to the fiscal squeeze: Thus, generally Danish intergovernmental relations remained their mainly *separationist* features in the observed period, meaning that the responsibility and financing of task as the guiding principle was placed at the same government level (although Danish municipalities in some sense continued to drift towards implementing agencies for the state)^x.

Similarly, neither the *share nor the importance of tasks* giving to the municipalities relative to the central government changed due to the fiscal stress. The most important functional change was arguably the municipal takeover in 2009 of the active job employment effort directed at insured unemployed^{xi}. However, this takeover was unrelated to the crisis since the 'municipalization' of the active employment policy had been a continuous priority for the right-wing government since this was recommended by The Commission on Administrative Structure back in 2004 (The Commission on Administrative Structure, 2004)^{xii}.

6.3.2 Resource Autonomy

Raising revenue. As mentioned, the degree of municipal resource autonomy largely relates to the Danish budget cooperation system. Figure 1 illustrates changes to this system before and after the fiscal crisis. With respect to the local autonomy to raise revenue, Figure 1 shows that the revenue side was largely unaffected under the fiscal stress since the main changes regarding tax limits and tax sanctions actually happened before the fiscal crisis. The tax break was thus already implemented in 2002 and a mix of individual and collective tax sanctions was decided just before the crisis as a response to the violation of the tax break in 2007. Despite the fact that the tax break and its related sanctions occurred before the crisis, a minor decrease in resource autonomy happened in 2010 since the municipalities were made subject to individualized sanctions for 4 instead of 2 years^{xiii}.

[Figure 1 around here]

Raising spending. Compared to the relatively limited post-crisis changes on the revenue side, changes to the spending side were striking, in particular with respect to the regulation of spending totals (see Figure 1).

Spending totals (sanctions) – implications for (de)centralization. Regarding spending totals, the national government made use of the parliamentary arena in 2010 to implement a mix of collective and individual sanctions on breaking the economic agreement in the accounts as well as to sharpen the already agreed (pre-crisis) collective sanction on the budget. While permanent sanctions on the budgets were effective from 2011, the individual aspect of the sanctions on the accounts were to begin with temporary (limited to 2011) (Retsinformation, 2011) and first got a permanent nature by the decision in 2012 to write them into the law on municipal equalization and the budget law (Retsinformation, 2012). In itself, these spending sanctions constituted a decrease to the municipalities' resource autonomy since less freedom was given to the individual locality in deciding the size of its budget without being automatically sanctioned^{xiv}.

Spending totals (sanctions) – did the fiscal stress play a role? Given the author's reading of the total amount of evidence (interviews, documentary sources and register data), the reason for the spending sanctions in 2010, and the institutionalization in 2012, seemed to be a mix of external and internal factors related to the fiscal stress. *First*, as an external driver, the general impression of the crisis, including the EU request to limit the public deficit, improved the general bargaining position of the national government guardians vis-à-vis the municipalities since voters (Suenson et al., 2015), and consequently national politicians, started valuing economic responsibility higher. Thus, a comparison of national voter preferences before (2007) and after (2011) the economic crisis showed a considerable decrease in voters preferring to increase spending^{xv} (Suenson et al., 2015). According to the data, the fiscal stress seemed in itself to raise the probability of the implementation of the sanctions. Such an independent effect was supported by the fact that fiscal stress had also been associated with resource centralization in a period of fiscal stress in the 1980s (Schou, 1988; Tonboe, 1991) and that large budget overruns under economic growth (such as in 2001 and 2002) had not led to sanctions (Pedersen, 2016).

Second, as an internal driver, the municipalities budget overruns in 2010 also seemed to contribute to the implemented sanctions. Thus, when the municipalities in 2010 broke their 2009-budget in the middle of the crisis, the dissatisfaction with the municipalities among national bureaucrats and politicians rose considerably (according to the interviews). As a result, the fiscal stress, for which the municipalities' were now made almost co-responsible due to the budget overruns, gave national government guardians (in particular the MoF) a unique opportunity to push for spending sanctions through the parliament in 2010 and to further institutionalize these sanctions in 2012. According to the national government informants, the decision to make the sanctions permanent responded to a concern regarding that loosely institutionalized sanctions could take on a 'stop-and-go' pattern when the economic and political circumstances changed.

In addition to the shift in voters' preferences, expected by H₂, so was also the seemingly long-term effect of the changes expected by H₂ (institutionalization of the changes in the budget law).

A contributing explanation for the sanctions was the 2007-reform. Thus, the 2007-reform had given the national government an argument for experimenting with law-based sanctions before the reform since it was feared that the amalgamations could induce suboptimal spending behavior (Pedersen, 2016). With such temporary sanctions already tried out around the structural reform it could have been easier for the government to also use such sanctions under the crisis^{xvi} (Pedersen, 2016; Sørensen, 2014).

Spending totals (horizontal coordination) – implication for (de)centralization. The vertically imposed spending sanctions brought with them a significant horizontal centralization of the municipalities' budget processes (coordinated within LGDK). This side-effect of the vertical resource centralization was possibly even more significant than the sanctions themselves. The horizontal coordination of the budget was decided just before the fiscal crisis as a response to the violation of the 2008 economic agreement. However, in the light of the fiscal stress, the budget coordination became institutionalized and also extended to the financial reporting in 2010.

For the budgeting process, where this horizontal centralization became most evident, the centralization took the form as an increased coordination of the 98 municipalities' budgets within LGDK. The horizontal coordination meant that LGDK started sending out surveys to the municipalities every year just after the economic agreement in June. Based on this survey the mayors participated in a formal meeting in LGDK in August to see how far their preliminary budgets were from the agreement. Based on inter-municipal coordination, and the completion of a revised survey to LGDK, the mayors then met again in September to settle remaining issues before individual municipality budgets were approved in October. According to the informants, the increased horizontal budget coordination (which was from now on repeated every year) meant that LGDK now coordinated with the individual municipalities 5 to 10 times a year compared to only with little before.

In 2010 it was decided to extend the budget coordination to the accounts (but in a more ad hoc way compared to the budgeting process). The coordination of the municipal accounts implied that the municipalities made monthly consumption numbers available to LGDK (and the Ministry of the Interior) who then initiated a coordination procedure if the total spending deviated from the budget.

Taking together, the effect of the horizontal coordination was a considerable decrease in the individual municipality's spending autonomy since decisions regarding individual spending totals were now increasingly taking in negotiations within LGDK, while decision-making influence was removed from the many locally elected council members. Thus, the executive committee of LGDK constituted by 17 politicians (mostly mayors) from the municipalities, not least the president and vice-president, was strengthened at the expense of the great majority of local politicians.

Spending totals (horizontal coordination) – did the fiscal stress play a role? Given the author's reading of the total amount of evidence (interviews and documentary sources), the horizontal centralization of spending totals can be explained as a side-effect of the vertically imposed spending sanctions as well as LGDK's protection of its self-interest. First, with the imposition of law-based sanctions on first the total budget and later the total account, the municipalities in both instances responded with stronger coordination in order to avoid being hit by sanctions. In that sense the horizontal coordination seemed to be a side-effect to the fiscal crisis and the budget overrun in 2009, which had provoked the sanctions in the first place.

Additionally, the horizontal centralization was probably a way for LGDK to protect its self-interest: With the problems of the municipalities to respect the economic agreement around the 2007-reform and in the beginning of the fiscal crisis, the budget cooperation system came under intense pressure. The ultimate consequence of this pressure was the entire abolishment of the budget cooperation system and its replacement by exclusive parliament regulation. Such exclusive parliament regulation had become a more realistic option after the 2007-reform since the government around the reform had acquired experience with direct government regulation of the localities (in the so called 'development contracts'), since the government now only had to deal with fewer municipalities and because it was suspected that larger localities would be more difficult to control for LGDK (see for instance Lotz, 2007). Additionally, the Danish People's Party, which supported the government, and did not have a strong local base, had on more occasions suggested that the government should negotiate 98 individual economic agreements.

In light of these, for LGDK frightful, prospects, LGDK fought intensively for the preservation of the corporatist system. In the end, the response of LGDK was to form an even closer alliance with the government, and in particular the MoF: Thus, LGDK de facto accepted the sanctions and started acting as an even more committed guarantor of the municipalities' observation of the economic agreement through strong horizontal coordination. In fact, LGDK did not strongly oppose the sanctions, and especially not the individualized sanctions which removed the unenviable task of distributing penalties among its members (Pedersen, 2016). This decision to form a closer alliance with the government and increasingly act as a financial watchdog vis-à-vis its members, probably also reflected a strengthening of actors within the municipalities and LGDK concerned with guardian objectives (such as financial administrations in the municipalities and guardian-minded actors within LGDK).

Spending totals (expenditure ceilings) – implications for (de)centralization. The victory of LGDK in preserving the corporatist system was, however, partly. With the budget law (agreed upon in 2012 and effective from 2014) 4-years expenditure ceilings for the net operating costs were decided for all three government tiers. In principle this change could have rendered major part of the budget

cooperation system redundant if the spending limits had resulted in no money for LGDK to fight for in the yearly negotiations. However, by deciding to place extra growth compared to last year's economic agreement (but within the law-based spending ceilings) at the national government level, the extra money was made subject to negotiations between the national government and LGDK. Hence, within this tighter framework the budget cooperation system was preserved (Christensen & Lyndrup, 2013; Olsen, 2013; Pedersen, 2016)^{xvii}.

The implication of the spending ceilings was a minor decrease in the individual municipality's spending autonomy due to less influence through LGDK on spending totals. Thus, with the law-based ceilings LGDK got less influence on the overall *size* of municipal spending since the total spending was from now on largely determined by law as well as the government's discretionary decision to distribute (potential) extra growth to the municipal sector.

Spending totals (expenditure ceilings) – did the fiscal stress play a role? Given the author's reading of the total amount of evidence (interviews and documentary sources), the reason for the implemented expenditure ceilings seemed to be a combination of external and internal factors related to the crisis, which gave national government guardians (in particular the MoF) an extraordinary opportunity to use the parliamentary channel to implement regulation. Accordingly, the financial crisis and the EU Fiscal Compact seemed, on the one hand, to play an obvious role since the compact directly recommended to make medium-term budget goals binding (Schaechter et al., 2012). On the other hand, the Danish budget law was, as mentioned, drawn up before the implementation of the EU Fiscal Compact and originally intended to come into effect in 2011. Instead, inspiration seemed to come from Sweden, The Netherlands and Austria^{xviii} (Pedersen, 2016).

Spending totals (half-yearly accounts) and spending rules. Another transformation of the municipal spending autonomy came with the decision in 2010 that municipalities should locally approve and report *half-yearly accounts* to the government. This decision was taken despite considerable resistance from LGDK, who had until then monopolized this information, but the historical weak position of LGDK made it impossible for it to prevent the requirement^{xix}. Finally, compared to the many changes regarding total spending, municipal autonomy to *allocate spending* within these more centrally decided totals were not fundamentally altered.

Relative Resource Abundance. On the face of it, the distribution of cutbacks among the central and municipal level seemed to be disproportionally placed on the municipal sector. Both in terms of spending and employment, the municipalities scaled back more than the state from 2009 to 2014 (see appendix Figure A1 and Table A3). Hence, Figure A1 in the appendix shows that the number of municipal employees actually decreased with more than 3 % from 2009 to 2014, while the number of state employees actually increased with a bit more than 1 % in the same period^{xx}. These numbers could to some extent indicate vertical resource centralization through municipal underfunding. However, this blame-avoidance interpretation is questionable: Hence, the employment development seems to reflect national priorities of tasks rather than an intentional exportation of cutbacks to the local level. This interpretation is supported by the fact that the regional level actually increased its resources relative to the national level (the 5 regions increased the number of em-

ployees with almost 6 % from 2009 to 2014), reflecting the highly prioritized health area taking care of by the regions.

6.3.3 Managerial Autonomy

With respect to the final dimension of centralization, managerial autonomy, fiscal stress seemed to play a role for the identified changes. Thus, although it was difficult to say whether the *intensity* of the state regulation of the municipalities had in fact changed during the crisis, the change in the *content* of the state management was evident.

An assessment of the intensity and content of state regulation from 2008 to 2014 (and thereby also the local managerial autonomy) has been carried out by analyzing the yearly economic agreements between the government and LGDK in the period. The economic agreements are an indicator of the development in local managerial autonomy, although managerial autonomy is, of course, also affected by the development in parliamentary regulation, not touched upon here.

The result from the analysis is seen in the appendix Table A4, identifying three phases in the government management. In the first phase before the crisis (2008-2009), the government was, besides dealing with the repercussions of the structural reform, preoccupied with local service quality with a strong emphasis on the rights and needs of the individual user as well as the municipalities' ability to document activities and performance. To fulfill these ends the use of state objectives and minimum standards was increasing^{xxi}.

In the second phase, during the peak of the fiscal crisis (2010-2012), the content of the economic agreements changed markedly. Now the focus was heavily on spending controls and the dismantling of state regulation that could be seen as 'barriers' for municipal prioritizations and local autonomy. In that sense the managerial autonomy of the municipalities increased, although the government by this selective deregulation also strongly guided the local cutbacks, in particular towards the specialized social area^{xxii}.

In the third phase (2013-2014), where the crisis had somewhat tailed off, more intense government regulation seemed to reappear in the shape of government recommendations that the municipalities should steer towards key 'effect indicators'. Compared to before the crisis, however, the government's focus was now more narrow since the state recommended the localities' to steer towards as few goals as possible related to its 'core tasks' and with less attention paid to the individual user and the documentation of activities.

Managerial autonomy – did the fiscal stress play a role? Given the author's reading of the total amount of evidence from interviews and documents, it is plausible that the crisis constituted a pretext for the changes to national regulation. Thus, the change of managerial focus can possibly be explained by strengthened national guardians concerned by resource control and limiting sector-specific regulation seen as driving up local spending.

6.4 Discussion

In sum, the analysis supports hypothesis 2, predicting that fiscal stress leads to vertical resource centralization in central-local relations. In particular, the increase in fiscal stress was, together with the municipal budget overrun in 2009, an important factor behind the noticeable decrease in local spending autonomy as well as the minor decrease in local revenue autonomy. The data supports an interpretation where fiscal stress has an independent influence on resource centralization. Such an independent influence was supported by the fact that fiscal stress had also previously led to resource centralization in Danish central-local relations (Schou, 1988; Tonboe, 1991), while budget overruns under economic growth, such as in 2001 and 2002, did not result in centralization.

The main mechanism behind the resource centralization seemed to be a strengthening of the national government guardians as opposed to local government advocates. Thus, the examination of the sequence of events indicates that national government guardians benefited from a crisis-driven shift in voters' (Suenson et al., 2015) and national politicians' preferences. This crisis atmosphere made it easier for national government guardians to use the parliamentary arena to both push for their preferred policies via the national parliament as well as to put negotiating pressure on the municipal spending advocates.

By contrast, neither the coordination nor the blame-avoidance explanation was supported. First, the interviewees did not report that resource centralization was explained by more difficult coordination. On the contrary, the coordination among the localities had been as least as difficult before as after the fiscal crisis, for instance indicated by the fact that the spending overruns in 2000 and 2001 were actually larger than in 2009 and 2010 (Pedersen, 2016). Second, the blame-avoidance explanation, predicting an intentional underfunding of the municipalities, did not seem to hold when differences in tasks among the government tiers were taken into account.

6.4.1 How is Central-Local Relations Affected?

Although the fiscal squeeze in itself seemed important for resource centralization and managerial decentralization, the degree of fiscal stress, however, stops short of explaining important features such as the scale and persistence of these changes. Why did the centralization of resources turn out so strong and permanent, while the decentralization of management was small and temporary? In answering these questions, the analysis indicates that, besides the degree of the squeeze, one could also study the perceived trigger behind the stress in order to grasp the specific implications for central-local relations. Figure 2 shows key elements of this imagined relationship.

[Figure 2 around here]

Figure 2 suggests that an increase in fiscal stress generally leads to a centralization of resources and a decentralization of management in central-local relations. This is due to a general strengthening of national government guardians. These guardians favor central resource control and a downgrading of sector-specific regulation seen as driving up local expenditures. This finding of increased managerial autonomy fits with other studies emphasizing that local managerial autonomy can increase under fiscal stress (Ringa Raudla, Savi, & Randma-Liiv, 2013)

However, depending on whether the municipalities - or the national government for that matter - are perceived as having a share in the fiscal stress, very different outcomes can occur: According to the model, a purely external squeeze on central-local relations would, as long as the fiscal stress continues, moderately suppress resource autonomy and moderately increase managerial autonomy. Conversely, if the municipalities are perceived as aggravating the squeeze, stronger and possibly permanent resource centralization can happen, while managerial autonomy is only slightly or not affected at all. The supposed reason for this is that the national government guardians are in this case even more strengthened than under a purely external squeeze. This makes strong and potentially permanent resource centralization possible. By contrast, managerial autonomy is not particularly increased since the deregulation is followed by government mistrust in the municipalities' management ability. The recent analyzed Danish experience from 2008 to 2014 could look like such a case.

6.4.2 What is the Mechanism?

How does the analyzed power explanation look like in more detail? The proposed mechanism underlying Figure 2 is illustrated in Figure 3. The figure shows that an increase in fiscal stress induces voters and national politicians to value the health of the national economy higher relative to sector-specific objectives (Suenson et al., 2015). The change in attitudes benefits national government guardians that to a higher extent can pass their preferred policies through the parliament or use their strengthened position to put pressure on the localities in cooperative negotiations. As a result, the policy output will reflect the national guardians' preference for central resource control and the abolition of sector-specific regulation seen as driving up local spending. Again, the perceived trigger behind the fiscal stress can exacerbate or suppress this tendency for resource centralization and managerial decentralization.

[Figure 3 around here]

Future research could investigate whether the dominance of the power relation mechanism over the coordination and blame-avoidance explanation, observed in this article, is specific to the Danish case or part of a more general picture. One could thus suspect that in unitary states with a high degree of functional decentralization, the interwovenness and coordination of intergovernmental relations will be particularly high since the 'success' of the national government is to a large extent a product of the localities' 'performance', both in terms of financial management and policy-specific results. Therefore, a national government will often have a considerable say in local matters, and changes in national government power configurations under such an intergovernmental arrangement will have a noticeable impact on the local governments' policies.

Finally, whether coordination problems are in fact increasing under fiscal stress, as expected in some parts of the literature, could also be made subject to further research. Hence, maybe cutbacks do not need to increase budgeting conflicts since opposing effects can also be imagined such as an atmosphere of crisis and/or the use of decremental, and therefore possibly less conflict-ridden, cutback strategies (see for instance Pollitt, 2010: 13-14).

7. CONCLUSION

The Danish case generally suggests that an increase in fiscal stress, in accordance with H₂, leads to centralization of resources in central-local relations. The analysis indicates that such *resource centralization* primarily pertains to overall control of input and output and not to a stricter control of how to spend resources, neither through allocation rules nor stricter sector-specific regulation. Accordingly, in the Danish case the crisis led to a strong centralization of overall spending autonomy and, to a smaller extent, overall revenue autonomy (which was already relatively centralized before the crisis). Spending autonomy was curbed through the implementation of law-based spending ceilings backed up by law-based sanctions. Revenue autonomy was curtailed via a strengthening of the existing sanctions on tax increases. Although, the influence from the fiscal stress in itself seemed to increase the probability of resource centralization, the analysis also showed that to more precisely determine the degree and persistence of the resource centralization, one should not only investigate the *degree* but also the perceived *trigger* behind the squeeze. Thus, the fact that the municipalities' budget overrun in 2009 was seen as aggravating the fiscal stress made the resource centralization substantial and institutionalized.

The case study also provides evidence on the mechanisms between fiscal stress and central-local relations. Thus, the analysis supports the proposition that changes to central-local relations are explained by altered *power relations* among financial guardians and advocates. The identified mechanism was that fiscal stress triggered an increased awareness about the national economy among Danish voters and national politicians. With respect to central-local relations, the main actors to benefit from this crisis atmosphere were guardians in the national government, while spending advocates at the local government level were put on the defensive. Thus, the strengthened guardians in the national government used the momentum both to push through regulation via the parliamentary channel and to put negotiating pressure on the municipal interest organization LGDK. The change in power relations between the national government and the municipal level could be exacerbated by the fact that *within* both the national government and the municipal sector, guardian-oriented actors were empowered (in particular the MoF). Again, in itself the degree of fiscal stress seemed to influence the power relations among guardians and advocates, but the analysis also revealed that a more nuanced understanding of the changes to the power configurations was gained by observing both the degree and the trigger behind the squeeze.

The analysis made two additional discoveries: First, a considerable increase in *horizontal coordination* among the local governments within LGDK was found. The analysis indicated that this coordination was a response to the vertical resource centralization in central-local relations and LGDK's protection of its self-interest. Probably, this horizontal centralization was even more noticeable than the vertical centralization since LGDK, and its executive committee and presidency, was considerably strengthened relative to the large majority of local council members. Second, besides the influence of fiscal stress on resource autonomy, the analysis indicated a minor temporary *decentralization of managerial autonomy*. This finding was, however, ambiguous in the sense that government deregulation also seemed to guide the content of the municipal cutbacks towards specific spending areas (the specialized social area). A proposed reason for the deregulation was that the strengthening of national government influenced the government's regulation of the municipalities by dismantling sector-specific regulation seen as driving up local spending.

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Tables and Figures

Table 1. Definition and Dimensions of Concepts

	Fiscal stress	(De)centralization of central-local relations
Systemized concept	<i>Political effort put into belt-tightening or loss-imposition</i>	<i>The distribution of formal and informal power between central government and local governments regarding the functional division of tasks and the local autonomy of resources and management.</i>
Dimensions	<u>Degree</u> - Soft or hard (revenue and/or spending) <u>Trigger</u> - External or internal	<u>Content (what?)</u> - Functional (separationist/fused system; scope of tasks; importance of tasks, task/finance balance) - Resource autonomy (raising; spending; resource abundance) - Managerial autonomy (legal basis; administration; provision; planning; control) <u>Direction (to whom?)</u> - Democratic representation (elected vs. non-elected; direct vs. representative democracy; local leadership; local democratic influence; central-local interweaving and access; transparency) - Horizontal, functional vs. vertical, geographical (government vs. non-government) <u>Dynamic (how?)</u> - Sequence - Pace - Initiating entity (reform vs. 'silent')

Table 2. Theoretical Perspectives and Hypotheses

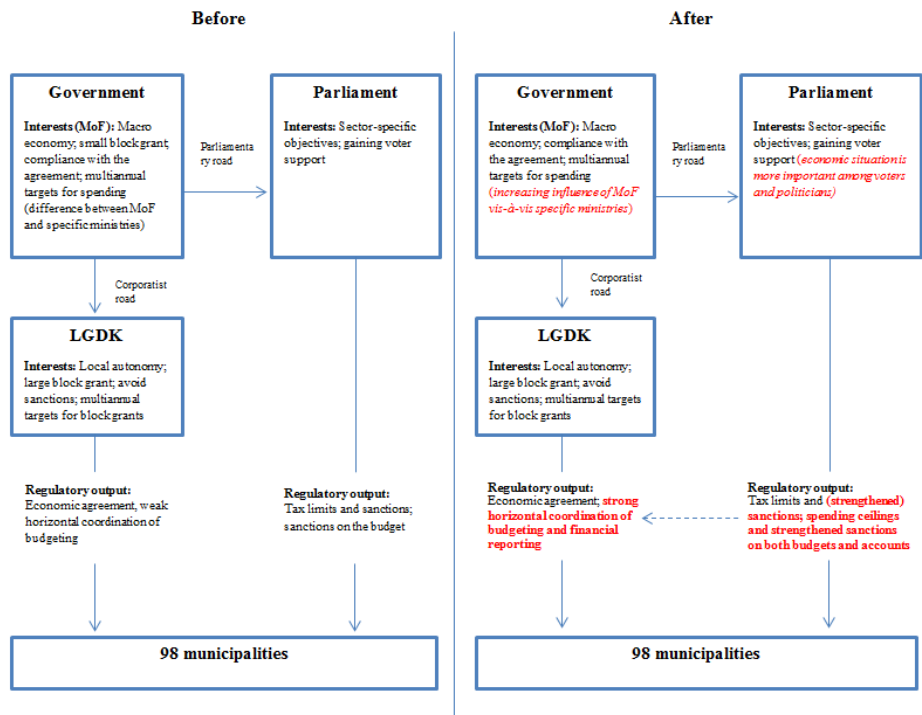
Theory	Hypotheses
<u>Cutback budgeting literature</u> (fiscal stress increases conflict and leads to a breakdown of incremental budgeting norms-constituting a coordination problem)	H ₁ : Fiscal stress leads to vertical resource centralization (due to a coordination problem in the budgeting process). - Temporary effect (disappears with economic growth)
<u>Fiscal governance literature</u> (fiscal stress makes voters and politicians internalize the costs of spending and changes the power relations between guardians and advocates accordingly)	H ₂ : Fiscal stress leads to vertical resource centralization (due to the increased power of budget guardians as opposed to budget advocates in the budgeting process). - Long-term effect possible
<u>Blame-avoidance literature</u> (cutbacks entail a 'politics of blame-avoidance')	H ₃ : Fiscal stress leads to vertical functional decentralization and/or underfunding of the localities (due to the incentives of national politicians to avoid the blame associated with cutbacks). - Temporary effect (disappears with economic growth)

Table 3. Observable Implications of Hypotheses

Hypothesis	Observable implications on dependent variable	Observable implications on mechanism
H ₁ : Fiscal stress leads to vertical resource centralization	• Vertical resource centralization (interviews and documentary sources) • Vertical resource centralization should taper off with the decrease in fiscal stress, that is from 2014 onwards (interviews and documentary sources) • No influence on functional decentralization and managerial autonomy (interviews and documentary sources)	• More difficult for municipalities to coordinate their budget and accounts within the national limits after the crisis (interviews and documentary sources) • Municipal spending and/or revenue overruns higher after (in 2010) than before the crisis (according to official budgets and accounts)
H ₁ : Fiscal stress leads to vertical resource centralization	• Vertical resource centralization (interviews and documentary sources) • Vertical resource centralization could remain persistent despite decreasing fiscal stress (interviews and documentary sources) • No influence on functional decentralization and managerial autonomy (interviews and documentary sources)	• Voters preferences become more socio-tropic under fiscal stress (national opinion polls) • National politicians value guardian objectives higher after than before the crisis (interviews and documentary sources) • National government guardians are strengthened in their relation with local government advocates as well as internally in the government (interviews and documentary sources)
H ₃ : Fiscal stress leads to vertical functional decentralization and/or underfunding of the localities	• Functional decentralization and/or underfunding of localities (national accounts, interviews and documentary sources) • Functional decentralization and/or underfunding of localities should taper off with the decrease in fiscal stress, that is from 2014 onwards (national accounts, interviews and documentary sources) • No influence on managerial autonomy (interviews and documentary sources)	• More tasks are given to the localities due to national blame-avoidance considerations (interviews and documentary sources) • Less funding are channeled to the local as opposed to the national level due to national blame-avoidance considerations (national accounts, interviews and documentary sources)

Note: See also the full list of (de)centralization indicators in the appendix Table A1.

Figure 1. Changes to the Municipalities’ Resource Autonomy, 2008-2014

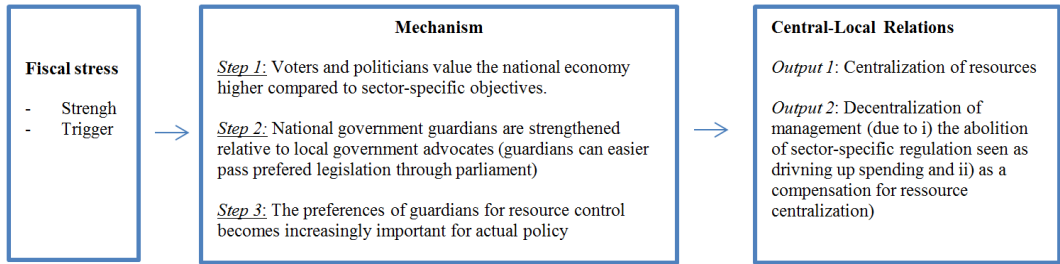


Note: The reason why a ‘small block grant’ is no longer listed as a major government priority after the changes is due to the strengthened national control over local spending laid down in the budget law (Pedersen, 2016).

Figure 2. How Does Fiscal Stress affects The Degree of Centralization in Central-Local Relations?

Degree of fiscal stress		
	<u>Low</u> (economic growth)	<u>High</u>
Trigger behind fiscal stress	<i>External</i> (fiscal stress perceived as coming from 'outside')	• Moderate and temporary centralization of resources • Moderate and temporary decentralization of management
	<i>Internal</i> (local governments perceived as aggravating fiscal stress)	• Stability (temporary resource centralization possible) • Strong and possibly permanent centralization of resources • Centrally managed deregulation

Figure 3. The Mechanism Between Fiscal Stress and (De)centralization of Central-Local Relations



APPENDIX

Table A1. Indicators and Data Sources

Indicators	Data Sources
<u>Dimension 1: Functional decentralization:</u> - Changes towards a separationist system - Local governments responsible for larger share of tasks (with appropriate financing) - Local governments responsible for more important tasks	4 main interviews with government officials and representatives from Local Government Denmark (LGDK). Existing peer-reviewed publications
<u>Dimensions 2: Decentralization of resource autonomy</u> - Local governments get more autonomy in raising revenue, e.g. setting rates, determining the base, running deficits and obtaining debt. - Local governments get more autonomy in deciding on spending totals - Local governments get more autonomy in deciding on spending allocations. - Local governments get more resources relative to other government levels.	Yearly economic agreements between the government and LGDK, 2008-2014. Register data on public spending and employment.
<u>Dimension 3: Decentralization of managerial autonomy</u> - Local governments gets more autonomy in administering service delivery - Local governments gets more autonomy in providing services - Local governments gets more autonomy in planning services - Local governments gets more autonomy in controlling service delivery	44 secondary interviews with representatives (6-9) from 6 municipalities.

Table A2. Timeline of Changes to Central-Local Relations

2007	First half of 2008	Second half of 2008	2009	2010	2011	2012	2013-2014
Structural reform takes effect with 98 new municipalities. The municipalities' budgets break the economic agreement for 2008 both w.r.t. taxes and expenditures. National election.	Law from 2009 onwards regarding <i>a mix of individual and collective sanctions on tax increases</i>. Law from 2009 onwards regarding <i>collective sanctions on spending in the budget</i> (1 billion DKK) Temporary law regarding individual sanctions on spending in the accounts for 2008. LGDK starts a <i>stronger coordination of the municipal budgets</i> from 2009 onwards	Financial crisis - autumn 2008 The municipalities respect the 2009 economic agreement in their budgets	The municipalities respect the 2010 economic agreement in their budgets. Municipal election From December 2009 an EU request to bring down the deficit to below 3 % no later than 2013 is expected (the EU request is agreed upon in July 2010)	The municipalities exceed their 2009 budgets in the final accounts with almost 3 %. Tightening of the sanctions on spending from 2011 onwards by <i>extending the sanctions to both budgets and accounts</i> (3 billion DKK) <i>as well as imposing a mix of collective and individual sanctions for the accounts</i> <i>Stronger individual element in the sanction on tax increases</i> from 2011 onwards LGDK extends the <i>stronger coordination of the municipal budgets to the accounts</i> from 2011 onwards <i>Municipalities are instructed to report half-yearly accounts</i> to the government.	The municipalities exceed their 2010 budgets in the final accounts with around 1 %. The municipalities respect the 2011 economic agreement in both budgets and accounts. National election. EU Fiscal Compact is agreed upon in December 2011 (and again in March 2012)	The sanctions are made <i>permanent</i> by writing them into the law on equalization as well as the budget law. The budget law, which takes effect from 2014, mandates the continuous passing of 4 years <i>expenditure ceilings in the parliament</i> for the municipal service expenses The municipalities respect the 2012 economic agreement in both budgets and accounts.	The municipalities respect the 2013 and 2014 economic agreements in both budgets and accounts.

Note: Events are grouped according to the point of time where the decision was taken rather than implemented.

Figure A1. Full-Time Public Employment, Seasonally Adjusted, Index (2009 = 100)



Note: Number of full-time employed in the public sector from 2009 to 2014, seasonally adjusted. The drop in municipal employment in the second quarter of 2013 was due to a lock-out of municipal school teachers. One caveat is that the numbers reflect actual and not planned (budgeted) employment for what reason planned employment could have been different in each year, for instance due to budget overruns as was the case for the municipalities in 2009. Statistics Denmark OBESK3.

Table A3. Spending on Public Employment, Goods and Services and Capital 2009-2014, 2015-price index (2009 = 100)

		2009	2010	2011	2012	2013	2014
State	Employment	100.0	102.2	101.0	100.1	100.5	102.5
	Capital investments	100.0	97.3	87.5	88.0	89.0	89.0
	Goods and services	100.0	99.6	101.1	102.8	99.6	99.8
	Total (31.9 %)	100.0	100.4	98.7	98.9	98.2	99.2
Regions	Employment	100.0	100.1	98.3	98.5	100.7	102.3
	Capital investments	100.0	100.6	96.4	106.0	111.8	113.2
	Goods and services	100.0	95.0	94.4	100.7	100.6	102.9
	Total (17.9 %)	100.0	98.1	96.7	99.8	101.3	103.2
Municipalities	Employment	100.0	100.6	97.7	96.3	95.1	95.3
	Capital investments	100.0	106.2	122.2	117.4	116.3	113.7
	Goods and services	100.0	102.4	97.8	98.3	98.8	98.8
	Total (50.3 %)	100.0	101.5	99.5	98.3	97.6	97.6

Note: Public consumption on employment, goods and services and capital investments, 2009-2014. Statistics Denmark OFF26.

Table A4. Content and Intensity of State Regulation in the Economic Agreements, 2008-2014

	Agreements in the end of an economic boom (B2008-B2009)	Agreements in a context of economic crisis (B2010-B2012)	Agreements in a post-crisis context (B2013-B2014)
Main objective(s)	Improving output/outcome of municipal services	Conducting expansionary economic policy while imposing tight input control	Returning to a (more narrow) focus on outputs/ outcomes while preserving tight input control
Measures	Principles for good decentralized management. Clearly stated quantitative goals and service standards from the state to the municipalities and from the municipalities to the institutions. Free choice of methods in achieving these goals and service standards. Ambitions to increase and improve data on service quality, which can be made visible to the citizens. State regulation regarding service standards (closing hours and lunch schemes in day-care; contact person in elderly care)	Increasing capital investments and decreasing operating expenditures. Supported by sanctions. Ambition to decrease spending on the specialized social area, including special needs teaching (publications with concrete tools; quarterly monitoring; reforming the complaint systems) Focus on efficiency improvements and cutbacks such as digital solutions, procurement, contracting out and de-bureaucratization.	Revision of the principles for good decentralized management towards fewer goals and less focus on the citizens. A partly return to an increased regulation of the content of the municipal services (staffing in day care; programs for vulnerable children; more funds to the health sector) The public school reform as example with more teaching hours and quantifiable targets for inclusion, grades and well-being.
Extent of state regulation	High (state objectives and minimum standards)	Moderate (few state objectives and minimum standards; strong information-based regulation)	Moderate/high (state objectives)

NOTES

ⁱ It should be noted that the cutback management perspective, besides the coordination problem associated with cutbacks, sometimes also mention the power relation explanation, highlighted below under the fiscal governance perspective (see for instance Schick 2009). In this regard, the present article only tests the predictions of the cutback budgeting perspective based on the coordination problem mechanism.

ⁱⁱ In that context, a local government interest organization can have a dual role in maximizing resources and managerial autonomy in upward negotiations with the national government and, at the same time, restricting total spending it downward coordination with its members.

ⁱⁱⁱ In fact, such causal process analysis can, under specific circumstances, allow for an unbiased estimate of the causal effect by examining the mechanism between X and Y, a so called *front door* approach to dealing with potential confounders (Gerring, 2012: 307).

^{iv} The main provided services involve elementary school, day-care facilities, care for the elderly, the specialized social area for children and adults (since 2007) and active employment policies (since 2009).

^v For instance, parliament regulation has previously resulted in automatic cyclical adjustments of the state grant as well as discretionary rules (Blom-Hansen, 1998b; Lotz, 2007). Such discretionary rules were particularly used under the economic downturn in the 1980s where the Danish national government showed an increased willingness to supplement the cooperative arena with parliament regulation (Schou, 1988; Tonboe, 1991). In this period, the national parliament agreed on the binding of municipal cash reserves and on sanctioning collective overspending through individual deductions in the block grant or forced depositing. This ability for the Danish government to shift between the cooperative and parliamentary arena was in the 1980s associated with successful spending controls (Blom-Hansen, 1999) whereas less impressive results have been reached in the period from the beginning of the 1990s to the mid-2000s (Lotz, 2007).

^{vi} Central government dissatisfaction with the municipalities' ability to keep the agreement was, however, not new, and had for instance given rise to temporary parliament regulation in the 1980s as well as strong discontent in the mid-1990s (Lotz, 2007).

^{vii} Which was among the largest in the OECD and also more persistent than in the Nordic countries (Jensen & Davidsen, 2012).

^{viii} The 2009 budget overrun was given various explanations such as spending pressures associated with the 2009 municipal election, an unforeseen use of savings by local institutions (such as schools, day-care facilities and nursing homes) and the problem of the municipalities to control the spending within the newly acquired specialized social area.

^{ix} Sanctions on breaking the agreement in the municipal budgets are as a starting points distributed collectively among the 98 municipalities, but with the option that the Minister of the Interior replaces collective sanctions with individual sanctions. Sanctions on budget overruns are individual in the sense that 60 % of the total budget overrun is covered by the violators while 40 % is covered collectively (Pedersen, 2016). Possible violations, both in the total budgets and the accounts, should be seen relative to the original economic agreement, although it is by law up to the Minister of the Interior to decide whether the accounts should be compared with the budget or the agreement.

^x Since the 1990s Denmark had moved slightly towards a more fused system in the sense that the central government increasingly perceived and treated the local governments as implementing agencies (Goldsmith & Page, 2010) and these overall features were not importantly reversed under the crisis. The move toward a more fused system, however, probably strengthened with the 2007-reform where the municipalities took over tasks with clear cross-border-characteristics (Blom-Hansen, 2009).

^{xi} Another transfer of tasks between the government levels happened in 2013 when the payment of various income transfers was removed from the municipalities to a state agency, but this change was of minor significance since the municipalities had until then only acted as official payment office for the state.

^{xii} Instead, the postponement of the functional change until ultimo 2008 was due to the government's hopes of including the Social Democrats in a deal that would also include an employment benefit reform. When this strategy, however, crashed the right-wing government decided to implement the functional changes themselves (FTF, 2008; Ugebrevet A4, 2008).

^{xiii} Before 2010 the municipality, who had increased its tax rate, had to repay 75 % of its proceeds the first year and 50 % in the second. After, the second year the proceeds would be covered by all municipalities collectively. After 2010, the municipality, who had increased its tax rate, had to repay 75 % of its proceeds the first year, 50 % in the second year and 25 % in the third and fourth year. Taxations can still be increased without sanctions i) if other municipalities lower their tax rate, ii) if a municipality's tax increase nullify a previous tax decrease from the same entity (pertains only to individual sanction) and iii) if a tax increase is granted by the Ministry of Interior.

^{xiv} Of course such a freedom was also conditional before the adoption of the sanctions but under the old system no automatic penalty was imposed as a consequence of the municipalities together breaking the agreement with the national government.

^{xv} Reflected in that fact that voters on 10 out of 14 spending items preferred less spending in 2011 compared to 2007, and that the specific users of a given service in 3 out of 4 policy areas no longer had more expansive spending preferences compared to voters with no direct stake in the particular service (Suenson et al., 2015).

^{xvi} The data cannot disconfirm such a contributing 2007-reform effect, but it was also noted by more of the informants that larger municipalities should, all else equal, be better at conducting financial management than smaller localities and therefore be in less 'need' of sanctions.

^{xvii} Although there was also some indications that this negotiable amount could be permanently in decline (Pedersen, 2016). Besides the size and the distribution of funds the economic agreement of course still dealt with sector-specific objectives such as service standards, results and how tasks should be performed.

^{xviii} Compared to these countries, however, Denmark went further by imposing expenditure ceilings, not only for the national government level, but also for the local levels (Pedersen, 2016; Suenson et al., 2015).

^{xix} Although the municipalities were somewhat compensated due the abolition of the requirement to work out accruals based accounts.

^{xx} This development is also confirmed by numbers on public consumption across government levels in the appendix Table A2. From these numbers it is clear that the municipalities were given the task of implementing large cutbacks on operating expenditures, (and therefore reducing public employment) while at the same time being instructed to transfer funds to the anti-cyclical capital spending. By contrast, in the same period the national government did not reduce its' number of employees and instead carried out cutbacks by decreasing capital investments. This could look like national government blame-avoidance amounting to a de facto centralization of resource control.

^{xxi} Surely, this was also a part of longer historical development towards a more comprehensive sector regulation in the yearly economic agreements which had taking a noticeable jump since the late 1990s (Lotz, 2007: 44).

^{xxii} This national guiding of municipal cutbacks was done by reforming the complaint system related to the specialized social area and emphasizing the right for each municipality to set their own service level related to the specialized social area as well as to let economic considerations be a part of these service standards.

Article 2

Foged, S. K. (2015). En effektevaluering af sanktioner på danske kommuners regnskaber, 2010-2013 [An effect evaluation of state sanctions on the spending of Danish municipalities, 2010-2013]. *Økonomi & Politik*, 88(1), 57-75.

En effektevaluering af sanktioner på danske kommuners regnskaber, 2010-2013¹

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Denne artikel evaluerer de lovbaserede sanktioner på de kommunale regnskaber, der blev indført af regeringen i 2011. Evalueringen fokuserer på effekten i forhold til en række evalueringskriterier, der danner baggrund for de opstillede hypoteser. Hypoteserne vedrører kommunernes overholdelse af de budgetterede udgifter, hvor præcist kommunerne rammer deres budgetter og om effekterne varierer på tværs af kommunernes økonomiske situation og sektorer. Hypoteserne testes primært via multiple regressionsmodeller med data fra 2010 til 2013. Evalueringen finder, at kommunerne har forbedret budgetoverholdelsen i tråd med sanktionernes formål, men at kommunerne ikke har øget præcisionen af deres regnskaber. Derudover viser evalueringen, at sanktionerne har påvirket velstående kommuner mest, ligesom skole, dagtilbud og det specialiserede socialområde er de mest påvirkede sektorer.

Regnskabssanktionerne kalder på en evaluering

Formålet med artiklen er at levere en foreløbig evaluering af de statsligt indførte, lovbaserede sanktioner på de kommunale regnskaber. Disse sanktioner, som har været permanent gældende siden 2011, indebærer, at kommunerne modregnes i deres bloktilskud fra staten, hvis de for kommunerne under ét overskrider budgetterne. Sanktionerne har både et kollektivt og individuelt islæt, idet 60 pct. af overskridelsen modregnes individuelt, mens de resterende 40 pct. fordeles

kollektivt på de 98 kommuner på baggrund af indbyggertal. Relevansen af en evaluering af regnskabssanktionerne er for det første, at sanktionseffekterne, som led i den generelt tættere styring af kommunernes økonomi, har været heftigt debatteret i dansk forvaltningspolitik (Christensen og Lyndrup, 2013; KL, 2012; Økonomi- og Indenrigsministeriet, 2014; Olsen, 2013; Produktivitetskommissionen, 2013). Dertil kommer, at sanktionseffekter er interessant i et teoretisk perspektiv, da en analyse heraf bidrager til forståelsen af skatte- og udgiftslofter for lokalregeringer (Blom-Hansen, Bækgaard, og Serritzlew, 2014). Effekten af sådanne sanktionerede lofter er interessant i en dansk kontekst, hvor kommunerne står for cirka halvdelen af de offentlige forbrugsudgifter (Foged, Houlberg og Petersen, 2014: 102), og hvor både budgetunderskridelser eller -overskridelser derfor har store velfærdspolitiske konsekvenser. Eksempelvis beregnede Arbejderbevægelsens Erhvervsråd, at de offentlige budgetunderskridelser i 2013 beløb sig til 7 mia. DKK svarende til omtrent 16.000 offentlige ansatte, et tabt vækstpotentiale på 0,4 pct. af BNP og dermed mindre offentlig service. Af underforbruget på 7 mia. DKK stod kommunerne for de 5 mia. DKK (Arbejderbevægelsens Erhvervsråd, 2014). Med andre ord har sanktionerne i den grad mulige velfærdsmæs-

sige konsekvenser, om end disse konsekvenser nok lever en relativt skjult tilværelse i den enkelte borgers bevidsthed.

Netop nu synes udviklingen i forvaltningspolitikken at kalde på en evaluering af regnskabssanktionerne. Produktivitetskommissionen pegede således på, at sanktionerne kunne have en række uhensigtsmæssige effekter for kommunernes ressourceudnyttelse samt incitamenter til opsparing og investeringer (Produktivitetskommissionen, 2013). Denne opfordring om en diskussion af sanktionernes effekter blev dog affejet af regeringen (Økonomi- og Indenrigsministeriet, 2014), og heller ikke kommunernes interesseorganisation, KL, synes at have haft en ændring af sanktionsloven som en mærkesag på trods af, at mange individuelle kommuner har ytret modstand mod loven. Dette skyldes muligvis, at sanktionerne placerer både regering og KL mere centralt i styringen af kommunernes økonomi,² hvorimod de individuelle kommuner, som mærker potentielle sideeffekter af loven, kan have en svagere stemme i den offentlige debat. Den efterspurgte, men indtil nu fraværende, vurdering af regnskabssanktionerne gennemføres derfor her som en forskerdrejet evaluering.

Evalueringen fokuserer på effekten af regnskabssanktionerne, og evaluerer ikke andre aspekter af den strammere statslige styring af kommunernes økonomi, som har kunnet iagttages siden 2009. Gældende fra 2009 indførte regeringens således de første permanente lovfæstede sanktioner, da der blev indført kollektive budgetsanktioner, hvorved en samlet overskridelse af økonomiaftalen i kommunernes budgetlægning medførte et reduceret bloktilskud. Også gældende for 2009 indførtes en blanding af kollektive og individuelle sanktioner, hvis kommunerne under ét øgede skatterne. Disse sanktioner på budget og skat skærpedes i 2011, hvor det individuelle element i sanktionerne kom til at stå stærkere, og hvor også regnskabssanktioner blev en

del af styringsregimet. Det var således ikke længere nok, at kommunernes budgetlægning var inden for økonomiaftalen – regnskaberne skulle også overholde budgetterne! Med vedtagelsen af budgetloven i 2012, gældende fra 2014, blev den statslige styring strammet yderligere, idet udgiftslofter for kommunerne herefter skulle vedtages i Folketinget og reelt erstatte de årlige økonomiaftaler (Finansministeriet, 2012).

På relativt få år er der med andre ord sket en betydelig stramning af den statslige styring af kommunernes samlede skatte- og udgiftsniveau. Denne artikel evaluerer effekterne af den tættere styring af kommunernes udgiftsniveau ved at se på det hjørne, der vedrører effekten af regnskabssanktioner. Det skal tilføjes, at der i 2008 også var sanktioner på kommunernes regnskaber, men at disse var midlertidige og begrænset til det pågældende år.

Evalueringen ser på andet end budgetoverholdelse

Valg af evalueringsmodel og kriterier

Inden for evalueringsteori kan der skelnes en række evalueringsmodeller, som har betydning for undersøgelsesspørgsmål, evalueringskriterier og evalueringsdesign (Hansen, 1989, 2011). Valg af evalueringsmodel kan afhænge af formål, problemets karakter, karakteristika ved organisationen og organisationsfeltet samt om evalueringen har et forandrende eller støttende sigte (Hansen, 2011). Evalueringsmodel er her valgt ud fra formål samt datatilgængelighed. Formålet med evalueringen er således primært at *undersøge effekterne* af regnskabssanktionerne, herunder om disse har levet op til de politiske mål, og om sideeffekter kan iagttages. Sekundært vil artiklen ideelt *forklare de observerede effekter*. Hvor en undersøgelse af effekter lægger op til anvendelse af såkaldte resultatmodeller, vil en forklarende analyse ofte trække på procesmodeller og programteoretiske modeller, der kan belyse mekanismerne fra sanktionernes indførelse til de observerede effekter,

og eksempelvis identificere problemer i de foreslåede mekanismer eller sanktionernes implementering decentralt i kommunerne (Dahler-Larsen, 2009). Givet det tilgængelige datagrundlag fokuserer artiklen på effekterne, og den valgte evalueringsmodel er derfor en resultatmodel.

Under kategorien resultatmodeller kan der sondres mellem målopfyldelsesevaluering, der ser på om eksternt definerede mål er indfrie, og effektevaluering, der anvender et bredere sæt af kriterier til at vurdere sanktionerne. Artiklen gør i det følgende brug af begge former, da der både ses på effekter i forhold til de i loven opstillede mål samt en række øvrige kriterier, udvalgt af evaluatoren. Man kan kritisere effektevalueringer for, at parametre uden for det officielle formål, kan blive tilfældige, da der sjældent findes klare retningslinjer for kriterievalg. Denne udfordring håndteres her ved at fokusere på kriterier, som nævnes som vigtige af aktørerne på området (Hansen, 2011: 406) samt dimensioner, der i litteraturen beskrives som centrale.

Den første effektdimension er, om regnskabs-sanktionerne har modvirket kommunale budgetoverskridelser, hvilket var den politiske begrundelse for loven. Som led i henstillingen fra EU og den økonomiske genopretning blev det af regeringen således opfattet som afgørende, at de aftalte rammer blev overholdt (Retsinformation, 2011). For det andet undersøges, om effekter for kommunernes budgetoverholdelse varierer for forskellige kommuners økonomiske situation og sektorer. I loven var der nemlig kun fokus på kommunernes samlede budgetoverholdelse, men ikke overvejelser om, hvordan sanktionerne ville påvirke forskellige kommuner og opgaveområder. Dette spørgsmål undersøges her, da nogle kommuner og sektorer muligvis har forbedret budgetoverholdelsen mere end andre. For det tredje undersøges også, om kommunerne rammer tættere på deres budgetter efter sanktionernes indførelse sammenlignet med perio-

den før sanktionerne. Et regnskab, der rammer relativt tæt på budgettet, kan opfattes som ønskværdigt, da det dels udtrykker det politisk definerede serviceniveau i kommunerne, og dels vedrører præcisionen af statens makroøkonomiske styring via kommunerne (Blom-Hansen, 1998). Som tidligere omtalt kan eksempelvis et underforbrug have relativt store velfærdspolitiske implikationer for eksempelvis antal kommunale arbejdspladser og omfanget af service til borgerne. Endelig diskuteres effekterne for kommunernes interne organisering og styring, herunder kommunernes incitamenter til effektiv ressourceudnyttelse samt konsekvenser for kommunale aktørers relative indflydelse på udgiftspolitikken. Da datamaterialet ikke tillader en egentlig test af sidstnævnte dimension, opstilles dog ikke en egentlig hypotese herfor, og dimensionen behandles i stedet i diskussionsafsnittet.

Hypoteser

De følgende hypoteser er udledt på baggrund af evalueringskriterierne. Det første kriterium vedrører det politiske formål med loven om at undgå samlede budgetoverskridelser for kommunerne. Regnskabssanktionerne i 2011 medførte således to hovedændringer: For det første blev regnskabssanktioner lovbase-rede, hvor det tidligere ville bero på en konkret forhandling mellem regering og kommunerne, repræsenteret ved KL, om mulige reaktioner på en budgetoverskridelse (Juul, 2006: 205-206). Ud over at sanktionerne blev lovfæstede frem for forhandlingsbaserede, blev sanktionerne for det andet gjort delvist individuelle. Samlet forventes dette, i tråd med lovens formål, at øge den enkelte kommunes tilskyndelse til budgetoverholdelse, da udløsningen af sanktioner bliver gjort mere automatisk samtidig med at incitamenter til at spekulere i budgetoverskridelser mindskes via individuelle sanktioner. Hypotesen bliver dermed:

H₁: Lovbaserede og delvist individuelle regnskabssanktioner forbedrer kommunernes

budgetoverholdelse sammenlignet med et forhandlingsbaseret system.

Det andet evalueringskriterium vedrører ligeledes kommunernes budgetoverholdelse, men undersøger nu heterogene effekter. For heterogene effekter på tværs af kommunetyper forventes det, at regnskabssanktioner ikke mindst påvirker velstående kommuner, som kan have finansiering til at bruge flere penge end budgetteret. Hvor disse velstående kommuner førhen ville være tilbøjelige til at overskride budgetterne, fordi dette ikke ville gå nævneværdigt ud over kommunens økonomiske balance, betyder regnskabssanktionerne, at disse kommuner nu tvinges til budgetoverholdelse. Omvendt vil økonomisk pressede kommuner være mindre påvirkede af sanktionerne, da disse kommuner alligevel havde dårligere råd til at budgetoverskride også før sanktionernes indførelse, da dette vil bringe kommunen i økonomisk ubalance. Hypotesen bliver derfor:

H_{1a}: Lovbaserede og delvist individuelle regnskabssanktioner forbedrer kommunernes budgetoverholdelse, især for økonomisk velstående kommuner.

Angående heterogene effekter på tværs af sektorer forventes det, at regnskabssanktioner særligt vil påvirke områder med stærke bruger- og producentinteresser (Foged, Houlberg og Petersen, 2014; Serritzlew, 2005) samt sektorer, hvor høje enhedsomkostninger samt en stor og svært styrbar efterspørgsel kan give et opadgående udgiftspres. Årsagen til dette er, at uden troværdige sanktioner vil områder med stærke bruger- og personaleinteresser have held til at presse kommunalpolitikere til tillægsbevillinger over budgetåret. Sådanne områder er ikke mindst skole- og dagtilbudsområdet, og til dels ældreområdet (Serritzlew, 2005: 417). Ligeledes forventes det, at det specialiserede socialområde, som er kendetegnet ved en svært forudsigelig, ofte stigende, efterspørgsel og høje enhedsom-

kostninger, især vil forbedre budgetoverholdelsen, da budgetoverskridelser ikke længere er mulige i samme omfang under et sanktionsregime. Hypotesen bliver derfor:

H_{1b}: Lovbaserede og delvist individuelle regnskabssanktioner forbedrer kommunernes budgetoverholdelse, især for sektorer med stærke bruger- og personaleinteresser samt sektorer med høje enhedsomkostninger og en stor og svært styrbar efterspørgsel.

Det fjerde kriterium vedrører præcisionen i kommunernes regnskaber i forhold til budgetterne. Her forventes det, at kommunerne godt nok vil reducere udgifterne i tråd med lovgivningsformålet, men at de vil gøre dette i en sådan udstrækning, at de faktisk rammer længere fra budgetterne end under det forhandlingsbaserede system. Dette skyldes, at regnskabssanktionerne tilskynder til forsigtighed hos kommunerne, da disse vil være sikre på, at de ikke straffes økonomisk i det efterfølgende budgetår. Når alle kommuner tænker sådan, er resultatet en samlet underskridelse, som forventes længere fra det vedtagne budget end under det forhandlingsbaserede system. Hypotesen bliver dermed:

H₂: Lovbaserede og delvist individuelle regnskabssanktioner reducerer kommunernes budgetpræcision sammenlignet med et forhandlingsbaseret system.

Det er metodisk udfordrende at isolere effekten af sanktionerne

Identifikationsstrategi

Det er metodisk udfordrende at isolere effekten af regnskabssanktionerne. Dette skyldes, at sanktionerne ramte alle kommuner samtidigt, og vi derfor ikke kan adskille en stimuli- og kontrolgruppe. Ideelt set var sanktionerne således implementeret tilfældigt på den ene halvdel af kommunerne, og den kausale effekt ville herefter være forskellen i udviklingen i budgetoverholdelse mellem de to grupper (Angrist og Pischke, 2009; Hariri, 2012).

Da dette ikke kan lade sig gøre, anvendes en fremgangsmåde, hvor den relevante kontrolgruppe er de samme 98 kommuner identificeret før sanktionerne trådte i kraft. Den afgørende forudsætning for at estimere retvisende sanktionseffekter er herefter, om der kontrolleres for ændringer over tid, der er korreleret både med sanktionernes indførelse og kommunernes budgetoverholdelse. Den foretrukne model, der estimeres med OLS på data fra 2010 til 2013, kan skrives som:

$$\text{budgetafvigelse}_{it} = \beta_0 + \beta_1 2011_t + \beta_2 2012_t + \beta_3 2013_t + \beta_4 \text{Kontrol}_{it} + \varepsilon_{it}$$

Ligningen viser, at budgetafvigelsen er forskellen mellem den enkelte kommunes budget og regnskab i procent, mens de inkluderede årsummies viser forskellen i budgetafvigelsen mellem det angivne år og sammenligningsåret 2010, hvor sanktionerne endnu ikke var indført. Der fås således tre testresultater for sammenhængen mellem regnskabssanktioner og budgetoverholdelse i henholdsvis 2011, 2012 og 2013. Disse estimater er retvisende, hvis vektoren af kontrolvariable, opfanger alle relevante ændringer over tid, der både er korreleret med sanktioner og budgetoverholdelse. Dette er en relativt streng antagelse, da en række vigtige faktorer kan ændre sig over tid, herunder den økonomiske og politiske situation i kommunen, krisebevidstheden og sideløbende ændringer i økonomistyringen, der er uafhængige af sanktionerne³ (Foged og Sørensen, 2014).

Den økonomiske krise er her håndteret ved inklusion af kontrolvariable samt valg af sammenligningsåret 2010, hvor krisen allerede mærkes i de kommunale budgetter. Den politiske situation er ligeledes håndteret ved valg af sammenligningsåret 2010, således det samme byråd sidder i hele den observerede periode. Ved at anvende 2010 som reference er tanken ligeledes at få et konservativt sammenligningsgrundlag, da forskning har vist, at kommunerne »cykler« på deres budget-

overskridelser, således at de har tendens til at underskride deres budget de to første år i en byrådsperiode og overskride de to sidste år (Houlberg, 1999). Holder denne tendens, vil estimaterne undervurdere sanktionseffekten. Dette opvejes dog af, at det ikke har været muligt at finde dækkende kontrolvariable for mulige eksogene ændringer i kommunernes økonomistyring eller krisebevidsthed, hvorved der er risiko for, at effekten fra disse uobserverede faktorer opfanges af årsummjerne og medfører en overvurdering af sanktionseffekterne. Modellen estimeres med klyngekorrigerede standardfejl med den enkelte kommune som klynge for i beregningen af usikkerheden omkring estimaterne at tage hensyn til, at observationer for den samme kommune ikke er uafhængige over tid.

Data: Registerbaserede kvantitative data støttet af interviews

Analysen baserer sig primært på data fra kommunale regnskaber og andre registre. Derudover er hypoteser og fortolkninger i den kvantitative analyse informeret af interviews med centrale aktører i 2013 og 2014, herunder borgmester, direktion og økonomichefer fra 6 kommuner, centrale embedsmænd i Finansministeriet og Økonomi- og Indenrigsministeriet samt repræsentanter fra KL.

Den afhængige variabel er operationaliseret som forskellen mellem budgetterede og regnskabsførte nettoserviceudgifter. Dette adskiller sig fra tidligere undersøgelser af danske kommuner, der har undersøgt kommunernes budgetoverskridelser ved det skattefinansierede driftsresultat, hvorved der både tages hensyn til eventuelle budgetafvigelser på indtægts- og udgiftssiden (Dalsgaard og Kristensen, 2009; Houlberg, 1999; Houlberg og Jensen, 2010; Krevi, 2008; Serritzlew, 2005). Da regnskabssanktionerne imidlertid kun gælder udgiftssiden, er nettoserviceudgifter det relevante mål i dette tilfælde. Der er dog grund til at tro, at resultaterne også er overførbare til

det samlede driftsresultat, da budgetafvigelser typisk skyldes ændringer på udgiftssiden (Houlberg og Jeppesen, 2006).

De inkluderede kontrolvariable vedrører for det første *den økonomiske situation*, som potentielt kan forbedre kommunernes budgetoverholdelse, fordi kommunerne har dårligere råd til budgetoverskridelser, når en krise rammer. Den økonomiske situation er operationaliseret ved det budgetterede driftsresultat og den årlige udvikling i budgetterernes størrelse. Driftsresultatet er et udtryk for kommunens økonomiske situation, da driftsresultat gerne skal finansiere nettoanlægsudgifter og eventuelle rentebetalinger (Panduro og Lauriden, 2014). Et lavt driftsresultat kan tyde på, at kommunen er økonomisk presset, og fx må bruge af kassebeholdning eller lånefinansiere. Driftsresultatet måles som driftsresultat i budgettet, da driftsresultat i regnskabet påvirkes af eventuelle budgetafvigelser. Den økonomiske situation er også målt ved den årlige udvikling i budgettets størrelse sammenlignet med sidste års regnskab, hvor et reduceret budget alt andet lige vanskeliggør udgiftsoverholdelse. For det andet er der medtaget variable, der skal kontrollere for uventede *stød til de kommunale indtægter og udgiftsbehov samt »budgetpynt«*, hvor kommunerne kan manipulere konteringen af deres serviceudgifter for at undgå sanktioner. Afvigelser fra det forventede indtægtsniveau er målt ved forskellen mellem budgetterede og realiserede indtægter samt den årlige befolkningsudvikling, hvor ændringer afspejler sig i bloktilskuddets størrelse. Den årlige befolkningsudvikling kan desuden være en proxy for ændrede behov. For at undgå, at kommuner pynter på serviceudgifternes størrelse ved at kontere driftsudgifter som anlægsudgifter, inkluderes også en kontrolvariabel for budgetafvigelsen for nettoanlægsudgifterne. For det tredje kontrolleres for *politiske og administrative faktorer* i form af kommunalpolitikernes partifarve og antallet af administrationsprofessionelle. Kommunalpolitikernes

partifarve inkluderes som andelen af venstreorienterede byrådsmandater, operationaliseret som politikere fra Socialdemokraterne, Socialistisk Folkeparti og Enhedslisten, hvilket opfanger en eventuel partipolitisk forskel i tilbøjeligheden til budgetafvigelser. Derudover kontrolleres for antallet af administrationsprofessionelle pr. 10.000 indbyggere i kommunen, hvilket ideelt set opfanger ændringer i økonomistyringen i kommunen, som ikke er afledt af regnskabssanktionerne. Administrationsprofessionelle måles som medlemmer af Dansk Jurist- og Økonomforbund (DJØF).

Til sidst er der også kontrolleret for en række *strukturelle variable* af generel interesse i forhold til at forklare niveauet af budgetoverholdelse på tværs af kommuner. Disse variable er konstante over tid med undtagelse af kommunens økonomiske rammevilkår, som måles ved forholdet mellem kommunens udgiftsbehov og indtægtsgrundlag, og derved også kontrollerer for ændringer over tid i udgiftsbehov og indtægtsbase. De øvrige strukturvariable er indbyggertal og en dummyvariabel for henholdsvis små ø-kommuner og kommuner, der sammenlagdes i 2007. For at teste, om effekten af sanktionerne varierer på tværs af sektorområder, er der opgjort 9 sektorer, som er defineret ved de 8 sektorområder,⁴ som Økonomi- og Indenrigsministeriet, Finansministeriet og KL er enige om, samt kulturområdet. En oversigt over inkluderede variable, operationalisering og deskriptiv statistik findes i tabel 3 i appendikset.

Resultater: Sanktionerne har reduceret udgifterne, omfordelt penge mellem kommuner og sektorer, men ikke ført til større præcision

Ved første øjekast tyder noget på, at regnskabssanktionerne har haft en effekt på kommunernes budgetoverholdelse. Figur 1 viser således, at de tre år med regnskabssanktioner fra 2011 til 2013 har været fulgt af årlige budgetoverskud. Budgetoverskuddet i 2013 er

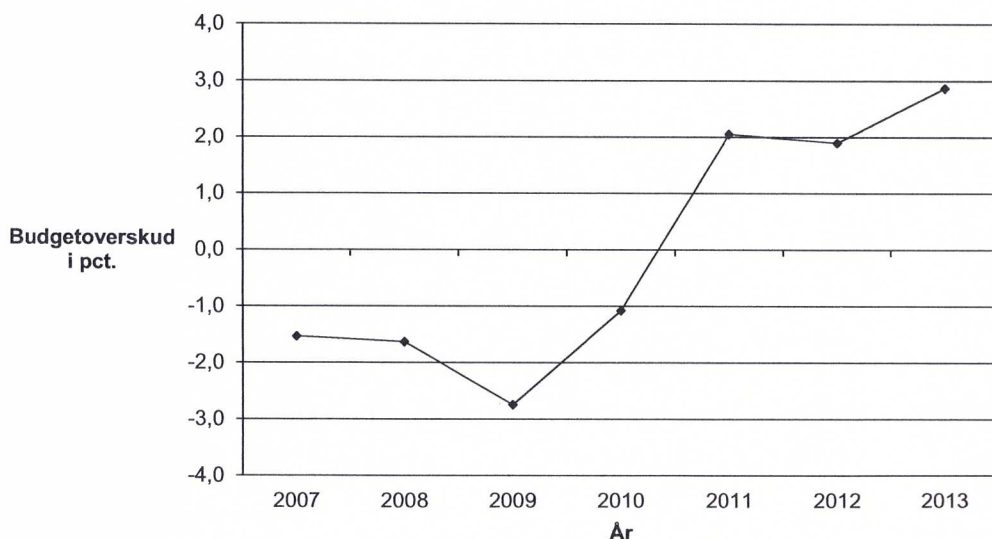
dog formentligt overvurderet, da tallet ikke er korrigeret for, at KL og regeringen i starten af 2013 aftalte at konvertere 2 mia. DKK fra service til anlæg samtidig med at lærer-konflikten også bidrog til lavere udgifter (KL, 2014). Tilsammen vurderes disse forbehold at udgøre omtrent halvdelen af budgetoverskuddet i 2013, hvilket leder til den observation, at der i sanktionsårene har været et årligt budgetoverskud i størrelsesordenen 1,5-2 pct. Ligeledes fremgår det, at budgetafvigelsen i sammenligningsåret 2010 på 1 pct. er tættere på budgettet end sanktionsårene. Figur 1 støtter således umiddelbart hypotese 1 og 2 før der er gennemført statistisk kontrol for andre mulige faktorer. I det følgende gennemføres disse analyser ved først at teste effekten på graden af budgetoverholdelse (H_1) og budgetpræcision (H_2), samt hvorvidt effekten varierer for velstående og mindre velstående kommuner (H_{1a}). Herefter testes, om effekten

af sanktionerne varierer på tværs af sektorer (H_{1b}).

Sanktionerne har forbedret budgetoverholdelsen, og mest for velstående kommuner

I tabel 1 model 1-5 testes sanktionernes effekt på kommunernes budgetoverholdelse ved løbende inklusion af kontrolvariable. I alle modeller er sanktionsårene korreleret med en signifikant forbedring af kommunernes budgetoverholdelse, og efter kontrol for den økonomiske krise i model 2 ændrer estimaterne sig kun marginalt. I den endelige model 5 fremgår det, at sammenlignet med 2010 er regnskabssanktioner associeret med en forbedring af budgetoverholdelsen på 3,2 procentpoint i 2011, 0,9 procentpoint i 2012 og 5,7 procentpoint i 2013. Igen skal der dog tages forbehold for den mulige overvurdering af 2013-estimatet. I forhold til kontrolvariablene viser model 5, at den økonomiske

Figur 1: Gennemsnitligt budgetoverskud for nettoserviceudgifter, 2007-2013 (N=98)



Note: Uvægtet gennemsnit. Budgetoverskuddet i 2013 er formentlig overvurderet, da tallet ikke er korrigeret for, at KL og regeringen i 2013 aftalte at konvertere 2 mia. DKK fra service til anlæg, samtidig med at en lockout af lærerne også bidrog til sparede udgifter. Dette forklarer skønsmæssigt halvdelen af kommunernes samlede budgetunderskridelse på 4,9 mia. DKK i 2013.

krise har den forventede effekt på budgetoverholdelsen, idet et relativt lavt driftsresultat reducerer kommunens udgifter i forhold til budgettet, mens det samtidig er sværere at overholde budgetterne, hvis disse tilpasses nedad i forhold til året før (udtrykt ved den årlige budgetudvikling).

Derudover er lavere indtægter end budgettet korreleret med bedre budgetoverholdelse, hvilket muligvis skyldes, at kommuner, som er på vej til at overskride deres serviceudgifter (og også ender med en relativt dårlig budgetoverholdelse), formår at øge deres indtægter mere end budgettet, hvorved stigende indtægter derved kompenserer for de overskredne budgetter i årsresultatet. Endelig er budgetoverholdelse for anlægsudgifter positivt korreleret med budgetoverholdelse for serviceudgifterne, hvilket enten kan skyldes, at den enkelte kommune enten agerer relativt ensartet for både service og anlæg eller, at kommuner »overvælter« en del af en budgetoverskridelse fra drift til anlæg. De resterende kontrolvariable er alle insignifikante.

I model 6 gennemføres en robusthedstest med fixed effects, der som forventet giver lignende, positive og signifikante estimater for sammenhængen mellem regnskabssanktioner og budgetoverholdelse. Også for hovedparten af kontrolvariablene viser modellen samme effekt, selvom der nu kun anvendes variation over tid og ikke, som i OLS-modellerne, både variation på tværs af kommuner og over tid. Dog estimerer fixed effects modellen en signifikant, negativ sammenhæng mellem antallet af administrationsprofessionelle og budgetoverholdelse, hvilket formentlig skal tolkes som omvendt kausalitet, hvor udgiftsoverskridelser fører til ansættelse af flere administrationsprofessionelle. Opsummerende støtter model 1-6 hypotese H_1 om at regnskabssanktioner forbedrer kommunernes budgetoverholdelse sammenlignet med et forhandlingsbaseret system.

Hypotese H_{1a} , der forudsagde, at effekten af sanktionerne var størst for velstående kommuner, er testet i model 7-8 ved en interaktion mellem årsummierne og driftsresultatet. I model 7 er hypotesen testet enkeltvist for sanktionsårene, mens model 8 gennemfører en samlet test for sanktionsårene. Model 7 viser, at effekten af sanktionerne som forventet stiger for kommuner med et højere driftsresultat, men at effekten dog kun er signifikant i 2012. Når sanktionsårene slås sammen og sammenlignes med 2010 i model 8, er sammenhængen som forventet positiv og signifikant. Denne effekt i model 8 kan omskrives til, at kommunen med et driftsresultat på 373 DKK pr. indbygger (svarende til det 10. percentil) forventes at øge sin budgetoverholdelse med 2,9 procentpoint, mens kommunen med et driftsresultat på 2.772 DKK pr. indbygger (svarende til det 90. percentil) forventes at øge budgetoverholdelsen med 3,8 procentpoint. Opsummerende støtter model 7-8 dermed i overvejende grad hypotese H_{1a} , der siger, at regnskabssanktioner især forbedrer budgetoverholdelsen for økonomisk velstående kommuner. Forskellen på velstående og økonomisk udfordrede kommuner indikerer i øvrigt også, at der er en selvstændig sanktioneffekt uafhængig af den økonomiske krise, da de kommuner, som er mindst økonomisk udfordrede er mest påvirkede af sanktionerne.

I tabel 1 model 9 og 10 findes sluttelig en test af kommunernes budgetpræcision. Budgetpræcision måles ved at udregne den absolute værdi af kommunernes budgetafvigelse, således variabelen varierer fra 0 til 6,3 pct., hvor 0 indikerer fuldstændig overensstemmelse mellem budget og regnskab. Et negativt estimat for årsummierne indikerer nu, at kommunerne rammer tættere på budgettet sammenlignet med referenceåret. I model 9 er referenceåret 2010, og det fremgår heraf, at kommunerne var signifikant dårligere til at ramme budgettet i 2011 og 2013 sammenlignet med 2010, hvorimod budgetpræcisionen

var signifikant bedre i 2012. For at give kommunerne de bedste betingelser for at ramme lige så præcist som i referenceårene, består referencekategorien i model 10 både af 2009 og 2010, da 2009 var kendetegnet ved store budgetoverskridelser (se figur 1). Resultatet af denne test viser, at der ikke synes at være en entydig sammenhæng mellem sanktioner og budgetpræcision, da kommunerne kom signifikant tættere på budgettet i 2012, men omvendt signifikant længere fra budgettet i 2013, mens der ikke var en signifikant sammenhæng i 2011. Opsummerende kan det indtil videre hverken konkluderes, at regnskabssanktionerne har gjort kommunerne væsentligt bedre eller dårligere til at ramme budgetterne. Sikkert er det imidlertid, at hvor kommunerne førhen typisk overskred deres budgetter, er normalen nu en underskridelse, hvilket som tidligere nævnt har betydelige velfærdspolitiske implikationer.

Sanktionerne har påvirket skole, dagtilbud og det specialiserede socialområde mest

Angående den sidste hypotese H_{1b} var forventningen, at sektorer med stærke bruger- og producentinteresser samt sektorer med høje enhedsomkostninger og en stor og svært styrbar efterspørgsel ville forbedre deres budgetoverholdelse mere end andre sektorer. Hypotesen er testet på 9 kommunale sektorer, der tilsammen udgør 88 pct. af serviceudgifterne. Det var således forventet, at områder med stærke bruger- og personaleinteresser, skole, dagtilbud og ældre samt det svært styrbare specialiserede socialområde ville forbedre budgetoverholdelsen mere end sundhed, kultur, det tekniske område og administrationsområdet. Denne forventning er undersøgt ved at specificere 9 modeller med budgetafvigelsen på sektorområdet som afhængig variabel. Resultaterne herfra er vist i tabel 2. For det tekniske område er der specificeret to modeller, hvoraf den foretrukne anvender 2009 frem for 2010 som sammenligningssår, da budgetafvigelsen i 2010 på det

tekniske område synes at være en outlier (se figur 3 i appendikset).

Overordnet støtter resultaterne de opstillede hypoteser, da skole, dagtilbud, udsatte børn og unge samt udsatte voksne og handicappede alle viser en signifikant forbedring af budgetoverholdelsen i alle sanktionsår, 2011-2013. Ydermere er sammenhængen mellem sanktioner og budgetoverholdelse som forventet mindre tydelig for sektorerne, sundhed, kultur, det tekniske område (med 2009 som referenceår) og administrationsområdet. For sundhed observeres insignifikante effekter bortset fra i 2013, hvor kommunernes budgetoverholdelse faktisk er dårligere sammenlignet med 2010, mens der for kultur, det tekniske område (med 2009 som referenceår) og administration kun observeres signifikante sanktionseffekter i 2011. Hypotese H_{1b} nyder således opbakning, når der ses bort fra ældreområdet, hvor der mod forventning ikke identificeres signifikante ændringer i nogle af årene.

Figur 2 i appendikset indikerer, at de observerede sektorforskelle i sanktionseffekterne i tabel 2 dækker over en konvergens i budgetafvigelse, således sektorer, der tidligere overskred deres budgetter mere end øvrige områder, nu overholder budgetterne i samme omfang som andre sektorer. En formel signifikantest af, hvorvidt sanktionseffekten varierer på tværs af sektorer, bekræfter, at effekten har været størst for udsatte børn og unge, efterfulgt af skole, dagtilbud, administration samt socialt udsatte voksne og handicappede (tabel 4 i appendikset). Effekten af administration drives dog alene af effekten i 2011 jf. tabel 2.

Opsummerende støtter tabel 2 således hypotese H_{1b} , når der ses bort fra ældreområdet, idet den største effekt af regnskabssanktionerne har været for områder med stærke bruger- og personaleinteresser samt områder med høje enhedsomkostninger og en stigende og svært styrbar efterspørgsel. Dette viser, at de velfærdspolitiske implikationer ikke kun

Tabel 2: Sektorfordelt afvigelse mellem budget og regnskab for nettoudgifter i pct., 2010-2013 (N=98)

	(1) Skole	(2) Dagtilbud	(3) Ældre	(4) Sundhed	(5) Udsatte børn og unge	(6) Udsatte voksne	(7) Kultur	(8) Teknisk område	(9) Teknisk område	(10) Administration
Andel af totale nettosektervireudgifter (68,0 pct.)	10,9	17,1	15,3	2,2	6,9	12,3	2,8	6,1	6,1	14,6
Arsdannelses										
2010	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.	ref.
2011	2,235*** (4,69)	2,011*** (4,69)	1,051 (1,65)	1,477 (1,46)	9,263*** (5,13)	1,095*** (4,41)	1,016* (1,69)	8,535*** (5,63)	-5,346*** (4,18)	4,375*** (1,76)
2012	1,903** (2,39)	1,398*** (3,04)	-0,132 (0,20)	-0,126 (-1,06)	4,151*** (2,68)	0,585*** (2,89)	-0,251 (-0,44)	3,167** (2,61)	-2,242 (-1,66)	0,985 (1,32)
2013	3,292*** (8,48)	1,446*** (2,75)	0,225 (0,32)	-1,756* (-1,89)	3,182* (1,65)	1,361*** (5,29)	0,245 (0,35)	3,401*** (2,87)	-2,084 (-1,46)	0,358 (0,45)
Økonomisk situation										
Økonomisk situation Drisestimat 11.000 DKK (budget)	-0,0629 (0,68)	-0,146 (0,82)	-0,208 (-1,09)	0,215 (0,70)	0,473 (0,83)	-0,135 (-1,59)	0,205 (0,97)	-1,007** (-2,38)	-0,889** (-2,12)	0,237 (1,07)
Arlig budgetudvikling i sektor i pct.	0,557*** (9,89)	0,577*** (11,63)	0,450*** (8,60)	0,524*** (5,29)	0,795*** (12,48)	0,00165 (0,09)	0,176*** (3,30)	0,319*** (4,81)	0,324*** (5,48)	0,707*** (22,16)
Støt til indtægter og behov										
Støt til indtægter og behov Indtægtsavgift i pct.	0,134 (0,72)	0,396** (2,10)	0,903*** (3,68)	-1,008** (-2,34)	0,593 (0,70)	0,0592 (0,67)	0,207 (0,72)	-0,0169 (-0,03)	0,0374 (0,08)	-0,187 (-0,57)
Arlig elevudvikling i pct. (antal 7-16 årlige)	0,0383 (0,29)									
Arlig børneudvikling i pct. (antal 0-6 årlige)		-0,380*** (-5,81)								
Arlig ældreudvikling i pct. (antal 80+)			-1,910 (-0,47)							
Arlig børne- og ungeudvikling i pct. (antal 0-17 årlige)					0,369 (0,74)					
Budgettype										
Budgetafvigelse for anlægsudgifter i pct.	-0,000417 (-1,22)	0,000399 (1,21)	-0,000121 (-0,35)	0,00239* (1,95)	0,00472 (0,77)	-0,000215 (-0,37)	0,00305*** (6,01)	0,000588 (0,34)	0,000751 (0,45)	0,00188*** (4,58)
Politiske og administrative faktorer										
Andel versiteorienterede mandater	0,00981 (0,72)	0,0251 (1,55)	-0,00694 (-0,55)	-0,0166 (-0,66)	0,0112 (0,30)	-0,0120 (-1,52)	0,0120 (0,64)	0,0384 (0,78)	0,0271 (0,60)	0,00512 (0,27)
Administrationsprofessionelle pr. 10.000 indb.	0,00131 (0,04)	0,0482 (0,68)	0,0200 (0,31)	-0,179 (-1,39)	-0,167 (-1,01)	-0,0231 (-0,67)	0,0870 (0,78)	0,184 (1,32)	0,142 (1,10)	0,0291 (0,42)
Strukturelle vilkår										
Økonomiske rammevilkår	-2,452 (-0,54)	-9,528* (-1,98)	-5,078 (-1,98)	7,777 (0,69)	-11,54 (-0,81)	-2,550 (-0,81)	0,407 (0,06)	-24,31 (-1,42)	-3,339* (-1,95)	-5,995 (-1,95)
Indryggetal (ln)	-0,187 (-0,89)	0,199 (0,67)	0,378 (-0,93)	0,273 (0,44)	0,278 (0,30)	-0,171 (-1,03)	-0,405 (-0,95)	-0,873 (-1,04)	-0,467 (-0,53)	1,492*** (4,37)
Sammenlagt (dummy)	0,0696 (0,17)	0,485 (0,86)	-1,533*** (-3,23)	-0,367 (-0,40)	-0,839 (-0,77)	-0,463* (-1,66)	-0,291 (-0,34)	1,476 (1,11)	1,336 (1,12)	0,141 (1,34)
Lille ø-kommune (dummy)	-0,853 (-0,86)	0,852 (0,66)	1,012 (0,95)	-1,551 (-0,78)	-5,035 (-1,19)	-0,0397 (-0,08)	-0,626 (-0,37)	-3,876 (-1,35)	-3,239 (-1,26)	2,830 (1,94)
Konstant	2,807 (1,08)	-0,564 (-0,15)	7,171* (1,74)	-2,698 (-0,40)	-2,427 (-0,25)	3,686** (2,18)	2,739 (0,60)	9,904 (1,22)	14,68* (1,77)	-16,93*** (4,27)
N	392	392	392	392	392	392	392	392	487	392
F	0,505	0,473	0,307	0,256	0,464	0,158	0,0816	0,290	0,288	0,585
Estimationsmetode	26,11	18,10	14,48	4,973	35,05	9,115	11,32	10,22	8,700	41,39
Tidsperiode	2010-2013	2010-2013	2010-2013	2010-2013	2010-2013	2010-2013	2010-2013	2010-2013	2009-2013	2010-2013

Note: * signifikansniveau 0,10, ** signifikansniveau 0,05, *** signifikansniveau 0,01. Klyngekorrigerede standardfejl med kommune som klynge. t-test i parentes. 2013-priser.

er markante ved en overgang fra en situation med generelle budgetoverskridelser til generelle underskridelser, men at disse effekter ydermere er fordelt ujævnt, således det specialiserede socialområde, skole og dagtilbud har været mest påvirket med større reduktioner i ansatte og den leverede service, som en formodet følge, sammenlignet med en situation uden sanktioner. Omvendt er budgetafvigelseernes størrelse generelt blevet mere ens på tværs af sektorer, hvor det førhen var de samme sektorer, som overskred budgetterne år efter år (Serritzlew, 2005).

I forhold til de inkluderede kontrolvariable i tabel 2 fremgår det, at ikke mindst udviklingen i budgettets størrelse sammenlignet med sidste års resultat er en vigtig prædikator for om budgettet overskrides eller underskrides. På alle sektorer undtagen det specialiserede voksenområde er det således tilfældet, at en reduktion i budgettet i forhold til sidste år også gør det sværere at holde sig inden for disse rammer. Derudover fremgår det, at det især er for dagtilbud og ældreområdet, at der er en sammenhæng mellem ekstraindtægter og budgetoverskridelser, hvilket muligvis skyldes, at kommunerne for disse to sektorer øger indtægterne, hvis der er optræk til en udgiftsoverskridelse. Budgetpynt forstået som korrelation mellem budgetafvigelser på drift og anlæg, synes primært at finde sted for sundhed, kultur og administration, hvor det måske er nemmest at konvertere udgifterne mellem drift og anlæg. Endelig er store kommuner væsentligt bedre til at overholde deres budgetterede administrationsudgifter, mens kommuner der sammenlagdes i 2007, har haft vanskeligere ved at overholde deres ældrebudgetter sammenlignet med fortsætterkommunerne, hvilket kan skyldes, at der efter strukturreformen er taget flere politisk-geografiske hensyn i sammenlægningskommuner (Kjær, 2012). Eksempelvis angiver flere interviewpersoner fra sammenlægningskommunerne, at der ofte er stærke politiske interesser forbundet med ældretilbud i kom-

munens yderområder, hvilket politisk kan gøre det sværere at forhindre tillægsbevillinger.

Diskussion: Hvad med effekter for organisering og styring?

Den sidste effektdimension vedrører kommunernes organisering og styring. Effekterne for kommunernes organisering og styring kan både belyses fra et perspektiv, der lægger vægt på effektiv ressourceudnyttelse og en synsvinkel, hvor kommunale aktørers relative indflydelse er i centrum. Med effektiv ressourceudnyttelse forstås her, hvorvidt regnskabssanktioner har påvirket målsætningen om at opnå de bedste faglige resultater med færrest mulige ressourcer (Produktivitetskommissionen, 2013).

En sådan ambition kræver først og fremmest viden om de anvendte ressourcer, hvilket regnskabssanktionerne muligvis har bidraget til via en oprustning af kommunernes økonomistyring (Finansministeriet, Økonomi- og Indenrigsministeriet og KL, 2013; Foged og Sørensen, 2014; Krevi, 2012). Hvor direkte sammenhængen er mellem sanktioner og økonomistyring kan naturligvis debatteres, men interviewpersonerne synes at bekræfte, at sanktionerne sammen med en forværret økonomisk situation har bidraget til en opprioritering af økonomistyringen, bl.a. via hyppigere budgetopfølgninger og et øget fokus på prissætning af aktiviteter. Omvendt giver flere informanter udtryk for, at den store opmærksomhed på økonomistyringen, til tider har været fulgt af en nedprioritering af styringen efter kvantificerbare mål for servicekvalitet (Sørensen og Foged, 2014). Opfattes viden om resultater, foruden viden om medgående ressourcer, som en forudsætning for bedre ressourceudnyttelse, har sanktionerne således ikke på dette punkt bidraget til bedre ressourcestyring.

En central sideeffekt af regnskabssanktionerne er desuden, at sanktionerne muligvis kan have medført en mindre hensigtsmæssig ressource-

ceudnyttelse. Blandt andet kan sanktionerne have reduceret incitamentet til opsparing og investeringer, da flere kommuner har indført buffere i budgettet samt indskrænket decentrale institutioners overførselsadgang, fx ved kvantitative begrænsninger på overførslers størrelse eller indefrysning af opsparing i enkeltår. Dette kan give anledning til såkaldt »benzinafbrænding«, hvor kommunen ikke anvender ressourcer på den opgave eller det tidspunkt, hvor behovet/effekten er størst, men derimod anvender sine ressourcer med sigte på at undgå, at det fremtidige budget beskæres (Produktivitetskommissionen, 2013). Eksempelvis kan kommunen indlægge buffere i budgettet, som så »brændes af« sidst på året, når man er sikker på, at man ikke overskrider sit budget og tilsvarende kan decentrale institutioner, der har fået begrænset sin mulighed for at overføre forbrugte midler mellem budgetår, miste tilskyndelsen til opsparing og derimod spekulere i at anvende alle ressourcer inden budgetårets udløb. Ligeledes nævner flere informanter, at sanktionerne kan have bidraget til en »egernmentalitet« hos de enkelte budgetholdere, hvor kravet om budgetoverholdelse er blevet så dominerende, at evnen til at flytte midler til trængte områder inden for budgetåret begrænses.

Hvor nettoeffekten for kommunens ressourcestyring således er omtvistet, er informanterne mere entydige angående kommunale aktørers indflydelse på udgiftspolitikken, hvor sanktionerne vurderes at have bidraget til at styrke »udgiftsvogterne« på bekostning af »udgiftsadvokaterne« (Christiansen, 2008). Informanterne beskriver således, at sanktionerne generelt har styrket borgmesteren og økonomiudvalgets mandat ved at øge troværdigheden af de udmeldte rammer over for fagudvalgene. Også på dette område kan evalueringen dog kun foreslå mekanismer mellem sanktioner og de observerede effekter, og en videre evaluering kunne fokusere på disse mulige mekanismer samt eventuelt trække på en praksisorienteret evalueringstil-

gang (Schwandt, 2005). Ved en sådan tilgang kunne evaluator facilitere refleksion hos budgetholderne om, hvad god økonomistyring er, og hvordan god økonomistyring forfølges inden for regnskabssanktionernes rammer.

Konklusion: Sanktionerne har reduceret kommunernes udgifter og omfordelt penge på tværs af kommuner og sektorer

Denne artikel har gennemført en effektevaluering af regnskabssanktionerne for danske kommuner, der trådte i kraft i 2011. Evalueringen har fokuseret på opfyldelsen af lovens officielle formål om at undgå samlede budgetoverskridelser samt en række mulige sideeffekter af sanktionerne, herunder budgetpræcision, effekter for kommuner med forskellig økonomisk situation, effekter på forskellige sektorer og endelig effekter for organisering og styring. Evalueringen konkluderer, at regnskabssanktionerne har forbedret kommunernes overholdelse af de budgetterede serviceudgifter med det forbehold, at evalueringsdesignet ikke kontrollerer for ændringer i fx den generelle krisebevidsthed. Evalueringen finder desuden, at velstående kommuner har forbedret budgetoverholdelsen mere end kommuner, der er udfordret på driftsresultatet. Ligeledes har sanktionerne haft den største effekt på sektorer med stærke bruger- og personaleinteresser i form af skole og dagtilbud samt det specialiserede socialområde, hvor enhedsomkostningerne er høje og efterspørgslen stor og svært styrbar. Endelig finder evalueringen ikke nogen konsistent ændring i kommunernes budgetpræcision før og efter sanktionernes indførelse. Før regnskabssanktionerne overskred kommunerne typisk deres udgiftsbudget, mens dette nu er omvendt, men uden at den absolutte afvigelse fra budgettet er signifikant anderledes end før sanktionerne. De velfærdsmæssige implikationer af at gå fra en situation med budgetoverskridelser til en situation med underskridelser er dog potentielt særdeles markante, da en sådan udgiftsreduktion påvirker antallet af kommunale arbejdspladser og om-

fanget af den udførte service til borgerne. Angående effekterne for organisering og styring indikerer evalueringen, at sanktioner har styrket kommunens budgetvogtere i form af borgmester og økonomiudvalg på bekostning

af budgetadvokaterne i skikkelse af de politiske fagudvalg, ved at gøre budgetrammerne mere troværdige. Der lægges op til yderligere forskning i sanktionernes betydning for en hensigtsmæssig ressourceudnyttelse.

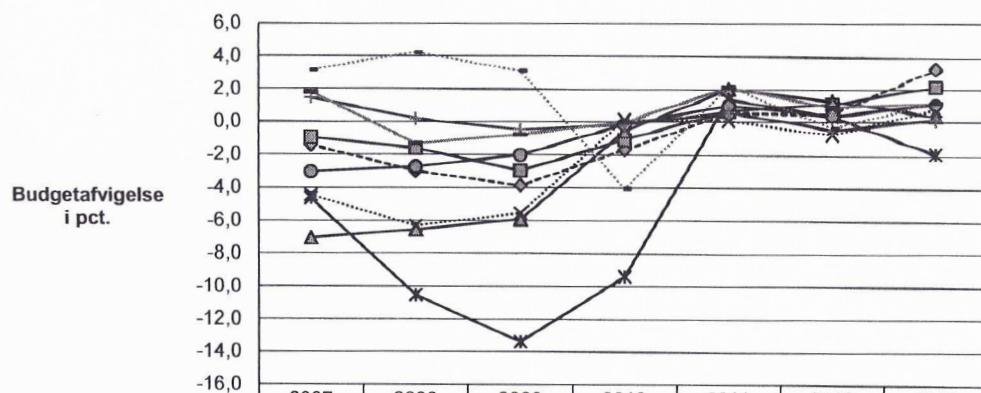
Appendiks

Tabel 3: Deskriptiv statistik og definitioner af variable, 2010-2013 (N=98)

Variabel	Observationer	Middel	Std.afv.	Min	Max	Definition	Kilde
Budgetafvigelse for service i pct.	392	1.4	2.2	-5.7	6.3	Budget fratrukket regnskab for nettoserviceudgifter jf. KL's definition af serviceområder i 2013 anvendt i hele perioden.	Nøgletal for kommunernes økonomiske styring (KREVI).
Budgetafvigelse for skole i pct.	392	0.7	3.6	-24.1	14.2	Budget fratrukket regnskab for nettoudgifter til skole jf. KL's definition af serviceområder i 2013 anvendt i hele perioden.	Danmarks Statistik
Budgetafvigelse for dagtilbud i pct.	392	0.7	4.0	-10.4	18.2	Budget fratrukket regnskab for nettoudgifter til dagtilbud jf. KL's definition af serviceområder i 2013 anvendt i hele perioden.	Danmarks Statistik
Budgetafvigelse for ældre i pct.	392	0.8	4.7	-18.5	23.2	Budget fratrukket regnskab for nettoudgifter til ældre jf. KL's definition af serviceområder i 2013 anvendt i hele perioden.	Danmarks Statistik
Budgetafvigelse for sundhed i pct.	392	0.1	7.6	-61.7	27.9	Budget fratrukket regnskab for nettoudgifter til sundhed jf. KL's definition af serviceområder i 2013 anvendt i hele perioden.	Danmarks Statistik
Budgetafvigelse for udsatte børn og unge i pct.	392	-2.4	12.3	-85.7	44.6	Budget fratrukket regnskab for nettoudgifter til udsatte børn og unge jf. KL's definition af serviceområder i 2013 anvendt i hele perioden.	Danmarks Statistik
Budgetafvigelse for udsatte voksne og handicappede i pct.	392	0.6	1.6	-4.5	8.5	Budget fratrukket regnskab for nettoudgifter til udsatte voksne og handicappede jf. KL's definition af serviceområder i 2013 anvendt i hele perioden.	Danmarks Statistik
Budgetafvigelse for kultur i pct.	392	0.0	4.4	-26.9	18.4	Budget fratrukket regnskab for nettoudgifter til kultur defineret ved funktion 3.32.50, 3.35.60-3.35.64, 3.38.70-3.38.76 og 3.38.78 i hele perioden.	Danmarks Statistik
Budgetafvigelse for teknisk område i pct.	392	-0.2	8.9	-46.4	32.2	Budget fratrukket regnskab for nettoudgifter til teknisk område jf. KL's definition af serviceområder i 2013 anvendt i hele perioden.	Danmarks Statistik
Budgetafvigelse for administration i pct.	392	1.0	6.7	-22.2	27.4	Budget fratrukket regnskab for nettoudgifter til administration jf. KL's definition af serviceområder i 2013 anvendt i hele perioden.	Danmarks Statistik
Driftsresultat i DKK (budget)	392	1649	1053	-1668	7018	Budgetteret skattefinansieret driftsresultat, dvs. budgetterede indtægter fra skatter, tilskud og nettoerter fratrukket nettodriftsudgifter.	Nøgletal for kommunernes økonomiske styring (KREVI).
Årlig budgetudvikling for serviceudgifter i pct.	392	-0.8	4.3	-9.9	9.9	Budget i året fratrukket sidste års regnskab på område.	Nøgletal for kommunernes økonomiske styring (KREVI).
Årlig budgetudvikling for skole i pct.	392	-2.3	3.6	-12.5	14.0	Budget i året fratrukket sidste års regnskab på område.	Danmarks Statistik
Årlig budgetudvikling for dagtilbud i pct.	392	-2.7	4.3	-15.3	9.7	Budget i året fratrukket sidste års regnskab på område.	Danmarks Statistik
Årlig budgetudvikling for ældre i pct.	392	0.5	5.1	-15.3	22.8	Budget i året fratrukket sidste års regnskab på område.	Danmarks Statistik
Årlig budgetudvikling for sundhed i pct.	392	1.5	7.1	-19.9	60.4	Budget i året fratrukket sidste års regnskab på område.	Danmarks Statistik
Årlig budgetudvikling for udsatte børn og unge i pct.	392	-2.6	9.0	-34.7	29.6	Budget i året fratrukket sidste års regnskab på område.	Danmarks Statistik
Årlig budgetudvikling for udsatte voksne og handicappede i pct.	392	1.3	6.1	-26.8	19.9	Budget i året fratrukket sidste års regnskab på område.	Danmarks Statistik

Variabel	Obser- vationer	Middel	Std.afv.	Min	Max	Definition	Kilde
Årlig budgetudvikling for kultur i pct.	392	-1.1	4.8	-23.1	25.8	Budget i året fratrukket sidste års regnskab på område.	Danmarks Statistik
Årlig budgetudvikling for teknisk område i pct.	392	1.0	11.3	-35.6	53.1	Budget i året fratrukket sidste års regnskab på område.	Danmarks Statistik
Årlig budgetudvikling for administration i pct.	392	1.7	6.9	-20.5	41.5	Budget i året fratrukket sidste års regnskab på område.	Danmarks Statistik
Indtægtsafvigelse i pct.	392	0.5	1.1	-3.2	4.3	Budget fratrukket regnskab for skatter og tilskud.	Nøgletal for kommunernes økonomiske styring (KREVI).
Årlig befolkningsudvikling i pct.	392	0.1	0.8	-3.1	5.1	Indbyggertal d. 1. januar i året fratrukket sidste års antal d. 1. januar.	De kommunale nøgletal
Årlig elevudvikling i pct. (antal 7-16 årige)	392	-1.1	1.6	-10.9	5.1	Antal 7-16 årige d. 1. januar i året fratrukket sidste års antal d. 1. januar.	De kommunale nøgletal
Årlig børneudvikling i pct. (antal 0-6 årige)	392	-1.5	2.5	-16.0	8.4	Antal 0-6 årige d. 1. januar i året fratrukket sidste års antal d. 1. januar.	De kommunale nøgletal
Årlig børne- og ungeudvikling i pct. (antal 0-17 årige)	392	-1.1	1.6	-9.3	7.3	Antal 0-17 årige d. 1. januar i året fratrukket sidste års antal d. 1. januar.	De kommunale nøgletal
Årlig ældreudvikling i pct. (antal 80+)	392	0.1	0.1	0.0	0.8	Antal 80+ årige i 1. kvartal i året fratrukket sidste års antal i 1. kvartal.	Danmarks Statistik
Budgetafvigelse for anlægsudgifter i pct.	392	-46.1	276.7	-3711.0	480.3	Budget fratrukket regnskab for skattefinansierede nettoanlægsudgifter.	Nøgletal for kommunernes økonomiske styring (KREVI).
Andel venstreorienterede mandater	392	45.9	12.5	10.5	78.9	Byrådsmedlemmer fra Socialdemokraterne (A), Socialistisk Folkeparti (F) og Enhedslisten (Ø) som procent af alle byrådsmedlemmer.	KMD's valgarkiv
Administrationsprofessionelle pr. 10.000 indb.	392	9.1	4.1	2.0	28.1	Antal medlemmer af Dansk Jurist- og Økonomforbund (DJØF) pr. 10.000 indbyggere d. 1. juli i året. For enkelte observationer oplyser DJØF mellem 0 og 6 DJØF'ere grundet persondatabeskyttelse. I disse tilfælde er observationen omskrevet til middelværdien 3.	Dansk Jurist- og Økonomforbund (DJØF)
Økonomiske rammevilkår	392	0.31	0.04	0.18	0.44	Udgiftsbehov divideret med summen af beskatningsgrundlag, udligning og tilskud samt nettorenter pr. indbygger.	De kommunale nøgletal
Indbyggertal	392	56832	64341	1839	559440	Indbyggertal pr. 1. januar i året.	De kommunale nøgletal
Sammenlagt (dummy)	392	0.67	0.47	0	1	Dummy for kommuner, der sammenlagdes i 2007. Ænø medtaget trods sammenlægning året før i 2006.	Egen kodning
Lille ø-kommune (dummy)	392	0.05	0.22	0	1	Dummy for kommuner beliggende på ø med mindre end 10.000 indbyggere og uden fast forbindelse. Langeland er medtaget.	Egen kodning

Figur 2: Gennemsnitlig budgetafvigelse for sektorer, 2007-2013
(uvægtede gennemsnit)



	2007	2008	2009	2010	2011	2012	2013
---◇--- Skole	-1,4	-3,0	-3,9	-1,7	0,5	0,5	3,3
—■— Dagtilbud	-1,0	-1,6	-3,0	-1,1	0,7	1,1	2,2
—▲— Ældre	-7,1	-6,6	-5,9	-0,6	2,0	1,3	0,4
.....x..... Sundhed	-4,5	-6,3	-5,5	0,1	0,1	-0,8	0,8
—✱— Udsatte børn og unge	-4,7	-10,5	-13,4	-9,4	1,4	0,3	-1,9
—○— Udsatte voksne og handicappede	-3,0	-2,7	-2,0	-0,2	1,0	0,4	1,1
—+— Kultur	1,4	0,2	-0,5	-0,2	0,6	-0,5	0,1
.....●..... Teknisk område	3,1	4,2	3,1	-4,0	2,2	-0,4	1,2
—■— Administration	1,8	-1,3	-0,8	0,0	2,1	0,9	1,2

Note: Nettodriftsudgifter, dvs. bruttoudgifter fratrukket brugerbetaling og statsrefusion.

Tabel 4: Test af om effekten af sanktioner varierer på tværs af sektorer (N=98)

	Skole	Dagtilbud	/Eldre	Sundhed	Udsatte børn og unge	Udsatte voksne	Kultur	Teknisk område	Administration
Sanktionsår (dummy 2011-13)	2.129*** (6.10)	1.652*** (4.69)	0.471 (0.96)	-0.389 (-0.57)	5.971*** (4.73)	0.982*** (5.59)	0.364 (0.80)	-0.262 (-0.21)	2.045*** (3.18)
Kontrolvariable	Ja	Ja	Ja	Ja	Ja	Ja	Ja	Ja	Ja
Dagtilbud	Ikke signifikant								
/Eldre	Signifikant***	Signifikant***							
Sundhed	Signifikant****	Signifikant***	Ikke signifikant						
Udsatte børn og unge	Signifikant***	Signifikant****	Signifikant****	Signifikant****					
Udsatte voksne	Signifikant***	Signifikant*	Ikke signifikant	Signifikant*	Signifikant****				
Kultur	Signifikant****	Signifikant**	Ikke signifikant	Ikke signifikant	Signifikant****	Ikke signifikant			
Teknisk område	Signifikant*	Ikke signifikant	Ikke signifikant	Ikke signifikant	Signifikant****	Ikke signifikant	Ikke signifikant		
Administration	Ikke signifikant	Ikke signifikant	Signifikant*	Signifikant***	Signifikant***	Ikke signifikant	Signifikant**	Signifikant*	

Note: * signifikant ved 0,10-niveau, ** signifikant ved 0,05-niveau, *** signifikant ved 0,01-niveau, **** signifikant ved 0,001-niveau. Test af om effekten af sanktioner varierer på tværs af sektorer. Estimeret via *seemingly unrelated estimation* på baggrund af tabel 2 model 1-7 og 9-10. Sanktionsårene 2011-2013 er slået sammen til en samlet dummy. Klyngekorregerede standardfejl med kommune som klynge. t-test i parentes.

Noter

1. Forfatteren takker alle interviewede informanter samt kollegaer, der har kommenteret artiklen, herunder post.doc. Eva Moll Sørensen, med hvem baggrundsinterviews med 6 kommuner er gennemført. En særlig tak skal lyde til deltagerne ved »Nordiske Kommuneforskningskonference« 27.-29. november 2014, forsknings- og praktiker-netværket »Forum Forvaltning« samt repræsentanter fra KL. Forfatteren er alene ansvarlig for indholdet.
2. Sanktioner tilfredsstiller således Regeringens interesse i at undgå budgetoverskridelser, mens

KL generelt har fået en større opgave i at koordinere kommunernes økonomi for at gardere sig mod sanktioner.

3. Hvis ændringer i økonomistyringen imidlertid er et resultat af regnskabssanktioner, kan disse ændringer opfattes som mellemliggende variable, dvs. mekanismer, hvorigennem sanktioner virker, og man vil ikke skulle kontrollere for effekten af økonomistyring.
4. Skole, dagtilbud, ældre, sundhed, udsatte børn og unge, udsatte voksne og handicappede, teknisk område og administration.

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Article 3

Foged, S. K., Andersen, S. C., & Andersen, M. N. (2017). Hvad betød den økonomiske krise for danske kommuners økonomistyring? [What did the economic crisis mean for Danish municipalities' financial management?]. *Politica*, 49(1), 5-25.

Søren Kjær Foged, Snorre Christian Andersen og
Martin Nordrup Andersen

Hvad betød den økonomiske krise for danske kommuners økonomistyring?

Denne artikel undersøger forandringer i danske kommuners økonomistyring under en periode med stigende økonomisk pres via casestudier af fem danske kommuner. Fokus er på samspillet mellem økonomifunktionens rådgivende funktion og fagområdernes besluttende funktion. Artiklen viser ikke overraskende, at den økonomiske krise har øget kommunernes fokus på at styre deres udgifter både i budgetlægning og -opfølgning. Mekanismen synes at være en styrkelse af udgiftsvogterne relativt til udgiftsadvokaterne i organisationen, særligt ved en styrkelse af økonomifunktionen. Mere overraskende finder artiklen, at tiltag for at styrke koblingen af den faglige og økonomiske styring via økonomifunktionens rådgivning af fagområderne ikke slår igennem som ændrede handlinger hos de faglige beslutningstagere. Som årsag til denne dekobling peger artiklen på udfordringer i samarbejdet mellem den styrkede økonomifunktion og de beslutningstagere, der skal omsætte økonomifunktionens rådgivning til handling ude i virkeligheden.

Formålet med denne artikel er at belyse sammenhængen mellem økonomisk pres og kommunal økonomistyring, specifikt den del af økonomistyringen, der vedrører den daglige udgiftsstyring i de kommunale fagområder. Fokus har derfor været på samspillet mellem økonomifunktionen og de faglige beslutningstagere.

Hvor økonomisk pres længe har været et centralt koncept i international litteratur om offentlig styring, har forskning i offentlig økonomistyring i betydeligt omfang været et selvstændigt felt uden for forvaltningsforskningen (Kioko et al., 2011). Givet betydningen af økonomiske ressourcer for offentlige organisationer har blandt andre Kioko et al. (2011) peget på potentialet for at integrere indsigter fra offentlig økonomistyring stærkere i forvaltningsforskningen. Nærværende artikel forfølger denne ambition.

I dansk forvaltning steg interessen for offentlig økonomistyring med det øgede ressourcepres og de forvaltningspolitiske forandringer i 1980'erne: Moderniseringsprogrammet fra 1983 havde forbedret økonomistyring som grundpille, der skulle supplere den økonomiske og ledelsesmæssige decentralisering (Melander, 1987). De første (statslige) erfaringer var dog, at økonomistyrin-

gen i de decentrale enheder var præget af ringe integration af økonomiske og faglige overvejelser, da lokale økonomiafdelinger primært indtog ”en passiv underordnet rolle som ekstern bevillingsadministrator og regnskabsmæssig registrerings- og kontrolfunktion” over for den fagligt orienterede organisation (Melander, 1987: 445).

Interessen for offentlig økonomistyring steg igen i dansk forvaltning i kølvandet på den internationale finanskrisen i 2008 (Hansen og Kristiansen 2014). Dette gjaldt også danske kommuner, der med krisen nedtonede deres administrative mål- og resultatstyring og i stedet orienterede sig mod en stram økonomisk styring (Sørensen og Foged, 2015). Generelt har hidtidige danske undersøgelser vurderet, at efterdønningerne af finanskrisen, herunder den statslige sanktionspolitik, har bidraget til en forbedret budgetoverholdelse i kommunerne, hvorimod betydningen for kommunernes ressourceudnyttelse og langsigtede økonomiske planlægning er forblevet usikker (Bæk, Andersen og Krahn, 2016; Foged, 2015).

Definitioner og teori

Definitioner af økonomisk pres og økonomistyring

Med økonomisk pres forstår vi forandringer i en offentlig organisations økonomiske forhold, der medfører politiske anstrengelser for at reducere udgifter og/eller øge indtægter (Heald og Hood, 2014: 5). Med denne definition forstås økonomisk pres i samspillet med den konkrete politiske situation, herunder de lokale politiske incitamenter og handlemuligheder: Da vi er interesseret i at undersøge, hvordan det *stigende* økonomiske pres påvirkede kommunernes økonomistyring, er økonomisk pres (såvel som økonomistyring) her et *ændringsmål*. For danske kommuner betød krisen således et stigende økonomisk pres, som blev understøttet af en statslig sanktionspolitik, der i sig selv delvist var en konsekvens af krisen (Suenson, Nedergaard og Christiansen, 2015).

Økonomistyring forstås i artiklen både bredt og smalt: Helt bredt er økonomistyring blevet defineret som ”aktiviteter, der har til formål at budgettere, analysere, organisere og styre den offentlige sektors ressourcer” (Houlberg og Pedersen, 2015: 199). Denne definition giver i artiklen mulighed for at analysere de aspekter af økonomistyringen, der ligger udover koblingen af faglig og økonomisk styring. Økonomistyring, der ikke vedrører koblingen af faglig og økonomisk styring, er fx den snævre styring af udgifter i budgettet og i regnskabet med betydning for budgetternes udvikling og budgetoverholdelsen.

Derudover anvender artiklen også en mere snæver økonomistyringsdefinition omhandlende koblingen af faglig og økonomisk styring. Denne definition af økonomistyring kan forstås som en delmængde af ovennævnte brede

definition. Vi definerer koblingen af faglig og økonomisk styring som den del af de faglige beslutningstagers styring, som retter sig mod de udførende medarbejders aktiviteter (se fx Klausen og Michelsen, 2004: 22), og som sætter denne styring i forhold til ressourceanvendelsen. Denne definition bygget på antagelsen om, at kommuners faglige styring i overvejende grad foretages af organisationens faglige beslutningstagere (fagchefer, centerchefer, institutionsledere mv.). Definitionen har paralleller til Melanders (1994: 157) forståelse af økonomistyring i et studie på det offentlige sundhedsområde, da der om økonomistyringens virkning skrives: "Om økonomistyringen er blevet styrket må afhænge af, om læger og sygeplejersker i deres daglige arbejdspraksis inddrager økonomiske hensyn i deres disponering". I praksis vil koblingen af faglig og økonomisk styring typisk ske via den faglige beslutningstagers anvendelse af økonomifunktionens økonomiske rådgivning (Finansministeriet, Økonomi- og Indenrigsministeriet og KL, 2013).

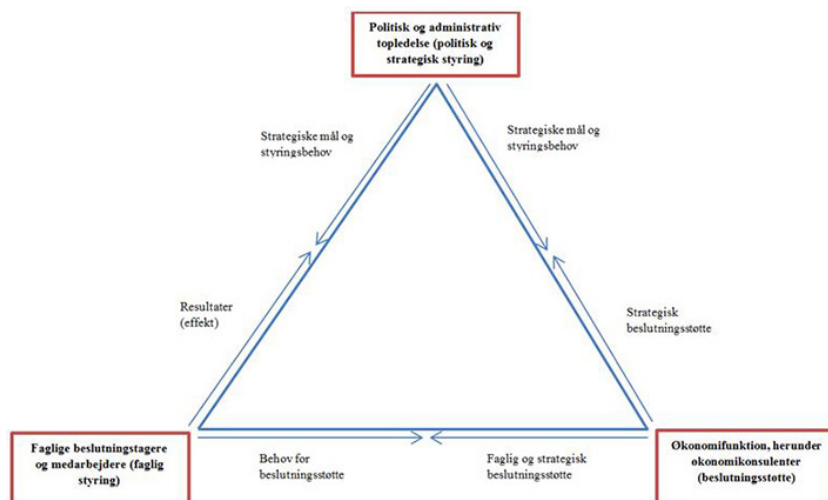
En aktørbaseret teori om offentlig økonomistyring

Offentlig økonomistyring kan vurderes ud fra forskellige dimensioner af performance, hvor nærværende artikel primært ser på økonomistyringen i dens egenskab af at påvirke de forskellige fagområders omkostningseffektivitet, dvs. at opnå den højeste grad af politisk defineret målopfyldelse for færrest mulige ressourcer (Elm-Larsen, 2007).

En kritik af eksisterende modeller over økonomistyring – ikke mindst den meget anvendte input-output-outcome-model – er, at de ikke er tilstrækkelig aktørfokuserede og operationelle i forhold til at rette opmærksomheden på, hvordan en organisation reelt *kan* forbedre omkostningseffektiviteten (Nørreklit, 1992). En måde teoretisk at rette fokus på de vigtigste aktører i økonomistyringen er ved at skelne mellem en offentlig organisations *politiske og administrative topledelse*, *økonomifunktion* og *faglige beslutningstagere* (se figur 1). Relationen mellem disse tre aktører er således i høj grad afgørende for, hvordan den konkrete økonomistyring finder sted, både via den funktionelle arbejdsdeling mellem aktørerne og via deres indbyrdes magtforhold. Hvor den funktionelle arbejdsdeling således vedrører fordelingen af og samarbejdet om opgaver, vedrører de indbyrdes magtrelationer i højere grad en skelnen mellem aktørerne som udgiftsvogtere og udgiftsadvokater (Rubin, 2010).

Figur 1 skal forstås således, at den politiske og administrative topledelse fastsætter den politiske og strategiske styring med betydning for økonomistyringen. Dette kan være visioner og beslutninger, der har til hensigt at forbedre koblingen af den faglige og økonomiske styring. Økonomifunktionen udøver beslutningsstøtte til topledelsen i arbejdet med disse beslutninger.

Figur 1: Model over væsentligste aktører i offentlig økonomistyring



Note: Egen fremstilling med inspiration fra Deloitte (2011: 8).

Derudover indtager økonomifunktionen en helt central rolle i forhold til at levere økonomisk rådgivning til den faglige beslutningstager. Denne rådgivning kan både vedrøre prognoser, der er snævert relateret til udgiftsstyringen, samt rådgivning, der i højere grad går på en kobling mellem den faglige og økonomiske styring. Den faglige beslutningstager er endelig den aktør i økonomistyringen, som træffer hovedparten af de beslutninger, der reelt påvirker de udførende medarbejdernes aktiviteter og dermed den leverede service til borgerne. Dermed accentuerer figur 1 også, hvordan udmøntningen af offentlig økonomistyring afhænger af handlingerne hos de faglige beslutningstagere.

Relationen mellem topledelse, økonomifunktion og faglig beslutningstager kan derudover belyses i forhold til teori om gennemførslen af reformer. Inspireret af Brunsson (1989) har Pollitt (2002) således skelnet mellem *reformtale*, *reformbeslutninger* og *reformhandling*, som kan forstås som stadier i en reformproces. Sondringen skal forstås sådan, at tale, beslutninger og handlinger ikke nødvendigvis vil være internt konsistente, men kan være dekomblede fra hinanden, fx ved implementeringsudfordringer eller ved symbolsk motiverede reformer. I relation til figur 1 vil *tale* om forandringer i økonomistyringen primært udgå fra topledelsen, fx i form politiske og strategiske visioner og overordnede styringsdokumenter. De specifikke beslutninger, med intentioner om at forandre økonomistyringen, vil ligeledes være initieret af topledelsen men i dette tilfælde kræve teknisk *beslutningsstøtte* fra økonomifunktionen. Endelig

er den faglige beslutningstager som omtalt den primære aktør, når det drejer sig om økonomistyringens konkrete *handlinger*.

Hvad er sammenhængen mellem økonomisk pres og økonomistyring?

Med baggrund i vores definition af økonomisk pres og økonomistyring samt vores aktørfokuserede model for økonomistyring kan der peges på to forventninger til sammenhængen mellem økonomisk pres og økonomistyring:

Hypotese 1: Et økonomisk pres medfører en stram udgiftsstyring: Den første hypotese er, at et økonomisk pres gør en organisation mere optaget af stram udgiftsstyring, forstået som at vedtage udgiftsreduktioner i budgetlægningen, der matcher organisations indtægtsfald, samt at overholde disse udgiftsbeslutninger i regnskabet. Årsagen til denne forventning kan forstås ved den teoretiske skellen mellem topledelse, økonomifunktion og faglig beslutningstager, herunder opdelingen mellem udgiftsvogtere (der vægter rammeoverholdelse) og udgiftsadvokater (der ønsker flere penge til fx faglige målsætninger og gode arbejdsvilkår). I relation til figur 1 indtager økonomifunktionen en vogterrolle. De faglige beslutningstagere indtager derimod primært en advokatrolle, da de faglige beslutningstagere især er optaget af opfyldelsen af områdets faglige målsætninger, hvilket alt andet lige bedre kan realiseres ved flere ressourcer. Endelig indtager den politiske og administrative topledelse en dobbeltrolle, da de både skal stå til ansvar for de faglige resultater og organisationens samlede økonomi.

I relation til sondringen mellem udgiftsvogtere og advokater forventer vi, at vogterne i økonomifunktionen styrkes under et økonomisk pres. Dette skyldes, at vogternes opmærksomhed på de økonomiske rammer bliver mere legitim, troværdig og måske også vigtigere hos vælgerne (se fx Schick, 2009; Suenson, Nedergaard og Christiansen, 2015). Udover den generelle styrkelse af økonomifunktionen relativt til de faglige beslutningstagere, kan det også få betydning for magtforholdet mellem vogtere og advokater, at mange aktører i offentlige organisationer ikke indtager rendyrkede og statiske vogter/advokatroller (Good, 2007). Eksempelvis er faglige beslutningstagere ofte vogtere i relationen til underliggende ledere, ligesom faglige beslutningstagere kan udvise forskellige niveauer af koncernansvar afhængig af den økonomiske situation. I den forbindelse forventer vi, at de faglige beslutningstagere og topledelsen kommer til at identificere sig stærkere med vogterhensyn under et økonomisk pres, hvilket generelt er med til at cementere styrkelsen af udgiftsvogternes målsætninger i organisationen.

Sammenfattende vil organisationen i tale, beslutninger og handlinger orientere sig stærkere mod en stram udgiftsstyring i budgetlægning og -opfølgning.

Overensstemmelsen mellem tale-, beslutnings- og handlingsplanet skyldes, at promoveringen af vogterhensyn i organisationen relativt ”let” kan omsættes til beslutninger og handlinger. En stram udgiftsstyring kan således opnås ved relativt simple værktøjer (fx tillægsbevillingsregler og etablering af budgetbuffer), ligesom implementeringsbarrierer er relativt beskedne via en tydelig mål/middel-sammenhæng (fx skærpede tillægsbevillingsregler giver strammere udgiftsstyring). Med andre ord bliver den første forventning: *Et økonomisk pres får organisationer til at tale mere om samt foretage beslutninger og handlinger, der medfører en strammere udgiftsstyring.*

Hypotese 2: Et økonomisk pres øger koblingen af faglig og økonomisk styring. Den anden forventning er, at det økonomiske pres bidrager til at øge organisationens efterspørgsel efter omkostningseffektiviseringer, men at denne efterspørgsel i mange tilfælde ikke kan imødekommes.

Baggrunden for denne hypotese er, at et økonomisk pres forventes at øge en organisations efterspørgsel efter omkostningseffektiviseringer. Dette skyldes, at organisationen ”med stigende ressourceknaphed opdager, at man ved for lidt om opgavernes karakter, produktion og effekt for at kunne prioritere imellem dem” (Jørgensen, 1981: 162).

Den øgede efterspørgsel efter at koble den faglige og økonomiske styring som en betingelse for omkostningseffektiviseringer vil ikke mindst komme fra den politiske og administrative topledelse: Topledelsen har således det samlede koncernperspektiv, hvor både faglige og økonomiske hensyn vægter højt, og den politiske del af topledelsen vil ydermere skulle stå til regnskab over for vælgerne ved eventuelle serviceforringelser. Topledelsens pres for omkostningseffektiviseringer vil herefter forplante sig til de faglige beslutningstagere, der også længe har ønsket mere viden om indsatsers relative virkning.

Udfordringerne opstår imidlertid, når organisationen reelt skal honorere den stigende efterspørgsel efter at koble den faglige og økonomiske styring. Således kræver en sådan kobling for det første relativt store investeringer i kompetencer, ledelsesinformation og samarbejde, hvilket der er dårligere råd og kapacitet til givet ressourcepresset (Pandey, 2010). Gennemføres de fornødne investeringer *på trods af* ressourcepresset, vil der for det andet være betydelig risiko for implementeringsudfordringer – ikke mindst knyttet til samarbejdet mellem økonomifunktionen og den faglige beslutningstager. De potentielle implementeringsudfordringer skyldes, at de anvendte midler er relativt komplekse (fx investeringer i økonomifunktionens ledelsesinformation) og bygger på usikre mål/middel-antagelser (fx om periodisering og aktivitetsstyring vil give højere omkostningseffektivitet). Opsummerende bliver artiklens anden

forventning: *Et økonomisk pres får organisationer til at tale mere om at koble faglig og økonomisk styring, mens det er usikkert, om beslutninger og handlinger også vil indebære en øget kobling.*

Metode

Hvordan belyses sammenhængen mellem økonomisk pres og økonomistyring?

Den anvendte metode afspejler artiklens formål om at opstille forventninger til sammenhængen mellem økonomisk pres og økonomistyring og sandsynliggøre opfyldelsen af disse forventninger i fem danske kommuner. Derudover er formålet i alle tilfælde at beskrive forandringer i danske kommuners økonomistyring i en periode med øget økonomisk pres, uanset om det økonomiske pres i alle tilfælde kan isoleres som hoveddrivkraften bag disse forandringer.

For at sandsynliggøre en sammenhæng mellem økonomisk pres og økonomistyring er fem danske kommuner udvalgt som et resultat af en *diverse case-selection technique* (Gerring, 2007: 89). Logikken er her at opnå et sample af kommuner, som er repræsentativt i forhold til alle 98 danske kommuner, ved at sikre variation på den uafhængige variabel, økonomisk pres. I tabel 1 herunder er de fem udvalgte kommuner beskrevet i forhold til ændringen af det økonomiske pres fra 2009 til 2013. 2009 er analysens første år, da det økonomiske pres for alvor viste sig i de kommunale budgetter herefter (Houlberg og Jensen, 2010), mens afslutningsåret er 2013, der indeholdt de senest tilgængelige regnskabstal ved casestudiernes begyndelse.

Forværringen af det økonomiske pres er målt ved ændringen i kommunens absolutte indtægter fra 2009 til 2013 (dvs. ikke korrigeret for befolkningstallet). Denne indikator er valgt, da den sammenfatter information om de tre hovedfaktorer, som påvirker ændringen af et økonomisk pres i danske kommuner; udviklingen i indtægter pr. indbygger, udviklingen i udgiftsbehov pr. indbygger og omkostninger forbundet med tilpasning af kapaciteten til færre borgere (Foged og Sørensen, 2016). Derudover viser tabel 1 også det initiale niveaumål for økonomisk pres ved begyndelsen af krisen i 2009, da dette pres kan have betydning for, fx om nogle kommuner er mere forvænt med at håndtere resourceknaphed og/eller har mere "slack" at tære på.

Udover at variation på graden af økonomisk pres tilgodeser mulighederne for repræsentativitet, er en anden potentiel fordel ved udvælgelsesstrategien, at *forskelle* i økonomisk pres kan relateres til *forskelle* i den praktiserede økonomistyring (Gerring, 2007: 100-101). Et sådant fokus på forskelle er imidlertid praktisk vanskeligt i nærværende studie af to årsager. For det første er *omfanget* af forandringer i økonomistyringen vanskeligt at sammenligne på tværs af kommuner. For det andet findes der ikke en ren "kontrolgruppe" forstået som

Tabel 1: De fem casekommuner og styrken af det økonomiske pres

Kommune	Økonomisk pres i 2009 (indeks 100)	Ændring i økonomisk pres, 2009-2013 (pct.)			
		Ændring i indtægter pr. indb (2013-priser)	Ændring i befolkningstal	Ændring i indtægter, absolut (2013-priser)	Styrke af økonomisk pres (ændring)
1	122,5	0,2	-7,0	-6,8	Højt
2	103,1	-5,5	-0,4	-5,9	Højt
3	100,6	-0,6	-2,2	-2,8	Moderat
4	77,6	-4,6	2,4	-2,3	Lavt
5	93,0	-5,8	4,4	-1,7	Lavt
Landsghns.	100,0	-4,2	1,7	-2,6	Moderat

Note: Se definitioner i det supplerende materiale tabel S.1. Landsghennemsnit er vægtede ghennemsnit med undtagelse af ”Ændring i indtægter pr. indb.”, som er et uvægtet landsghennemsnit.

kommuner, der var helt upåvirket af det økonomiske pres, da alle kommuner oplevede et stigende økonomisk pres i perioden. Af disse årsager fokuserer analysen på fællestræk mellem kommunerne.

Hvad er data og indikatorer?

Datamæssigt baserer artiklen sig på casestudier i de omtalte fem danske kommuner, hvor borgmesteren, den samlede direktion, økonomichefen og fagchefer for henholdsvis ældreområdet og det specialiserede børneområde er blevet interviewet om krisens betydning for organisationens økonomistyring. I alt baserer artiklen sig på mellem seks og ni interviews i hver kommune og i alt 37 interviews. Disse interviews støttes af indledende dokumentstudier og analyse af registerdata (analyse af budgetter, regnskaber, byrådsreferater, styringsdokumenter, budgetaftaler mv.). Artiklen er fokuseret på forandringer i perioden fra krisens begyndelse i 2009 til 2013 (men data helt op til interviewtidspunktet i 2014/2015 er også inddraget).

I forhold til at måle en strammere udgiftsstyring (jf. hypotese 1) fokuserer vi på taleplanet på topledelsens (hvilket vil sige de ledende politikeres og direktionens) *tale* om vigtigheden af en strammere udgiftsstyring. Tale vedrører her visioner, overordnede styringsdokumenter samt diskussioner i ledelsesfora og i mere uformelle møder/samtaler. I det omfang tale om en strammere udgiftsstyring bliver til egentlige *beslutninger*, måles dette som topledelsens beslutninger, understøttet af økonomifunktionen, fx i form af en ændret økonomisk politik, regler for tillægsbevillinger og anvendelse af buffere i budgettet. Endelig måles en strammere udgiftsstyring på *handlingsniveauet* som det omfang i hvilket de faglige beslutningstagere responderer på dette pres og i øget omfang overholder de udmeldte rammer.

I forhold til forventningen om en øget kobling af den faglige og økonomiske styring (jf. hypotese 2) måles dette på *taleplanet* ved, at topledelsen i stigende omfang taler om at øge organisationens omkostningseffektivitet ved at koble den faglige og den økonomiske styring. *Beslutninger* om øget kobling kræver, at sådanne topledelsesbeslutninger understøttes af økonomifunktionen, fx ved en omorganisering af økonomifunktionen samt investeringer i bedre data/ledelsesinformation, ændrede processer, bestemte økonomistyringskoncepter og IT-systemer. Økonomifunktionen vil i danske kommuner sige den økonomienhed og de økonomimedarbejdere, der rådgiver de faglige ledere. Endelig måles en kobling på *handlingsplanet* ved, at den faglige beslutningstager i øget omfang træffer beslutninger, som er baseret på viden om faglige aktiviteter og resultater sat i forhold til ressourceanvendelsen. Denne viden vil i overvejende omfang bygge på økonomifunktionens rådgivning. Faglige beslutninger kan i danske kommuner både være en fagchef og en institutionsleder, men består i denne artikel kun af fagchefer, da institutionslederniveauet ikke er interviewet. En oversigt over de anvendte indikatorer findes i tabel S2 i det supplerende materiale.

Analyse

Hvordan påvirkede det økonomiske pres kommunernes økonomistyring?

I vurderingen af hvad det økonomiske pres betød for danske kommuners økonomistyring, vil betydningen af den økonomiske krise blande sig med en række andre faktorer, herunder den gradvise implementering af reformer siden 1980'erne baseret på styringsidéer fra New Public Management (Greve og Ejersbo, 2013) og den selvstændige betydning af strukturreformen i 2007 (Klausen, 2010): Hvor New Public Management således var med til gradvist at øge opmærksomheden om økonomistyring, så blev strukturreformen en løftestang for øget anvendelse af koncernledelse i kommunens øverste ledelse, hvilket også bidrog til i stigende grad at placere økonomi og et strategisk koncernperspektiv centralt i direktionerne (Klausen, 2010; Greve og Ejersbo, 2013).

Jævnfør den følgende analyse af de fem casekommuner spillede det økonomiske pres dog også en vigtig selvstændig rolle for udviklingen i kommunens økonomistyring. Årsagen hertil er nærmere beskrevet i de to følgende analyseafsnit, men skal til overblik kort opsummeres her ved to kriserelaterede mekanismer. For det første kom der med det økonomiske pres en *stigende efterspørgsel på økonomistyring*, forstået som en økonomistyring, der dels kunne sikre overholdelsen af de besluttede rammer, dels kunne koble faglig styring med økonomi som en måde at identificere effektiviseringer og skabe grundlag for prioriteringer på. For det andet påvirkede det økonomiske pres også

kommunernes økonomistyring, da krisen accelererede gennemførslen af *administrative organisationsændringer*, hvor stabs- og støttefunktioner blev centraliseret, og hvor centre og institutioner blev sammenlagt (Foged og Sørensen, 2016; Christoffersen og Klausen, 2012). Dette gjaldt således også – og af særlig interesse for økonomistyringen – centraliseringen af casekommunernes økonomifunktioner. Denne centralisering af økonomifunktionen kunne ske, ved at økonomikompetencer blev samlet i en tværgående stabsfunktion, der service-rede de enkelte fagområder, og/eller ved at der indenfor det enkelte fagområde skete en centralisering af økonomifunktionen.

Blev økonomistyringen orienteret mod stram udgiftsstyring?

Taleniveauet: I forhold til kommunernes *tale* var det klart, at besparelser og budgetoverholdelse, i større eller mindre grad, kom højere på dagsordenen i alle fem kommuner i forbindelse med det økonomiske pres. Behovet for besparelser og budgetoverholdelse blev af casekommunerne typisk italesat enten som en konsekvens af kommunernes forværrede økonomiske situation og/eller som et resultat af den vedtagne sanktionslovgivning, herunder de skærpede incitamenter til at overholde den årlige økonomiaftale i budgetterne og i regnskaberne.

Selvom der var stor variation blandt de undersøgte kommuner, var det et fællestræk, at alle kommunernes topledelse tilkendegav, at de i forbindelse med krisen havde ofret mere opmærksomhed på udgiftsreduktioner og budgetoverholdelse. En typisk arena, hvor denne styringsvirkelighed kunne formidles, var ledelsesfora på forskellige organisatoriske niveauer, fx i ledelsesnetværk med direktører og fagchefer samt i ledergrupper med fagchefer og institutionsledere. Som en økonomichef udtrykte det: ”Jeg tror, at enhver fagchef og institutionschef ved, at den sikreste måde at blive fyret på, det er ved ikke at holde sit budget flere år i træk.”

Beslutningsniveauet: I forhold til kommunernes *beslutninger* var der også tydelige indikationer på, at det økonomiske pres affødte styringsbeslutninger, hvis hovedformål var at styre kommunens udgifter. For det første angav et flertal af casekommunerne (tre ud af fem kommuner), at de i forbindelse med det økonomiske pres havde vedtaget eller ændret deres økonomiske politik, således der blev opstillet finansielle målsætninger for kommunen, ofte med kvantificerede mål for årsresultat, likviditet og gæld. For det andet havde alle fem casekommuner, i større eller mindre omfang, besluttet at skærpe tolerancen overfor tillægsbevillinger, så det nu i endnu højere grad blev forventet, at den enkelte budgetholder selv anviste besparelser ved optræk til budgetoverskridelser. For det tredje kunne flere af kommunerne berette om en øget anvendelse af ”bud-

getbuffere”, der skulle fungere som en sikkerhed mod budgetoverskridelser (tre ud af fem kommuner nævnte eksplicit dette).

Endelig var det en følgevirkning af ovenstående fokus på udgiftsstyring, at økonomifunktionens legitimitet og organisatoriske vigtighed syntes at stige. I alle casekommunerne udmøntede dette sig i, at økonomifunktionen blev tilført ressourcer relativt til fagområderne og/eller organisatorisk kom tættere på direktionen (dette var ikke mindst åbenlyst i de fire kommuner, som centraliserede økonomifunktionen i forbindelse med krisen).

Handlingsniveauet: Den øgede tale om nødvendigheden af besparelser og budgetoverholdelse, samt de relaterede beslutninger, medførte også ændrede *handlinger* i organisationen. Ikke nok med at kommunerne angav, at krisebevidstheden havde gjort det lettere at få politikerne til at vedtage ofte upopulære besparelser i budgetterne: De faglige beslutningstagere, som normalt agerede udgiftsadvokater, havde også i højere grad overholdt de pressede budgetter (se også Foged, 2015). Alle fem kommuner øgede således deres budgetoverholdelse fra før (2007-2009) til efter (2010-2013) krisen (se tabel 3). Ifølge casekommunerne skyldtes den øgede budgetoverholdelse hos fagcheferne de ændrede magtrelationer mellem aktører, der på den ene side vogtede over budgettet, og aktører, der på den anden side advokerede for flere ressourcer. Således var vogterne, ikke mindst økonomifunktionerne, blevet styrket via en øget legitimitet, troværdighed og en vigtigere organisatorisk placering, der igen, ifølge informanterne, var forklaret i den generelle krisestemning, kommunens økonomiske situation og/eller sanktionsloven.

Udover denne styrkelse af udgiftsvogterne relativt til udgiftsadvokaterne tilkendegav hovedparten af fagcheferne, at de også selv var begyndt at identificere sig stærkere med koncernens økonomi som en konsekvens af det økonomiske pres.

I tabel S3 i det supplerende materiale er betydningen af det økonomiske pres for udgiftsstyringen opsummeret. Heraf fremgår det, at det stigende økonomiske pres, og den hertil relaterede sanktionslov, medvirkede til, at kommunernes tale, beslutninger og handlinger gik mod en strammere udgiftsstyring. Som årsag hertil pegede gennemgangen på, at det økonomiske pres, og den relaterede statslige sanktionslovgivning, styrkede kommunernes udgiftsvogtere i økonomifunktionen og også fik fagcheferne til at udvise større koncernansvar.

Ovenstående resultater bygger på *fællestræk* i de fem undersøgte kommuner, som alle oplevede en periode af stigende økonomisk pres. Ses der på *forskelle* mellem disse kommuner, ville man forvente, at kommuner, som har oplevet den største stigning i det økonomiske pres, også har strammet udgiftsstyringen mest. Af data fremgår det, at de observerede forskelle mellem kommunerne

ikke taler imod ovenstående fund, da der kan identificeres en positiv sammenhæng mellem stigningen i det økonomiske pres og et groft mål for organisationens handlinger i form af budgetoverholdelsen (se tabel S3 i det supplerende materiale).

Blev økonomistyringen orienteret mod at koble faglig og økonomisk styring?

Taleniveauet: I forhold til de undersøgte kommuners *tale* var det ganske markant, hvordan hvert fald fire ud af de fem kommuner angav, at det økonomiske pres havde fået dem til at tale mere om omkostningseffektiviseringer (den sidste kommune angav, at det økonomiske pres, og dets betydning for økonomistyringen, var startet før krisen). Den øgede tale om omkostningseffektiviseringer gjaldt i høj grad kommunernes topledelse men kunne også både findes hos fagchefer og økonomifunktion.

Den stigende efterspørgsel efter omkostningseffektiviseringer, særligt fra kommunernes topledelse, blev i stor udstrækning oplevet hos fagcheferne. Hvor fagcheferne således førhen typisk kunne regne med mindst sidste års økonomiske ramme til at forfølge områdets faglige målsætninger, var gentagne besparelser nu et grundvilkår. Af denne grund angav otte ud af de ni interviewede fagchefer eksplicit, at de som en konsekvens af krisen i større eller mindre grad oplevede et stigende behov for rådgivning og effektiviseringsforslag fra økonomifunktionen.

Ifølge fagcheferne skyldtes det øgede behov for økonomisk rådgivning fra økonomifunktionen særligt, at lederne ikke havde tid til at gennemføre analyser, at de i nogle tilfælde selv manglede økonomifaglighed, og at lederne ikke kunne forvente, at områdets medarbejdere var i stand til at finde omkostningseffektiviseringer. Som en ældrechef, der efterspurgte bedre rådgivning fra den centrale økonomifunktion, udtrykte det: "Man skal ikke tro, at medarbejderen reelt kan finde effektiviseringspotentiale, [og] jeg kan ikke sidde og være fuldstændig i detalje på timepriser osv."

Beslutningsniveauet: I forhold til kommunernes *beslutninger* kunne der, ligesom på taleplanet, også identificeres en betydelig mængde af aktiviteter, der havde til formål at sikre en bedre kobling af den faglige og økonomiske styring. Det var således interessant, at alle fem kommuner, trods den presede ressourcesituation, rent faktisk reagerede på den øgede efterspørgsel efter omkostningseffektiviseringer ved en række investeringer i økonomistyringen.

Centraliseringen af økonomifunktionen var for det første et gennemgående træk i de undersøgte kommuner, idet fire ud af de fem kommuner centraliserede deres økonomifunktioner i forbindelse med krisen, mens den femte kommune allerede havde centraliseret økonomifunktionen før krisen. Centra-

liseringen af økonomifunktionerne kunne enten indebære, at økonomikompetencer blev samlet i en tværgående stabsfunktion, der servicede de enkelte fagområder, eller ved at der indenfor det enkelte fagområde skete en centralisering af økonomirådgivningen. Formålet med centraliseringen var primært at højne og ensarte økonomikonsulenternes kompetenceniveau via faglige synergier. Derudover nævnte informanterne også, at centraliseringen af økonomifunktionen skulle sikre et samlet koncernperspektiv på økonomirådgivningen, samt at organisationen undgik dobbeltarbejde, ved at økonomifunktionen og fagområderne arbejdede med hver deres forbrugstal.

Vedrørende *data/ledelsesinformation* arbejdede alle fem kommuner for det andet med at forbedre økonomifunktionens talgrundlag, således der kunne gives *ét* retvisende og styringsrelevant overblik over kommunens økonomi. Dette dataarbejde blev ofte tænkt som bedre ledelsesinformation til de faglige beslutningstagere. Investeringerne i bedre datagrundlag/ledelsesinformation blev i alle kommuner relateret til enten arbejdet med periodiserede budgetter og en periodiseret budgetopfølgning (hvor et budget underopdeltes på et år, fx ved et månedligt budget) og/eller en aktivitetsbaseret budgetlægning (hvor budgettet baserede sig på tal for aktiviteter og priser, og hvor der herefter kunne følges op på disse størrelser i budgetopfølgningen). Flere af informanterne angav i den forbindelse, at arbejdet med denne type ledelsesinformation ofte var gammel vin på nye flasker, men at satsningen herpå ofte var omformet og/eller accelereret i forbindelse med krisen.

Ofte kombinerede kommunerne periodisering (ofte refereret til som dispositionsregnskaber) med aktivitetsstyring, idet arbejdet med periodiserede budgetter og periodiseret budgetopfølgning ofte baserede sig på forventede og realiserede aktiviteter/priser henover budgetåret. Formålet med dette data var at give den faglige beslutningstager et mere retvisende overblik over det løbende forbrug og de resterende forbrugsmuligheder for året. Herved kunne den faglige beslutningstager fx i tide undgå budgetoverskridelser eller benzinafbrænding.

Investeringen i data/ledelsesinformation blev for det tredje i alle fem kommuner set i sammenhæng med kommunernes beslutning om at satse på et bestemt *økonomistyringskoncept*, der kunne levere mere for mindre. Et sådant bestemt økonomistyringskoncept kan relateres til den såkaldte designskole, der har anvist en række normative økonomistyringsmodeller (Melander, 2006: 22). Det valgte økonomistyringskoncept i casekommunerne blev således italesat som et modsvar på den stigende efterspørgsel efter omkostningseffektiviseringer. Selvom de fem kommuner i de fleste tilfælde havde startet arbejdet med

disse økonomistyringskoncepter før krisen, var det et gennemgående træk, at kommunerne nu tilpassede konceptet til den nye besparelseskontekst.

To centrale økonomistyringskoncepter, som casekommunerne refererede til, var *aktivitetsstyring* og *effektstyring*. Formålet med aktivitetsstyringen, som fire af de fem kommuner angav at arbejde aktivt med, var at sikre en øget kobling af de økonomiske ressourcer og den faglige styring ved at gøre prisen på aktiviteter synlige for økonomifunktionen og ved generelt at gøre det muligt for økonomikonsulenterne at gå tættere på fagområdernes rammer. Aktivitetsstyringen skulle med andre ord muliggøre produktivetsforbedringer, der fx kunne udspringe af en generel opmærksomhed på omkostninger ved løbende at indhøste slack og skabe grundlag for benchmarking. Til sammenligning lovede effektstyringen (som sagtens kunne italesættes som et styringsredskab ved siden af aktivitetsstyringen), at kommunerne kunne styrke arbejdet med effektiviseringer ved at fokusere på organisationens outcome og de medfølgende ressourcer. Reelt var ingen af de undersøgte kommuner dog nået ret langt med en egentlig implementering af effektstyring.

En forbedring af *økonomistyringens processer* var et fjerde beslutningspunkt, som nogle af casekommunerne fremhævede, at de havde arbejdet med i forbindelse med krisen (to af de fem kommuner nævnte eksplicit dette). Specifikt angav disse kommuner, at de for at være i stand til at finde reelle omkostningseffektiviseringer havde startet den årlige budgetlægning tidligere og/eller iværksat effektiviseringsprojekter med et flerårigt sigte. Ifølge fagcheferne var det således afgørende at have tilstrækkelig med tid til effektiviseringsarbejdet, da rammedesættelser med kort varsel og genåbnede budgetter ofte var forbundet med uhensigtsmæssige besparelser.

Endelig blev ovenstående beslutninger om at investere i data/ledelsesinformation, økonomistyringskoncepter og nye processer understøttet af nye *IT-systemer* (fire ud af de fem kommuner gav eksplicit udtryk for dette). Overordnet var målsætningen hermed at skræddersy IT-systemet til at muliggøre ekstern rapportering, beregning af omkostninger for aktiviteter og services samt opfølgning og feedback i et og samme økonomistyringssystem (se også Nielsen, 2006: 38).

Handlingsniveauet: Målt på de reelle *handlinger* hos de faglige beslutningstagere var den megen tale og de mange beslutninger om koblingen dog langt henad vejen udtryk for spildte ressourcer. Således tilkendegav størsteparten af fagcheferne, at samarbejdet til økonomifunktionen mødte udfordringer, som betød, at den økonomiske rådgivning i betydeligt omfang ikke blev anvendt. Dette var paradoksalt, da fagchefer, topledelse såvel som økonomifunktion samstemmende gav udtryk for, at økonomikonsulenternes samarbejde med

fagchefen generelt var helt centralt for kommunens økonomistyring og af stigende betydning i lyset af det økonomiske pres.

Ifølge fagcheferne og økonomicheferne var der flere udfordringer i samarbejdet mellem økonomifunktionen og de faglige beslutningstagere. Udover de velkendte udfordringer med manglende kompetencer og utilstrækkelig data/ledelsesinformation var det bemærkelsesværdigt, at disse udfordringer i høj grad vedrørte samarbejdet mellem den konkrete faglige beslutningstager og økonomikonsulent. Således pegede syv ud af de ni fagchefer direkte på udfordringer i samarbejdet med økonomifunktionen som en barriere for at koble den faglige og den økonomiske styring. En del af disse samarbejdsvanskeligheder blev italesat som afledt af centraliseringen af økonomifunktionen.

Ifølge fagcheferne bestod disse samarbejdsproblemer for det første i, at fagcheferne oplevede, at økonomikonsulenterne *ikke var tæt nok på* (fem ud af ni fagchefer refererede direkte til dette). Hermed forstod fagcheferne ofte, at de centrale økonomikonsulenter både manglede faglig indsigt på det pågældende fagområde, samt at de organisatorisk og fysisk var placeret så langt fra fagchefen, at det besværliggjorde en løbende rådgivning.

For det andet betonedes en tredjedel af fagcheferne (tre ud af ni), at økonomikonsulenten simpelthen havde *for lidt tid* til rådgivningen. Denne opfattelse af manglende rådgivningstid blev forstærket af, at fagcheferne kunne opleve, at økonomikonsulenterne orienterede sig væk fra fagområdet og i stedet betjente direktionen og politikerne, som deres primære ”kunder”. Endelig kunne de enkelte fagchefer opleve, at de i øget grad måtte dele økonomikonsulenternes opmærksomhed med andre fagområder.

I relation til samarbejdet mellem fagchefer og økonomifunktion tilføjede flere fagchefer for det tredje, at *tilliden* kunne udfordres af, at økonomikonsulenterne i stigende grad ikke var ansat på lederens fagområde og i stedet orienterede sig mod politikerne og direktionen. En fagchef på det specialiserede socialområde sagde: ”Altså det bliver lige som om det er dem og os. De har mere den der lidt fine rolle, de sidder deroppe ved direktionen.”

For at kompensere for det udfordrede samarbejde havde flere fagchefer ansat decentrale økonomimedarbejdere. Disse decentrale økonomimedarbejdere havde som opgave at oversætte, hvad den centrale økonomifunktion egentlig mente. Med andre ord: Frem for at blive betjent af og modtage rådgivning fra den centrale økonomifunktion ansatte fagcheferne egne økonomimedarbejdere til at betjene økonomifunktionen (og ikke omvendt!). Derudover oplevede fagcheferne, at kommunernes investeringer i fx nye økonomistyringssystemer med egen dataadgang ikke opfyldte deres behov for *rådgivning* – dvs. handlingsrettede analyser af disse data formidlet i et klart og ikke økonomiteknisk sprog.

I tabel S4 i det supplerende materiale er betydningen af det økonomiske pres for casekommunernes kobling af den faglige og den økonomiske styring opsummeret. Analysen viser, at det økonomiske pres har bidraget til mere tale og flere beslutninger med henblik på at øge koblingen af den faglige og økonomiske styring. Kommunerne tænker i høj grad denne kobling som økonomifunktionens rådgivning af fagcheferne og har således foretaget en række investeringer, der skal forbedre rådgivningen (centralisering af økonomifunktionerne, bedre data/ledelsesinformation, økonomistyringskoncepter, nye processer og IT-systemer). Fagcheferne oplever dog i høj grad samarbejdet med økonomifunktionen som udfordret. Dette medfører en betydelig grad af dekobling i økonomistyringen.

Ovenstående resultater bygger på *fællestræk* i de fem undersøgte kommuner. Ses der på *forskelle* mellem disse kommuner ville man forvente, at de økonomisk mest pressede kommuner ville tale mest om omkostningseffektiviseringer. Omvendt ville man muligvis forvente, at netop kommuner under størst pres ville have sværest ved at afsætte de fornødne ressourcer til investeringer i økonomistyringen og en efterfølgende implementering. Analysen kan i den sammenhæng muligvis indikere, at kommuner under stort pres kan mangle de fornødne implementeringsressourcer: Således oplevede to af fire fagchefer fra kommuner under relativt stort økonomisk pres, at økonomifunktionens imødegåelse af deres rådgivningsbehov i høj grad var udfordret, mens dette kun gjaldt en ud af fem fagchefer fra kommuner under moderat og lavt pres (se tabel S4 i det supplerende materiale).

Diskussion: en stærkere økonomifunktion og svagere fagområder?

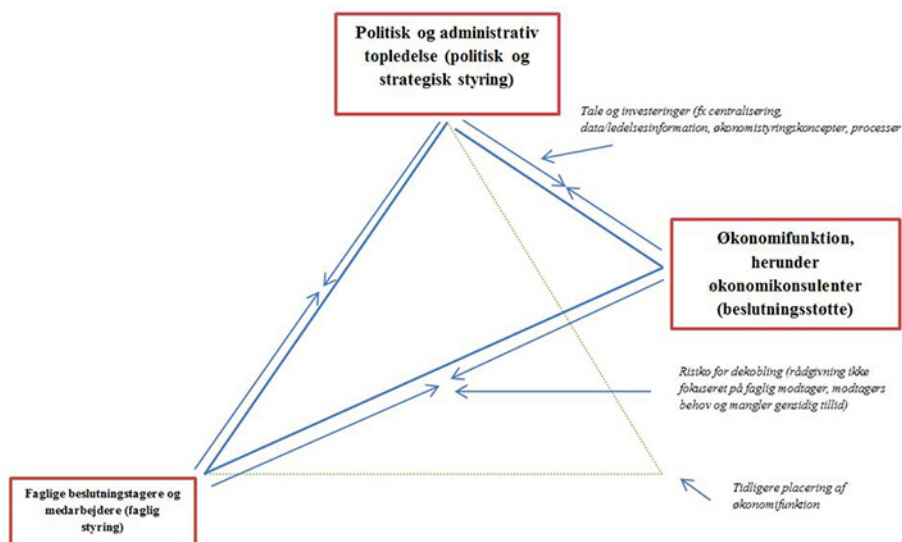
Den analyserede sammenhæng mellem økonomisk pres og økonomistyring er naturligvis svær at verificere i et studie som dette. Ikke mindst medfører det analytiske fokus på fællestræk, at designet har svært ved at kontrollere for faktorer, som foruden den økonomiske krise påvirker kommunerne. Dette kan fx være regeringens regulering, ændrede styringsidéer, den generelle uddannelsesmæssige og teknologiske udvikling eller en langstrakt betydning af strukturreformen (kommune 5 var den eneste fortsætterkommune). Af blandt andet denne grund er artiklens formål ikke at give et stærkt kausalt argument for sammenhængen mellem økonomisk pres og økonomistyring, men derimod at *sandsynliggøre* en sammenhæng mellem økonomisk pres og økonomistyring. Resultaterne kan gøres til genstand for mere formelle tests i fremtidige studier.

Udover graden af opfyldelse af de opstillede hypoteser viser analysen et interessant, relateret fund, nemlig at kommunernes økonomifunktion i forbin-

delse med krisen organisatorisk er blevet styrket på to måder. For det første er økonomifunktionen blevet tilført ressourcer relativt til fagområderne i form af flere medarbejdere samt investeringer i økonomienhedens kompetencer, data/ledelsesinformation, økonomistyringsstyringskoncepter, processer og IT-systemer. For det andet viser analysen en tendens til, at økonomifunktionen øger sin vigtighed i det kommunale hierarki, idet økonomifunktionen i stigende omfang udskilles fra fagområderne og placeres i centraliserede enheder med egen økonomifaglighed og med en reduceret afstand til topledelsen. Forandringerne synes at ændre betydeligt ved den tidligere opfattelse af den offentlige økonomifunktion som indtagende ”en passiv og underordnet rolle” overfor fagområderne (Melander, 1987: 445).

Implikationerne heraf synes at være en styrkelse af dels økonomifunktionen, dels den politiske og administrative topledelse, som opnår øget beslutningsstøtte fra økonomifunktionen. Taberne er de faglige beslutningstagere, som kan få mindre støtte – ikke mindst hvis økonomiressourcer samtidig fjernes decentralt. Figur 2 illustrerer denne mulige teoretiske betydning af et økonomisk pres for økonomistyringen ved, at økonomifunktionen i) bliver større relativt til fagområderne (tilførsel af ressourcer) og ii) opnår en vigtigere organisatorisk

Figur 2. Betydningen af et økonomisk pres for relationen mellem topledelse, økonomifunktion og faglig beslutningstagere



placering tættere på topledelsen, mens afstanden til de faglige beslutningstagere bliver større.

Hvor disse indflydelsesmæssige forandringer for topledelse, økonomifunktion og faglige beslutningstagere synes relativt klare, er det mindre entydigt, hvad økonomistyringsforandringerne betyder for organisationens omkostningseffektivitet. På den ene side er det muligt, at vogternes generelle opmærksomhed på omkostninger omsættes til mindre slack i organisationen. På den anden side indikerer artiklen også betydelig risiko for ressourcespild via en dekobling mellem økonomifunktionen og de faglige beslutningstagere.

Konklusion

Formålet med denne artikel var i første omgang at *beskrive* forandringer i danske kommunernes økonomistyring i en periode med et øget ressourcenes og at *sandsynliggøre* en sammenhæng mellem disse forandringer i økonomistyringen og et stigende økonomisk pres.

Artiklen viser for det første, at et økonomisk pres øger betydningen af en stram udgiftsstyring, forstået som en øget styringsindsats rettet mod udgiftsreduktioner i budgetlægningen og budgetoverholdelse i regnskabet. Den strammere udgiftsstyring kommer til udtryk i kommunernes tale, beslutninger og handlinger. På taleplanet finder dette sted i de integrerede ledelsesnetværk og udmønter sig i beslutninger om fx at arbejde med kvantificerede finansielle måltal, skærpe reglerne for tillægsbevillinger og at anvende buffere i budgettet. De faglige beslutningstagere kvitterer i deres handlinger ved at udarbejde strammere budgetter og forbedre deres budgetoverholdelse. Som årsag til den strammere udgiftsstyring peger artiklen på, at det forstærkede økonomiske pres, og den relaterede statslige sanktionslovgivning, styrker kommunernes udgiftsvogtere i økonomifunktionen og også får de faglige beslutningstagere til i øget omfang at udvise ansvarlighed overfor den samlede koncerns økonomi.

For det andet viser analysen, at styrkelsen af kommunernes økonomifunktion ikke blot har haft til hensigt at forbedre udgiftsstyringen, men i vid udstrækning også har haft som formål at øge koblingen af den faglige og økonomiske styring som en forudsætning for omkostningseffektiviseringer. Dette har kastet en betydelig mængde af tale og beslutninger af sig: På taleplanet, primært hos topledelsen, identificerer artiklen således en markant stigende efterspørgsel efter omkostningseffektiviseringer. På beslutningsplanet findes en stor mængde af investeringer i form af en centralisering af økonomifunktionen samt investeringer i bedre data/ledelsesinformation, økonomistyringskoncepter, nye processer og IT-systemer. På det helt afgørende handlingsplan, hos den faglige

beslutningstager, er forandringerne imidlertid få, og resultatet synes at være en dekopling og en stor mængde spild.

Som årsag til dekoplingen peger artiklen på både implementeringsmæssige og organisatoriske forhold: Mest tydeligt peger artiklen på en implementeringsproblematik i form af et udfordret samarbejdet mellem økonomifunktionen og den faglige beslutningstager. Ifølge fagcheferne opleves samarbejdet således som udfordret, fordi økonomikonsulenterne mangler områdefaglig viden og tid, opleves som fysisk for langt væk fra fagchefen og er orienteret mod direktionen og politikerne snarere end den faglige beslutningstager. De fleste fagchefer peger på, at problemet ikke nødvendigvis er den centraliserede organisering af økonomifunktionen, men snarere den måde samarbejdet i praksis fungerer på. Andre fagchefer peger omvendt på, at den centraliserede organisering af økonomifunktionen i sig selv er en del af problemet. I den sammenhæng er en mulig hypotese, at styrkelsen af danske kommuners økonomifunktion i sig selv har bidraget til dekoplingen mellem økonomifunktionen og de faglige beslutningstagere ved at øge den organisatoriske og faglige afstand mellem de to.

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Tabel S1. Definitioner af variable

Variabel	Definition	Kilde
<i>Økonomisk pres</i>		
Niveau for økonomisk pres, 2009	Rationen mellem kommunens udgiftsbehov pr. indb. (som opgjort i udligningsordningen) og indtægtsgrundlag pr. indb. efter tilskud og udligning, hvor gennemsnittet for kommunerne er sat til indeks 100.	Social- og Indenrigsministeries Kommunale Nøgletal (www.noegletal.dk)
Ændring i indtægter pr. indbygger, 2009-2013	Ændringen i kommunernes indtægter fra skatter (7.68) samt generelle tilskud og udligning (7.62) fra 2009 til 2013 korrigeret for opgaveændringer. Der er korrigeret for opgaveændringer relateret til i) kommunernes overtagelse af området for forsikrede ledige i 2009, ii) ændringer i konjunktursituationen og iii) øvrige opgaveændringer jf. bloktilskudsaktstykket. Vedr. i) forsikrede ledige er der fratrukket det kommunespecifikke beskæftigelsestilskud i 2013, som var 0 i 2009. Vedr. ii) konjunktursituationen er der fratrukket stigninger i den såkaldte 'budgetgaranti' fra 2009 til 2013. Vedr. iii) øvrige opgaveændringer er det fratrukket meropgaver som følge af bloktilskudsaktstykket. Da budgetgaranti og øvrige meropgaver ikke opgøres fordelt på den enkelte kommune er korrektion herfor foretaget med samme faktor pr. indbygger for alle kommuner. Kommunernes regnskaber og budgetter. Opgjort pr. indbygger 1. januar i året. 2013-priser.	Tal venligst udlånt af Kurt Houlberg (KuHo@kora.dk)
Ændring i befolkningstal, 2009-2013	Den procentvise ændring i kommunens indbyggertal fra 1. januar 2009 til 1. januar 2013.	Social- og Indenrigsministeries Kommunale Nøgletal (www.noegletal.dk)
Ændring i indtægter, absolut	Ændringen i kommunernes totale indtægter, dvs. ikke opgjort pr. indbygger. Derudover svarer definitionen fuldstændig til ovenstående definition af "Ændring i indtægter pr. indbygger, 2009-2013".	Egen beregning baseret på Tal venligst udlånt af Kurt Houlberg (KuHo@kora.dk)
Budgetoverholdelse pr. indb.	Driftsresultat i budget fratrukket driftsresultat i regnskab. Opgjort pr. indbygger 1. januar i året. 2013-priser.	Nøgletal for kommunernes økonomiske styring (KORA, http://krevi.dk/noegletal)

Tabel S1. Indikatorer for ændringer i kommunernes økonomistyring

	Strammere udgiftsstyring i budgetlægning og budgetopfølgning	Øget kobling af faglig og økonomisk styring
<i>Tale</i>	Organisation (primært topledelse) <i>taler</i> mere om stram udgiftsstyring/rammeoverholdelse i budgetlægning og budgetopfølgning (fx visioner, overordnede styringsdokumenter, taler; møder; ledelsesfora; diskurs)	Organisation (primært topledelse) <i>taler</i> mere om at koble faglig og økonomisk styring i organisationen (fx visioner, overordnede styringsdokumenter, taler; møder; ledelsesfora; diskurs)
<i>Beslutninger</i>	Organisation (primært topledelse støttet af økonomifunktion) <i>træffer beslutninger</i> som understøtter stram udgiftsstyring/rammeoverholdelse (økonomisk politik med finansielle mål; tillægsbevillinger gives ikke; brug af afskedigelser og ansættelser; buffere)	Organisation (primært topledelse støttet af økonomifunktion) <i>træffer beslutninger</i> som skal understøtte en øget kobling af faglig og økonomisk styring i organisationen (fx centralisering af økonomifunktion; investering i bedre data/ledelsesinformation; periodisering; dispositionsregnskaber; budgetforudsætninger; aktivitetsstyring; effektstyring; ændrede økonomistyringsprocesser, IT-systemer)
<i>Handlinger</i>	Organisation (primært faglig beslutningstager støttet af økonomifunktion) <i>handler</i> således rammeoverholdelsen "forbedres" / udgiftsstyringen bliver mere stram (faglig beslutningstager forbedrer overholdelsen af udmeldte rammer i budget og regnskab).	Organisation (primært faglig beslutningstager støttet af økonomifunktion) <i>handler</i>, hvilket medfører en øget kobling mellem faglig og økonomisk styring i organisationen (faglig beslutningstager ændrer adfærd, i overvejende grad ved at respondere på økonomifunktionens rådgivning)

Søren Kjær Foged, Snorre Christian Andersen & Martin Nordrup Andersen (2017): "Hvad betød den økonomiske krise for danske kommuners økonomistyring?"

Tabel S3. Det økonomiske pres' betydning for udgiftsstyringen

	Kommune 1	Kommune 2	Kommune 3	Kommune 4	Kommune 5
Taler mere om stram udgiftsstyring i budget og regnskab (nej - mindre, uændret, ja)?	Uændret	Ja	Ja	Ja	Ja
Træffe flere beslutninger som skal understøtte stram udgiftsstyring i budget og regnskab (nej - færre, uændret, ja)?	Uændret Fx: • Videreudvikling af allerede stram central økonomistyring samt klart decentralt budgetansvar og begrænset adgang til tillægsbevillinger	Ja (i høj grad) Fx: • Ny økonomisk politik • Skærpet decentralt budgetansvar og sværere adgang til tillægsbevillinger • Buffer • Midlertidig begrænsning af overførselsadgang • Højere bevillingsniveau	Ja (i høj grad) Fx: • Ny økonomisk politik • Skærpet decentralt budgetansvar og sværere adgang til tillægsbevillinger • Buffer	Ja (i høj grad) Fx: • Ny økonomisk politik • Skærpet decentralt budgetansvar og sværere adgang til tillægsbevillinger • Buffer • Midlertidig begrænsning af overførselsadgang	Ja (i nogen grad) Fx: • Skærpet decentralt budgetansvar og sværere adgang til tillægsbevillinger
Udfører handlinger, som medfører stram udgiftsstyring i budget og regnskab? • Gennemsnitlig budgetoverholdelse pr. indb. fra før (2007-2009) til efter (2010-2013) krisen (kroner, 2013-priser)	Ja - stor 'forbedring' af budgetoverholdelse (men også pga. krav om budgetoverholdelse i udviklingsaftale) -1.636 kr. → 2.135 kr.	Ja - stor 'forbedring' af budgetoverholdelse -2.330 kr. → 130 kr.	Ja - lille 'forbedring' af budgetoverholdelse -136 kr. → 250 kr.	Ja - stor 'forbedring' af budgetoverholdelse -1.660 kr. → 230 kr.	Ja - lille 'forbedring' af budgetoverholdelse 674 kr. → 955 kr.

Note: Se definition af budgetoverholdelse i det supplerende materiale Tabel S.1. Udover de nævnte pointer i analysen kan en sammenligning af kommunerne indikere, at en organisations forudgående forventning med et stigende økonomisk pres (fx kommune 1) samt initiale evne til stram udgiftsstyring (fx kommune 4's store budgetoverskridelser før krisen) påvirker omfanget og karakteren af økonomistyringsforandringerne.

Tabel S4. Det økonomiske pres' betydning for kobling af faglig og økonomisk styring

	Kommune 1	Kommune 2	Kommune 3	Kommune 4	Kommune 5
Taler mere om at koble økonomiske og faglige hensyn (nej - mindre, uændret, ja)?	Uændret / Ja	Ja	Ja	Ja	Ja
Træffer flere beslutninger som skal understøtte kobling af økonomiske og faglige hensyn (nej - færre, uændret, ja)?	Ja Fx • Konsolidering af allerede centraliseret økonomifunktion med effektivitetsdagsorden • Talgrundlag • Aktivitetsbaseret budgetlægning • Periodiserede budgetter og opfølgning på periodiserede budgetter • Nyt IT-system med ledelsesinformation	Ja Fx: • Centralisering af økonomifunktion (koncernansvar og kompetencer hos økonomikonsulenter) • Talgrundlag • Aktivitetsbaseret budgetlægning (samt ambition om mere periodisering) • Fokus på budgetopfølgning (øget hyppighed) • Effektiviseringsstrategi og omstillingsproces • Nye IT-systemer med ledelsesinformation • Nye processer (budgetlægning starter tidligere)	Ja Fx: • Centralisering af økonomifunktion (koncernansvar og kompetencer hos økonomikonsulenter) • Talgrundlag • Aktivitetsbaseret budgetlægning • Fokus på budgetopfølgning (øget hyppighed) • Effektiviseringsstrategi og omstillingsproces • Nye IT-systemer med ledelsesinformation • Nye processer	Ja Fx: • Centralisering af økonomifunktion (inden for forvaltningsområde) • Talgrundlag • Dispositionsekskluder • Effektiviseringsstrategi (hyppighed) • Fokus på budgetopfølgning (øget hyppighed) • Nyt IT-systemer med ledelsesinformation	Ja Fx: • Centralisering af økonomifunktion (inden for forvaltningsområde) • Talgrundlag • Dispositionsekskluder • Effektiviseringsstrategi (hyppighed) • Fokus på budgetopfølgning (øget hyppighed) • Nyt IT-systemer med ledelsesinformation
Udfører handlinger, som medfører øget kobling af økonomiske og faglige hensyn (typisk på baggrund af rådgivning fra økonomifunktion)?	Fagchef 1	Fagchef 2	Fagchef 3	Fagchef 4	Fagchef 5
• Oplevet behov for økonomisk rådgivning (faldende, uændret stigende)	Uændret	Stigende	Stigende	Stigende	Stigende
• Er der udfordringer i imødegåelsen af dette behov for økonomisk rådgivning (nej, ja - i mindre grad, ja - i nogen grad, ja - i høj grad)?	Ja (i nogen grad) Fx • Datagrundlag og ledelsesinformation (realistiske målinger som baggrund for aktivitetstyring)	Ja (i høj grad) Fx • Datagrundlag og ledelsesinformation • Økonomifunktion ikke tæt nok på (mangler viden og nysgerrighed) • Økonomifunktion mangler tid (orienterer sig mod direktion og politikere)	Ja (i høj grad) Fx • Datagrundlag og ledelsesinformation (fx) • Økonomifunktion periodiseret budgetopfølgning • Økonomifunktion ikke tæt nok på (mangler faglig viden) • Økonomifunktion mangler tid (fysisk afstand besværliggør samarbejde)	Ja (i nogen grad) Fx • Datagrundlag og ledelsesinformation • Samarbejde til økonomifunktion i generelt forbedret, ved egne økonomimedarbejdere og at central økonomikonsulent deltager i ledermøder)	Ja (i nogen grad) Fx • Økonomifunktion ikke tæt nok på (mangler faglig viden) • Økonomifunktion mangler tid (skal servicere flere "kunder" samtidigt) • Økonomifunktion kan mangle økonomiske kompetencer)
	Fagchef 1	Fagchef 2	Fagchef 3	Fagchef 4	Fagchef 5
	Uændret	Stigende	Stigende	Stigende	Stigende
	Ja (i nogen grad)	Ja (i høj grad)	Ja (i høj grad)	Ja (i nogen grad)	Ja (i nogen grad)
	Fx	Fx	Fx	Fx	Fx
	• Datagrundlag og ledelsesinformation (realistiske målinger som baggrund for aktivitetstyring)	• Datagrundlag og ledelsesinformation • Økonomifunktion ikke tæt nok på (mangler viden og nysgerrighed) • Økonomifunktion mangler tid (orienterer sig mod direktion og politikere)	• Datagrundlag og ledelsesinformation (fx) • Økonomifunktion periodiseret budgetopfølgning • Økonomifunktion ikke tæt nok på (mangler faglig viden) • Økonomifunktion mangler tid (fysisk afstand besværliggør samarbejde)	• Datagrundlag og ledelsesinformation • Samarbejde til økonomifunktion i generelt forbedret, ved egne økonomimedarbejdere og at central økonomikonsulent deltager i ledermøder)	• Økonomifunktion ikke tæt nok på (mangler faglig viden) • Økonomifunktion mangler tid (skal servicere flere "kunder" samtidigt) • Økonomifunktion kan mangle økonomiske kompetencer)
	Fagchef 1	Fagchef 2	Fagchef 3	Fagchef 4	Fagchef 5
	Uændret	Stigende	Stigende	Stigende	Stigende
	Ja (i nogen grad)	Ja (i høj grad)	Ja (i nogen grad)	Ja (i mindre grad)	Ja (i nogen grad)
	Fx	Fx	Fx	Fx	Fx
	• Datagrundlag og ledelsesinformation (realistiske målinger som baggrund for aktivitetstyring)	• Datagrundlag og ledelsesinformation • Økonomifunktion ikke tæt nok på (mangler viden og nysgerrighed) • Økonomifunktion mangler tid (orienterer sig mod direktion og politikere)	• Datagrundlag og ledelsesinformation (fx) • Økonomifunktion periodiseret budgetopfølgning • Økonomifunktion ikke tæt nok på (mangler faglig viden) • Økonomifunktion mangler tid (fysisk afstand besværliggør samarbejde)	• Datagrundlag og ledelsesinformation • Samarbejde til økonomifunktion i generelt forbedret, ved egne økonomimedarbejdere og at central økonomikonsulent deltager i ledermøder)	• Økonomifunktion ikke tæt nok på (mangler faglig viden) • Økonomifunktion mangler tid (skal servicere flere "kunder" samtidigt) • Økonomifunktion kan mangle økonomiske kompetencer)

Article 4

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Master of Public
Governance

Krisen og 'koncernmodellen' i kommunerne

Krise

Organisering

Kommuner

Forandring

Søren Kjær Foged
Eva Moll Sørensen

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KRISEN OG 'KONCERNMODELLEN' I KOMMUNERNE

Krise

Organisering

Kommuner

Forandring

Kommunerne er i de senere år blevet stillet over for krav om stram økonomisk styring. I denne artikel stilles der skarpt på de organisatoriske forandringer, der har gjort kommunerne i stand til at honorere dette krav. Vi undersøger, hvilken rolle krisen har spillet som forandningsfaktor, og hvorvidt forandringerne bringer kommunerne i retning af en 'koncernmodel' for administrativ organisering. Analysen tager udgangspunkt i casestudier i seks danske kommuner, der på forskellig vis er blevet ramt af krisen og statens strammere styring. Den viser, at krisen og stramningerne har været medvirkende faktorer i udviklingen af mere tværgående topledelse i alle case-kommunerne og en mere hierarkisk organisering i de kommuner, der blev etableret efter en meget flad model. Kommunernes nye organisationsdesign ledsages af et ideal om tværgående og strategisk ledelse, der stiller nye krav til offentlige ledere på alle niveauer.



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Indledning

Det seneste årti har været præget af store forandringer for de danske kommuner. Knap havde kommunerne overstået kommunalreformen, før de blev ramt af den økonomiske krise. Krisen blev anledning til et statsligt krav om nulvækst, og fra 2011 fik regeringen mandat til at sanktionere kommuner, der ikke kunne holde budgetterne (Sørensen, 2014). Krisen og de statslige stramninger har ført til opbremsning i de kommunale udgifter. Efter årtier, hvor budgetoverskridelser var mere reglen end undtagelsen, har vi nu set, at kommunerne både kan holde budgetterne og reducere udgifterne. Senest har regeringen sat trumf på denne udvikling ved at kræve en 1 % årlig reduktion af serviceudgifterne som led i en omprioritering af udgifterne i hele den offentlige sektor.

Stramningen af udgiftsstyringen er sket i en tid, hvor mange kommuner har gennemført store organisationsforandringer. Disse forandringer har været genstand for en del opmærksomhed, f.eks. i Henrik Larsens undersøgelser af en ny 'centermodel' (Larsen & Alsted, 2015) eller Kurt Klaudi Klausens observationer af en 'koncernmodel' (Klausen, 2014). Vi undersøger i denne artikel, om krisen og de strammere rammer har bidraget til udviklingen af en 'koncernmodel' for administrativ organisering af kommunerne. Vi ser, ligesom Klausen, koncernmodellen som en model, der bygger videre på elementer af de to hidtidige hovedmodeller, forvaltningsmodellen og direktionsmodellen, samtidigt med at den bryder med disse modellers skarpe arbejdsdelinger; henholdsvis mellem fagområder og mellem strategi og drift. Vi ser endvidere udviklingen af koncernmodellen som et svar på kommunernes behov for mere centraliseret styring og prioritering af udgifterne.

Vores undersøgelse tager udgangspunkt i en sammenligning af organisationsudviklingen i seks danske kommuner i perioden 2009-2014. Vi undersøger først, om krisen har ført til organisationsforandringer, og om forandringerne er mest udtalte i de kommuner, der blev hårdt ramt af kravet af budgetoverholdelse (idet de op til krisen havde store budgetoverskridelser), eller i de kommuner, der siden krisen har oplevet den største forværring af deres økonomiske vilkår. Herefter undersøger vi, om forandringerne har ført til en bevægelse hen mod en koncernmodel.

Artiklen indeholder først en teoretisk begrundelse af, hvorfor en økonomisk krise skulle give anledning til organisationsforandring i retning af en koncernmodel. Herefter præsenteres case-studiemetoden og de seks cases. Derpå følger en analyse af, hvordan krisen gav anledning til organisatorisk forandring i de seks casekommuner og af deres bevægelse mod koncernmodellen. Til slut konkluderes det, at krisen har bidraget til udviklingen af en ny koncernmodel for administrativ organisering i kommunerne, og at denne ledsages af et nyt ledelsesideal.

Kommunal organisering i krisetider

Økonomiske kriser skaber et pres for besparelser og stram udgiftsstyring i offentlige organisationer. Danske kommuner har arbejdet med at styrke udgiftsstyringen i forbindelse med den seneste økonomiske krise, idet de bl.a. har formuleret økonomiske politikker, udviklet nye redskaber til budgettering og opfølgning samt arbejdet med en mere systematisk tilgang til ledelsesinformation (Regeringen og KL, 2013). Opbremsningen har dog også i mange tilfælde krævet ændringer af samarbejdsformer og styringskultur i kommunerne, og der er grund til at forvente, at kommunerne har forsøgt at opnå dette vha. organisationsforandringer. Koncernmodellen for administrativ organisering tilgodeser hensynet til prioritering og styring af kommunens samlede ressourcer, og der er derfor grund til at tro, at mange kommuner vil have bevæ-

get sig i retning af en koncernmodel under krisen. I det følgende præsenteres først to teoretiske argumenter for, at kriser fører til organisationsforandring. Herefter præsenteres kommunernes administrative organisationsmodeller, herunder koncernmodellen.

Kriser og organisationsforandringer

Der er flere teoretiske grunde til at forvente, at en økonomisk krise vil føre til organisatorisk forandring. For det første anses kriser ofte som chok, der kan bruges som anledning til at gennemføre større forandringer. For det andet kan man forvente en sammenhæng mellem økonomisk pres og organisatoriske tilpasninger, der skal sikre stram udgiftsstyring. I denne artikel forstås krise både som et forandringschok, der opstod, idet budgetoverskridelser ikke længere var holdbare som et resultat af sanktionslovgivningen og den generelle konjunkturvending (Sørensen, 2014), og som et forandringspres, der opstod pga. faldende indtægter og afvandring i de enkelte kommuner.

Krisen som forandringschok

Argumentet om, at en krise kan udgøre et chok, som fører til hurtig og radikal forandring, er inspireret af den 'historisk-institutionelle' skole (Thelen & Steinmo, 1992; Hall & Taylor, 1996; Pierson 2004). Her argumenteres det, at staters organisationsudvikling er præget af lange perioder med 'stiafhængighed' og begrænset forandring afbrudt af 'kritiske korsveje', hvor der på kort tid sker store forandringer (Thelen & Steinmo, 1992). De kritiske korsveje opstår f.eks. i forbindelse med krige eller økonomiske kriser, hvor det pludseligt ikke er tilstrækkeligt for organisationen at følge etablerede regler, procedurer og rutiner. Kriser kan også forstås som et 'window of opportunity', som gør, at nogle aktører i organisationen kan opnå opmærksomhed og støtte til deres ønsker om forandring (Pollitt & Bouckaert, 2009). Udgangspunktet er her, at organisationer består af aktører med forskellige roller og interesser i organisationsudviklingen. F.eks. kan udgiftsstyring ses som en interaktion mellem udgiftsvogtere og udgiftsadvokater med hver deres rolle og interesser (Wildavsky 1974). Det meste af tiden afspejler organisationen en 'ligevægt' mellem aktørerne, og forandringsprocesser er træge. En økonomisk krise kan dog udgøre et 'window of opportunity' for organisationens budgetvogtere til at styrke deres position på bekostning af de aktører, der primært optræder som udgiftsadvokater.

Hvis vi følger en forståelse af krisen som 'kritisk korsvej', må vi især forvente forandring i de kommuner, hvor krisen og den statslige sanktionslovgivning gjorde det uholdbart at fortsætte som hidtil, idet man så risikerede at blive ramt af sanktioner for manglende budgetoverholdelse. Det gælder især de kommuner, som op til krisen havde store budgetoverskridelser. Vi må m.a.o. forvente et akut pres for forandring; et forandringschok.

Krisen som forandringspres

Det andet argument er, at der i økonomiske krisetider vil være et øget pres på kommunerne for at vælge den organisationsform, der mest 'effektivt' indfrier kravet om styring og prioritering af udgifterne. Argumentet er inspireret af politologisk budgetlitteratur (Wildavsky, 1974; Schick, 2009; von Hagen, 2007)

Med udgangspunkt i denne litteratur kan det argumenteres, at krisen har skabt behov for centralisering. Dette skyldes, at færre økonomiske ressourcer vil forplante sig til et højere konfliktniveau i organisationen, fordi decentrale enheder ikke længere kan forvente, at sidste års budget er 'fredet'. Derimod vil nogle enheder skulle reducere deres udgifter sammenlignet med året før, hvorved en 'bottom-up' tilgang til budgetlægning bliver vanskelig. Den oplagte løsning er en mere centraliseret budgetlægningsproces, hvor organisationens økonomiske enheder spiller hovedrollen på bekostning af de faglige, budgetforbrugende enheder (Schick, 1983, 2009). Centralisering af budgetlægningen kan dog føre til stramme budgetter der ikke holdes (Serritzlew, 2004), hvis man ikke samtidigt foretager organisatoriske forandringer, der sikrer, at beslutninger truffet højt oppe i hierarkiet implementeres på de underliggende niveauer. Vi forventer således både centralisering af budgetlægningsprocessen og af udgiftsstyringen. Vi kan også som led i centraliseringen forvente organisationsforandringer, der har til formål at reducere antallet af udgiftspolitiske aktører. Dette kan begrundes i det såkaldte 'common pool-problem', som opstår, når flere aktører har adgang til at forbruge af den samme kollektive 'pulje'. Argumentet er, at hver aktør vil se stor nytte af udgifter på netop deres område, mens summen af deres udgiftsønsker let kan overstige den pulje, som kollektivet kan og vil finansiere. Common pool-problemet anses som større, jo større antallet af udgiftspolitiske aktører er (van Hagen, 2007). Det vil således fremstå som en løsning på common pool-problemet at sørge for, at færre aktører deltager i budgetprocessen. Det kan f.eks. opnås ved at sammenlægge enheder, så den samme leder skal repræsentere flere udgiftsområder.

Vi forventer på denne baggrund, at krisen har skabt et vedvarende forandringspres, der bidrager til løbende organisationsforandringer i retning af horisontal og vertikal centralisering. Ved horisontal centralisering forstår vi forandringer, der reducerer antallet af aktører på hvert hierarkisk niveau i organisationen og forandringer, som flytter kompetencer og indflydelse fra fagligt specialiserede enheder til økonomiske enheder på samme niveau. Ved vertikal centralisering forstår vi forandringer, som sikrer, at udgiftsbeslutninger truffet på øverste niveau efterleves på lavere ledelsesniveauer, dvs. forandringer der styrker den hierarkiske styring. Forventningen om løbende organisationsforandringer gælder ikke mindst kommuner, der løbende har mistet indtægter siden krisen, enten som følge af faldende skatter og tilskud pr. indbygger eller som følge af afvandring.

En 'koncernmodel' for kommunal organisering

Danske kommuner kan i vidt omfang selv vælge deres administrative organisering. I studiet af deres organisationsvalg skelnes ofte mellem 'forvaltningsmodellen' og 'direktionsmodellen' (Christensen et al., 2006; Jespersen, 2008; Christoffersen & Klausen, 2012,; Klausen, 2014).

Forvaltningsmodellen har været den dominerende siden 1970'erne. I denne model består kommunen af parallelle forvaltningshierarkier ledet af hver sin chef. Modellen er karakteriseret ved en stærk horisontal arbejdsdeling på basis af faglig specialisering og en hierarkisk organisering med flere ledelsesslag. Fagcheferne har driftsansvar for deres forvaltningsområde, og kommunaldirektøren er i princippet første blandt ligemænd. Forvaltningsmodellen tilgodeser politisk styring¹, professionsfaglige miljøer og klart ledelseshierarki. I en idealtypisk forståelse af modellen lægger den op til en styring baseret på hierarki, men kommuner med en forvaltningsmodel anvender også mål- og rammestyring mere end andre kommuner (Christoffersen & Klausen, 2012, s. 92). Modellen er ofte kritiseret for at føre til 'silotænkning' og udgiftspolitiske kampe mellem fagområdernes udgiftsadvokater.

Direktionsmodellen er en nyere organiseringsform, der blev udbredt som led i 1990'ernes og 2000'ernes NPM-inspirerede modernisering (Hansen, 2008). Modellen kendetegnes af, at forvaltningen ledes af en tværgående direktion. Direktionsmodellen fortolkes ofte som sammenhængende med en 'virksomhedsmodel', der indebærer, at driftsansvaret er delegeret til autonome 'virksomheder' (Jespersen, 2008; Klausen, & Christoffersen, 2012). Direktionsmodellen er karakteriseret ved stærk vertikal arbejdsdeling mellem strategi (direktionens ansvar) og drift (virksomhedernes ansvar) samt horisontal koordination i direktionen og tilhørende tværgående stabe. Idealet er en flad organisation med minimering af det mellemliggende forvaltningshierarki og den sektoriserede styring (Christoffersen & Klausen, 2012, s. 76). I en idealtypisk forståelse hænger modellen sammen med kontraktstyring af de autonome virksomheder, men i praksis gør de kommuner, der har valgt modellen, oftest brug af værdibaseret ledelse, mål- og rammestyring og aftalestyring (Christoffersen & Klausen, 2012, s. 92). Svaghederne ved modellen ligger i et stort ledesspænd og en svag faglig og økonomisk ledelse af de decentrale ledere (Klausen, 2014).

Ved kommunalreformen valgte over halvdelen af kommunerne elementer af en direktionsmodel, men de færreste kommuner satsede for alvor på at decentralisere driftsansvaret (Jespersen, 2008; Christoffersen & Klausen, 2012). Ifølge Jespersen (2008) valgte 11 % af alle kommuner en direktionsmodel med decentralisering af driftsansvar til selvstændige enheder, 25 % valgte en direktionsmodel med centrale koordinerende enheder og 29 % valgte en kombination af flere modeller. Ifølge Christoffersen og Klausen (2012) var den hyppigste model en kombination af direktionsmodellen og forvaltningsmodellen². Henrik Larsen undersøgte i årene herefter udbredelsen af en 'centermodel', som bl.a. er kendetegnet ved en helhedsorienteret enhedsdirektion, der har et antal administrative centre til sin rådighed (Larsen & Alsted, 2015).

'Koncernmodellen'³ kan defineres i forhold til begge de hidtidige hovedmodeller; forvaltningsmodellen og direktionsmodellen. I koncernmodellen lægges – som i direktionsmodellen – vægt på tværgående organisering og ledelse, men den kendetegnes også – som forvaltningsmodellen – ved hierarkisk organisering og styring. Samtidigt er modellen kendetegnet ved et ideal om koncernledelse som "et mere styret, integreret og forpligtende strategisk ledelsesfællesskab" (Klausen, 2014, s. 225). Koncernmodellen afviger altså både fra forvaltningsmodellens horisontale arbejdsdeling mellem fagområder og fra direktionsmodellens vertikale arbejdsdeling mellem strategi og drift. Modellen tilgodeser central prioritering af ressourcerne på tværs af forvaltningsområder og central styring af ressourceforbruget ned igennem det kommunale hierarki. Den indebærer endvidere, at ledere på alle niveauer er forpligtet til at bidrage til kommunens strategiske koncernledelse og til at sørge for effektiv drift.

Metode

Problemformuleringen besvares med udgangspunkt i et sammenlignende studie af organisationsudviklingen i seks danske kommuner i perioden 2009-2014. Kommunerne er udvalgt, så de varierer mht., hvor hårdt de blev ramt af krisen og stramningen af den statslige styring. Dette er gjort for at kunne undersøge, om graden af krise har haft betydning for omfanget af forandringer i casekommunerne. Vi opererer med to måder, hvorpå krisen og stramningerne kan have ført til forandringer; via et forandringschok og et forandringspres.

For det første medførte sanktionslovgivningen, at kommunerne fra og med 2011 kunne risikere at blive ramt af statslige sanktioner, hvis de overskred budgettet. Vi forventer, at sanktionslovgivningen skabte et forandringschok – særligt for de kommuner, der før krisen havde svært ved at overholde budgetterne. Da sanktionerne er rettet mod overholdelse af det budgetterede

niveau for driftsudgifterne til kommunal service (serviceudgifterne), er det også dette parameter, vi tager udgangspunkt i. Vi måler således casekommunerne på deres overholdelse af de budgetterede driftsudgifter op til krisen, dvs. i perioden 2007-2009. Sanktionslovgivningen for regnskaber gjaldt fra 2011, men vi forventer, at forandringschokket godt kan have ramt kommunerne i 2010, idet den politiske aftale om permanente regnskabssanktioner blev indgået i foråret 2010.

For det andet førte krisen til en forværring af kommunernes økonomiske vilkår. Deres indtægtsgrundlag blev svækket som følge af et svækket skattegrundlag og reduktioner af det statslige bloktilskud. Da kommunerne har begrænsede muligheder for at hæve skatterne, har dette skabt et pres for at finde besparelser. Krisen forstærkede samtidigt den eksisterende urbaniseringstendens, hvilket pressede de kommuner der oplevede en befolkningstilbagegang. Vi forventer, at indtægtstilbagegangen har skabt et forandringspres – særligt for de kommuner, der har oplevet store indtægtsfald pr. indbygger og/eller et stort fald i indbyggertallet, da befolkningstilbagegang som oftest stiller krav om (nedadgående) tilpasning af de absolutte udgifter. Vi måler således casekommunernes økonomiske pres vha. en kombination af 1) indtægtsudviklingen pr. indbygger 2009-2013 og 2) udviklingen i befolkningstal 2009-2013. Casekommunerne beskrives i tabel 2 desuden ved et niveaumål for det økonomiske pres i 2009, fordi vi antager, at vanskeligheden ved at tilpasse sig et stigende pres til en vis grad afhæng af, hvor højt pres kommunen var under som udgangspunkt.

Tabel 2

Casekommunerne beskrevet ved budgetoverskridelser og økonomisk pres⁴.

Kommuner	Økonomisk pres 2009 (indeks 100)	Budgetoverholdelse gns. 2007-2009	Indtægtsudvikling 2009-2013		
			Ændring i indtægter pr. indb. (2013-priser)	Ændring i befolkningstal	Samlet vurdering af forandringspres
Lolland	122,5	-1497	0,2 %	-7,0 %	Højt
Holbæk	103,1	-2080	-5,5 %	-0,4 %	Højt
Ringkøbing-Skjern (RKSK)	100,6	-121	-0,6 %	-2,2 %	Moderat/højt
Aarhus	100,5	949	-7,7 %	5,4 %	Moderat/højt
Gladsaxe	93,0	592	-5,8 %	4,4 %	Lavt
Egedal	77,6	-1468	-4,6 %	2,4 %	Lavt
Landsgennemsnit	100,0	- 434	-4,2 %	1,7 %	Moderat

Vores casekommuner fordeler sig således på de to udvalgsparametre:

Tabel 3

Casekommunerne fordelt på forandringschok og forandringspres.

	Budgetoverholdelse dårligere end landsgennemsnittet 2007-2009 = stort forandringschok	Budgetoverholdelse bedre end landsgennemsnittet 2007-2009 = lille forandringschok
Økonomisk pres større end landsgennemsnittet i kriseårene 2009-2013 = højt	Lolland Kommune Holbæk Kommune	Ringkøbing-Skjern Kommune Aarhus Kommune
Forandringspres		
Økonomisk pres mindre end landsgennemsnittet i kriseårene 2009-2013 = lavt forandringspres	Egedal Kommune	Gladsaxe Kommune

Undersøgelsen er baseret på en kombination af dokumentstudier af kommunernes budgetter, deres egne beskrivelser af organisationsmodeller, styring mv. og 8-12 semistrukturerede interviews i hver kommune. Interviewene er gennemført i to runder. I første runde har vi interviewet borgmesteren, kommunaldirektøren og de direktører, der har ansvar for de store serviceområder, dvs. børn og unge, socialområdet og ældreområdet. Endvidere har vi i hver kommune interviewet en økonomichef og en medarbejder med ansvar for mål- og resultatstyring. Vi har kodet interviewene og på baggrund heraf udarbejdet caserapporter for hver af de seks kommuner, som vi har bedt en nøgleperson i hver kommune om at validere. Herefter har vi gennemført den anden interviewrunde, som har omfattet fagchefer på områderne skole, ældre og socialområdet samt to skoleledere i hver kommune. Tilsammen har interviewene (bl.a.) givet information om kommunens generelle organisering og organiseringen på de enkelte sektorområder.

Casestudierne skal bruges til at undersøge, om krisen har haft betydning for kommunernes organisationsforandringer, eller om forandringerne kan tilskrives andre faktorer såsom pendulbevægelser (Aucoin, 1990) eller modebølger i forvaltningspolitikken (Røvik, 2007). Vi bruger to metoder til at sandsynliggøre, at krisen har haft en betydning. For det første undersøger vi, om der blandt de seks kommuner er sammenhæng mellem graden af krise (forstået som forandringschok og forandringspres) og omfanget og karakteren af organisatoriske forandringer. For det andet bruger vi caseintern 'proces tracing' til at vurdere, om krisen, sanktionslovgivningen og det økonomiske pres har ført til forandringer.

En udfordring ved de relativt få cases er, at det er svært at holde betydningen af alle relevante faktorer konstant i caseudvælgelsen (f.eks. om kommunerne blev sammenlagt i 2007). Vi kan således ikke med stor sikkerhed påvise, at der er en kausal sammenhæng mellem krisen og en bestemt type organisationsforandringer, men vi kan med det valgte undersøgelsesdesign sandsynliggøre, at krisen førte til organisationsforandringer, samtidigt med at vi opnår en af casestudiemetodens store fordele; nemlig at beskrivelsen af de relevante organisationsforandringer ikke kun udledes af teorien og litteraturen, men også i et vist omfang opstår induktivt på baggrund af den empiriske analyse.

Førte krisen til organisationsforandringer?

Vi analyserer her organisationsudviklingen i de seks kommuner med udgangspunkt i vores kategorisering af kommunerne ud fra deres grad af forandringschok og forandringspres. Herpå vurderes det, om krisen har spillet en selvstændig rolle som anledning til organisationsforandringer.

Kommuner med stort forandringschok og højt forandringspres

Lolland Kommune er en sammenlægningskommune med under 50.000 indbyggere. Kommunen blev ved kommunalreformen organiseret som en hybrid af direktions- og forvaltningsmodellen med tre budgetansvarlige ledelseslag; direktion, faglige og tværgående 'sektorchefer', og decentrale ledere. Kommunen havde store budgetoverskridelser, men det gav ikke anledning til skift på de ledende poster eller store organisationsprojekter. Kommunaldirektøren forklarer budgetoverskridelserne med, at kommunen fra starten havde vanskelige vilkår, og at man under højkonjunktoren havde vurderet situationen for optimistisk. Den økonomiske krise bidrog i hans optik til at skabe afklaring om kursen og nødvendigheden af kapacitetstilpasning. Dette har ikke ført til en stor omorganisering, men man har foretaget sammenlægninger af 'sektorer' som led i den generelle kapacitetstilpasning og for at skabe bedre vilkår for horisontal koordination. Man har således foretaget løbende organisationsforandringer, der kan begrundes i sparekravet (forandringspres).

Holbæk Kommune er en sammenlægningskommune med næsten 70.000 indbyggere. I kommunen havde man ved kommunalreformen valgt en direktionsmodel med kun to ledelseslag; en tværgående direktion og en række decentrale virksomheder. Organiseringen var begrundet i en tankegang om, at kommunalbestyrelsen skulle fungere som 'bestiller af servicekvaliteter', som virksomhederne skulle levere. Den decentrale organisering bidrog dog ifølge informanterne til at gøre økonomien uoverskuelig i den nye, store kommune, og i 2009 havde kommunen udsigt til at blive sat under administration. Kommunaldirektøren mistede byrådets tillid og blev udskiftet i 2009, og i 2010 fik byrådet et nyt flertal. Kort herefter gennemførte man en stor organisationsændring, hvor der blev indført et nyt ledelseslag af administrative centre, og hvor direktørerne blev gjort ansvarlige for hver deres 'direktørplatform'. Borgmesteren oplevede dette som en organisation med bedre økonomistyring, men også en organisation, hvor de faglige 'søjler' havde fået for stor indflydelse. I 2014 gennemførte man derfor endnu en stor omorganisering med henblik på at styrke de tværgående beslutningsprocesser. Direktionen kaldes nu 'koncerndirektionen' og udgør sammen med det øverste lag af chefer for 'kerneområder' og 'stabsfunktioner' en samlet 'koncernledelse'. Kommunen har således gennemgået to store omorganiseringer, hvoraf den første var relateret til kommunens budgetoverskridelser der blev uholdbare som følge af presset på kommunens likviditet, og den anden var begrundet i ønsket om mere tværgående samarbejde, som bl.a. skulle gøre det lettere at finde de nødvendige besparelser. Den første omorganisering kan ikke direkte tilskrives sanktionslovgivningen som et forandringschok for den hidtidige budgetpraksis, idet udskiftningen af kommunaldirektøren og valget af et nyt byråd skete allerede i 2009. Derimod spillede krisen i 2009 en rolle som et forandringschok, der synliggjorde problemerne ved den hidtidige praksis, bl.a. fordi man ikke længere kunne kompensere for budgetoverskridelser ved indtægter fra jordsalg. Samtidigt bidrog de statslige signaler til at gøre det klart, at bedre økonomistyring måtte være et hovedhensyn ved omorganiseringen i 2010.

Kommunen med stort forandringschok og lavt forandringspres

Egedal Kommune er en sammenlægningskommune med under 50.000 indbyggere. Her havde man også ved kommunalreformen valgt en hybrid af direktions- og forvaltningsmodellen. Kommunen havde tre budgetansvarlige ledelseslag; direktionen, faglige centre, og decentrale ledere. Ifølge informanterne skyldtes den dårlige økonomistyring en konfliktfyldt sammenlægning og et vanskeligt politisk samarbejdsklima i den første byrådsperiode. Det høje konfliktniveau forplantede sig til administrationen, der havde svært ved at samarbejde over faglige og geografiske grænser. I 2010 fik kommunen en ny borgmester og herefter en ny kommunaldirektør, som med egne ord fik til opgave at rette op på administrationen. Det blev anledning til et større organisationsprojekt, der både tog sigte på at styrke samarbejdskulturen, samle forvaltningen i et rådhus og skabe bedre betingelser for horisontal koordinering gennem en ny administrativ struktur med færre faglige direktører og centre. Kommunen har således gennemgået et større organisationsforandringsprojekt, som ifølge informanterne primært var foranlediget af egne styringsproblemer og budgetoverskridelser. Krisen beskrives i den forbindelse som en faktor, der har bekræftet og accentueret behovet for bedre økonomisk styring. Krisen skabte m.a.o. et 'window of opportunity' for organisationsforandringer, der havde til hensigt at institutionalisere en 'ny normal' for udgiftsstyring, herunder at nye initiativer godt kan finansieres ved omprioriteringer mellem organisatoriske enheder indenfor de eksisterende økonomiske rammer.

Kommunerne med lille forandringschok og højt forandringspres

Ringkøbing-Skjern er en sammenlægningskommune med ca. 57.000 indbyggere. I denne kommune valgte man i forbindelse med kommunalreformen en direktionsmodel med tre ledelseslag: direktionen, fag- og stabschefer og decentrale institutionsledere. Det var fra starten et vigtigt princip, at organisationen skulle være tværgående og flad. Direktørerne skulle ikke have linjeansvar eller knyttes fast til deres faglige områder, og fagcentrene skulle ikke have interne ledelseslag. Kommunen har ikke haft markante skift på de ledende poster eller store organisationsprojekter, men informanterne fortæller, at de strammere økonomiske rammer har skabt et pres, som har ført til gradvis reduktion af antallet af administrative centre. Parallelt hermed har man slækket på princippet om, at centrene ikke må have interne ledelseslag, idet sammenlægningerne skabte et bredt ledelsesspænd, som er svært at forene med stram økonomisk styring. Kommunens informanter giver således udtryk for, at man har gennemført gradvise organisationsforandringer foranlediget af kravet om besparelser (forandringspres).

Aarhus Kommune er en fortsætterkommune med over 300.000 indbyggere. Den er landets eneste magistratsstyrede kommune. Det indebærer, at forvaltningen er delt i magistratsafdelinger med hvert sit faglige opgaveområde. De enkelte magistratsafdelinger har egne økonomiafdelinger og står for den løbende økonomiske styring. Sanktionslovgivningen gav anledning til nye procedurer til at koordinere det løbende forbrug på tværs af koncernen, men økonomistyringen foretages stadig primært i magistratsafdelingerne. Der har i årene efter 2010 været overvejelser om at afskaffe magistratsstyret eller sammenlægge magistratsafdelinger for at skabe bedre muligheder for horisontal koordinering og allokering af udgifterne, men dette blev opgivet, idet der ikke kunne findes bred politisk opbakning. Magistratsafdelingerne har derimod internt gennemført organisationsforandringer, der skal skabe bedre styring af ressourceforbruget. Krisen synes således at have sat fokus på ressourcestyringen inden for magistratsafdelingerne, men også givet anledning til procedurer og systemer, der skal skabe bedre samlet overblik over kommunens økonomi. Derimod har man fravalgt en reform af magistratsstyret.

Kommunen med lille forandringschok og lavt forandringspres

Gladsaxe Kommune er en fortsætterkommune med næsten 70.000 indbyggere og en forvaltningsmodel for administrativ organisering. De tre fagforvaltninger har egne økonomifunktioner, men de blev i den studerede periode støttet af to tværgående centre, herunder et økonomicenter. Krisen har her ikke givet anledning til vidtgående organisationsforandringer. Kommunens princip om rammestyring og budgetoverholdelse inden for de faglige søjler er dog blevet styrket under hensyn til sanktionslovgivningen. Samtidigt ledsages stabiliteten på det overordnede niveau af omorganiseringer indenfor de enkelte forvaltninger med henblik på at styrke udgiftsstyringen. Man har således gennemført enkelte gradvise organisationsforandringer.

Delkonklusion

Casekommunerne har alle foretaget organisationsforandringer efter krisen. Hvis vi sammenligner kommunerne, svarer deres forandringsmønstre nogenlunde til forventningen om, at store budgetoverskridelser i tiden op til krisen og sanktionslovgivningen vil give anledning til forandringsprojekter, der vedrører hele organisationen, mens et højt økonomisk pres i perioden efter krisen vil føre til løbende organisationsforandringer. Mindre budgetoverskridelser og lavt pres synes at føre til relativ stabilitet.

De to kommuner, som ikke helt lever op til forventningerne, er Lolland og Aarhus kommune. På Lolland har man trods store budgetoverskridelser ikke haft store organisationsprojekter. Dette forklarer informanterne med, at budgetoverskridelserne skyldtes en særligt vanskelig situation og en sammenlægning, der faldt sent på plads snarere end mangler ved organisationsdesignet. Budgetoverskridelserne blev derfor ikke forstået som et uholdbart resultat, der nødvendiggjorde store organisationsforandringer. I Aarhus kan fraværet af forandringer på det overordnede niveau forklares ved, at der er stærke politiske interesser i bevarelsen af den magistratsopdelte forvaltning.

Tabel 4

Organisationsforandringer efter krisen.

	Stort forandringschok	Lille forandringschok
Højt forandringspres	Lolland Kommune: løbende organisationsforandringer	Ringkøbing-Skjern Kommune: løbende organisationsforandringer
	Holbæk Kommune: to store omorganiseringer	Aarhus Kommune: enkelte forandringer
Lavt forandringspres	Egedal Kommune: en stor omorganisering	Gadsaxe Kommune: enkelte forandringer

Det ser således ud til, at krisen forstået som et øget økonomisk pres og behov for at ændre en tradition for budgetoverskridelser har været en vigtig faktor for kommunernes arbejde med forandring og tilpasning af den administrative organisation. I to af de tre casekommuner, som havde store budgetoverskridelser indtil 2009, blev kommunaldirektøren fyret, og den nye kommunaldirektør initierede omfattende organisationsforandringer, som skulle forbedre den økonomiske styring. Det er dog ikke umiddelbart muligt at afgøre, i hvor høj grad det var udsigten til sanktioner, eller i hvor høj grad det var den generelle krisekontekst og bortfald af ekstraordinære indtægter, der gjorde den eksisterende budgetpraksis uholdbar i de kommuner, der havde haft store budgetoverskridelser.

I tre ud af de fire casekommuner, som har oplevet et stort pres på indtægterne, har man foretaget løbende organisationsforandringer – oftest i form af tværgående sammenlægninger af de administrative centre. I denne forbindelse skal det dog nævnes, at den ene kommune, Aarhus, som på trods af et højt forandringspres kun oplevede enkelte organisationsforandringer, også var en fortsætterkommune. Dette kan indikere, at kommunesammenlægningerne i 2007 sammen med krisen kan have været en medvirkende faktor for organisationsforandringerne, f.eks. idet man af drifts- og personalemæssige årsager fra begyndelsen etablerede de nye sammenlagte kommuner med et stort antal forvaltningsenheder (Bækgaard, 2008; Christoffersen & Klausen, 2012), der igen kunne reduceres i takt med det øgede pres for besparelser og budgetoverholdelse.

I det følgende diskuteres det, om forandringerne har bragt casekommunerne i retning af en 'koncernmodel'.

Mod en koncernmodel?

Her diskuterer vi, om casekommunerne bevæger sig mod en koncernmodel, dvs. om der i designvalget lægges mere vægt på central styring af ressourceforbruget end i direktionsmodellen, og om der lægges mere vægt på tværgående prioritering af ressourcerne end i forvaltningsmodellen. Det kan her være gavnligt at opsummere casekommunernes organisationsvalg før krisen.

Tabel 5

Casekommunernes historie og oprindelige organisationsvalg.

Lolland	Sammenlægning	Hybrid af direktions- og forvaltningsmodel
Holbæk	Sammenlægning	Direktionsmodel (med driftsansvar i autonome virksomheder)
Egedal	Sammenlægning	Hybrid af direktions- og forvaltningsmodel
RKSK	Sammenlægning	Direktionsmodel (med driftsansvar i administrative centre)
Aarhus	Fortsætter	Forvaltningsmodel (magistratsstyre)
Gladsaxe	Fortsætter	Forvaltningsmodel

Mere hierarkisk organisering og styring?

Vi forventer, at case-kommunerne har forandret sig i retning af en mere hierarkisk organisation med flere ledelseslag, mere hierarkisk styring og begrænsning af det decentrale råderum – særligt i de to kommuner, som i udgangspunktet var organiseret efter en flad direktionsmodel.

Vi kan for det første konstatere, at der både i Holbæk og Ringkøbing-Skjern er blevet etableret flere ledelseslag. I Holbæk Kommune medførte den første store omorganisering, at der blev indskudt et nyt lag af drifts- og budgetansvarlige administrative centre imellem direktionen og virksomhederne. I Ringkøbing-Skjern Kommune har styringskravet medvirket til, at fag- og stabscentre har udviklet sig til forvaltningsenheder med flere ledelseslag. Dette gør sig også gældende for Lolland og Egedal. Disse fire kommuner ligner nu hinanden i den forstand, at de har tre budgetansvarlige ledelseslag. På hvert niveau findes et internt ledelseshierarki; i direktionen står kommunaldirektøren over direktørerne; centrene ledes af en centerchef, som under sig har administrative ledere med personaleansvar. På det decentrale niveau har man på flere opgaveområder indført distrikts- eller områdeledelse, hvilket f.eks. indebærer, at de nye skoleledere under sig har et niveau af afdelingsskoleledere. Undtagelsen er her Ringkøbing-Skjern, som har fravalgt distrikts- og områdeledelse på skoler og dagtilbud.

Vi kan for det andet konstatere, at den stramme udgiftsstyring synes at have ført til opblødning af direktionsmodellens vertikale arbejdsdeling mellem strategiansvarlige og driftsansvarlige enheder. Der stilles nu i alle casekommunerne krav om månedlige decentrale budgetopfølgninger og regelmæssige rapporteringer til direktion (eller direktører), fagudvalg og økonomiudvalg, og der stilles krav om handling, hvis budgettet ser ud til at skride. Budgetopfølgningerne giver anledning til løbende dialog og styring mellem de decentrale driftsansvarlige enheder og de centrale ledelsesorganer.

Samtidigt giver informanterne udtryk for, at man har fastholdt eller styrket princippet om rammestyring. I Holbæk Kommune indgik det f.eks. i den første organisationsforandring, at man hævdede bevillingsniveauet fra den enkelte driftsenhed til politikområder, hvis bevillingsrammer administreres af fagudvalgene. I alle casekommunerne giver informanterne udtryk for, at man har skærpet forventningen om, at optræk til budgetoverskridelser håndteres inden for den decentrale enheds, forvaltningscenterets eller udvalgets egen ramme. Det kan indebære, at midler i løbet af året flyttes mellem enheder under et center eller mellem politikområder under et udvalg. I de fleste tilfælde forsøger man dog at respektere, at de decentrale enheder har råderet over deres ramme.

Vi kan dog også konstatere, at casekommunerne på forskellig vis arbejder med at styre forbruget af opsparing for de decentrale institutioner. I udgangspunktet (før sanktionslovgivningen)

havde de to kommuner med direktionsmodeller fuld overførselsadgang, mens de øvrige havde en begrænset overførselsadgang på 5 % eller 10 % af nettodriftsrammen. Efter krisen indebar omorganiseringen af Holbæk Kommune, at man indførte grænser for overførselsadgangen. Senere afskaffede man disse grænser, men i mellemtiden havde man flyttet ansvaret for bygningsvedligeholdelse til en central enhed, så muligheden for decentrale opsparinger og underskud var kraftigt formindsket. I Egedal overvejede man på interviewtidspunktet at stille større krav om forklaring, når de decentrale enheder vil overføre overskud, og i Gladsaxe inddrager forvaltningen lejlighedsvist overskuddet hos decentrale enheder, der ikke har en plan for anvendelsen. I Aarhus har man på koncernniveau indført en procedure til koordinering af de decentrale enheders forbrug af opsparing.

Alt i alt har der i casekommunerne været en udvikling mod flere ledelseslag, mere hierarkisk styring og mindre fri overførselsadgang. Dette er særligt tydeligt i de to kommuner, der som udgangspunkt var organiseret efter en direktionsmodel.

Informanterne tilskriver i stort omfang udviklingen til statens krav om budgetoverholdelse i det enkelte år og den forværrede økonomiske situation, hvor kommunerne har dårligere råd til at overskride deres budgetter. Udviklingen kan dog også i et vist omfang ses som et udtryk for en læringsproces efter kommunalreformen, hvor man har måttet indse, at det har været svært at praktisere idealet om decentralisering i de større kommuner.

Mod mere tværgående ledelsesorganisering?

Vi forventer også, at casekommunerne har forandret sig i retning af en mere tværgående organisation. Dette kan f.eks. komme til udtryk i en tværgående topledelse, i tværgående sammenlægninger af forvaltninger eller centre og i kompetenceflytninger fra de faglige til de økonomiske forvaltningscentre. Vi forventer, at forandringspresset på denne dimension vil være særligt stort i de forvaltningsorganiserede kommuner, fordi forvaltningsmodellen som udgangspunkt lægger mindre vægt på tværgående koordinering end direktionsmodellen.

Aarhus Kommune har som konsekvens af magistratsstyret ikke en tværgående administrativ topledelse. Borgmesterens afdeling har ansvaret for afgrænsede, tværgående opgaver, som f.eks. budgetlægning, og desuden foregår den tværgående koordinering i 'direktørgruppen' og en række tværmagistrale styregrupper, hvor beslutninger (og indstillinger) kun kan opstå ved forhandling. I 2010 gav regeringen mulighed for, at Aarhus kommune kunne afskaffe magistratsstyret, og der var herefter overvejelser i kommunen herom. Det var dog ikke muligt at finde et bredt politisk flertal for en større reform, som derfor blev opgivet. I Gladsaxe var der i perioden ikke store forandringer i organiseringen af topledelsen, men i de øvrige fire kommuner har perioden været kendetegnet af, at direktionerne er blevet mindre, og at hver direktør dermed har fået ansvar for et større område. Desuden betoner de interviewede direktører nødvendigheden af at prioritere den strategiske 'holdsport' over varetagelsen af faglige synspunkter og interesser i direktionen. Flere kommunaldirektører fortæller, at det har været nødvendigt at fyre direktører, der ikke kunne påtage sig den tværgående rolle.

Tværgående sammenlægninger af forvaltninger og centre har også været på tegnebrættet flere steder. I Aarhus blev et Styreforms- og Strukturudvalg i 2012 bedt om at fremlægge og vurdere

modeller til at reducere antallet af Magistratsafdelinger, men dette fandt ikke politisk opbakning. I Gladsaxe var organisationsudviklingen frem til 2014 præget af stabilitet, men i de øvrige fire kommuner har perioden været præget af tværgående sammenlægninger af de administrative centre. Informanterne angiver, at besparelser på lederstillinger er den hyppigste årsag til horisontale sammenlægninger, men de forklarer også i flere tilfælde, at sammenlægningerne forventes at lette den horisontale koordination, idet der skabes en organisation med færre faglige budgetadvokater. Man kan således argumentere for, at sammenlægningerne også har til formål at reducere common pool-problemet.

Tabel 6

Sammenlægninger af forvaltninger og centre.

Casekommune	Udvikling og status (2014)
Lolland	Udvikling: fra 17 til 11 forvaltningscentre (sektorer) Status: 7 driftssektorer + 4 stabssektorer
Holbæk	Udvikling: fra 14 til 9 forvaltningscentre (områder og stabe) Status: 5 'kerneområder' + 3 tværgående stabe + 1 stab for kultur
Egedal	Udvikling: fra 14 til 9 forvaltningscentre (fag- og servicecentre) Status: 7 fagcentre + 2 tværgående servicecentre
Ringkøbing-Skjern	Udvikling: fra 16 til 9 fag- og stabsområder Status: 6 fagområder + 3 tværgående stabsområder
Gladsaxe	Udvikling: stabilitet på det overordnede niveau Status: 3 fagforvaltninger + 2 tværgående centre
Aarhus	Udvikling: stabilitet på det overordnede niveau Status: 5 Magistratsafdelinger + Borgmesterens Afdeling

Samarbejdet mellem de økonomiske og faglige forvaltningsenheder har været under forandring i flere af kommunerne. I Aarhus kommer dette bl.a. til udtryk ved, at man har indført et koncernfælles økonomisystem. Man har desuden centraliseret den økonomiske styring indenfor de enkelte forvaltninger (dette gælder også i Gladsaxe). Der er endvidere sket en tydelig styrkelse af den tværgående økonomistab vis-à-vis de faglige enheder i de kommuner, der lagde ud med en direktionsmodel. I begge disse kommuner har man økonomikonsulenter, som er ansat af økonomistaben, men placeret decentralt i fagcentre. I Holbæk betød den første organisationsændring, at økonomistaben fik flere medarbejdere og kompetencer til at kontrollere fagcentrenes og de decentrale virksomheders økonomi. I Ringkøbing-Skjern arbejdede man omkring 2011 med at styrke økonomikonsulenters loyalitet til den centrale økonomifunktion, hvor de er ansat, bl.a. vha. et 'rollenotat', der betonede deres koncernansvar. Økonomikonsulenterne er også blevet opkvalificeret med henblik på at kunne udfordre fagchefernes økonomiske dispositioner, og de har fået stillet arbejdsplads til rådighed i den centrale økonomifunktion. I Lolland og Egedal kommune har økonomicentrenes konsulenter i hele perioden været placeret fysisk i økonomicentret. Den centrale placering løser i nogen grad udfordringerne med medarbejdernes loyalitet overfor den tværgående økonomistab. Til gengæld kan det give anledning til informationsasymmetri mellem økonomikonsulenter og fagcentre og til, at der opbygges små selvstændige økonomisekretariater i de enkelte fagcentre.

Alt i alt kan vi konkludere, at udviklingen i casekommunerne er gået i retning af mere tværgående topledelse, færre forvaltningsenheder og en stærkere tværgående økonomifunktion. Udviklingen har ikke, som man ellers kunne forvente, været mest udtalt i de forvaltningsorganiserede kommuner.

Dette kan skyldes, at Gladsaxe har været under mindre økonomisk pres end de øvrige kommuner, og at der i Aarhus er stærke politiske interesser i bevarelse af magistratsstyret. Det peger dog også på, at udviklingen i de øvrige casekommuner skal ses i sammenhæng med kommunesammenlægningerne i 2007. De nye kommuner blev etableret med flere politiske udvalg og forvaltningsenheder, end hvad der kan forklares ved udvidelsen af deres opgaveportefølje (Bækgaard 2008). Dette kan forklares med, at man ved kommunalreformen prioriterede hensynet til sikker drift og måske også ved, at man kunne reducere konfliktniveauet ved at skaffe plads i topledelsen til de tidligere kommuners topledere. Krisen kan i denne forbindelse fortolkes som en presfaktor, der gjorde det nødvendigt at tilpasse kommuner med uforholdsmæssigt mange forvaltningsenheder til en mere 'effektiv' organisering.

Konklusion

På baggrund af vores undersøgelse ser det ud som om, at krisen har bidraget til udviklingen af en ny koncernmodel for administrativ organisering i kommunerne. Der var allerede før krisen tendens til, at mange kommuner kombinerede træk af de hidtidige hovedmodeller, forvaltningsmodellen og direktionsmodellen, men efter krisen er det blevet tydeligt, at der ikke bare er tale om en hybrid af to organisationsmodeller, men om en ny model, der skal gøre det muligt for kommunerne at prioritere og styre ressourcerne på tværs af og ned i organisationen.

Koncernmodellen bygger videre på de hidtidige modeller, men den gør samtidigt op med deres skarpe arbejdsdelinger mellem fagområder og mellem strategi og drift. Modellen ledsages af et nyt ledelsesideal, som kommer til udtryk ved tværgående og integrerede ledelsesfora på flere niveauer i organisationen. På topniveau findes typisk et strategisk ledelsesforum bestående af direktionsmedlemmerne og cheferne for de faglige og tværgående forvaltningscentre. Cheferne i disse fora mødes i de fleste casekommuner omkring hver 14. dag og diskuterer økonomiske og strategiske spørgsmål i sammenhæng med driftsspørgsmål. Det integrerede ledelsesfællesskab findes også ofte på underliggende niveauer, f.eks. på skoleområdet i form af et ledelsesforum med ugentlige møder med deltagelse af skolechef og skoleledere og i form af teamledelse på (distrikts)skeniveau.

Tabel 7

Forvaltningsmodellen, direktionsmodellen og koncernmodellen.

	Forvaltningsmodel	Direktionsmodel	Koncernmodel
Topledelelsens organisering	Kommunaldirektør og fagchefer	Tværgående direktion	Tværgående direktion + strategisk ledelsesforum
Forvaltningens organisering	Parallele forvaltningshierarkier med flere ledelseslag. Ansaret for drift og strategi delegeres nedad fra niveau til niveau.	Faglige og tværgående koordinatorer eller administrative centre med få ledelseslag.	Faglige og tværgående administrative centre med flere ledelseslag. Selvstændigt driftsansvar, men også medansvar for kommunens samlede strategi.
Decentrale enheder	Nederste led i et hierarki. Begrænset autonomi.	Driftsenheder (virksomheder mv.) Stor autonomi.	Decentrale enheder med flere ledelseslag. Driftsansvarlige, men også medansvarlige for strategien på deres fagområde. Begrænset autonomi

Idealet om tværgående ledelsesfælleskaber og integration af den strategiske og faglige ledelse synes anderledes end f.eks. kvalitetsreformens idealer om ledelsesmæssig autonomi på institutionsniveau under ansvar for resultater eller de faglige ledelsesidealer i det traditionelle ledelseshierarki. Koncernmodellens ledelsesideal stiller krav om offentlige ledere, der kan forene den økonomiske og strategiske rolle med ansvaret for faglig og personalemæssig ledelse af driften.

Koncernmodellen kan ses som udtryk for en generel 'post-NPM' tendens i forvaltningspolitikken, og det er oplagt at indvende, at idealet om stordrift, tværgående koordination og integreret koncernledelse også er kommet til udtryk i reformer andre steder i den offentlige sektor, og at denne udvikling mange steder tog fart før den økonomiske krise.

Det er således en relevant indvending, at koncernmodellen også kan være udtryk for institutionel isomorfi eller læring. På basis af vores casestudier anser vi det dog som sandsynliggjort, at krisen i en kommunal sammenhæng har skabt et pres for forandring, og at kravet om strammere økonomisk styring har tilgodeset forandringer i retning af mere tværgående ledelse og mere hierarkisk styring.

Der er naturligvis grænser for, i hvor høj grad resultaterne af seks casestudier kan generaliseres til et billede af organisationsudviklingen i hele kommunesektoren. Det er derfor et oplagt emne for videre forskning at undersøge, hvor udbredt koncernorganiseringen og -tænkningen er i kommunerne, og hvorvidt deres valg af koncernmodellen kan kobles til graden af økonomisk pres.

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Appendiks. Definitioner af variable

Variabel	Definition	Kilde
Niveau for økonomisk pres 2009	Rationen mellem kommunens udgiftsbehov pr. indb. (som opgjort i udligningsordningen) og indtægtsgrundlag pr. indb. efter tilskud og udligning, hvor gennemsnittet for kommunerne er sat til indeks 100.	De kommunale nøgletal. http://www.noegletal.dk
Ændring i indtægter pr. indbygger 2009-2013	Ændringen i kommunernes indtægter fra skatter (7.68) samt generelle tilskud og udligning (7.62) fra 2009 til 2013 korrigeret for opgaveændringer. Der er korrigeret for opgaveændringer relateret til i) kommunernes overtagelse af området for forsikrede ledige i 2009, ii) ændringer i konjunktursituationen og iii) øvrige opgaveændringer jf. det årlige lov- og cirkulæreprogram. Vedr. i) forsikrede ledige er der fratrullet det kommunespecifikke beskæftigelsestilskud i 2013, som var 0 i 2009. Vedr. ii) konjunktursituationen er der fratrullet stigninger i den såkaldte 'budgetgaranti' fra 2009 til 2013. Vedr. iii) øvrige opgaveændringer er der fratrullet meropgaver som følge af det årlige lov- og cirkulæreprogram. Da budgetgaranti og øvrige meropgaver ikke opgøres fordelt på den enkelte kommune er korrektion herfor foretaget med samme faktor pr. indbygger for alle kommuner. Kommunernes regnskaber og budgettet. Opgjort pr. indbygger 1. januar i året. 2013-priser.	Tal venligst udlånt af Kurt Houllberg (KuHo@kora.dk)
Ændring i befolkningstal, 2009-2013	Den procentvise ændring i kommunens indbyggertal fra 1. januar 2009 til 1. januar 2013.	De kommunale nøgletal. http://www.noegletal.dk
Budgetoverholdelse gns. 2007-2009	Overholdelse af driftsbudget pr. indb., gnsn. 2007-2009	KREVI's nøgletal. http://krevi.dk/noegletal

¹ I en artikel fra 2013 finder Bækgaard således, at der er en forholdsvis stærk sammenhæng mellem politikernes præferencer og output i de kommuner, som anvender en forvaltningsmodel, mens sammenhængen er ikke-eksisterende i de kommuner, som anvender en direktionsmodel (Bækgaard 2013: 171).

² Denne kombinationsmodel blev brugt af 39 % af kommunerne.

³ Vi har valgt at bruge Klausens begreb om en 'koncernmodel' i stedet for det delvist synonyme 'centermodel', fordi 'koncernmodel' i højere grad peger på kombinationen af horisontal og vertikal centralisering

⁴ Se Appendiks for definitioner af variable og datakilder

⁵ Først i 2015 (dvs. efter den studerede periode) har man nedlagt et af de to administrative centre

Article 5

Foged, S. K. (2017). *Public Spending Through Thick and Thin: The Relationship between Fiscal Stress, Total Spending and Spending Priorities in Danish Local Governments, 2007-2015*. Working Paper.

Public Spending Through Thick and Thin: The Relationship between Fiscal Stress, Total Spending and Spending Priorities in Danish Local Governments, 2007-2015¹

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Abstract

This article examines the relationship between exogenous changes to fiscal stress and endogenous changes to total spending on the one hand and spending priorities on the other hand. It is hypothesized that increasing fiscal stress/decreasing total spending leads to spending priorities more in line with priority-setters' as opposed to spending advocates' preferences. The hypotheses are tested on the spending priorities of Danish municipalities from 2007 to 2015 operationalized as the relative spending on 9 policy-areas. The empirical results show a large amount of stability in spending priorities despite changes in fiscal stress: In itself fiscal stress only has a small effect on spending priorities in the sense that only one policy-area, the school area, is significantly affected. However, when total spending is used as an independent variable the relative spending on various policy-areas shows more variation. This indicates that spending priorities are particularly affected when fiscal stress is dealt with through cutbacks and/or that fiscal stress interacts with endogenous factors conducive to priority-setters.

¹ The authors would like to acknowledge the comments received from Karsten Vrangbæk, Kurt Houlberg and the participants at the Public Management Research Conference, 22-24 June 2016, Aarhus, Denmark.

Introduction

In a recent article Irene Rubin made the case that the literature on public budgeting is in need of new concepts and theories to analyze budget phenomena no longer accounted for by the budget classics (Rubin 2015). According to Rubin, the theoretical insights of the budget classics (Wildavsky 1961, Levine 1978, Lewis 1952, Schick 1966) have continued to dominate the field, although a number of changes have made the concepts and approaches used in these landmark contributions still more unsatisfactory.

One of the changes highlighted by Rubin (2015, 33) - how fiscal stress influences budgeting - is the overarching topic of this article. This topic is in no way new since the cutback literature of the late 1970s and 1980s had this as one of its main interests (Levine 1978, Levine, Rubin, and Wolohojian 1981, Bozeman and Straussman 1982, Behn 1985, Schick 1983). However, since then a number of societal changes have transformed the conditions of budgeting (Rubin 2015, Good 2007) and the cutback theories also had some important limitations, in particular its exclusive focus on decline rather than looking at budgeting under 'varied organizational environments' (Bozeman 2010, 561).

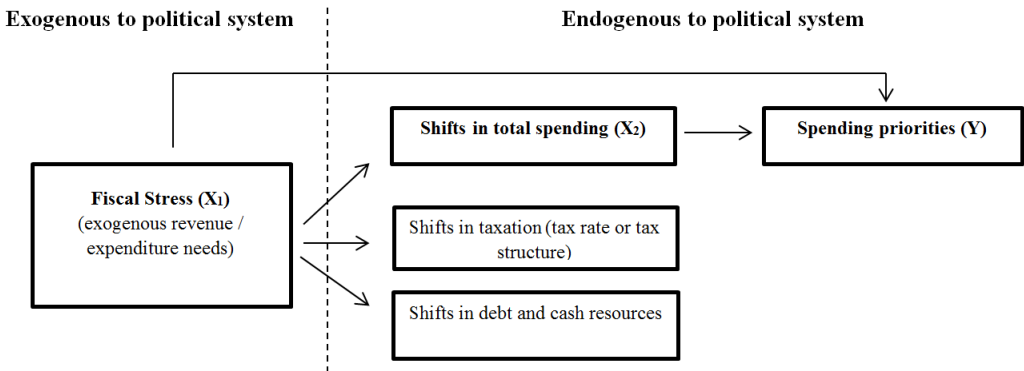
In this article, we look at how spending priorities are affected by different levels of fiscal stress and total spending in local governments. The research question is thus *whether, how and why changes in fiscal stress and total spending affect spending priorities*. This gives rise to three questions which the article tries to answer: First, are local governments' spending priorities at all affected by the development in fiscal stress and total spending? Second, if priorities do in fact depend on fiscal stress and total spending, which policy-areas win and loose and are these priority shifts more or less radical when the budget contracts (as opposed to when the budget expands)? Finally, how can potential shifts in spending priorities be explained?

The answers to these questions contribute to the existing budget literature in both a theoretical and empirical way. From a theoretical viewpoint the article responds to the abovementioned limitations in existing budget theories. Thus, the proposed theory distinguish between five types of actors, spending advocates, spending guardians, priority-setters, voters and the decision-makers, acting under different environmental factors (Andrews et al. 2005) and budget institutions (Blom-Hansen 2002). In that context, the inclusion of the priority-setter - concerned about the organization's long-term survival and therefore the total level and distribution of spending - is new. Also, the linkage of the strength of these actors to different levels of fiscal stress, i.e. both economic growth and decline, contributes theoretically to the literature.

From an empirical viewpoint the article responds to a call for studies that are, for once, better able to test the causal claims inherit in budget theories (Scorsone and Perhopes 2010, 184) as well as studies that are comparative, attentive to changes over time and rest on mixed methods design (Rubin 2015, 33, Bozeman 2010, 561). In particular, the proposed theoretical framework and the related hypotheses are tested on the spending priorities of all 98 Danish municipalities between 2007 and 2015. This constitutes a valid test case since the period of research from 2007 to 2015 involved significant changes to the level of fiscal stress and total spending *within* the localities.

By spending priorities we understand the relative share of spending on various policy-areas. The degree of fiscal stress is defined as the ratio between the exogenously determined revenue (revenue at a fixed tax rate and tax structure) and the ‘objective’ expenditure needs (see for instance Hendrick 2004, 82, Bailey 1999, Wolman and Davis 1980, 231). By total spending we understand the total amount of spending decision-makers distribute to different policy-areas. The relationship between fiscal stress, total spending and spending priorities is illustrated in Figure 1: According to this figure, endogenously changing total spending is one among three ways to respond to an exogenous change in fiscal stress (the two others being manipulating taxation or debt/cash resources). The article is interested in partly the relationship between fiscal stress and spending priorities and partly the relationship between shifts in total spending and spending priorities.

Figure 1. The Relationship between Fiscal Stress, Total spending and Spending Priorities



Literature Review

In answering the research question the article builds on existing studies. In the following insights from these studies are presented focusing mainly on empirics from local governments.

First, the question whether the level of fiscal stress affects spending priorities has led to mixed findings. The majority of existing studies have found that spending priorities differ with various levels of fiscal stress. Among these studies, however, disagreement exists as to *how* this is reflected in spending priorities and *why* this is so. One important prediction has been that spending priorities are incremental under economic growth while turning strategic/targeted when the budget shrinks. In particular, a number of studies on US cities have addressed, and found mixed support for, this so-called ‘administrative response model’. This model predicts that the probability of targeted cutbacks increases with the level and duration of fiscal stress (Dougherty and Klase 2009, Bartle 1996, Maher and Deller 2007).

What strategic budgeting actually means for spending priorities has, however, been less clear from the literature. The reason for this is probably that the literature, arguing that budgeting

becomes more strategic under decline, has focused more on the budgeting process than spending priorities. Thus, it has been argued that the budget process becomes more top-down and centralized under economic decline as a response to the disappearance of the economic conditions necessary for bottom-up budgeting (Schick 2009, 2, Behn 1985, Schick 1983, Bozeman and Straussman 1982, Raudla et al. 2015).

Although the implications of an increasingly strategic budget process on the spending priorities have received relatively little scholarly attention, a few contributions can still be identified, which have tried to determine what such strategic priorities look like: One way the literature has suggested that decision-makers prioritize between spending items under decline is by defining some policy-areas and tasks as ‘core’ as opposed to ‘marginal’, and in turn shielding core tasks (Berne and Stiefel 1993, Meier and O’Toole 2009, Kickert 2014). Other guiding strategies behind spending priorities, mentioned in the literature, have been to give priority to policy-areas and programs regarded as cost-effective (Lewis 1988).

Besides studies arguing that spending priorities is incremental under growth and strategic under decline, other studies suggest that changes to the budget size will affect spending priorities due to related changes in the relative influence of interest groups. The interest group argument is that an environment of cutbacks benefits mobilized interest groups representing enough voters to be politically salient, while less strong interest groups suffers. The supposed reason for this is that interest groups value losses higher than gains and therefore mobilize more strongly when cutbacks are at the table (Behn 1985, Heald and Hood 2014, Pandey 2010). The empirical evidence regarding this prediction remains, however, limited and inconclusive (Skidmore and Scorsone 2011, Mattila and Uusikylä 1997, Lobao and Adua 2011, Houlberg, Olsen, and Pedersen 2016).

Besides the question of whether spending priorities becomes more incremental, strategic or more influenced by special interest groups under fiscal stress, a final group of studies have discussed whether fiscal stress is a source of change or a cause for doing more of the same (Overmans and Noordegraaf 2014, Peters, Pierre, and Randma-Liiv 2011). In that context, empirics show that public budgets tend to be highly incremental, yet occasionally punctuated by large changes (Jones et al. 2009). However, whether fiscal stress is a driver behind such punctuated changes has been less scrutinized.

In sum, the majority of existing studies indicate that changes to fiscal stress and total spending make a difference for spending priorities. However, the majority of studies deals with features of the budget process rather than the implications for spending priorities. Furthermore, disagreement exist as to how spending priorities should differ when the budget shrinks as opposed to when it expands: Some suggest that a shrinking budget is associated with more strategic priorities, others imagine an increasing role for strong interest groups and still others discuss whether changes to fiscal stress is related to change or stability. Accordingly, there is a need for linking expectations regarding the relationship between changes in fiscal stress and the budget process with predictions concerning the actual spending priorities. This objective is pursued in the following theory section.

Theory and Hypotheses

The applied theoretical framework draws on existing approaches viewing budget outputs as a result of actors battling for influence within a given institutional and environmental setting (Rubin 2016, 28-34, LeLoup 1978). The relative influence of actors is affected by their political resources as well as constraints generated by budget institutions (Blom-Hansen 2002) and the environmental conditions (Andrews et al. 2005).

With environmental conditions we understand external political, economic and social events beyond the actors' immediate influence (LeLoup 1978, 508, Andrews et al. 2005). By budget institutions we understand formalized rules - endogenous to the political system (Blom-Hansen 2002) - that influence the relative strength of the budget actors by assigning and promoting certain institutional roles and functions to specific actors (Good 2007, 28-29). Finally, we distinguish between five types of actors: The first three are *coalitions* - that is one or more groups - defined by their goals for spending rather than their institutional position per se (Meyers 1996, 14-15). The three coalitions are *spending advocates*, *guardians* and *priority-setters*, which, along the *voters* in general, exercise pressure on the final actor, the legally authorized *decision-makers* (Meyers 1996, 15).

The Key Actors

Where a large body of writings for many years dealt with the relationship between guardians and advocates, a third actor, the *priority-setter* Good (2007), is included in this theoretical framework. The three types of coalitions consist of both administrators, politicians and interest groups, unified by their common preferences for spending. These coalitions, as well as the groups of voters and formal decision-maker, are not mutually exclusive categories: For instance, local politicians can have more institutional roles such as being formal decision-makers in some situations and spending advocates or guardians in other situations (typically due to their membership of a particular standing committee).

Spending advocates seek to increase or maintain funding for specific policy-areas and programs and typical members of this group are the responsible administrative agency, politicians who are members of spending committees and the relevant interest groups. By contrast, *guardians'* goal is to resist the pressure from spending advocates within each policy-area. Guardians can be viewed as a coalition of actors typically involving administrative budget controlling agencies, politicians from the finance committee and interest groups opposed to higher public spending within a given policy-area (Meyers 1996, 15-16).

Whereas spending advocates and guardians are occupied with ongoing battles over spending within specific policy-areas, *priority-setters* are more concerned with the total level of spending and how policy-areas and programs are compared and prioritized (Good 2007). Priority-setters view are accordingly more on 'all of government', including how public spending is prioritized (Good 2007, 38-39). Priority setters are often engaged early in the budget process.

The preferences of priority-setters are laid down in their context-specific vision and strategies and can therefore involve both more or less total spending. Importantly in relation to this arti-

cle, priority-setters' preferences will affect the distribution of spending. Priority-setters typically consist of administrative and political agents in the government's leading ministries influenced by interest groups with a view on 'all of government'. According to (Good 2007, 28-31) - which focus on the Canadian case - the appearance of the priority-setter has been a response to a continuous slow economic growth as well as the influence of ideas broadly associated with NPM. These economic and ideational changes have led to an increased focus on priorities and performance: Thus, due to increasing fiscal stress, Western governments experienced a rising need for strategic planning and priority-setting became regarded as a task that was too important to be left as a bi-product of the daily fights between advocates and guardians. Consequently, the priority-setter emerged, took on new space in the budget process and also claimed space formerly occupied by advocates and guardians (Good 2007, 34). The priority-setter can also be viewed in light of the generic literature on organizational life cycles in the sense that priority-setters will often be concerned with strategies to ensure the organization's long-term survival (Boyne 2006).

Besides these three coalitions (spending advocates, guardians and priority-setters), decision-makers are also influenced by the *voters* in general. Although the voters' knowledge of the budget is often limited they still play an indirect role in the budget process by voicing their opinion and potentially exiting the political system (Rubin 2016, 15-16). Finally, conditional on the specific political system, the *decision-makers* are in public authorities leaders of the government, their delegates (Meyers 1996, 15) or the legislative assembly made up of the elected politicians. Politicians in the local council (acting as the decision-makers in this article) are assumed to be driven by a mix of ideological and office-seeking goals.

How Is Actors Influenced by Fiscal Stress and Total Spending?

How are changes to fiscal stress and total spending then expected to affect power relations between guardians, advocates and priority-setters? In general, increasing fiscal stress/decreasing total spending is believed to empower priority-setters and guardians over advocates. Under economic growth the inverse is expected. The overall logic behind this expectation is that the legitimacy of priority-setting grows under fiscal stress. The increased legitimacy of priority-setters is then used to more strongly influence the spending priorities decided by the decision-makers. Moreover, the strengthening of guardians makes sure that the budget decisions, taken by the decision-makers, are not violated in the accounts since guardians are now better able to turn down advocates' demands (Schick 2009) in the implementation of the budget. The underlying mechanism behind these changes to the legitimacy of various actors is that voters see the cost of spending more clearly under resource scarcity as opposed to growth (Hallerberg, Strauch, and von Hagen 2009), and accordingly align closer with the preferences of priority-setters and guardians. Accordingly, under decline spending advocates have to take a total rather than partial view on the budget to remain legitimate (Good 2007, 28; Imbeau 1998). In the opposite situation, however, - where the economy improves and spending increases - voters typically become less concerned about the financial health of the

political system and more attentive to the quality of public services (Suenson, Nedergaard, and Christiansen 2015).

The expected implications of the rise in guardian influence are that the budget agreed upon is also realized in the accounts. In Danish municipalities it has already been showed that the recent economic decline (and the related nationally determined sanctions on spending overruns) markedly reduced budget overruns (Foged 2015). Therefore, we here focus on what the hypothesized strengthening of priority-setters - supported by increased budgetary discipline enforced by the guardians - meant for spending priorities.

Insofar as the preferences among the priority-setters are known in advance, it can be determined which policy-areas that are likely to receive more or less spending. However, these preferences of priority-setters will vary across political entities due to context-specific circumstances (Campbell and Pedersen 2014, 18). For local governments within the same country, though, we hypothesize that priority-setters' preferences do not vary much due to comparable institutions and a common influence from the national government. In other words, the same policy-areas are expected to benefit from strengthened priority-setters across localities.

In addition, we expect this relationship between fiscal stress and spending priorities to be larger when an increase in fiscal stress is converted into reduced total spending. Thus, as mentioned changes in fiscal stress can both be translated into a change in spending, a change in taxation and a change in debt/cash resources (see Figure 1).

If increasing fiscal stress is dealt with without changing spending much (at least in the short run) this is expected to generate a status quo bias in the spending priorities. In comparison, when an increase in fiscal stress reduces total spending there are better room for priority-setters' to use this decrease in total spending to change the spending distribution as well. The logic can be grasped in two ways, not necessarily mutually exclusive: First, one can argue that increasing fiscal stress has to be dealt with through lower total spending before spending priorities are heavily affected. This resembles a *phase model* of spending priorities (Jørgensen 1987) where fiscal stress in the beginning is addressed through postponement strategies with modest influence on operating expenses (such as delaying capital investments and drawing on cash resources), and where changes to spending priorities first materialize at the moment where major cutbacks are implemented. From this perspective fiscal stress does indeed change power relations between priority-setters and advocates, but the effect on spending priorities will first materialize when cutbacks are implemented. Changes in total spending can then be regarded at the most precise indicator for when and to what extent fiscal stress is dealt with at the spending side.

Second, one can view changes in total spending as indicating that fiscal stress *interacts* with endogenous factors. Large cutbacks can point to such an interaction since downscaling could indicate that advocates have been particularly weak. Thus, according to this view, fiscal stress provides an opportunity window for priority-setters, but the extent to which this window is opened will depend on endogenous factors. In other words, the timing of cutbacks will be influenced by endogenous factors that interact with the rise in fiscal stress, but are not necessarily correlated with the exact severity of the crisis. These endogenous factors involve whether the local management locally is perceived as worsening or dampening the fiscal stress - for instance due to the local leadership,

financial management and organizational structure - and which actors that can be blamed or credited for this (Heald and Hood 2014, Levine 1978). For instance, if an exogenous fiscal stress is perceived as being amplified by irresponsible spending advocates, priority-setters are in a much better position to implement relatively large cutbacks and change spending priorities. As a result the following hypothesis can be formulated: *H₁: An increase (decrease) in fiscal stress increases (decreases) relative spending on policy-areas in line with priority-setters' preferences and decrease (increases) spending on policy-areas in opposition to these preferences. This effect is larger for total spending than for fiscal stress.*

One further implication for spending priorities will be that changes to the relative spending distribution will be more radical under fiscal stress. This is due to the expectation that spending advocates will be relatively stronger under economic growth, helping to maintain status quo/incremental spending. Again, for the same reasons as for H₁ it is expected that such a change in spending priorities will be larger when changes in fiscal stress is converted into changes in total spending. Consequently, the following hypothesis can be formulated: *H₂: An increase (decrease) in fiscal stress leads to more (less) radical changes to the relative spending on various policy-areas. This effect is larger for total spending than for fiscal stress.*

Research Methods

Identification Strategy

A research design is chosen which statistically estimate the average relationship between *changes* in fiscal stress, *changes* in total spending and *changes* in the budget shares across policy-areas. Specifically, the relationships are estimated for 9 well-defined policy-areas using multiple regression with fixed effects (to investigate changes over time within each municipality) and clustered standard errors (to take into account heteroscedasticity and serial correlation). The quantitative approach constitutes the logic of inference, but prior to the quantitative analysis, in-depth qualitative evidence, providing valuable background information, was collected through case studies in 6 Danish municipalities (Foged and Sørensen 2016). The period of analysis, 2007-2015, constitutes the longest period possible with the existing set of 98 municipalities due to a structural reform in 2007.

Analyzing changes in budget shares with fixed effects has a number of advantages: First, by definition the municipality fixed effects control for all unobserved variables that are constant (or approximately constant) over time within the localities. This is a noticeable advantage compared to estimating the association between *levels* of fiscal stress and *levels* of spending since the risk of omitted variable bias is to a larger extent mitigated with fixed effects. The method, however, still needs to take potential time-varying variables into account. This is done by controlling for observables (see section on Indicators and Data).

One often-mentioned costs of analyzing changes instead of levels is the potential inefficiency in the estimates due to too little variation over time. However, by looking at a period with sizea-

ble within-unit variation in both fiscal stress, total spending and the policy-specific budget shares (see appendix Table A1) inefficient estimates should be less of a concern. In general, from 2007 to 2009 the resources and spending of Danish municipalities grew, while resources and spending contracted markedly in the years following 2010.

Another way potential bias is mitigated in the study is by analyzing changes to the budget *shares* instead of just the *absolute* spending development (see Lewis 1984 for a similar approach). The reason for choosing this approach is that a change in available resources mechanically correlates with spending changes in the 9 policy-areas. By contrast, it is not obvious that individual budget shares are affected by changes to the total budget since such changes would only happen if some policy-areas were disproportionately cut.

One source of bias that, however, might endure despite the estimation of budget shares, is the fact that the analyzed policy-areas are not of equal size or equally regulated by the national government. Regarding the size of the policy-areas one could thus imagine that a drop in resources would be systematically correlated with higher percentage saving within the largest policy-areas since decision-makers could find it necessary to direct attention to large budget items. Furthermore, bias could also arise if some policy-areas were particularly shielded from cutbacks due to more heavy national regulation such as, for instance, high national minimum standards.

Indicators and Data

Fiscal stress is measured as changes in actual (i.e. as registered in the municipal accounts) revenue per capita. Since Danish municipalities are limited in their ability to change taxation no bias is expected from possible changes in the local tax rate/tax structure. Moreover, in order to take possible changes in expenditure needs into account indicators of spending needs are included in the models.

Total spending is measured as the actual (i.e. as registered in the municipal accounts) development in service spending per capita. The service expenditures are the spending items which Danish municipalities can themselves control and where considerable degrees of prioritizing freedom exists. Even though Danish municipalities as a basic principle should balance revenue and spending (Blom-Hansen 2002), a number of reasons explain why changes in revenue are not translated into changing service spending one to one: Thus, the municipalities can to some extent build up and draw on their cash resources, they can incur and pay off debts and they can spend revenue on capital investments rather than services.

Ideally, the spending indicator should measure changes to service spending purely driven by exogenous changes in fiscal stress. However, the total level of spending is of cause endogenous to the political system. This endogenous feature of service spending increases the likelihood of measuring not only cutbacks as a result of increasing fiscal stress, but *also* picking up variation from local factors. For instance, one could imagine unobserved factors unrelated to exogenous changes in fiscal stress, such as changes in leadership, financial management and organizational structure, both correlated with spending priorities and spending levels. The Pearson's correlation between the measures of fiscal stress and total spending is 0.70 and 0.25 when the two variables are demeaned.

Both the independent variables, fiscal stress and total spending, as well as the dependent variables, the budget shares for the 9 policy-areas, can be accurately determined (see definitions in the appendix Table A1). The 9 policy-areas are as follows with their average budget shares in brackets; services related to day-care (13.3 %), schools (19.9 %), eldercare (17.3 %), health care (3.0 %), vulnerable children (6.2 %), vulnerable adults and disabled (12.4 %), administration (12.9 %), technical area including roads and environment (6.8 %) and culture (3.6 %). Over the analyzed time period, 2007-2015, the total share of the 9 policy-areas relative to the total service expenditures were constant at around 95-96 %, with the remaining spending not possible to meaningful attribute to a particular policy-area.

H₁ is tested by hypothesizing that spending on the strategically important public school area benefits from an economic decline, while spending on vulnerable children is particularly hard hit. Thus, although, it is not trivial to determine which policy-areas that are of high strategic priority in Danish municipalities, the national level rhetoric and the preliminary case studies show a strategic commitment to invest in the next generation, in preventive measures and in local growth initiatives as well as to focus more on the so-called ‘core tasks’ within each policy-area (Foged and Sørensen 2016, 148-149). The policy-area fitting these strategically important characteristics the best is the public school area. In comparison, local priority-setters were particularly conscious not to let spending pressure (and related difficulties with budgetary discipline) from the area of vulnerable children crowd out funding to other policy-areas (Foged and Sørensen 2016, 148). In sum, we expect relative school spending to benefit from fiscal stress and spending on vulnerable children to be reduced.

Regarding H₂ it is simply tested whether the spending development across policy-areas vary more or less when fiscal stress/total spending changes. This is done by first calculating the yearly percentage change in spending (per potential user) on every policy sector. Then, for every municipality this is followed by a calculation of the coefficient of variation for changes to spending across these policy sectors. Finally, this gives a standardized measure for how radical/incremental relative spending is across policy-areas within each locality (see appendix Table A1 for the calculations). An overview of the hypotheses and the indicators is given in Table 1.

Table 1. Overview of Hypotheses and Indicators

Hypotheses	Indicators
<i>H₁: An increase (decrease) in fiscal stress increases (decreases) relative spending on policy-areas in line with priority-setters’ preferences and decreases (increases) spending on policy-areas opposed to these preferences. This effect is larger for total spending than for fiscal stress.</i>	A decrease (increase) in total revenue is associated with an increase (decrease) in the share of school spending and a decrease (increase) in the share of spending on vulnerable children. This effect is larger when total spending is used as an independent variable instead of total revenue.
<i>H₂: An increase (decrease) in fiscal stress leads to more (less) radical changes to the relative spending on various policy-areas. This effect is larger for total spending than for fiscal stress.</i>	A decrease (increase) in total revenue is associated with an increase (decrease) in the coefficient of variation (for yearly changes to the relative spending across policy-areas within each locality). This effect is larger when total spending is used as an independent variable instead of total revenue.

In testing the two hypotheses a number of control variables are included: Changes to the *ideological composition* of the local council are accounted for by including the share of votes cast on left-wing parties in the latest municipal election (while also holding the support for non-national party-lists constant). Changes to *spending needs* are addressed by controlling for the share of potential users within the particular policy-area as well as possible changes to the ‘objective’ need of these users measured by various socioeconomic indicators. Possible changes to the distribution of spending due to an increase or a decrease in the *number of potential users (economies of scale)* are also controlled for (Bailey 1999, 121). Finally, general *time trends and national regulation* over time, pertaining to all municipalities, are accounted for by year dummies. Generally, variables come from official registers, in particular the municipal accounts (see appendix Table A1 for definitions and data sources).

Findings

Hypothesis 1

In Table 2 we observe the relationship between changes to fiscal stress/total spending and changes to the budget shares of the 9 policy-areas. First of all the relatively high level of stability in spending priorities *despite* changes to fiscal stress is noted. Thus, in 8 out of the 9 policy-areas changes to fiscal stress make no significant ($P < 0.05$) difference for spending priorities, and the same is true for changes in total spending in 6 of the 9 policy-areas. In fact, a formal test cannot reject the possibility that fiscal stress and the budget shares are unrelated for all policy sectors at once ($P = 0.12$). The same test is, however, clearly rejected for the relationship between total spending and the budget shares ($p < 0.01$).

H_1 predicted that an increase in fiscal stress would increase relative spending on schools and decrease relative spending on vulnerable children. At a 0.05 significance level, this is partly supported by Table 2 since an increase in fiscal stress rises relative spending on schools, while the effect on vulnerable children (although in the expected direction) is insignificant. The interpretation is that a 5 % decrease in total revenue increases relative school spending with 0.13 percentage points ($2,525 * 0.0516 / 1000 = 0.13$), on average equivalent to a 0.7 % increase in the share of the total spending used on schools.

As also expected by H_1 , the effect is larger when one looks at the relationship between total spending and the budget shares. Thus, from model 4 and 10 it appears that the two policy-areas, schools and vulnerable children, show the expected and highly significant relationship ($P < 0.01$) between total spending and the budget shares. The interpretation for the school area is that a 5 % decrease in total spending increases relative school spending with 0.35 percentage points ($2,134 * 0.165 / 1000 = 0.35$), on average equivalent to a 1.8 % increase in the share of the total spending used on schools. By comparison, a 5 % decrease in total spending decreases relative spending on vulnerable children with 0.23 percentage points ($2,134 * 0.106 / 1000 = 0.23$) equivalent to a 3.6 % decrease in the share of the total spending used on vulnerable children.

As an additional test of H_1 we divide total school spending on expenditures to children in ‘normal’ public schools as opposed to children receiving special needs teaching. Since the identified preferences of the priority-setters had as its objective not to let the ‘specialized area’ crowd out ‘normal area’ spending, we expect that a decline in total spending benefits only the normal teaching area. This is confirmed since Table A2 in the appendix (model 5-8) show that all the total school effect is driven by the normal area, while the coefficient is actually in the opposite direction for the specialized school area.

Table 2. The Relationship Between Fiscal Stress, Total Service Spending and Budget Shares on 9 Different Policy-Areas

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Fiscal stress																		
Total revenue per capita (1000 DKK)	-0.0014 (-0.07)		-0.0516** (-2.40)		-0.0133 (-0.46)		0.0101 (0.71)		0.0171 (1.05)		-0.0388* (-1.83)		0.00228 (0.09)		0.0208 (0.66)			
Total service spending																		
Total service spending per capita (1000 DKK)	-0.0413 (-0.90)		-0.165*** (-4.33)		-0.0167 (-0.35)		-0.0151 (-1.18)		0.106*** (3.27)		-0.0550 (-1.22)		0.0779* (1.83)		0.0208 (0.66)		0.161*** (2.67)	-0.00940 (-0.90)
Political ideology																		
Left-wing parties vote share (%)	-0.00136 (-0.19)	-0.00115 (-0.16)	0.00997 (1.36)	0.0104 (1.43)	-0.0306*** (-3.17)	-0.0306*** (-3.16)	-0.0021 (-1.10)	-0.00181 (-0.94)	-0.00834 (-1.35)	-0.00834 (-1.38)	0.0306*** (3.69)	0.0306*** (3.67)	0.00941 (1.03)	0.00916 (1.01)	-0.00387 (-0.51)	-0.00386 (-0.53)	0.00273 (1.14)	0.00274 (1.14)
Local parties vote share (%)	-0.00391 (-0.45)	-0.00287 (-0.33)	-0.00767 (-0.55)	-0.00280 (-0.21)	-0.0318** (-2.41)	-0.0313** (-2.41)	-0.0141* (-2.27)	-0.0138* (-2.06)	0.00104 (0.09)	-0.00197 (-0.18)	0.0555** (2.13)	0.0367** (2.13)	0.0234 (1.65)	0.0216 (1.55)	0.0112 (1.21)	0.00706 (0.79)	-0.00101 (-0.28)	-0.00087 (-0.24)
Economies of scale																		
Children between 0 and 10 (ln)	-7.774*** (-4.80)	-8.752*** (-5.40)																
Children between 7 and 16 (ln)			0.731 (0.16)	-2.076 (-0.45)														
Elderly above 80 (ln)					1.212 (0.47)	1.163 (0.47)												
Inhabitants (ln)							0.855 (1.00)	0.184 (0.21)										
Children between 0 and 17 (ln)									-1.662 (-0.61)	0.386 (0.14)							-2.105*** (-2.437**)	-2.437** (-3.12)
Adults above 18 (ln)											-2.988 (-0.80)	-3.346 (-0.84)						
Spending needs																		
<i>Relative size of potential user group</i>																		
Share of children between 0 and 10 to all inhab.		1.698*** (7.89)		1.791*** (9.06)														
Share of children between 7 and 16 to all inhab.			0.888* (1.71)	1.081** (2.12)														
Share of elderly above 80 to all inhab. (%)					1.761** (2.35)	1.774*** (2.64)	-0.185 (-1.18)	-0.192 (-1.21)										
Share of children between 0 and 17 to all inhab.									-0.0571 (-0.21)	-0.138 (-0.51)								
Share of adults above 18 to all inhab. (%)											0.121 (0.60)	0.119 (0.60)						
<i>Indicators of needs for potential user group</i>																		
Year fixed effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipality fixed effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Constant	46.79*** (4.04)	55.75*** (4.30)	28.14 (0.84)	3.835 (0.84)	3.835 (0.24)	4.221 (0.28)	-8.032 (-0.89)	-0.426 (-0.04)	16.26 (0.84)	-3.142 (-0.15)	26.87 (0.54)	31.67 (0.60)	17.57 (0.35)	-8.364 (-0.17)	40.67 (0.90)	-6.582 (-0.15)	27.86*** (3.72)	32.08*** (3.69)
N	879	879	882	882	882	882	882	882	879	879	882	882	882	882	882	882	882	882
r ²	0.801	0.802	0.552	0.570	0.280	0.280	0.598	0.151	0.175	0.292	0.291	0.291	0.159	0.168	0.0686	0.108	0.202	0.203
F	74.97	79.79	59.29	59.22	13.15	13.52	40.56	35.89	8.158	8.552	15.02	13.68	8.049	8.896	7.685	11.23	5.570	5.232

Note: Regressions estimated with OLS. Standard errors clustered at the municipality level, *t*-statistics in parentheses. **p* < .10. ***p* < .05. ****p* < .01. A formal test, conducted by Stata's *suest* command, do not reject the possibility that fiscal stress and the budget shares are unrelated for all policy sectors at once (*p* = 0.1227), while this is clearly rejected for the association between total spending and the budget shares (*p* = 0.0000). See Table A2 in the appendix for a full reporting.

Furthermore, although we ultimately are interested in priority-setters' spending priorities - backed up by improved budget discipline enforced by the guardians – we can still be interested in how much the effect can be attributed to guardians and priority-setters respectively. Thus, in Table 2 budget discipline is probably correlated with both total spending and budget shares since budget discipline affects total spending and varies across policy-areas. To address this, an additional test is made where total spending decided (in the budget) by the priority-setters is included instead of actual (in the accounts) total spending. Also, the total effect of strengthened guardians is accounted for by controlling for total budget discipline across all policy-areas (not policy-specific budget discipline). The result of this additional test shows that the effect of budgeted total spending on spending priorities remains basically the same as in Table 2 (see appendix Table A3). Thus, from this additional test it is clear that although budget discipline has redistributive consequences, changes in total spending still have an independent effect on spending priorities.

In sum, H_1 is partly supported when fiscal stress is used as independent variable and fully supported when total spending is used as an independent variable: As expected, increasing fiscal stress increases relative spending, but does not significantly reduce relative spending on vulnerable children. However, when total service spending is used as independent variable both the relationship between total spending and the spending on vulnerable children and schools becomes highly significant in the expected directions.

As expected, the remaining policy-areas in Table 2 (except the technical area) seem to be unaffected by changes in fiscal stress and total spending (at the 0.05 significance level). The noticeable exemption is the technical area. The reason why the technical area is relatively hard hit when spending declines probably has to do with the relative capital-intensive features of this area. Thus, a relatively low wage sum within the technical areas can imply that spending is more manipulable over time, for instance by postponing tasks. This interpretation is corroborated by a supplementary analysis showing that the effect pertaining to the technical area is purely driven by the relatively capital-intensive spending on roads and transport as opposed to environmental spending (see appendix Table A2 model 23-24). Another important takeaway from Table 2 is that day-care and eldercare spending, associated with particular strong spending advocates (Serritzlew 2005), are not affected by total spending. This generally contradicts much previous theorizing arguing that large and mobilized interest groups become more important under economic decline.

Control variables: Regarding the control variables in Table 2, ideology seems to make a difference for spending priorities within two policy-areas: More left-wing politicians in the local council increase the share of spending on vulnerable adults and disabled, while right-wing politicians prefer higher eldercare spending. Importantly, these results pertain only to the *relative priority* of various policy-areas given a fixed amount of total spending and are, therefore, uninformative as to whether ideology influences the *total level* of spending paid for by the tax rate. It has been discussed whether the politicians' preferences matter more or less under fiscal stress. For instance, a more active and visible role for politicians has sometimes been imagined under fiscal stress since active political priority-setting could then be necessary (Pollitt 2010). In the appendix Table A4 this is formally

tested: The result of this test shows that changes in fiscal stress and total spending matters only little for the importance of ideology and, if anything, ideology matters less when fiscal stress increases (and total spending declines).

Second, as expected Table 2 shows that spending needs are important for spending. Thus, an increase in the share of the potential service users (regarding elderly, school children and children eligible for day-care or after-school care) increases relative spending on the particular policy-area. Also, as expected changes to the socioeconomic characteristics of the users influence spending (see appendix Table A2).

Hypothesis 2

The second hypothesis, H_2 , predicted that the spending development across policy-areas vary more/becomes less incremental when fiscal stress increases and that this effect is larger when total spending is used as an independent variable instead of fiscal stress. This is tested in Table 3 by correlating yearly changes in the standardized coefficient of variation with yearly changes in fiscal stress/total spending, while controlling for general trends over time. Generally, Table 3 shows that changes in fiscal stress makes no significant difference for the degree of stability/change in the relative weight of the various policy-areas.

Table 3. The Relationship Between Yearly Changes to Fiscal Stress, Total Service Spending and Budget Shares Across Policy-Areas

	(1) Variation coefficient - all sectors	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Yearly change in fiscal stress												
Yearly change in total revenue per capita (%)	-0.0214	-0.0335			-0.0567	-0.0281			-0.0162	-0.0149		
	(-0.32)	(-1.56)			(-1.11)	(-1.44)			(-0.34)	(-0.81)		
Yearly change in total service spending												
Yearly change in total service spending per capita (%)			-0.463***	-0.227***			-0.280***	-0.145***			-0.249***	-0.134***
			(-6.07)	(-8.03)			(-4.45)	(-5.90)			(-3.97)	(-5.53)
Time trend and national regulation (ref. = 2008)												
2009	-2.207***	-1.064***	-1.268**	-0.569**	-1.416***	-0.955***	-0.786*	-0.611***	-	-0.529***	-1.254***	-0.266
	(-3.49)	(-4.35)	(-2.15)	(-2.36)	(-3.19)	(-4.26)	(-1.88)	(-2.89)	1.744***	(-2.55)	(-2.82)	(-1.30)
2010	-0.0173	-0.0867	-0.829	-0.529**	0.572	-0.0414	0.0392	-0.305	0.0559	0.367*	-0.362	0.106
	(-0.02)	(-0.35)	(-1.09)	(-2.21)	(1.11)	(-0.19)	(0.08)	(-1.46)	(0.10)	(1.74)	(-0.64)	(0.52)
2011	-2.962***	-1.381***	-5.366***	-2.746***	-2.081***	-1.359***	-3.429***	-2.125***	-	-0.956***	-3.470***	-
	(-5.00)	(-5.64)	(-6.50)	(-9.92)	(-4.53)	(-6.04)	(-5.21)	(-8.77)	2.183***	(-4.33)	(-5.23)	(-7.27)
2012	-0.516	-0.280	-0.946	-0.431*	0.551	-0.292	0.477	-0.326	0.525	0.211	0.315	0.100
	(-0.66)	(-1.08)	(-1.29)	(-1.81)	(0.88)	(-1.24)	(0.81)	(-1.57)	(0.75)	(0.96)	(0.50)	(0.50)
2013	1.262*	1.092***	0.660	0.828***	2.604***	0.484**	2.303***	0.212	2.273***	0.817***	1.960***	0.549***
	(1.94)	(4.50)	(1.00)	(3.51)	(3.53)	(2.13)	(3.14)	(1.00)	(3.16)	(3.90)	(2.69)	(2.69)
2014	1.812**	0.869***	1.422*	0.672***	1.618**	0.602***	1.488**	0.422**	1.976**	1.159***	1.781**	0.999***
	(2.29)	(3.54)	(1.82)	(2.85)	(2.45)	(2.66)	(2.38)	(2.03)	(2.62)	(5.54)	(2.39)	(4.98)
2015	2.095**	0.935***	1.563*	0.617***	2.431***	0.890***	2.265***	0.667***	2.081***	1.002***	1.807**	0.818***
	(2.35)	(3.71)	(1.84)	(2.58)	(3.64)	(3.87)	(3.44)	(3.20)	(2.73)	(4.66)	(2.37)	(4.02)
Constant	4.581***	2.630***	5.161***	2.988***	3.355***	2.354***	3.592***	2.485***	3.417***	1.812***	3.714***	2.014***
	(8.22)	(14.80)	(9.28)	(17.50)	(8.66)	(14.39)	(10.01)	(16.54)	(7.82)	(12.00)	(8.90)	(13.89)
N	755	755	755	755	755	755	755	755	756	756	756	756
r ²	0.112	0.219	0.147	0.287	0.118	0.189	0.132	0.225	0.113	0.196	0.125	0.228
F	21.06	26.14	16.81	37.62	16.89	21.79	15.30	27.14	19.11	22.70	19.07	27.59
Estimation method	OLS	Robust Regression	OLS	Robust Regression	OLS	Robust Regression	OLS	Robust Regression	OLS	Robust Regression	OLS	Robust Regression

Note: For the models estimated with OLS standard errors clustered at the municipality level, t -statistics in parentheses. * $p < .10$. ** $p < .05$. *** $p < .01$. Robust regressions are estimated with Stata's *rreg* command that first excludes all observations with a Cook's D higher than 1 and then assign weights to observations based on absolute residuals (lower residuals result in higher weights).

However, when total spending is used as an independent variable instead of fiscal stress, the expected relationship becomes highly significant. That is to say that a decline in spending leads to more radical shifts in the relative weight of different spending areas compared to a more incremental spending development across policy sectors when total spending increases. Because some policy-areas, such as health care, the technical area and culture, are relatively small (and therefore susceptible to large percentage changes per potential user), and since administrative spending cannot be attributed to a particular user group, the most cautious comparison pertains to the 5 large welfare sector (day-care, schools, eldercare, vulnerable children and vulnerable adults). Moreover, to take possible outliers in the coefficient of variation into account, we use the more conservative robust regression. From this model 12 it can be inferred that a 5 % decrease in total spending compared to last year, increases the yearly coefficient of variation with 0.67 percentage points ($5 * 0.134 = 0.67$). Compared to the average variation coefficient of 4.5 this is equivalent to a 15 % increase. When budgeted instead of actual (i.e. in the accounts) changes in total spending is used (and budget discipline is therefore controlled for), the coefficient remains highly significant but drops to around half the effect size (see appendix Table A5). This indicates that the strengthening of priority-setters is amplified by improved budget discipline enforced by the guardians.

In sum, H_2 is partly supported. Contrary to what we expected changes in fiscal stress does not in itself lead to more variation in spending priorities. However, as expected a decrease in total spending increases variation in the spending development across policy-areas.

Discussion

In the following, we discuss the validity of the results. With respect to both independent variables, fiscal stress and total spending, the main risk of omitted variable bias arose from the fact that the policy-areas are of different size and subject to different government regulation. However, based on the results we have no reason to believe that different policy-area sizes biased the estimates. Thus, contrary to what the bias suggested, we found that increasing fiscal stress and larger cutbacks led to the smallest percentage savings within the largest policy sector of them all, the school area. Regarding government regulation, however, we cannot dismiss the possibility that national government regulation affected the municipalities' priorities. In particular, as one of the most nationally regulated policy-areas, the school area could have been particularly shielded by government regulation. On the other hand it has been shown that some of the largest percentage savings in Danish municipalities related to the recent economic downturn were actually implemented for schools (Foged and Sørensen 2016, 144), testifying that it was indeed possible the localities to initiate large school cutbacks.

For one of the independent variables, total spending, additional challenges existed with respect to possible confounders. In particular, one should consider the risk of unobserved factors unrelated to fiscal stress driving both total spending and spending priorities. This would generate omitted varia-

ble bias insofar as these changes (in for instance leadership, financial management and organizational structure) were not a result of increasing fiscal stress in the first place. The article suggests that even though changes to total spending is not viewed as purely exogenous to spending priorities, fiscal stress still played an important role: Without the increase in fiscal stress, a window of opportunity had not been opened for the priority-setters to change spending priorities in the first place. However, how much this window opened - and therefore when and to what extent priority-setters were able to take advantage of this –depended on local factors. In that context, the fact that significant effects for vulnerable children and the variation in spending were only found for total spending (and not for fiscal stress) suggests that endogenous factors in these cases were more important than the exact strength of the exogenous squeeze.

Conclusion

This article examines the relationship between changes to fiscal stress and changes to total spending on the one hand and spending priorities on the other hand. A theoretical framework consisting of spending advocates, guardians, priority-setters, voters and decisions makers, acting under different environmental and institutional conditions, is proposed. Based on the framework, hypotheses are generated for how changes in fiscal stress and total spending affect spending priorities. Focusing on the relative strength of priority-setters and spending advocates rising fiscal stress is believed to benefit priority-setters (backed up by increased budgetary discipline enforced by the guardians) as well as priority-setters' influence on spending priorities. This effect is expected to be larger when changes in total spending (partly a result of changes to fiscal stress in the first place) are used as an independent variable instead of fiscal stress. The supposed reason for this is that spending priorities becomes particularly affected when fiscal stress is dealt with through cutbacks (instead of through postponement strategies such as drawing on cash resources and incurring debt) and/or because large cutbacks indicate that fiscal stress interacts with endogenous factors conducive to priority-setters.

The hypotheses are tested on the spending priorities of Danish municipalities from 2007 to 2015 which was a period with noticeable variation in fiscal stress and total spending. The empirical evidence first and foremost shows a large amount of stability in spending priorities despite changes in fiscal stress. In fact, a formal test does not reject the possibility that fiscal stress and the budget shares are unrelated for all policy sectors at once. Regarding H_1 , as expected an increase in fiscal stress increases relative school spending, while relative spending on vulnerable children, contrary to the hypothesis, is not significantly reduced. In comparison, as expected reducing total spending significantly increases school spending and decreases spending on vulnerable children. Regarding H_2 , fiscal stress is, contrary to the expectation, not found to increase variation in spending priorities across policy-areas, whereas a decrease in total spending, as expected, makes spending priorities less incremental.

As mentioned, the fact that total spending is more important than fiscal stress can both indicate that spending priorities are particularly affected when fiscal stress is dealt with through cutbacks and/or that fiscal stress interacts with endogenous factors. The findings can be in accordance

with both explanations. However, the article in particular suggests that it is expedient to view fiscal stress in conjunction with endogenous factors: On average, fiscal stress provides an opportunity window for priority-setters, but how much this window is opened depends on endogenous factors such as whether the local management is perceived as worsening or dampening the severity of the economic downturn.

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Appendix (Public Spending Through Thick and Thin: The Relationship between Fiscal Stress, Total Spending and Spending Priorities in Danish Local Governments, 2007-2015)

Table A1. Variables, Descriptive Statistics and Data Sources

Variable	Mean	Std. Dev.	Min	Max	Obs.	Definition	Data Source
<i>Budget shares</i>							
Day-care	13.30	2.98	3.51	21.64	N = 882	Spending on daycare and after-school care facilities (function 3.22.05 and main function 5.25 (excluding 5.25.17)) as a share of total service spending (see definition) in X. Municipal accounts, net operating expenses in 2016 prices. Adjusted for changes over time to the amount of municipal tasks as a result of the yearly block grant document (the adjustment is based on the number of inhabitants in each municipality).	Statistics Denmark
	overall				N = 882		
	between	2.78	5.27	19.08	n = 98		
	within	1.10	9.51	17.70	T = 9		
Schools	19.95	2.62	10.50	28.44	N = 882	Spending on primary and lower-secondary schools (function 3.22.01-3.22.09 (excluding 3.22.05)) as a share of total service spending (see definition) in %. Municipal accounts, net operating expenses in 2016 prices. Adjusted for changes over time to the amount of municipal tasks as a result of the yearly block grant document (the adjustment is based on the number of inhabitants in each municipality).	Statistics Denmark
	overall				N = 882		
	between	2.46	12.31	26.25	n = 98		
	within	0.91	16.36	23.77	T = 9		
Schools - normal area	17.33	2.54	8.64	25.46	N = 882	Spending on the 'normal' area regarding primary and lower-secondary schools (function 3.22.01-3.22.04, 3.22.06 and 3.22.09) as a share of total service spending (see definition) in %. Municipal accounts, net operating expenses in 2016 prices. Unadjusted for changes over time to the amount of municipal tasks.	Statistics Denmark
	overall				N = 882		
	between	2.27	10.62	23.48	n = 98		
	within	1.18	12.27	21.14	T = 9		
Schools - special area	2.62	1.17	0.00	6.20	N = 882	Spending on the 'specialized' area regarding primary and lower-secondary schools (function 3.22.07 and 3.22.08) as a share of total service spending (see definition) in %. Municipal accounts, net operating expenses in 2016 prices. Unadjusted for changes over time to the amount of municipal tasks.	Statistics Denmark
	overall				N = 882		
	between	1.00	0.01	4.64	n = 98		
	within	0.63	-0.35	6.18	T = 9		
Eldercare	17.29	2.82	9.52	27.07	N = 882	Spending on eldercare (83 % of function 5.32.32-5.32.34 and 48 % of function 5.32.37 and 5.32.35 (group 005-011, 093 and 999) as a share of total service spending (see definition) in X. Municipal accounts, net operating expenses in 2016 prices. Adjusted for changes over time to the amount of municipal tasks as a result of the yearly block grant document (the adjustment is based on the number of inhabitants i each municipality).	Statistics Denmark
	overall				N = 882		
	between	2.67	10.34	24.36	n = 98		
	within	0.95	14.02	21.61	T = 9		
Health care	2.98	0.52	1.19	4.90	N = 882	Spending on health care (main account 4) as a share of total service spending (see definition) in %. Municipal accounts, net operating expenses in 2016 prices. Adjusted for changes over time to the amount of municipal tasks as a result of the yearly block grant document (the adjustment is based on the number of inhabitants i each municipality).	Statistics Denmark
	overall				N = 882		
	between	0.39	1.65	4.25	n = 98		
	within	0.34	1.22	4.30	T = 9		
Vulnerable children	6.22	1.33	1.31	9.63	N = 882	Spending on vulnerable children and young people (function 5.25.17 and main function 5.28) as a share of total service spending (see definition) in %. Municipal accounts, net operating expenses in 2016 prices. Adjusted for changes over time to the amount of municipal tasks as a result of the yearly block grant document (the adjustment is based on the number of inhabitants i each municipality).	Statistics Denmark
	overall				N = 882		
	between	1.20	2.61	8.94	n = 98		
	within	0.57	3.96	8.74	T = 9		
Vulnerable adults and disabled	12.35	1.78	7.12	20.16	N = 882	Spending on vulnerable adults and disabled (function 5.35.40, 5.38.42, 5.38.44, 5.38.45,	Statistics Denmark
	overall				N = 882		

	between within	1.57 0.84	8.33 9.07	18.60 15.66	n = 98 T = 9	5.38.50, 5.38.52, 5.38.53, 5.38.58, 5.38.59, 5.32.35 (excluding 48 % of group 005-007, 009-011, 093 and 999), 17 % of function 5.32.32-5.32.34 and 52 % of 5.32.37) as a share of total service spending (see definition) in %. Municipal accounts, net operating expenses in 2016 prices. Adjusted for changes over time to the amount of municipal tasks as a result of the yearly block grant document (the adjustment is based on the number of inhabitants i each municipality).	Statistics Denmark
Administration	overall between within	1.63 1.48 0.71	8.01 9.12 9.92	20.57 18.30 15.76	N = 882 n = 98 T = 9	Spending on administration (main function 6.45) as a share of total service spending (see definition) in %. Municipal accounts, net operating expenses in 2016 prices. Adjusted for changes over time to the amount of municipal tasks as a result of the yearly block grant document (the adjustment is based on the number of inhabitants i each municipality).	Statistics Denmark
Technical area	overall between within	2.39 2.30 0.68	3.57 4.47 2.98	30.24 26.42 11.77	N = 882 n = 98 T = 9	Spending on environment, roads and public transport (main account 0 and 2) as a share of total service spending (see definition) in %. Municipal accounts, net operating expenses in 2016 prices. Adjusted for changes over time to the amount of municipal tasks as a result of the yearly block grant document (the adjustment is based on the number of inhabitants i each municipality).	Statistics Denmark
Environment	overall between within	0.91 0.82 0.40	0.62 1.10 1.30	6.59 5.53 4.16	N = 882 n = 98 T = 9	Spending on environment (main account 0) as a share of total service spending (see definition) in %. Municipal accounts, net operating expenses in 2016 prices. Unadjusted for changes over time to the amount of municipal tasks.	Statistics Denmark
Roads and transport	overall between within	2.12 2.05 0.61	0.59 1.35 0.73	26.52 22.01 9.23	N = 882 n = 98 T = 9	Spending on roads and public transport (main account 2) as a share of total service spending (see definition) in %. Municipal accounts, net operating expenses in 2016 prices. Unadjusted for changes over time to the amount of municipal tasks.	Statistics Denmark
Culture	overall between within	0.75 0.72 0.23	1.90 2.11 2.10	6.39 6.08 5.21	N = 882 n = 98 T = 9	Spending on roads and public transport (function 3.32.50, 3.35.60-3.35.64, 3.38.70, 3.38.72-3.38.76 and 3.38.78) as a share of total service spending (see definition) in %. Municipal accounts, net operating expenses in 2016 prices. Adjusted for changes over time to the amount of municipal tasks as a result of the yearly block grant document (the adjustment is based on the number of inhabitants in each municipality).	Statistics Denmark
Total spending and total revenue							
Total service spending per capita (1000 DKK)	overall	4.47	35.52	71.82	N = 882	Total service spending per capita (see used 2015-definition at http://www.kl.dk/ImageVaultFiles/id_76583/cf_202/Oversigt_-_Opg-relse_af_serviceudgifter.PDF). Municipal accounts, net operating expenses in 2016 prices. Adjusted for changes over time to the amount of municipal tasks as a result of the yearly block grant document (the adjustment is based on the number of inhabitants in each municipality).	Statistics Denmark
	between within	4.32 1.22	37.14 36.24	67.01 47.50	n = 98 T = 9		
Total service spending (budgeted) per capita (1000 DKK)	overall	4.35	36.07	72.52	N = 882	Total service spending per capita (see used 2015-definition at http://www.kl.dk/ImageVaultFiles/id_76583/cf_202/Oversigt_-_Opg-relse_af_serviceudgifter.PDF). Municipal budgets, net operating expenses in 2016 prices. Adjusted for changes over time to the amount of municipal tasks as a result of the yearly block grant document (the adjustment is based on the number of inhabitants in each municipality).	Statistics Denmark
	between within	4.23 1.11	37.41 35.26	66.21 49.13	n = 98 T = 9		
Yearly change in total service spending per capita (%)	overall	0.10	-	8.95	N = 784	Yearly development in total service spending per capita in % Municipal accounts.	Statistics Denmark
	between within	0.63 2.70	10.04 -1.58 -	1.72 8.56	n = 98 T = 8		
			11.31				

Yearly change in total service spending (budgeted) per capita (%)	overall	0.24	2.08	-8.32	19.95	N = 784	Yearly development in total service spending per capita in %	Municipal budgets.	Statistics Denmark
	between		0.65	-1.33	2.41	n = 98			
	within		1.98	-9.58	18.68	T = 8			
Total service spending per capita (from www.noegletal.dk) (1000 DKK)	overall	44.75	4.75	36.54	72.82	N = 882	Total service spending per capita (yearly definitions of service spending cf. http://www.noegletal.dk/). Municipal accounts, net operating expenses in 2016 prices. Adjusted for changes over time to the amount of municipal tasks as a result of the yearly block grant document (the adjustment is based on the number of inhabitants i each municipality).	The municipal key figures (http://www.noegletal.dk/)	
	between		4.46	39.93	68.49	n = 98			
	within		1.71	39.27	49.31	T = 9			
Total revenue per capita (1000 DKK)	overall	50.49	6.64	41.93	78.26	N = 882	Total revenue per capita (main function 7.62, 7.65 og 7.68) subtracted transfers etc. (function 3.30.45, 3.38.77, 5.46.60, 5.46.61, 5.46.65, 5.48.67-5.48.70, 5.57.71-5.57.79, 5.58.80-5.58.82, 5.68.90, 5.68.91, 5.68.97, 5.68.98 and 6.52.72) and net interests per capita, (function 7.22.05-7.22.11, 7.28.14-7.28.19, 7.32.20-7.32.27, 7.50.50-7.50.61 and 7.55.63-7.55.76). Municipal accounts, 2016 prices. Adjusted for changes over time to the amount of municipal tasks as a result of the yearly block grant document (the adjustment is based on the number of inhabitants in each municipality).	Statistics Denmark	
	between		6.44	44.20	74.03	n = 98			
	within		1.69	43.46	65.76	T = 9			
Yearly change in total revenue per capita (%)	overall	0.56	3.22	-	12.48	N = 784	Yearly development in total revenue per capita in %.		Statistics Denmark
	between		0.82	23.26	3.36	n = 98			
	within		3.11	-3.38	14.61	T = 8			
				19.33					
Budget Discipline									
Budget surplus per capita (1000 DKK)	overall	0.13	1.14	-5.52	2.78	N = 882	'Total service spending per capita (1000 DKK)' in municipal accounts minus 'Total service spending (budgeted) per capita (1000 DKK)' in municipal budgets.		Statistics Denmark
	between		0.41	-1.24	0.99	n = 98			
	within		1.07	-4.32	3.70	T = 9			
Political ideology									
Left-wing parties vote share (%)	overall	42.44	12.81	9.05	75.28	N = 882	Share of left-wing votes (Social Democrats, the Socialist People's Party and the Unity List) to all valid votes at the latest municipal election in %.	The Danish Election Database (http://valgdata.ps.au.dk/en/welcome-to-the-danish-election-database/)	
	between		11.82	12.10	73.47	n = 98			
	within		5.08	19.37	59.85	T = 9			
Local parties vote share (%)	overall	6.01	8.54	0.00	49.92	N = 882	Share of local party votes (Social Democrats, the Socialist People's Party and the Unity List) to all valid votes at the latest municipal election in %.	The Danish Election Database (http://valgdata.ps.au.dk/en/welcome-to-the-danish-election-database/)	
	between		7.86	0.00	40.06	n = 98			
	within		3.44	-	25.10	T = 9			
				13.10					
Economics of scale									
Children between 0 and 10 (ln)	overall	8.59	0.84	4.87	11.18	N = 882	Natural logarithm of the number of children in the 0 to 10 age group, January 1st.	The municipal key figures (http://www.noegletal.dk/)	
	between		0.84	5.06	11.08	n = 98			
	within		0.05	8.37	8.81	T = 9			
Children between 7 and 16 (ln)	overall	8.59	0.79	5.07	10.76	N = 882	Natural logarithm of the number of children in the 7 to 16 age group, January 1st.	The municipal key figures (http://www.noegletal.dk/)	
	between		0.79	5.27	10.69	n = 98			
	within		0.04	8.39	8.81	T = 9			

Elderly above 80 (ln)	overall between within	7.50	0.75 0.75 0.06	4.86 4.91 7.26	9.80 9.66 7.80	N = 882 n = 98 T = 9	Natural logarithm of the number of elderly aged 80+, January 1st.	Statistics Denmark
Inhabitants (ln)	overall between within	10.64	0.79 0.79 0.02	7.49 7.56 10.50	13.27 13.20 10.73	N = 882 n = 98 T = 9	Natural logarithm of the number of inhabitants, January 1st.	The municipal key figures (http://www.noegletal.dk/)
Children between 0 and 17 (ln)	overall between within	9.13	0.81 0.81 0.04	5.50 5.71 8.93	11.53 11.45 9.32	N = 882 n = 98 T = 9	Natural logarithm of the number of children in the 0 to 17 age group, January 1st.	The municipal key figures (http://www.noegletal.dk/)
Adults above 18 (ln)	overall between within	10.39	0.78 0.79 0.02	7.35 7.39 10.26	13.08 13.01 10.47	N = 882 n = 98 T = 9	Natural logarithm of the number of people aged 18+, January 1st.	The municipal key figures (http://www.noegletal.dk/)
Relative size of potential user group								
Share of children between 0 and 10 to all inhab. (%)	overall	12.90	1.53	7.20	16.80	N = 882	Share of children in the 0 to 10 age group to all inhabitants in %, January 1st.	The municipal key figures (http://www.noegletal.dk/)
	between		1.43	8.20	16.01	n = 98		
	within		0.55	11.34	14.44	T = 9		
Share of children between 7 and 16 to all inhab. (%)	overall	12.92	1.41	7.40	16.10	N = 882	Share of children in the 7 to 16 age group to all inhabitants in %, January 1st.	The municipal key figures (http://www.noegletal.dk/)
	between		1.36	7.76	15.82	n = 98		
	within		0.40	11.48	14.58	T = 9		
Share of elderly above 80 to all inhab. (%)	overall	4.46	1.14	1.54	8.81	N = 882	Share of elderly aged 80+ to all inhabitants in %, January 1st.	Statistics Denmark
	between		1.13	1.92	8.32	n = 98		
	within		0.22	3.76	5.32	T = 9		
Share of children between 0 and 17 to all inhab. (%)	overall	22.16	2.24	13.60	27.20	N = 882	Share of children in the 0 to 17 age group to all inhabitants in %, January 1st.	The municipal key figures (http://www.noegletal.dk/)
	between		2.12	15.74	26.44	n = 98		
	within		0.73	20.02	24.12	T = 9		
Share of adults above 18 to all inhab. (%)	overall	77.84	2.24	72.80	86.40	N = 882	Share of people aged 18+ to all inhabitants in %, January 1st.	The municipal key figures (http://www.noegletal.dk/)
	between		2.12	73.56	84.26	n = 98		
	within		0.73	75.88	79.98	T = 9		
Needs of potential user group								
Share of children under 7 relative to children aged 0 to 10 (%)	overall	61.26	2.60	47.37	72.73	N = 882	Share of children in the 0 to 6 age group to children in the 0 to 10 age group in %, January 1st.	The municipal key figures (http://www.noegletal.dk/)
	between		2.28	57.14	71.57	n = 98		
	within		1.27	51.48	67.86	T = 9		
Share of unemployed people between 20 and 59 (%)	overall	10.95	3.11	3.39	22.56	N = 882	Share of unemployed in the 20 to 59 age group to all people in the 18 to 64 age group in %.	The Ministry of Interior (The yearly publication 'Municipal equalization and general
	between		2.90	4.28	21.46	n = 98		

	within	1.16	7.32	14.47	T = 9	grants')
Share of social housing to total houses (%)	overall	18.03	12.15	0.10	65.20 N = 879	Share of houses in non-profit, cooperative housing societies to all households in %, January 1st.
	between within	12.15 1.04	2.84 3.62	64.09 21.82	n = 98 T-bar = 8.96939	
Share of children under 11 relative to children aged 7 to 16 Y(%)	overall	38.60	1.76	29.00	44.44 N = 882	Share of children in the 7 to 10 age group to children in the 7 to 16 age group in %, January 1st.
	between within	1.46 0.98	34.78 32.82	43.69 48.26	n = 98 T = 9	
Share of elderly above 80 relative to elderly above 65 (%)	overall	24.01	3.81	12.40	38.46 N = 882	Share of elderly aged 80+ to elderly aged 65+ in %, January 1st.
	between within	3.55 1.44	12.96 18.64	35.83 29.37	n = 98 T = 9	
Share of single elderly people above 65 (%)	overall	42.62	5.21	28.29	69.06 N = 882	Share of single elderly aged 65+ to all elderly aged 65+ in %.
	between within	4.93 1.74	29.21 36.80	64.78 48.38	n = 98 T = 9	
Spending need per inhab. (1000 DKK)	overall	58111.1	4403.7	4602	74423. N = 882	Total demographic and socioeconomic expenditure need per capita in Danish Kroner. Expenditure needs are estimated according to the criteria in the yearly Equalization Scheme.
	between	1	8	0.79	89	
	within	4017.7	4932	70373.	n = 98	
		1843.1	8	6.73	64	
			5137	62185.	T = 9	
			7	3.85	86	
Share of children under 7 relative to children aged 0 to 17 (%)	overall	35.67	3.21	26.28	51.16 N = 882	Share of children in the 0 to 6 age group to children in the 0 to 17 age group in %, January 1st.
	between within	3.03 1.08	29.73 31.64	50.23 39.07	n = 98 T = 9	
Share of children between 7 and 10 relative to children aged 0 to 17 (%)	overall	22.46	0.98	18.24	29.20 N = 882	Share of children in the 7 to 10 age group to children in the 0 to 17 age group in %, January 1st.
	between		0.70	19.81	24.01 n = 98	
	within		0.69	18.30	29.26 T = 9	
Share of adults between 18 and 64 relative to people above 18 (%)	overall	76.27	4.02	59.44	87.50 N = 882	Share of people in the 18 to 64 age group to all people aged 18+ in %, January 1st.
	between within	3.56 1.91	64.52 69.75	87.28 81.89	n = 98 T = 9	
Share of people between 25 and 64 without an education (%)	overall	22.87	5.50	8.20	38.80 N = 882	Share of people in the 25 to 64 age group without vocational education to all people in the 25 to 64 age group in %, January 1st.
	between		5.29	9.29	35.41 n = 98	
	within		1.59	18.86	26.83 T = 9	

grants')

The municipal key figures
(<http://www.noegletal.dk/>)

The municipal key figures
(<http://www.noegletal.dk/>)

The municipal key figures
(<http://www.noegletal.dk/>)

The Ministry of Interior (The
yearly publication 'Municipal
equalization and general
grants')

The municipal key figures
(<http://www.noegletal.dk/>)

The municipal key figures
(<http://www.noegletal.dk/>)

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(<http://www.noegletal.dk/>)

The municipal key figures
(<http://www.noegletal.dk/>)

Share of non-western inhab. to all inhab. (%)	overall	5.39	4.65	0.25	29.68	N = 882	Share of immigrants and their descendants from non-western countries to all inhabitants in %.	The Ministry of Interior (The yearly publication 'Municipal equalization and general grants')
	between within		4.64 0.49	0.36 2.18	28.45 8.24	n = 98 T = 9		
Share of unemployed people relative to workforce (%)	overall	4.76	1.76	0.80	11.10	N = 882	Share of full-time unemployed to total people in workforce in %.	Statistics Denmark
	between within		1.19 1.30	2.31 0.61	8.76 7.85	n = 98 T = 9		
Coefficient of variation								
Yearly variation coefficient - all sectors	overall	4.49	5.11	0.25	29.48	N = 755	Standardized measure for the degree of change in the relative spending across the 9 policy areas within each municipality. The indicator is calculated as follows: i) Calculation of the yearly change in spending per potential user for each policy sector in %; ii) Based on these 9 percentages the coefficient of variation is calculated, that is the absolute value of the standard deviation divided by the mean (e.g. for a municipality with a mean change across the policy areas of -2.5 % and a standard variation around this mean of 5.0 the variation coefficient is 2 (Abs(5.0 / -2.5) = 2); iii. Removal of outliers with a coefficient of variation over 30.	Own calculation based on data from Statistics Denmark and The municipal key figures (http://www.noegletal.dk/)
	between within		1.79 4.79	1.60 -4.64	9.49 25.17	n = 98 T-bar = 7.70408	The 9 policy areas are day-care spending per children in the 0 to 10 age group, school spending per children in the 7 to 16 age group, eldercare spending per elderly aged 80+, health care spending per capita, spending on vulnerable children per children in the 0 to 17 age group, spending on vulnerable adults and disabled per adult aged 18+, administrative spending per capita, spending on the technical area per capita and cultural spending per capita.	
Yearly variation coefficient - 6 large sectors	overall	3.83	4.67	0.21	28.32	N = 755	Standardized measure for the degree of change in the relative spending across the 6 policy areas within each municipality. The indicator is calculated as follows: i) Calculation of the yearly change in spending per potential user for each policy sector in %; ii) Based on these 9 percentages the coefficient of variation is calculated, that is the absolute value of the standard deviation divided by the mean (e.g. for a municipality with a mean change across the policy areas of -2.5 % and a standard variation around this mean of 5.0 the variation coefficient is 2 (Abs(5.0 / -2.5) = 2); iii. Removal of outliers with a coefficient of variation over 30.	Own calculation based on data from Statistics Denmark and The municipal key figures (http://www.noegletal.dk/)
	between within		1.54 4.41	1.58 -3.66	7.87 26.19	n = 98 T-bar = 7.70408	The 6 policy areas are day-care spending per children in the 0 to 10 age group, school spending per children in the 7 to 16 age group, eldercare spending per elderly aged 80+, spending on vulnerable children per children in the 0 to 17 age group, spending on vulnerable adults and disabled per adult aged 18+ and administrative spending per capita.	
Yearly variation coefficient - 5 welfare sectors	overall	3.77	4.78	0.13	29.92	N = 756	Standardized measure for the degree of change in the relative spending across the 5 policy areas within each municipality. The indicator is calculated as follows: i) Calculation of the yearly change in spending per potential user for each policy sector in %; ii) Based on these 9 percentages the coefficient of variation is calculated, that is the absolute value of the standard deviation divided by the mean (e.g. for a municipality with a mean change across the policy areas of -2.5 % and a standard variation around this mean of 5.0 the variation coefficient is 2 (Abs(5.0 / -2.5) = 2); iii. Removal of outliers with a coefficient of variation over 30.	Own calculation based on data from Statistics Denmark and The municipal key figures (http://www.noegletal.dk/)
	between within		1.64 4.50	1.31 -4.63	9.09 27.89	n = 98 T-bar = 7.71429	The 5 policy areas are day-care spending per children in the 0 to 10 age group, school spending per children in the 7 to 16 age group, eldercare spending per elderly aged 80+, spending on vulnerable children per children in the 0 to 17 age group and spending on vulnerable adults.	

Note: Definition of total service spending and the individual policy areas follow the official guideline agreed on by the national government and the municipalities' interest organization LGDK in 2015 (see http://www.kl.dk/ImageVaultFiles/id_76583/ef_202/OverSIGT_-_Opg-relse_af_serviceudgifter.PDF and KL (2014): Notat. Udgifter på sektorområder 2015).

Table A2. The Relationship Between Fiscal Stress, Total Service Spending and Budget Shares

[illegible]

[illegible]

Table A3. The Relationship Total Service Spending (Budgeted), Total Budget Discipline and Budget Shares

	(1) Day-care	(2) Schools	(3) Eldercare	(4) Health care	(5) Vulnerable children	(6) Vulnerable adults and disabled	(7) Administration	(8) Technical area	(9) Culture
Total service spending (budgeted)									
Total service spending (budgeted) per capita (1000 DKK)	-0.0281 (-0.51)	-0.169*** (-3.13)	-0.0290 (-0.43)	0.00203 (0.13)	0.0943** (2.31)	-0.104** (-2.15)	0.0908 (1.54)	0.185** (2.56)	0.000513 (0.04)
Budget discipline									
Budget surplus per capita (1000 DKK)	0.0591 (1.43)	0.160*** (4.09)	-0.00140 (-0.03)	0.0346** (2.20)	-0.122*** (-3.32)	-0.0110 (-0.22)	-0.0612 (-1.49)	-0.130** (-2.17)	0.0219** (2.19)
Political ideology									
Left-wing parties vote share (%)	-0.00142 (-0.20)	0.0105 (1.42)	-0.0304*** (-3.21)	-0.00248 (-1.22)	-0.00814 (-1.34)	0.0318*** (3.80)	0.00880 (0.95)	-0.00462 (-0.63)	0.00250 (1.04)
Local parties vote share (%)	-0.00284 (-0.34)	-0.00282 (-0.21)	-0.0314** (-2.39)	-0.0138** (-2.10)	-0.00199 (-0.18)	0.0365** (2.20)	0.0215 (1.53)	0.00707 (0.81)	-0.000835 (-0.23)
Economies of scale									
Children between 0 and 10 (ln)	-8.413*** (-4.53)								
Children between 7 and 16 (ln)		-2.170 (-0.44)							
Elderly above 80 (ln)			0.970 (0.39)						
Inhabitants (ln)				0.749 (0.78)					
Children between 0 and 17 (ln)					0.0967 (0.03)				
Adults above 18 (ln)						-4.845 (-1.26)			
Spending needs									
Relative size of potential user group									
Share of children between 0 and 10 to all inhab. (%)	1.773*** (8.64)								
Share of children between 7 and 16 to all inhab. (%)		1.086** (2.09)							
Share of elderly above 80 to all inhab. (%)			1.844*** (2.86)	-0.191 (-1.21)					
Share of children between 0 and 17 to all inhab. (%)					-0.131 (-0.48)				
Share of adults above 18 to all inhab. (%)						0.145 (0.73)			
<i>Indicators of needs for potential user group</i>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year fixed effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipality fixed effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Constant	52.82*** (3.45)	29.08 (0.78)	5.863 (0.38)	-6.559 (-0.62)	-0.0715 (-0.00)	47.77 (0.93)	-14.09 (-0.25)	-17.19 (-0.35)	28.24*** (3.34)
N	879	882	882	882	879	882	882	882	882
r ²	0.802	0.570	0.281	0.603	0.175	0.299	0.169	0.111	0.206
F	75.49	56.72	12.79	36.23	8.309	12.79	8.359	11.66	4.892

Note: Regressions estimated with OLS. Standard errors clustered at the municipality level, *t*-statistics in parentheses. * $p < .10$. ** $p < .05$. *** $p < .01$. Indicators of needs for potential user group as in Table A2.

Table A5. The Relationship Between Yearly Changes in Total Service Spending (Budgeted), Total Budget Discipline and Yearly Changes in Budget Shares Across Policy-Areas

	(1) Variation coefficient - all sectors	(2) Variation coefficient - 6 large sectors	(3) Variation coefficient - 6 large sectors	(4) Variation coefficient - 6 large sectors	(5) Variation coefficient - 5 welfare sectors	(6) Variation coefficient - 5 welfare sectors
Yearly change in total service spending (budgeted)						
Yearly change in total service spending (budgeted) per capita (%)	-0.348*** (-3.74)	-0.172*** (-4.83)	-0.143** (-2.09)	-0.0826** (-2.57)	-0.0429 (-0.43)	-0.0616** (-2.05)
Budget discipline						
Budget surplus per capita (1000 DKK)	0.227 (0.94)	0.139* (1.81)	0.290* (1.95)	0.221*** (3.21)	0.347** (1.99)	0.182*** (2.83)
Time trend and national regulation (ref. = 2008)						
2009	-1.418** (2.16)	-0.637*** (-2.46)	-0.918** (-2.12)	-0.694*** (-3.00)	-1.482*** (-3.07)	-0.320 (-1.49)
2010	0.352 (0.43)	0.0250 (0.10)	0.584 (1.11)	-0.0838 (-0.37)	-0.0368 (-0.06)	0.345 (1.62)
2011	-3.710*** (-4.64)	-1.837*** (-6.67)	-2.624*** (-4.73)	-1.837*** (-7.28)	-2.792*** (-4.55)	-1.351*** (-5.73)
2012	-0.879 (-0.98)	-0.435 (-1.57)	0.280 (0.42)	-0.560** (-2.27)	0.0278 (0.04)	-0.0538 (-0.23)
2013	1.038 (1.36)	0.944*** (3.29)	2.189*** (2.79)	0.0950 (0.36)	1.633** (2.01)	0.471* (1.94)
2014	0.925 (1.07)	0.412 (1.54)	1.151* (1.73)	0.197 (0.82)	1.565* (1.94)	0.833*** (3.71)
2015	1.879** (2.18)	0.854*** (3.31)	2.295*** (3.37)	0.668*** (2.90)	1.791** (2.23)	0.818*** (3.79)
Constant	4.616*** (8.57)	2.647*** (15.50)	3.264*** (9.15)	2.333*** (14.62)	3.301*** (8.15)	1.793*** (12.28)
N	755	755	755	755	756	756
t2	0.126	0.240	0.119	0.195	0.113	0.200
F	19.69	29.41	16.52	22.53	19.04	23.55
Estimation method	OLS	Robust Regression	OLS	Robust Regression	OLS	Robust Regression

Note: For the models estimated with OLS standard errors clustered at the municipality level, *t*-statistics in parentheses. * $p < .10$. ** $p < .05$. *** $p < .01$. Robust regressions are estimated with Stata's *rreg* command that first excludes all observations with a Cook's D higher than 1 and then assign weights to observations based on absolute residuals (lower residuals result in higher weights).

Table A6. The Interaction between Fiscal Stress and Budget Discipline

	(1) Day-care	(2) Schools	(3) Eldercare	(4) Health care	(5) Vulnerable children	(6) Vulnerable adults and disabled	(7) Administration	(8) Technical area	(9) Culture
Total revenue									
Total revenue per capita (1000 DKK)	0.000734 (0.03)	-0.0566** (-2.37)	-0.0196 (-0.61)	0.0114 (0.78)	0.0270 (1.40)	-0.0394* (-1.77)	0.000705 (0.03)	0.0310 (0.88)	0.00505 (0.08)
Budget discipline									
Budget surplus per capita (1000 DKK)	0.0447 (1.37)	0.102** (2.34)	-0.000000470 (-0.00)	0.0349** (2.43)	-0.102*** (-2.82)	-0.0455 (-1.05)	-0.0220 (-0.61)	-0.0791 (-1.34)	0.0192** (2.15)
Total revenue X Budget discipline									
Total revenue per capita (1000 DKK) (demeaned) X Budget surplus per capita (1000 DKK)	-0.00842 (-0.58)	0.0142 (0.67)	0.0241 (1.59)	-0.00202 (-0.34)	-0.0352** (-2.45)	0.00655 (0.45)	0.00838 (0.48)	-0.0383 (-1.66)	-0.00519 (-1.17)
Political ideology									
Left-wing parties vote share (%)	-0.00185 (-0.26)	0.00953 (1.28)	-0.0301*** (-3.18)	-0.00270 (-1.35)	-0.00818 (-1.33)	0.0312*** (3.73)	0.00982 (1.05)	-0.00343 (-0.44)	0.00241 (1.01)
Local parties vote share (%)	-0.00343 (-0.40)	-0.00633 (-0.48)	-0.0314** (-2.37)	-0.0137** (-2.21)	-0.000242 (-0.02)	0.0351** (2.12)	0.0232 (1.66)	0.00996 (1.08)	-0.000845 (-0.24)
Economies of scale									
Children between 0 and 10 (ln)	-7.720*** (-4.61)								
Children between 7 and 16 (ln)		0.758 (0.16)							
Elderly above 80 (ln)			1.052 (0.41)						
Inhabitants (ln)				0.957 (1.07)				-3.683 (-0.83)	-2.028*** (-3.05)
Children between 0 and 17 (ln)					-1.867 (-0.68)				
Adults above 18 (ln)						-3.056 (-0.83)			
Spending needs									
Relative size of potential user group	1.719*** (7.92)								
Share of children between 0 and 10 to all inhab. (%)									
Share of children between 7 and 16 to all inhab. (%)		0.904* (1.70)							
Share of elderly above 80 to all inhab. (%)			1.815*** (2.70)	-0.192 (-1.20)					
Share of children between 0 and 17 to all inhab. (%)					-0.0380 (-0.14)				
Share of adults above 18 to all inhab. (%)						0.132 (0.65)			
Indicators of needs for potential user group									
Year fixed effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipality fixed effects									
Constant	46.56*** (3.85)	2.537 (0.07)	5.103 (0.32)	-8.697 (-0.91)	17.75 (0.91)	26.54 (0.54)	18.71 (0.38)	43.15 (0.93)	26.98*** (3.26)
N	879	882	882	882	879	882	882	882	882
r ²	0.802 69.10	0.558 51.97	0.282 12.01	0.604 37.72	0.174 7.338	0.294 13.58	0.160 7.353	0.0818 8.417	0.208 4.835

Regressions estimated with OLS. Standard errors clustered at the municipality level, *t*-statistics in parentheses. **p* < .10. ***p* < .05. ****p* < .01. Indicators of needs for potential user group as in Table A2.

Article 6

Foged, S. K., & Sørensen, E. M. (2016). Spareadfærd I krisetider: Danske kommuner mellem strategi, omkostningseffektiviseringer og grønthøstere [Cutback behavior in times of crisis: Danish municipalities between strategy, improvements of cost-effectiveness and across-the-board cuts]. *Public Governance Research*, 1, 133-166.

Spareadfærd i krisetider: Danske kommuner mellem strategi, omkost- ningseffektiviseringer og grønthøstere

Danske kommuner

Spareadfærd

Besparelsesstrategi

Besparelestyper

Økonomisk pres

Krise

Økonomistyring

Budgetlægning

SPAREADFÆRD I KRISETIDER: DANSKE KOMMUNER MELLEM STRATEGI, OMKOSTNINGSEFFEKTIVISERINGER OG GRØNTHØSTERE

Danske kommuner

Spareadfærd

Besparelsesstrategi

Besparelestyper

Økonomisk pres

Krise

Økonomistyring

Budgetlægning

Denne artikel undersøger sammenhængen mellem økonomisk pres og spareadfærd i politiske organisationer. Sammenhængen undersøges via casestudier i 6 danske kommuner, som alle oplevede en stigning i det økonomiske pres fra 2009 til 2013. Data består af 7-10 interviews i hver kommune samt tal for casekommunernes serviceudgifter og økonomistyring. Artiklen finder, at casekommunerne særligt har reduceret udgifterne via stordriftsløsninger på skole-, dagtilbuds, administrations- og kulturområdet samt serviceomlægninger på ældreområdet og det specialiserede socialområde. Derudover tyder casestudierne på, at en managementdrevet og inkrementel spareadfærd vinder frem under økonomisk pres, mens spareadfærden synes mindre drevet af stærke interessegrupper. Det vises også, at styrken af det økonomiske pres ikke i sig selv forklarer casekommunernes spareadfærd, og det foreslås i stedet, at en given spareadfærd kan forstås ved samspillet mellem det økonomiske pres og hvorvidt årsagen til presset opleves som udefrakommende eller selvforskyldt.



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Indledning: Hvad betyder økonomisk pres for offentlig spareadfærd?

Hvordan påvirker et økonomisk pres offentlige organisationers processer og prioriteringer? Medfører kriser fx, at prioriteringen af politikområder ændres grundlæggende, rettes spareadfærden mod forsøg på at øge omkostningseffektiviteten, eller udmøntes besparelserne som 'grønthøstere', hvor alle områder bidrager lige meget? Denne artikel bidrager til besvarelsen af disse spørgsmål ved at belyse sammenhængen mellem økonomisk pres og danske kommuners spareadfærd. Denne sammenhæng er relevant ud fra både en interesse i 'god styring' og indflydelse (Grøn & Hansen, 2014). Hvad kan politikere, offentlige ledere og medarbejdere fx gøre for at levere mere for mindre, mens det samtidigt undgås, at motivationen og trivslen i organisationen falder? Og hvad med kommunens borgere og ansatte – rammes brugerne og de ansatte på nogle områder særligt hårdt?

Hvordan et økonomisk pres påvirker spareadfærd er af metodiske årsager et vanskeligt spørgsmål, og artiklen tager derfor de indledende spadestik i besvarelsen af spørgsmålet via casestudier i seks danske kommuner. Artiklens formål er at i) opstille forventninger til sammenhængen mellem økonomisk pres og spareadfærd, ii) operationalisere økonomisk pres og forskellige typer spareadfærd i danske kommuner og iii) belyse, hvordan 6 casekommuner har indfriet besparelseskravet, herunder hvordan spareadfærden lever op til de opstillede forventninger, uden at artiklen metodisk er i stand til at foretage en endegyldig test af forventningerne.

Teorier om økonomisk pres og spareadfærd

I litteraturen om økonomiske kriser og offentlige besparelser er det diskuteret, hvordan ændringer i de økonomiske vilkår fremkalder forskellige besparelsesstrategier (fx Levine, 1978; Jørgensen, 1981; Heald & Hood, 2014; Cepiku, Mussari & Giordano, 2015). I det følgende præsenterer vi en teoretisk forståelse af 'økonomisk pres', og herefter præsenterer vi fire forskellige forventninger til, hvordan et økonomisk pres påvirker spareadfærden i offentlige organisationer.

Hvad forstås ved økonomisk pres og spareadfærd?

Økonomisk pres defineres her som forandringer i en offentlig organisations økonomiske forhold, der medfører politiske anstrengelser for at reducere udgifter og/eller øge indtægter (Heald & Hood, 2014, s. 5). For at forstå hvordan et økonomisk pres påvirker offentlige organisationers spareadfærd, har teoretikere især fokuseret på styrken (hårdhed og længde) af et økonomisk pres (se fx Raudla, Savi, & Randma-Liiv, 2015) samt årsagen til dette pres, herunder om årsagen til ressourceknapheden opleves som udefrakommende (ekstern) eller selvforskyldt (intern) (Levine, 1978, s. 318-319)¹. Styrke og årsag til et økonomisk pres forventes således at påvirke spareadfærden, da pressets størrelse har betydning for nødvendigheden af forandringer, og da den opfattede årsag til presset indvirker på, hvad der lokalt opleves som en 'fornuftig' reaktion på et besparelseskrav.

Ved spareadfærd forstås, hvordan offentlige organisationer udmønter besparelser med hensyn til de anvendte processer (fx fokus på budgetjusteringer, omlægning af strukturer, arbejds gange eller opgaver) og det realiserede budgetmæssige output (fx udskydelser, procentbesparelser, rationalisering, overvæltning, nedlæggelser, lovændringer) (Jørgensen, 1981, s. 167). Dette fokus på processer og output ligner en tilsvarende sondring i litteraturen mellem besparelser, der er fokuseret på enten organisatoriske eller fiskale strategier, hvor fiskale strategier (output)

har en direkte og synlig effekt på budgettet, mens organisatoriske strategier fokuserer på at reformere styring og administration (proces) og derigennem kan have en indirekte effekt på budgettet (Overmans & Noordegraaf, 2014, s. 101). Vi forstår dermed spareadfærd som en delmængde af et bredere begreb om udgiftspolitik, da spareadfærd specifikt fokuserer på de dele af udgiftspolitikken, der vedrører besparelser, og som foruden den politiske kontekst, hvori besparelserne implementeres, særligt har øje for administrationens rolle, idet det ofte er op til forvaltningen at implementere besparelser (Jørgensen, 1981, s. 152; Bartle, 1996). Administrationens udmøntning af besparelser er naturligvis ikke uafhængig af de politiske vilkår, herunder politikernes incitamenter i udgiftspolitikken (Pollitt, 2010), og også i denne artikel ses administrativ spareadfærd som fundamentalt underlagt politiske styringssignaler. Disse politiske signaler kan dog ofte være ”uklare og tvetydige, ustabile over tid og sendt af ambivalente politikere” (Jørgensen, 1981, s. 350).

Endelig indebærer den anvendte definition af spareadfærd et fokus på proces (organisatoriske strategier jf. Overmans & Noordegraaf, 2014) og budgetmæssigt output (fiskale strategier jf. Overmans & Noordegraaf, 2014), hvorimod effekter for organisationens resultater ikke er en del af definitionen, herunder hvad besparelserne fx betyder for omkostningseffektiviteten. Synonymt med spareadfærd anvender artiklen begreberne ’besparelsesstrategi’ (Hansen & Kristiansen, 2014b) og ’besparelsestyper’ (Jørgensen, 1981).

Fire forventninger til sammenhængen mellem økonomisk pres og spareadfærd

I litteraturen om økonomisk pres går en sondring på, om økonomisk pres medfører en dekrementel spareadfærd eller en målrettet spareadfærd (Raudla, Savi, & Randma-Liiv, 2015), som fx kan være baseret på effektivitetskriterier eller på en central strategisk prioritering af udgifterne (Jørgensen, 1981; Levine, 1985; Pollitt, 2010; Raudla, Savi, & Randma-Liiv, 2015, s. 8-9). En sådan sondring kan dog skygge for de variationer, der kan være i forståelsen af dekrementel og målrettet, og i det følgende gives derfor fire teoretiske bud på krisedrevne besparelsesstrategier.

Ved en strategisk spareadfærd forstås en målrettet spareadfærd, hvor politikere tvinges til at prioritere mellem politikområder på baggrund af en overordnet politisk strategi/vision for organisationen. Ved en overordnet politisk strategi forstås vi den del af organisationens mål- og resultatstyring, der vedrører en tværgående og ”fælles strategi, som muliggør prioriteringer af knappe ressourcer” (Sørensen & Foged, 2015b, s. 48). En sådan strategi kan på kommunalt niveau fx være politisk besluttede udviklingsstrategier, pejlemærker, visioner, tværgående effektmål og kommunestrategier, der herefter udmøntes administrativt (Sørensen & Foged, 2015b).

Det centrale ved den strategiske spareadfærd er med andre ord, at den indebærer en omprioritering af ressourcer mellem politikområder sammenlignet med før krisen begrundet i en overordnet strategi.

Denne prioriteringsændring kan igen skyldes, at organisationens politiske vision ændrer sig, og/eller at den eksisterende strategi sætter sig stærkere igennem for organisationens besparelsesmæssige processer og output. Teoretisk er baggrunden for en forventning om en mere strategisk spareadfærd, at ressourceknapheden nødvendiggør tværgående prioriteringer samt at beslutningsprocesser bliver mere top-down i krisetider, fordi inkrementelle beslutningsprocesser bryder sammen i takt med at præmissen om udgiftsvækst må opgives (Good, 2007). I

denne forståelse tvinges de lavest prioriterede politikområder således til at bidrage mest til tilpasningen (selvom man teoretisk også kan forestille sig områder, der prioriteres højt, men tildeles færre ressourcer).

F1: Øget økonomisk pres gør spareadfærden mere strategisk forstået som en ændring i den relative prioritering af sektorområder forankret i en overordnet politisk vision

En anden forståelse af spareadfærd er fokuseret på at forsøge at øge organisationens omkostningseffektivitet via mere effektive indsatser og/eller højere produktivitet og benævnes her managementdrevet spareadfærd. Med managementdrevet spareadfærd forstår vi en målrettet spareadfærd, hvor besparelser forsøges realiseret ved at øge omkostningseffektiviteten ved enten at forbedre forholdet mellem input og output (øget produktivitet under en antagelse om uændret effektivitet) eller ved at anvende mere virkningsfulde indsatser og dermed forbedre forholdet mellem output og outcome (øget effektivitet) (Elm-Larsen, 2007, s. 60-62; Pollitt og Bouckaert, 2011, s. 133), uanset om disse bestræbelser udmønter sig i reelle omkostningseffektiviseringer eller ej. Definitionen af managementdrevet spareadfærd lægger sig tæt op ad Jørgensens begreb om en 'managementfase', der netop er kendetegnet ved en logik om at øge 'den interne produktivitet' (Jørgensen, 1981). Til denne produktivetslogik tilføjer vi i artiklen bestræbelser på at anvende mere virkningsfulde indsatser, altså bestræbelser på at øge omkostningseffektiviteten via højere effektivitet.

Relateret hertil kan det diskuteres, hvornår indsatsomlægninger tangerer en egentlig bortskæring af opgaver og dermed bliver til strategiske besparelser. Grænsen definerer vi ved at betegne en serviceomlægning som udtryk for managementdrevet spareadfærd, når den på baggrund af administrationens fundne omkostningseffektiviseringspotentialer foretages inden for den eksisterende strategiske prioritering af områder, mens en serviceomlægning er strategisk, når spareadfærden bryder med denne før-krise-prioritering af forskellige politikområder. I denne managementtilgang bliver forventningen med andre ord, at økonomisk pres ikke fører omprioriteringer mellem politikområder, men at offentlige organisationer bruger kriser til at forsøge at producere mere effektivt og skære organisatorisk 'fedt' fra (Belanger & Migué, 1974). Som en følge heraf vil besparelserne ramme de områder, hvor effektivitetspotentialet opfattes som størst.

F2: Øget økonomisk pres gør spareadfærden mere managementdrevet forstået som styret mod produktivetsforbedringer og/eller mere virkningsfulde indsatser.

Foruden forventningen til at et økonomisk pres betyder en mere strategisk spareadfærd, hævder andre, at ressourceknaphed medfører en inkrementel spareadfærd (Lewis, 1984). Inkrementel spareadfærd defineres her som en pragmatisk og kortsigtet søgen efter besparelser, der minimerer beslutningsomkostninger og konfliktpotentialer og ofte fører til identiske procentvise udgiftsreduktioner på tværs af budgetområder (jf. Kickert & Randma-Liiv, 2015, s. 62-64)². Disse inkrementelle besparelser benævnes ofte 'grønthøsterbesparelser', og baggrunden herfor kan være manglende viden om potentialer for øget omkostningseffektivitet, et ønske om at delegerede beslutninger til decentrale medarbejdere, der måske besidder denne viden, eller en politisk interesse i at undgå upopulære prioriteringer (Lindblom, 1979; Pollitt, 2010). Mulige uheldige konsekvenser ved en inkrementel spareadfærd kan være en skæv sammensætning af produktionsfaktorer (fx ved gentagne besparelser på anlægsudgifter og andre ikke-lønudgifter) og en ødelagt planlægning (besparelserne kan komme med kort varsel for den enkelte budgetenhed) (Jørgensen, 1981, s. 157).

F3: Øget økonomisk pres medfører en inkrementel spareadfærd forstået som proportionale udgiftsreduktioner på alle områder.

En alternativ forklaring på inkrementel spareadfærd er interessegruppeforklaringen, der hævder, at en given spareadfærd bestemmes ved magtfordelingen mellem interessegrupper i samfundet (Wildavsky 1961; Downs & Rocke, 1984). Dette betyder, at såfremt magtfordelingen mellem interessegrupper ikke ændres, forbliver udgiftsudviklingen inkrementel både i vækstperioder og under ressourceknaphed. Heroverfor står imidlertid teoretikere, der hævder, at interessegrupper øger indflydelsen under kriser. Ifølge dette synspunkt vil især mobiliserede interessegrupper – der repræsenterer et betydeligt antal vælgere og ikke imødegås af et modsatrettet pres fra andre interessegrupper – friholdes fra besparelser under et økonomisk pres. Baggrunden for en sådan interessegruppedrevet spareadfærd er angiveligt, at interessegrupper er mere aktive, når det handler om at undgå besparelser, end når det handler om at fordele ny vækst, da ressourceknaphed gør budgetlægningen konfliktfyldt, og fordi aktører har en psykologisk bias for at undgå tabet af privilegier (Kahneman & Tversky, 1979; Rubin, 2010; Heald & Hood, 2014). Ved interessegrupper forstås her grupper af brugere (fx forældre, plejemodtagere og pårørende) og producenter (fx lærere, pædagoger og social- sundhedspersonale) af offentlig service, der påvirker politikerne via deres adgang til kommunens beslutningsprocesser og/eller via deres status som vælgere i kommunen.

F4: Øget økonomisk pres gør spareadfærden mere interessegruppedrevet forstået som begunstigende stærke interessegrupper.

De fire beskrevne besparelsesstrategier skal ikke forstås som gensidigt udelukkende, da kommunens spareadfærd formentlig indeholder elementer af alle fire strategier samtidigt. Derimod er det centralt, hvordan vægtningen af besparelsesstrategierne påvirkes af et økonomisk pres.

I den sammenhæng er det sandsynligt, at vægtningen af besparelsesstrategier varierer for forskellige organisatoriske niveauer³ (Hansen & Kristiansen, 2014b), hvilket her er håndteret ved at sammenligne casekommunerne på samme niveau, nemlig direktør- og fagchefniveau (se afsnit 4.2).

Det har desuden teoretisk været diskuteret, om forekomsten af en bestemt type spareadfærd kan forklares med krisens styrke og/eller varighed, herunder om der kan identificeres en bestemt faselogik i besparelserne. Eksempelvis er det i litteraturen foreslået, at et lavt økonomisk pres kan håndteres ved inkrementel spareadfærd, mens et stort og langvarigt økonomisk pres nødvendiggør målrettede besparelser på basis af en strategisk prioritering af aktiviteter og udgiftsområder (Raudla, Savi, & Randma-Liiv, 2015, s. 8-9; Levine, 1979, s. 182; Levine, 1985). Tilsvarende er det foreslået, at organisationens spareadfærd vil følge en fasemodel, hvor inkrementelle strategier i takt med krisens varighed afløses af først managementdrevne og sidenhen strategiske besparelser (Jørgensen, 1981). I denne artikel betragtes besparelserne dog i udgangspunktet og i lighed med andre dele af litteraturen som tidsmæssigt sideordnede med egne fordele og ulemper (Dunsire & Hood, 1989; Pollitt, 2010).

Endelig har der teoretisk været fokuseret på, hvordan forskellige besparelsesstrategier forholder sig til sondringen mellem stabilitet og forandring for den offentlige organisations processer og output (Hansen & Kristiansen, 2014b; Overmans & Noordegraaf, 2014). I forhold til de 4 præsenterede forventninger er logikken bag den inkrementelle spareadfærd og hovedsageligt også den managementdrevne besparelsesstrategi stabilitet, mens den strategiske og inkrementelle spareadfærd i højere grad forventer forandringer for processer og output.

Metoden: Casestudier i seks danske kommuner

For at belyse sammenhængen mellem økonomisk pres og spareadfærd er der gennemført casestudier i seks danske kommuner, der alle har været udsat for et øget økonomisk pres i analyseperioden 2009 til 2013. År 2009 er analysens startår, da den økonomiske krise for alvor viste sig i de kommunale budgetter herefter (Houlberg & Jensen, 2010; KL, 2014), mens afslutningsåret er 2013, der indeholdt de senest tilgængelige regnskabstal ved analysens begyndelse.

Casestudierne anvendes til at pege på fællestræk og forskelle mellem kommunernes spareadfærd. Der anvendes to strategier til at belyse sammenhængen mellem økonomisk pres og spareadfærd: For det første observeres 6 kommuner med variation på strukturelle variable som fx geografi, indbyggertal og sociodemografisk sammensætning. Kommunerne har dog alle oplevet et øget økonomisk pres i perioden. Hvis vi på trods af kommunernes forskellighed identificerer fællestræk i deres spareadfærd, kan disse være forårsaget af dette fælles pres⁴. En udfordring ved denne strategi er, at det kan være svært at afgøre, om det er det øgede økonomiske pres eller andre fælles påvirkninger (fx statens regulering), der får casekommunerne til at anvende ensartede besparelsesstrategier under krisen. Derfor benytter analysen også en anden strategi, hvor kommunerne placeres i forhold til den varierende styrke af det økonomiske pres, og hvor formålet er at se, om kommuner under større pres anvender en anden type spareadfærd end kommuner under mindre pres. Da casestudierne har givet mere klare data på ligheder end på forskelle mellem besparelsesstrategierne, fylder beskrivelsen af fællesstræk mere end forskelle i analysen, og vi har således vanskeligt ved at isolere kausaleffekten af det øgede økonomiske pres.

Den økonomiske krise og styrken af det økonomiske pres i casekommunerne

Overordnet skyldtes det øgede økonomiske pres, som mødte danske kommuner, den internationale finanskrisen, der ramte fra slutningen af 2008 (Hansen & Kristiansen, 2014a). Denne krise betød, at den danske regering førte konjunkturpolitik ved bl.a. at øge kommunernes anlægsramme. Samtidigt medførte Genopretningspakken fra 2010 (Regeringen, 2010) et krav om nulvækst i kommunernes serviceudgifter og en mulighed for sanktioner mod de kommuner, der ikke holdt budgetterne. Som konsekvens af både kravet om nulvækst og en forbedret budgetoverholdelse begyndte kommunernes serviceudgifter at falde fra 2010 og frem. Det største fald i serviceudgifterne fandt sted fra 2012 til 2013 (se appendiks Figur 1 og Tabel 2). Da danske kommuner har begrænsede muligheder for at øge skatterne (Blom-Hansen, Bækgaard, & Serritzlew, 2014), håndterede kommunerne størstedelen af presset ved at reducere udgifterne.

Hvor hårdt den enkelte kommune blev ramt økonomisk af krisen var dog meget forskelligt. I denne artikel forstås styrken af økonomisk pres som ændringen/forværringen i økonomisk pres fra 2009 til 2013. Ideelt bør et sådant ændringsmål indeholde information om både ændringer i indtægter, udgiftsbehov og antallet af brugere, da befolkningsnedgang på kort sigt kan medføre kommunalt overskud af kapital og arbejdskraft og dermed stigende gennemsnitlige omkostninger (Bailey, 1999, s. 121; Hansen, Houlberg, & Pedersen, 2014).

To indikatorer er her valgt til at belyse ændringer i kommunernes økonomiske pres; ændringen i indtægter pr. indbygger (korrigeret for konjunktur- og opgaveændringer) og ændringen i befolkningstallet fra 2009 til 2013. Befolkningsafvandring fører til faldende indtægter fra bloktilskud og skatter, og selvom antallet af borgere, der skal leveres service til (fx elever), også falder, kan det på kort sigt være vanskeligt at tilpasse kapaciteten nedad og undgå stigende enhedsomkostninger (Bailey, 1999, s. 121), og samtidigt er befolkningsafvandring typisk korreleret med stigende sociale udgiftsbehov (Hansen, Houlberg, & Pedersen, 2014). I denne artikel måles den samlede styrke af det økonomiske pres som udviklingen i kommunens absolutte indtægter i procent fra 2009 til 2013. Dette er valgt af flere årsager: For det første indeholder udviklingen i de absolutte indtægter information om både indtægts- og befolkningsudviklingen (en stigning i indtægterne pr. indbygger vil alt andet lige øge de absolutte indtægter, ligesom en stigning i befolkningsantallet alt andet lige vil øge de absolutte indtægter), og for det andet passer den følgende rangordning af casekommunerne på styrken af det økonomiske pres godt med informanternes egen oplevelse af krisens styrke⁵. I Tabel 1 er casekommunerne beskrevet i forhold til styrken af det økonomiske pres.

Tabel 1 illustrerer også styrken af det økonomiske pres før krisen ved et indeks for forholdet mellem kommunens udgiftsbehov og indtægtsgrundlag i 2009, hvor landsgennemsnittet er sat til 100. Selvom denne indikator ikke indgår i ændringsmålet for økonomisk pres, kan det initiale niveau af økonomisk pres stadig tænkes at have betydning for kommunernes spareadfærd. Fx kan en identisk ændring af det økonomiske pres have forskellige effekter for spareadfærden afhængig af, om kommunen allerede i udgangspunktet var presset eller havde mere 'slack' at tære på.

Tabel 1

Casekommunerne og styrken af det økonomiske pres

Kommune	Økonomisk pres i 2009 (indeks 100)	Ændring i økonomisk pres, 2009-2013 (%)			
		Ændring i indtægter pr. indb. (2013-priser)	Ændring i befolkningstal	Ændring i indtægter, absolut (2013-priser)	Styrke af økonomisk pres (ændring)
Lolland kommune	122,5	0,2 %	-7,0 %	-6,8 % →	Højt
Holbæk kommune	103,1	-5,5 %	-0,4 %	-5,9 % →	Højt
Ringkøbing-Skjern kommune	100,6	-0,6 %	-2,2 %	-2,8 % →	Moderat
Aarhus kommune	100,5	-7,7 %	5,4 %	-2,7 % →	Moderat
Egedal kommune	77,6	-4,6 %	2,4 %	-2,3 % →	Lavt
Gldsaxe kommune	93,0	-5,8 %	4,4 %	-1,7 % →	Lavt
Landsgennemsnit	100,0	-4,2 %	1,7 %	-2,6 % →	Moderat

Note: Se definitioner i appendiks Tabel 1. Landsgennemsnit er vægtede gennemsnit med undtagelse af 'Ændring i indtægter pr. indb.' som er et uvægtet landsgennemsnit.

Spareadfærden analyseres ved interviews og økonomiske nøgletal

I det følgende nedbrydes forventningerne i indikatorer på baggrund af teori og indsigter fra casestudierne. Outputindikatorer på en strategisk spareadfærd er, at de største procentvise udgiftsreduktioner manifesterer sig på politikområder, der som følge af organisationens politiske strategi er lavest prioriterede. En sådan omprioritering mellem politikområder sammenlignet med før krisen vil igen være et resultat af processuelle forandringer i form af fx ændringer i indholdet af den eksisterende politiske strategi (fx formelt nedskrevet i udviklingsstrategier, tværgående effektmål og kommunestrategier jf. Sørensen & Foged, 2015b), ændringer i den eksisterende politiske strategis gennemslag for prioriteringerne og/eller ved, at politikerne prioriterer mere på tværs.

Den strategiske spareadfærd kan fx komme til udtryk som en strategisk begrundet bortskæring eller 'fredning' af indsatser, større variation i udgiftsudviklingen på tværs af politikområder og en større strategisk prioriteringsrolle for politikerne i budgetlægningen.

Tidshorisonten bag en strategisk spareadfærd er lang, da spareadfærden retter sig mod virkninger for organisationen på lang sigt (Jørgensen & Mouritzen, 2005, s. 144), fx i form af politiske strategier for en hel byrådsperiode.

Til sammenligning er indikatorer på en managementdrevet spareadfærd, at de største procentvise udgiftsreduktioner realiseres på områder, hvor omkostningseffektiviseringspotentialerne opleves som størst, hvilket også guider søgeprocessen efter besparelser. En sådan managementdrevet spareadfærd kan fx komme til udtryk som ændrede strukturer og arbejdsgange, business cases og en satsning på mere virkningsfulde indsatser. Tidshorisonten er derudover mellemlang, da spareadfærden retter sig mod virkninger for organisationen på mellemlang sigt, fx ved at organisationen arbejder på at fastholde serviceniveauet i de kommende års budgetter trods ressourcenedgang.

Hvor en managementdrevet spareadfærd godt kan starte som rammereduktioner på højere organisatoriske niveauer og udmøntes som omkostningseffektiviseringer længere nede i organisationen (Hansen & Kristiansen, 2014b, s. 247), er indikatorer på en inkrementel spareadfærd proportionale rammereduktioner eller 'grønthøstere' uden væsentlig skelen til områdets strategiske status og effektivitet. En inkrementel spareadfærd kan udmønte sig som lige store procentvise udgiftsreduktioner på tværs af områder, der igen vil være et resultat af søgeprocesser, der sammenlignet med før krisen har mere fokus på rammernes størrelse end på deres indhold. En sådan tilgang kan fx komme til udtryk ved grønthøstere implementeret med kort varsel, ved budgetter, der genåbnes mhp. hastige nedskæringer, en mindre variation i udgiftsudviklingen på tværs af politikområder (idet de underlægges den samme procentreduktion) og ved manglende viden om besparelsernes konsekvenser. Tidshorisonten er derudover kort, da spareadfærden retter sig mod virkninger på kort sigt, fx ved at organisationen arbejder på 'blot' at få rammerne til at gå op i næste budget.

Endelig er indikatorer på en interessegruppedrevet spareadfærd at stærke interessegrupper friholdes fra udgiftsreduktioner – og blokerer spareforslag – i en grad, som overgår deres indflydelse i vækstperioder. Hertil kommer mulige besparelser, der aldrig når at blive til spareforslag, fordi stærke interessegrupper formår at holde dem væk fra den politiske

dagsorden (Bachrach & Baratz, 1962). I en dansk kommunal sammenhæng vil stærke interessegrupper ikke mindst vedrøre skoleområdet efterfulgt af dagtilbuds- og ældreområdet (Pedersen, Houlberg, Hansen, Olsen, & Bordacconi, 2013; Serritzlew, 2005). En oversigt over forventninger og indikatorer fremgår af Tabel 2.

Tabel 2

Oversigt over forventninger og indikatorer

Forventninger	Indikatorer
F1: Øget økonomisk pres gør spareadfærden mere strategisk forstået som en ændring i den relative prioritering af sektorområder forankret i en overordnet politisk vision	Output: • Større procentvise udgiftsreduktioner på nogle områder end andre begrundet i organisationens politiske strategi. Proces: • Den politiske strategi for kommunen ændres på en måde, så den indeholder en omprioritering af ressourcer mellem politikområderne (strategiens indhold) • Den eksisterende politiske strategi fra før krisen fastholdes, men sætter sig tydeligere igennem for udgiftsprioriteringerne sammenlignet med før krisen (strategiens betydning) • Politikerne prioriterer relativt mere på tværs af områder sammenlignet med før krisen • Lang tidshorisont. Fx bortsikring af opgaver, øgede forskelle i udgiftsudvikling på tværs af politikområder, øget politisk satsning eller fredning af områder begrundet i strategi, vurdering af myndighedens opgaver og politiseret miljø.
F2: Øget økonomisk pres gør spareadfærden mere managementdrevet forstået som styret mod produktivetsforbedringer og/eller mere virkningsfulde indsatser.	Output: • Største procentvise udgiftsreduktioner på områder med de største, opfattede omkostningseffektiviseringspotentialer inden for uændret strategi Proces: • Budgetvognernes opfattelse af, hvor i organisationen der findes omkostningseffektiviseringspotentialer, guider i øget omfang søgningen efter besparelser sammenlignet med før krisen • Mellemlang tidshorisont. Fx brug af business cases, benchmarking, ændrede strukturer, arbejds gange, andre indsatser og overvæltning af opgaver til borgerne etc.
F3: Øget økonomisk pres medfører en inkrementel spareadfærd forstået som proportionale udgiftsreduktioner på alle områder.	Output: • Lige store procentvise udgiftsreduktioner på tværs af områder • Mere ensartet procentvis udgiftsudvikling på tværs af politikområder sammenlignet med før krisen. Proces: • Øget fokus på marginale justeringer af monetære rammer snarere end rammernes indhold sammenlignet med før krisen • Kort tidshorisont. Fx proportionale rammerreduktioner, grønsthøsterbesparelser, reducerede forskelle i udgiftsudvikling på tværs af politikområder, genåbnede budgetter, justeringer på budgetforslag eller budgettet året før.
F4: Øget økonomisk pres gør spareadfærden mere interessegruppedrevet forstået som begunstigende stærke interessegrupper.	Output: • Største procentvise udgiftsreduktioner på områder med relativt svage interessegrupper Proces: • Stærke interessegrupper lykkes relativt til svagere interessegrupper bedre med at blokere spareforslag sammenlignet med før krisen. Fx ulige fordeling af besparelser rettet mod områder med mindre stærke interessegrupper, accept af servicereduktioner på mindre populære områder.

Til at beskrive indikatorerne anvendes kvantitative og kvalitative data. Kvantitativt benyttes kommunernes regnskabsbaserede serviceudgifter (som opgjort af KORAs 'Nøgletal for kommunernes økonomiske styring'), der igen er fordelt på de politikområder, som regeringen og KL var enige om i 2013 (se appendiks Tabel 1 og 2). Dermed fås et overblik over serviceudgifterne i casekommunerne, og ved at opgøre udviklingen i serviceudgifterne på de enkelte politikområder fås et indtryk af på hvilke områder, besparelseskravet blev indfriet. Besparelser på serviceudgifterne er velegnede som analyseobjekt, fordi de udtrykker den borgerrettede service, involverer betydelig kommunal prioriteringsfrihed og er sammen-

lignelige over tid, da opgaveændringer i perioden har været begrænsede⁶. Kvalitativt er der gennemført indledende dokumentstudier (analyse af byrådsreferater, styringsdokumenter, budgetaftaler mv.) i de enkelte kommuner, som er efterfulgt af 7 til 10 interviews i hver kommune med borgmester, kommunaldirektør og direktører samt fagchefer for tre store velfærdsområder (ældreområdet, det børnesociale område og skoleområdet). De tre velfærdsområder er valgt pga. deres store volumen og varierende styringsudfordringer, herunder efterspørgsel, styrbarhed og enhedsomkostninger.

Baggrunden for primært at interviewe det administrative niveau – og hovedsageligt at lade det politiske niveau være repræsenteret af borgmesteren – er, at definitionen af spareadfærd særligt har fokus på forvaltningens aktiviteter inden for en politisk styringsramme (Jørgensen, 1981, s. 152). Derudover er der interviewet både direktører og fagchefer for dels at triangulere data og for dels at undersøge besparelsesstrategier på forskellige politikområder og organisatoriske niveauer. Formålet har været – med afsæt i informanternes beskrivelser og øvrige datakilder – at sammenstykke en retvisende beskrivelse af den enkelte casekommunes spareadfærd, idet vi er opmærksomme på, at den enkelte informant husker noget forskelligt og har varierende interesser i spørgsmålsbesvarelsen. Fremstillingen af den enkelte kommune er dermed et resultat af vores samlede fortolkning, herunder vægtningen af forskellige kilder. Der er i arbejdet med at sammenstykke kommunebeskrivelser udarbejdet valideringsrapporter for den enkelte kommune, som repræsentanter fra kommunerne har haft mulighed for at kommentere.

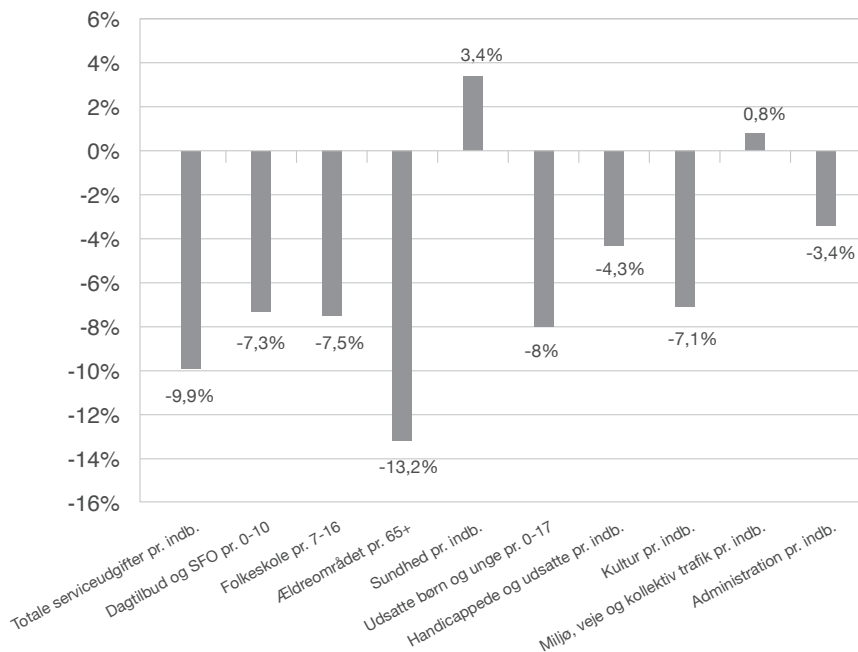
Analyse

For at belyse hvad ændringen i det økonomiske pres betød for kommunernes spareadfærd, fokuseres i følgende analyse først på, hvordan informanterne i den enkelte kommune oplevede styrken og årsagen til det økonomiske pres samt hvilke konkrete besparelser som den enkelte kommune gennemførte (afsnit 5.1). Herefter foretages en tværgående analyse af ligheder og forskelle i casekommunernes besparelsesstrategier, hvor der er fokus på sammenhængen mellem det økonomiske pres og spareadfærden (afsnit 5.2-5.6).

Overordnet reducerede den samlede danske kommunesektor serviceudgifterne med 9,9 % fra 2009 til 2013 (korrigeret for opgaveændringer), hvilket procentuelt fordelte sig på kommunernes politikområder som illustreret i Figur 1. Her er udgifterne opgjort i forhold til den potentielle brugergruppe. Af tabellen fremgår det, at navnlig ældreområdet bidrog til udgiftsopbremsningen ved en reduktion af udgifterne pr. potentiel bruger med 13,2 % fra 2009 til 2013, men at også det specialiserede børneområde samt skole- og dagtilbudsområdet og kulturområdet gennemførte markante besparelser pr. potentiel bruger i perioden (7 til 8 %).

Figur 1

Udviklingen i serviceudgifter pr. potentiel bruger, 2009-2013 (%), regnskabstal
(Danmarks Statistik)



Note: Vægtede landsgennemsnit. 2013-priser. Totale serviceudgifter er opgjort af KORAs 'Nøgletal for kommunernes økonomiske styring', og er derudover korrigeret for opgaveændringer over tid. Politikområderne er ikke korrigeret for eventuelle opgaveændringer. Se appendiks Tabel 1 og 2 for definitioner og data.

Hvad sparede casekommunerne på?

Casegennemgang

Lolland kommune (Sørensen og Foged (2015e) og Tabel 4 i appendikset) på omkring 44.000 indbyggere er et resultat af en sammenlægning af syv kommuner i 2007. Fra 2009 til 2013 blev kommunen udsat for et højt økonomisk pres, da man oplevede, at krisen forværede en affolkning, der allerede var i gang, hvilket gav et absolut indtægtsfald på næsten 7 %. Selvom krisen forværede kommunens befolkningsudvikling, var det ikke informanternes opfattelse, at det økonomiske pres var steget markant eller for den sags skyld var 'noget nyt', idet kommunen bl.a. havde en lang historie med 'kriser', og da krisestemningen tillige havde reduceret borgernes serviceforventninger. Årsagen til det økonomiske pres blev generelt opfattet som udefrakommende.

Fra 2009 til 2013 skar Lolland de totale serviceudgifter med over 11 %, der, givet kommunens befolkningsafvandring på 7 %, svarede til en udgiftsreduktion på 5 % pr. indbygger. Størstedelen af reduktionen pr. potentiel bruger blev fundet på skoleområdet (12,9 %), udsatte børn og unge under 18 år (det børnesociale område) (7,5 %) og administration (4,1 %). Indholdet af udgiftsreduktionen var for skoleområdet strukturtilpasninger (fusioner og nedlæggelser) og inklusion. For det børnesociale område bestod besparelserne i øget brug

af lokale netværkstilbud frem for institutionsanbringelser. Administrationsudgifterne blev bl.a. nedbragt ved en billigere administration af tidligere specialiserede amtsstilbud.

Holbæk kommune (Sørensen og Foged (2015a) og Tabel 5 i appendikset) på omkring 69.000 indbyggere er et resultat af en sammenlægning af fem kommuner i 2007. I 2009 ansatte kommunen en ny kommunaldirektør. I analyseperioden var kommunen samlet udsat for et højt økonomisk pres, da kommunen ved siden af et stort indtægtsfald pr. indbygger oplevede en forværret befolkningsudvikling (svarende til et absolut indtægtsfald på næsten 6 %). Informanterne oplevede, at det økonomiske pres var steget markant i perioden, da befolkningsfremskud var vendt til stagnation, og da kommunen yderligere var blevet ramt af faldende indtægter fra jordsalg, et statsligt tilbagebetalingskrav grundet en for optimistisk budgettering før krisen og gentagne budgetoverskridelser fra 2007 til 2010. Generelt oplevede informanterne således, at det økonomiske pres skyldtes en blanding af udefrakommende og selvforskyldte faktorer.

Som respons på det økonomiske pres reducerede Holbæk fra 2009 til 2013 de totale serviceudgifter med 5,3 % svarende til 4,9 % pr. indbygger (og fik lov til at hæve skatten i 2010). Indholdet af udgiftsreduktionen pr. potentiel bruger blev navnlig fundet på dagtilbud og SFO (14,6 %) samt ældreområdet (12,1 %). Indholdet af reduktionerne bestod af strukturtilpasninger for dagtilbud og SFO, mens der blev anvendt rehabilitering, udlicitering og servicenedsættelser på ældreområdet.

Ringkøbing-Skjern kommune (Sørensen og Foged (2015f) og Tabel 6 i appendikset) på ca. 57.000 indbyggere er et resultat af en sammenlægning af fem kommuner i 2007. I analyseperioden var kommunen samlet udsat for et moderat økonomisk pres, da kommunen parallelt oplevede et indtægtsfald og en befolkningstilbagegang, der betød et absolut indtægtsfald på næsten 3 %. Selv oplevede informanterne, at krisen havde øget det økonomiske pres – ikke mindst ved at befolkningstilvækst var vendt til befolkningsnedgang og da en markant landby-konfliktlinje havde vanskeliggjort besparelser via strukturændringer. Samlet var oplevelsen, at det økonomiske pres primært skyldtes udefrakommende faktorer.

Fra 2009 til 2013 reducerede Ringkøbing-Skjern de totale serviceudgifter med 7,5 % svarende til 5,5 % pr. indbygger (og satte samtidig skatten op i 2010). Størstedelen af denne besparelse fordelt på de potentielle brugere fandt sted på ældreområdet (12,2 %), det specialiserede voksenområde (5,1 %) og administration (5,8 %). På ældreområdet bestod udgiftsreduktionen af rehabilitering og skærpet visitation i hjemmeplejen. For det specialiserede voksenområde hjemtog kommunen bl.a. tidligere amtsstilbud, sammenlagde ledelsen af botilbud, tildelte handicappede boligstøtte frem for institutionspladser og gennemgik eksisterende tilbud i forhold til borgernes behov. Endelig blev administrationsudgifterne ifølge informanterne nedbragt via stordriftsrationaler, der var blevet mulige efter strukturreformen i 2007.

Aarhus kommune (Sørensen og Foged (2015c) og Tabel 7 i appendikset) er en fortsætter- og bykommune med ca. 325.000 indbyggere. Kommunen var i analyseperioden under moderat økonomisk pres, da kommunen oplevede et stort indtægtsfald pr. indbygger, men samtidig var under en gunstig befolkningsudvikling, der samlet udmøntede sig i et absolut indtægtsfald på 2,7 %. Dog skabte den kraftige vækst i befolk-

ningstallet også et behov for anlægsinvesteringer, hvilket bidrog til at skabe pres på drifts-udgifterne. Selv oplevede informanterne en stigning i det økonomiske pres, primært forklaret ved udefrakommende faktorer og sekundært ved budgetoverskridelser på det specialiserede socialområde i 2009.

Fra 2009 til 2013 reducerede Aarhus de totale serviceudgifter med 8 % svarende til 12,8 % pr. indbygger. Størsteparten af denne udgiftsreduktion fordelt på potentielle brugere blev gennemført på det specialiserede voksenområde (28,6 %), det specialiserede børneområde (27,6 %), ældreområdet (15,1 %), administrationen (15 %) og med mindre reduktioner på folkeskole og dagtilbud. Indholdet af besparelserne var på det specialiserede socialområde bl.a. nedlæggelser af tilbud, omvisiteringer og anvendelse af lokale tilbud frem for institutionsanbringelser. På ældreområdet var der tale om ændringer af struktur og organisering, rehabilitering og velfærdsteknologi, mens de reducerede administrationsudgifter ifølge informanterne var udtryk for omkostningseffektiviseringer. På skole- og dagtilbudsområdet var der endelig gennemført strukturændringer samt for skoleområdet ændringer af lærernes arbejdstid og en øget brug af inklusion.

Egedal kommune (Sørensen og Foged (2015d) og Tabel 8 i appendikset) på lidt over 42.000 indbyggere havde gennemgået en turbulent sammenlægning af tre kommuner i 2007. Fra 2010 kom et mere stabilt politisk flertal til, og der blev også ansat en ny kommunaldirektør. Det økonomiske pres var i perioden relativt lavt, da kommunen samtidigt med et indtægtsfald oplevede en jævn befolkningsvækst, der samlet resulterede i et absolut indtægtsfald på 2,3 %. Selv oplevede informanterne, at det stigende økonomiske pres i hovedsagen var selvforskyldt via politisk ustabilitet og en udfordret økonomistyring, der bl.a. var kommet til udtryk ved budgetoverskridelser i alle år fra 2007 til 2011.

Fra 2009 til 2013 reducerede Egedal de totale serviceudgifter med næsten 10 % svarende til 12 % pr. indbygger. Disse udgiftsreduktioner pr. potentiel bruger ramte det meste af organisationen i form af ældreområdet (20,6 %), dagtilbud (15,7 %), skoleområdet (14,3 %) og det specialiserede børneområde (11 %). Indholdet af reduktionerne var generelt kendetegnet ved få strukturændringer sammenlignet med de øvrige casekommuner. Undtagelsen herfra var dagtilbudsområdet, hvor antallet af distrikter og institutioner blev reduceret, ligesom kommunen på interviewtidspunktet var i gang med skolesammenlægninger uden matrikellukninger. Informanterne oplyste endelig, at en del af udgiftsreduktionen var udmøntet ved en organisationsændring i 2012, hvor bl.a. 14 centre var blevet til 9.

Gladsaxe kommune (Foged og Sørensen (2015) og Tabel 9 i appendikset) er en fortsætterkommune med omkring 67.000 indbyggere. Kommunen var i analyseperioden under et relativt lavt økonomisk pres, da kommunen godt nok oplevede et markant indtægtsfald pr. indbygger, men samtidig havde befolkningsvækst, der tilsammen gav et absolut indtægtsfald på 'kun' 1,7 %. Generelt oplevede kommunen det økonomiske pres som udefrakommende. Fra 2009 til 2013 reducerede Gladsaxe de totale serviceudgifter med 6,7 % svarende til 10,6 % pr. indbygger. Denne udgiftsreduktion pr. potentiel bruger blev udmøntet via besparelser på folkeskole (14,3 %), det voksensociale område (14,2 %), ældreområdet (11 %), dagtilbud og SFO (10,1 %) samt kultur (18,8 %). Indholdet af udgiftsreduktionerne bestod af strukturændringer på skole, dagtilbuds- og kulturområdet. På det voksensociale område havde kommunen hjemtaget tilbud, som førhen var købt af de tidligere amtsinstitutioner samt revurderet eksisterende tilbud i forhold til brugerens funktionsniveau. På ældreområdet blev besparelsen fundet via rehabilitering og en strammere serviceadgang.

Besparelsernes indhold på tværs af kommunerne

Resultaterne for de seks casestudier er sammenfattet i Tabel 3, hvor der ses en række tværgående mønstre i besparelsernes indhold. På dagtilbuds- og skoleområdet var de mest populære besparelser således stordriftsløsninger såsom sammenlægninger, institutionslukninger og fælles ledelse. Formålet hermed var at indhøste stordriftsfordele ved at reducere antallet af chefer og ledere, ved at sammenlægge støttefunktioner og ved at udnytte arbejdskraft og bygningsmasse bedre. Det dalende brugertal for dagtilbud og skole i casekommunerne syntes at understøtte denne udvikling, da kommunens kapacitetsbehov dermed faldt. Stordriftslogikken kunne også iagttages for plejeboliger, biblioteker og kommunens tværgående støttefunktioner.

For ældreområdet og det specialiserede socialområde var kommunernes besparelsesinstrumenter primært serviceomlægninger, hvor formålet (men ikke nødvendigvis det realiserede outcome) var at anvende mere omkostningseffektive indsatser. På ældreområdet tilbød casekommunerne således rehabilitering – eventuelt kombineret med velfærdsteknologi – ligesom der i et par casekommuner kunne iagttages øget brug af udbudskonkurrence. På det specialiserede socialområde anvendte casekommunerne i højere grad lokale tilbud frem for pladser på de tidligere amtsinstitutioner, gennemgik eksisterende tilbud og tog generelt flere økonomihensyn i sagsbehandlingen. På både ældreområdet og det specialiserede socialområde rapporterede casekommunerne endelig om en strengere serviceadgang samt i flere tilfælde servicereduktioner.

Tabel 3

Den oplevede årsag til økonomiske pres og besparelsesindeholdet, 2009-2013

Kommune	Styrke af økonomisk pres	Oplevet årsag til økonomisk pres	Indhold af besparelser
Lolland kommune	Højt	• Primært udefrakommende	• Stordrift på skole og dagtilbud • Inklusion på skoleområdet • Billigere tilbud på det specialiserede socialområde • Billigere tilbud på ældreområdet
Holbæk kommune	Højt	• Delvist selvforskyldt • Delvist udefrakommende	• Grønhosterbesparelser i genopretningsår • Stordrift på dagtilbud og kultur • Billigere tilbud, udbudskonkurrence og servicereduktioner på ældreområdet
Ringkøbing-Skjern kommune	Moderat	• Primært udefrakommende	• Skærpet serviceadgang samt billigere tilbud på ældreområdet • Billigere tilbud og gennemgang af eksisterende tilbud på det vokssociale område • Stordrift på administration og teknisk område
Aarhus kommune	Moderat	• Primært udefrakommende • Sekundært selvforskyldt	• Stordrift på dagtilbud og skole • Billigere tilbud og velfærdsteknologi på ældreområdet • Billigere tilbud, nedlæggelse af tilbud og revisiteringer på det specialiserede socialområde
Egedal kommune	Lavt	• Primært selvforskyldt • Sekundært udefrakommende	• Store grønhosterbesparelser i genopretningsår • Stordrift på dagtilbud • Offentlig Privat Partnerskab på teknisk område
Gladsaxe kommune	Lavt	• Primært udefrakommende	• Stordrift på skole, dagtilbud og kultur • Skærpet serviceadgang og billigere tilbud på ældreområdet • Billigere tilbud og gennemgang af eksisterende tilbud på det vokssociale område

Blev spareadfærden mere strategisk?

I forhold til forventningen om en mere strategisk spareadfærd trak data i forskellige retninger. I forhold til besparelsesprocesserne var der således på den ene side en tendens til, at den politiske strategi med betydning for casekommunernes ressourceprioritering blev fastholdt. På den anden side var der indikationer på, at den eksisterende strategi muligvis satte sig tydeligere igennem for spareadfærden, i hvert fald på 'taleplanet' (Brunsson, 1989). I forhold til besparelsernes output var data ligeledes tvetydig, da casekommunernes regnskaber godt nok gennemgående viste store besparelser på ældreområdet og det specialiserede voksenområde (som var strategisk lavt prioriterede), men dette billede var svært at adskille fra en udvikling, som var startet før krisen.

Strategiens indhold og det realiserede output

Vedrørende indholdet af den overordnede politiske strategi var der ikke stærke indikationer på, at casekommunerne havde ændret strategiindhold som følge af krisen⁷. Den strategiske retning i casekommunerne var således tydelig, men det havde den også været før krisen: Casekommunerne prioriterede generelt investeringer i næste generation, forebyggelse og lokale vækstinitiativer, mens der var en bevidsthed om ikke at lade udgiftspreset fra ældreområdet og det specialiserede socialområde udhule disse hensyn. Indikationen på et uændret indhold af den politiske strategi blev for besparelsernes output støttet af, at forskellene mellem de store velfærdsområders udgiftsudvikling i den enkelte kommune generelt var blevet mindre i forbindelse med krisen (2009-2013) sammenlignet med udviklingen før krisen (2007-2009): Kun i én af de seks casekommuner (Lolland) var der således større variation i velfærdsområdernes udgiftsudvikling efter krisens begyndelse⁸ (se appendiks Tabel 3). De store velfærdsområder oplevede med andre ord en mere ens udgiftsudvikling i den enkelte kommune henover krisen, hvilket kan tolkes i retning af, at prioriteringen mellem politikområder fra før krisen blev fastholdt.

Strategiens betydning

Der var imidlertid blandt informanterne i flere kommuner en opfattelse af, at krisestemningen havde gjort det lettere at gennemføre kommunens overordnede politiske strategi, fordi interessenter omkring budgetlægningen havde sænket serviceforventningerne. Ikke mindst på det specialiserede socialområde syntes krisen at have medvirket til, at strategien var blevet lettere at realisere via skærpet styring og budgetoverholdelse. Generelt var den forbedrede – og mere ens budgetoverholdelse på tværs af politikområder (Foged, 2015) – dermed en mulig indikation på, at de strategiske prioriteringer som udtrykt i budgettet rent faktisk blev gennemført.

Politikernes rolle

Angående omfanget af politikernes prioriteringer var datagrundlaget beskedent, men generelt gav informanterne ikke udtryk for, at lokalpolitikerne var begyndt at prioritere mere på tværs af politikområder. Tværtimod var casekommunernes opfattelse typisk, at det økonomiske pres havde bidraget til at reducere det råderum, som i normaltider var til kommunalpolitikernes disposition – og som kunne anvendes til fx at prioritere nye indsatser. Nu betød det økonomiske pres derimod, at den tekniske fremskrivning af budgetterne udgjorde en større budgetandel, hvorfor flere af kommunerne sidst i analyseperioden netop var gået i gang med processer, der havde til formål at øge kommunalpolitikernes prioriteringsrum (fx ved at lægge et årligt reduktionskrav ud til politikområderne eller ved at inddrage borgere, medarbejdere og eksterne konsulenter i skabelsen af råderum).

Blev spareadfærden mere managementdrevet?

Hvor casekommunerne ikke gav udtryk for store forandringer i den politiske strategi, men måske i muligheden for at realisere visionen, var der generelt enighed blandt informanterne om, at processer rettet mod omkostningseffektiviseringer og beskyttelse af kerneopgaven fyldte mere som en konsekvens af krisen.

Oplevede omkostningseffektiviseringspotentialer guider proces og output

Et flertal af kommunerne var af den – måske ikke overraskende – opfattelse, at omkostningseffektiviseringspotentialer havde guidet fordelingen af udgiftsreduktionerne i organisationen. Snarere end en ændret prioritering mellem områder gav informanterne udtryk for, at det økonomiske pres havde skærpet organisationens fokus på omkostningseffektivitet. Fordelingen af besparelserne udtrykte derfor ifølge informanterne i høj grad, hvor potentialerne for øget produktivitet og effektivitet havde eksisteret før krisen. Dette vedrørte ikke mindst opfattelsen af at have indhøstet stordriftspotentialer på skole-, dagtilbuds- og administrationsområdet samt at have omstillet til mere virkningsfulde indsatser på ældreområdet og det specialiserede socialområde.

Mellemlang tidshorisont

I casekommuner, hvor informanterne særligt lagde vægt på, at det økonomiske pres havde medvirket til omkostningseffektiviseringer, blev det betonet, at arbejdet med besparelser – sammenlignet med kommuner, der havde anvendt grønthøstere – var startet relativt tidligt og med spareforslag, der rettede sig mod virkninger flere år frem i tiden. Til sammenligning havde andre kommuner – især omkring 2011 – brugt grønthøstere, der opstod som en konsekvens af pludseligt forværrede prognoser og overforbrug, der gjorde, at kommunen fokuserede på 'blot' at få enderne til at gå op her og nu. Foruden tidsperspektivets betydning for de generelle besparelser var der også indikationer på, at krisen medvirkede til, at kommunerne tænkte mere i økonomiske investeringer, som kunne tjene sig hjem over tid. Dette kunne være business cases som rehabilitering, energieffektiviseringer og sygefravær, målrettede budgetanalyser, benchmarking, økonomisk aktivitetsstyring og effektiviseringspolitikker (fx ved årlige reduktionsprocenter).

Blev spareadfærden mere inkrementel?

Rammereduktioner præger proces og output. Sammen med en mere managementdrevet spareadfærd syntes en inkrementel spareadfærd at være det oftest forekommende udfald af et øget økonomisk pres. Generelt var det vanskeligt at skelne mellem en managementdrevet og en inkrementel spareadfærd i casekommunerne, da procentvise rammereduktioner generelt var en udbredt strategi, der ifølge informanterne både kunne udmøntes som målrettede forsøg på omkostningseffektiviseringer eller som grønthøstere, hvor sparekravet blev delegeret nedad. Den udbredte brug af rammereduktioner i besparelserprocesserne var på outputsiden tydelig ved den mere ens udgiftsudvikling på tværs af de store velfærdsområder i den enkelte kommune i forbindelse med krisen sammenlignet med før krisen (se appendiks Tabel 3).

Kort tidshorisont

Navnlig to kommuner, Holbæk og Egedal, betonedede, at de havde gennemført omfattende grønthøstere/inkrementelle besparelser på kort sigt grundet en udfordret styring, mens de sideløbende havde investeret i bedre økonomistyring for ifølge informanterne at gøre spareadfærden mere strategisk og effektiv på længere sigt. Begge kommuner havde fx været nødsaget til at implementere rammebesparelser ved genåbning af budgetterne. I Holbæk blev den udfordrede økonomistyring bl.a. forklaret ved en meget decentraliseret administrativ organisering, mens politisk ustabilitet blev nævnt som medvirkende årsag til økonomistyringsproblemerne i Egedal. På tværs af casekommunerne var der generel enighed om, at to forhold ved økonomistyringen var afgørende for, at tilpasningskrav kunne omsættes til managementdrevne besparelser og ikke grønthøsterstrategier:

- i) evnen til at styre og overholde udgifter via central styring og budgetoverholdelse samt
- ii) evnen til at identificere og realisere produktivitetsforbedringer, ofte ved hjælp af viden om sammenhængen mellem aktivitet og omkostninger.

Både Holbæk og Egedal, men også flere af de øvrige kommuner, havde i den forbindelse på kort sigt haft problemer med at overholde budgetterne, oplevet usikkerhed om de rigtige tal og manglet tilstrækkelig viden hos økonomikonsulenterne til at gå tæt på centrenes rammer. Udfordringer vedrørende tilstrækkelig viden til at informere besparelser, og økonomikonsulenternes evne til at identificere produktivitetsforbedringer, var med andre ord et tema på tværs af casekommunerne. Fagchefer i Gladsaxe og Ringkøbing-Skjern påpegede i den sammenhæng, at stordriftsløsninger kunne være et tveægget sværd i forhold til reelle produktivitetsevinster, da stordrift på den ene side kunne give besparelser – fx via en centralisering af økonomifunktionerne – og på den anden side kunne reducere økonomimedarbejdernes decentrale kendskab.

Blev spareadfærden mere interessegruppedrevet?

Overordnet indikerede casestudierne ikke, at kommunernes spareadfærd blev mere interessegruppedrevet som en konsekvens af krisen. Interessegrupper udøvede rigtigt nok et asymmetrisk pres på kommunalpolitikkerne, men det var ikke opfattelsen, at asymmetrien i dette pres var blevet større over perioden. Der var heller ikke indikationer på, at stærke interessegrupper var blevet bedre til at blokere spareforslag end før krisen, ligesom besparelsernes output ikke indikerede, at de populære områder (skole-, dagtilbuds- og ældreområdet) særligt var gået fri af besparelser.

Betydning af stærke interessegrupper for proces og output

Overordnet beskrev casekommunerne interessegrupper som betydningsfulde for spareadfærden, men at deres indflydelse ikke var øget i forbindelse med krisen – måske tværtimod. Casekommunernes beskrivelse af interessegruppernes relative styrke var ganske enslydende, da alle kommuner fremhævede skoleområdet som det mest politiserede område efterfulgt af dagtilbuds- og ældreområdet. Kommunernes udgiftsudvikling syntes at bekræfte, at stærke vælgergrupper ikke betød mere end før krisen, da der ofte blev fundet mindst lige så store procentuelle besparelser på områder med stærke interessegrupper som på mindre populære områder. Denne udvikling var hjulpet på vej af bedre budgetoverholdelse, og muligvis også af, at de største stordriftspotentialer som følge af kommunalreformen kunne have eksisteret på populære, institutionsbårne områder som fx skole- og dagtilbudsområdet.

Blokering af spareforslag

Ej heller var det et generelt fund, at strategiske forslag blev blokeret af stærke interessegrupper. Derimod var forslag på de populære områder – skole, dagtilbud og ældreområdet – ofte blevet justeret eller udsat, men i få tilfælde helt opgivet. Et godt eksempel på dette var strukturaendringer på skoleområdet, som havde været på den politiske dagsorden flere gange i fx Ringkøbing-Skjern, Egedal og Holbæk, og hvor man til slut havde indgået politiske kompromiser som at definere et minimumselevtal for bæredygtige skoler og at foretage skolesammenlægninger uden lukning af fysiske matrikler.

Hvilken rolle spillede styrken og årsagen til det økonomiske pres for spareadfærden?

Overordnet viste casestudierne, at styrken af det økonomiske pres ikke i sig selv prædikerede en bestemt spareadfærd. Således blev brugen af managementdrevne og inkrementel spareadfærd både fundet i kommuner under højt, moderat og lavt økonomisk pres. Hvor krisens styrke ikke i sig selv var afgørende for spareadfærden fortalte samspillet mellem krisens hårdhed og årsag derimod en del om den førte spareadfærd: Et økonomisk pres, som blev oplevet som udefrakommende, syntes således at medføre stabilitet i spareadfærden, hvad enten dette udmøntede sig i inkrementelle eller managementdrevne besparelser, hvorimod et økonomisk pres som blev oplevet som selvforskyldt, trak i retning af større forandringer for organisation og styring (proces). Hvor store forandringer kunne aflæses for organisation og styring i kommuner under et selvforskyldt økonomisk pres, var det dog endnu for tidligt at afgøre, hvorvidt disse procesændringer også forplantede sig til forandringer for det realiserede output, herunder en eventuel omprioritering af politikområder.

Det var således et fund, at de to kommuner, hvor informanterne i størst omfang havde oplevet det økonomiske pres som selvforskyldt via en udfordret økonomistyring, også syntes at have iværksat de mest radikale forandringer for organisation og styring (Holbæk og Egedal). I Holbæk blev der indskudt et ledelsesniveau mellem direktion og decentrale institutioner, ansat flere medarbejdere i økonomifunktionen og ansat flere sagsbehandlere på det specialiserede socialområde. Tilsvarende gennemførtes der i Egedal omfattende projekter fra 2010 for at styrke en koncernorienteret organisationskultur, ligesom der blev udrullet en ny formel administrativ struktur i 2012. Endelig indførte begge kommuner aktivitetsstyring i budgetlægningen. Både i Holbæk og Egedal fremstillede man spareadfærden som følgende et faseforløb, hvor man først havde gennemgået grønthøstere og sideløbende investeret i organisation og styring mhp. en mere effektiv og strategisk spareadfærd i de efterfølgende faser.

Konklusion

Denne artikel undersøger sammenhængen mellem økonomisk pres og danske kommuners spareadfærd. Artiklen opstiller fire forventninger. Af disse forventninger finder artiklen støtte til to af forventningerne, da en mere managementdrevet og mere inkrementel spareadfærd er hyppige udfald. Derimod afvises forventningen om en interessegruppedrevet spareadfærd, mens data hverken entydigt støtter eller modsiger forventningen om, at besparelsernes processer og output bliver mere strategiske under økonomisk pres.

I de tilfælde, hvor det økonomiske pres medfører en mere managementdrevet spareadfærd, kommer dette til udtryk ved, at udgiftsprioriteringer drives af områder og indsatser, hvor kommunen oplever, at der eksisterer omkostningseffektiviseringspotentialer. I den observerede periode vedrører dette casekommunernes forsøg på stordrift på skole-, dagtilbuds-, administrations- og kulturområdet samt serviceomlægninger på det specialiserede socialområde og ældreområdet. Andre indikationer på en managementdrevet spareadfærd er derudover et stigende fokus på økonomiske investeringer (business cases), aktivitetsbaseret budgetlægning og effektiviseringspolitikker. Ved siden af en øget brug af managementdrevne strategier, indikerer datamaterialet, at en inkrementel spareadfærd også kan blive resultatet af økonomisk pres. Således er rammereduktioner udbredt i alle casekommuner, kommunerne mangler ofte viden om potentialer for omkostningseffektiviseringer, og der kan være for lidt tid til at identificere og gennemføre omkostningseffektiviseringer.

Hvor casestudierne finder, at en krise kan drive spareadfærden i en mere managementorienteret eller inkrementel retning, er der ikke en klar sammenhæng mellem styrken af det økonomiske pres og hvorvidt spareadfærden bliver enten mere managementdrevet eller inkrementel. I stedet er det muligt, at casekommunernes besparelsesstrategier kan forklares ved samspillet mellem det økonomiske pres og kommunespecifikke forhold, herunder om økonomistyringen ifølge informanterne er i stand til at identificere og gennemføre produktivitetsforbedringer, samt besparelsernes tidshorisont. Sådanne kendetegn ved økonomistyringen og tidsperspektivet kan igen være påvirket af den lokalpolitiske situation, herunder den lokalpolitiske stabilitet i casekommunerne. Artiklen foreslår, at et centralt element i disse kommunespecifikke forhold, som sammen med det økonomiske pres synes afgørende for spareadfærden, kan beskrives ved en skelnen mellem det økonomiske pres som udefrakommende eller selvforskyldt.

Vedrørende forventningen om en mere strategisk spareadfærd giver casestudierne ikke et entydigt svar på, om spareadfærden medfører en ændring i den relative prioritering af sektorområder i retning af den politiske strategi. På den ene side synes der at være en tendens til, at den eksisterende prioritering af sektorområder fastholdes, mens der på den anden side er indikationer på, at den eksisterende strategi sætter sig tydeligere igennem for spareadfærden bl.a. via en skærpet og mere ens budgetoverholdelse på tværs af politikområder.

Endelig indikerer casestudierne, at interessegrupper ikke bliver vigtigere for spareadfærden og måske i virkeligheden er mindre betydningsfulde under kriser sammenlignet med vækstperioder. Informanterne giver således udtryk for, at krisestemningen har gjort det lettere at gennemføre besparelser – også på politikområder med stærke brugere og medarbejdere. Dette understøttes af, at nogle af de største besparelser i casekommunerne er gennemført på områder med stærke interessegrupper, herunder skole-, dagtilbuds- og ældreområdet.

Diskussion

Teoretisk bekræfter casestudierne for det første værdien af at forstå et økonomisk pres både ved styrken og årsagen til presset (Levine, 1978), idet et selvforskyldt økonomisk pres i højere grad trækker i retning af forandringer end en krise, som opleves som udefrakommende. Årsagen hertil er muligvis, at organisationen i tilfælde af et selvforskyldt økonomisk pres tvinges til at kigge indad på egen organisering og styring, ligesom de selvforskyldte årsager konkret kan udmønte sig ved en fejlslået planlægning, der kræver omstilling. En udskiftning af ledelsen kan i denne sammenhæng være en mellemliggende faktor mellem et

selvforskyldt økonomisk pres og markante organisatoriske og styringsmæssige forandringer, der på sigt kan influere de realiserede udgiftsprioriteringer.

For det andet har fundet af den udbredte brug af managementdrevne og inkrementelle strategier i casekommunerne også teoretiske implikationer, idet hyppigheden af disse to besparelsestyper muligvis kan forstås ved to effekter af et øget økonomisk pres; i) styrkede budgetvogtere og ii) en øget betydning af økonomistyringen. Til at begynde med forventes et økonomisk pres således at styrke kommunens budgetvogtere relativt til budgetadvokaterne⁹, hvilket vogterne kan udnytte til at stille budgetforslag som de opfatter som omkostningseffektiviseringer. Som en forudsætning for at disse oplevede omkostningseffektiviseringer imidlertid kan identificeres og gennemføres, er det dog nødvendigt med en økonomistyring, der tillader dette. Sammenlignet med en vækstperiode synes et økonomisk pres således at øge betydningen af den del af økonomistyringen, som retter sig mod budgetoverholdelse og aktivitetsstyring, hvilket igen kan skyldes, at besparelser medfører et større fokus på produktiviteten af eksisterende service frem for en styring efter kvalitetsforbedringer. Eller med andre ord: Et økonomisk pres kan give anledning til en økonomistyring, der i øget omfang vægter budgetoverholdelse (finansiel styring), og at omkostninger kan sættes over for aktivitet (aktivitetsstyring), hvorimod styringen efter kvalitet kan træde i baggrunden (Hood, 2010; Pollitt, 2013; Sørensen & Foged, 2015b). Samtidig synes det økonomiske pres at have bidraget til et øget ambitionsniveau mht. at identificere og investere i indsatser, der forventes at øge omkostningseffektiviteten på lang sigt (fx flere socialrådgivere, hverdagsrehabilitering, og velfærdsteknologi).

For det tredje stiller den manglende sammenhæng mellem ressourceknaphed og en mere interessegruppedrevet spareadfærd endelig spørgsmålstejn ved gyldigheden af denne forventning. Det er således muligt, at interessegruppers indflydelse på spareadfærd reduceres under økonomisk pres, fordi krisestemningen og de styrkede budgetvogtere gør det nemmere at forsøge at gennemføre effektiviseringer på områder, der har været privilegeret i 'normaltider' grundet stærke interesser, og hvor der således også kan være særligt store oplevede potentialer for øget produktivitet og/eller effektivitet ved indgangen til en krise.

Ovenstående konklusioner er af stor relevans for offentlige ledere. Det er således ikke mindst totaliteten af valg hos offentlige ledere på forskellige ledelsesniveauer der afgør, hvordan en organisation samlet set håndterer et økonomisk pres. Med andre ord er det afgørende, hvad den enkelte leder gør, når budgettet på vedkommendes område skrumper. I en sådan situation peger artiklen på, at offentlige ledere bl.a. kan stille sig følgende spørgsmål:

- Er nogle besparelsesstrategier mere hensigtsmæssige end andre i en given kontekst, og er der fx behov for at genoverveje de strategiske mål eller fortsætte ad samme spor (men med højere omkostningseffektivitet)?
- Hvad skyldes det økonomiske pres og hvad giver dette af muligheder for at bruge krisen som forandringsanledning?
- Hvad er de mulige risici og blinde punkter ved den valgte besparelsesstrategi, herunder betydningen for kvaliteten af de leverede ydelser og medarbejdernes motivation?

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- ¹ Foruden interne og eksterne årsager skelner Levine (1978) også mellem politiske og økonomiske årsager til 'public organisation decline'.
- ² Denne form for 'baglæns' inkrementalisme benævnes også ofte 'decrementalism' (se fx Levine, 1985; Raudla, Savi, & Randma-Liiv, 2015).
- ³ Casestudierne syntes også at bekræfte, at inkrementelle strategier på højere organisatoriske niveauer godt kunne udmøntes som oplevede effektiviseringer længere nede i organisationen (Hansen og Kristiansen, 2014b, s. 247).
- ⁴ En sådan tilgang kaldes formelt et most different system design.
- ⁵ Udviklingen i de absolutte indtægter kan som mål for ændringen i økonomisk pres kritiseres for at undervurdere det pres, der kan opstå i kommuner, som har behov for en stor udvidelse af kapaciteten pga. kraftig befolkningstilvækst (se fx afsnit 5.1 vedr. Aarhus Kommune). Vi vurderer dog, at vores ræsonnement om at befolkningstilvækst i hovedsagen er en økonomisk fordel holder vand, når der er tale om moderate vækstrater.
- ⁶ De totale serviceudgifter pr. indb. (som opgjort af KORAs 'Nøgletal for kommunernes økonomiske styring') er i øvrigt korrigeret for opgaveændringer fra 2007 til 2013 jf. bloktilskudsaktstykket. Denne korrektion giver dog ikke anledning til store ændringer. Korrektion for opgaveændringer er ikke som for de totale serviceudgifter gennemført på sektorområderne, da der knytter sig usikkerhed til fordelingen af meropgaver mellem politikområderne.
- ⁷ I forlængelse heraf påpegede informanter i bl.a. Lolland og Ringkøbing-Skjern Kommune, at den ressource-mæssige udmøntning af strategien vha. demografimodeller var forholdsvis stabil under og efter krisen. Demografimodeller kan betegnes som en fremskrivning af de økonomiske konsekvenser ved ændret demografi normalt under antagelse af uændret serviceniveau (udgiftsniveau pr. bruger) (Nørgaard, Panduro & Christensen, 2013).
- ⁸ Lolland oplevede en større variation i velfærdsområdernes udvikling efter krisen sammenlignet med før krisen. En nærlæsning af velfærdsområdernes udgiftsudvikling i Lolland indikerer dog, at denne variation ikke nødvendigvis dækkede over en mere strategisk udgiftspolitik, da bl.a. det strategisk prioriterede skoleområde gennemgik meget store udgiftsreduktioner, mens ældreområdet blev friholdt. Omvendt formåede kommunen i overensstemmelse med strategien at nedbringe udgifterne til det specialiserede børneområde.
- ⁹ Budgetadvokater er ansatte i organisationen, der ønsker at øge budgettet på deres område. Budgetvogtere er ansatte i organisationen, som er optaget af at begrænse/overholde det totale budget eller en delmængde heraf. Grundet sidstnævnte kan samme aktør godt være både advokat (ønske større delramme) og vogter (sørge for at delramme overholdes) i forskellige situationer.

Tabel 1
Definitioner af variable

Variabel	Definition	Kilde
<i>Økonomisk pres</i>		
Niveau for økonomisk pres, 2009	Ratioen mellem kommunernes udgiftsbehov pr. indb. (som opgjort i udligningsordningen) og indtægtsgrundlag pr. indb. efter tilskud og udligning, hvor gennemsnittet for kommunerne er sat til indeks 100.	Social- og Indenrigsministeriets Kommunale Nøgletal (www.noegletal.dk)
Ændring i indtægter pr. indbygger, 2009-2013	Ændringen i kommunernes indtægter fra skatter (7.68) samt generelle tilskud og udligning (7.62) fra 2009 til 2013 korrigeret for opgaveændringer. Der er korrigeret for opgaveændringer relateret til i) kommunernes overtagelse af området for forsikrede ledige i 2009, ii) ændringer i konjunktursituationen og iii) øvrige opgaveændringer jf. bloktilskudsaktstykket. Vedr. i) forsikrede ledige er der fratrasket det specifikke beskæftigelsestilskud i 2013, som var 0 i 2009. Vedr. ii) konjunktursituationen er der fratrasket stigninger i den såkaldte 'budgetgaranti' fra 2009 til 2013. Vedr. iii) øvrige opgaveændringer er der fratrasket meropgaver som følge af bloktilskudsaktstykket. Da budgetgaranti og øvrige meropgaver ikke opgøres fordelt på den enkelte, er korrektion herfor foretaget med samme faktor pr. indbygger for alle kommuner. Kommunernes regnskaber og budgetter. Opgjort pr. indbygger 1. januar i året. 2013-priser.	Tal venligst udlånt af Kurt Houllberg (KuHo@kora.dk)
Ændring i befolkningstal, 2009-2013	Den procentvise ændring i kommunernes indbyggertal fra 1. januar 2009 til 1. januar 2013.	Social- og Indenrigsministeriets Kommunale Nøgletal (www.noegletal.dk)
Ændring i indtægter, absolut	Ændringer i kommunernes totale indtægter, dvs. ikke opgjort pr. indbygger. Derudover svarer definitionen fuldstændig til ovenstående definition af "Ændring i indtægter pr. indbygger, 2009-2013".	Egen beregning baseret på tal venligst udlånt af Kurt Houllberg (KuHo@kora.dk)
<i>Serviceudgifterne</i>		
Totale serviceudgifter pr. indb.	Opgjort af KORAs 'Nøgletal for kommunernes økonomiske styring' som de regnskabsbaserede nettodriftsudgifter fratrasket overførselsudgifter og nettorenter (se teknisk afgrænsning her: http://krevi.dk/files/dokumenter/Nogletal_tekniske_afgransninger.pdf) De totale serviceudgifter pr. indb. er korrigeret for opgaveændringer fra 2007 til 2013 jf. bloktilskudsaktstykket gengivet i Social- og Indenrigsministeriets årlige publikation "Kommunal udligning og generelle tilskud". Denne korrektion giver ikke anledning til store ændringer. De beskudne meropgaver betyder, at serviceudgifterne er reduceret med 9,9 % fra 2009 til 2013 med opgavekorrektion mod 9,8 % uden korrektion. Korrektion for opgaveændringer er ikke gennemført på politikområderne, da der knytter sig usikkerhed til fordelingen af meropgaver mellem dem, fx mellem borgernære opgaver og administration, og da opgaveændringerne desuden generelt har været beskudne fra 2009 til 2013 (udgifter til forsikrede ledige indgår ikke i serviceudgifterne). Kommunernes regnskaber, nettodriftsudgifter. Opgjort pr. indbygger 1. januar i året. Korrigeret for eventuelle opgaveændringer over tid. 2013-priser.	Nøgletal for kommunernes økonomiske styring (KORA, http://krevi.dk/noegletal)
Dagtilbud og SFO pr. 0-10-årig	Funktion 3.22.05 hovedfunktion 5.25 (ekskl. 5.25.17). Definition som Økonomi- og Indenrigsministeriet, Finansministeriet og KL var enige om i 2013 ført tilbage til 2007 (se: http://www.kl.dk/ImageVaultFiles/id_76583/cf_202/Oversigt_-_Opg-relse_af_serviceudgifter.PDF). Kommunernes regnskaber, nettodriftsudgifter. Opgjort pr. 0-10-årige 1. januar i året. Ikke korrigeret for eventuelle opgaveændringer over tid. 2013-priser.	Egen beregning baseret på tal fra Danmarks Statistik
Folkeskole pr. 7-16	Funktion 3.22.01-3.22.08 (ekskl. 3.22.05). Definition som Økonomi- og Indenrigsministeriet, Finansministeriet og KL var enige om i 2013 ført tilbage til 2007 (se: http://www.kl.dk/ImageVaultFiles/id_76583/cf_202/Oversigt_-_Opg-relse_af_serviceudgifter.PDF). Kommunernes regnskaber, nettodriftsudgifter. Opgjort pr. 7-16-årige 1. januar i året. Ikke korrigeret for eventuelle opgaveændringer over tid. 2013-priser.	Egen beregning baseret på tal fra Danmarks Statistik

Serviceudgifterne		
Ældreområdet pr. 65+	Hele funktion 5.32.35, grp 005, 006, 007, 009, 010, 011, 093 og 999 83 pct. af funktion 5.32.32, 5.32.33 og 5.32.34 48 pct. af funktion 5.32.37. Definition som Økonomi- og Indenrigsministeriet, Finansministeriet og KL var enige om i 2013 ført tilbage til 2007 (se: http://www.kl.dk/ImageVaultFiles/id_76583/cf_202/Overblik_-_Opg-relse_af_serviceudgifter.PDF). Ovenstående procentfordelinger skyldes, at kommunerne i vid udstrækning laver fællesindkøb til ældreområdet og området for voksenhandicap og udsatte voksne og placerer udgifterne samme sted. Procentfordelingen har afsæt i en undersøgelse, hvor man bad kommunerne vurdere, hvor stor en del af udgifterne på de pågældende grupperinger og funktioner, der vedrørte hhv. borgere under og over 65 år. Den samme fordelingsprocent er anvendt i alle kommuner og i alle år. Kommunernes regnskaber, nettodriftsudgifter. Opgjort pr. 65+-årige 1. januar i året. Ikke korrigeret for eventuelle opgaveændringer over tid. 2013-priser.	Egen beregning baseret på tal fra Danmarks Statistik
Sundhed pr. indb.	Hovedkonto 4. Definition som Økonomi- og Indenrigsministeriet, Finansministeriet og KL var enige om i 2013 ført tilbage til 2007 (se: http://www.kl.dk/ImageVaultFiles/id_76583/cf_202/Overblik_-_Opg-relse_af_serviceudgifter.PDF). Kommunernes regnskaber, nettodriftsudgifter. Opgjort pr. indbygger 1. januar i året. De opgjorte udgifter er fratrukket kommunal medfinansiering i alle år, men ikke korrigeret for eventuelle opgaveændringer over tid. 2013-priser.	Egen beregning baseret på tal fra Danmarks Statistik
Udsatte børn og unge pr. 0-17	Funktion 5.25.17 og hovedfunktion 5.28. Definition som Økonomi- og Indenrigsministeriet, Finansministeriet og KL var enige om i 2013 ført tilbage til 2007 (se: http://www.kl.dk/ImageVaultFiles/id_76583/cf_202/Overblik_-_Opg-relse_af_serviceudgifter.PDF). Kommunernes regnskaber, nettodriftsudgifter (herunder fratrækning af indtægter fra den centrale refusionsordning). Opgjort pr. 0-17-årige 1. januar i året. Ikke fratrukket statsrefusion fra den centrale refusionsordning, da dette vil fjerne en del af kommunens udgifter til området (særligt dyre enkeltsager). Ikke korrigeret for eventuelle opgaveændringer over tid. 2013-priser.	Egen beregning baseret på tal fra Danmarks Statistik
Voksenhandicap og udsatte pr. indb.	Hele funktion 5.35.40, 5.38.42, 5.38.44, 5.38.45, 5.38.50, 5.38.52, 5.38.53, 5.38.58, 5.38.59 og 5.32.35 (ekskl. 48 pct. af grp. 005, 006, 007, 009, 010, 011, 093 og 999). 17 pct. af funktion 5.32.32, 5.32.33 og 5.32.34. 52 pct. af funktion 5.32.37. Definition som Økonomi- og Indenrigsministeriet, Finansministeriet og KL var enige om i 2013 ført tilbage til 2007 (se: http://www.kl.dk/ImageVaultFiles/id_76583/cf_202/Overblik_-_Opg-relse_af_serviceudgifter.PDF). Ovenstående procentfordelinger skyldes, at kommunerne i vid udstrækning laver fællesindkøb til ældreområdet og området for voksenhandicap og udsatte voksne og placerer udgifterne samme sted. Procentfordelingen har afsæt i en undersøgelse, hvor man bad kommunerne vurdere, hvor stor en del af udgifterne på de pågældende grupperinger og funktioner, der vedrørte hhv. borgere under og over 65 år. Den samme fordelingsprocent er anvendt i alle kommuner og i alle år. Kommunernes regnskaber, nettodriftsudgifter (herunder fratrækning af indtægter fra den centrale refusionsordning). Opgjort pr. indbygger 1. januar i året. Ikke fratrukket statsrefusion fra den centrale refusionsordning, da dette vil fjerne en del af kommunens udgifter til området (særligt dyre enkeltsager). Ikke korrigeret for eventuelle opgaveændringer over tid. 2013-priser.	Egen beregning baseret på tal fra Danmarks Statistik
Kultur pr. indb.	Funktion 3.32.50, 3.35.60-3.35.64, 3.38.70-3.38.76 og 3.38.78. Kommunernes regnskaber, nettodriftsudgifter. Opgjort pr. indbygger 1. januar i året. Ikke korrigeret for eventuelle opgaveændringer over tid. 2013-priser.	Egen beregning baseret på tal fra Danmarks Statistik
Miljø, veje og trafik pr. indb.	Hovedkonto 0 og 2. Definition som Økonomi- og Indenrigsministeriet, Finansministeriet og KL var enige om i 2013 ført tilbage til 2007 (se: http://www.kl.dk/ImageVaultFiles/id_76583/cf_202/Overblik_-_Opg-relse_af_serviceudgifter.PDF). Kommunernes regnskaber, nettodriftsudgifter. Opgjort pr. indbygger 1. januar i året. Ikke korrigeret for eventuelle opgaveændringer over tid. 2013-priser.	Egen beregning baseret på tal fra Danmarks Statistik

Administration pr. indb.	Hovedfunktion 6.45. Definition som Økonomi- og Indenrigsministeriet, Finansministeriet og KL var enige om i 2013 ført tilbage til 2007 (se: http://www.kl.dk/ImageVaultFiles/id_76583/cf_202/Overblik_-_Opg-else_af_serviceudgifter.PDF). Kommunernes regnskaber, nettodriftsudgifter. Opgjort pr. indbygger 1. januar i året. Ikke korrigeret for eventuelle opgaveændringer over tid. 2013-priser.	Egen beregning baseret på tal fra Danmarks Statistik
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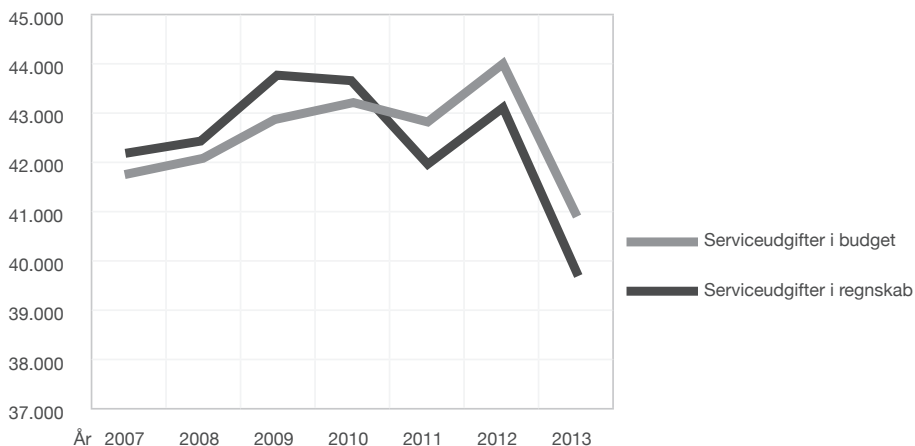
Økonomistyring		
Budgetoverskrivelse pr. indb.	Driftsresultat i budget fratrukket driftsresultat i regnskab. Opgjort pr. indbygger 1. januar i året. 2013-priser.	Nøgletal for kommunernes økonomiske styring (KORA, http://kreivi.dk/noegletal)
Driftsresultat pr. indb.	Driftsresultat i regnskab. Opgjort pr. indbygger 1. januar i året. 2013-priser.	Nøgletal for kommunernes økonomiske styring (KORA, http://kreivi.dk/noegletal)
Likviditet pr. indb.	Opgjort efter kassekreditreglen ultimo 4. kvartal, og måler derved den gennemsnitlige likviditet over året (de seneste 12 måneder). Opgjort pr. indbygger 1. januar i året. 2013-priser.	Social- og Indenrigsministeriets Kommunale Nøgletal (www.noegletal.dk)

Note: Afgrænsningen af sektorer følger den definition som Økonomi- og Indenrigsministeriet, Finansministeriet og KL var enige om i 2013, og denne definition er herefter ført tilbage til 2007 (se: <http://www.kl.dk/Fagomrader/Okonomi-og-dokumentation/Kommunale-udgiftsomrader/Serviceudgifter>). Afgrænsningen af kulturområdet tilhører i denne definition kategorien 'øvrige serviceydelser', men afgrænses her ved funktion 3.32.50, 3.35.60-3.35.64, 3.38.70-3.38.76 og 3.38.78. Resterende 'øvrige ydelser' kan ikke meningsfuldt kategoriseres og er udeladt. Vedrørende serviceudgifterne med undtagelse af de "Totale serviceudgifter pr. indb." er der ikke korrigeret for eventuelle opgaveændringer over tid, da der knytter sig usikkerhed til fordelingen af meropgaver mellem sektorerne, fx mellem borgernære opgaver og administration, og da opgaveændringerne desuden generelt har været beskedne fra 2009 til 2013.

Figur 1

Serviceudgifter pr. indbygger, 2007-2013 (2013-priser, opgavekorrigeret)

DKK (2013-priser)



Tabel 2

Udviklingen i kommunernes serviceudgifter pr. potentiel bruger, 2007-2013
(danske kroner, 2013-priser)

	2007	2008	2009	2010	2011	2012	2013	Udv. i antal potentielle brugere 2009-13 (%)	Udv. i udgifter 2007- 13 (%)	Udv. i udgifter 2009- 13 (%)
Totale serviceudgifter pr. indb.	42.287	42.562	44.021	43.934	42.061	43.323	39.645	1,7 %	-6,2 %	-9,9 %
Dagtilbud og SFO pr. 0-10-årig	45.580	45.705	46.877	46.318	44.360	43.911	43.435	-2,5 %	-4,7 %	-7,3 %
Folkeskole pr. 7-16-årig	62.235	62.699	64.007	63.201	61.051	60.672	59.233	-2,9 %	-4,8 %	-7,5 %
Ældreområdet pr. 65+-årig	45.129	44.218	44.839	43.326	40.876	39.496	38.918	14,2 %	-13,8 %	-13,2 %
Sundhed pr. indb.	979	1.085	1.223	1.217	1.209	1.241	1.264	1,7 %	29,1 %	3,4 %
Udsatte børn og unge pr. 0-17-årig	11.504	12.356	13.175	13.075	12.250	11.892	12.116	-2,2 %	5,3 %	-8,0 %
Voksenhandicap og udsatte pr. indb.	4.984	5.026	5.246	5.263	5.209	5.101	5.023	1,7 %	0,8 %	-4,3 %
Kultur pr. indb.	1.563	1.586	1.607	1.583	1.508	1.497	1.492	1,7 %	-4,5 %	-7,1 %
Miljø, veje og trafikpr. indb.	2.546	2.463	2.545	2.654	2.413	2.473	2.566	1,7 %	0,8 %	0,8 %
Administration pr. indb.	5.248	5.219	5.235	5.295	5.035	5.046	5.055	1,7 %	-3,7 %	-3,4 %

Note: Vægtede landsgennemsnit. 2013-priser. Totale serviceudgifter (som opgjort af KORAs 'Nøgletal for kommunernes økonomiske styring') er korrigeret for opgaveændringer, mens sektorområder ikke er korrigeret for eventuelle opgaveændringer. Se Tabel 1 for definitioner.

Tabel 3

Interne variationskoefficienter for den procentvise udgiftsudvikling på de fem store velfærdsområder før og efter krisen

	Før (2007-2009)	Efter (2009-2013)	Før (2008-2010)	Efter (2010-2013)	Tendens i variationskoefficient
Lolland	1.2	2.7	0.2	0.8	Stigning
Holbæk	5.5	2.4	2.0	1.9	Uændret/fald
Ringkøbing-Skjern	1.1	5.6	1.6	0.5	Uændret
Aarhus	1.5	0.7	0.8	0.4	Fald
Gladsaxe	2.2	1.1	3.9	2.3	Fald
Egedal	4.5	1.2	3.1	0.9	Fald
Hele landet	1.2	0.4	1.5	0.3	Fald

Note: De fem store velfærdsområder er dagtilbud og SFO pr. 0-10-årig, folkeskole pr. 7-16-årig, ældreområdet pr. 65+-årig, udsatte børn og unge pr. 0-17-årig samt voksenhandicap og udsatte pr. indb. De øvrige sektorområder er ikke medtaget, da deres beskedne volumen kan give anledning til store procentvise ændringer og dermed støj i variationskoefficienten. Variationskoefficienten er generelt defineret som en variabls standardafvigelse divideret med gennemsnittet, og er dermed et standardiseret mål for variationen omkring et gennemsnit. Konkret er der på baggrund af udgiftsudviklingen i procent for de fem velfærdsområder (5 observationer) beregnet et rent gennemsnit og en tilhørende standardafvigelse for udgiftsudviklingen på disse fem områder i den enkelte. Dette tillader beregningen af variationskoefficienten der udtrykker, hvor ens eller forskelligt de fem sektorer har udviklet sig før og efter krisen i den enkelte. For eksempel havde en landsgennemsnitlig fra 2007 til 2009 en gennemsnitlig vækst pr. potentiel bruger på 5,0 % som rent gennemsnit for de 5 velfærdsområder med en standardafvigelse på 5,7 svarende til en variationskoefficient på 1,2 ($5,7 / 5,0 = 1,2$). Tilsvarende var den gennemsnitlige udgiftsudvikling fra 2009 til 2013 -8,1 %, som rent gennemsnit af udviklingen på de fem velfærdsområder, med en standardafvigelse på 3,2, svarende til en variationskoefficient på 0,4 ($3,2 / 8,1 = 0,4$). Som standard bruges udgiftsudviklingen fra 2007 til 2009 til at beskrive tendensen før krisen, og udviklingen fra 2009 til 2013 til at beskrive tendensen under krisen. For at sikre at variationskoefficienten er meget afhængig af udsving i udgiftsniveauet i enkeltår, fx som en konsekvens af kommunalreformen i 2007, er der også foretaget robusthedstest, hvor 2008 til 2010 udgør perioden før krisen, og 2010 til 2013 udgør perioden efter krisen.

Tabel 4

Udviklingen i serviceudgifter og økonomistyring i Lolland, 2007-2013
(danske kroner, 2013-priser)

	Kommune	2007	2008	2009	2010	2011	2012	2013	Udv. i indbyggertal / den potentielle brugergruppe 2009-13 (%)	Udv. i udgifter pr. potentiel bruger 2009-13 (%)
<i>Serviceudgifternes udvikling</i>										
Totale serviceudgifter pr. indb.	Lolland	46.146	49.195	50.978	51.252	49.916	51.691	48.620	-7,0 %	-4,6 %
	Landsgennemsnit	42.992	43.817	45.322	45.265	43.498	44.877	41.269	1,7 %	-8,9 %
Dagtilbud og SFO pr. 0-10-årig	Lolland	35.801	37.200	39.276	39.947	38.200	40.321	39.509	-14,9 %	0,6 %
	Landsgennemsnit	43.201	43.815	44.740	44.160	42.182	41.416	40.886	-2,5 %	-8,6 %
Folkeskole pr. 7-16-årig	Lolland	64.143	67.519	71.902	72.445	68.649	65.702	62.618	-14,2 %	-12,9 %
	Landsgennemsnit	63.624	64.207	65.584	64.950	62.576	62.087	60.654	-2,9 %	-7,5 %
Ældreområdet pr. 65+-årig	Lolland	36.111	37.643	36.301	39.845	37.329	35.170	35.585	7,8 %	-2,0 %
	Landsgennemsnit	42.998	42.501	42.900	40.905	38.287	37.369	36.579	14,2 %	-14,7 %
Sundhed pr. indb.	Lolland	951	1.176	1.720	1.805	1.773	1.899	1.877	-7,0 %	9,1 %
	Landsgennemsnit	975	1.105	1.253	1.250	1.244	1.263	1.293	1,7 %	3,1 %
Udsatte børn og unge pr. 0-17-årig	Lolland	19.570	22.490	24.271	23.552	21.842	21.843	22.453	-13,3 %	-7,5 %
	Landsgennemsnit	11.192	12.070	12.822	12.767	12.001	11.953	12.307	-2,2 %	-4,0 %
Voksenhandicap og udsatte grupper pr. indb.	Lolland	7.348	7.484	7.201	8.034	7.020	7.383	7.723	-7,0 %	7,3 %
	Landsgennemsnit	4.904	5.012	5.252	5.312	5.231	5.235	5.183	1,7 %	-1,3 %
Kultur pr. indb.	Lolland	1.439	1.436	1.627	1.576	1.511	1.592	1.654	-7,0 %	1,7 %
	Landsgennemsnit	1.530	1.537	1.543	1.519	1.461	1.457	1.451	1,7 %	-6,0 %
Miljø, veje og kollektiv trafikpr. indb.	Lolland	3.607	3.642	4.231	4.751	4.506	4.237	4.695	-7,0 %	11,0 %
	Landsgennemsnit	2.846	2.841	2.894	2.998	2.758	2.808	2.922	1,7 %	1,0 %
Administration pr. indb.	Lolland	6.180	6.369	5.885	5.819	5.681	5.664	5.646	-7,0 %	-4,1 %
	Landsgennemsnit	5.307	5.317	5.333	5.422	5.253	5.303	5.371	1,7 %	0,7 %
<i>Økonomistyringens udvikling</i>										
Budgetoverskridelse pr. indb.	Lolland	467	-2.624	-2.750	675	1.980	2.654	3.232		
	Landsgennemsnit	-179	-362	-890	24	808	920	1.120		
Driftsresultat pr. indb.	Lolland	2.544	-56	-182	1.776	3.140	3.664	2.866		
	Landsgennemsnit	1.037	1.237	447	1.590	2.593	2.457	2.827		
Likviditet pr. indb.	Lolland	2.834	2.516	1.178	1.626	4.169	5.817	5.105		
	Landsgennemsnit	4.475	4.422	3.511	3.654	4.395	5.267	5.287		

Note: Definitioner som i Tabel 1. Tallene er ikke korrigeret for (de beskedne) opgaveændringer over tid, da enspecifik opgørelse ikke er mulig, idet bloktilskudsaktstykket vedrører den samlede sektor under ét. Af denne grund er heller ikke ovenstående landsgennemsnit korrigeret for opgaveændringer for at tillade en sammenligning mellem case-kommunen og landstendensen. Landsgennemsnittet er uvægtet og er dermed forskelligt fra det vægtede gennemsnit i Tabel 2.

Tabel 5

Udviklingen i serviceudgifter og økonomistyring i Holbæk kommune, 2007-2013
(danske kroner, 2013-priser)

	Kommune	2007	2008	2009	2010	2011	2012	2013	Udv. i indbyggertal / den potentielle brugergruppe 2009-13 (%)	Udv. i udgifter pr. potentiel bruger 2009-13 (%)
<i>Serviceudgifternes udvikling</i>										
Totale serviceudgifter pr. indb.	Holbæk	39.881	40.202	41.395	42.628	41.555	42.507	39.347	-0,4 %	-4,9 %
Dagtilbud og SFO pr. 0-10-årig	Holbæk	39.144	39.587	39.693	39.163	36.947	34.409	33.883	-6,2 %	-14,6 %
Folkeskole pr. 7-16-årig	Holbæk	56.412	58.357	61.485	61.544	59.524	59.206	57.208	-3,3 %	-7,0 %
Ældreområdet pr. 65+-årig	Holbæk	44.922	41.351	42.006	39.657	37.195	37.060	36.919	18,1 %	-12,1 %
Sundhed pr. indb.	Holbæk	784	900	994	931	932	955	1.032	-0,4 %	3,9 %
Udsatte børn og unge pr. 0-17-årig	Holbæk	12.788	14.348	14.408	15.047	14.773	13.407	14.328	-5,0 %	-0,6 %
Voksenhandicap og udsatte grupper pr. indb.	Holbæk	4.523	3.962	4.152	4.228	4.639	4.721	4.645	-0,4 %	11,9 %
Kultur pr. indb.	Holbæk	1.473	1.466	1.431	1.405	1.267	1.162	1.202	-0,4 %	-16,0 %
Miljø, veje og kollektiv trafik pr. indb.	Holbæk	2.290	2.185	1.761	2.269	1.985	1.929	2.056	-0,4 %	16,7 %
Administration pr. indb.	Holbæk	4.879	4.840	4.380	4.977	5.159	5.600	5.490	-0,4 %	25,3 %
<i>Økonomistyringens udvikling</i>										
Budgetoverskridelse pr. indb.	Holbæk	-2.215	-2.745	-2.030	-1.494	443	178	355		
Driftsresultat pr. indb.	Holbæk	717	1.061	1.425	1.836	2.322	401	1.929		
Likviditet pr. indb.	Holbæk	5.438	1.175	682	3.319	3.515	3.211	3.530		

Note: Se note i Tabel 4 for definitioner.

Tabel 6

Udviklingen i serviceudgifter og økonomistyring i Ringkøbing-Skjern, 2007-2013
(danske kroner, 2013-priser)

	Kommune	2007	2008	2009	2010	2011	2012	2013	Udv. i indbyggertal / den potentielle brugergruppe 2009-13 (%)	Udv. i udgifter pr. potentiel bruger 2009-13 (%)
<i>Serviceudgifternes udvikling</i>										
Totale serviceudgifter pr. indb.	Ringkøbing-Skjern	38.959	39.355	40.839	41.431	40.631	41.813	38.602	-2,2 %	-5,5 %
Dagtilbud og SFO pr. 0-10-årig	Ringkøbing-Skjern	33.968	34.848	36.249	36.575	36.299	36.355	35.813	-9,1 %	-1,2 %
Folkeskole pr. 7-16-årig	Ringkøbing-Skjern	53.812	52.305	52.591	53.011	50.929	51.864	51.911	-5,6 %	-1,3 %
Ældreområdet pr. 65+-årig	Ringkøbing-Skjern	41.720	41.376	44.602	42.203	40.407	39.736	39.138	14,4 %	-12,2 %
Sundhed pr. indb.	Ringkøbing-Skjern	996	1.141	1.345	1.323	1.283	1.273	1.321	-2,2 %	-1,8 %
Udsatte børn og unge pr. 0-17-årig	Ringkøbing-Skjern	7.575	7.932	9.646	11.530	11.752	11.654	10.803	-8,5 %	12,0 %
Voksenhandicap og udsatte grupper pr. indb.	Ringkøbing-Skjern	4.117	4.455	4.605	4.640	4.085	4.421	4.372	-2,2 %	-5,1 %

Kultur pr. indb.	Ringkøbing-Skjern	1.378	1.394	1.454	1.338	1.347	1.304	1.310	-2,2 %	-9,9 %
Miljø, veje og kollektiv trafik pr. indb.	Ringkøbing-Skjern	2.431	2.769	2.582	2.683	2.637	2.301	2.527	-2,2 %	-2,2 %
Administration pr. indb.	Ringkøbing-Skjern	4.808	4.822	4.940	4.908	4.764	4.672	4.653	-2,2 %	-5,8 %

Økonomistyringens udvikling

Budgetoverskridelse pr. indb.	Ringkøbing-Skjern	-238	38	-207	-324	-85	900	510		
Driftsresultat pr. indb.	Ringkøbing-Skjern	300	1.399	834	879	1.391	1.303	2.860		
Landsgennemsnit		1.037	1.237	447	1.590	2.593	2.457	2.827		
Likviditet pr. indb.	Ringkøbing-Skjern	3.354	4.224	3.658	3.190	2.461	622	3.523		

Note: Se note i Tabel 4 for definitioner.

Tabel 7

Udviklingen i serviceudgifter og økonomistyring i Aarhus kommune, 2007-2013
(danske kroner, 2013-priser)

	Kommune	2007	2008	2009	2010	2011	2012	2013	Udv. i indbyggertal / den potentielle brugergruppe 2009-13 (%)	Udv. i udgifter pr. potentiel bruger 2009-13 (%)
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Serviceudgifternes udvikling

Totale serviceudgifter pr. indb.	Aarhus	39.578	38.953	41.205	42.665	39.014	39.774	35.943	5,4 %	-12,8 %
Dagtilbud og SFO pr. 0-10-årig	Aarhus	56.269	50.052	53.253	55.733	51.674	51.625	51.331	1,2 %	-3,6 %
Folkeskole pr. 7-16-årig	Aarhus	58.115	59.695	63.038	64.386	61.376	60.044	57.730	-2,2 %	-8,4 %
Ældreområdet pr. 65+-årig	Aarhus	53.960	50.482	58.332	57.112	52.070	48.934	49.518	14,8 %	-15,1 %
Sundhed pr. indb.	Aarhus	1.025	911	997	1.005	903	1.105	1.126	5,4 %	12,9 %
Udsatte børn og unge pr. 0-17-årig	Aarhus	11.081	12.814	15.456	14.610	12.733	11.327	11.197	0,3 %	-27,6 %
Voksenhandicap og udsatte grupper pr. indb.	Aarhus	5.017	4.900	5.293	4.725	4.766	3.739	3.785	5,4 %	-28,5 %
Kultur pr. indb.	Aarhus	1.664	2.108	2.226	2.239	2.017	1.967	1.991	5,4 %	-10,6 %
Miljø, veje og kollektiv trafik pr. indb.	Aarhus	1.720	1.754	1.387	1.830	1.537	1.632	1.762	5,4 %	27,1 %
Administration pr. indb.	Aarhus	4.638	4.714	5.030	5.416	4.827	4.771	4.275	5,4 %	-15,0 %

Økonomistyringens udvikling

Budgetoverskridelse pr. indb.	Aarhus	1.489	1.885	-127	-986	1.296	2.253	2.255		
Driftsresultat pr. indb.	Aarhus	2.746	3.216	1.037	-191	1.992	2.642	2.799		
Likviditet pr. indb.	Aarhus	7.227	7.977	6.377	5.014	5.391	6.274	5.065		

Note: Se note i Tabel 4 for definitioner.

Tabel 8

Udviklingen i serviceudgifter og økonomistyring i Egedal kommune, 2007-2013
(danske kroner, 2013-priser)

	Kommune	2007	2008	2009	2010	2011	2012	2013	Udv. i indbyggertal / den potentielle brugergruppe 2009-13 (%)	Udv. i udgifter pr. potentiel bruger 2009-13 (%)
<i>Serviceudgifternes udvikling</i>										
Totale serviceudgifter pr. indb.	Egedal	43.655	43.334	44.042	43.283	41.552	42.037	38.767	2,4 %	-12,0 %
Dagtilbud og SFO pr. 0-10-årig	Egedal	47.841	45.668	45.833	44.270	40.279	39.466	38.652	-5,7 %	-15,7 %
Folkeskole pr. 7-16-årig	Egedal	72.921	74.992	71.193	69.227	67.130	63.962	61.007	2,4 %	-14,3 %
Ældreområdet pr. 65+-årig	Egedal	35.300	32.172	31.083	28.300	25.698	25.887	24.693	30,5 %	-20,6 %
Sundhed pr. indb.	Egedal	1.164	1.286	1.331	1.442	1.339	1.365	1.370	2,4 %	2,9 %
Udsatte børn og unge pr. 0-17-årig	Egedal	9.053	9.400	9.765	9.992	9.102	8.031	8.686	-2,5 %	-11,0 %
Voksenhandicap og udsatte grupper pr. indb.	Egedal	3.299	3.444	3.380	3.579	3.926	3.768	3.761	2,4 %	11,3 %
Kultur pr. indb.	Egedal	1.272	1.366	1.177	1.211	1.216	1.088	1.048	2,4 %	-11,0 %
Miljø, veje og kollektiv trafik pr. indb.	Egedal	2.474	2.343	2.653	2.326	2.219	2.085	2.323	2,4 %	-12,4 %
Administration pr. indb.	Egedal	6.650	6.260	6.212	6.345	6.081	6.109	6.215	2,4 %	0,1 %
<i>Økonomistyringens udvikling</i>										
Budgetoverskridelse pr. indb.	Egedal	-2.586	-1.218	-1.175	-638	-788	689	1.657		
Driftsresultat pr. indb.	Egedal	-1.224	-109	1.196	1.190	2.262	4.687	5.141		
Likviditet pr. indb.	Egedal	6.112	4.013	2.578	2.148	3.186	5.617	7.029		

Note: Se note i Tabel 4 for definitioner.

Tabel 9

Udviklingen i serviceudgifter og økonomistyring i Gladsaxe kommune, 2007-2013
(danske kroner, 2013-priser)

	Kommune	2007	2008	2009	2010	2011	2012	2013	Udv. i indbyggertal / den potentielle brugergruppe 2009-13 (%)	Udv. i udgifter pr. potentiel bruger 2009-13 (%)
<i>Serviceudgifternes udvikling</i>										
Totale serviceudgifter pr. indb.	Gladsaxe	47.296	46.869	48.515	47.091	45.437	48.013	43.357	4,4 %	-10,6 %
Dagtilbud og SFO pr. 0-10-årig	Gladsaxe	57.519	53.056	58.611	59.146	55.920	55.626	52.696	5,9 %	-10,1 %
Folkeskole pr. 7-16-årig	Gladsaxe	70.539	70.560	71.517	66.482	63.192	63.380	61.261	-0,4 %	-14,3 %
Ældreområdet pr. 65+-årig	Gladsaxe	50.364	50.075	49.751	48.516	46.524	47.803	44.300	7,7 %	-11,0 %
Sundhed pr. indb.	Gladsaxe	968	969	1.360	1.277	1.269	1.462	1.694	4,4 %	24,6 %
Udsatte børn og unge pr. 0-17-årig	Gladsaxe	9.684	10.981	9.565	8.952	8.646	9.397	10.250	4,0 %	7,2 %
Voksenhandicap og udsatte grupper pr. indb.	Gladsaxe	5.325	5.287	5.616	5.392	5.278	5.173	4.821	4,4 %	-14,2 %
Kultur pr. indb.	Gladsaxe	2.001	1.770	1.828	1.758	1.643	1.613	1.484	4,4 %	-18,8 %
Miljø, veje og kollektiv trafik pr. indb.	Gladsaxe	2.326	2.247	2.509	2.560	2.190	2.572	2.260	4,4 %	-9,9 %
Administration pr. indb.	Gladsaxe	4.524	4.907	4.640	4.423	4.878	4.942	4.879	4,4 %	5,1 %
<i>Økonomistyringens udvikling</i>										
Budgetoverskridelse pr. indb.	Gladsaxe	706	1.495	-180	983	1.576	14	1.247		
Driftsresultat pr. indb.	Gladsaxe	2.629	3.216	1.757	2.444	3.325	2.713	4.093		
Likviditet pr. indb.	Gladsaxe	6.334	7.213	7.515	6.771	6.380	5.131	3.853		

Note: Se note i Tabel 4 for definitioner.

Article 7

Foged, S. K. (2015). Årsager til konkurrenceudsættelse I danske kommuner, 2007-2013: Fra generelle til sektorafhængige forklaringer [The reasons for contracting out in Danish municipalities, 2007-2013: From generic to sector-dependent explanations]. *Politica*, 47(1), 24-45.

Søren Kjær Foged

Årsager til konkurrenceudsættelse i danske kommuner, 2007-2013: fra generelle til sektorafhængige forklaringer

Hvad forklarer danske kommuners konkurrenceudsættelse? Teorien identificerer fire hovedfaktorer bag konkurrenceudsættelse i form af økonomisk pres, kommunestørrelse, administrationsprofessionelle og ideologi, men dansk kommune-forskning har indtil videre fundet modstridende resultater for sammenhængen mellem de fire faktorer og brugen af private leverandører. Denne artikel bygger ovenpå eksisterende forskning ved at opstille sektorafhængige hypoteser for sammenhængen mellem hovedfaktorerne og konkurrenceudsættelse, der testes på fire teoretisk udvalgte sektorer, byudvikling og miljø, vejbelægning, hjemmehjælp og beskæftigelse. Hypoteserne testes med OLS-regressioner på hver af de fire sektorer med data fra 2007 til 2013 for alle 98 danske kommuner. Artiklen finder, at effekten af økonomisk pres, kommunestørrelse og ideologi varierer signifikant på tværs af sektorer, hvorimod effekten af administrationsprofessionelle ikke synes at være sektorafhængig.

Effekter og årsager i danske kommuners konkurrenceudsættelse

Ambitionen om at effektivisere offentlig service ved at inddrage private leverandører har stået højt på forvaltningsdagsordenen siden slutningen af 1970'erne (Pollitt og Bouckaert, 2011: 6-7). I Danmark vandt private leverandører øget indpas fra begyndelsen af 1990'erne, og den stigende brug af konkurrenceudsættelse fulgtes af vejledninger og effektanalyser iværksat af skiftende regeringer (Christensen og Petersen, 2010: 248). I takt med at offentlige organisationer imidlertid ikke konkurrenceudsatte så meget som anbefalingerne foreskrev, steg interessen i drivkræfterne bag konkurrenceudsættelse (Udlisteringsrådet, 2005). Ikke mindst de danske kommuner kom i søgelyset som politisk ansvarlige for størstedelen af de konkurrenceudsættelige services i Danmark, og denne interesse synes fastholdt i den danske forvaltningsdebat (Produktivitetskommissionen, 2014).

Også danske forskere har rettet fokus mod faktorer bag konkurrenceudsættelse med generelt modstridende resultater til følge (Christensen, Houlberg og Petersen, 2012: 53). Årsagerne hertil kan ifølge en dansk litteraturgennemgang

skyldes forskellige metoder, samt at ”den hidtidige forskning ikke systematisk har forholdt sig til, at udliciteringsbetingelser og drivkræfter kan variere mellem serviceområder” (Christensen, Houlberg og Petersen, 2012: 53). Denne artikel tager afsæt heri og undersøger årsager til konkurrenceudsættelse på fire forskellige sektorer.

Konkurrenceudsættelse defineres i artiklen som en kommunalt finansieret opgave, hvor der er konkurrence via udbud eller en fritvalgsordning (Indenrigs- og Sundhedsministeriet, 2006: 1-6). Definitionen betyder, at konkurrenceudsættelse ikke nødvendigvis involverer private leverandører, men kan være alene mellem offentlige udbydere. I praksis udgør private leverandører dog et hovedelement i konkurrenceudsættelse, særligt ved udbudsbaseret konkurrence (Indenrigs- og Sundhedsministeriet, 2006). Artiklen disponeres ved først at gennemgå teorien bag de fire hovedfaktorer og den eksisterende forskning i Danmark. Herefter opstilles sektorafhængige hypoteser, der udledes med baggrund i tre sektorvariable, nemlig styrken af producent- og brugerinteresser, ydelsens produktionsfunktion og den anvendte markedsform. De sektorafhængige hypoteser testes endelig i analysen på fire teoretisk udvalgte sektorer.

De fire hovedfaktorer og danske forskningsresultater

International forskning i faktorer bag konkurrenceudsættelse identificerer fire hovedfaktorer bag konkurrenceudsættelse: økonomisk pres, lokalregeringens størrelse, interessegruppers styrke og lokalpolitikeres ideologi (Boyne, 1998; Bel og Fageda, 2007, 2009). Faktorerne er også de typisk undersøgte i den danske forskning (Christensen, Houlberg og Petersen, 2012: 47). Teorien foreskriver, at økonomisk pres øger konkurrenceudsættelse, fordi incitamenter til markedsafprøvning stiger, når økonomien strammer til. For kommunistørrelse er den teoretiske forventning mindre entydig, da små kommuner på den ene side kan konkurrenceudsætte for at lade private leverandører indhøste stordriftsfordele og på den anden side kan fravælge konkurrenceudsættelse grundet høje transaktionsomkostninger. Interessegrupper som virksomheder og offentligt ansatte tænkes også at påvirke konkurrenceudsættelse ved lobbyvirksomhed og i deres egenskab af vælgere, mens ideologien hos de ansvarlige politikere forventes at spille en rolle grundet forskelle i troen på samfundsgevinster ved konkurrenceudsættelse (Bel og Fageda, 2009).

I tabel 6 i det supplerende materiale opsummeres danske studier, som kvantitativt undersøger forklaringer bag konkurrenceudsættelse. Overordnet skelnes studier, der på baggrund af registerdata ser på alle kommunens opgaver (Pallesen, 2004; Bhatti, Olsen og Pedersen, 2009; Christensen, 2009; Houlberg og Dahl, 2010; Houlberg, 2012), og studier, der på baggrund af surveydata ser

på et antal udvalgte opgaver (Christoffersen og Paldam, 2003; Hansen, Mols og Villadsen, 2008). Et enkelt studie ser på tværs af sektorer med registerdata (Houlberg, 2012).

Fokuseres først på studier, der betragter alle opgaver med registerdata er billedet, at økonomisk pres i de gamle kommuner var forbundet med mindre konkurrenceudsættelse (Pallesen, 2004; Bhatti, Olsen og Pedersen, 2009; Christensen, 2009), mens der efter strukturreformen hverken identificeres en negativ eller en positiv sammenhæng (Houlberg og Dahl 2010, Houlberg 2012). I forhold til kommunestørrelse er billedet, at indbyggertal overordnet synes ukorreleret med konkurrenceudsættelse. Et enkelt studie undersøger indflydelsen fra interessegrupper og viser, at en bestemt type offentligt ansatte, administrationsprofessionelle, øger brugen af konkurrenceudsættelse (Bhatti, Olsen og Pedersen, 2009: 131-133). Endelig viser litteraturgennemgangen, at ideologi i de tidligste undersøgelser ikke havde signifikant betydning (Pallesen, 2004), men at ideologi synes korreleret med konkurrenceudsættelse efter årtusindskiftet (Bhatti, Olsen og Pedersen, 2009; Christensen, 2009; Houlberg og Dahl, 2010; Houlberg, 2012).

Sammenholdes ovenstående undersøgelser med studier af sektorer under anvendelse af surveydata (Christoffersen og Paldam, 2003; Hansen, Mols og Villadsen, 2008), er fortolkningen, at forskelle i resultaterne, foruden andre metoder, kan forklares med det mere snævre sektorfokus i disse studier. Det eneste studie, der anvender registerdata til at se på sektorafhængige sammenhænge, viser, at sammenhængen mellem de fire hovedfaktorer og konkurrenceudsættelse er forskellig på tværs af sektorer operationaliseret ved de kommunale hovedkonti (Houlberg, 2012). Opsummerende viser litteraturreviewet således et behov for forskning i sektorafhængiges sammenhænge samt et øget fokus på at sikre målingsvaliditet, der tager hensyn til, at fx visse hovedkonti indeholder meget forskelligartede opgaver og markedsformer.

Sektorafhængige forklaringer

Tre modererende variable

Denne artikel foreslår, at tre variable modererer sammenhængen mellem de fire hovedfaktorer og konkurrenceudsættelse, nemlig styrken af producent- og brugerinteresser, opgavens produktionsfunktion og den konkrete markedsform (Foged, Houlberg og Petersen, 2014: 116).

Med styrken af producent- og brugerinteresser henvises for det første til, at nogle sektorer omgærdes af stærkere politiske interesser end andre sektorer. I forhold til konkurrenceudsættelse er det især producentinteresser, der forventes at påvirke politikernes prioriteringer, idet kommunalt ansatte og deres fagfor-

eninger generelt forventes at modsætte sig konkurrenceudsættelse (Pallesen, 2003: 32; Christoffersen og Paldam, 2003; Pallesen, 2004: 576). Vælgerinteresser kan imidlertid også spille en rolle, idet politikere kan frygte stemmetab hos velorganiserede brugergrupper med koncentrerede interesser (Serritzlew, 2005). I danske kommuner findes de stærkeste producent- og brugerinteresser typisk i sektorer med forholdsvis mange og velorganiserede ansatte, hvor brugerne har relativt koncentrerede interesser, herunder folkeskole, daginstitutioner og ældreområdet, hvorimod bevågenheden er mindre for ydelser, med lavere lønandel, og hvor brugerinteresser er mere diffuse såsom vejområdet (Serritzlew, 2005: 417).

For det andet kan opgavens produktionsfunktion på forskellige sektorer påvirke kommunalpolitikernes incitamenter til konkurrenceudsættelse. Med produktionsfunktion forstås her produktionsomkostninger til kapital, arbejdskraft og transaktioner ved henholdsvis egenproduktion og konkurrenceudsættelse (Williamson, 1981: 558). Således vil fordelingen af faste og variable produktionsomkostninger påvirke rentabiliteten af den anvendte produktionsform (Bel og Fageda, 2009: 112), ligesom at medfølgende transaktionsomkostninger ved enten kommunal eller privat produktion skal overvejes (Brown og Potoski, 2003). I danske kommuner er der blandt andet skelnet mellem relativt kapitalintensive sektorer vedrørende visse tekniske opgaver og administration over for mere arbejdskraftintensive, borgerrettede opgaver (Houlberg, 1995). Ligeledes kan der differentieres mellem opgaver i forhold til, hvor svære de er at specificere og måle, hvilket kan påvirke transaktionsomkostningerne ved konkurrenceudsættelse (Brown og Potoski, 2003: 444-445).

Endelig kan sektorområdets konkrete markedsform spille en rolle, idet det konkrete formål og den institutionelle ramme for brugen af private leverandører kan påvirke incitamenter hos kommunalpolitikere, leverandører og brugere (Savas, 1987). I en dansk kontekst er det blandt andet forskellen på udlicitering og fritvalgsordninger, der springer i øjnene. Ved udlicitering er det således kommunalbestyrelsen, der afgør, om en opgave skal udbydes, og hvem der tildeles opgaven, hvorimod det på fritvalgsområdet i sidste ende er borgerne, der træffer leverandørbeslutningen. På fritvalgsområdet drives efterspørgslen således i højere grad af borgerne, samtidig med at konkurrenceudsættelse også formodes at være mere udbudsdrevet, da de private leverandører, som en del af deres beslutning om at lade sig godkende, må afgøre, om kommunens borgere udgør et profitabel kundegrundlag (Højlund, 2006; Rostgaard, 2006; Krevi, 2011). Kommunalpolitikere kan rigtignok påvirke konkurrenceudsættelsen på fritvalgsområdet gennem en række indirekte mekanismer såsom kommu-

nens organisering og fastsættelse af serviceniveau og pris, men kommunalpolitikernes rolle må generelt opfattes som mere begrænset end under udlicitering.

Foruden sondringen mellem udlicitering/udbudsgaver og fritvalgsordninger kommer også centrale variationer i den konkrete markedsanvendelse, fx om de private leverandører er i direkte konkurrence med den kommunale produktion eller snarere bruges som en buffer til kommunal produktionskapacitet (Rambøll, 2012: 15).

Sektorafhængige hypoteser

Givet de tre modererende variable opstilles herunder sektorafhængige hypoteser for sammenhængen mellem de fire hovedfaktorer. For økonomisk pres forventes sammenhængen at være modereret af styrken af producent- og brugerinteresser samt markedsformen. For udbudsgaver forventes det således, at økonomisk pres reducerer anvendelsen af private leverandører i sektorer med stærke producent- og brugerinteresser, fordi kommunalt ansatte modsætter sig konkurrenceudsættelse i økonomiske nedgangstider, hvor privat produktion hyppigere anvendes som alternativ, frem for supplement, til kommunal produktion og derfor kan koste kommunale arbejdspladser. Modstanden fra kommunalt ansatte vil derimod være mindre hård under ressourcerigelighed, hvor private leverandører oftere udgør et supplement til kommunal egenproduktion (Pallesen, 2004: 576). I sektorer med relativt svage producent- og brugerinteresser er den forventede sammenhæng imidlertid positiv, idet økonomisk pres på dette område skærper organisationens fokus på omkostninger og derfor tilskynder kommunen til markedsafprøvning. Økonomisk pres for konkurrenceudsættelse findes også på områder med stærkere producent- og brugerinteresser, men forskellen er her, at tilskyndelsen til konkurrenceudsættelse mere end opvejes af de stigende politiske omkostninger ved konkurrenceudsættelse. For fritvalgsområdet påvirkes sammenhængen mellem økonomisk pres og konkurrenceudsættelse af de private aktørers incitamenter til at bedrive virksomhed i kommunen, hvilket igen er mere oplagt, når den økonomiske situation er god, og sandsynligheden for serviceudvidelser og et velstående kundegrundlag stiger. Hypotesen bliver derfor:

H1: På udbudsområdet er økonomisk pres negativt associeret med konkurrenceudsættelse for opgaver med stærke producent- og brugerinteresser og positivt associeret med konkurrenceudsættelsen for opgaver med svage producent- og brugerinteresser. For fritvalgsopgaver er sammenhængen negativ.

For kommunestørrelse foreslås det, at sammenhængen mellem indbyggertal og konkurrenceudsættelse modereres af opgavens produktionsfunktion og markedsformen. For udbudsopgaver synes to sideløbende effekter at være i spil. På den ene side betyder høje faste omkostninger, at små kommuner kan have incitamenter til konkurrenceudsættelse, fordi store kapitalinvesteringer ofte ikke står mål med kommunens produktionsgrundlag, hvorved stordriftsfordele kan indhøstes af private leverandører, der opererer på tværs af kommunegrænser (Ferris og Graddy, 1994). På den anden side betyder høje transaktionsomkostninger, at konkurrenceudsættelse er mere attraktivt for store kommuner, fordi transaktionsomkostninger oftere kan betale sig, når opgavevolumenen er stor (Bel og Miralles, 2003: 1332). I denne artikel fokuseres på ydelsens kompleksitet som påvirkende transaktionsomkostningerne (Brown og Potoski, 2003). For fritvalgsområdet forventes det ikke, at kommunestørrelsen påvirker konkurrenceudsættelse, da private leverandører på den ene side kan ønske et stort kundegrundlag, men på den anden side kan lade sig afskrække af at være forsyningsansvarlige for et stort antal brugere (Krevi, 2011). Hypotesen bliver således:

H2: På udbudsområdet er kommunestørrelse negativt associeret med konkurrenceudsættelse for enkle, kapitalintensive opgaver og positivt associeret med konkurrenceudsættelse for komplekse, arbejdskraftintensive opgaver. For fritvalgsopgaver forventes ikke en sammenhæng.

Sammenhængen mellem den tredje hovedfaktor administrationsprofessionelle og konkurrenceudsættelse forventes at blive moderet af opgavens produktionsfunktion og markedsformen. For udbudsopgaver kan administrationsprofessionelle være relateret til konkurrenceudsættelse enten ved, at de administrationsprofessionelles evner gør det lettere og billigere for kommunen at gennemføre udbudsprocesser (kompetenceargumentet), eller ved at de pågældende administrationsprofessionelle forfølger personlige interesser i udfordrende arbejdsopgaver (interesseargumentet) (Bhatti, Olsen og Pedersen, 2009: 125-126). Der lægges i denne artikel vægt på kompetenceargumentet, hvor man kan forestille sig, at effekten vil modereres af opgavens produktionsfunktion, således at effekten af administrationsprofessionelle især slår igennem for mere komplekse opgaver, hvor behovet for juridisk-økonomiske kompetencer er større (Houlberg, 2012: 26), og hvor kommunen givetvis kan spare penge ved at løfte udbudsprocesserne selv frem for at købe ekstern konsulenthjælp. Ved komplekse opgaver forstås ydelser, som er svære at beskrive i en kontrakt, og hvor det efterfølgende er besværligt at måle på leverandørernes resultater

Tabel 1: Overblik over sektorafhængige hypoteser

Hovedfaktor	Sektormoderation	Hypotese
Økonomisk pres	Producent- og brugerinteresser, markedsform	H1: På udbudsområdet er økonomisk pres negativt associeret med konkurrenceudsættelse for opgaver med stærke producent- og brugerinteresser og positivt associeret med konkurrenceudsættelsen for opgaver med svage producent- og brugerinteresser. For fritvalgsopgaver er sammenhængen negativ.
Kommunestørrelse	Opgavens produktionsfunktion, markedsform	H2: På udbudsområdet er kommunestørrelse negativt associeret med konkurrenceudsættelse for enkle, kapitalintensive opgaver og positivt associeret med konkurrenceudsættelse for komplekse, arbejdskraftintensive opgaver. For fritvalgsopgaver forventes ikke en sammenhæng.
Administrationsprofessionelle	Opgavens produktionsfunktion, markedsform	H3: På udbudsområdet er administrationsprofessionelle positivt associeret med konkurrenceudsættelse for komplekse opgaver. For fritvalgsopgaver forventes ikke en sammenhæng.
Ideologi	Markedsform	H4: På udbudsområdet er andelen af venstreorienterede byrådsmandater negativt associeret med konkurrenceudsættelse for opgaver, hvor privat produktion er i direkte konkurrence med kommunal produktion. For fritvalgsopgaver forventes ikke en sammenhæng.

(Brown og Potoski, 2003: 444). For fritvalgsområdet forventes ikke en sammenhæng mellem administrationsprofessionelle og konkurrenceudsættelse, da kompetenceargumentet vedrører kommunens produktionsovervejelser, hvilket skulle spille en mindre rolle på fritvalgsområdet, der i højere grad forventes drevet af brugernes efterspørgsel og udbuddet af private leverandører. Hypotesen er derfor:

H3: På udbudsområdet er administrationsprofessionelle positivt associeret med konkurrenceudsættelse for komplekse opgaver. For fritvalgsopgaver forventes ikke en sammenhæng.

Endelig foreslås det, at betydningen af ideologi modereres af den konkrete markedsform. For det første forventes det, at ideologi især slår igennem for udbudsopgaver frem for fritvalgsopgaver, da kommunalpolitikere spiller en mere direkte rolle, når der skal træffes beslutninger om udlicitering sammenlignet med fritvalgsordninger. For det andet synes det centralt, om konkurrenceudsættelse anvendes som alternativ eller supplement til kommunal produktion. I sektorer, hvor hele eller næsten hele den kommunale opgaveløsning er i konkurrence med privat produktion, vil ideologi formentlig spille en større rolle end i sektorer, hvor konkurrenceudsættelse i højere grad anvendes som en måde at tilpasse produktionen til skiftende efterspørgsel på (Rambøll, 2012). Den supplerende anvendelse af private leverandører vil formentlig udløse mindre ideologisk uenighed end det tilfælde, hvor privat og kommunal produktion er i mere direkte konkurrence. Hypotesen er dermed:

H4: På udbudsområdet er andelen af venstreorienterede byrådsmandater negativt associeret med konkurrenceudsættelse for opgaver, hvor privat produktion er i direkte konkurrence med kommunal produktion. For fritvalgsopgaver forventes ikke en sammenhæng.

Metode og indikatorer

De estimerede modeller

De fire opstillede hypoteser testes med fire modeller, én for hver af sektorerne byudvikling og miljø, vejbelægning, hjemmehjælp og beskæftigelse. Modelkerne estimeres med OLS på data fra 2007 til 2013 for alle 98 kommuner (nyeste tilgængelige data). OLS er en hyppigt anvendt estimationsmetode, når den afhængige variabel, som i dette tilfælde er en procentvariabel, hvor en stor del af observationerne ikke presses sammen ved yderpunkterne, hvor en Tobit-model ellers kan være at foretrække¹ (Blom-Hansen, Monkerud og Sørensen, 2006: 459).

Da sammenhængen mellem de fire hovedfaktorer og konkurrenceudsættelse testes på fire forskellige sektorer, kan modellen i generel form skrives som:

$$\begin{aligned}
& \text{Konkurrenceudsættelse}_{it} = \\
& \beta_0 + \beta_1 \text{Økonomisk pres}_{it} + \beta_2 \text{Kommunestørrelse}_{it} + \beta_3 \text{Administrationsprofessionelle}_{it} + \\
& \beta_4 \text{Ideologi}_{it} + \beta_5 \text{Årsdummies}_t + \beta_6 \text{Kontrolvariable}_{it} + \varepsilon_{it}
\end{aligned}$$

hvor *Konkurrenceudsættelse_{it}* er graden af konkurrenceudsættelse på hver af de fire sektorer, og hvor de anvendte kontrolvariable, *β₆Kontrolvariable_{it}*, varierer for de enkelte sektorer. Antagelsen om, at fejllædet, *ε_{it}*, er ukorreleret med de uafhængige variable, søges opfyldt ved at inkludere kontrolvariable og årsdummies. Styrken ved at anvende niveauvariable er, at variation udnyttes både på tværs af kommuner og over tid, samt at en alternativ brug af ændringsvariable ville medføre meget begrænset variation i flere af de uafhængige variable. Udfordringen ved metoden er omvendt den mulige sårbarhed over for uobserverede variable og omvendt kausalitet (Stock og Watson, 2012: 358-369). Angående uobserverede variable kan eksempelvis nævnes den kommunale tradition for konkurrenceudsættelse og organisatoriske forskelle mellem kommunerne (Houlberg og Dahl, 2010). Den statslige regulering er også en mulig uobserveret variabel, idet der fra 2007 til 2013 har været visse ændringer i reguleringsrammen, herunder skiftende hensigtserklæringer i den årlige økonomiaftale mellem staten og KL om målsætningen for kommunernes samlede konkurrenceudsættelse (Christensen og Petersen, 2010: 248). Under forudsætning af at den statslige regulering påvirker kommunerne på samme måde, indfanges disse ændringer dog af de inkluderede årsdummies.

Vedrørende omvendt kausalitet er det ikke mindst inklusionen af administrationsprofessionelle, der udgør en udfordring, da det ikke kan afgøres, om konkurrenceudsættelsen øges, fordi der er flere administrationsprofessionelle i kommunen, eller om der omvendt ansættes flere administrationsprofessionelle for at kunne gennemføre udbudsopgaver (Foged, Houlberg og Petersen, 2014: 114). Denne udfordring håndteres via variation på den anvendte markedsform, da vi på fritvalgsområdet ikke forventer en signifikant sammenhæng mellem administrationsprofessionelle og konkurrenceudsættelse, såfremt sammenhængen er eksogen. På fritvalgsområdet er det således brugerne, og ikke kommunalpolitikkerne, der vælger de private leverandører, hvilket betyder, at drivkræfter begrundet med kommunens kompetencer i mindre grad bør spille en rolle. Er sammenhængen mellem administrationsprofessionelle og konkurrenceudsættelse imidlertid lige så stærk eller stærkere på fritvalgsområdet end for komplekse opgaver på udbudsområdet, kan det indikere en endogen sammenhæng. Omvendt kausalitet kan også have betydning for økonomisk pres, da konkurrenceudsættelse ofte har som formål at forbedre kommunens økonomiske situation, men denne udfordring håndteres ved målingen af va-

riablen, der netop udtrykker forholdet mellem et objektivt udgiftsbehov og beskatningsgrundlag (ved en landsgennemsnitlig skatteprocent), der således er uafhængig af de økonomiske effekter af konkurrenceudsættelse.

Endelig kan autokorrelation også være en udfordring, da niveauet for konkurrenceudsættelse i den samme kommune typisk vil være korreleret over tid, ligesom konkurrenceudsættelse på en sektor kan påvirke kommunens konkurrenceudsættelse på en anden sektor. Autokorrelation håndteres ved at anvende klyngekorrigerede standardfejl, hvor den enkelte kommune udgør en klynge, således at estimerne, udover heteroscedasticitet, er robuste over for autokorrelerede fejlede inden for den samme kommune (Stock og Watson, 2012: 406).

De fire sektorer

De fire valgte sektorer er byudvikling og miljø, vejbelægning, hjemmehjælp og beskæftigelse. De fire sektorer er udvalgt med henblik på at teste de opstillede hypoteser samt at sikre høj målingsvaliditet, hvor de konkurrenceudsatte opgaver og den konkrete markedsform kan beskrives relativt præcist.

Byudvikling og miljø er valgt som en teknisk sektor, hvor styrken af producent- og brugerinteresser er relativt svag. Sektoren har således relativt få kommunalt ansatte grundet sin beskedne andel i den kommunale økonomi, mens der ikke er en specifik målgruppe, hvis indkomst afhænger tæt af opgaveudførelsen. Inden for byudvikling og miljø findes en række tekniske opgaver, herunder drift af grønne områder og parker, vedligeholdelse og drift af kommunale bygninger, forureningsundersøgelser og beredskab. De oftest konkurrenceudsatte opgaver inden for byudvikling og miljø har typisk været drift af parker og grønne områder, drift og vedligeholdelse af bygninger samt beredskab (KL, 2001: 27). Vedrørende opgavernes produktionsfunktion er ydelserne kendetegnet ved at kræve en moderat grad af kapitalinvesteringer og være relativt simple at beskrive og måle (KL, 2001). Endelig er den dominerende markedsform udlicitering, hvor den private leverandør i de fleste tilfælde er i direkte konkurrence med kommunal produktion om hele kommunens opgaveløsning (KL, 2001: 34).

Den anden valgte sektor, vejbelægning, er ligeledes en teknisk opgave med relativt svage producent- og brugerinteresser (Serritzlew, 2005: 417), hvor den dominerende markedsform er udlicitering, og hvor den private og kommunale produktion normalt er i direkte konkurrence. Vejbelægning involverer asfaltarbejde som reparationsarbejde på eksisterende slidlag eller udlæg af helt ny belægning (Udbudsrådet, 2012). Modsat byudvikling og miljø samt det øvrige vejserviceområde, er vejbelægning imidlertid karakteriseret ved at være mere kapitalintensiv og have en mindre stabil efterspørgsel, da behovet for asfaltar-

bejder er meget afhængig af vejforhold (Udbudsrådet, 2012: 11). Dette skulle gøre sektoren oplagt til konkurrenceudsættelse for mindre kommuner.

Den tredje sektor, hjemmehjælp, er kendetegnet ved relativt stærke producent- og brugerinteresser, da social- og sundhedsassistenter udgør en stor medarbejdergruppe med en relativt høj organiseringsgrad, og hvor de ældre og deres pårørende har en koncentreret interesse i omsorgsproduktionen (Serritzlew, 2005: 417). Inden for hjemmehjælpssektoren skelnes særligt tre konkurrenceudsatte opgaver vedrørende praktisk hjælp, personlig pleje og madservice (Krevi, 2011: 6). Angående ydelseernes produktionsfunktion kræver hjemmehjælp en relativt høj grad af arbejdskraft, samtidig med at opgaverne, særligt for praktisk hjælp og personlig pleje, er relativt komplekse at beskrive og måle. Hjemmehjælp er endelig kendetegnet ved fritvalgskonkurrence, hvor den dominerende inddragelsesform har været godkendelsesmodellen, hvor private leverandører søger om godkendelse i den enkelte kommune, og herefter betales kommunens gennemsnitlige, langsigtede omkostninger (Krevi, 2011). Med lovændringen i 2013, hvor det blev muligt for kommunen at udbyde hjemmehjælpsdriften uden selv at miste retten til at være fritvalgsleverandør, er flere kommuner begyndt at eksperimentere med en udbudsbaseret udgave af fritvalgsordningen, hvor der også indføres en konkurrence på pris (Udbudsportalen, 2014). I den analyserede periode, 2007-2013, har godkendelsesmodellen dog været den klart dominerende.

Den sidste sektor, beskæftigelse, vedrører den kommunale beskæftigelsesindsats for ikke-forsikrede ledige i hele analyseperioden samt forsikrede ledige siden 2009 (Rigsrevisionen, 2013). Beskæftigelsesområdet er kendetegnet ved moderate til stærke producent- og brugerinteresser, idet både antallet af sagsbehandlere og deres organiseringsgrad er relativt højt, mens brugerne i form af de ledige i nogen grad har koncentrerede interesser i indholdet af beskæftigelsesindsatsen. Beskæftigelsesopgaverne kræver en relativt stor andel af arbejdskraft, ligesom opgaverne er svære at beskrive og måle. De konkurrenceudsatte beskæftigelsesopgaver vedrører ydelser rettet mod forsikrede ledige og de jobklare, ikke-forsikrede ledige, herunder kontaktforløb, aktivering og virksomhedsrettede tiltag (Rambøll, 2012; Rigsrevisionen, 2013). Den dominerende markedsform inden for sektoren er udbud, hvor de private leverandører hovedsageligt anvendes som supplement til jobcenterets kerneydelse ud fra en driftsøkonomisk betragtning, hvor den kommunale kapacitet kan tilpasses ændret ledighed eller statslige lovændringer (Rambøll, 2012: 3). For opgaver over 0,5 mio. kr. er de private leverandører altid valgt efter udbud, men udbuddet kan enten være afholdt af kommunen selv i form af en lokal aftale eller være afholdt af staten via rammeaftaler, som kommunerne herefter kan betjene sig

Tabel 2: Forventet sammenhæng mellem de fire hovedfaktorer og konkurrenceudsættelse på de udvalgte sektorer

Sektor	Sektormoderation		Forventede sammenhænge			
			Økonomisk pres	Kommune- størrelse	Adm. professional	Ideologi
Byudvikling og miljø	Svage	Simpel, moderat arbejdskraftintensiv	Udlicitering, alternativ	+		-
Vejbelægning	Svage	Simpel, kapitalintensiv	Udlicitering, alternativ	+	-	-
Hjemmehjælp	Stærke	Kompleks, arbejds- kraftintensiv	Frit valg	-		
Beskæftigelse	Moderate/stærke	Kompleks, arbejds- kraftintensiv	Udlicitering, supplement	-	+	+

Note: + indikerer en forventet positiv sammenhæng, - indikerer en forventet negativ sammenhæng, og intet symbol er udtryk for, at der ikke forventes en sammenhæng.

af. I tabel 2 er de fire sektorer beskrevet på de tre modererende variable, ligesom de teoretiske forventninger er præsenteret.

Data og indikatorer

I tabel 7, i det supplerende materiale, ses operationaliseringen af de inkluderede variable. De afhængige variable måles ved 2012-definitionen af privatleverandørindikatoren, PLI, som måler andelen af kommunale tjenesteydelser, der udføres af private leverandører, ud af kommunens samlede konkurrenceudsættelige udgifter. Indikatoren udtrykker således kommunens anvendelse af private leverandører snarere end konkurrenceudsættelse per se (Houlberg og Petersen, 2012).

Økonomisk pres måles ved forholdet mellem kommunens udgiftsbehov og indtægtsgrundlag målt som summen af beskatningsgrundlag, udligning og tilskud samt nettorenter. Stordriftsfordele måles ved en logaritme til indbyggertallet, som synes at være den mest hensigtsmæssige måde at indfange stordriftsfordele på sammenlignet med andre tidligere anvendte skalaindikatorer som arealstørrelse og befolkningstæthed. Administrationsprofessionelle måles som antallet af medlemmer af Dansk Jurist- og Økonomforbund (DJØF) pr. 10.000 indbyggere i kommunen (Bhatti, Olsen og Pedersen, 2009). Endelig inkluderes en indikator for ideologi i form af andelen af venstreorienterede mandater, kodet som Socialdemokraterne, Socialistisk Folkeparti og Enhedslisten. De inkluderede kontrolvariable består af Ø-kommuner, der kontrollerer for særlige produktionsvilkår i disse kommuner, samt en dummy for sammenlægningskommuner, der indfanger kommunalreformeffekter. Der kontrolleres for tidsmæssige trends i konkurrenceudsættelsen ved at medtage årsdummies. Endelig er der medtaget kontrolvariable, som er specifikke for de enkelte sektorer, og som har til formål at kontrollere for variationer i efterspørgsel uafhængigt af indbyggertal. For vejbelægning er der medtaget den kommunale vejlængde set i forhold til kommunens indbyggertal, for hjemmehjælp kontrolleres for andelen af ældre over 65 år, og for beskæftigelse medtages kommunens arbejdsløshedsprocent. Deskriptiv statistik over de inkluderede variable ses i tabel 3, hvor det blandt andet fremgår, at observationsantallet for vejbelægning er lavere end for de øvrige variable, fordi variabelen som tidligere nævnt påvirkes af ustabil efterspørgsel, hvor der i nogle år ikke er registreret udgifter i regnskabssystemet.

Tabel 3: Deskriptiv statistik for inkluderende variable

Variabel	Observationer	Middel-værdi	Std. afv.	Minimum	Maksimum
PLI - alle områder	686	24,4	4,0	15,6	44,1
PLI - byudvikling og miljø	686	42,0	16,1	5,9	100,0
PLI - vejbelægning	496	75,7	27,3	0,0	100,0
PLI - hjemmehjælp (frit valg)	686	15,2	8,6	1,2	66,9
PLI - beskæftigelse	685	48,6	19,2	1,6	95,3
Økonomisk pres	686	31,2	4,3	16,9	44,0
Kommunestørrelse (indbyggertal)	686	56.432	62.852	1.839	559.440
Administrationsprofessionelle (pr. 10.000 indb.)	686	8,3	4,1	0,0	28,5
Andel venstreorienterede mandater	677	44,6	13,3	10,5	78,9
Ø-kommune	686	0,05	0,22	0,0	1,0
Sammenlagt i 2007	686	0,67	0,47	0,0	1,0
Vejlængde (meter pr. indb.)	686	16,0	11,5	0,8	75,3
Andel ældre over 65	686	17,9	3,3	10,0	33,2
Andel arbejdsløse	686	4,8	1,9	1,1	11,0

Empiriske fund og diskussion

Resultater

I tabel 4 fremgår resultaterne fra de fire sektormodeller (samt resultaterne fra en model, hvor kommunens totale konkurrenceudsættelse er afhængig variabel). Vedrørende sammenhængen mellem økonomisk pres og konkurrenceudsættelse var forventningen en positiv sammenhæng for byudvikling og miljø samt vejbelægning og en negativ sammenhæng for hjemmehjælp og beskæftigelse. Forventningen bekræftes på tre af de fire sektorer. For byudvikling og miljø er sammenhængen positiv og højsignifikant, således at en stigning i økonomisk pres på en standardafvigelse øger konkurrenceudsættelsen med 3,5 procentpoint. Omvendt er sammenhængen mellem økonomisk pres og konkurrenceudsættelse højsignifikant og negativ for hjemmehjælp, således at en forbedring af den økonomiske situation med en standardafvigelse øger konkurrenceudsættelsen med 2,0 procentpoint. Også forventningen til beskæftigelsessektoren bekræftes, da sammenhængen mellem økonomisk pres og konkurrenceudsættelse er negativ og signifikant ved 10 pct.-niveauet. For beskæftigelse er en stigning i økonomisk pres på en standardafvigelse associeret med en reduktion

i konkurrenceudsættelsen på 4,2 procentpoint. For vejbelægning er sammenhængen modsat forventningen ikke signifikant.

For sammenhængen mellem kommunestørrelse og konkurrenceudsættelse var forventningen en negativ association for vejbelægning og en positiv sammenhæng for beskæftigelse, mens der for byudvikling og miljø samt hjemmehjælp ikke forventedes en sammenhæng. Hypoteserne er igen bekræftet for tre ud af fire sektorer. På vejbelægning er sammenhængen som forventet negativ og signifikant (ved 10 pct.-niveauet), således at en fordobling af kommunestørrelsen er associeret med et fald i konkurrenceudsættelsen på 7,6 procentpoint. Tilsvarende er den forventede positive og signifikante sammenhæng indfriet for beskæftigelse, hvor en fordobling af kommunestørrelsen øger konkurrenceudsættelsen med 5,5 procentpoint. For byudvikling og miljø er sammenhængen som forventet insignifikant, mens der mod forventning estimeres en signifikant, negativ sammenhæng på hjemmehjælpsområdet.

For sammenhængen mellem antallet af administrationsprofessionelle og konkurrenceudsættelse var forventningen en positiv sammenhæng for beskæftigelse, hvorimod der ikke forventedes en sammenhæng for de tekniske sektorer og hjemmehjælpsområdet. Hypoteserne er her bekræftet for tre ud af fire sektorer, idet den estimerede sammenhæng er insignifikant på alle sektorer, også for beskæftigelsesområdet. På alle områder er koefficienterne godt nok positive, men kun for hjemmehjælpsområdet er sammenhængen tæt på at være signifikant ved konventionelle niveauer.

Endelig var forventningen for sammenhængen mellem andelen af venstreorienterede byrådsmandater og konkurrenceudsættelse en negativ sammenhæng for byudvikling og miljø samt vejbelægning, hvorimod der ikke forventedes en sammenhæng for hjemmehjælp og beskæftigelse. Denne hypotese er bekræftet på tre ud af fire sektorer. For byudvikling og miljø identificeres således en negativ og højsignifikant sammenhæng, hvor en stigning i andelen af venstreorienterede byrådspolitikere med 10 procentpoint forventes at øge konkurrenceudsættelsen med 3,0 procentpoint. Et negativt estimat i samme størrelsesorden findes for vejbelægning, hvor sammenhængen imidlertid ikke bekræftes ved et 10 pct. signifikansniveau. For hjemmehjælp og beskæftigelse er sammenhængen som forventet insignifikant.

Med statistisk signifikans som afgørelsesgrundlag er de sektorafhængige forventninger bekræftet i 12 ud af 16 tilfælde. Generelt klarer særligt de politiske forklaringer sig godt, idet producent- og brugerinteresser synes at moderere sammenhængen mellem økonomisk pres og konkurrenceudsættelse, ligesom politisk ideologi især har betydning, når den konkrete markedsform involverer en direkte konkurrence mellem kommunal og privat produktion. For både

Tabel 4: Faktorer bag konkurrenceudsættelse på fire sektorer, 2007-2013

	(1)	(2)	(3)	(4)	(5)
	Alle områder	Byudvikling og miljø	Vejbelægning	Hjemmehjælp (frit valg)	Beskæftigelse
Økonomisk pres	-0,0516 (-0,65)	0,867*** (2,69)	-0,551 (-0,49)	-0,498*** (-3,50)	-1,043* (-1,93)
Kommunestr. (log)	-0,836 (-1,56)	-1,772 (-0,84)	-7,642* (-1,91)	-1,958* (-1,83)	5,527** (2,40)
Adm.prof. (pr. 10.000 indb.)	0,370** (2,51)	0,247 (0,48)	0,699 (1,08)	0,681 (1,48)	0,195 (0,46)
Andel venstreorienterede mandater	-0,0243 (-1,09)	-0,300*** (-2,85)	-0,316 (-1,02)	0,0761 (1,49)	0,122 (0,93)
Ø-kommune	0,323 (0,17)	11,22 (1,13)	-15,37 (-1,49)	-6,947 (-1,58)	-2,827 (-0,30)
Sammenlagt i 2007	0,892 (1,01)	3,515 (0,92)	8,498 (0,93)	1,490 (0,57)	-1,265 (-0,38)
Årsdummies (ref. = 2007)					
2008	1,202*** (5,51)	1,681 (1,33)	-2,639 (-0,95)	0,0159 (0,03)	3,949* (1,77)
2009	1,192*** (3,18)	0,303 (0,19)	-5,381 (-1,41)	-1,678 (-1,52)	10,74*** (4,17)
2010	1,865*** (4,34)	-1,598 (-0,89)	-2,858 (-0,91)	-3,804** (-2,43)	17,70*** (6,14)
2011	1,509*** (3,71)	-1,158 (-0,64)	-2,647 (-0,73)	-4,326** (-2,48)	18,34*** (5,35)
2012	1,629*** (2,90)	-1,782 (-0,78)	2,724 (0,78)	-3,875 (-1,62)	18,72*** (6,30)
2013	1,874*** (3,02)	0,125 (0,05)	1,530 (0,40)	-4,007 (-1,38)	16,35*** (5,42)
Vejlængde (meter pr. indb.)			0,356 (0,65)		
Antal ældre over 65				0,00966 (0,03)	
Andel arbejdsløse					-0,513 (-0,39)
Konstant	30,87*** (5,86)	42,73** (2,01)	172,9*** (3,48)	44,26*** (2,90)	6,498 (0,25)
N	677	677	493	677	676
r ²	0,204	0,170	0,105	0,226	0,254
F	12,25	3,748	2,139	6,470	10,72

Note: * signifikant ved 0,10-niveau, ** signifikant ved 0,05-niveau, *** signifikant ved 0,01-niveau. Poolede OLS-regressioner med klyngekorrigerede standardfejl, hvor den enkelte kommune udgør en klynge. Ustandariserede betakoefficienter med t-værdi i parentes. Største DFBETA for sektormodelerne er 0,48 for kontrolvariablen Ø-kommune i model 2 og største VIF er 5,32 for Vejlængde (meter pr. indb.) i model 3. For vejbelægning vælger nogle kommuner at udlicitere hele området, og som robusthedstest er der derfor gennemført en Tobit-regression for sektoren (ikke vist her), hvilket giver stort set identiske resultater som ved OLS. Alle 98 kommuner indgår i specifikationerne.

økonomisk pres og ideologi er vejbelægning det område, hvor den forventede sammenhæng udebliver.

For de økonomisk orienterede forklaringer angående opgavernes produktionsfunktion er resultaterne mere blandede. Vedrørende kommunestørrelse klarer hypoteserne sig udmærket, da private leverandører synes at udnytte stor-driftsfordele til i højere grad at varetage kapitalintense opgaver med ustabil efterspørgsel for små kommuner, mens mere komplekse beskæftigelsesopgaver med højere forventelige transaktionsomkostninger, synes at afholde mindre kommuner fra udbud. Den negative sammenhæng mellem kommunestørrelse og konkurrenceudsættelse for hjemmehjælp var imidlertid ikke forventet, og en mulig årsag til dette er, at indbyggertallet opfanger variation fra uobserverede variable som eksempelvis private leverandørincitamenter til at blive godkendt i kommunen, der igen kan være afhængig af de ældres velstandsniveau og brugen af en distriktsopdeling (Krevi, 2011: 24). Forklaringer med baggrund i opgavernes produktionsfunktion har dog de største problemer vedrørende effekten af administrationsprofessionelle, hvor der mod forventning ikke findes en signifikant sammenhæng for beskæftigelse. Dette kan måske betyde, at administrationsprofessionelle er en mere generel, og altså ikke sektorafhængig, drivkraft bag konkurrenceudsættelse, men effekten kan også være udtryk for omvendt kausalitet, hvilket støttes af, at den stærkeste positive sammenhæng findes på fritvalgsområdet, der netop skulle være så påvirkelig af administrationsprofessionelle, hvis påvirkningen herfra var eksogen.

Robusthedstest og diskussion

For at afprøve robustheden af resultaterne i tabel 4 er der gennemført en række alternative tests. For det første er der anvendt alternative indikatorer for henholdsvis økonomisk pres og ideologi, som tidligere er benyttet i litteraturen (se tabel 6 i det supplerende materiale). For økonomisk pres er beskatningsgrundlaget pr. indbygger anvendt som en alternativ indikator, mens en dummy for borgmesterfarven er anvendt som en alternativ indikator for ideologi. Resultaterne fra disse regressioner er gengivet i tabel 8 i det supplerende materiale og viser helt analoge resultater som i hovedmodellerne. For det andet er der også gennemført en formel signifikanstest af de sektorafhængige hypoteser for at sikre, at de fundne sektorforskelle ikke er tilfældige. De opstillede hypoteser argumenterer således for, at effekten af de fire hovedfaktorer varierer på tværs af sektorerne. Denne forventning kan testes ved at sammenligne de estimerede effekter af de fire hovedfaktorer på tværs af sektorer ved hjælp af metoden *seemingly unrelated estimates*, som både tillader sammenligning af estimater på overlappende datasæt, som der er tale om her, og giver mulighed for at

specificere klyngerobuste standardfejl (Stata, 2014: 1-2). Resultaterne herfra er gengivet i tabel 5, der viser estimerede sandsynligheder for, at koefficienterne for hver af de fire hovedfaktorer er identiske på tværs af sektorer.

Som forventet er hovedfaktorernes effekt på konkurrenceudsættelse signifikant forskellig for økonomisk pres, kommunestørrelse og ideologi, når estimerne på alle fire sektorer sammenlignes i kolonnen længst til højre. For administrationsprofessionelle varierer effekten ikke på tværs af sektorer, og resultaterne er dermed samlet set i overensstemmelse med fortolkningen af modellerne i tabel 4. Af tabel 5 fremgår det desuden, hvorvidt faktorernes effekt er signifikant forskellig når sektorerne sammenlignes enkeltvis med hinanden. For økonomisk pres og ideologi er effekten på konkurrenceudsættelse således signifikant forskellig, når byudvikling og miljø sammenlignes med henholdsvis hjemmehjælp og beskæftigelse. For kommunestørrelse er effekten på konkurrenceudsættelse tilsvarende signifikant forskellig, når beskæftigelsesområdet sammenlignes med de øvrige tre sektorer.

Implikationerne af de fundne resultater kan for det første anskues fra et forskningsperspektiv. Her viser resultaterne, at årsagerne til konkurrenceudsættelse varierer betydeligt på tværs af sektorer, og det foreslås konkret, at styrken af producent- og brugerinteresser, ydelsens produktionsfunktion og den konkrete markedsform påvirker mekanismerne bag konkurrenceudsættelse. Især synes det afgørende at klarlægge de politiske faktorer, der omgærdet konkurrenceudsættelse, hvor de vigtigste spørgsmål bliver, om konkurrenceudsættelsen finder sted i en sektor med stærke eller svage producent- og brugerinteresser, samt om den private og kommunale produktion er i direkte konkurrence med hinanden. Betragtes artiklens indsigter i et policyperspektiv er implikationerne også bemærkelsesværdige. En politisk ambition om at øge konkurrenceudsættelsen er således mest oplagt at gennemføre for opgaver, hvor hverken producenter, brugere eller politisk ideologi hindrer konkurrenceudsættelse. Dette vil fx gælde sektorer, hvor der gennemføres udvidelser af den kommunale kapacitet, fx som konsekvens af stigende efterspørgsel eller en forbedret intern økonomi, der muliggør en serviceudvidelse. Set i dette lys er det fx forbundet med færre politiske risici at øge konkurrenceudsættelsen på ældreområdet, hvor den demografiske udvikling betyder et stigende kapacitetsbehov, sammenlignet med daginstitutionsområdet, hvor en øget anvendelse af private leverandører i højere grad vil reducere den kommunale produktion. Foruden udviklingen i sektorens kapacitet er en alternativ måde at øge konkurrenceudsættelse på simpelthen at gennemføre fritvalsordninger, hvor det er brugerne, som i højere grad træffer leverandørbeslutningen (Højlund, 2006).

Tabel 5: Estimerede sandsynligheder for at hovedfaktorerne effekt på konkurrenceudsættelse ikke er forskellig på tværs af sektorer, 2007-2013

	Byudvikling og miljø vs. vejbelægning	Byudvikling og miljø vs. hjemmehjælp (frit valg)	Byudvikling og miljø vs. beskæftigelse	Vejbelægning vs. hjemmehjælp (frit valg)	Vejbelægning vs. beskæftigelse	Hjemmehjælp (frit valg) vs. beskæftigelse	Alle fire sektorer
Økonomisk pres	0,205	0,000***	0,004***	0,963	0,694	0,332	0,000***
Kommunestr. (log)	0,123	0,928	0,028**	0,161	0,009***	0,002***	0,010**
Adm.prof. (pr. 10.000 indb.)	0,480	0,310	0,945	0,979	0,556	0,477	0,647
Andel venstre- orienterede mandater	0,958	0,000***	0,020**	0,211	0,216	0,741	0,002***

Note: * signifikant ved 0,10-niveau, ** signifikant ved 0,05-niveau, *** signifikant ved 0,01-niveau. Estimerede sandsynligheder (fra chi2-forde-lingen) for, at sammenhængen mellem de fire hovedfaktorer og konkurrenceudsættelse ikke er statistisk forskellig på tværs af sektorer. Estimeret via seemingly unrelated estimation på baggrund af model 2-5 i tabel 4.

Konklusion

Denne artikel bygger ovenpå den eksisterende forskning i årsager til konkurrenceudsættelse ved at foreslå sektorafhængige forklaringer på konkurrenceudsættelse samt at teste hypoteserne på fire teoretisk udvalgte sektorer, hvor målingsvaliditeten er høj. Artiklen tager udgangspunkt i fire hovedfaktorer bag konkurrenceudsættelse, økonomisk pres, kommunestørrelse, administrationsprofessionelle og ideologi. Der argumenteres for, at disse fire hovedfaktorer er relateret til konkurrenceudsættelse på forskellige måder afhængig af tre modererende sektorvariable, nemlig styrken af producent- og brugerinteresser, ydelsens produktionsfunktion og den anvendte markedsform. På baggrund af disse tre variable udvikles således sektorafhængige hypoteser, der testes for byudvikling og miljø, vejbelægning, hjemmehjælp og beskæftigelse med data fra 2007 til 2013. Resultaterne bekræfter overordnet, at faktorerne bag konkurrenceudsættelse virker forskelligt på tværs af sektorerne. Økonomisk pres øger således konkurrenceudsættelsen i sektorer med relativt svage producent- og brugerinteresser, mens sammenhængen er negativ for områder med stærke producent- og brugerinteresser samt for fritvalgsordningerne. For ideologi er betydningen af partifarve virksom for sektorer, hvor privat produktion udgør et direkte alternativ til kommunal produktion. Endelig er små kommuner som forventet mere tilbøjelige til at konkurrenceudsætte opgaver med høje faste omkostninger og ustabil efterspørgsel, hvorimod effekten af administrationsprofessionelle ikke synes at være sektorafhængig.

Note

1. På vejbelægningsområdet er der tendens til, at en del kommuner vælger at udlicitere 100 pct. Som robusthedstest køres derfor en Tobit-regression med 100 som "upper limit" for vejbelægning, hvilket giver stort set identiske resultater som den valgte OLS-estimation i tabel 4.

Supplerende materiale

Supplerende materiale til artiklen findes på www.politica.dk.

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Supplernde materiale

Til artikel: Foged, Søren Kjær (2015): ”Årsager til konkurrenceudsættelse i danske kommuner, 2007-2013: Fra generelle til sektorafhængige forklaringer”

Tabel 6: Oversigt over kvantitative studier i årsager til konkurrenceudsættelse i danske kommuner, 2003-2013

Studie	Kommune	Sektor	Data og analyseperiode	Metode	Alfhængig variabel*	Uafhængige variable og operationalisering	Fund* ***
Houlberg (2012)	Nye	Alle	Registerdata 2003-2011	OLS	PLI (2012-def.)	Øko. pres: Udgiftsbehov / korrigeret beskatningsgrundlag Størrelse: Indbyggertal (ln) Interessegrupper: DJØF'ere pr. 10.000 indb.	0 0 0 -
Houlberg (2012)	Nye	HKT 0	Registerdata 2003-2011	OLS	PLI (2012-def.)	Ideologi: Partiernes mandatandel Øko. pres: Udgiftsbehov / korrigeret beskatningsgrundlag Størrelse: Indbyggertal (ln) Interessegrupper: DJØF'ere pr. 10.000 indb.	0 0 0 0
Houlberg (2012)	Nye	HKT 2	Registerdata 2003-2011	OLS	PLI (2012-def.)	Ideologi: Partiernes mandatandel Øko. pres: Udgiftsbehov / korrigeret beskatningsgrundlag Størrelse: Indbyggertal (ln) Interessegrupper: DJØF'ere pr. 10.000 indb.	0 0 - 0
Houlberg (2012)	Nye	HKT 3	Registerdata 2003-2011	OLS	PLI (2012-def.)	Ideologi: Partiernes mandatandel Øko. pres: Udgiftsbehov / korrigeret beskatningsgrundlag Størrelse: Indbyggertal (ln) Interessegrupper: DJØF'ere pr. 10.000 indb.	0 0 0 -
Houlberg (2012)	Nye	HKT 4	Registerdata 2003-2011	OLS	PLI (2012-def.)	Ideologi: Partiernes mandatandel Øko. pres: Udgiftsbehov / korrigeret beskatningsgrundlag Størrelse: Indbyggertal (ln) Interessegrupper: DJØF'ere pr. 10.000 indb.	0 0 0 0
Houlberg (2012)	Nye	HKT 5	Registerdata 2003-2011	OLS	PLI (2012-def.)	Ideologi: Partiernes mandatandel Øko. pres: Udgiftsbehov / korrigeret beskatningsgrundlag Størrelse: Indbyggertal (ln) Interessegrupper: DJØF'ere pr. 10.000 indb.	0 0 + 0
Houlberg (2012)	Nye	HKT 6	Registerdata 2003-2011	OLS	PLI (2012-def.)	Ideologi: Partiernes mandatandel Øko. pres: Udgiftsbehov / korrigeret beskatningsgrundlag Størrelse: Indbyggertal (ln) Interessegrupper: DJØF'ere pr. 10.000 indb.	0 - 0 -
Dahl og Houlberg (2010)	Nye	Alle	Registerdata 2008	OLS	IKU (2010-def.)	Ideologi: Partiernes mandatandel Øko. pres: Udgiftsbehov / korrigeret beskatningsgrundlag Størrelse: Indbyggertal (log) Interessegrupper: DJØF'ere pr. 10.000 indb.	0 0 + -
Bhatti, Olsen og Pedersen (2009)	Gamle	Alle	Registerdata 2002-2006	OLS	UI	Ideologi: Partiernes mandatandel Øko. pres: Beskatningsgrundlag Størrelse: Indbyggertal (log) Interessegrupper: DJØF'ere pr. 10.000 indb.	- 0 + -
Christensen (2009)	Gamle	Alle	Registerdata 2003-2005	OLS	PLI (2010-def.) og UI	Ideologi: Borgmesterens parti Øko. pres: Beskatningsgrundlag Størrelse: Indbyggertal Interessegrupper: DJØF'ere pr. 10.000 indb. Ideologi: Borgmesterens parti og partiernes	+ 0 + + (-)

						mandatandel	
Hansen, Mols og Villadsen (2008)	Nye	4 udvalgte opgaver**	Surveydata 2007 (svarprocent 43 pct.)	OLS	Selv vurderet privatleverandørandel, indeks	Øko. pres: Testes ikke Størrelse: Oplevede stordriftsfordele/kapacitet Interessegrupper: Testes ikke Ideologi: Testes ikke	-
Pallesen (2004)	Gamle	Alle	Registerdata 1985-1997	OLS	UI	Øko. pres: Beskatningsgrundlag og korrigeret beskatningsgrundlag Størrelse: Indbyggertal Interessegrupper: Testes ikke Ideologi: Borgmesterens parti	- (-) 0
Christofferse n og Paldam (2003)	Gamle	12*** udvalgte opgaver	Surveydata 1997 (svarprocent 99 pct.)	Logit	Selv vurderet privatleverandørandel, indeks	Øko. pres: Ændring i indbyggertal (netto) Størrelse: Indbyggertal (ln) Interessegrupper: (offentligt ansatte vælgere + vælgere med over 50 pct. af indkomst fra overførsler) / alle vælgere Ideologi: Borgmesterens parti og partiernes mandatandel	+ (+) (-) 0

Note: * PLI (2012-def.): Privatleverandørindikator efter 2012-definitionen. PLI (2010-def.): Privatleverandørindikator efter 2010-definitionen. IKU (2010-def.): Indikator for Konkurrenceudsættelse efter 2010-definitionen. UI: Udliciteringsindikator. ** Skolerengøring, veje, IT og jobaktivering. *** Opgaver under brandvæsen, biblioteker, varekøb, affald, skolerengøring, transport og ambulancekørsel. **** Plus indikerer en positiv, signifikant sammenhæng, minus indikerer negativ, signifikant sammenhæng og nul udtrykker ingen signifikant sammenhæng. Parentes om resultat indikerer, at sammenhængen bekræftes delvist.

Tabel 7: Operationalisering af variable

Variabel	Operationalisering	Kilde
Variable i hovedmodellerne		
PLI - Alle områder	Andel konkurrenceudsatte tjenesteydelser for alle kommunens sektorer beregnet på baggrund af 2012-definitionen af PLI.	De kommunale nøgletal
PLI - Byudvikling og miljø	Andel konkurrenceudsatte tjenesteydelser på hovedkonto 0 (Byudvikling, bolig- og miljøforanstaltninger) beregnet på baggrund af 2012-definitionen af PLI.	Danmarks Statistik
PLI – Vejbelægning	Andel konkurrenceudsatte tjenesteydelser på funktion 2.28.12 (Belægninger mv.) beregnet på baggrund af 2012-definitionen af PLI.	Danmarks Statistik
PLI - Hjemmehjælp (frit valg)	Andel konkurrenceudsatte tjenesteydelser på funktion 5.32.32 (Pleje og omsorg mv. af ældre og handicappede) beregnet på baggrund af 2012-definitionen af PLI.	Danmarks Statistik
PLI – Beskæftigelse	Andel konkurrenceudsatte tjenesteydelser på hovedfunktion 5.68 (Arbejdsmarkedsforanstaltninger) beregnet på baggrund af 2012-definitionen af PLI.	Danmarks Statistik
Økonomisk pres	Udgiftsbehov pr. indbygger divideret med summen af beskatningsgrundlag pr. indbygger, udligning og tilskud pr. indbygger og nettorenter.	De kommunale nøgletal
Kommunestørrelse	Indbyggertal pr. 1. januar i året.	De kommunale nøgletal
Administrationsprofessionelle (pr. 10.000 indb.)	Antal medlemmer af Dansk Jurist- og Økonomforbund (DJØF) pr. 10.000 indbyggere d. 1. juli i året. For enkelte observationer oplyser DJØF mellem 0 og 6 DJØF'ere grundet persondatabeskyttelse. I disse tilfælde er observationen omskrevet til middelværdien 3.	Dansk Jurist- og Økonomforbund (DJØF)
Ø-kommune	Dummy for kommuner beliggende på ø med mindre end 10.000 indbyggere og uden fast forbindelse. Langeland er medtaget.	Egen kodning
Sammenlægningskommune	Dummy for kommuner, der sammenlagdes i 2007. Ærø medtaget trods sammenlægning året før i 2006.	Egen kodning
Vejlængde (meter pr. indb.)	Længden af kommunalt ejede veje divideret med kommunens indbyggertal.	Vejdirektoratet
Andel ældre over 65	Antallet af ældre over 65 år divideret med kommunens indbyggertal.	De kommunale nøgletal

Andel arbejdsløse	Antallet af arbejdsløse divideret med kommunens indbyggertal.	De kommunale nøgletal
<i>Variable i robusthedstest</i>		
Beskatningsgrundlag pr. indbygger for udligning (2013-priser DKK)	Beskatningsgrundlag pr. indbygger før udligning i 2013-priser,	De kommunale nøgletal
Venstreorienteret borgmester	Dummy for borgmester fra enten Socialdemokraterne (A), Socialistisk Folkeparti (F) eller Enhedslisten (Ø)	Venligst stillet til rådighed af Ulrik Kjær (ulk@sam.sdu.dk)
Lokalliste borgmester	Dummy for borgmester fra lokalliste.	Venligst stillet til rådighed af Ulrik Kjær (ulk@sam.sdu.dk)

Tabel 8: Faktorer bag konkurrenceudsættelse på fire sektorer, 2007-2013 (robusthedstest med alternative indikatorer)

	(1) Alle områder	(2) Alle områder	(3) Byudvikling og miljø	(4) Byudvikling og miljø	(5) Vejbelæ gning	(6) Vejbelæ gning	(7) Hjemmehjælp (frit valg)	(8) Hjemmehjælp (frit valg)	(9) Beskæfti gelse	(10) Beskæfti gelse
Økonomisk pres	-0.0406 (-0.47)		0.588* (1.94)		-1.106 (-1.18)		-0.324* (-1.98)		-0.935* (-1.96)	
Besk grundlag pr. indb. (10.000 DKK)		0.0716 (0.61)		-1.355*** (-2.73)		0.663 (0.48)		0.532* (1.94)		1.638** *
Kommunestørrelse (log)	-1.094* (-1.86)	-0.843 (-1.57)	-1.616 (-0.81)	-1.704 (-0.80)	-7.151* (-1.94)	-7.696* (-1.90)	-1.688 (-1.63)	-2.266** (-2.05)	5.594** (2.50)	5.485** (2.50)
Administrationsprofessionelle (pr. 10.000 indb.)	* (2.66)	0.372** (2.51)	0.0357 (0.07)	0.256 (0.50)	0.588 (0.93)	0.666 (1.03)	0.768* (1.70)	0.721 (1.43)	0.248 (0.61)	0.174 (0.41)
Andel venstreorienterede mandater		-0.0250 (-1.10)		-0.302*** (-2.71)		-0.339 (-1.13)		0.0524 (0.87)		0.140 (1.08)
Venstreorienteret borgmester	-0.758 (-1.19)		-6.569*** (-3.15)		-5.905 (-1.07)		-0.895 (-0.59)		2.584 (0.97)	
Lokalliste borgmester	-1.524 (-1.27)		-3.652 (-0.85)		9.600 (1.34)		-3.188 (-1.55)		-0.727 (-0.10)	
Ø-kommune	1.755 (0.79)	0.223 (0.12)	13.24 (1.36)	12.32 (1.24)	-17.02* (-1.83)	-16.03 (-1.62)	-9.163* (-1.96)	-7.482 (-1.48)	-4.424 (-0.54)	-3.495 (-0.38)
Sammenlagt i 2007	1.106 (1.28)	0.924 (1.04)	4.947 (1.30)	2.708 (0.71)	9.079 (1.01)	9.364 (0.97)	0.973 (0.37)	1.571 (0.62)	-1.835 (-0.57)	-0.302 (-0.09)
Årsumdummies (ref. = 2007))										
2008	1.252** * (5.30)	1.110** * (5.63)	1.995 (1.63)	3.279*** (2.89)	-1.874 (-0.75)	-3.509 (-1.28)	-0.149 (-0.28)	-0.753 (-1.60)	4.078* (1.94)	1.631 (1.01)
2009	1.165** * (2.79)	1.014** * (3.50)	1.133 (0.74)	3.342*** (2.81)	-3.686 (-1.05)	-7.140** (-2.47)	-2.197* (-1.94)	-3.196*** (-3.12)	9.987** * (4.10)	6.817** * (4.66)
2010	1.574** * (3.19)	1.676** * (3.88)	-0.820 (-0.47)	1.734 (1.06)	-2.716 (-0.83)	-4.506 (-1.08)	-3.984** (-2.52)	-5.222*** (-3.49)	17.38** * (6.57)	14.21** * (4.21)
2011	1.208** * (2.55)	1.339** * (3.20)	-0.582 (-0.34)	1.900 (1.04)	-2.763 (-0.77)	-4.086 (-0.84)	-4.403** (-2.52)	-5.388*** (-3.19)	18.08** * (5.54)	15.27** * (3.99)
2012	1.277* (1.95)	* (2.73)	-0.809 (-0.36)	2.254 (1.11)	3.117 (0.86)	0.762 (0.16)	-4.208* (-1.73)	-5.361** (-2.30)	* (6.52)	* (4.13)
2013	1.497** (2.03)	* (2.64)	1.091 (0.42)	4.991* (1.95)	1.898 (0.48)	-0.744 (-0.12)	-4.353 (-1.48)	-5.660** (-2.02)	* (5.74)	* (2.90)
Vejlængde (meter pr. indb.)					0.522 (1.04)	0.281 (0.57)				
Andel ældre over 65							0.0763 (0.20)	-0.146 (-0.37)		
Andel arbejdsløse									-0.431 (-0.35)	-0.831 (-0.72)
Konstant	32.28** * (6.07)	28.37** * (4.52)	39.65** (2.05)	88.04*** (3.71)	171.1** * (3.60)	149.2** (2.21)	38.67** (2.46)	28.24* (1.79)	6.527 (0.26)	-47.90* (-1.73)
N	686	677	686	677	496	493	686	677	685	676
r ²	0.246	0.203	0.158	0.174	0.110	0.105	0.223	0.210	0.265	0.261
F	10.98	12.26	4.056	3.419	2.532	2.208	5.422	6.232	11.20	11.81

Note: * signifikant ved 0,10-niveau, ** signifikant ved 0,05-niveau, *** signifikant ved 0,01-niveau. Poolede OLS-regressioner med klyngekorregerede standardfejl, hvor den enkelte kommune udgør en klynge. Ustandardiserede betakoefficienter med t-værdi i parentes Alle 98 kommuner indgår i specifikationerne.

Article 8

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Article

Public Sector Unions and Privatization: Evidence From the Eldercare Sector in Danish Municipalities

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Abstract

Privatization varies considerably among local governments. One of the oft-listed explanations is the ability of public employees to block privatization. However, many studies on the influence of public employees on privatization do not use very precise measures of the influence of public employees, they have been unable to isolate a one-way effect, and the studies have not been attentive to whether the effect varies for different market forms. In this article, we focus on privatization in Denmark through a voucher market without price competition for eldercare services. Using new data for all 98 Danish municipalities in 2012, we are able to measure the strength of the public eldercare union as well as the number of the public eldercare workers relative to the number of local voters. We find that the increased union strength measured in terms of union density at the municipal level leads to substantially and significantly less privatization through the voucher market. By comparison, the estimated relationship between the relative number of public workers and privatization does not reach statistical significance. Features of the voucher market and qualitative evidence suggest that the union influence primarily goes through a direct user channel, that is through union influence directed at the service users, whereas a minor effect possibly runs through a political channel, that is lobbying directed at the local politicians.

Introduction

With the exception of a brief period in the 1980s, the influence of public employees and their unions on public policy has generally been an understudied subject in political science and economics (Anzia and Moe 2015). This is also the case regarding the literature on local government privatization, where one would expect public employees and their unions to have particularly strong preferences (Boyne 1998; Vrangbæk, Petersen, and Hjelm 2015). The privatization literature has long acknowledged the potential importance of public employees and their unions for marketization, but the literature has failed to address the issue convincingly for theoretical and methodological reasons (Boyne 1998; Jallette and Hebdon 2012). Particularly in Europe, the effect of public

employees on privatization has received remarkably little attention. As indicated, a literature review from 2007 found that only one quantitative European study had examined public employees with an indicator that was not by definition endogenous to privatization (Bel and Fageda 2007, 526). This lack of research on the relationship between special interest groups and privatization is noteworthy since variation in privatization across policy areas could be due to differences in the political influence of special interest groups (Foged 2015a; Petersen, Houlberg, and Christensen 2015). Moreover, the drivers of privatization, such as interest groups, possibly vary for different market types, such as voucher markets and contracting out (Bel, Brown, and Warner 2014; Hefetz and Warner 2012; Lowery 1998).

This article focuses on a specific market type in the form of a voucher market, a so-called free choice market, for elderly home care services financed and provided by Danish municipalities. It is a policy area with a great potential for privatization and considerable variation among localities (Petersen and Hjelmar 2014). By using new data on union density for the dominant union for public eldercare workers together with data for the number of these workers relative to the number of local voters, we are able to measure the effect of public employees on privatization.

The article contributes to the existing research by, firstly, integrating the privatization literature with the literature on public sector unions as a special interest group. Second, the article offers methodological and theoretical improvements to the existing research by using more precise measures of the influence of public employees and by building and testing a theoretical model of the relationship between public employees and privatization through a voucher market. The outline of this article is as follows: first, we review the literature on privatization and the effect of special interest groups on public policy. This leads to our theoretical model and hypotheses. The section on Data and Research Methods describes the case of eldercare services in Danish municipalities and presents the data. The Results section hereafter contains the econometric tests and the qualitative evidence gathered through the interviews. Finally, we conclude and discuss the implications of the findings.

LITERATURE REVIEW AND HYPOTHESES

Privatization Through a Voucher Market

Researchers of privatization have often documented that privatization has implications for a wide range of societal concerns, including service costs, service quality, segregation, and working conditions (Böhlmark and Lindahl 2007; Domberger and Jensen 1997; Hodge 1998; Sandström and Bergström 2005; Stolt, Blomquist, and Winblad 2011; Vrangbæk, Petersen, and Hjelmar 2015). Given these consequences of privatization, many scholars have also directed attention to the politics of privatization in an attempt to understand the drivers behind the use of private suppliers (Bel, Brown, and Warner 2014; Bel and Fageda 2009; Boyne 1998; Girth et al. 2012; Hebdon and Jalette 2008; Hefetz and Warner 2012; Levin and Tadelis 2010). By privatization we mean the various ways public entities can try to structure a market (Warner and Hebdon 2001), in this particular case by allowing private suppliers to compete with one another and the municipal provider in a voucher market without price competition (see section on Data and Research Methods). Here we use “privatization” synonymously with the private market share.

The article examines the drivers behind the privatization of a well-defined market, a free choice market for elderly home care services. This particular market can be characterized as a voucher market without direct price competition (Bailey 1999; Savas 1987), since the private contractors in the Danish case are paid the long-term production costs of the individual municipality. Instead, the competition between the private contractors and the municipal provider is essentially over service quality.

According to Lowery (1998), although such quasi-markets are typically established to deal with the lack of efficient public production, quasi-markets, such as contracting and voucher markets, can themselves be subject to three possible forms of market failures: failure in market formation, failure by preference errors, and failure by preference substitution (Lowery 1998, 141). These potential failures can be present on both the demand and supply sides of the market (Hipp and Warner 2008). Market formation failures involve challenges such as the lack of a sufficient supply of private contractors. Preference error failures involve challenges such as asymmetric information in the relationship between public authorities, contractors, and the ultimate user, whereas preference substitution failures involve misaligned preferences between the public authority, the user, and the providers. In that context, Lowery (1998) hypothesized that preference error failures could be a particular concern for voucher markets compared to traditional contracting because individual consumers could suffer more from information asymmetries than public authorities with hired experts. Due to these information asymmetries, Lowery also noted that the vendors in voucher markets could have particularly strong incentives to engage in the preference manipulation of service users, for instance via intense advertising (Lowery 1998, 151).

The empirical research on voucher markets has thus far focused more on the effects than on the drivers behind them. These voucher market effects have been investigated in areas such as Swedish schools (Böhlmark and Lindahl 2007; Sandström and Bergström 2005), eldercare, child care and the operation of nursing homes in Denmark and Sweden (Petersen and Hjelmar 2014), job training in Germany and the United States (Hipp and Warner 2008), as well as child care in Australia, the Netherlands, and the United States (Warner and Gradus 2011). Besides highlighting the often severe methodological challenges related to data and accounting for service quality and transaction costs in these studies (Petersen and Hjelmar 2014), the evidence reveals a mix of negative and positive effects from a voucher market. The reported negative effects include creaming, reduced service quality, increased transaction costs, and an uneven geographical supply

(Hipp and Warner 2008; Warner and Gradus 2011). On the positive side, however, some studies find improved service quality, increased demand among users, and an increase in supply (Böhlmark and Lindahl 2007; Sandström and Bergström 2005; Warner and Gradus 2011).

Privatization and Public Employees as a Special Interest Group

In this article, we argue that the political influence of interest groups, here focusing on public employees, has been understudied in the privatization literature, although interest groups should have explanatory power for differences in privatization. The study of the political effects of public sector unions and public employees on public policy is part of a relatively new but growing literature. Except for a short period in the 1980s, much of the research on public policy variation and special interest organizations did not deal with the influence of one group, for which public policy should have the most important consequences, namely public employees and their unions (Anzia and Moe 2015). This lack of scholarly interest is remarkable given that many public policy decisions have direct and influential consequences for public sector employees and the unions representing them. Especially privatization should be a public policy decision of high political salience for both public sector employees and their unions, since privatization should have direct consequences for public employees themselves (Vrangbæk, Petersen, and Hjelmar 2015) as well as putting their unions at the risk of losing members to private sector unions or nonorganization.

The Effect of Public Sector Unions on Privatization: Previous Literature

In acknowledging the potential influence of interest groups, the privatization literature has continuously mentioned interest groups (particularly those representing public employees) among the four main factors behind privatization. The other drivers are fiscal stress, public preferences, and scale and market structures, including public organizations as smart sellers and buyers (Amirkhanyan 2006; Bel and Fageda 2009; Boyne 1998). Among these four factors, the influence of interest groups, public employees in particular, is probably the single factor behind privatization where methodological challenges have done the most to limit the number and quality of studies. Where recent research has seen advances in estimating the effect of ideology (Elinder and Jordahl 2013; Guardiola, Gonzalez Gomez, and Garcia Rubio 2010; Sundell and Lapuente 2012), fiscal stress (Guardiola, Gonzalez Gomez, and Garcia Rubio 2010), and scale and market characteristics (Foged 2015b; Girth et al. 2012; Hefetz and Warner 2012), the influence of interest groups remains an outstanding

issue due to some of the same challenges highlighted by George Boyne more than 15 years ago (Boyne 1998).

The theoretical and methodological challenges concern the following issues. First, the privatization literature has proposed opposing mechanisms for the relationship between public employees and privatization without resolving the theoretical net impact (Boyne 1998, 157) and without differentiating between the effects and mechanisms for different market types. For once, the possible negative effect of public employees on privatization has been difficult to separate from a supposedly opposite effect due to more favorable working conditions (and in turn higher public production costs) in more unionized municipalities. Furthermore, whether the effect of public employees varies according to the particular market form has not been sufficiently dealt with in the literature. For instance, one might hypothesize that interest groups are particularly important in a voucher market compared to a contracting out market due to greater information asymmetries between the producers and the decision-maker in a voucher market than in a contracting out market (Lowery 1998).

Second, many studies remain susceptible to methodological problems, reverse causality in particular (Bel and Fageda 2007; Boyne 1998, 159). This becomes especially evident in the many studies where the influence of public employees is measured as the ratio of public employees to the number of inhabitants, which per definition is endogenous to privatization (Bel and Fageda 2007).

A minor body of North American studies has carried out pioneering work regarding public sector unions and privatization. These studies have generally highlighted two opposing theoretical mechanisms (Chandler and Feuille 1994; Hirsch and Osborne 2000; Jalette and Hebdon 2012). On the one hand, public employees can use their political clout to block privatization, which ought to be easier if the employees are organized. On the other hand, heavily organized public employees should increase public production costs due to more restrictive labor agreements, thereby increasing the public premium of privatization.

Different indicators have been used when accounting for the effect of public employees, including a dummy variable for organized workers (Chandler and Feuille 1994; Jalette and Hebdon 2012; Levin and Tadelis 2010), a dummy variable for the existence of a collective/restrictive labor agreement (Fernandez, Ryu, and Brudney 2008; Hebdon and Jalette 2008), the perceived opposition to privatization among line employees (Fernandez, Ryu, and Brudney 2008; Hefetz and Warner 2004), and the union density or number of union branches within a local government (Ferris 1986; Hirsch 1995; Jalette and Hebdon 2012;

Warner and Hebdon 2001). The studies with these indicators have produced mixed results, most of them reporting either a negative or no association between public employees and privatization.

Studies finding a negative effect have pointed out the conditional nature of this association, existing only for traditional contracting out and not for other types of restructuring (Levin and Tadelis 2010; Warner and Hebdon 2001) or only under cooperative relations with the municipal decision-makers (Chandler and Feuille 1994; Jalette and Hebdon 2012). In contrast, studies finding a positive association have explained this association with the higher financial premium of privatization when public workers are employed under relatively lucrative working agreements (Fernandez, Ryu, and Brudney 2008). Finally, studies reporting no effect of public employees have seen this as an expression of the two effects cancelling each other out (Hebdon and Jalette 2008; Jalette and Hebdon 2012).

In sum, although the above-mentioned studies have been valuable contributions, theoretical and methodological challenges still exist. First, the indicators used for public employees are often crude and susceptible to reverse causality. Second, with the two theoretical mechanisms running in different directions and possibly being different for various market forms, it is difficult to identify the separate effects. This article specifically addresses these challenges. The next section describes the previous literature within the area of public sector unions upon which we build our theoretical argument.

The Effect of Public Employees and Their Unions on Public Policy
In theory, public employees can affect public policy both as individual voters and as union members. As individual voters, public employees should matter for politicians since public workers can hold particularly strong preferences for public policies due to the fact that these policies can directly affect their working conditions. Several Scandinavian studies seem to suggest such a “public sector voter” channel. A study of the electoral behavior in a Danish municipal election finds that public employees tend to vote at a higher propensity than other voters, especially if working in their municipality of residence (Bhatti and Hansen 2013). The authors interpret this finding as public employees using the opportunity to elect their own “employers.”

Data from a Norwegian survey also suggest that Norwegian public employees are more sensitive to public sector reform when voting, which should give them status as swing voters and in some models of voting give them more influence as voters (Rattsø and Sørensen 2004). Bonesrønning (2013), trying to assess the consequences of public employees’ political preferences, finds that the successful implementation of an educational reform in Norwegian municipalities is

negatively associated with the share of public employees in a given municipality. He refers to the ability of public employees to shape school leaders’ attitudes toward reform as a potential mechanism. Moreover, in an earlier study on market orientation in Danish municipalities, Christoffersen and Paldam (2003) found that municipalities with a larger share of voters who are dependent on either public transfers or public salaries are significantly less market oriented.

Besides being individual voters, public employees can also organize. Formal organization¹ through increased unionization helps to pool resources and provides greater mobilization potential and clout when lobbying politicians. So, the ability of public sector unions to gain and maintain a high level of union membership would be seen as crucial to their political influence at the local level. In accordance with this view, Campbell and Sances (2013) find that American states with higher public union density were more likely to use tax increases rather than budget cuts when consolidating state finances in the wake of the 2008 financial crisis. Freeman and Han (2012) find tentative evidence that US states with higher public union density and more public sector collective bargaining have higher fiscal deficits and more public debt. In an even newer item of research, Anzia and Moe (2015) survey the influence of public sector unions on US municipalities and argue that unionism and public sector collective bargaining increase municipal spending on wages and benefits for public sector workers. In sum, whereas most studies have looked at union influence on political decisions (political channel), the direct influence on the service users (user channel) has been studied less. Such a user channel could be of particular importance in a voucher market due to greater information asymmetries between the producers and the decision-maker in a voucher market than in a contracting out market.

Theoretical Framework and Hypotheses

Building on the above-mentioned literatures on privatization and special interest politics, we expect special interest groups within the area of public service provision, such as public sector unions, to have large stakes in privatization and often to hold other and more intense preferences than the general voter. This expectation builds on the assumption that the organizations’ resources² and the welfare of their members depend more on the structure of public service provision,

1 In the study of special interest groups, this is often thought as “solving the collective action problem” among potential group members with a common interest. This issue has been at the forefront of the research on interest groups, including unions, since Olson (1965).

2 As previously argued, increased privatization might increase a public sector union’s risk of losing members to nonorganization or private sector unions.

including the level of privatization, than the general voter. For instance, where the impact of privatization on price and quality can be diffused for the general voter, the organizational resources of public unions and the general working conditions of its members can experience concentrated implications of privatization (Olson 1965; Vrangbæk, Petersen, and Hjelmar 2015). Similarly, in addition to being opposed to privatization as union members, public employees can also oppose privatization as individual voters due to self-interest and ideological convictions (see Hypothesis II: Public Employees as Individual Voters).

How does the relationship between public employees and their unions on the one hand and privatization on the other hand look like for a voucher market? For the relationship between public unions and privatization we hypothesize that a voucher market reinforces a negative association between the two. This is due to the expectation that union lobbying directed at the service users can be particularly effective due to high information asymmetries between producers and users and because the ability for local politicians to influence the level of privatization (and therefore reap potential cost savings in heavily unionized localities) can be limited for voucher markets where the service user makes the final producer choice. The magnitude of such a negative relationship between union strength and privatization of cause, in turn, depends on the specific features of the voucher market such as whether or not a price competition exists and the ability for local politicians to determine local market conditions (see section on Data and Research Methods). For the relationship between public employees as individual voters and privatization, we also expect a negative association to be present for a voucher market, at least to the extent that local politicians are able to affect local privatization.

In addition to differentiating between public employees as individual voters and union members, we propose a theoretical model with two channels of influence: a user channel and a political channel (see figure 1). We argue that the user channel will generally be particularly important in a voucher market and probably more important than the political channel, since the user is ultimately making the choice (Lowery 1998). To stress this hypothesized importance of the user channel over the political channel, the political channel is illustrated with a dashed line in figure 1.

Hypothesis I: Public Employees as Union Members

The theoretical mechanism of the effect of public unions is outlined in figure 1. The hypothesis is that public union strength potentially affects the level of privatization through a user channel and a political channel. The user channel should work through general local opinion formation, such as formal and informal advertising, and, when possible, through direct interaction between public union members and the service users, such as direct contact through function testing and service delivery. Such a user channel was already proposed by Lowery (1998), albeit while focusing less on public unions than on the direct influence of private contractors on the service users.

In the presence of a better organized local workforce, local union activists can therefore mobilize local workers against private contractors more easily, as they have better access to contact information and unionized personnel are more likely to attend union-organized meetings and events (Iversen and Soskice 2015).³ This in turn

3 This mobilization effect of union membership is prevalent in the general and comparative study of the political-economic effect of unionization; see Iversen and Soskice (2015) for an example.

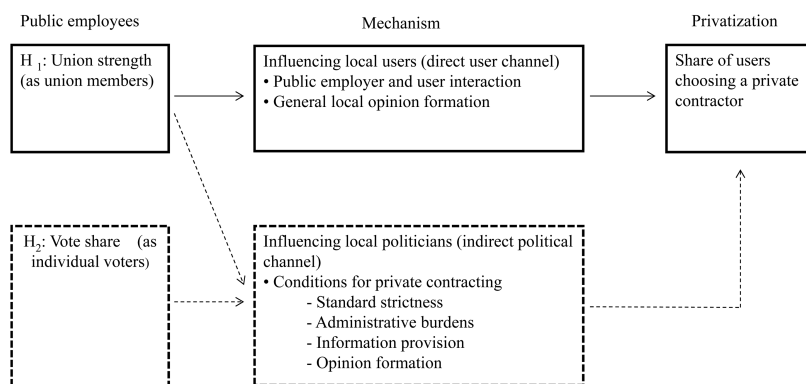


Figure 1 The influence of public employees on privatization through a voucher market.

causes more public workers to provide a negative image of private contractors when performing their jobs.

Besides the user channel, public unions can also influence local politicians (Anzia and Moe 2015; Campbell and Sances 2013; Freeman and Han 2012). Although these politicians do not make the final production choice in the case of a voucher market, they can in theory still affect the conditions for private contracting within the jurisdiction. Depending on the specific market regulation, local politicians can directly or by influencing the local administration set various approval and quality requirements pertaining to private vendors; they can influence the level of administrative burdens for private contractors in general, rendering it more or less easy for private contractors to operate; and they can influence the general level of information they provide to the potential users about the opportunity to use private contractors. Furthermore, local politicians can directly try to influence the local public opinion about the use of private contractors.

When influencing local politicians, increasing the local unionization empowers local union activists and leaders with greater financial resources and—and perhaps more importantly—a more powerful argument in favor of them “representing” the local workers. This gives union activists and formal leaders more clout when lobbying municipal politicians. Furthermore, greater local union capacity makes it easier to mobilize the public workers to protest and/or petition against initiatives, which could increase privatization. In sum, we hypothesize that:

H₁: A greater union strength among affected public employees negatively affects the level of privatization in a voucher market.

Hypothesis II: Public Employees as Individual Voters

Another potential effect of public workers on privatization is through a more pure voting channel. We simply hypothesize that the political clout of the affected public workers should increase with their vote share and we assume that they will be opposed to privatization both out of self-interest and ideological convictions. The pure self-interest channel relates to job security considerations, since affected public sector workers would face at least perceivably less job security under privatization as well as the overall assumption that public sector workers are generally harmed, at least in the short run, by increased privatization (Vrangbæk, Petersen, and Hjelmar 2015).

On the purely ideological side, we simply assume that public sector workers hold more pro-public sector views in line with previous research on the political attitudes of public sector employees (Jensen, Sum, and Flynn 2009; Tepe 2012), which would lead them to prefer public as opposed to private production and accordingly to oppose privatization. Thus, a larger

share of the affected public workers in the electorate could make local politicians cautious in terms of creating favorable conditions for private contracting, at least to the extent that the local politicians can affect these conditions. In sum, we hypothesize that:

H₂: A greater share of affected public workers to all voters negatively affects the level of privatization in a voucher market.

DATA AND RESEARCH METHODS

The Voucher Market for Eldercare Services in Danish Municipalities

The 2003 Reform and Private Market Share

Our case for testing the effect of public sector unions and public employees on privatization is eldercare in Danish municipalities, which is a low-wage service area. Both in terms of those employed and the share of the municipal budget, eldercare is the single largest publicly financed social service at the municipal level in Denmark. The observed privatization within the Danish eldercare area consists mainly of the privatization of home care services through a voucher market. This free choice market for elderly home care services was introduced from the “outside” by the national government in 2003 (Bækgaard 2011, 3; Rostgaard 2006). The 2003 reform brought about a comprehensive reorganization of the municipal home care services, instructing the municipalities to make an internal organizational division between approval/supervision on the one hand and service delivery unit(s) on the other. Besides giving the elderly a free choice, the reform was intended to encourage cost-efficient production (Foged and Houlberg 2015).

The 2003 reform also greatly reduced the influence of local politicians over privatization. Not only did they have to hand over final decision-making to the users, the approval of private contractors also became a highly administrative issue, where private contractors almost automatically had to be approved if they conformed with local quality requirements (Foged and Houlberg 2015). The dominating voucher scheme did not introduce price competition, as each municipality had to pay the private contractors the municipality’s own long-term production costs. Consequently, Danish municipalities could set their own quality standards, equivalent to a certain price, and private contractors could seek local approval under these conditions. The service users could then freely choose between all of the approved contractors in the municipality, private and municipal alike (Bækgaard 2011).

These specific market characteristics of the Danish home care services favor the observation of a one-way effect from the opposition of public employees on

privatization through the user channel for three reasons: First, by looking at a free choice market imposed from the outside by the national government as late as 2003, it seems plausible that differences in the clout of public employees and their union, which by 2003 were long established in the municipalities (FOA 2015b), affected the local success of private contractors—not the other way around. Second, the reduction of the influence of local politicians on privatization due to the 2003 reform should make the user channel dominate the political channel even more than should already be the case for voucher markets. Finally, in addition to the diminished influence of local politicians, the absence of direct price competition excludes opposing economic incentives for privatization, because the introduction of private contractors does not directly affect the municipal production costs.

The free choice for home care services pertains to three types of services in the form of *practical help* such as cleaning, washing of clothes, and shopping, more complex *personal care* such as personal hygiene, and finally *food services*. The largest of these service areas is practical help and personal care, where the largest private market share exists for the relatively simple practical help services (Foged and Houlberg 2015). For practical help in particular, the market share of private producers gradually increased after 2003, and a structural reform in 2007 that reduced the number of municipalities from 271 to 98 seemed to support this consolidation of the private market (Foged and Houlberg 2015). Thus, one year after the implementation of free choice in 2004, 10% of the home care

receivers opted for a private contractor, a figure that had increased to 46% in 2013. For more complex personal services, the private market share also increased, although more slowly, meaning that the private market share increased from 1% in 2004 to 7% in 2013 (Bækgaard 2011, 13–4; Foged and Houlberg 2015, 21). In the observed year of 2012, the average municipality contracted out 19% of all eldercare services (see table 1). Moreover, the private market increase seemed to be supported by a parallel jump in demand due to the growing number of elderly.

Public Eldercare Workers and Their Union

We expect the relatively rapid implementation of a private free choice market to have affected the public employees in municipal eldercare as well as the position of their union, FOA (Trade and Work). FOA is the third largest union in Denmark and the largest “public” union, counting almost 200,000 essentially public sector workers. Among others, FOA organizes the social and health care workers, who care for the elderly and, together with the municipal employer organization, Local Government Denmark (LGDK), FOA negotiates the collective bargaining agreement that applies to all municipalities. In principle, FOA can also negotiate agreements with private contractors, but of the 480 approved private contractors in 2013, FOA had agreements with only 70 suppliers (FOA 2013b). In this way, it is easy to see why FOA would oppose a free choice market, since a private market almost automatically reduces the share of eldercare workers employed under FOA’s collective agreement. A drop

Table 1. Descriptive Statistics in 2012

Variable	Observations	Mean	SD	Min	Max
Eldercare privatization (%)	98	18.8	8.3	3.0	68.1
Union density (national average = 100)	98	98.6	12.0	66.0	118.0
Municipal eldercare employees (per 1,000 voters)	98	23.9	5.3	11.0	43.2
Elderly spending as a share of total spending (%)	98	12.4	2.0	7.5	18.2
Fiscal stress	98	0.32	0.04	0.19	0.39
Elderly over age 65	98	9,879	7,825	594	57,101
Area in km ²	98	438	371	9	1,495
Small island (dummy)	98	0.05	0.22	0	1
Large city above 100,000 inhabitants (dummy)	98	0.07	0.26	0	1
Amalgamated in 2007 (dummy)	98	0.67	0.47	0	1
Share of left-wing mandates (%)	98	45.9	12.6	10.5	78.9
Share of left-wing mandates in 2011 national election (%)	99	39.4	7.7	15.8	61.3
District organization (dummy)	98	0.43	0.50	0	1
Municipal costs per hour (DKK)	96	417	48	290	576
Number of private contractors	98	9.8	6.2	1	32
Vote share of elderly over age 65 (%)	98	24.5	3.7	12.6	37.0
Average eldercare privatization in neighboring municipalities (%)	98	19.2	5.7	3.0	45.3
Weighted average union density in neighboring municipalities	98	98.7	11.1	69.5	114.6

Note: See variable definitions and sources in [supplementary appendix 1](#).

in the number of FOA members reduces not only the number of paying members but also FOA's bargaining potential. Thus, private eldercare workers are usually members of a private union or nonorganized.

Consequently, it comes as no surprise that FOA has opposed the free choice market for eldercare services ever since its introduction in 2003. For instance, FOA has conducted national and local campaigns to point out supposedly low service quality or poor working conditions among private contractors and directed efforts to get local private contractors to sign working agreements with FOA (FOA 2013a, 2013b, 2015a). For every municipality, FOA has a senior shop steward that organizes local activities and is supported by 42 regional offices.

Data and Operationalization

Data Sources

The hypotheses are mainly tested on register data from Statistics Denmark, The Ministry of Economics and the Interior, The Municipalities' and Counties' Salary Data Office, and FOA. One would preferably have data from several years, but since the union variable is only available for October 2012, only data from this year are examined. The limitations of the cross-sectional data are offset, however, by the accurate nature of the union variable not previously having been used in the Danish—and only rarely in the international—context. The quantitative data are also supported by interviews with representatives from FOA's national branch in order to understand the possible channels of union influence within eldercare.

Moreover, interviews were conducted with mayors from five different municipalities in 2014. These mayors were selected on the basis of the level of privatization across all policy sectors in 2008 and the change in this privatization from 2008 to 2012 so that mayors from municipalities with high/increasing (two mayors), high/decreasing, low/increasing, and low/decreasing privatization were interviewed. The mayors were asked what they generally considered to be the main drivers behind privatization, including the relative importance of different drivers, such as economic situation, ideology, and interest group influence, the latter referring, for example, to FOA's importance within home care for the elderly. Since the local features of the main independent variables, related to the features of the local eldercare workers and the local union strength, were not known in advance, the interviews could be used to investigate the expected negative relationship between public employees and their unions on privatization (King, Keohane, and Verba 1994).

Operationalization of Variables

The level of privatization is measured as the percentage share of services within eldercare provided by private contractors, registered in the municipal accounts

(Petersen, Houlberg, and Christensen 2015). Union strength is measured in terms of the number of eldercare workers working for the municipality and being members of FOA as a share of all municipal eldercare workers. This variable, which is normally not possible to identify this accurately, is provided by FOA for 2012 as an index in which the national average is 100.

The employee variable is measured in two ways. First, "municipal eldercare workers" is measured as a share of the eligible voters in the municipality.⁴ Although very precise in accounting for the proposed theoretical mechanism, the employee variable is naturally endogenous to privatization, since higher privatization by definition reduces the number of public employees (Bel and Fageda 2007).

Another indicator, which should be considerably less endogenous, is therefore used in the form of local spending on the elderly as a share of total operating expenditures. This variable should capture the number of eldercare workers in proportion to all municipal employees and at the same time not be (importantly) endogenous to privatization, because the degree of privatization should not affect the elderly spending, as the financing is still public and the payment to private contractors accurately reflects the municipality's own production costs (see section on The Voucher Market for Eldercare Services in Danish Municipalities). The level of privatization could of course affect costs through indirect mechanisms such as transaction costs, a change in municipal production scale and municipal attention to costs, but a recent study shows that the level of privatization in Danish home care is only related to production costs for the relatively small service area within eldercare, practical help services, where more privatization is expected to increase prices (Foged and Houlberg 2015). Since this positive effect is substantially small and practical help services only constitute around 15% of the total elderly spending, this endogeneity can at most introduce a weak conservative bias in the expected negative association between elderly spending and privatization.

The control variables are guided by theory and existing research pointing to the possibly confounding effect of fiscal stress, scale and market structures, and the political preferences of local citizens and politicians. Fiscal stress is operationalized as the ratio between the municipalities' objective expenditure need and the tax base after financial equalization among the municipalities.⁵ We expect fiscal stress to be positively correlated with privatization in a free choice market, since the contractors' opportunity for profit can be better

4 This variable is not collinear with union density with a Pearson's r of 0.42.

5 "Objective expenditure need" is calculated by the government based on the social and demographic characteristics of each municipality. Together with the tax base (at an average tax rate), this calculation is used as the basis for the extent of intergovernmental aid to each municipality.

in these affluent localities due to higher service levels, higher prices, and higher demand (Foged 2015a, 28). Accounting for scale and market structure, the number of elderly over age 65 as well as the geographical distances in the municipality are included in order to control for economies of scale affecting both the production function for the municipality and the private provider (Andrews 2013; Bel 2013; Bel and Fageda 2009; Foged 2015b; Warner 2013). Furthermore, variables are included for small islands and large cities in which special production conditions might exist.

With respect to political preferences and ideology, the share of left-wing municipal council mandates is used as an indicator. Normally, we expect left-wing parties to block privatization (Elinder and Jordahl 2013; Sundell and Lapuente 2012). When observing a free choice market without price competition, however, we do not expect ideology to play a large role (Foged 2015a). By controlling for local political preferences, we thus seek to isolate the hypothesized office-seeking effect of local politicians through the political channel, although this effect is hypothesized to be small (see section on The Voucher Market for Eldercare Services in Danish Municipalities). Left-wing parties are operationalized as the Social Democrats, the Socialist People's Party, and the Red-Green Alliance. For various reasons, the local party composition may not accurately capture the citizens' political preferences and we therefore include the share of left-wing parties in the 2011 national elections as an alternative, and possibly more precise, indicator of local preferences. Finally, to account for a possible effect of the structural reform of Danish municipalities in 2007, a dummy for the municipalities amalgamated in 2007 is also included. A full list of variables and summary statistics is presented in table 1.

Econometric Approach

To estimate the effect of union density and public eldercare employees' vote share on privatization, we use multiple regression estimated with *ordinary least squares* (OLS) and robust standard errors. The estimated regression model is:

$$\begin{aligned} \text{Privatization}_i = & \beta_0 + \beta_1 \text{unionstrength}_i \\ & + \beta_2 \text{vote share of public elderly employees}_i \\ & + \beta_4 \text{controls}_i + \varepsilon_i, \end{aligned}$$

where *Privatization_i* is the private market share and *unionstrength_i* is the union density of the municipal eldercare workers. The *vote share of public elderly employees_i*

is the share of elderly spending relative to the total operating expenditures as well as the number of municipal eldercare workers as the share of all eligible voters. *Controls_i* is a vector of included control variables.

The main challenges to identifying the causal effect are omitted variables and reverse causality. First, in addition to the inclusion of control variables, the challenge from possibly omitted variables is addressed by examining a voucher market with favorable conditions for identification. These market conditions make the political channel less possible and remove possible differences in municipal privatization premiums, since the introduction of private contractors does not affect municipal production costs (see section on The Voucher Market for Eldercare Services in Danish Municipalities). Likewise, the market form should also improve the possibility for holding interaction effects constant with other special interest groups, since public employees should be the single most affected group by free choice. Hence, service users, and tax payers in general, do not normally oppose the expansion of their provider choice, which is often in contrast to other types of privatization, where public employees and their unions can seek alliances with user groups fearing reduced service quality (Christoffersen and Paldam 2003).

Second, the challenge from the possibility of reverse causality is addressed through the research design and by using an instrumental variable. Reverse causality can be an issue if, for instance, unionization drops among public employees after privatization (Chandler and Feuille 1991) or if an overrepresentation of nonunionized public workers shifts to a private employer in the case of privatization, leaving the union density higher in the public sector. By studying a free choice market imposed from the "outside" by the national government in 2003, where the local clout of public employees and their union was already established, it seems more likely that the public employees affected the success of private contractors than the other way around. As a further means of controlling for possible reverse causality, however, we conduct a robustness test using an instrumental variable approach (see supplementary appendix 3). As an instrument we use average (weighted) union density in the neighboring municipalities. By using this variable as an instrument, we seek to exploit union density in the neighboring municipalities being correlated with unionization in the observed municipality due to job rotation across municipal borders, while union density in neighboring municipalities should in theory not affect the privatization rate in the municipality.

RESULTS

Main Results

Hypothesis I: Public Employees as Union Members

Table 2 presents our main results. In models 1–6, we test Hypothesis I, regarding the effect of union strength,

In practice, the local governments have a balanced budget requirement so that expenditures equal revenue. This requirement, as well as the fact that the intergovernmental grant system only removes some of the economic differences between municipalities, means that less affluent municipalities must set lower service levels than more affluent localities.

Table 2. The Effect of Union Strength and the Number of Municipal Eldercare Workers on Privatization, 2012 (*N* = 98)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Privatization	Privatization	Privatization	Privatization	Privatization	Privatization	Privatization	Privatization
Public employees								
Union density	-0.302*** (-4.03)	-0.218** (-2.59)	-0.237** (-2.13)	-0.239** (-2.15)	-0.250** (-2.23)	-0.251** (-2.29)	-0.176* (-1.90)	-0.207* (-1.67)
(national average = 100)								
Municipal eldercare employees (per 1,000 voters)								
Elderly spending as a share of total spending (%)							-0.792** (-2.53)	
Fiscal stress								-0.592 (-1.34)
Fiscal stress (in 100)		-0.374 (-1.51)	-0.409 (-1.56)	-0.390 (-1.59)	-0.653** (-2.45)	-0.587** (-2.04)	-0.339 (-1.40)	-0.680** (-2.47)
Scale and market structure								
Elderly over age 65 (log)			0.138 (0.17)	-2.417 (-1.49)	-3.000* (-1.86)	-2.798* (-1.67)	-2.291* (-1.68)	-2.467 (-1.61)
Area in km ² (log)			0.369 (0.46)	0.650 (0.81)	1.728* (1.91)	1.288 (1.62)	1.464* (1.75)	1.537 (1.65)
Small island (dummy)				-7.694** (-2.37)	-5.698 (-1.59)	-8.064** (-2.42)	3.311 (0.64)	-3.767 (-1.10)
Large city (dummy)				4.570* (1.96)	4.030 (1.64)	4.298* (1.78)	1.297 (0.64)	3.437 (1.44)
Public preferences								
Amalgamated in 2007 (dummy)					-1.143 (-0.51)	-0.667 (-0.28)	-0.789 (-0.39)	-0.876 (-0.40)
Share of left-wing mandates (%)					0.115* (1.81)		0.0721 (1.10)	0.0824 (1.13)
Share of left-wing mandates in national election						0.108 (0.91)		
Constant	48.61*** (6.22)	52.06*** (5.94)	51.79*** (3.59)	72.91*** (3.88)	77.03*** (4.02)	76.43*** (4.05)	75.24*** (4.52)	78.49*** (4.07)
<i>N</i>	98	98	98	98	98	98	98	98
<i>F</i>	0.191	0.207	0.209	0.235	0.251	0.239	0.386	0.264
	16.26	8.090	5.338	8.529	6.423	7.096	5.795	5.921
Estimation method	OLS	OLS	OLS	OLS	OLS	OLS	OLS	OLS
Time period	2012	2012	2012	2012	2012	2012	2012	2012

Note: OLS estimations with robust SEs.

*Significance level .10, **significance level .05, ***significance level .01. *t*-statistics in brackets.

whereas models 7 and 8 test Hypothesis II about the effect of the number of eldercare workers relative to municipal voters.

In model 1, we present a simple bivariate regression between unionization and privatization. In this specification, the union density for local eldercare workers shows a statistically strong, negative association with the share of eldercare privatization. The effect is arguably of a nontrivial size, with a one standard deviation increase in local eldercare union density being associated with a 3.6 percentage point decrease in eldercare being contracted out. In column 2, we add the fiscal stress variable. In this specification, the effect size of local union density drops, but only slightly, and the variable remains statistically significant at the $p < .05$ level. Columns 3 and 4 control for scale and market structure, which also does not influence the effect size and significance of the union variable substantially. Finally, in the main specification, model 5, we control for the effect of the party composition of the local council and the amalgamation in 2007. In this specification, the local union density variable remains statistically significant at the $p < .05$ level and even increases in effect size so that a one standard deviation increase in unionization is expected to reduce privatization by 3 percentage points. This is equivalent to a 16% decrease in privatization when compared with the national average privatization level of 19% in 2012. As seen in model 6, it makes no substantial difference when we control for local public preferences via left-wing votes in the latest national election instead of the party composition in the local council.

Together, the variables in the preferred model 5 explain 25% of the variation in privatization across the municipalities, which is a goodness of fit similar to other studies of privatization in Danish municipalities (Bhatti, Olsen, and Pedersen 2009; Petersen, Houlberg, and Christensen 2015). Taken together, the results strongly support Hypothesis I, that the union strength of the affected public employees reduces privatization through a voucher market. Given the specific features of the Danish home care voucher market, it is hypothesized that this effect should first and foremost go through the user channel.

Hypothesis II: Public Employees as Individual Voters

Models 7 and 8 test Hypothesis II by adding two different indicators. As expected, model 7 finds that the share of municipal eldercare workers to the local number of voters is correlated with significantly less privatization. Consequently, a one standard deviation increase in the vote share of publically employed eldercare workers reduces privatization by 4.2 percentage points. This association is unsurprising given the endogenous nature of the indicator and we therefore

test for the effect in model 8 with the alternative measure in the form of eldercare spending as a share of total operating spending. With this indicator, the effect decreases and is no longer statistically significant at conventional significance levels. The coefficient (which could be slightly conservative, as explained in the section on Data and Research Methods) remains negative, however, indicating that, as expected, there can be a slightly negative effect on privatization. In sum, the evidence from model 8 means that Hypothesis II is not supported in statistical terms but that a small negative effect cannot be ruled out. This absent or modest effect of the relative number of municipal eldercare workers on privatization does not seem surprising given the observed voucher market, where the importance of the political channel should be limited.

Both in models 7 and 8, the union density variable remains of a substantial size and retains its statistical significance.

Control Variables

We choose to report the control variables based on model 5 in table 2. These control variables generally show the patterns expected for the Danish context. Contrary to most international studies (Guardiola, Gonzalez Gomez, and Garcia Rubio 2010), fiscal stress is associated with significantly less privatization, which is not a surprising finding for Danish municipalities in general (Bhatti, Olsen, and Pedersen 2009; Pallesen 2004) and for free choice markets in particular (Foged 2015a). Thus, private contractors can be expected to be attracted by markets with high earnings potential, such as affluent municipalities (where service levels and therefore payments to private contractors are often higher and where elderly are more disposed to buy add-on services) and localities with increasing demand.

Regarding scale and market structure, model 5 indicates that the privatization of elderly services is more pronounced in municipalities with relatively few elderly and large geographical distances. Although not very robust to alternative specifications, this finding could indicate that markets with few elderly and great distances are easier to access for private contractors due to less competition.

Although neither small islands, cities, nor amalgamated municipalities have a significant effect on privatization (although the direction of the coefficients are as expected), model 5 implies a rather surprising, weakly significant, positive association between the share of left-wing mandates and privatization. Although this association is weak and not very robust to alternative specifications (see, e.g., columns 7 and 8), it still indicates that free choice markets are less an ideological matter than contracting out markets. Moreover, the findings possibly suggest that although local politicians

possibly have ideological objections to privatization to a voucher market, their ability to influence this choice through the political channel is limited.

Further Evidence on the Effect of Union Strength

Robustness Tests and the Test of Market Assumptions

In this section, we conduct a number of robustness tests in order to test the validity of the support we found for Hypothesis I regarding the effect of unionization on the private market share. In contrast, we do not conduct further tests of Hypothesis II due to the methodological challenges with one of the indicators (municipal eldercare workers relative to the number of voters) as well as the insignificant result with the other measure (elderly spending as a share of total spending).

The [supplementary appendix 2](#) presents these checks for robustness and tests of market assumptions. The robustness tests show that the effect of union strength on privatization does not change when adding other possible confounders from the literature. Thus, neither the municipal organization of the home care area nor regional differences/learning effects seem to influence the impact of the unions on privatization ([supplementary appendix 2](#), models 1 and 2). Moreover, controlling for the number of private contractors, regardless of the indicator used, makes no difference for the relationship between unionization and privatization ([supplementary appendix 2](#), models 3 and 4).

In addition to these robustness tests, we test whether the free choice market for eldercare behaves as assumed. This seems to be the case from the tests in [supplementary appendix 2](#), models 5–7. First, as expected, union strength does not directly influence the municipal costs and with them the municipal economic incentives to expand the private market share ([supplementary appendix 2](#), model 5). Second, the number of private contractors does not seem to influence the union density, indicating that unionization is not endogenous to privatization, as assumed ([supplementary appendix 2](#), model 6). Finally, the elderly vote share also turns out to be unrelated to privatization, which suggests that, as expected, we are able to hold possible interaction effects with other interest groups constant since the service users do not seem to oppose free choice ([supplementary appendix 2](#), model 7).

As a further test of the causal claim and in order to deal with the question of reverse causality and general endogeneity, we conduct an instrumental variable regression using the average (weighted) union density in the neighboring municipalities as the instrument. The results are found in the [supplementary appendix 3](#). Although the exogeneity assumption of the instrumental variable regression can be questioned (see discussion in [supplementary appendix 3](#)), these tests indicate support for the validity of the link between eldercare

workers' union density and the level of privatization, since the effect size increases. The increase in the effect size can possibly be due to the instrumental variable removing a tendency for less unionized workers to be the first to leave their municipal employer in the case of increased privatization.

Qualitative Evidence of the Mechanism

The negative effect of union strength on the private market share is also supported by interviews with representatives from FOA and with the five mayors. These interviews show that FOA actually regards their local influence on eldercare production as bigger under free choice schemes than under traditional contracting out because, according to FOA, the free choice market is less a local ideological matter.

According to FOA, local union influence in the home care market can go through both user and political channels, the user channel supposedly being the most important. An important role in this respect is assigned to the senior shop steward in each municipality and their ability to mobilize municipal employees and connect with local politicians. Almost all 98 municipalities have such a senior shop steward who receives a 5-week training program at FOA's national branch. According to FOA, the charisma and enterprise of this shop steward normally has great influence on local unionization and activity.

With respect to the *user channel*, the FOA representatives sketch out the following mechanism: In heavily unionized municipalities, professional norms and perceptions of the municipal service as being superior to the private alternatives are often more pronounced than in local governments with less unionization. According to FOA, these norms can then be passed on from the unionized social and health assistants to the elderly service users in the course of their daily interaction. If the elderly individual and their relatives are satisfied with the municipal service, they will be less inclined to shift to a private supplier. Further along these lines, it is also possible that the assessments officer, who is normally also a FOA member, plays a role for the elderly individual's decision by presenting them with different producer alternatives.

In sum, FOA regards the user channel as important both *before* and *after* the first user choice. *Before* the first choice, the local union can influence service users through direct interaction in a potentially interim period until an official supplier choice is made, through the assessment officer's presentation of alternative providers, and finally by influencing the local reputation of providers. Moreover, *after* the first choice is made, the local union can influence the choice-makers by convincing them to continue with the municipal provider and encouraging them to also choose the municipal provider if they, as a

consequence of deteriorating health, are referred to more services. In the case where the elderly individual chooses a private supplier and does not interact with unionized eldercare workers in other circumstances, this influence via direct interaction ceases to exist.

In conclusion, FOA's statements support an interpretation whereby the union's effect on privatization predominantly goes through the user channel. These statements seem to echo Lowery's (1998) suggestion that special interest groups can be more influential in a voucher market than for traditional contracting due to greater information asymmetries between the producers and decision-makers in a voucher market. Where Lowery seemed to focus on private sector interest groups, this article reveals how the argument also holds for public interest groups.

Although regarded as less important than the user channel, FOA does not rule out that some union influence can go through a *political channel*, since union activism can push local media and politicians to be sensitive to the service quality and working conditions among private firms. That a minor share of the union influence can go through the political channel is also tentatively supported by the interviews with the mayors. According to them, considerations about municipal employees and their unions generally play an important role in local privatization decisions, although the influence is less important and direct for free choice markets. These considerations regard both political costs for local councilors related to employee opposition toward privatization as well as a sense of responsibility deriving from the position of the politicians as employer. With respect to free choice and home care, one right-wing mayor expresses how politicians, regardless of the market form, can still influence the conditions for private contracting and how this effort can be affected by the local FOA union:

We would like to market our free choice pertaining to eldercare much better, but as politicians we experience opposition from the employees and their unions. The national union, and in particular the strength of the local union branch, is important.

DISCUSSION AND CONCLUSION

Main Findings

Privatization and various types of contracting out vary significantly among subnational political units. One of the oft-listed explanations for these differences is the variation in the political influence of public sector workers and their unions. However, most of the studies that try to assess this claim suffer empirically from imprecise and endogenous proxies for the potential influence of public sector workers and their unions

and are often unable to distinguish the effect from a supposedly larger economic incentive for local governments to contract out in high-unionization localities. Furthermore, little attention has been devoted to how the potential effect differs for different market types.

This article has focused on privatization through a voucher market for eldercare in Danish municipalities. Using new data, we are able to measure the local union's organizational capacity for Danish public eldercare workers at the service area level. Besides an improved measure for organizational capacity, the observed free choice market without price competition offers favorable conditions for identifying an effect of public employees on privatization, primarily through a user channel (union influence directed at the service users) and possibly also through a political channel (lobbying directed at the local politicians). Thus, the specific voucher market was introduced from the "outside" by the national government, and any municipal economic incentives to expand the private market were reduced by the absence of direct price competition.

Against this background, our results show a statistically significant, negative association between the organizational capacity of the dominant eldercare union and the level of privatization within eldercare. In the preferred model 5 in table 2, a one standard deviation increase in union density is expected to reduce the private market share by 3 percentage points. This is equivalent to a 16% decrease in privatization when seen in proportion to the national average privatization level of 19% in 2012. This effect of local unionization is robust to various controls, retains explanatory power with an instrumental variable estimation, and is supported by qualitative evidence. Taken together, this suggests that the relationship is causal.

Besides the influence of union strength, a negative association is also observed between municipal eldercare workers as a share of municipal voters and privatization. However, this association does not reach significance with the alternative, considerably less endogenous indicator. In sum, the article finds a robust negative relationship between union strength and privatization, while an influence from the relative number of municipal eldercare workers can neither be supported nor rejected.

Further qualitative evidence on the relationship between union strength and privatization supports the expectation that the estimated effect primarily runs through the user channel, with a modest effect possibly also running through the political channel.

Discussion of Findings

This article contributes to a growing literature on the influence of interest organizations, especially public employees and their unions, on public policy in general

and privatization in particular. From the perspective of the privatization literature, the study reveals the importance of interest groups on privatization. For theoretical and methodological reasons, interest groups have been understudied in the literature despite both theory and empirical evidence highlighting how special interest groups can account for variation in privatization across municipalities and across policy areas (Foged 2015a). The influence of interest groups should therefore be regarded as an important privatization driver, juxtaposing factors such as market characteristics (Hefetz and Warner 2012) and service characteristics (Brown and Potoski 2003; Shrestha and Feiock 2011).

Secondly, the study shows the importance of distinguishing between different market types (Bel, Brown, and Warner 2014), where variation can teach researchers much about the drivers behind privatization, since some factors are probably more important for some market forms and service areas (Girth et al. 2012; Hefetz and Warner 2012; Jalette and Hebdon 2012; Warner and Hebdon 2001). The evidence from the Danish case suggests that interest groups can be more important for voucher markets than for traditional contracting out, since the information asymmetry between the decision-maker and provider can be greater for voucher markets. This could involve both stronger influence from the relevant private providers (Lowery 1998) as well as the affected public workers' union. In other words, where the purpose of a voucher market can be a way to create a competitive market environment insulated from the influence of local politicians, the result can actually be more interest-group influence on privatization potentially distorting the market mechanism.

With respect to the implications for the broader public administration literature the study suggests that the influence of special interest groups should receive more scholarly attention not only for privatization decision but for many other public administration topics. These issues could be the study of reform processes (Bonesrønning 2013; Rattsø and Sørensen 2004), the budget output of public organizations (Freeman and Han 2012), the working conditions of public employees (Anzia and Moe 2015), and the cost-effectiveness of public services. In analyzing these and related issues, the study furthermore suggests that researchers pay attention to the way public authorities by their institutional choices (such as deciding between contracting out and a voucher market) can affect the influence potential of special interest groups.

Supplementary Material

Supplementary data is available at the *Journal of Public Administration Research and Theory* online.

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SUPPLEMENTAL MATERIAL (Foged & Aaskoven: Public Sector Unions and Privatization: Evidence from the Eldercare Sector in Danish Municipalities)

Appendix 1: Measurement of Variables

Table 3. Measurement and Data Sources of Variables, 2012

Variable	Operationalization and data source
Eldercare privatization (%)	Share of services performed by private suppliers within the eldercare sector. Main function 5.32 in the municipal accounting system, which in 2012 covered 23.0% of all services eligible for private contracting. Source: Local Government Denmark (LGDK).
Union density (national average = 100)	The number of municipal employees within eldercare who are also FOA members as a share of all municipal employees within eldercare, October 1 st 2012. Index 100. In technical terms, the variable is measured as the number of FOA members employed under FOA's agreement with Local Government Denmark (LGDK) for social and health assistants as a share of all of the municipal employees under this agreement (index 100). The agreement covers various types of social and health assistants, including social and health assistants, nursing aides, nursing home assistants, personal care workers, employment counsellors and social and health trainees. Source: FOA.
Municipal eldercare employees (per 1,000 voters)	Municipal employees under the agreement for social and health care workers and the agreement for nursing and health care workers as a share of people over age 18 (per 10,000). Source: The Municipalities' and Counties' Salary Data Office and Local Government Denmark (LGDK).
Elderly spending as a share of total spending (%)	Net spending on eldercare as a share of total net operating expenditures in %. The definition of elderly spending follows the same definition Local Government Denmark (LGDK) and the national government agreed upon in 2012 (http://www.kl.dk/Fagomrader/Okonomi-og-dokumentation/Kommunale-udgiftsomrader/Serviceudgifter/). Operating expenditures include all of the net expenditures excluding capital investments and transfers. Source: Statistics Denmark.
Fiscal stress	Total demographic and socioeconomic expenditure needs relative to the financial base of the municipalities. Expenditure needs are estimated according to the objective criteria in the Equalization Scheme. The financial base is calculated as the tax base from income and property taxes plus a government grant (that equalizes some of the financial differences between the municipalities). Source: The Municipal Key Figures, The Ministry of Economic Affairs and the Interior.
Elderly over age 65	The number of people over age 65 in the municipality as of January 1. Source: The Municipal Key Figures, The Ministry of Economic Affairs and the Interior.
Area in km ²	The geographical area of the municipality in km ² . Source: The Municipal Key Figures, The Ministry of Economic Affairs and the Interior.
Small island	Dummy for five small island municipalities.
Large city above 100,000 inhabitants (dummy)	Dummy for municipalities with more than 100,000 inhabitants as of January 1.
Amalgamated in 2007 (dummy)	Dummy assigned the value 1 to all 66 amalgamated municipalities (0 for 32 non-amalgamated municipalities)
Share of left-wing mandates (%)	Number of socialist seats in the city council as a percentage of all seats. The following parties are coded as being socialist: Social Democrats, Socialist People's Party, Red-Green Alliance. Source: KMD Election Archive.
Share of left-wing mandates in 2011 national election (%)	The share of socialist voters in the municipality in the national election in 2011 in %. The following parties are coded as being socialist: Social Democrats, Socialist People's Party, Red-Green Alliance. Source: The Danish Election Database.
District organization (dummy)	Dummy for municipalities with more than one district within the eldercare sector, October 1, 2012. Source: The Free Choice Data Base, The Directorate of Social Services.
Municipal costs per hour (DKK)	Price per hour for practical help in DKK, October 1, 2012. Source: The Free Choice Data Base, The Directorate of Social Services.
Number of private contractors	Number of approved private contractors for practical help, October 1, 2012. Source: The Free Choice Data Base, The Directorate of Social Services.
Vote share of elderly over age 65 (%)	The number of people over age 65 as a share of all municipal inhabitants over age 18 as of January 1. Source: The Municipal Key Figures, The Ministry of Economic Affairs and the Interior.
Average eldercare privatization in neighboring municipalities (%)	Average eldercare privatization in the municipalities sharing a border with the municipality. For the five small islands that do not share borders with any other municipality, the variable refers to the eldercare privatization in the municipalities to which a ferry runs. Source: Local Government Denmark (LGDK).
Weighted average union density in	The average union density in the municipalities sharing a border with the municipality. This union density average of the

neighboring municipalities (%)	surrounding municipalities is weighted by the spending on eldercare in the surrounding municipalities. For the five small islands that do not share borders with any other municipality, the instrument refers to the union density in the municipalities to which a ferry runs. Source: FOA.		
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Appendix 2: Robustness Checks and Test of Market Assumptions

Table 4. Robustness Checks and Test of Market Assumptions, 2012 (N = 98)

	Robustness checks				Test of market assumptions		
	(1) Privatization	(2) Privatization	(3) Privatization	(4) Privatization	(5) Municipal costs per hour (DKK)	(6) Union density (national average = 100)	(7) Privatization
Public employees							
Union density (national average = 100)	-0.238** (-2.26)	-0.216** (-2.10)	-0.251** (-2.08)	-0.250** (-2.25)	-0.796 (-1.07)		-0.253** (-2.05)
Fiscal stress							
Fiscal stress (in 100)	-0.654** (-2.50)	-0.668** (-2.26)	-0.654** (-2.21)	-0.656** (-2.20)	3.472 (1.64)	1.175*** (3.33)	-0.651** (-2.45)
Scale and market structure							
Elderly > age 65 (log)	-2.757* (-1.76)	-2.931 (-1.51)	-2.975* (-1.75)	-3.061 (-1.50)	-13.86 (-1.08)	-2.038 (-0.94)	-2.970* (-1.81)
Area in km ² (log)	1.781* (1.95)	1.884 (0.92)	1.721** (2.12)	1.704** (2.16)	-2.126 (-0.29)	4.127*** (2.89)	1.739* (1.85)
Small island (dummy)	-5.995* (-1.70)	-4.953 (-1.26)	-5.755 (-1.51)	-5.806 (-1.48)	-10.37 (-0.26)	2.368 (0.35)	-6.157 (-1.62)
Large city (dummy)	4.222* (1.71)	4.390 (1.52)	4.041 (1.61)	4.055 (1.61)	-3.874 (-0.18)	6.704** (2.06)	4.267 (1.48)
Number of private contractors (log)			-0.0503 (-0.03)			-1.710 (-1.17)	
Number of private contractors (per 10,000 inhab.)				-0.0512 (-0.08)			
Public preferences							
Amalgamated in 2007 (dummy)	-0.905 (-0.40)	-1.276 (-0.52)	-1.135 (-0.48)	-1.134 (-0.50)	0.691 (0.05)	-0.817 (-0.26)	-1.199 (-0.56)
Share of left-wing mandates (pct.)	0.111* (1.80)	0.105* (1.82)	0.115* (1.74)	0.115* (1.81)	0.178 (0.40)	0.0656 (0.79)	0.118 (1.59)
Municipal organization							
District organization (dummy)	-1.594 (-1.05)						
Regional differences and learning (ref. = Copenhagen area)							
Zealand		1.672 (0.26)					
Southern Denmark		-1.578 (-0.22)					
Central Jutland		-2.688 (-0.38)					
Northern Jutland		0.318 (0.04)					
Test of market assumptions							
Vote share of elderly > age 65 (pct.)							0.0561 (0.15)
Constant	74.12*** (4.11)	73.71*** (4.06)	77.02*** (4.01)	77.92*** (2.78)	513.8*** (3.99)	57.64*** (3.25)	75.48*** (3.78)
N	98	98	98	98	96	98	98
r ²	0.258	0.278	0.251	0.251	0.0878	0.602	0.252
F	6.681	5.232	6.194	6.493	1.292	18.33	6.003
Estimation method	OLS	OLS	OLS	OLS	OLS	OLS	OLS
Time period	2012	2012	2012	2012	2012	2012	2012

Note: OLS estimations with robust standard errors. * significance level 0.10, ** significance level 0.05, *** significance level 0.01. t-statistics in brackets.

Appendix 3: Instrumental Variable Estimation

Although we argue that the eldercare worker union density is relatively exogenous to the choice of privatization, concern could still be raised about reverse causality. Reverse causality could be introduced if unionization drops among public employees after privatization (Chandler and Feuille 1991) or, perhaps more importantly, if an overrepresentation of non-unionized public workers shifts to a private employer in the case of privatization, leaving the union density in the public sector higher. To test for this and other potential sources of endogeneity, we use an instrumental variable in the form of the average weighted union density in neighboring municipalities, confer section 3.3 in the article. Using the values of neighboring units as instruments for the individual units' values is similar in logic to the micro-econometric technique of using averages as an instrument for the individual value (Wössmann and West 2006). We use unionization in the neighboring municipalities weighted according to the relative eldercare spending instead of the un-weighted unionization average, since the number of employees shifting jobs across borders should depend on the size of the eldercare sectors in the surrounding municipalities. Using the union density in the neighboring municipalities might also capture the non-observable exogenous local drivers of high union density, such as local charismatic union recruiters. Model 1 in Table 5 shows the first stage of instrumental variable estimation and, unsurprisingly, the average union density in neighboring municipalities strongly predicts the union density in the individual municipality. Model 2 shows the second stage of the estimation. The magnitude of the union density variable increases substantially, almost doubling in size compared to the estimates from Table 2, while remaining statistically significant at the $P < 0.1$ level. This strengthens the claim about a direct and causal effect of the union density of eldercare workers on the level of privatization.

One concern could be that the average union density in neighboring municipalities not only affects the level of privatization in the individual municipality through its effect on union density but also through its effect on the average level of privatization among neighboring municipalities. The municipalities plausibly also learn from their neighbors in the area of eldercare privatization. To address this issue, we include average privatization in neighboring municipalities as a control variable in our instrumental variable estimation. See models 3 and 4 for the first and second stages of this estimate. In this instrumental variable estimation, the union density variable maintains the large size effect from model 2 but its statistical significance drops somewhat, making it insignificant at conventional levels. It is worthwhile to note, however, that the average-privatization-in-neighboring-municipalities variable is even weaker, both substantially and in terms of statistical significance. One of the potential reasons for the drop in statistical significance is the considerable degree of collinearity between public union density, average weighted union density in neighboring municipalities, and the average level of privatization among neighboring municipalities. With this lack of unique variance in a relatively small dataset, it is perhaps unsurprising that the union density variable fails to reach statistical significance in the second stage of the instrumental variable estimation in model 4; especially given the large size effect and the unchanged direction of the relationship, we are still confident regarding the validity of the effect of union density on the level of privatization.

Table 5. The Effect of Union Strength on Privatization with Union Density in Neighboring Municipalities as an Instrument, 2012 (N = 98)

	(1) Union density (national average = 100)	(2) Privatization	(3) Union density (national average = 100)	(4) Privatization
Public employees				
Union density (national average = 100)		-0.468* (-1.74)		-0.461 (-1.16)
Fiscal stress				
Fiscal stress (in 100)	0.276 (0.92)	-0.383 (-1.28)	0.315 (1.04)	-0.386 (-1.17)
Scale and market structure				
Elderly > age 65 (log)	0.719 (0.49)	-3.631** (-2.00)	0.733 (0.49)	-3.637** (-2.02)
Area in km ² (log)	1.017 (0.75)	2.690* (1.70)	1.247 (0.93)	2.676 (1.47)
Small island (dummy)	1.639 (0.31)	-4.753 (-1.04)	0.807 (0.16)	-4.734 (-1.07)
Large city (dummy)	-0.0806 (-0.04)	5.426* (1.86)	-0.0895 (-0.04)	5.426* (1.86)
Public preferences				
Amalgamated in 2007 (dummy)	-1.697 (-0.62)	-1.377 (-0.56)	-1.516 (-0.58)	-1.373 (-0.56)
Share of left-wing mandates (pct.)	0.0475 (0.72)	0.129* (1.68)	0.0538 (0.81)	0.128 (1.53)
Instrument				
Average union density in neighboring municipalities	0.819*** (7.34)		0.672*** (5.46)	
Learning and spillover from neighboring municipalities				
Average privatization in neighboring municipalities (pct.)			-0.334** (-2.38)	0.0119 (0.04)
Constant	-4.147 (-0.28)	89.75*** (3.59)	13.81 (0.88)	89.13** (2.54)
N	98	98	98	98
r ²	0.790	0.212	0.803	0.214
F	48.27	3.468	48.25	3.216
Estimation method	OLS (1SLS)	OLS (2SLS)	OLS (1SLS)	OLS (2SLS)
Time period	2012	2012	2012	2012

Note: OLS estimations with robust standard errors. * significance level 0.10, ** significance level 0.05, *** significance level 0.01. t-statistics in brackets.

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Article 9

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Abstract

What is the causal relationship between population size and the contracting out of public service delivery in local governments? The size of the population of a given municipality has long been thought to be an important driver of contracting out public service delivery, which theoretically streamlines public service production and saves taxpayers' money. This article makes use of the 2007 Danish local government structural reform—when 239 municipalities were merged into 66 new entities while 29 municipalities remained untouched—as a quasi-experiment to explore the population size/contracting out relationship. Results show that the relationship differs across policy sectors: It is negative for services with high fixed costs, presumably due to scale economies, and is positive for services that are difficult to measure, probably due to more administrative and technical capacity in larger municipalities. Also, the effect of population size is positive for tasks in free-choice markets, presumably because private contractors find large free-choice markets more attractive.

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Keywords

contracting out, privatization, local governments, quasi-experiment, sector-specific, jurisdiction size, population size

Previous Research

The relationship between population size and contracting out in local governments is an important research topic as population size is thought to be a driver behind private contracting, which, in turn, can have various implications for the cost and quality of publicly financed services (Domberger and Jensen 1997; Hodge 1998; Vrangbæk, Petersen, and Hjelmar 2013). A main argument in favor of contracting out is that private suppliers expose public organizations to competition that can result in potential cost savings (Blom-Hansen 2003; Hodge 1998; Savas 1987). However, contracting out can also lead to reduced service quality or be viewed as a step toward more fundamental privatization of public services (Blomquist 2004). Moreover, because population size presumably affects the production incentives of both municipalities and private suppliers, public authorities may wish to influence the level of contracting out, for example, by manipulating jurisdiction size.

The literature generally identifies four main drivers behind contracting out: fiscal stress, scale and market structures, public preferences, and the power of interest groups (Bel and Fageda 2007, 2009; Boyne 1998). Population size is typically used as the main indicator for scale structures. However, results of the population size/contracting out relationship have been mixed. A survey of 21 studies conducted from 1986 to 2006 reported that 9 studies found a positive relationship, 5 studies found a negative relationship, and 7 studies reported mixed or insignificant findings (Bel and Fageda 2007). Since 2006, 4 newer studies found a positive association (González-Gómez and Guardiola 2009; Hebdon and Jalette 2008; Levin and Tadelis 2010; Sundell and Lapuente 2012), while 4 other studies reported no or mixed results (Bel and Fageda 2008; Bhatti, Olsen, and Pedersen 2009; Brown, Potoski, and Van Slyke 2008; Miralles 2009).

Analysis of the literature identifies two shortcomings in estimating the causal relationship between population size and contracting out. First, all studies measure the relationship by nonexperimental cross-sectional research designs, which often make the estimates vulnerable to threats to internal validity from unobserved variables and reverse causality. Second, only modest attention has been paid to sectoral explanations where the relationship between size and contracting out depends on the service in question. Recent contributions point out that the lack of sectoral explanations (other than

different periods of observation and different units of analysis) could be the main reason for the mixed findings (Bel and Fageda 2009; Christensen, Houlberg, and Petersen 2012; Foged 2015). This article addresses these two shortcomings by using the unique variation created by Denmark's 2007 local government structural reform and by examining the relationship between population size and contracting out across nine different policy sectors. In that way, the study contributes to recent methodological advances within the academic literature, which have improved the causal understanding of the effect of ideology (Elinder and Jordahl 2013; Guardiola, González-Gómez, and Garcia Rubio 2010; Sundell and Lapuente 2012) and fiscal stress (Guardiola, González-Gómez, and Garcia Rubio 2010).

Theory and Hypotheses

Three different theoretical perspectives of the relationship between population size and contracting out are identified in the literature, most of which propose a general relationship between size and contracting out irrespective of policy sector. These perspectives are examined below, first, to form general hypotheses and, thereafter, to generate sector-specific expectations.

General Hypotheses

At least three different arguments have been used in the international literature to explain the relationship between population size and contracting out. They concern municipal economies of scale, the technical and administrative capacity of small and large municipalities, and the availability of private contractors. Sometimes, these perspectives have also been combined; it has been suggested that the association between population size and contracting out is shaped as an inverse U, where medium-sized local governments contract out the most because they are both small enough to benefit from private contractors operating across jurisdictions and large enough to have access to sufficient private contractors (Warner 2013). The literature has also wisely differentiated various ways for municipalities to restructure the market, which go well beyond the simple public-private dichotomy (Bel, Brown, and Warner 2014; Hefetz and Warner 2012; Jalette and Hebdon 2012; Warner and Hebdon 2001). Scholars have also begun to condition the drivers of contracting out on the particular market arrangement. For instance, Hefetz and Warner (2012) distinguished between public production, intermunicipal production, nonprofit contracting, and for-profit contracting and found that the number of potential contractors was positively associated with for-profit contracting, but negatively associated with intermunicipal production. Similarly, service

characteristics, such as measurability and asset specificity, have also been used to account for variation in contracting out (Brown and Potoski 2003), sometimes in combination with market characteristics (Carr, LeRoux, and Shrestha 2009). For example, Carr, LeRoux, and Shrestha (2009) found that services that are difficult to measure are associated with less private contracting and more intermunicipal cooperation. The aim of this article is to build on these studies.

The first perspective stems from the economies of scale literature, which claims that smaller municipalities use private suppliers more than larger municipalities because smaller entities can have a production basis that is too small to make use of scale economies (O'Toole and Meier 2004). These economies of scale can instead be achieved by private companies operating across jurisdictions (Bel and Fageda 2007). This argument has been the dominating scale perspective discussed in the literature, even though some scholars have also highlighted the possibility of disadvantages with large-scale production because of the tendency for more fragmentation, bureaucratic congestion, and less benchmarking in large municipalities (Andrews 2013; Warner 2013). Also, one should ideally distinguish returns to scale due to economies of scale, economies of density, or economies of scope (Bel 2013). Still, as most studies measure scale effects by the number of inhabitants or service users, the first general hypothesis is as follows:

Hypothesis 1 (H1): There is a general negative relationship between population size and contracting out due to unused economies of scale for the municipality.

The second theoretical perspective comes from the literature on administrative and technical capacity. It argues that larger municipalities contract out more than smaller municipalities as they have a greater technical and administrative capacity to carry out tendering processes and monitor contractors (Houlberg and Dahl 2010), and because the relative transaction costs associated with administrative activities tend to decrease with population size (Bel and Miralles 2003). This argument rests on two mechanisms. First, larger municipalities tend to have more administrative employees to carry out complex tendering processes, formulate contracts, and supervise contractors. (Brown and Potoski 2003, 2005; Brown, Potoski, and Van Slyke 2010). Second, some of these transaction costs associated with contracting also tend to be relatively fixed; larger municipalities, for example, can use the same administrative and technical capacity to carry out tendering processes and monitor performance in other policy sectors. Conversely, smaller municipalities do not have the capacity to spread these administrative and technical

costs across a wider range and quantity of services (Andrews 2013; Stiegler 1958). Thus, Bel and Miralles (2003) suggested that “as the population increases, the supervision costs decrease relatively and the expected benefits from contracting out increase (Bel and Miralles 2003, p. 1332).” The general hypothesis is as follows:

Hypothesis 2 (H2): There is a general positive relationship between population size and contracting out due to the more technical and administrative capacity in larger municipalities.

A number of scholars highlight another reason why there should be a positive relationship between population size and contracting out. These scholars point to the availability of potential contractors and propose that private contractors find larger markets more attractive, which in turn generates more interested contractors, more competition, and therefore lower prices for the municipalities (Ni and Bretschneider 2007; Savas 1987). In fact, recent studies have paid more attention to market characteristics such as the number of potential contractors and the degree of competition within the local government (Girth et al. 2012; Hefetz and Warner 2012). For instance, Girth et al. (2012) found that the degree of private competition, which is typically higher in larger municipalities, is an important determinant of contracting out and that this mechanism actually is exacerbated by the fact that it takes more administrative effort for local governments to monitor less competitive markets. The general hypothesis is as follows:

Hypothesis 3 (H3): There is a general positive relationship between population size and contracting out due to more private contractors, and therefore more competition, in larger municipalities.

Sector-Specific Hypotheses

One of the shortcomings in the existing literature is the lack of sectoral explanations. The following proposed sectoral hypotheses are based on both service and market characteristics (Hefetz and Warner 2012).

First, it can be hypothesized that the negative effect driven by economies of scale tends to dominate for services where the production entails large fixed costs (Bel and Fageda 2009). When fixed costs are large—for instance, when capital investments are high compared with labor costs—economies of scale tend to be prominent, and the incentive for smaller municipalities to contract with private companies that operate across jurisdictions increases. Fixed costs tend to be higher for technical tasks, as these are often relatively

capital-intensive (Houlberg 1995; Ostrom 1983). The literature often finds increasing returns to scale in local governments for capital-intensive services such as airports, urban water distribution, urban transportation services, and urban solid waste management, whereas labor-intensive services, such as schools, often show mixed or nonlinear returns to scale (Andrews 2013; Bel 2013). Hence, the sector-specific hypothesis is as follows:

Hypothesis 1a (H1a): There is a negative relationship between population size and contracting out for services with relatively high fixed costs (which in Danish municipalities include the technical services, urban development, and road maintenance).

Second, the positive effect driven by more technical and administrative capacity in larger municipalities should be especially pronounced in sectors where the need for these technical and administrative competencies is high due to large demands on contract formulation and monitoring of contractors. I suggest that the need for administrative and technical capacity should be particularly evident for services with low measurability, as these services require particularly high administrative and technical capacity to avoid opportunistic contractor behavior.

Shrestha and Feiock (2011) distinguished between administrative transaction costs stemming from the measurability of the service, the asset specificity, and the degree of trust in the contract relationship. They suggest that a high degree of measurability and trust in the contract relationship increases contracting out, whereas the association between asset specificity and contracting is shaped as a U. Following this distinction between the determinants of transaction costs, more administrative and technical capacity should be particularly important for services that are difficult to measure. On the face of it, administrative and technical capacity should also be required for services with high asset specificity, but this positive effect is counterbalanced by the fact that smaller municipalities can find it too expensive to produce these asset-specific services (Brown and Potoski 2003; Carr, LeRoux, and Shrestha 2009; Shrestha and Feiock 2011). Also, trust in the contract relationship should not be systematically correlated with population size.

Following this, the argument becomes that a positive relationship between population size and contracting out is found for services with low measurability. Therefore, the sector-specific hypothesis is as follows:

Hypothesis 2a (H2a): There is a positive relationship between population size and contracting out for services that are difficult to measure (which in Danish municipalities include the social services, schools, day care, elderly care, people with special needs, and labor market activities).

Finally, the supposed positive relationship between population size and contracting out that is driven by the attractiveness of larger markets for private suppliers should be pronounced for services in free-choice schemes rather than for services subject to traditional tendering processes. Free-choice markets are a specific type of market functioning almost as a voucher market where the government subsidizes the consumers (rather than the private producers), who can then spend their free choice/vouchers on their preferred provider (Savas 1987). Free-choice markets can function both with and without a preceding tendering process (Krevi 2011). In the Danish case, free-choice schemes have been introduced predominantly without competitive tendering, meaning that private contractors are paid the long-term unit costs of the municipality instead of being subject to an initial tendering process. Crucially, the competition between providers in Denmark is then based on service quality, not on price. The private contractors are allowed to deliver services after being approved by the local government, whose local service standards constitute the criteria for approval. This is different from, for instance, the Swedish school voucher system where the national government sets the service standards (Böhlmark and Lindahl 2007; Sandström and Bergström 2005).

Given the characteristics of Danish free-choice schemes, I would expect larger municipalities to be particularly attractive to private contractors operating under free-choice schemes for two reasons. First, as the competition between the private contractors is not based on price, the competitive environment associated with larger municipalities does not drive down the price in the same way as under competitive tendering. Second, because the competition is based on quality, the private contractors are particularly interested in markets with a large variation in preferences, which are more often found in large municipalities (Savas 1987). Under normal competitive tendering, such a variation in user preferences is less important for private providers because the companies typically compete to be the sole supplier within a district. By contrast, under free-choice schemes, the private contractor depends on different user preferences to distinguish it from the municipal producer and other private contractors (Krevi 2011; Rostgaard 2006). In Danish municipalities, free-choice schemes, where private contractors are among the alternatives, are primarily used in the elderly care sector (Rostgaard 2006). Therefore, the sector-specific hypothesis is as follows:

Hypothesis 3a (H3a): There is a positive relationship between population size and contracting out for services under free-choice schemes (which in Danish municipalities are found in elderly care).

Table 1 is an overview of the hypotheses applied in this study.

Table 1. Overview of Hypotheses.

General Hypotheses	Moderating Factor	Sector-Specific Hypotheses
H1: There is a general negative relationship between population size and contracting out due to unused economies of scale for the municipality.	Service characteristics	H1a: There is a negative relationship between population size and contracting out for services with relatively high fixed costs.
H2: There is a general positive relationship between population size and contracting out due to the more technical and administrative capacity in larger municipalities.	Service characteristics	H2a: There is a positive relationship between population size and contracting out for services that are difficult to measure.
H3: There is a general positive relationship between population size and contracting out due to more private contractors, and therefore more competition, in larger municipalities.	Market characteristics	H3a: There is a positive relationship between population size and contracting out for services under free-choice schemes.

Research Methods

The empirical strategy used here seeks to address the two shortcomings identified in the literature concerning threats to internal validity from unobserved variables and reverse causality as well as the lack of sectoral explanations. The first shortcoming is addressed by using the largely exogenous variation in population size created by Denmark's local government structural reform, while the second is addressed by specifying dependent variables for nine different policy sectors.

Method

The exogenous, but nonrandom local government structural reform in Denmark in 2007. The standard method used in the literature to test the relationship between size and contracting out has been nonexperimental cross-sectional designs (Bel and Fageda 2009). The challenge of this approach is that important variables, such as past experience with contracting out, cultural attitudes, and organizational arrangements, are often unobserved, and that reverse causality can also be an issue if, for instance, the size of a given local government

had been changed in the past to either encourage or discourage private contracting.

The 2007 Danish local government structural reform merged 239 municipalities into 66 larger entities, while 29 municipalities remained unchanged. This substantial change in the population size of municipalities can be seen as largely exogenous, although not random (Bhatti and Hansen 2011; Blom-Hansen, Houlberg, and Søren Serritzlew 2014; Lassen and Serritzlew 2011). The empirical strategy for this study is to use the 2007 reform as a quasi-experiment where the variation between population size and contracting out *before* and *after* the reform is estimated for the merged municipalities while subtracting out the corresponding development of contracting out for the unmerged municipalities (Besley and Case 2000; Meyer 1995).

The 2007 reform process exhibited features resembling an exogenous intervention initiated by the national government. Shortly after the final report on the advantages and disadvantages of structural reform was submitted by The Commission on Administrative Structure, and to the surprise of many observers, the national government decided in June 2004 to conduct a large-scale reform (Lassen and Serritzlew 2011). Within the next year, the content of the reform was gradually laid down in a body of laws that was passed by parliament in June 2005. The local governments were then instructed to look for neighboring municipalities to be merged with to satisfy the government target of approximately 30,000 inhabitants per municipality. This gave the municipalities some, but not much, freedom to select their merging partners as the decision was restricted by the 30,000 target and by the availability of neighboring municipalities. A quantitative study investigating the reasons behind the municipalities' choices of merging partners found that apart from population size, only citizens' commuting patterns could explain the resulting amalgamations (Bhatti and Hansen 2011). Thus, even though the freedom to choose merging partners introduced some endogeneity into the amalgamation process, there is no reason to expect the choice of merging partners to be correlated with contracting out. Consequently, the largely exogenous population increase should make reverse causality a minor issue.

However, the issue of possible omitted variables (correlated with both population size and contracting out) is more difficult to deal with by the quasi-experimental approach because the assignment into merged and unmerged municipalities was not random, but correlated with initial population size and urbanization (Lassen and Serritzlew 2011). In 2006, the estimated average population was 21,960 among the 239 municipalities about to be merged (see transformation method in Table 2), and 46,475 among the 29 unmerged entities. In 2007, the actual population of the average merged municipality

Table 2. Specification of the Treatment Variables.

	Method	Example for One of the 66 Merged Municipalities
Transformation of data before 2007 for merged municipalities	Mean value of variables for all merged municipalities. The mean values are weighted according to the number of inhabitants before the reform.	The new municipality of Roskilde is a result of a merger between Gundsø (0.20), Ramsø (0.12), and Old Roskilde (0.68), with weights based on number of inhabitants in parentheses. Included variables before the reform are, thus, mean values based on these weights.
Specification of treatment variables	Treatment 1: "Proportional population increase from 2006 to 2007" is the increase in population size from 2006 to 2007 as a share of the population size in 2006. Unmerged municipalities are given the value 0. Treatment 2: "Population increase in 10,000 inhabitants from 2006 to 2007" is the increase in population size from 2006 to 2007 in 10,000 inhabitants. Unmerged municipalities are given the value 0.	In 2006, Roskilde's weighted mean population is calculated to 41,947. In 2007, the actual population became 81,017. Treatment 1: "Proportional population increase" is $(81,107 - 41,947) / 41,947 = 0.93$. Treatment 2: "Population increase in 10,000 inhabitants" $(81,107 - 41,947) / 10,000 = 3.91$.

Note. One could also specify the treatment variable as the population increase from 2006 to 2007 for both the merged and unmerged municipalities. Such an approach gives an almost completely identical result to the operationalization chosen here, as the population increase from 2006 to 2007 is very small for the unmerged municipalities. The results from this approach are available upon request of the author.

increased to 52,387. This means that the unmerged municipalities cannot be expected to be a perfect control group because unobserved variables are possibly correlated with both the assignment process and contracting out.

To address such possible confounders, I do not simply compare the level of contracting out in the two groups; instead, I compare the development in the level of contracting out before and after the reform. This is done by using the difference-in-difference (DiD) estimator, which accounts for any initial differences between the two groups. In that way, I control for time constant variables from a given comparison category. However, one should note that this control for time-fixed variables assumes that the comparison category does not capture preexisting trends in contracting out, for instance, contracting out created by municipalities and private contractors that were beginning to base their privatization decisions on future population size. However, whereas the DiD estimator addresses time-fixed variables, time-varying variables are still a problem if these variables affect contracting out in the merged and unmerged municipalities differently. This challenge is addressed through the inclusion of time-varying controls described in the “Data” section.

Separating a population size effect from a reform effect. One particular challenge, which can render it difficult to isolate the population increase effect, is the effects of reform processes that are unrelated to changes in population size (Houlberg and Dahl 2010). These can include reform-driven confounders, such as organizational changes, changes to staff composition, and changing government regulation, correlated with the reform process in the merged but not in the unmerged municipalities. Such effects of reform processes can often be difficult to separate out in quasi-experimental studies, particularly if these studies measure the treatment in binary terms so that entities experiencing a population increase are coded as 1, whereas untouched municipalities are given the value 0. Thus, a binary treatment can be problematic if one wants to measure the population size effect, because the estimates can then be interpreted as the sum of the population’s increase and other changes related to the reform processes.

While separating a population size and the reform effect is difficult to achieve, one way to deal with reform-driven confounders is to specify a treatment variable, which, instead of expressing the treatment in binary terms, is partly categorical and partly metric. This approach takes into account that the population increases were very different among the merged municipalities. For instance, some municipalities witnessed a large population shock as they were an amalgamation of many municipalities, whereas others were subject to much smaller population increases. Hence, by using a metric treatment variable, I should obtain not only more precise estimates of the actual size effect but also improve the understanding of how much of the effect is driven by the population increase as compared with reform processes.

The treatment variable is measured in two different ways, as shown in Table 2. First, the preferred treatment variable, the *proportional population increase*, is defined as the increase in population size from 2006 to 2007 as a share of the population size in 2006, while the unmerged municipalities are given the value 0. This variable should then capture the relative population increase as varying from 36% to 459% (see Table 3). Because it takes initial population size into account, this variable is expected to be the most precise indicator for the population increase.

Second, the alternative specification, *population increase*, measures the increase in inhabitants in the merged municipalities from 2006 to 2007, while the unmerged municipalities are again coded as 0. This variable then captures the absolute population increase varying from slightly more than 3,000 to almost 70,000 inhabitants (see Table 3). In addition, Table 2 shows how data before 2007 were transformed for the amalgamated municipalities in the form of (weighted) mean values of the variables. These mean values are weighted according to the relative population's size before the reform to make the variables as comparable as possible before and after the reform. For instance, if one only calculated the unweighted mean for private contracting for one smaller and one larger municipalities that were amalgamated in 2007, this prereform estimate would be biased in the direction of the smaller municipality because the actual value after the reform would be much more influenced by the larger municipality (which has a much larger quantity of services to contract out).

Data

Data stem from 95 out of 98 municipalities; the municipalities of Copenhagen, Frederiksberg, and Bornholm were excluded from the analysis as they acted as both municipalities and counties before the 2007 reform. The dependent variable is measured by the Private Contractor Indicator (PCI) that measures the share of municipal payments to private service contractors of the total service expenditures that can legally be performed by private suppliers (Houlberg and Dahl 2010). To respond to the second shortcoming in the literature concerning the lack of sectoral explanations, PCI is computed for all services as well as the nine policy sectors that in 2012 constituted 86.5% of the services eligible for contracting out. The remaining expenditures cannot be grouped within a coherent policy sector. The nine policy sectors are two technical sectors (urban development and road maintenance), five social policy sectors (schools, day care, elderly care, people with special needs, and labor market activities), and two policy sectors outside the technical and

Table 3. Descriptive Statistics for Included Variables, 2004–2012 (*n* = 95).

Variable	Observations	<i>M</i>	<i>SD</i>	Minimum	Maximum
Total	855	22.4	4.4	14.3	44.1
Urban development and environment	855	42.4	14.9	9.4	96.2
Roads	838	53.6	19.9	6.9	99.8
Schools	855	19.1	7.5	5.1	53.5
Culture	855	26.1	11.4	4.5	100.0
Day care	855	9.5	3.3	3.8	30.4
Elderly care	855	11.9	5.9	3.8	50.6
Children and adults with special needs	855	33.1	14.5	0.6	86.3
Labor market activities	853	39.5	20.1	0.1	95.6
Administration	855	21.8	3.7	10.2	39.2
Amalgamated (dummy)	855	0.69	0.46	0	1
Proportional population increase (from 2006 to 2007)	855	1.24	1.16	0	4.59
Population increase in 10,000 inhabitants (from 2006 to 2007)	855	2.12	1.83	0	6.77
Proportional population increase among merged municipalities (from 2006 to 2007)	594	1.79	0.99	0.36	4.59
Population increase in 10,000 inhabitants among merged municipalities (from 2006 to 2007)	594	3.05	1.42	0.33	6.77
Population size	855	43,859	40,780	1,897	314,545
Fiscal stress	855	0.30	0.05	0.18	0.41
Population density (people per km ²)	855	400	626	16	3,028
Small island (dummy)	855	0.05	0.22	0	1
Administrative professionals (per 10,000 inhabitants)	851	6.8	3.5	0	19.2
Left-wing mandates (%)	845	43.0	13.8	6.7	78.9

Note. Data from 2004 to 2006 have been aggregated for the merged municipalities by taking the mean of each variable weighted according to the respective population size before the reform among the municipalities merged together to one entity in 2007. The simple procedure for this calculation is shown in Table 2.

social areas (culture and administration). Whereas sector-dependent hypotheses have been proposed for both the technical and social sectors, I do not expect to find a population effect for administration and culture, because they

do not involve particularly high fixed costs and are not difficult to measure. In 2012, the social services sectors were the largest sectors by far, constituting 62.5% of municipal expenditures, the technical policy sectors constituted 5.2%, while culture and administration accounted for 18.7%. Operationalization of the policy sectors is shown in Table A1 of the appendix.

The control variables included in the models follow from the international literature as well as from variables, which have proven important in the Danish case (Bhatti, Olsen, and Pedersen 2009; Foged 2015; Houlberg and Dahl 2010; Pallesen 2004). Besides population size, the variables traditionally included are indicators for fiscal stress, market structure, interest groups, and ideology. I expect fiscal stress to be positively correlated with contracting out for policy sectors with relatively weak user and producer groups, whereas the effect should be negative for sectors with strong user and producer groups (Foged 2015; Pallesen 2004). Thus, I hypothesize that fiscal stress does indeed encourage municipalities to contract out, but that this effect is opposed by a tendency for users and municipal employees to oppose contracting out more fiercely when the economy deteriorates. During periods of fiscal stress, contracting out is typically used as an alternative to municipal production, and can threaten municipal jobs and service quality, whereas privatization is more often a supplement to municipal production during periods of economic growth (Foged 2015; Pallesen 2004). Fiscal stress is operationalized as the ratio between the municipalities' objective expenditure need and the tax base after financial equalization among the municipalities. Moreover, population density is included as a rough proxy for market structures such as transportation costs. As an indicator for interest groups, the number of administrative professionals per 10,000 inhabitants is included as this variable has proven important in the Danish municipalities, presumably because administrative professionals prefer contracting out as a prestigious management task or because professional competencies are necessary to conduct contracting out (Bhatti, Olsen, and Pedersen 2009).

Also, the administrative professionals variable can possibly control for reform processes unrelated to size if, for instance, the reform is used to employ many new administrative professionals. With respect to ideology, I expect left-wing parties to block contracting out (Elinder and Jordahl 2013). Ideology is operationalized as the percentage share of left-wing mandates in the municipal council coming from the Social Democrats, the Socialist People's Party, and the Unity List. Finally, a dummy variable has been included for small islands where special conditions of production exist (Houlberg and Dahl 2010). Descriptive statistics for the included variables are provided in Table 3.

Results and Discussion

Choice of Comparison Year

The main specification in Table 4 is presented in Models 1 to 10 with the proportional population increase as the treatment variable. The DiD estimator is reported by yearly interactions from 2004 to 2012 to show any possible prereform effects and to capture possible time lags in the effects. The multiple interactions approach has been employed in previous studies (Blom-Hansen, Houlberg, and Søren Serritzlew 2014); it is used to present the estimates here because it provides more information regarding the persistence and timing of the population effect compared with a simple before-and-after comparison. The year 2004 is selected as the reference category because prereform effects on contracting could have potentially set in from 2005 onward. (The Danish government's political decision to proceed with the reform was articulated by mid-2004, but it was not until mid-2005 that the body of reform-related laws was implemented.) Moreover, one has to expect some lag from the time a reform is agreed upon to the time municipal and private actors begin to base their actions on these changes. Therefore, 2004 should be the closest year to the 2007 reform where we are confident that prereform effects are not an issue. This is supported by a previous study in Danish municipalities showing parallel trends in contracting among merged and unmerged municipalities before 2004 (Houlberg 2012), and by a formal test conducted later in this study that finds that the estimates are robust to the inclusion of data back to 2001. However, I do not necessarily expect contracting out in 2005 and 2006 to show parallel trends for merged and unmerged municipalities because of possible prereform effects. The yearly interactions should be interpreted as the yearly effect of the exogenous population increase on contracting out compared with the 2004 level, controlling also for the change in contracting out among the unmerged municipalities during the same period.

Findings

The relationship between population size and contracting out seems well explained by sector-specific hypotheses. Looking at Table 4, Models 1 to 10, I clearly reject a general relationship between population size and contracting out. Although Model 1 shows that the population increase has led to a significant increase in total contracting out, this effect is clearly driven by opposing effects in the policy sectors in Models 2 to 8. By contrast, the sector-specific hypotheses perform remarkably well. I originally hypothesized that there would be a negative relationship between population size and contracting out

Table 4. The Relationship Between Population Size and Contracting Out, 2004–2012 ($n = 95$).

	Treatment Is Proportional Population Increase									
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Total	Urban Develop.	Roads	Schools	Culture	Day Care	Elderly	Special Needs	Labor Market	Adm.
Treatment	-0.498** (-2.20)	1.716 (1.41)	2.907* (1.97)	-0.0236 (-0.05)	-2.397** (-2.35)	-0.982*** (-2.76)	-1.611*** (-3.87)	-1.881 (-1.21)	-1.023 (-1.12)	0.158 (0.66)
Interactions										
Treatment × 2005	-0.0173 (-0.17)	0.660*** (3.04)	-0.353 (-0.48)	-0.146 (-0.65)	0.571 (1.45)	0.253* (1.69)	-0.488** (-2.19)	0.421 (0.37)	-0.477 (-0.71)	-0.336** (-2.05)
Treatment × 2006	0.0304 (0.19)	0.866** (2.05)	-2.462* (-1.75)	0.218 (0.82)	0.685* (1.79)	0.337** (2.22)	-0.792*** (-3.30)	0.334 (0.27)	-0.989 (-1.06)	-0.213 (-0.99)
Treatment × 2007	0.298 (1.15)	-0.261 (-0.28)	-2.155 (-1.23)	0.691 (1.42)	-0.443 (-0.49)	0.425** (2.18)	1.499*** (2.73)	3.274** (2.37)	0.806 (0.63)	-0.883*** (-3.06)
Treatment × 2008	0.656* (1.98)	0.163 (0.18)	-2.848* (-1.76)	0.690 (1.30)	-0.315 (-0.37)	0.602** (2.49)	1.695*** (2.98)	3.400** (2.44)	1.423 (0.98)	-0.418 (-1.30)
Treatment × 2009	0.968** (2.60)	-1.813 (-1.57)	-3.802** (-2.13)	1.163* (1.87)	0.258 (0.29)	0.690** (2.47)	1.794*** (3.06)	2.611* (1.71)	0.311 (0.23)	-0.267 (-0.77)
Treatment × 2010	0.741** (2.01)	-2.688** (-2.19)	-3.246* (-1.81)	1.207* (1.86)	0.477 (0.55)	0.762** (2.52)	1.816*** (3.09)	1.979 (1.25)	2.214 (1.25)	-0.134 (-0.34)
Treatment × 2011	0.505* (1.85)	-3.075** (-2.47)	-3.008 (-1.62)	1.677** (2.57)	0.614 (0.72)	0.896** (2.92)	1.942*** (3.36)	1.913 (1.18)	-1.127 (-0.62)	-0.121 (-0.31)
Treatment × 2012	0.514** (2.07)	-2.109 (-1.36)	-4.771** (-2.24)	1.522** (2.43)	0.909 (0.97)	0.891** (2.33)	1.939*** (3.20)	1.583 (0.96)	-0.917 (-0.53)	-0.204 (-0.53)

(continued)

Table 4. (continued)

	Treatment Is Proportional Population Increase									
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Total	Urban Develop.	Roads	Schools	Culture	Day Care	Elderly	Special Needs	Labor Market	Adm.
Control variables										
Fiscal stress (in 100 DKK)	-0.145*	0.162	0.376	-0.622***	0.763***	-0.0718	-0.184	-0.411	-1.237***	-0.161**
	(-1.90)	(0.45)	(0.86)	(-3.87)	(3.18)	(-0.62)	(-1.50)	(-1.16)	(-2.88)	(-2.15)
Population density (100 people per km ²)	-0.135***	-0.685***	-0.556	-0.172**	-0.516***	0.00562	0.0579	0.330	-0.330	-0.116*
	(-2.75)	(-3.86)	(-1.65)	(-2.17)	(-3.93)	(0.12)	(0.76)	(1.57)	(-1.41)	(-1.90)
Small island (dummy)	1.840	16.59*	13.57	5.408*	7.886	-2.443*	-3.318**	1.922	-14.27***	4.522***
	(1.17)	(1.85)	(1.57)	(1.91)	(0.70)	(-1.82)	(-2.20)	(0.50)	(-2.36)	(6.17)
Admin. profes. (per 10,000 inhab.)	0.413***	0.0995	-0.400	0.0810	0.0943	0.0529	0.145	0.531	0.769*	-0.0426
	(3.07)	(0.21)	(-0.79)	(0.57)	(0.35)	(0.56)	(1.16)	(1.44)	(1.92)	(-0.57)
Left-wing mandates (%)	-0.0118	-0.0854	-0.0838	-0.0800*	-0.0996*	-0.0395	-0.0107	-0.0444	0.211**	-0.0130
	(-0.62)	(-0.92)	(-0.69)	(-1.97)	(-1.69)	(-1.56)	(-0.28)	(-0.43)	(2.09)	(-0.61)
Year dummies (ref. = 2004)										
2005	0.864***	-0.311	-0.0716	-0.0953	-0.981	-0.434	2.346***	6.481***	4.283***	1.485***
	(3.89)	(-0.59)	(-0.05)	(-0.19)	(-1.11)	(-1.27)	(4.84)	(3.08)	(3.29)	(4.03)
2006	0.767**	-1.804*	1.103	-1.230**	-1.808**	-0.843*	3.816***	7.681***	7.088***	1.795***
	(2.10)	(-1.75)	(0.35)	(-2.08)	(-2.01)	(-2.28)	(7.26)	(3.02)	(3.71)	(4.06)
2007	3.425***	0.140	4.504	5.620***	-3.333**	0.229	-6.355***	0.282	15.95***	3.098***
	(6.75)	(0.07)	(1.34)	(4.66)	(-2.09)	(0.47)	(-5.63)	(0.09)	(5.49)	(5.33)

(continued)

Table 4. (continued)

Treatment Is Proportional Population Increase										
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
Total	Urban Develop.	Roads	Schools	Culture	Day Care	Elderly	Special Needs	Labor Market	Adm.	
2008	4.240*** (6.61)	0.0224 (0.01)	6.487* (1.78)	6.806*** (5.08)	-3.923** (-2.15)	0.532 (0.89)	-6.030*** (-4.97)	2.731 (0.80)	19.25*** (5.25)	3.701*** (6.19)
2009	3.956*** (4.93)	3.002 (0.89)	7.811*** (2.11)	7.963*** (5.42)	-5.568*** (-2.64)	0.502 (0.70)	-5.948*** (-4.70)	5.293 (1.39)	19.61*** (4.87)	4.066*** (5.77)
2010	4.904*** (5.85)	1.755 (0.49)	5.656 (1.26)	7.996*** (5.20)	-5.985*** (-2.80)	0.477 (0.63)	-6.007*** (-4.60)	6.169 (1.57)	32.14*** (7.37)	3.621*** (4.45)
2011	4.808*** (5.79)	2.014 (0.54)	5.682 (1.23)	7.241*** (4.74)	-5.895*** (-2.90)	0.496 (0.64)	-6.068*** (-4.65)	4.883 (1.14)	37.71*** (8.83)	3.832*** (4.67)
2012	4.717*** (5.08)	1.723 (0.41)	9.905*** (2.13)	4.713*** (2.99)	-5.945** (-2.62)	1.231 (1.38)	-5.276*** (-3.89)	6.008 (1.35)	38.42*** (9.11)	4.442*** (4.73)
Constant	21.87*** (10.06)	40.95*** (4.41)	44.83*** (3.94)	35.73*** (8.64)	14.53** (2.34)	13.38*** (5.01)	20.78*** (6.43)	38.10*** (3.48)	46.24*** (4.47)	24.99*** (12.56)
n	842	842	825	842	842	842	842	840	842	842
r ²	.443	.215	.125	.296	.234	.135	.358	.122	.475	.195
F	33.76	5.141	3.409	8.890	4.446	6.756	11.99	6.849	33.52	13.94
(continued)										

(continued)

Table 4. (continued)

Treatment Is Population Increase in 10,000 People										
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
	Total	Urban Develop.	Roads	Schools	Culture	Day Care	Elderly	Special Needs	Labor Market	Adm.
Treatment	-0.243 (-1.60)	0.517 (0.66)	2.010** (2.12)	0.107 (0.31)	0.0607 (0.10)	-0.502* (-1.96)	-0.994*** (-3.23)	-1.435 (-1.32)	0.597 (0.86)	-0.0599 (-0.40)
Interactions										
Treatment × 2005	0.0199 (0.28)	0.243 (1.61)	-0.417 (-0.90)	-0.105 (-0.70)	0.214 (0.81)	0.155 (1.53)	-0.216 (-1.43)	0.235 (0.34)	-0.302 (-0.75)	-0.148 (-1.24)
Treatment × 2006	-0.0408 (-0.40)	0.260 (0.96)	-1.786* (-1.79)	0.0109 (0.06)	0.412 (1.61)	0.172 (1.59)	-0.503*** (-3.14)	0.198 (0.25)	-0.625 (-1.07)	-0.0957 (-0.71)
Treatment × 2007	0.0316 (0.22)	-0.831* (-1.77)	-1.177 (-1.21)	0.286 (0.82)	0.209 (0.42)	0.274** (2.49)	0.975*** (2.84)	0.763 (0.78)	0.704 (0.85)	-0.422** (-2.44)
Treatment × 2008	0.0655 (0.42)	-0.631 (-1.11)	-1.419 (-1.15)	0.129 (0.37)	0.343 (0.70)	0.297** (2.26)	1.000*** (2.87)	0.642 (0.64)	1.166 (1.24)	-0.168 (-0.85)
Treatment × 2009	0.240 (1.53)	-1.451** (-2.20)	-1.041 (-0.92)	0.381 (0.92)	0.727 (1.44)	0.328** (2.17)	1.041*** (2.85)	0.467 (0.45)	0.0929 (0.11)	-0.0304 (-0.14)
Treatment × 2010	0.216 (1.25)	-1.768*** (-2.68)	-1.625 (-1.37)	0.144 (0.34)	0.642 (1.37)	0.355** (2.06)	1.039*** (2.77)	0.299 (0.29)	1.341 (1.35)	-0.0451 (-0.19)
Treatment × 2011	0.265 (1.65)	-2.267*** (-3.09)	-2.122* (-1.95)	0.310 (0.66)	0.683 (1.40)	0.399** (2.25)	1.082*** (2.90)	0.0291 (0.03)	-0.138 (-0.13)	-0.0746 (-0.32)
Treatment × 2012	0.203 (1.32)	-1.998*** (-2.73)	-3.394*** (-2.94)	0.213 (0.48)	0.896* (1.69)	0.388* (1.84)	1.073*** (2.74)	-0.0728 (-0.07)	-0.719 (-0.72)	-0.178 (-0.76)

(continued)

Table 4. (continued)

Treatment Is Population Increase in 10,000 People										
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
	Total	Urban Develop.	Roads	Schools	Culture	Day Care	Elderly	Special Needs	Labor Market	Adm.
Control variables										
Fiscal stress (in 100 DKK)	-0.132* (-1.70)	0.247 (0.72)	0.334 (0.76)	-0.577*** (-3.66)	0.563*** (2.37)	-0.0782 (-0.70)	-0.174 (-1.49)	-0.284 (-0.80)	-1.356*** (-3.10)	-0.157** (-2.14)
Population density (100 people per km ²)	-0.142*** (-2.85)	-0.785*** (-4.02)	-0.520 (-1.57)	-0.176** (-2.21)	-0.344*** (-2.95)	0.00470 (0.09)	0.0551 (0.70)	0.221 (1.03)	-0.186 (-0.77)	-0.132** (-2.03)
Small island (dummy)	1.640 (0.98)	14.51 (1.62)	14.44 (1.64)	5.128* (1.75)	11.78 (1.02)	-2.554* (-1.72)	-3.718*** (-2.41)	-0.950 (-0.22)	-11.22* (-1.84)	4.172*** (5.13)
Admin. profes. (per 10,000 inhab.)	0.405*** (3.02)	0.0142 (0.03)	-0.383 (-0.76)	0.0191 (0.13)	0.310 (1.10)	0.0677 (0.76)	0.150 (1.22)	0.444 (1.22)	0.888** (2.26)	-0.0463 (-0.66)
Left-wing mandates (%)	-0.0121 (-0.63)	-0.0945 (-1.01)	-0.0832 (-0.69)	-0.0853*** (-2.17)	-0.0784 (-1.43)	-0.0371 (-1.51)	-0.0101 (-0.27)	-0.0525 (-0.52)	0.220** (2.16)	-0.0122 (-0.57)
Year dummies (ref. = 2004)										
2005	0.800*** (3.44)	0.00291 (0.01)	0.380 (0.24)	-0.0415 (-0.08)	-0.752 (-0.80)	-0.452 (-1.21)	2.193*** (4.06)	6.501*** (2.94)	4.321*** (3.08)	1.382*** (3.42)
2006	0.892*** (2.33)	-1.285 (-1.17)	1.890 (0.54)	-0.963 (-1.47)	-1.872* (-1.90)	-0.794* (-1.96)	3.905*** (6.72)	7.668*** (2.83)	7.177*** (3.43)	1.734*** (3.66)
2007	3.691*** (7.49)	1.357 (0.64)	4.460 (1.28)	5.783*** (4.80)	-3.839*** (-2.26)	0.173 (0.34)	-6.625*** (-5.67)	2.332 (0.77)	15.76*** (5.08)	2.886*** (4.73)

(continued)

Table 4. (continued)

Treatment Is Population Increase in 10,000 People										
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
	Total	Urban Develop.	Roads	Schools	Culture	Day Care	Elderly	Special Needs	Labor Market	Adm.
2008	4.875*** (8.02)	1.311 (0.49)	6.144 (1.54)	7.306*** (5.38)	-4.506** (-2.34)	0.644 (1.03)	-6.120*** (-4.85)	5.139 (1.49)	18.87*** (4.88)	3.521*** (5.64)
2009	4.588*** (5.97)	3.506 (1.02)	5.551 (1.52)	8.469*** (5.91)	-6.070*** (-2.80)	0.660 (0.90)	-6.020*** (-4.53)	6.944* (1.85)	20.27*** (4.76)	3.775*** (5.09)
2010	5.309*** (6.35)	1.929 (0.52)	5.284 (1.15)	9.134*** (5.91)	-6.265*** (-2.89)	0.648 (0.83)	-6.043*** (-4.45)	7.478* (1.91)	32.39*** (7.08)	3.530*** (4.26)
2011	4.825*** (5.67)	2.841 (0.76)	6.637 (1.46)	8.656*** (5.01)	-6.272*** (-3.11)	0.731 (0.92)	-6.037*** (-4.44)	6.775 (1.57)	36.85*** (8.24)	3.825*** (4.61)
2012	4.868*** (5.12)	3.143 (0.74)	11.42*** (2.61)	6.126*** (3.49)	-6.328*** (-2.76)	1.482 (1.64)	-5.241*** (-3.74)	7.633* (1.69)	39.09*** (8.98)	4.549*** (4.68)
Constant	21.53*** (9.92)	41.05*** (4.48)	44.97*** (3.97)	34.83*** (8.51)	13.88*** (2.31)	13.23*** (5.07)	20.60*** (6.45)	36.82*** (3.44)	45.12*** (4.29)	25.28*** (13.09)
<i>n</i>	842	842	825	842	842	842	842	842	840	842
<i>r</i> ²	.439	.214	.127	.282	.206	.124	.351	.128	.476	.197
<i>F</i>	35.56	4.176	3.692	8.760	5.666	7.052	13.42	6.115	32.54	13.29

Note. OLS regression with clustered standard errors at the municipality level, *t*-statistics in parentheses. See Table A2 in the appendix for a reporting where the treatment variable is a dummy. An alternative specification where the treatment variable is the population increase from 2006 to 2007 for both the merged and unmerged municipalities gives almost completely identical results and is available upon request. Urban Develop. = urban development; Adm. = administration; DKK = Danish Krone; Admin. profes. = administrative professionals; Inhab. = inhabitants; ref. = reference; OLS = ordinary least squares.

p* < .10. *p* < .05. ****p* < .01.

for services with high fixed costs. This hypothesis seems confirmed for both of the two technical sectors where high costs are involved. For urban development and environment, the negative relationship seems to materialize from 2009 and was statistically significant in 2010 and 2011. For roads, a significant negative relationship is detectable from 2008 onward, so that a doubling in population size (equivalent to a one-unit increase) can be expected to decrease the level of contracting out by 4.8 percentage points in 2012 compared with the contracting out level in 2004.

The second sector-specific hypothesis, which predicted a positive relationship between population size and contracting out for services with a low degree of measurability, is also supported by the data. Significant positive effects are found for all policy sectors in the social area, except for labor market activities. In particular, elderly care and day care show strong positive effects: The estimates are significant in all years after the reform. For elderly care, the causal interpretation is that doubling the population size in 2007 increases the level of contracting out by 1.9 percentage points in 2012, whereas the corresponding effect is 0.9 percentage points for day care. Significant positive effects are also found for schools from 2009 onward, so that a doubling of population size increases private contracting by 1.5 percentage points in 2012. For people with special needs, there seems to have been a positive population size effect just after the reform, which eases over time.

Finally, the third sector-specific hypothesis, which predicted a positive relationship between population size and contracting out for services under free-choice schemes, is also backed up by the data, because, as noted above, a positive effect is found in elderly care. Although I cannot rule out that this effect is due solely to the mechanism proposed by H2a, or for that matter, due solely to H3a, I think both hypotheses can be supported by the fact that the positive estimates reach the highest degree of statistical significance in elderly care. One could, thus, interpret the finding as H2a and H3a reinforce each other. As expected, neither culture nor administration shows a significant postreform relationship between population size and contracting out.

Prereform effects are particularly evident in elderly care, where contracting out was significantly lower in the amalgamated municipalities in both 2005 and 2006, and in urban development, where contracting out was significantly higher in the merged municipalities before the reform (see Table A2 in the appendix for the binary comparison between merged and unmerged). The prereform effects in elderly care could possibly be due to the postponement of contracts in municipalities about to be merged. The prereform effects in urban development could indicate a tendency for municipalities to spend extra money on construction before the municipality was closed down to

make way for merging, which is an effect previously found in the areas of spending of cash reserves and incurring debt (Houlberg 2014). Also, more of the treatment variables (without an interaction with time) are significant, indicating different initial levels of contracting out in 2004. These initial differences are not surprising given that the average unmerged municipality was approximately half the size of the average merged municipality before the reform. Thus, it is in accordance with the hypotheses and the findings that the entities about to be merged initially had less contracting out in elderly care and day care and conversely more initial contracting in the areas of roads and urban development.

With respect to the control variables, fiscal stress is, as expected, negatively correlated with contracting out for some of the social policy sectors (in the form of schools and labor market) where strong interest groups exist, while the association is positive within the less politicized cultural area. Moreover, contracting out seems to be less common in more densely populated municipalities, which is slightly surprising because the variable was included to account for the availability of private contractors. Thus, possibly population density picks up some municipal scale effects due to high municipal costs associated with producing services to people in sparsely populated areas. As expected, the general association between the share of administrative professionals and contracting out is positive and driven in particular by the social area where such competencies should be particularly important (the effect is strongest within labor market activities and to a smaller degree for people with special needs and elderly care). Finally, the effect of ideology on contracting out is in general modest but in most cases found to be in the expected direction.

What is the value of a metric treatment? In Table 4, Models 11 to 20, similar regressions are run with an alternative treatment variable measuring the population increase without taking the initial population size into account. In general, these estimates do not diverge much from the findings in Models 1 to 10. However, this alternative treatment variable does not find the same significant effect for schools and for people with special needs. This is also the case for the estimates with the binary treatment in Table A2 in the appendix, which, besides failing to find significant effects for schools and people with special needs, also estimate a positive effect for culture. In Tables 5 and 6, these differences are interpreted by first comparing the estimates for the three different treatments in Table 5 and then running a regression on the subsample of merged municipalities in Table 6.

Tables 5 and 6 reflect the fact that the comparison of the treatment variables is made easier by reporting the average postreform effect, 2007–2012,

Table 5. The Relationship Between Population Size and Contracting Out, 2004 Versus 2007–2012 ($n = 95$).

	Treatment Is Proportional Population Increase										Treatment Is Population Increase in 10,000 People				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	Total	Urban Develop.	Roads	Schools	Culture	Day Care	Elderly	Special Needs	Labor Market	Adm.	Total	Urban Develop.	Roads	Schools	Culture
Treatment	-0.511** (-2.24)	1.871 (1.53)	2.882* (1.93)	-0.0487 (-0.11)	-2.518** (-2.48)	-1.007*** (-2.83)	-1.855*** (-4.27)	-2.026 (-1.30)	-0.646 (-0.64)	0.169 (0.69)	-0.268* (-1.73)	0.620 (0.79)	2.046** (2.13)	0.0775 (0.22)	-0.0204 (-0.03)
Time dummy (ref. = 2004)															
Post-2006	4.026*** (6.40)	1.478 (0.56)	5.323 (1.53)	6.812*** (5.47)	-3.687** (-2.10)	0.375 (0.57)	-6.119*** (-5.05)	3.315 (1.00)	21.59*** (5.91)	3.144*** (4.83)	4.407*** (7.15)	2.419 (0.91)	5.230 (1.49)	7.686*** (6.01)	-4.256*** (-2.39)
Interactions															
Treatment × Post-2006	0.603** (2.28)	-1.620 (-1.56)	-3.285** (-2.24)	1.112** (2.24)	0.213 (0.26)	0.698*** (2.74)	1.674*** (3.06)	2.424* (1.72)	0.495 (0.39)	-0.336 (-1.06)	0.157 (1.23)	-1.471*** (-2.75)	-1.810** (-2.06)	0.203 (0.57)	0.571 (1.28)
Control variables	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Constant	20.74*** (11.19)	41.33*** (5.13)	41.64*** (3.63)	35.04*** (8.37)	17.87*** (3.24)	12.62*** (5.00)	19.72*** (6.90)	35.35*** (3.80)	28.06*** (2.74)	23.01*** (12.42)	20.49*** (11.12)	41.56*** (5.24)	41.48*** (3.61)	34.18*** (8.23)	16.90*** (3.13)
n	653	653	643	653	653	653	653	653	651	653	653	653	643	653	653
r ²	.364	.179	.123	.233	.224	.0873	.204	.115	.298	.177	.363	.183	.123	.219	.185
F	70.17	7.345	4.530	11.45	5.218	6.696	6.819	5.498	54.08	16.77	67.32	6.650	4.819	11.36	6.347

(continued)

Table 5. (continued)

	Treatment Is Population Increase in 10,000 People										Treatment Is Amalgamated (Dummy)									
	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)					
	Day Care	Elderly	Special Needs	Labor Market	Adm.	Total	Urban Develop.	Roads	Schools	Culture	Day Care	Elderly	Special Needs	Labor Market	Adm.					
Treatment	-0.525** (-2.04)	-1.128*** (-3.54)	-1.631 (-1.51)	0.753 (1.01)	-0.0546 (-0.35)	-1.187 (-1.31)	6.338* (1.79)	13.40*** (2.71)	1.435 (0.85)	-4.762 (-1.38)	-2.494* (-1.83)	-4.857*** (-2.96)	-9.111* (-1.69)	-1.116 (-0.36)	-0.554 (-0.67)					
Time dummy (ref. = 2004)																				
Post-2006	0.533 (0.78)	-6.153*** (-4.87)	5.348 (1.63)	21.69*** (5.65)	3.039*** (4.47)	4.276*** (6.00)	3.368 (1.23)	6.210 (1.57)	6.735*** (5.16)	-5.329*** (-3.02)	0.101 (0.14)	-7.090*** (-4.62)	3.710 (0.96)	22.52*** (5.39)	2.924*** (3.61)					
Interactions																				
Treatment x Post-2006	0.331** (2.29)	0.983*** (2.79)	0.312 (0.32)	0.353 (0.47)	-0.156 (-0.83)	0.701 (1.16)	-5.683*** (-2.75)	-6.980* (-1.78)	1.976 (1.45)	3.142* (1.68)	1.696*** (2.64)	4.443*** (2.48)	3.638 (0.92)	-0.466 (-0.14)	-0.270 (-0.33)					
Control variables		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes					
Constant	12.54*** (5.08)	19.78*** (7.02)	34.92*** (3.87)	26.60** (2.55)	23.32*** (13.04)	20.89*** (11.03)	38.77*** (4.91)	35.75*** (2.83)	33.11*** (8.31)	20.00*** (3.15)	13.43*** (5.33)	21.12*** (7.55)	39.20*** (3.92)	28.15*** (2.69)	23.77*** (13.45)					
n	653	653	653	651	653	653	653	643	653	653	653	653	653	651	653					
r ²	.0823	.202	.132	.304	.181	.363	.181	.136	.237	.187	.0843	.205	.133	.298	.180					
F	5.696	6.822	5.632	53.45	17.16	66.58	9.432	5.033	12.31	5.531	6.695	6.988	5.276	57.97	15.71					

Note. OLS regression with clustered standard errors at the municipality level, t-statistics in parentheses. Urban Develop. = urban development; Adm. = administration; ref. = reference; OLS = ordinary least squares.

*p < .10. **p < .05. ***p < .01.

Table 6. The Relationship Between Population Size and Contracting Out for the Merged Municipalities, 2004 Versus 2007–2012 (*n* = 66).

	Treatment Is Proportional Population Increase									
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Total	Urban Develop.	Roads	Schools	Culture	Day Care	Elderly	Special needs	Labor Market	Adm.
Treatment	-0.471* (-1.83)	-0.895 (-0.54)	-1.239 (-0.79)	-0.214 (-0.31)	-1.857 (-1.51)	-0.365 (-1.17)	-0.764 (-1.32)	-0.544 (-0.32)	-0.00654 (-0.00)	0.468** (2.01)
Time dummy (ref. = 2004)										
Post-2006	2.880*** (2.93)	-0.433 (-0.10)	4.826 (0.87)	7.721*** (3.53)	-0.556 (-0.20)	0.258 (0.36)	-4.895*** (-2.71)	1.491 (0.30)	12.74** (2.36)	2.383** (2.60)
Interaction										
Treatment × Post-2006	0.801** (2.23)	0.617 (0.43)	-1.819 (-0.91)	1.062 (1.43)	-1.367 (-1.22)	0.428 (1.34)	0.864 (1.17)	2.744 (1.49)	0.480 (0.31)	-0.624* (-1.68)
Control variables										
Constant	18.52*** (5.66)	71.41*** (5.32)	70.75*** (4.49)	36.33*** (5.25)	8.124 (1.00)	7.466*** (3.09)	14.22*** (3.82)	31.76*** (2.44)	-14.23 (-0.83)	16.54*** (5.93)
<i>n</i>	456	456	448	456	456	456	456	456	455	456
<i>r</i> ²	.360	.0904	.0734	.220	.165	.171	.183	.118	.301	.113
<i>F</i>	71.34	5.702	3.071	12.55	2.767	10.13	8.232	5.701	44.57	16.88

(continued)

Table 6. (continued)

	Treatment Is Population Increase in 10,000 People									
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
	Total	Urban Develop.	Roads	Schools	Culture	Day Care	Elderly	Special Needs	Labor Market	Adm.
Treatment	-0.251 (-1.00)	-0.655 (-0.58)	-0.165 (-0.16)	0.0862 (0.18)	0.540 (0.67)	-0.155 (-0.72)	-0.462 (-1.10)	-0.0207 (-0.02)	0.917 (0.83)	0.00424 (0.02)
Time dummy (ref. = 2004)										
Post-2006	3.863*** (3.27)	3.509 (0.81)	5.337 (0.84)	10.42*** (4.22)	-2.856 (-0.85)	0.675 (0.93)	-4.656*** (-2.32)	8.954* (1.81)	10.54* (1.72)	2.003* (1.73)
Interaction										
Treatment × Post-2006	0.105 (0.47)	-1.185 (-1.35)	-1.356 (-1.11)	-0.305 (-0.55)	0.0827 (0.13)	0.0926 (0.50)	0.385 (0.76)	-1.013 (-0.76)	1.297 (1.08)	-0.261 (-1.00)
Control variables	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Constant	17.58*** (5.80)	66.98*** (5.31)	66.90*** (3.94)	34.74*** (5.60)	6.099 (0.68)	6.871*** (3.05)	13.42*** (3.73)	27.15*** (2.30)	-11.57 (-0.73)	17.02*** (6.24)
n	456	456	448	456	456	456	456	456	455	456
r ²	.356	.116	.0639	.211	.0811	.170	.182	.104	.319	.118
F	61.88	7.163	2.598	12.34	1.849	9.797	7.419	7.671	44.57	15.75

Note. OLS regression with clustered standard errors at the municipality level, t-statistics in parentheses. Urban Develop. = urban development; Adm. = administration; ref. = reference; OLS = ordinary least squares.

*p < .10. **p < .05. ***p < .01.

compared with 2004. Hence, besides the reporting of only one postreform estimate compared with yearly interactions, the procedure is identical to Table 4, including the set of control variables. Table 5 summarizes the differences between the estimates, that is, both alternative treatments do not estimate significant size effects for schools and people with special needs, and, by contrast, the binary indicator finds a positive size effect for culture. Our interpretation of these findings is that the treatment variable preferred in this study—the proportional population increase—seems to be a more precise measure of the population effect, which is why the indicator is also better at separating out any reform effects unrelated to the population increase.

Hence, by running the regression only on the subsample of merged municipalities in Table 6, I see that the municipalities experiencing the largest proportional population increase tended to increase contracting out more for both schools and people with special needs, which increase our confidence in a positive causal relationship for these policy sectors. Similarly, the negative coefficient found for culture in the subsample weakens our trust in the positive population effect estimated with the binary treatment as I would then expect the coefficient to show a positive sign in the subsample. In sum, it is possible that the binary treatment captures a reform effect unrelated to population size.

The findings hold with more data. One potential objection to the findings in Table 4 could be that 2004 constitutes only one year of reference and that I should compare postreform contracting out with even more observations before the reform. This objection is addressed by collecting data all the way back to 2001, which produce a broader reference category of observations from 2001 to 2004. The drawback of this approach is that I am then working with a reference category that is even further away from the actual reform, which, in turn, increases the possibility of other factors influencing contracting out in the observed period.

The results of this robustness test are shown in Table 7, where for the sake of overview, I simplify the reported effect in one postreform estimate, but where all controls are again the same as in Table 4 (see full specification in Table A3 in the appendix). In general, the estimates seem very robust to the expansion of the reference category from 2004 to 2001–2004. The expected significant effects are found for elderly care, day care, and people with special needs, whereas the estimated coefficients for urban development and schools come close to significance at the 10% level and do not change much in size compared with the situation with 2004 as baseline. Only with respect to roads does the broader reference category seem to make a difference, as the

Table 7. The Relationship Between Population Size and Contracting Out, 2001–2004 Versus 2007–2012 ($n = 95$).

	Treatment Is Proportional Population Increase									
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Total	Urban Develop.	Roads	Schools	Culture	Day Care	Elderly	Special Needs	Labor Market	Adm.
Treatment	-0.356* (-1.74)	1.628 (1.38)	0.902 (0.74)	0.263 (0.57)	-2.180** (-2.55)	-0.859*** (-2.66)	-1.227*** (-3.94)	-1.897 (-1.28)	-1.108 (-1.35)	0.151 (0.67)
Time dummy (ref. = 2001–2004) Post-2006	4.508*** (6.86)	1.376 (0.47)	1.928 (0.56)	5.679*** (4.51)	-3.712** (-2.05)	0.528 (0.81)	-4.340*** (-4.78)	5.593 (1.52)	22.13*** (6.05)	3.330*** (4.98)
Interaction										
Treatment × Post-2006	0.491* (1.74)	-1.585 (-1.53)	-1.492 (-1.09)	0.808 (1.65)	-0.172 (-0.28)	0.661** (2.62)	1.389*** (3.08)	3.086** (2.12)	0.736 (0.63)	-0.320 (-1.09)
Control variables										
Constant	20.25*** (11.41)	42.65*** (5.45)	48.51*** (4.91)	36.16*** (9.65)	14.82*** (3.14)	11.53*** (4.85)	18.36*** (6.03)	32.82*** (3.34)	23.77*** (2.66)	23.55*** (12.55)
n	936	936	926	936	936	936	936	936	934	936
r^2	.518	.198	.138	.221	.228	.150	.197	.193	.468	.179
F	65.51	8.194	4.137	8.827	5.929	11.12	7.932	10.07	71.53	13.07

(continued)

Table 7. (continued)

Treatment Is Population Increase in 10,000 People										
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
	Total	Urban Develop.	Roads	Schools	Culture	Day Care	Elderly	Special Needs	Labor Market	Adm.
Treatment	-0.189 (-1.45)	0.596 (0.76)	0.894 (1.20)	0.135 (0.45)	0.0992 (0.17)	-0.394* (-1.75)	-0.831*** (-3.96)	-1.737* (-1.73)	0.743 (1.17)	-0.0677 (-0.43)
Time dummy (ref. = 2001-2004)										
Post-2006	4.787*** (7.41)	2.502 (0.85)	1.988 (0.58)	6.212*** (4.60)	-4.326** (-2.34)	0.716 (1.06)	-4.533*** (-5.05)	6.904* (1.91)	22.65*** (5.96)	3.255*** (4.68)
Interaction										
Treatment x Post-2006	0.137 (1.08)	-1.536*** (-2.89)	-0.820 (-0.98)	0.188 (0.59)	0.408 (1.29)	0.290* (1.98)	0.870*** (3.28)	0.979 (1.08)	0.358 (0.52)	-0.168 (-0.91)
Control variables	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Constant	20.00*** (11.33)	42.50*** (5.52)	48.44*** (4.88)	35.56*** (9.50)	14.45*** (3.14)	11.31*** (4.88)	18.40*** (6.22)	32.10*** (3.34)	22.26** (2.44)	23.80*** (13.20)
n	936	936	926	936	936	936	936	936	934	936
r ²	.516	.202	.138	.211	.187	.135	.199	.196	.472	.183
F	68.29	7.713	4.363	8.779	7.065	9.007	8.406	10.50	68.73	13.19

Note. OLS regression with clustered standard errors at the municipality level, t-statistics in parentheses. See Appendix Table A3 for a full reporting of the control variables. Urban Develop. = urban development; Adm. = administration; ref. = reference; OLS = ordinary least squares.
*p < .10. **p < .05. ***p < .01.

coefficient becomes insignificant and decreases to around half the size compared with the effect found in Table 4.

Discussion

The results of this quasi-experiment constitute an important contribution to the privatization literature by showing that the relationship between population size and contracting out differs across policy sectors. In particular, the results support the conclusion that a negative relationship exists for services with high fixed costs, whereas a positive relationship exists for services that are difficult to measure and/or are regulated by a free-choice market. The results are primarily valid for the Danish context and for a population increase from an average of 21,960 inhabitants before reform to 52,387 inhabitants after reform and with a control group with an average of 46,475 citizens. However, the findings can be generalized to local governments in other countries that produce similar services and operate within a comparable institutional framework. In fact, the reported negative relationship between population size and contracting out for services with high fixed costs supports the finding in a metaregression of 32 international studies that concluded that “studies that analyze just one service find more evidence that scale economies are a major [negative] source of privatization” (Bel and Fageda 2009, p. 112). Moreover, the findings also suggest that a positive population size effect can be found for services that are difficult to measure or are regulated by a free-choice market.

With respect to the broader literature, this article contributes to recent advances in the privatization field in determining the causal effects of the drivers behind contracting out (Elinder and Jordahl 2013; Guardiola, González-Gómez, and García Rubio 2010; Sundell and Lapuente 2012). Furthermore, it contributes specifically to a growing academic interest in determining the conditional nature of the factors influencing privatization decisions (Bel, Brown, and Warner 2014; Carr, LeRoux, and Shrestha 2009; Hefetz and Warner 2012) by accounting for the conditional effect of population size due to different service and market characteristics. In a more general sense, it is likely that other drivers of contracting out also work differently depending on context-specific characteristics.

Such characteristics should probably not be confined to market and service features, but could be broadened to include the strength of interest groups within various policy sectors. For instance, the political clout of public employees and service users has been used to explain variations in the

level of contracting out across policy sectors in Danish municipalities (Foged 2015). This is possibly not too different from the variable that Hefetz and Warner (2012) called “citizen characteristics,” which they found has a significant negative influence on for-profit contracting out. Actually, Hefetz and Warner found that the effect of service characteristics is of minor importance compared with market and citizen characteristics. Following this logic, the literature could start to further unpack the conditional effect of interest groups and, for instance, investigate to what extent market characteristics can be endogenous to interest groups that prefer particular market forms.

Conclusion

This article examines the relationship between population size and contracting out for 95 out of 98 Danish municipalities. The article improves existing studies in two ways: first, by using the 2007 local government structural reform as a quasi-experiment, and second, by examining the population size/contracting out relationship in nine policy sectors. The article finds that a sectoral relationship exists between population size and contracting out: Technical services tend to be contracted out more by smaller municipalities, presumably due to scale economies for services with high fixed costs. By contrast, a positive relationship between population size and contracting out is found for services that are difficult to measure, probably due to the fact that these services require substantial administrative and technical capacity exhibited more often by larger municipalities. Finally, a positive effect is found for services regulated by free-choice schemes, presumably because private contractors find large markets particularly attractive as suppliers can target a wider range of citizen preferences without competing down the fixed-unit prize. Furthermore, the study also shows the supposed benefits of using a metric, as opposed to a binary, treatment variable. The metric variable utilizes more information from the exogenous population increase, which allows for more precise estimates and makes it possible to better account for reform effects unrelated to the population increase.

Appendix

Table A I. Measurement of Variables.

Variables	Measurement and Data Source
Share of services performed by private suppliers (in parentheses the share of total expenditures in 2012, worth 220.6 billion DKK, legally to be performed by private suppliers)	
Total (100.0%)	Main account 0, 2, 3, 5, and 6 in the municipal accounting system before and after the reform.
Urban development and environment (3.6%)	Main account 0 in the municipal accounting system before and after the reform. It was not possible to remove function 0.25.18 (operational security of housing estate) that was registered on another main account before the reform, but the function only constitutes a very small share of the use of private suppliers on main account 0 (1%) and is therefore very unlikely to influence the results.
Roads (1.6%)	Main function 2.28 in the municipal accounting system before and after the reform. Function 2.28.14 (winter services) is disregarded after the reform as this task became a new municipal task after the reform.
Schools (10.2%)	Main function 3.22 in the municipal accounting system before and after the reform. Function 3.22.07 (transport of pupils) is disregarded after the reform as this task was registered on another main function before the reform.
Culture (4.2%)	Main function 3.32, 3.35, and 3.38 in the municipal accounting system before and after the reform.
Day care (15.0%)	Main function 5.25 in the municipal accounting system before and after the reform.
Elderly care (21.2%)	Main function 5.32 in the municipal accounting system before and after the reform. Function 5.25.35 (assistive devices) and 5.25.37 (care compensation, etc.) are disregarded after the reform as these tasks were registered on other main functions before the reform.
Children and adults with special needs (11.8%)	Main function 5.28 and 5.38 in the municipal accounting system before and after the reform. Function 5.38.93 (shielded employment) and 5.38.59 (activity and interpersonal relation facilities) are disregarded after the reform as these tasks were registered on other main functions before the reform.
Labor market activities (4.3%)	Main function 5.68 in the municipal accounting system before and after the reform. Function 5.68.93 (job centers) and 5.68.94 (pilot job centers) are disregarded after the reform as these services became a new municipal task after the reform.
Administration (14.5%)	Main function 6.45 in the municipal accounting system before and after the reform.
Population size	Municipal population January 1. Source: The municipal key figures.

(continued)

Table A.I. (continued)

Variables	Measurement and Data Source
Proportional population increase	The increase in population size from 2006 to 2007 as share of the population size in 2006. Unmerged municipalities are given the value 0.
Population increase in 10,000 inhabitants	The increase in population size from 2006 to 2007 in 10,000 inhabitants. Unmerged municipalities are given the value 0.
Amalgamated	Dummy assigned the value 1 to all 66 amalgamated municipalities (0 for 29 nonamalgamated municipalities).
Population density	People per km ² . Source: The municipal key figures.
Small island	Dummy for 5 small island municipalities.
Fiscal stress	Total demographic and socioeconomic expenditure needs relative to the financial base of the municipalities. Expenditure needs are estimated according to the objective criteria in the Equalization Scheme. The financial base is calculated as the tax base from income and property taxes plus a government grant (that equalizes some of the financial differences between the municipalities). Source: The municipal key figures.
Administration professionals (per 10,000 inhabitants)	Members of the union of Danish Lawyers and Economists (DJØF) employed by the municipality July 1 in the year per 10,000 inhabitants. A few municipalities have less than six administrative professionals, and DJØF are therefore not allowed to give the precise number due to personal safety issues. In these few cases, the number of administrative professionals is kept at the mean value 3. Source: DJØF.
Left-wing mandates	Number of socialist seats in the city council as a percentage of all seats. The following are coded as socialist parties: Social Democrats, the Socialist People's Party, and the Unity List. Source: The IT and software company KMD's Election Archive.

Note. DKK = Danish Krone; DJØF = Danmarks Jurist-og Økonomiforbund.

Table A2. The Relationship Between Population Size and Contracting Out With the Binary Treatment Variable, 2004–2012 ($n = 95$).

	Treatment Is Amalgamated (Dummy)									
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Total	Urban Develop.	Roads	Schools	Culture	Day Care	Elderly	Special Needs	Labor Market	Adm.
Treatment	-1.074 (-1.19)	6.085* (1.72)	13.69*** (2.82)	1.451 (0.87)	-4.737 (-1.37)	-2.422* (-1.79)	-4.241** (-2.61)	-8.669 (-1.59)	-2.279 (-0.83)	-0.656 (-0.82)
Interactions										
Treatment × 2005	-0.155 (-0.50)	1.556*** (2.66)	-0.302 (-0.14)	-0.750 (-1.00)	1.036 (0.82)	0.734 (1.43)	-1.405* (-1.83)	-0.581 (-0.19)	-1.955 (-1.02)	-0.557 (-1.02)
Treatment × 2006	-0.556 (-1.10)	1.920 (1.63)	-8.081 (-1.59)	-0.610 (-0.72)	1.955* (1.66)	0.691 (1.30)	-2.288*** (-2.94)	-2.132 (-0.56)	-3.302 (-1.22)	-0.690 (-1.03)
Treatment × 2007	0.143 (0.24)	-1.471 (-0.78)	-2.810 (-0.63)	1.748 (1.16)	1.310 (0.63)	1.054* (1.96)	4.064** (2.34)	5.433 (1.49)	-0.0951 (-0.03)	-1.979** (-2.60)
Treatment × 2008	0.709 (1.08)	-1.419 (-0.68)	-7.800 (-1.65)	1.733 (1.08)	1.909 (0.91)	1.311** (2.30)	4.330** (2.44)	5.211 (1.34)	2.622 (0.64)	-0.112 (-0.14)
Treatment × 2009	1.052 (1.54)	-5.136* (-1.93)	-4.721 (-1.05)	1.591 (1.00)	3.236 (1.52)	1.627** (2.50)	4.684** (2.54)	5.391 (1.29)	-0.629 (-0.18)	0.166 (0.19)
Treatment × 2010	0.804 (0.96)	-7.935*** (-3.07)	-5.162 (-1.02)	2.232 (1.38)	4.199** (2.20)	1.991*** (2.69)	4.921*** (2.67)	3.088 (0.72)	2.117 (0.49)	0.408 (0.41)
Treatment × 2011	0.922 (1.20)	-8.387*** (-3.09)	-8.102 (-1.62)	3.391** (2.10)	3.823* (1.87)	2.305*** (3.06)	5.230*** (2.87)	2.298 (0.49)	-3.931 (-0.87)	0.114 (0.11)
Treatment × 2012	0.795 (1.08)	-9.809*** (-3.48)	-13.14** (-2.52)	1.832 (1.13)	4.485* (1.90)	2.093** (2.21)	5.051** (2.61)	1.128 (0.24)	-2.956 (-0.70)	-0.248 (-0.22)

(continued)

Table A2. (continued)

	Treatment Is Amalgamated (Dummy)									
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Total	Urban Develop.	Roads	Schools	Culture	Day Care	Elderly	Special Needs	Labor Market	Adm.
Control variables										
Fiscal stress (in 100 DKK)	-0.138* (-1.79)	0.189 (0.54)	0.289 (0.68)	-0.601*** (-3.82)	0.628*** (2.67)	-0.0881 (-0.81)	-0.206* (-1.77)	-0.339 (-0.98)	-1.253*** (-2.91)	-0.163** (-2.26)
Pop. density (100 people per km ²)	-0.154*** (-2.94)	-0.622*** (-3.12)	-0.254 (-0.73)	-0.104 (-1.24)	-0.499*** (-2.88)	-0.0135 (-0.18)	0.0325 (0.37)	0.0904 (0.36)	-0.402* (-1.74)	-0.149* (-1.98)
Small island (dummy)	1.626 (1.05)	17.05* (1.94)	17.16* (1.74)	5.860*** (2.21)	9.197 (0.81)	-2.476 (-1.57)	-3.439* (-1.98)	-1.219 (-0.31)	-14.84*** (-2.38)	4.152*** (5.36)
Admin. profes. (per 10,000 inhab.)	0.399*** (2.89)	0.0844 (0.19)	-0.254 (-0.53)	0.0689 (0.48)	0.229 (0.90)	0.0636 (0.67)	0.149 (1.24)	0.374 (1.00)	0.754* (1.85)	-0.0523 (-0.69)
Left-wing mandates (%)	-0.0125 (-0.65)	-0.0875 (-0.96)	-0.0726 (-0.62)	-0.0803** (-1.99)	-0.0856 (-1.46)	-0.0378 (-1.50)	-0.00817 (-0.22)	-0.0555 (-0.58)	0.212** (2.06)	-0.0136 (-0.64)
Year dummies (ref. = 2004)										
2005	0.954*** (3.24)	-0.575 (-1.04)	-0.333 (-0.16)	0.243 (0.34)	-1.006 (-0.81)	-0.630 (-1.22)	2.722*** (3.89)	7.449*** (2.63)	5.062*** (2.75)	1.460*** (2.83)
2006	1.189*** (2.48)	-2.031* (-1.68)	3.678 (0.75)	-0.533 (-0.66)	-2.350*** (-2.10)	-0.911* (-1.70)	4.403*** (6.18)	9.598*** (2.71)	8.149*** (3.12)	2.012*** (3.37)
2007	3.690*** (6.49)	0.760 (0.36)	3.920 (0.97)	5.199*** (4.00)	-4.472** (-2.55)	0.0692 (0.12)	-7.252*** (-5.07)	0.484 (0.14)	17.09*** (4.95)	3.398*** (4.77)
2008	4.558*** (6.56)	1.121 (0.43)	8.542* (1.91)	6.383*** (4.45)	-5.280*** (-2.83)	0.422 (0.63)	-6.851*** (-4.54)	3.275 (0.83)	19.28*** (4.44)	3.278*** (4.42)

(continued)

Table A2. (continued)

	Treatment Is Amalgamated (Dummy)									
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Total	Urban Develop.	Roads	Schools	Culture	Day Care	Elderly	Special Needs	Labor Market	Adm.
2009	4.421 ^{***} (5.23)	4.202 (1.17)	6.602* (1.76)	8.203 ^{***} (5.35)	-7.000 ^{***} (-3.25)	0.300 (0.38)	-6.862 ^{***} (-4.37)	4.695 (1.11)	20.56 ^{***} (4.53)	3.644 ^{***} (4.41)
2010	5.270 ^{***} (5.56)	3.829 (1.04)	5.239 (0.98)	7.858 ^{***} (4.93)	-7.961 ^{***} (-3.77)	0.0967 (0.11)	-7.063 ^{***} (-4.43)	6.561 (1.47)	33.55 ^{***} (6.72)	3.210 ^{***} (3.36)
2011	4.807 ^{***} (5.06)	3.942 (1.04)	7.514 (1.44)	6.895 ^{***} (4.71)	-7.556 ^{***} (-3.63)	0.0512 (0.06)	-7.194 ^{***} (-4.54)	5.843 (1.17)	39.18 ^{***} (7.84)	3.646 ^{***} (3.60)
2012	4.816 ^{***} (4.62)	5.817 (1.35)	13.08 ^{***} (2.64)	5.241 ^{***} (3.40)	-7.639 ^{***} (-3.15)	0.939 (0.91)	-6.262 ^{***} (-3.80)	7.381 (1.43)	39.50 ^{***} (8.11)	4.410 ^{***} (3.68)
Constant	22.02 ^{***} (9.91)	38.02 ^{***} (4.21)	38.60 ^{***} (3.10)	33.89 ^{***} (8.65)	17.04 ^{**} (2.38)	14.23 ^{***} (5.29)	22.28 ^{***} (6.98)	42.23 ^{***} (3.64)	47.30 ^{***} (4.57)	25.90 ^{***} (13.66)
n	842	842	825	842	842	842	842	842	840	842
r ²	.440	.221	.145	.299	.208	.131	.363	.143	.475	.203
F	32.12	6.349	4.630	10.86	4.242	7.910	12.95	5.812	32.95	16.59

Note. OLS regression with clustered standard errors at the municipality level, t-statistics in parentheses. Urban Develop. = urban development; Adm. = administration; DKK = Danish Krone; Pop. density = population density; Admin. profes. = administrative professionals; Inhab. = inhabitants; ref. = reference; OLS = ordinary least squares.

*p < .10. **p < .05. ***p < .01.

Table A3. The Relationship Between Population Size and Contracting Out, 2001–2004 Versus 2007–2012 ($n = 95$).

	Treatment Is Proportional Population Increase							Treatment Is Population Increase in 10,000 People							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	Total	Urban Develop.	Roads	Schools	Culture	DayCare	Elderly	Special Needs	Labor Market	Adm.	Total	Urban Develop.	Roads	Schools	Culture
Treatment	-0.356* (-1.74)	1.628 (1.38)	0.902 (0.74)	0.263 (0.57)	-2.180** (-2.55)	-0.859*** (-2.66)	-1.227*** (-3.94)	-1.897 (-1.28)	-1.108 (-1.35)	0.151 (0.67)	-0.189 (-1.45)	0.596 (0.76)	0.894 (1.20)	0.135 (0.45)	0.0992 (0.17)
Interaction Treatment × Post-2006	0.491* (1.74)	-1.585 (-1.53)	-1.492 (-1.09)	0.808 (1.65)	-0.172 (-0.28)	0.661** (2.62)	1.389*** (3.08)	3.086** (2.12)	0.736 (0.63)	-0.320 (-1.09)	0.137 (1.08)	-1.536*** (-2.89)	-0.820 (-0.98)	0.188 (0.59)	0.408 (1.29)
Control variables															
Fiscal stress (in 100 DKK)	-0.103 (-1.55)	0.144 (0.45)	0.423 (1.09)	-0.603*** (-3.94)	0.732*** (3.53)	-0.0293 (-0.27)	-0.129 (-1.09)	-0.419 (-1.27)	-0.547 (-1.40)	-0.114 (-1.60)	-0.0916 (-1.36)	0.220 (0.73)	0.374 (0.95)	-0.557*** (-3.70)	0.524** (2.54)
Popdensity (100 people per km ²)	-0.126*** (-2.93)	-0.708** (-3.92)	-0.657*** (-2.40)	-0.174** (-2.43)	-0.499*** (-3.77)	0.00632 (0.13)	0.0665 (1.10)	0.361 (1.44)	-0.329 (-1.56)	-0.113* (-1.90)	-0.131*** (-3.02)	-0.736*** (-4.03)	-0.669** (-2.32)	-0.180** (-2.52)	-0.339*** (-2.86)
Small island (dummy)	2.299 (1.49)	15.38* (1.82)	12.48 (1.53)	6.782*** (2.74)	5.150 (0.61)	-1.678 (-1.29)	-3.000** (-2.44)	5.462 (1.26)	-13.08** (-2.27)	3.305*** (4.01)	2.071 (1.29)	13.75 (1.63)	13.66 (1.65)	6.488** (2.51)	9.000 (1.01)
Admin. profes. (per 10,000 inhab.)	0.447*** (3.76)	0.0349 (0.09)	-0.154 (-0.36)	0.0331 (0.27)	-0.0942 (-0.39)	0.135 (1.42)	0.189* (1.87)	0.846** (2.30)	1.581*** (4.38)	0.0184 (0.28)	0.437*** (3.70)	-0.0515 (-0.13)	-0.115 (-0.27)	-0.0241 (-0.20)	0.139 (0.54)
Left-wing mandates (%)	-0.0162 (-0.95)	-0.0989 (-1.12)	-0.116 (-1.03)	-0.0708* (-1.97)	-0.0768 (-1.27)	-0.0441* (-1.82)	-0.0407 (-1.44)	-0.0280 (-0.27)	0.193** (2.18)	-0.0141 (-0.66)	-0.0166 (-0.96)	-0.105 (-1.20)	-0.112 (-1.01)	-0.0770** (-2.17)	-0.0534 (-0.94)
Time dummy (ref. = 2001–2004)															
Post-2006	4.508*** (6.86)	1.376 (0.47)	1.928 (0.56)	5.679*** (4.51)	-3.712** (-2.05)	0.528 (0.81)	-4.340*** (-4.78)	5.593 (1.52)	22.13*** (6.05)	3.330*** (4.98)	4.787*** (7.41)	2.502 (0.85)	1.988 (0.58)	6.212*** (4.60)	-4.326** (-2.34)
Constant	20.25*** (11.41)	42.65*** (5.45)	48.51*** (4.91)	36.16*** (9.65)	14.82*** (3.14)	11.53*** (4.85)	18.36*** (6.03)	32.82*** (3.34)	23.77*** (2.66)	23.55*** (12.55)	20.00*** (11.33)	42.50*** (5.52)	48.44*** (4.88)	35.56*** (9.50)	14.45*** (3.14)
n	936	936	926	936	936	936	936	936	934	936	936	936	926	936	936
R ²	.518	.198	.138	.221	.228	.150	.197	.193	.468	.179	.516	.202	.138	.211	.187
F	65.51	8.194	4.137	8.827	5.929	11.12	7.932	10.07	71.53	13.07	68.29	7.713	4.363	8.779	7.065

Table A3. (continued)

	Treatment Is Population Increase in 10,000 People										Treatment Is Amalgamated (Dummy)									
	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)					
	Day Care	Elderly	Special Needs	Labor Market	Adm.	Total	Urban Develop.	Roads	Schools	Culture	Day Care	Elderly	Special Needs	Labor Market	Adm.					
Treatment	-0.394*	-0.831***	-1.737*	0.743	-0.0677	-0.358	7.143**	8.386**	1.632	-3.528	-2.058	-2.842**	-9.593*	-1.300	-0.416					
	(-1.75)	(-3.96)	(-1.73)	(1.17)	(-0.43)	(-0.43)	(2.11)	(2.16)	(0.96)	(-1.28)	(-1.61)	(-2.20)	(-1.87)	(-0.47)	(-0.47)					
Interaction	0.290*	0.870***	0.979	0.358	-0.168	0.314	-6.433***	-2.882	1.784	1.652	1.592**	3.481**	6.569*	-0.137	-0.409					
2006	(1.98)	(3.28)	(1.08)	(0.52)	(-0.91)	(0.52)	(-3.01)	(-0.79)	(1.42)	(1.51)	(2.49)	(2.60)	(1.77)	(-0.05)	(-0.53)					
Control variables	-0.0368	-0.120	-0.281	-0.673*	-0.105	-0.0984	0.168	0.328	-0.581***	0.582***	-0.0479	-0.147	-0.337	-0.563	-0.111					
Fiscal stress (in 100 DKK)	(-0.36)	(-1.07)	(-0.85)	(-1.70)	(-1.53)	(-1.46)	(0.55)	(0.86)	(-3.91)	(2.89)	(-0.48)	(-1.31)	(-1.05)	(-1.43)	(-1.64)					
	0.0100	0.0587	0.251	-0.178	-0.132**	-0.126***	-0.560***	-0.449	-0.106	-0.481***	-0.0108	0.0603	0.148	-0.341	-0.139*					
Popdensity (100 people per km ²)	(0.20)	(0.94)	(0.97)	(-0.83)	(-2.10)	(-2.67)	(-3.01)	(-1.48)	(-1.33)	(-2.94)	(-0.15)	(0.84)	(0.50)	(-1.51)	(-1.91)					
Small island (dummy)	-1.717	-3.424***	2.259	-9.598	2.906***	2.297	16.08*	15.79*	7.204***	6.830	-1.618	-2.828**	2.762	-12.92**	3.018***					
	(-1.19)	(-2.70)	(0.47)	(-1.66)	(3.30)	(1.51)	(1.93)	(1.75)	(2.97)	(0.79)	(-1.09)	(-2.07)	(0.60)	(-2.27)	(3.54)					
Admin. profs. (per 10,000 inhab.)	0.151*	0.192*	0.725*	1.702***	0.0117	0.440***	0.0460	0.00816	0.0275	0.0549	0.145	0.198**	0.696*	1.590***	0.0102					
	(1.68)	(1.97)	(1.98)	(4.82)	(0.18)	(3.61)	(0.12)	(0.02)	(0.22)	(0.23)	(1.57)	(2.05)	(1.92)	(4.30)	(0.15)					
Left-wing mandates (%)	-0.0416*	-0.0402	-0.0367	0.204**	-0.0144	-0.0161	-0.101	-0.103	-0.0717**	-0.0596	-0.0417*	-0.0377	-0.0380	0.196**	-0.0151					
	(-1.77)	(-1.45)	(-0.36)	(2.28)	(-0.67)	(-0.95)	(-1.18)	(-0.95)	(-2.00)	(-1.00)	(-1.74)	(-1.33)	(-0.39)	(2.17)	(-0.71)					
Time dummy (ref. = 2001-2004)	0.716	-4.533***	6.904*	22.65***	3.255***	4.893***	3.725	2.128	5.335***	-4.693***	0.313	-4.968***	4.849	23.20***	3.228***					
Post-2006	(1.06)	(-5.05)	(1.91)	(5.96)	(4.68)	(6.87)	(1.26)	(0.56)	(3.82)	(-2.88)	(0.44)	(-4.72)	(1.18)	(5.68)	(4.20)					
Constant	11.31***	18.40***	32.10***	22.26**	23.80***	19.96***	38.67***	43.75***	34.55***	16.93***	12.30***	19.13***	37.11***	23.57**	24.16***					
	(4.88)	(6.22)	(3.34)	(2.44)	(13.20)	(11.74)	(5.16)	(4.03)	(9.93)	(3.24)	(5.19)	(7.26)	(3.49)	(2.57)	(13.16)					
n	936	936	936	934	936	936	936	926	936	936	936	936	936	934	936					
R ²	.135	.199	.196	.472	.183	.515	.208	.151	.227	.192	.143	.193	.205	.467	.181					
F	9.007	8.406	10.50	68.73	13.19	65.72	10.04	4.912	9.545	6.786	9.196	8.796	10.86	70.00	12.78					

Note. OLS regression with clustered standard errors at the municipality level, t-statistics in parentheses. Urban Develop. = urban development; Adm. = administration; DKK = Danish Krone; Pop. density = population density; Admin. profes. = administrative professionals; Inhab. = inhabitants; ref. = reference; OLS = ordinary least squares. *p < .10. **p < .05. ***p < .01.

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