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**Working Paper**

## Public Budgets in Sweden: A Brief Account of Budget Structure and Budgeting Procedure

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No. 54, 1981

**PUBLIC BUDGETS IN SWEDEN**

A brief account of budget structure  
and budgeting procedure

by  
Bengt-Christer Ysander

Preliminary version  
August 1981

## **CONTENTS**

### **Introduction**

### **Size and Composition of Budgets**

The Government Sector	1
The State Budget	5
Local Government Budgets	7
The Financing of Government	10
Government and the Credit Market	12
Government Production and Employment	13

### **Form and Term of Budgets**

Form of Appropriations	14
Multi-year Budgeting	14

### **The Making and Changing of Public Budgets**

Making Budgets	16
Changing Budgets	19
Wage- and Price Adjustment	20
<b>References and Notes on Literature</b>	<b>22</b>

## PUBLIC BUDGETS IN SWEDEN

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A brief account of budget structure and budgeting procedure

### **Introduction**

There are in Sweden three kinds of institutions that are mainly financed directly by taxes or social security contributions. These are the state government, the supplementary pension funds - also centrally organized - and finally the local government units. In the following the term "central government" will be used as to include both state and supplementary pension funds. When special mention is made of the social insurance sector we follow national accounting conventions and define this as the sum of pension, sickness and unemployment insurances.

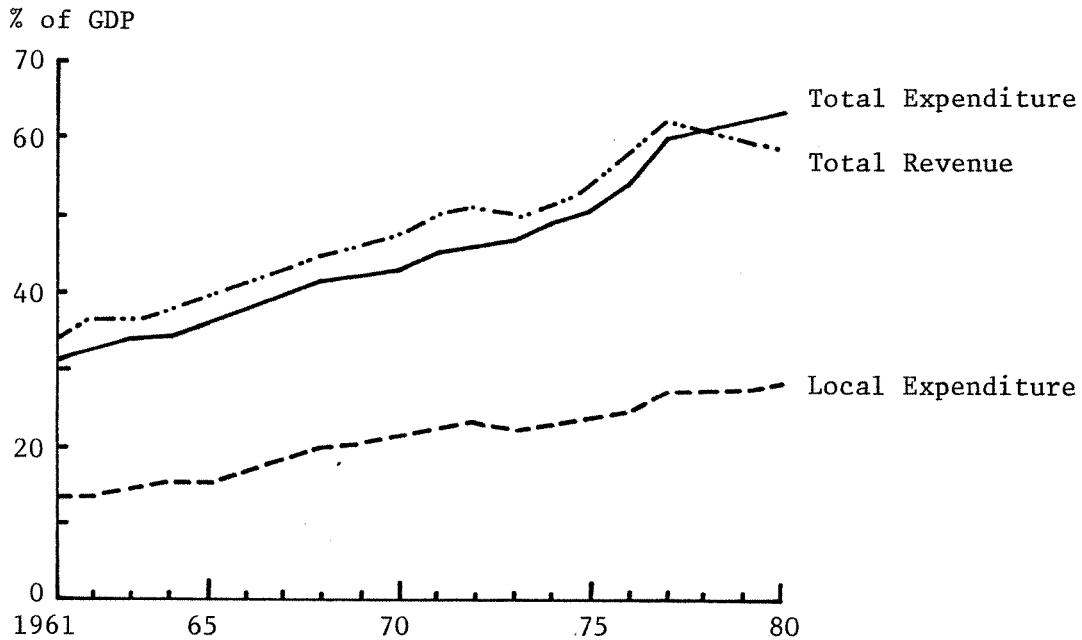
Local government in Sweden is organized in 277 municipalities with responsibility for i.a. all primary and secondary education, and 24 counties mainly responsible for the health services. The local governments have independent financing by a locally levied proportionate income tax, but they also receive state grants which cover about a fourth of total expenditures.

### **Size and composition of budgets**

#### The Government Sector

The growth of the public budgets during the sixties and seventies is briefly summarized in figure 1, which shows the development of local and total expenditure and total revenue as percentage of GDP. We see from the figure that the share of total expenditure has doubled in 20 years, and that by now almost 2/3 of all incomes are channelled through public budgets. Local expenditures

Figure 1. The growth of public budgets 1961-1980



Source: National Accounts (1981)

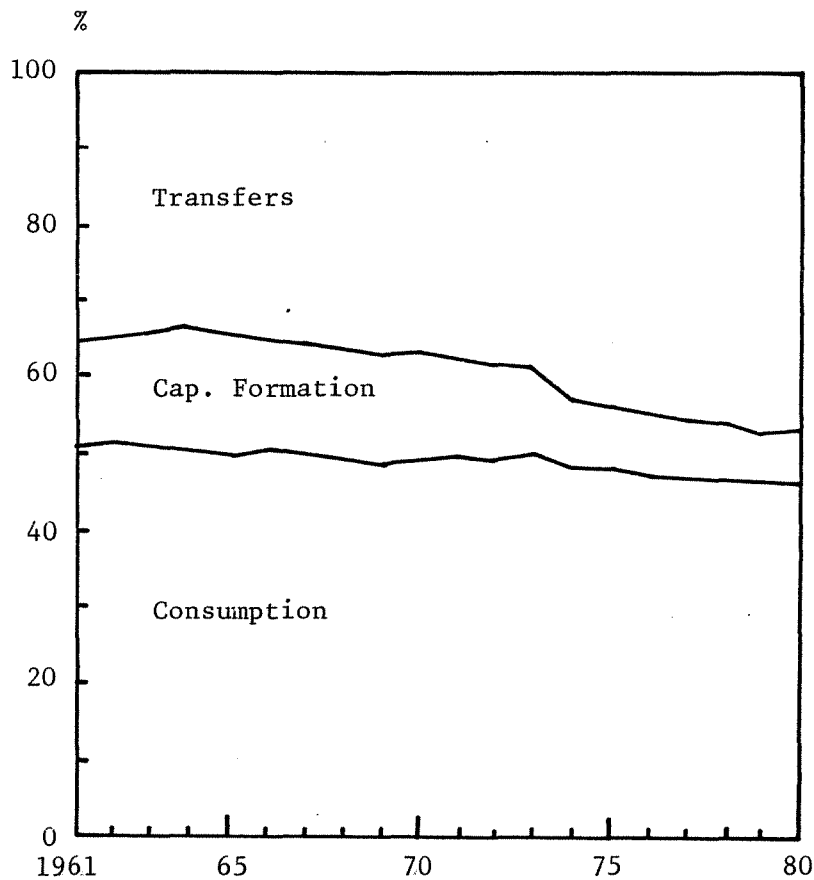
still answers for a little less than half of total government expenditure. As we shall see later local governments, however, are mainly responsible for the increase in public consumption, while a dominant part of the increase in central government expenditure has been transfers.

We also see from the figure that only in the last few years has the surplus of consolidated government transactions been replaced by a mounting deficit which in the current year is expected to become more than 8 % of GDP. The supplementary pension funds, however, still run large surpluses, while the local governments - which normally manage rather well to balance their budgets - show only a very slight deficit, which means that almost all the deficit spending is currently made by the state. A retardation of growth in the economy, as the one we are now experiencing in Sweden, will normally first show up as a deficit in the

state budget, due to the fact that most of the transfer obligations will continue to grow, while the same will not be true of the state's three main sources of income: the VAT, the wage tax, and the income tax.

Figure 2 shows the distribution of total government expenditure on consumption, capital formation and transfers, respectively. We see that the relative importance of capital formation has been diminishing rapidly over the last two decades. It now accounts for

Figure 2. Government Consumption, Capital Formation and Transfers as Percentage of Total Government Expenditure 1961-80

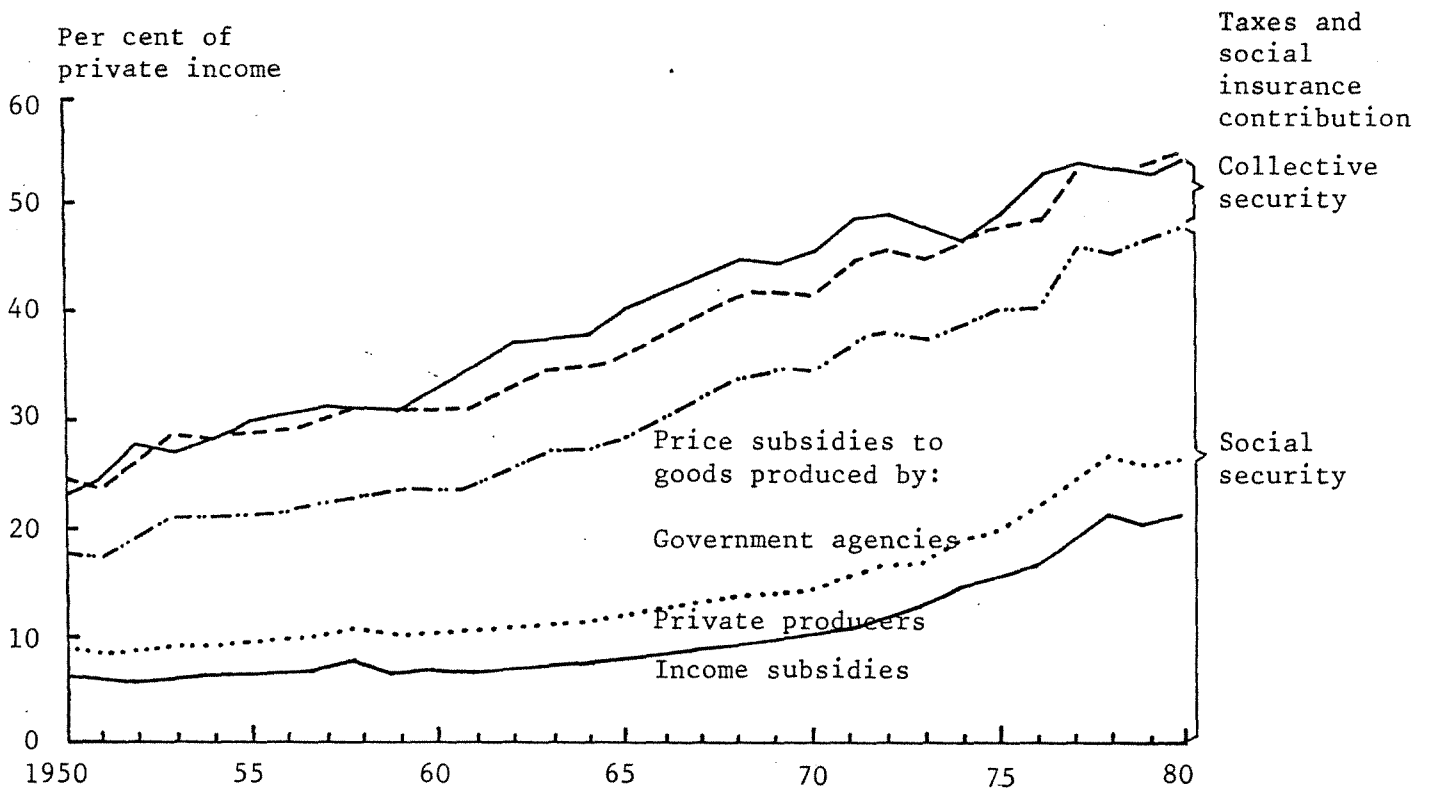


Source: National Accounts (1981)

less than 9 % of total expenditures. The share of transfers has increased and is now about the same as that of consumption. The composition of the government budgets is thus changing in the same direction in Sweden as in most other industrial countries in the west. Relative to other countries, however, the share of public consumption in public budgets is still remarkably high in Sweden.

Figure 3 demonstrates an alternative way of analyzing the structural change of Swedish government expenditure. All public expenditure of a non-business, non-contractual nature has here been grouped in two main categories: collective security and social se-

Figure 3. The Use of Taxes and Social Security Contributions and Percentage of Private Income, 1950-80



Source: Ysander (1979, 1981 a)

curity. Under the general heading of collective security, all current and investment expenditure for defence and foreign policy, general administration, judiciary system and fire service have been counted. All other expenditures are subsumed under the heading of social security, i.e. are assumed to be mainly concerned with guaranteeing or preserving individual standards. Social security expenditure has been further broken down into two categories: one is "income subsidies" or direct transfers to households and the remainder is described as "price subsidies". The major part of the price subsidies - called public consumption and related investment in the national accounts - goes to government agencies producing various types of social services in education, health, social welfare, roads, etc. The rest are subsidies for current or investment expenditure within the private sector, e.g. for housing and food, for public utilities and for ailing industries. The thick line at the top shows the development of income from taxes and social insurance contributions. All budget incomes have in the figure been measured as shares of private income.

The figure shows a very striking development pattern. The share of income used for collective security has remained more or less constant over the whole period, around 10 %. The dramatic expansion of the public budget share has entirely been due to the increase in social security expenditure. This has more than trebled its share during the 30 years. The proportion in social security expenditure of public consumption and related investment as well as of income subsidies has remained fairly unchanged during the period. The share of price subsidies to private producers has expanded at a slower rate than other social security expenditures, in spite of the considerable increase of industrial support measures in late years.

#### The State Budget

Table 1 shows a breakdown of state expenditure for the fiscal year 1981/82. The state fiscal year starts at July 1st and ends at June 30th. On the right hand side of the table is a breakdown of



Table 1. State Budget Expenditure in Fiscal 1981/82 by Purposes and with a Breakdown into Consumption, Investments and Transfers

Billion kronor

Purpose	Draft budget for 1981/82	% change from previous budget year	Category of expenditure	Draft budget for 1981/82	% change from previous budget year
Basic pensions health insurance etc.	40.4	+ 9.2	Consumption	49.2	+5.6
Education and research	31.0	+ 4.0	Investment	10.0	+ 6.4
Interest on national debt	26.3	+29.6	Transfers etc.	166.5	+ 6.4
Total defense	19.2	+ 4.9	of which to:		
Labor market and regional policy	14.2	+ 6.8	households	63.2	+ 9.0
Housing policy	14.1	+10.2	local government sector	44.9	+ 6.4
Family policy	13.9	+10.3	business sector (incl. all financial transactions)	25.3	-14.5
General grants to municipalities	11.1	+ 4.7	international	5.9	+18.0
Communications	10.9	+ 4.8	National Debt interest	26.3	+29.6
Public health service, social welfare	7.4	+ 0.0	other	0.9	-35.7
Judiciary, police and penal administrations	7.7	+ 6.9	Total Expenditure	225.7	+ 6.2
International development co-operation etc	5.9	+18.0	expenditure	225.7	+ 6.2
Industrial policy	5.8	-35.6			
Energy policy	4.8	-11.1			
Miscellaneous	<u>13.1</u>	<u>- 3.0</u>			
Total expenditure	225.7	+ 6.2			

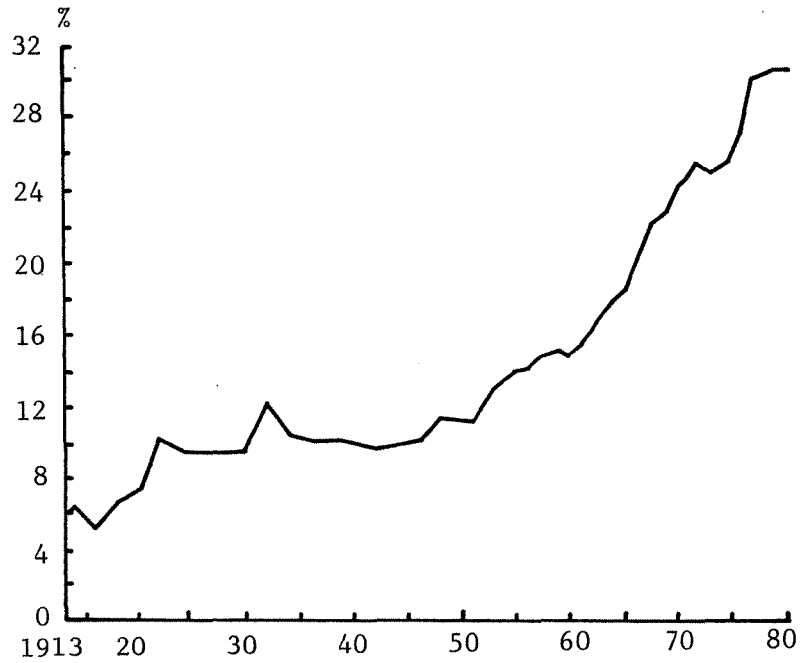
expenditure into consumption, investment and transfers. We see that more than 2/3 of all state expenditure goes into transfers dominated by grants to local governments and by basic pensions and sickness benefit payments to households. Investment only counts for slightly more than 4 % of total expenditure. Interest on national debt is by far the fastest rising expenditure item, increasing almost 30 % compared to the previous budget year. Altogether total expenditure is expected to rise 6.2 %, which should be compared to an expected slight decrease of real GDP.

The left side of the table is a breakdown of expenditure by purposes. Again we see that the transfer payments within the social security system tops the ranking list followed by expenditure for higher education and research and interest on national debt, while defense expenditure only comes in the fourth place. Next to the interest of national debt, the expenditure for international development and co-operation etc is the fastest rising cost item.

#### Local government budgets

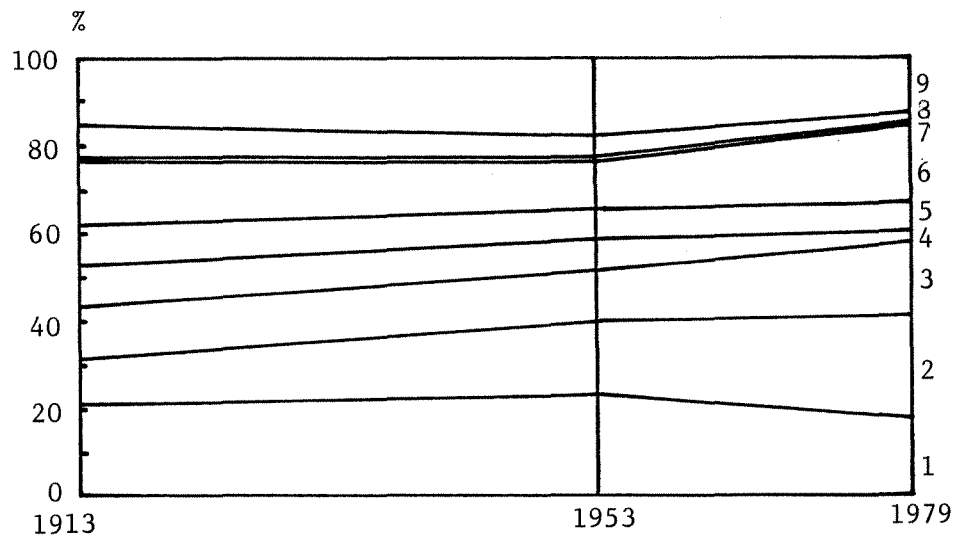
A better perspective of the dramatic acceleration of local government expenditure during the postwar period is given by figure 4, which shows the development of local government expenditures as percentage of GNP for the period 1913-80. The corresponding changes in the composition of expenditure by purposes is shown by figure 5, where the distribution of local government expenditure on types of activity is given for the three years 1913, 1953 and 1979. We see that the structural changes during the postwar period have been considerably more rapid than during preceding periods. While earlier education and industrial activities tended to increase the share of total local government expenditure, their part of the budgets is now diminishing. Provision for housing, however, shows a development in the opposite direction, while medical and health care has increased its share of total expenditure during the entire period.

Figure 4. Local government expenditure and percentage of GNP, 1913-1980



Source: Ysander (1981 a)

Figure 5. Distribution of local government expenditure on types of activity, 1913, 1953 and 1979



- |   |                          |
|---|--------------------------|
| 1. Education                                      | 5. Roads                 |
| 2. Medical care                                   | 6. Housing               |
| 3. Social welfare                                 | 7. Fire protection       |
| 4. Justice, administration and municipal planning | 8. Churches              |
|   | 9. Industrial activities |

Source: Ysander (1981 a)

The growing dominance of the local government sector is undoubtedly one of the most striking features of the Swedish economy today. Out of the national income almost  $1/3$  is channeled through the budgets of local governments, who employ  $1/4$  of the labor force. Local government spending has been outrunning the GNP with the growing margin, doubling its share over the last 20 years.

Organizational power has grown with the money. In the postwar period there has been a gradual concentration of the decision making process. While the number of local government units has decreased to about  $1/4$  in the last 15 years, some of the most expensive areas of service production, like mental health care and secondary schools, have been taken over from the state by local governments. The sphere of responsibility of local governments has therefore widened significantly both in form and content. Individual counties and municipalities today have much greater possibilities of independent long-term planning and procurement and of negotiating with central government and with large corporations. Along with a successive diversification of the services supplied there has also been a widening of the area of responsibility through an increased participation in distribution and stabilization policies.

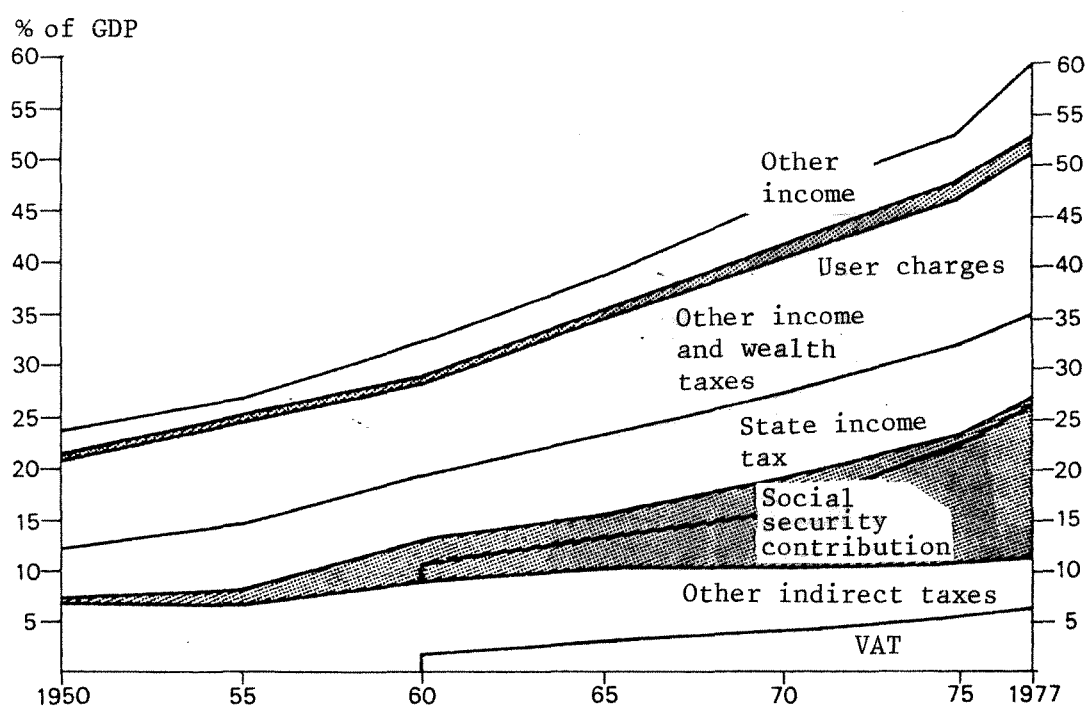
Throughout this expansion the local governments have retained a degree of financial independence of central government, which is rather high by west-european standards. Of total gross expenditure only about  $1/4$  is paid by state grants, while local taxes make up 45 %, fees and user charges 20 %, with loans and capital income making up the remaining 10 %. Another way of presenting the financial picture - subtracting taxes and fees paid by local government to central government and including only net profits and losses of public utilities - is to say that of the total local government spending directed towards the private sector about 90 % was paid by taxes of which only  $1/6$  was channeled through the state budget.

## The Financing of Government

Figure 6 shows the development of government income during the postwar period. Although the public income share of GNP has increased much faster than in most other industrial countries, we see that the changes in financial structure have tended to follow the same pattern. Indirect taxation in the form of social security contributions, wage taxes and VAT have increased much more rapidly than income taxes. Capital income and user charges have also grown in relative importance. While the income tax still provides the main source of finance for local governments, it now yields only about 1/5 of total income for central government.

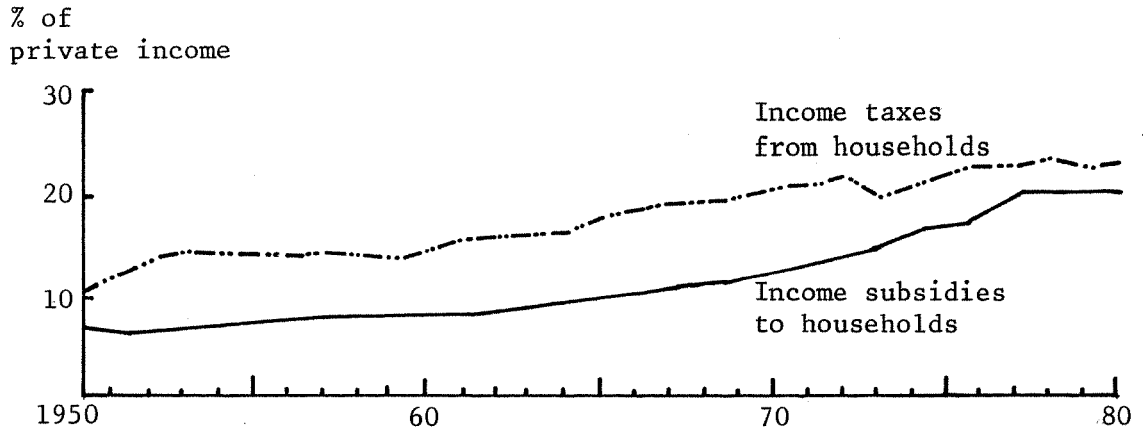
The direct impact of public budgets on household incomes is shown by figure 7. We see that almost 1/4 of the gross income of households now come from income subsidies mostly derived from social insurance payments from central government. 1/5 of gross income is paid back as income tax.

Figure 6. The growth and structure of government income, 1950-77



Source: Ysander (1979)

Figure 7. Household Taxes and Subsidies as share of private income, 1950-80



Source: Ysander (1981 a)

Government and the Credit Market

Table 2. Credit Market Matrix for 1980. Net new Lending  
Billion S.Cr.

Source: Kompletteringspropositionen (1981)

Creditors	Debitors					Total
	State	Local government	Housing	Other firms	Home-holds	
State			5.9	4.8	2.2	12.9
Central bank	-0.6					-0.6
Other banks	18.0	0.5	9.7	5.9	5.2	39.3
Insurance institutions	10.2	0.6	7.8	8.8		27.4
Other Private	4.8		0.2	2.5		7.5
Foreign	22.1	-0.1		6.7		28.7
Total	54.4	0.9	23.7	28.8	7.4	115.2

The role of government in credit market operations during 1980 is shown by table 2. We see that local governments do not engage in any new net lending and that their net new borrowing is also rather insignificant - partly due to a temporarily high liquidity.

The state, on the other hand, plays a dominant role, being responsible for almost half of all borrowing - forty percent of which comes from foreign lenders - and more than a tenth of all total lending. If we include also the supplementary pension funds, Central government does in fact answer for about a quarter of all net lending.

The state also guarantees loan, particularly credits extended to foreign customers, but also i.a. reconstruction and rationalization loans to industry and agriculture. At the end of budget year

1979/80, the total amount of such outstanding guarantees corresponded roughly to a third of total state income. Parliamentary decisions make it possible for the Central government to more than double that amount. The losses incurred so far on these guarantees - e.g. 140 millions last budget year on a ship-yard guarantee - have so far been limited.

### Government Production and Employment

Table 3. Government share of total employment and investments  
(percent)  
Source: Eliasson-Ysander (1981)

	Employment (persons)		Investment (gross)	
	1970	1979	1970	1979
1) Statsföretag AB (State Enterprise Ltd.)	0.9	1.1	1.3	2.0
2) Other state-owned joint stock companies (incl. credit institutions)	0.6	1.8	0.5	2.4
3) State Business Agencies	3.7	3.7	6.9	6.5
4) State Services	6.3	7.5	5.2	5.2
State total	11.5	14.1	13.9	16.1
5) Local Government joint stock companies	n.a.	0.9	10.6	7.8
6) Local Government Business Agencies	1.0	1.2	6.4	4.4
7) Local Government Services	14.3	22.3	16.6	11.7
Local Government total	15.3 <sup>a</sup>	24.4	33.6	23.9
All Government total	26.9 <sup>a</sup>	38.5	47.5	40.0

<sup>a</sup> These total figures exclude local government joint stock companies for which data concerning 1970 are not available.



Table 3 presents some figures measuring the relative importance of the government sector as producer and employer. Out of every ten employees, four are nowadays employed by government, who is also responsible for forty percent of the total capital formation in the country. We see, however, that public enterprise, although increasing rapidly in the latter part of the seventies, is still relatively insignificant from the point of view of employment compared to the service production in local governments (Eliasson-Ysander, 1981).

### **Form and Term of Budgets**

#### Form of Appropriations

The form of public budgeting in Sweden is still a mixture of old and new practices. Since the middle of the 60s - beginning with defence expenditure (Ysander, 1967, 1971) - continuous efforts have been made to move the budgets, both of state and local government, in the direction of "program budgeting" (Budgetutredningen, 1973). Particularly this has meant substituting appropriations by program and function for the earlier appropriations by agency and cost category. This endeavour has so far resulted in a relatively program-oriented budgeting within state agencies and local governments. On the central state level, however, the delimitation of expenditure decisions are still determined by the organization of ministries and agencies. State budgets are recalculated, though, in terms of programs, and efforts are made to adjust successively the administrative organization to make it fit better into a program design. (Cf table 1 above.)

#### Multi-year Budgeting

Most appropriations are given on an annual basis, although appropriations for investment and for some current expenditure are given on terms which make it possible to use the money during a longer period. This is true both of state and local government

Table 4. Multi-year budget 1981/86. Current prices.  
(Billion kronor)  
Source: Kompletteringspropositionen (1981)

Purpose	1981/82	1982/83	1983/84	1984/85	1985/86	Average percentage change (1981/82-1985/86)
Basic pension, health insurance etc	41.2	+ 2.5	+ 3.2	+ 4.0	+ 4.6	+ 7.8
Education and research	31.3	+ 1.3	+ 2.2	+ 2.0	+ 2.3	+ 5.7
Total defence	19.5	+ 1.8	+ 2.2	+ 2.4	+ 2.7	+10.1
Housing policy	14.8	- 1.4	+ 2.8	+ 3.3	+ 1.9	+ 9.6
Labor market and regional policy	14.8	- 0.6	+ 0.9	+ 0.9	+ 0.5	+ 2.9
Family policy	13.3	+ 0.9	+ 1.2	+ 1.5	+ 1.6	+ 8.7
General grants to municipalities	10.6	- 0.5	+ 0.8	+ 0.9	+ 1.2	+ 5.1
Communications	9.9	+ 1.1	+ 0.6	+ 0.9	+ 0.8	+ 7.4
Public health service, social welfare	7.8	- 0.2	+ 0.7	+ 0.9	+ 1.0	+ 7.1
Judiciary, police and penal administration	7.3	+ 0.5	+ 0.7	+ 0.8	+ 0.9	+ 8.9
Industrial policy	6.3	- 1.7	+ 0.3	+ 0.0	- 0.6	- 0.0
International development and co-operation etc	5.7	+ 0.5	+ 0.6	+ 0.8	+ 0.9	+10.6
Energy policy	3.6	+ 1.3	+ 0.3	+ 0.3	+ 0.4	+13.4
Miscellaneous	18.7	+ 3.2	+ 1.5	- 0.1	+ 1.0	+ 6.8
All expenditure except interest on national debt	204.6	+ 8.7	+18.0	+18.7	+19.3	+ 7.1
(In fixed prices	204.6	- 2.3	+ 3.4	+ 2.1	+ 0.6	+ 0.4)
Interest on national debt	29.0	+ 6.5	+ 8.2	+ 9.8	+11.7	+22.4
Total expenditure	233.6	+15.2	+26.2	+28.5	+30.9	+ 9.4
Total income	158.7	+ 9.8	+24.8	+20.7	+21.4	+10.3
Deficit	74.9	+ 5.6	+ 1.4	+ 7.8	+ 9.5	+ 7.5

budgeting. As an aid for budget planning, a multi-year state budget, presenting a five-year forward look, is annually produced. As is usual by now in most countries, the multi-year budget sums up the long-term expenditure commitments and the income that unchanged tax rules can be expected to yield. The multi-year budget is thus a way of stating what could be expected to happen with the state budget if no new decisions were made. The multi-year budget is published in connection with the final budget proposals in april each year.

Table 4 sums up some major characteristics of the multi-year budget published this year. By comparing the first column in table 4 with table 1, which summarized the draft budget published in January, we observe the kind of budget changes - due to e.g. business cycle fluctuations, new wage settlements and political revisions - that have been made in the meantime. Most local governments by now also use some similar kind of multi-year budgeting as a planning device. All local governments are also requested by the state to make an annual four-year forecast of expected expenditure developments as well as to report several times during the year on expected outcome of current budgets.

## **The Making and Changing of Budgets**

### **Making Budgets**

The making, executing and accounting of the state budget is an unwieldy process that takes altogether about 3 years. The budget year runs from July 1 to June 30. During spring, the year before the budget will become effective, the agencies prepare the estimates within their areas of responsibility. During the autumn these estimates, and the corresponding income estimates from the state accounting office, are pieced together into a consistent budget proposal through negotiations between the treasury and

the other ministries. In January a draft budget is presented to parliament. Final estimates are given in the definite budget proposals which, together with the multi-year budget, is presented to parliament normally during april. Final decisions on the government's budget proposals are taken by parliament during May and June. On the basis of these decisions the government prepares the final documents regulating the appropriations going to the various agencies. During the budget year, an agency can then draw on these appropriations from a Central Bank account. Finally, the state accounting office prepares the final accounts during the autumn following the budget year. The budget cycle in local governments is of a similar nature, but shorter, taking up a little more than two years. The budget year for the local governments is the same as a calender year.

In preparing the state budget the treasury can base its estimates on two kinds of general economic forecasts. One kind of forecast is a five-year forward look, prepared within the treasury every second or third year, but usually up-dated, at least partially, in the intermediate years. This forward look concerns the whole economy and is not so much a forecast as an attempt to present the main problems and possibilities that may be encountered in the following years. It also gives a consistent scenario on which to base the multi-year state budget. The other kind of forecast is a business cycle forecast, prepared each autumn and spring by the Business Cycle Institute, which is an economic research unit, subordinated to the treasury. These latter forecasts are particularly used in developing the general report on the economic situation, which traditionally introduces the state budget proposals.

As for the local governments they prepare the above-mentioned estimates of multi-year developments for the state but do not usually engage in any more sophisticated attempt of forecasting local conditions for the budget year.

Although formally the government proposes and parliament decides, decisions on the state budget tend to follow very closely the proposals made by government. This is natural as long as governments are chosen so as to reflect the views of a parliamentary majority. Since the same parliamentary principles are adhered to in local government, the changes there made in budget proposals are usually also limited. The existence of local parties and a sometimes less strict party discipline combine, however, to make the probability of budget changes slightly larger in local political assemblies than in the national assembly.

The influence of labor market organisations and other interest groups is not exerted during the shaping of budget proposals in government, which is usually a strictly in-house affair. Their views are channelled and represented in other ways. They may work by direct political lobbying in political organizations and assemblies. Pressure may be exerted directly on the agencies, on the boards of which they are often represented. A third, and in Sweden uniquely important, mode of action is finally by way of the royal commissions, on whose investigating and negotiating work most reforms in the Swedish society rest. Much of the political log-rolling by pressure groups are done in these commissions or in the public debate following the commission reports.

The role of state agencies and of local governments in shaping the state budget is difficult to assess more precisely. In theory the agencies simply execute commands of the central government, In fact, however, state agencies in Sweden traditionally have a rather strong position vis-a -is the government and may in fact often be more active than parliament in initiating changes and channelling claims of client groups (Tarschys, 1979).

By various means - from cash grants and credit policy to direct regulation and political pressure - the central government has in principle the possibility of controlling local governments to a

large extent. The traditional independence of local governments in Sweden, the growing size of the individual local government unit and the access to a local government income tax, however, often make it seem that the state is adjusting to the decisions of local governments rather than the other way around (Murray, 1981; Ysander 1981b).

### Changing Budgets

Even when the state budget has been approved there are of course various ways in which the budget may be changed during the budget year. To change tax rules or to get any new kind of income, government has to approach parliament and ask for new decisions. Such an approach may, however, be postponed in several ways.

Some appropriations are sufficiently big and generally specified to admit reallocation of uses within the appropriation. The use of reserved appropriations from preceeding years - altogether amounting to perhaps a tenth of total expenditure - may be accelerated. Finally there are various kinds of buffers built into the state budget. Each year a general authority to increase expenditure up to a certain limit - normally about 1 percent of total expenditure - when called for by changing labor market conditions or business cycle developments, is given by parliament to government. Corresponding special authorities for certain limited increases of expenditure under specified conditions are given to various agencies. As a general buffer against unexpected wage and price increases, something like 2 percent of total expenditure is usually also set aside explicitly in the state budget.

In local governments, overdrafts due to unexpected price and wage increases are even more common than in the state budget and are usually regulated by temporary increases in short term debt.

### Wage- and Price Adjustment

The budget proposals are stated in terms of expected price and wage developments. In both state and local government budgets, full or almost full compensation for actual wage and price developments is automatically given for a major part of expenditure. Table 5 shows the coverage of wage- and price adjustment in the state budget. We see that for half of total expenditure indexing rules are already built into the parliamentary decisions. Appropriations will thus automatically be calculated in such a way as to assure full compensation, although the definition of "full" will of course be a matter of choice of the wage and/or price index. Interest payments will follow the changes in interest rates and the same is true of the interest subsidies, where the state has guaranteed a certain level of interest rate.

Table 5. Wage- and price adjustment in the state budget  
Source: Kompletteringspropositionen (1981)

	Percent of total expenditure
Wage- and price adjustment by parliamentary decisions	50.0
Interest payments and interest subsidies	14.9
Full "automatic" compensation	64.9
Wage- and price adjustment by state budgeting rules	15.4
"Automatic" compensation	80.3
Separate decisions and miscellaneous	19.7
	100

This means that altogether  $2/3$  of all state expenditure is in principle fully insured for wage and price increase. Another 15 % is recalculated in terms of current wage and prices by the budgeting rules followed in the treasury. In some cases, however, this means less than full compensation, since a certain percentage is subtracted as "required productivity increase". Left to separate decisions and a "cash limit" handling; is less than  $1/5$  of total state expenditure. The role of inflation adjustment in local governments is roughly the same although the corresponding figures are not available.



## References and Notes on Literature

### State Budget

An english summary of the draft budget is published annually by the ministry of the Budget and the ministry for Economic Affairs. Earlier editions contain short descriptions of the constitution, the budget system, the system of taxation and the civil service. The latest issue is:

The Swedish Budget 1981/82, (1981), Liber, Stockholm.

The draft budget for the current budget year, along with supporting forecasts on the national economy and on state income is contained in:

Finansplanen och budgetförslaget, (1981), Bill 1980/81:100; Appendix I, The Swedish Parliament, Stockholm.

The definitive annual budget and multi-year plan for the current budget year is contained in:

Kompletteringspropositionen, (1981), Bill 1980/81:150; The Swedish Parliament, Stockholm.

Final accounts for the outcome of the budget is published in a series, the latest issue of which is:

Budgetredovisningen 1979/80, (1980), National Accounting Office, Stockholm.

The part played by the agencies in the making of the budget is investigated in:

Tarschys, D.-Eduards, M., (1975), Petita - Hur svenska myndigheter argumenterar för högre anslag (Agency estimates - How Swedish agencies argue for bigger appropriations), Liber.

An introduction to Swedish budgeting practices and public administration is given in:

Vinde, P., (1978), Swedish Government Administration, Prisma.

### State Budgeting

PPBS - methods were first introduced within defence. This work is reported in i.a.:

Grape, L.-Ysander, B.-C., (1967), Säkerhetspolitik och försvarsplanering, (National security policy and defence planning), SNS, Stockholm

Planering och programbudgetering inom försvaret, (1969), (Planning and Program Budgeting within Defence). Royal Commission Report 1969:25, Stockholm.

Ysander, B.-C., (1971), 'Erfarenheter av försvarets långsiktspanering' (The Experience of Long-term Defence Planning) in Förvaltningsekonomiska problem (ed. Ysander), ISF, Stockholm.

Proposals for using a similar program-budgeting technique within civil agencies were presented in:

Programbudgetering 1-3, (1967), Royal Commission Reports 1967:11-13, Esselte, Stockholm.

Proposals for extending and generalizing the approach to central government levels were presented in:

Budgetutredningen 1-4, (1973), Royal Commission Reports 1973:43-46, Stockholm.

#### Local Government Budgets

The current budgets of local governments are summarized together with forward expectations in the state planning surveys, carried out by the National Central Bureau of Statistics (NCBS) in co-operation with the National Association of Local Governments. The outcome of the budgets is accounted for in a series of official statistics published by NCBS, the latest issue of which is:

Kommunernas Finanser 1979, (1981), Official Statistics of Sweden, NCBS, Stockholm.

An analysis of budget development and financial performance of local governments is given in:

Kommunernas ekonomi 1960-72, (1976), Royal Commission Report 1976:45, Stockholm.

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Kommunerna - utbyggnad, utjämning, finansiering, (1977), Royal Commission Report 1977:78, Stockholm.

Ysander, B.-C., (1981a), Offentlig ekonomi i tillväxt, (The Expanding Public Economy), The Industrial Institute for Economic and Social Research, Stockholm.

The relation between central and local governments is analyzed in i.a.:

Murray, A., (1981), Kommunernas roll i den offentliga sektorn (The Role of Local Governments in the Public Sector), The Industrial Institute for Economic and Social Research, Stockholm.

Nordström, T.-Ysander, B.-C., (1981b) Local Governments, Economic Stability and the Efficiency of Fiscal Policy, Working Paper No 48, The Industrial Institute for Economic and Social Research, Stockholm.

#### Consolidated Public Budgets and National Planning

Official forecasts for the national economy, including calculations of the consolidated public budgets, are given in two different state publications. Three times each year the prospects for the coming year are analysed in a report, the latest issue of which is:

Konjunkturläget våren 1981, (1981), National Institute for Economic Research, Stockholm.

The latest official long-term survey of problems and prospects over the next five years is published in:

1980 års långtidsutredning, (1980), Royal Commission Report 1980:52, Stockholm.

An alternative assessment of long-term trends and possibilities is given in:

Nordström, T. and Ysander, B.-C., (1980), Offentlig service och industriell tillväxt (Public Service and Industrial Growth), Research Report No 11, The Industrial Institute for Economic and Social Research, Stockholm.

An analysis of budget allocation and the use of public pricing is contained in:

Ysander, B.-C. (1979), Fem avgiftsargument (Five Arguments for Public Pricing) in Royal Commission Report 1979:23, Stockholm.

A concise overview of public budget outcome, recalculated so as to be comparable with private sector accounts, is contained in the national accounts, published quarterly and annually by the NCBS.

The historical figures up till 1979 are given in:

National Accounts 1950-1970 (1971), National Accounts 1970-1979, (1980), and Quarterly National Accounts 1970-79, (1981), Statistical Reports N 1971:99, N 1980:4.4 and N 1981:2.1.

Corresponding figures on employment are presented in:

Employment 1970-1979, (1980), Statistical Report N 1980:4.4, appendix 5.

An analysis of Swedish public enterprise during the post-war period is contained in:

Eliasson, G.-Ysander, B.-C., (1981), Picking Winners or Bailing Out Losers. Working Paper No 37, The Industrial Institute for Economic and Social Research, Stockholm.