

The method for public expenditure applied in Belgium

Workshop on developing guidelines for planning, monitoring and reporting on drug related public expenditure
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Background of the Belgian PE studies

- Since 1990's: increasing importance evaluation drug policy (programmes)
- Since 2001: EMCDDA underlines importance PE studies on drug policy
- Belgian PE studies
 - Policy-oriented – funded by Belgian Federal Science Policy
 - Drugs in Figures I (De Ruyver et al., 2004) & II (De Ruyver et al., 2007)
 - PE in Belgium for illicit drugs
 - Drugs in Figures III (Vander Laenen et al., 2011)
 - Estimation Belgian PE (2008) for illegal *and legal* drugs (new)
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Goals of Belgian PE studies

- 1) Governments' stated priorities mirrored in its drug budget?
- 2) policy mix?
 - prevention, treatment, HR, law enforcement
 - legal and illegal drugs

Methodology – delineating PE

- Concept public expenditure
 - «the composition of the drug budget as an estimation of public authorities' expenditures on the drug policy»
 - direct nature of public expenditure
 - “investments or budget lines of public authorities for actions expressly and directly aimed at implementing drug policy” (Vander Laenen et al., 2008, 26)
- => Not included
 - external expenditures related to consequences of drug use
 - e.g. expenditures for treatment of HIV due to drug use
 - private expenditures = spending of drug users and private organisations
 - e.g. drug and alcohol treatment paid for by private health insurance

Methodology - Coverage

- Type of drugs
 - Licit (alcohol, tobacco, psycho active medication) and illicit
- Levels of government
 - local/provincial/regional/federal
- Pillars of policy
 - prevention, treatment, harm reduction, law enforcement, other (coordination, research) (cf. Reuter, 2004)

Also used for classification - analysis

Methodology – data collection

- Top-down and check on top-down
 - Top-down: starts from resources or overall budgets made available by public authorities involved in drug policy
 - analysis of budget lines public administrations
 - e.g. consult federal budget
 - Check top down: starts from activities in work field and traces money flow back to public authorities funding
 - Limited: some (mental) health care centres, umbrella organisations
 - with surveys
 - provincial level (all provincial drug coordinators Flanders – coordinators (mental) health Wallonia)
 - local (sample of 58 cities and communities: large cities – regional cities – communities – rural communities)
 - Local and provincial budget? + regional and national budget?

Methodology – data processing

- Drug specific ~ labeled
 - by exhaustively reviewing official accountancy documents, e.g. national budgets and year-end reports
 - -> no further calculation
- Budget part of broader budget ~ unlabeled
 - -> ascribe portion broader budget category to drug programme
 - Unlabeled drug-related Expenditure = Overall Expenditure × Attributable Proportion
 - Via proration technique and unit expenditure

Methodology – data processing

- Proration technique
 - Mostly for PE on enforcement by police, judicial authorities and customs
 - e.g. PE local police on drugs = total local police budget / *fraction* of all offences that are offences concerning violations drug law
- Unit expenditure
 - less data required: only quantity 'drugs' (e.g. number of hospitalisation days drugs) necessary to estimate drug related PE
 - E.g. PE hospitalisation on drugs = average expenditure for hospitalisation per day X average number of days drug user is hospitalised

Example of the results

Estimated PE illegal drugs, alcohol, psycho-active medication, Belgium

Category	Low estimate	High estimate	baseline	Baseline %
Prevention	12	12	12	1.24
Treatment	438	1036	737	<u>76.5</u>
Harm reduction	2.3	2.3	2.3	0.24
Enforcement	188	229	209	<u>21.67</u>
Other	3.4	3.4	3.4	0.35
total	644	1283	964	100

76.5 % - Mostly treatment **alcohol** abuse/ dependence/ intoxication in (psychiatric) hospitals

21.67 % - PE for alcohol detection&prosecution level > illegal drugs

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Example of the results

Estimated PE illegal drugs, Belgium

Illegal drugs	%
Prevention	3,85*
Treatment	49,14*
Harm reduction	0,79
Enforcement	45,59
Other	0,64
Total	100

* overestimation: when focus on illicit and licit => attributed to illicit

Methodology – critical assessment

- Proration + unit expenditure = estimates
 - => use of intervals : low end and high-end estimate + baseline estimates (= average)
 - E.g. PE prison on drugs
 - Low end = incarceration for drug law offences – high end = incarceration for all types drug related crime
 - E.g. PE hospitalisation on drugs
 - Low end = only primary diagnosis – high end = primary and/or secondary diagnosis
- Proration
 - + includes personnel – working – overhead
 - - Assumption that
 - unit cost for drug-specific = non drug-specific interventions
 - Cost / arrest = each offence type (e.g. possession & trafficking)
- Unit expenditure
 - in case of limited registration: only quantity 'drugs' is needed

Methodology – critical assessment

%	prevention	treatment	Harm reduction	enforcement	other	total
Top down	92	99.6	80	95	82	98
Drug specific	76	9	97	3	100	9
Proration	24	1	3	65	/	15
Unit expenditure	/	90	/	33	/	76

- 98 % top-down
- 91 % estimates

Methodology - critical assessment

%	local	Provincial	Regional	federal	total
Top down	100	100	83	94	98
Drug specific	53	98	62	34	9
Proration	47	2	38	38	15
Unit expenditure	/	/		20	76

Belgian PE – current situation

- DIC I, II & III
 - + funded scientific research on PE
 - - expensive
- => road map developed for public administration
 - Limited to 99.52 % of Belgian PE on drug policy
 - Excluded: PE on research, provincial and local PE
- 2013: implementation of road map by public administration
 - Willingness of to participate is limited
 - Contact persons in road map is partly out-dated

National guidelines

- First and foremost: define and delineate
 - What is public expenditure?
 - Clearly define: cost of illness? E.g. HIV
 - Coverage -> analysis
 - Type of drugs?
 - How to separate licit and illicit?
 - e.g. DIF III: 75 % alcohol – 20 % illicit drugs – 5 % Psycho-active medication
 - => Include alcohol in PE studies
 - But: attribute portion of budget to either alcohol / illicit drugs?
~ poly drug use and holistic approach
 - Levels of government?
 - Pillars of policy: what is (part of) prevention, treatment, harm reduction?
 - HR part of treatment?

National guidelines

- ~ goal of PE study: national PE or comparison between countries?
 - detail (country level) versus comparability (cross-country comparison)
 - Important challenge: different welfare security systems ~ differences in welfare states
- Data calculation
 - include non-labelled expenditures, despite estimations
- Develop road map for national focal points
 - Provide clear instructions for national focal points
 - + report on results should include detailed report on definitions – data collection, calculation & analyses

Concluding observations

- PE are estimations
 - small changes in proration technique/methodology can easily generate \neq results
 - PE studies are vulnerable
 - What in case of (non) favourable results?
 - ~ Which criteria for 'balance' / policy mix in resource allocation? (McDonald, 2011)
 - ~ What is the goal of drug policy (makers)?
 - » existing evidence for (cost-)effectiveness -> treatment, HR and some types of prevention
 - » cost to society -> tobacco and alcohol
 - » <-> historical resource allocation formulae
- PE \neq evaluation study on (cost)- effectiveness

Want to read more?

VANDER LAENEN, F. (2012). *Thanks to economics. Making the case for an integrated and balanced alcohol and drug policy*. Paper prepared for 6th International Conference ISSDP, Canterbury, 30-31 May 2012.

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DE RUYVER, B., VAN MALDEREN, S., VANDER LAENEN, F. (2007). *Study into public expenditures with regard to national drug policies. A feasible plan for the national focal points*. Paper for the "Expert Meeting on the Methodology to Estimate Drug-Related Expenditures in the European Union", 13-14 December 2007, Lisbon, EMCDDA.

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