

Project Description

A modern welfare state needs to assess individual reforms as well as the development of society in general. Do we really improve our living conditions? For all groups and geographical areas? We are developing a new measure – Capability Adjusted Life Years or CALYs in shortness, for the assessment of quality of life and is proper for and for the evaluation of public sector policies.

There is increasing need for the evaluation and prioritisation of welfare policies, guided both by effectiveness and equity considerations. In health care and public health, cost per QALY gained measure is widely used. In municipalities, a very simple cost-saving analysis has become increasingly more popular. The main weakness of cost-saving analysis is the lack of independent valuation of the quality of life consequences.

To provide methods for more accurate evaluation, we intend to develop and test a measure called ‘capability-adjusted life years’ or CALYs. CALYs can be used to estimate cost-effectiveness, but also to rank social problems. The fewer the lifetime CALYs a certain group can expect, the more severe the problem.

In health care and public health, the sophisticated ‘cost per QALY (Quality Adjusted Life Year) gained’ measure is widely used. Other parts of the welfare state have, in theory, to rely on cost-benefit analysis (CBA). However, CBA is rarely used. Rather, a very simple cost-saving analysis has become increasingly more popular, particularly among municipalities. The main weakness of cost-saving analysis is the lack of independent valuation of the consequences following an action. This introduces a bias in favour of actions that ‘save’ resources, so that actions that bring about better quality of life but consume resources are consequently given low priority.

The aim of this project is to develop and test a new measure—‘capability-adjusted life years’ (CALY)—that can be used both to evaluate the effects of policies on quality of life and to monitor living conditions. In order to develop CALYs, we consider two research questions:

1. What capabilities are the most vital for individuals in Sweden?
2. What are the relative weights of selected capabilities according to the views of Swedish people in general?

In order to test CALYs we aim to explore:

1. How are capabilities and CALYs distributed among the Swedish population?
2. Can the severity of social problems be assessed through projections of lifetime CALYs? Is it the case that the fewer CALYs, the more severe the problem?