

HOW CORRUPT IS A NON-CORRUPT SOCIETY?

EVIDENCE FROM A SURVEY OF LOCAL POLITICAL ELITES IN SWEDEN

NB: The paper is very early work in progress! Contact the authors for the latest version.

Staffan Andersson, Växjö university

Andreas Bergh, The Ratio institute and Lund university¹

Gissur Erlingsson, Växjö university

Mats Sjölin, Växjö university

ABSTRACT:

Sweden consistently ranks among the countries perceived to have the least problems with corruption: In Transparency International's Corruption Perceptions index, Sweden ranked number 6 in 2006, ahead of both Norway and the Netherlands. Still, a number of scandals involving both Swedish companies and Swedish politicians have recently been reported. Sweden's clean image have been questioned. Still, little is known regarding on how representative the latest media reports are. The aim of this paper is to describe in detail the nature of corruption in Swedish local politics. We report results from a web-based survey among local politicians and civil servants in all of Sweden's 290 municipalities. The survey responses, collected late in 2007, allow us to examine in detail what type of behavior that is considered ethical in a country normally said to have no problems with corruption. Importantly, we do not restrict attention to corruption as defined in a strict legal sense; instead we define corruption broadly as reaping personal benefits at the expense of all inhabitants in the municipality.

¹ Corresponding author: Andreas.bergh@nek.lu.se

INTRODUCTION

Sweden has traditionally been described as a country where corruption is an almost non-existing problem (cf. Heidenheimer, 1989). The perceived levels of corruption are comparatively low as indicated by *Transparency International's* "Corruption perception index", and Sweden has consistently been ranked top six among the world's least corrupt states throughout the past decade (see www.transparency.com). But Transparency's data only tell us something about the *relative* level of corruption in Sweden vis-à-vis other countries, and nothing about the absolute level. Theoretically, it would be very surprising if any country is completely free of corruption problems. For this reason, it is hardly surprising that recently, a number of reasons have emerged to doubt if Sweden really is such a clean, honest and non-corrupt country as it has traditionally been described.

In January 2006, an analysis was presented which suggested that almost four percent of GDP in Sweden was purchased every year by the public sector without offers, insight or public control, hence potentially subject of some kind of corrupt activities (Svenska Dagbladet, 2006-01-20). In the same year, the Swedish National Audit Office criticized public sector institutions for lacking proper prerequisites to detect and prevent corruption. Shortly before this, a number of high profile political scandals have taken place where politicians were brought to court accused for taking bribes: the mayor of Malmö city was accused, but not convicted, while the County governor of Jämtland was first convicted but subsequently acquitted by the appeal court. Furthermore, academic scholars (e.g. Johansson 2004; Rothstein 2003; Andersson 2002) as well as professionals working with corruption issues (e.g. Ahlenius, 2005a, 2005b; van der Kwast interviewed in Svenska Dagbladet, 2003-05-14) have suggested that corruption may have become a bigger problem in Sweden.

Against this background we, in an earlier paper (Erlingsson et al, forthcoming) made a theoretical case in support for the suspicion that corruption in Swedish municipalities indeed may have become more widespread. This conclusion was reached after a review of important changes in the institutional environment that regulates the incentive structure for individuals wishing to engage in corrupt behaviour or abuse their power. Our analyses suggested that (a) the possibilities to act corrupt have increased, (b) it has become more lucrative to engage oneself in corrupt behaviour, and (c) supervision over potential corruption has worsened throughout the past two decades. The most important changes at the Swedish local level were:

1. The prevalence of whistle blowers in public administration has traditionally been a guarantee for a clean, honest and non-corrupt public administration. However, it seems as if civil servants have become more reluctant to act as whistle blowers since the early 1990s. *Ceteris paribus*, this lowers the risk for being exposed for the random individual engaging her- or himself in corruption. This change increases the probability for corrupt behaviour.
2. Since the early 1990s, the municipalities have converted parts of their activities into independent subsidiary companies. This entail less transparency and public control in the public activity converted, moves large amount of administration of public resources away from the freedom of access to public records and makes it harder for citizens to appeal against decisions. This lowers the risk for being caught while engaging in

corruption within the confines of these companies. Furthermore, these reforms have made corruption more lucrative, and have given politicians and civil servants more occasions for abusing their office for private gain.

3. So called *New Public Management*-reforms, i.e. organizational experiments striving to make the public sector more market oriented, have had a big impact in Swedish municipalities since the early 1990s. There are reasons to expect that the *process* of transferring large volumes of assets – that once were publicly owned, financed and administered – to private hands, create opportunities for corruption, mainly because one have not designed any adequate mechanisms for supervision for the new ways of organizing the municipalities' activities, but also because swift reorganizations make roles and norms within organizations unclear.
4. The formal institution that indeed is designed to supervise financial activities within the municipality, i.e. *the municipal audit*, has been a lame duck, and therefore cannot balance the changes in the incentive-structure that have occurred since the early 1990s described above. This is so because it lacks credibility, which in turn is because the audit has in-built too close a connection between the auditors and those they are supposed to audit.

This analysis, however, was mainly theoretical in character, and our point was to pave the way for further research and encourage scholars to do thorough empirical, descriptive work to chart the nature and extent of public corruption in the under-researched area which corruption in Swedish municipalities in fact is.

Our goal in this present paper is empirical, i.e. to describe the attitudes towards various types of corruption-like behaviour among local political elites in Swedish municipalities. We do this using a web survey where local top politicians and officials are faced with 6 different scenarios, which they may consider acceptable or unacceptable. The scenarios may or may not describe a situation of illegal corruption, but instead describe various ways in which local elites can reap benefits at the expense of the municipality as a whole.

While we do not claim that the answers provided to us through this survey necessarily reflect the actual behaviour of actual politicians and officials in Swedish municipalities. We do argue, however, that the answers reveal information about the norms and values of those who answer. Assuming that this is correct, we find that in general, attitudes towards corruption-like behaviour are non-accepting. In some cases, however, attitudes are much more mixed and varies between politicians/officials, men/women, as well as the size and income of the municipality.

THE SURVEY

The survey was web-based and sent by e-mail to individuals belonging to something we have labelled "the local political elite". This means that seven categories of individuals from Sweden's 290 municipalities have received this survey: the chairman of the municipal board, the vice chairman of the municipal board, the chairman of the municipal council, the chairman of the municipal audit (these four categories are all politicians), the municipal manager ("kommunchef"), the budget manager ("ekonomichef") and the staff manager ("personalchef"). These three categories are all high-level civil servants.

These categories are present in most but not all municipalities, and some do not have e-mail addresses. In all, 1811 respondents actually received the survey and 933 answered, which is a response rate of 51.5 percent.

DESCRIPTIVES

Our sample is distributed as expected between politicians and officials, between political parties and between men and women. The biggest party is the social democrats, followed by the right wing party, the center party, the liberals, the christian democrats, the left and the green party. The male dominance is slightly bigger among politicians.

About 50 percent have held their current position between 2 and 10 years, with about one quarter less experienced and one quarter more experienced. Among officials, almost all have tertiary education, and among politicians about a fifth have only primary and a third have only secondary education.

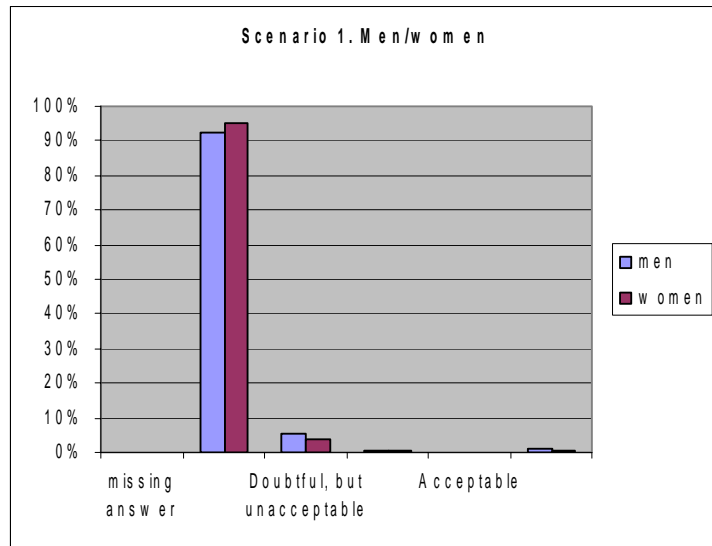
THE CORRUPTION SCENARIOS

For all scenarios below, respondents were asked to report their view on the described behavior. The alternatives given were the following:

- Unacceptable
- Doubtful, but unacceptable
- Doubtful, but acceptable
- Acceptable
- Refrain from answering

Scenario 1.

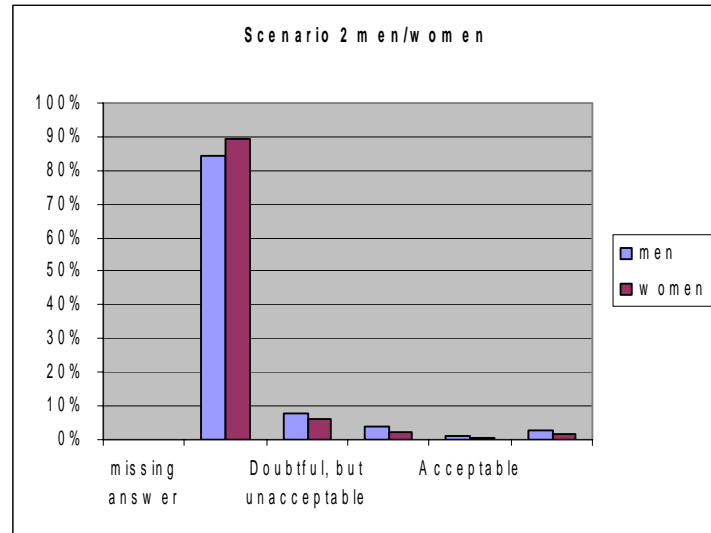
A logging company invites the municipal commissioner for dinner. The municipal commissioner accepts the invitation. Then, the municipal commissioner is invited by the company to go elk-hunting, gets free lodging and a couple of more dinners. Thereafter, the municipal commissioner makes a number of phone calls to friends, who are influential civil servants; and arranges for the hunting-party to get an increased hunting allotment so the group can shoot five additional adult animals.



Over 90% of both men and women perceived this behavior to be unacceptable.

Scenario 2.

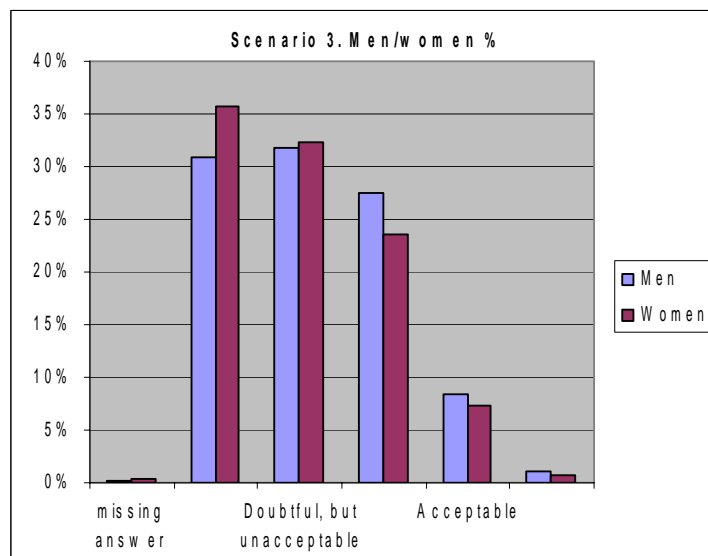
Bonds of friendship develop between an important businessman in the IT sector in a Swedish municipality and the municipal manager. The businessman's IT-company has important contracts with the municipality. The "kommunchef" lets the businessman invite him/her on a trip to an exotic destination, to a value of about 35 000 SEK.



Over 80 percent of both men and women perceived this behavior to be unacceptable, with an additional 5 percent answering that the behavior is doubtful but unacceptable. This is especially interesting since the scenario is similar to what happened in Malmö in 200X. At the time, this was a fairly big scandal, though none of the involved was convicted. Thus, the scenario describes something that is most likely legal, and indeed happened in Sweden's third biggest city. Still, 9 out of 10 report that they consider the behavior unacceptable.

Scenario 3.

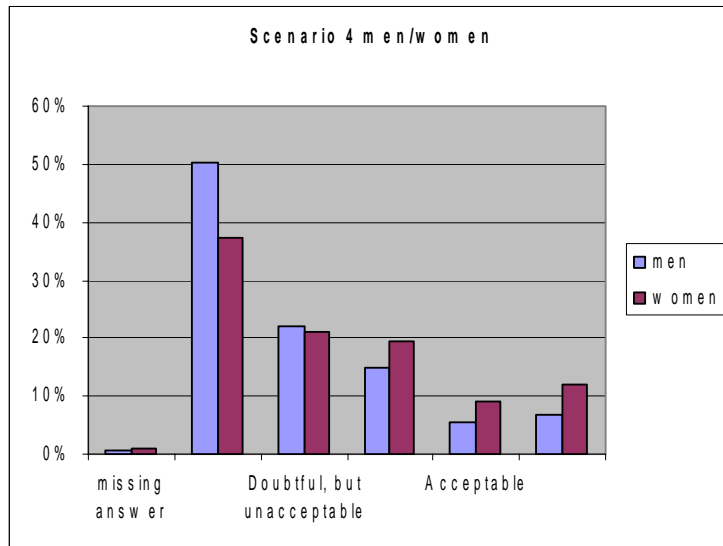
A construction company invites top local politicians and officials in a county to a seminar, where the construction company informs about its business. The seminar goes on all day. Late-morning coffee, lunch and afternoon coffee is offered. In the evening, the participants are invited to a dinner with their husbands and wives. Since it is important to maintain good relations with the business sector, the municipal manager and the chairman of the municipal executive board decide to go to the seminar and participate in all the activities, and bring their husbands/wives to the dinner.



Here, results are mixed, with around two thirds answering acceptable or doubtful but acceptable, and one third answering (doubtful but) acceptable. We can also note that compared to women, men are more prone to accepting this behavior.

Scenario 4.

The elder care in a Swedish municipality will procure a new supplier of diapers. The former producer does not get a renewed contract, although it sells the least expensive product, and the workers in the elder care facility think that the former supplier's products are the best. Instead, the products are procured from a producer whose production takes place in the municipality, and who buys most of the material for the diapers from local suppliers.

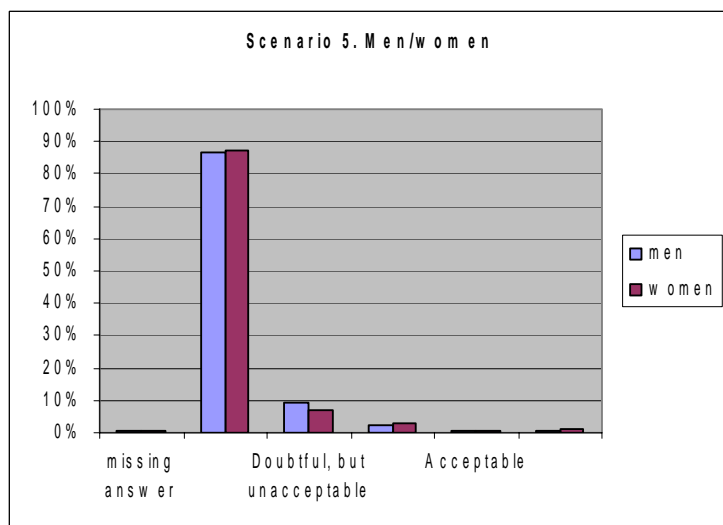


Again, a majority of about two thirds deem the behavior unacceptable. In this case, however women are more prone than men to find the behavior acceptable.

Scenario 5.

A position as director at intermediate level is vacant. The staff manager's cousin is formally qualified for the position, and for this reason the personnel officer does not advertise the position in due order. The number of applicants is therefore limited, and the cousin finally gets the position.

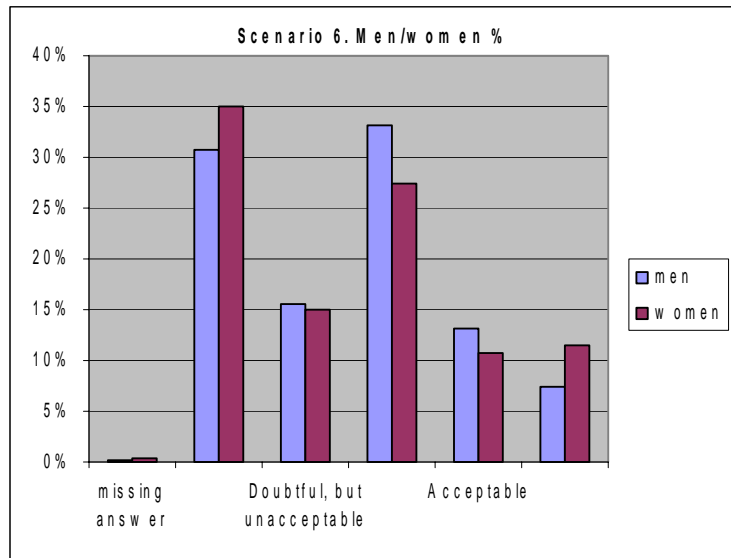
A clear majority of both men and women answered that this behavior is unacceptable.



Scenario 6.

A local politician is a member of the municipal council, of the board of a municipal company and is the vice chairman of a committee. He/she never reads documents, never give comments and always vote according to the party line. Thanks to the assignments, he/she only has to work half-time as a teacher, but can still manage well financially.

This scenario actually divides the sample: 45 percent answer (doubtful but) unacceptable, and around 40 percent answer the opposite. This scenario also has the highest share of no answers, almost 10 percent. Men are more prone than women to find the behavior acceptable.



WHAT DETERMINES STATED CORRUPTION-ATTITUDES?

A simple analysis of how responses vary, reveal the following:

Gender

Men are more accepting in scenario 3 and 6, while women are more accepting in scenario 4.

Income

Low-income municipalities are more prone to accept behavior in scenario 3 and 4.

Politicians-Officials

Politicians are more prone to accept scenario 3 and 4. Interestingly, politicians are less prone than officials to accept scenario 6.

Experience

Those with less than two years in office are much less prone to accept the behavior scenario 6, but more prone to accept behavior in scenario 3 and 4.

Size

Respondents in small municipalities are more prone to accept the behavior in Scenario 3 and 4.

Multi-variate analysis

To analyze the impact of various characteristics on attitudes towards corruption, we use an ordered probit, to analyze systematically how answers depend on size and income, including dummy variables for woman, official and experienced (>10 years).

[results tba]

APPENDIX – THE SURVEY

(TRANSLATED FROM SWEDISH TO ENGLISH)

Survey on corruption and abuse of power in Swedish municipalities

1. I am

- Male
- Female

2. I work in/am politically active in ... (fill in the name of the municipality)

3. I am a

- Civil servant
- Politician

4. What party do you represent? (N.B. This question is only to be answered by politicians.)

- Social Democratic Party
- Moderate party
- Centre party
- Liberal people's party
- Christian Democrats
- Left Party
- Green Party
- Other party

5. My highest educational level is

- Primary school
- Secondary school
- University

6. I have held my current position for

- Less than two years
- Two to ten years
- More than ten years

7. How often are you, in your position as elected representative or in your duty, been offered money, or other benefits, in order to make a decision in favour of the person/persons who has offered the benefit?

- Never
- Very rarely
- Fairly rarely (not very often)
- Fairly often (sometimes)
- Very often
- Refrain from answering

8. Comments, if any, on the above question

9. How often do you think other politicians and civil servants in your municipality are offered money, or other benefits, in order to make a decision in favour of the person/persons who has offered the benefit?

- Never
- Very rarely
- Fairly rarely (not very often)
- Fairly often (sometimes)
- Very often
- Refrain from answering

10. Comments, if any, on the above question

11. How often do you think other politicians and civil servants in your municipality have actually accepted the benefit offered to them?

- Never
- Very rarely
- Fairly rarely (not very often)
- Fairly often (sometimes)
- Very often
- Refrain from answering

12. Comments, if any, on the above question

13. How often do you think politicians and civil servants in other municipalities are offered money, or other benefits, in order to make a decision in favour of the person/persons who has offered such a benefit?

- Never
- Very rarely
- Fairly rarely (not very often)
- Fairly often (sometimes)
- Very often
- Refrain from answering

14. Comments, if any, on the above question

15. How often do you think politicians and civil servants in other municipalities have actually accepted the benefit being offered to them?

- Never
- Very rarely
- Fairly rarely (not very often)
- Fairly often (sometimes)
- Very often
- Refrain from answering

16. Comments, if any, on the above question

17. How often have you been subject to violence, threat of violence or blackmailing, where the person exposing you, has demanded that you, in your municipal duty/service, act in a way that you would otherwise had not?

- Never
- Very rarely
- Fairly rarely (not very often)
- Fairly often (sometimes)
- Very often
- Refrain from answering

18. Comments, if any, on the above question

19. How often do you think politicians and civil servants in general are subject to violence, threat of violence or blackmailing, where the person exposing them, has demanded that they, in their municipal service, act in a way that they would otherwise had not?

- Never
- Very rarely
- Fairly rarely (not very often)
- Fairly often (sometimes)
- Very often
- Refrain from answering

20. Comments, if any, on the above question

21. Own opinions

a. It is common that full time and part-time politicians in Swedish municipalities abuse their position of power and trust, and bring benefits to themselves or their close ones, at the expense of the municipality.

- Fully agree
- Mostly agree
- Somewhat agree
- Disagree
- No opinion

b. It is common that higher civil servants in Swedish municipalities abuse their power, and bring benefits to themselves or their close ones, at the expense of the municipality.

- Fully agree
- Mostly agree
- Somewhat agree
- Disagree
- No opinion

c. It is more common for full-time and part-time politicians to benefit themselves at the expense of the municipality in other municipalities than in my municipality.

- Fully agree
- Mostly agree
- Somewhat agree
- Disagree
- No opinion

d. It is more common for civil servants to benefit themselves at the expense of the municipality in other municipalities than in my municipality.

- Fully agree
- Mostly agree
- Somewhat agree
- Disagree
- No opinion

e. In general, public procurement functions/operates impartially in Swedish municipalities.

- Fully agree
- Mostly agree
- Somewhat agree
- Disagree
- No opinion

f. In my municipality, the public procurement is impartial.

- Fully agree
- Mostly agree
- Somewhat agree
- Disagree
- No opinion

g. The municipal audit is an important instrument in checking and revealing abuse of power in my municipality.

- Fully agree
- Mostly agree
- Somewhat agree
- Disagree
- No opinion

h. Local media coverage is an important instrument in checking and revealing abuse of power in my municipality.

i. If I wanted to, it would be easy for me to bring benefits to me or my close ones, at the expense of the municipality.

- Fully agree
- Mostly agree
- Somewhat agree
- Disagree
- No opinion

j. I intervene if I suspect that someone is bringing benefits to themselves or their close ones at the expense of the municipality.

- Fully agree
- Mostly agree
- Somewhat agree
- Disagree
- No opinion

h. It is easy to trust people in general, even if they are strangers that you have never met before.

- Fully agree
- Mostly agree
- Somewhat agree
- Disagree
- No opinion

Scenarios

We would like your position on the scenarios following below. Remember that we are not asking for what is right or wrong in the legal sense, but what you consider to be an unethical behaviour, namely, whether the scenarios express abuse by an elected representative/"civil service". What is acceptable and unacceptable behaviour among municipal politicians and civil servants?

Scenario 1.

A logging company invites the municipal commissioner for dinner. The municipal commissioner accepts the invitation. Then, the municipal commissioner is invited by the company to go elk-hunting, gets free lodging and a couple of more dinners. Thereafter, the municipal commissioner makes a number of phone calls to friends, who are

influential civil servants; and arranges for the hunting-party to get an increased hunting allotment so the group can shoot five additional adult animals.

22. What is your view on this?

- Unacceptable
- Doubtful, but unacceptable
- Doubtful, but acceptable
- Acceptable
- Refrain from answering

23. Comments, if any, on the above question

Scenario 2.

Bonds of friendship develop between an important business man in the IT sector in a Swedish municipality and the municipal manager. The businessman's IT-company has important contracts with the municipality. The "kommunchef" lets the businessman invite him/her on a trip to an exotic destination, to a value of about 35 000 SEK.

24. What is your view on this?

- Unacceptable
- Doubtful, but unacceptable
- Doubtful, but acceptable
- Acceptable
- Refrain from answering

25. Comments, if any, on the above question

Scenario 3.

A construction company invites top local politicians and officials in a county to a seminar, where the construction company informs about its business. The seminar goes on all day. Late-morning coffee, lunch and afternoon coffee is offered. In the evening, the participants are invited to a dinner with their husbands and wives. Since it is important to maintain good relations with the business sector, the municipal manager and the chairman of the municipal executive board decide to go to the seminar and participate in all the activities, and bring their husbands/wives to the dinner.

26. What is your view on this?

- Unacceptable
- Doubtful, but unacceptable
- Doubtful, but acceptable
- Acceptable
- Refrain from answering

27. Comments, if any, on the above question

Scenario 4.

The elder care in a Swedish municipality will procure a new supplier of diapers. The former producer does not get a renewed contract, although it sells the least expensive product, and the workers in the elder care facility think that the former supplier's products are the best. Instead, the products are procured from a producer whose production takes place in the municipality, and who buys most of the material for the diapers from local suppliers.

28. What is your view on this?

- Unacceptable
- Doubtful, but unacceptable
- Doubtful, but acceptable
- Acceptable
- Refrain from answering

29. Comments, if any, on the above question

Scenario 5.

A position as director at intermediate level is vacant. The staff manager's cousin is formally qualified for the position, and for this reason the personnel officer does not advertise the position in due order. The number of applicants is therefore limited, and the cousin finally gets the position.

30. What is your view on this employment procedure/process?

- Unacceptable
- Doubtful, but unacceptable
- Doubtful, but acceptable
- Acceptable
- Refrain from answering

31. Comments, if any, on the above question

Scenario 6.

A local politician is a member of the municipal council, of the board of a municipal company and is the vice chairman of a committee. He/she never reads documents, never give comments and always vote according to the party line. Thanks to the assignments, he/she only has to work half-time as a teacher, but can still manage well financially.

32. What is your view on this?

- Unacceptable
- Doubtful, but unacceptable
- Doubtful, but acceptable
- Acceptable
- Refrain from answering

33. Comments, if any, on the above question

34. As compared to when you started as a local politician/local government official, problems with abuse of power have...

- Increased significantly

- Somewhat increased
- Not changed
- Somewhat decreased
- Decreased significantly
- Refrain from answering

35. As compared to when you started as a local politician/local government official, problems with blackmailing – when someone tries to force a local politician/local government official to act differently than they would otherwise have done in local politics- have...

- Increased significantly
- Somewhat increased
- Not changed
- Somewhat decreased
- Decreased significantly
- Refrain from answering