

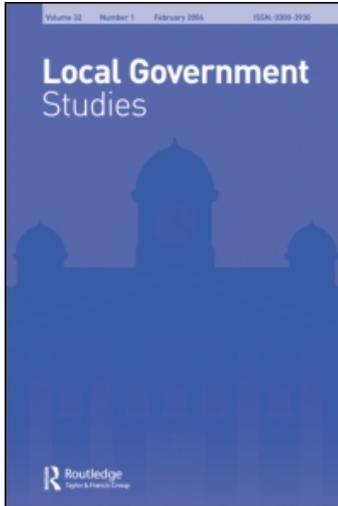
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Public Corruption in Swedish Municipalities – Trouble Looming on the Horizon?

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ABSTRACT *In the 1990s, several public corruption scandals were uncovered in Sweden. This article focuses specifically on local corruption, and our purpose is to examine whether a case can be made that problems of public corruption in Swedish municipalities have increased. By applying instruments from the institutional rational choice framework, we reach the conclusion that there are indeed reasons to suspect that retrenchment initiatives and organisational reforms over the last two decades, often labelled 'new public management', have increased the risk of corruption. Although hard empirical data do not yet exist, the suspicion that public corruption in Swedish municipalities may have become an increasing problem cannot be disregarded. Hence, we conclude by calling for further empirical research in this field.*

Introduction

To paraphrase Marcellus in Shakespeare's *Hamlet*: Is something rotten in the state of Sweden? Throughout 2006, reasons were given to doubt the accuracy of the traditional description of Sweden as a clean, honest and non-corrupt country. First, in January an analysis was presented which suggested that almost one-fifth of the annual expenditure of SEK 500 bn on public sector procurement takes place without public tender procedures, insight or public control, and is hence potentially subject to some kind of corrupt activities (*Svenska Dagbladet*, 2006). Secondly, The Swedish National Audit Office (Swedish National Audit Office, 2006) criticised public sector institutions as lacking proper prerequisites to detect and prevent corruption, a criticism that echoed GRECO's (2001) judgements five years earlier. Thirdly, there have been a couple of high profile scandals

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in which politicians were prosecuted on bribery charges: the mayor of Malmö city was accused, but not convicted (*Kvällsposten*, 2005), while the County Governor of Jämtland¹ was initially found guilty (*Dagens Nyheter*, 2006), but subsequently acquitted by the Court of Appeal. In addition to these pieces of circumstantial evidence, some scholars (e.g. Johansson, 2004; Rothstein, 2003; Andersson, 2002) as well as professionals² working on corruption issues (e.g. Ahlenius, 2005a, 2005b; van der Kwast, interviewed in *Svenska Dagbladet*, 14 May 2003) have suggested that corruption may have become a bigger problem in Sweden.

It is crucial for social scientists to find the mechanisms that explain public corruption, i.e. the abuse of public office for private gain,³ even in highly developed democracies such as Sweden. Today most scholars agree that widespread corruption is bad for business. It distorts free market competition, reduces the readiness of companies to invest, and inhibits growth in the number of entrepreneurs. In addition, corruption threatens the legitimacy of the rule of law and lowers public confidence in political institutions. Corruption therefore undermines important prerequisites for *both* economic growth and democratic governance (see Bowler & Karp, 2004; Jain, 2001; Rose-Ackerman, 1999; Goudie & Stasavage, 1998; della Porta & Vanucci, 1997; Mauro, 1995).

The purpose of this article is to examine whether a theoretical case can be made for the assertion that corruption has become an increasing problem in Sweden. As will be shown, by applying basic insights from the institutional rational choice framework (e.g. Collier, 2002; Ostrom, 1999) in the study of public corruption in Swedish municipalities, we argue that further empirical research is likely to find that the level of corruption in Sweden is in fact worse than traditionally thought.

The undesirable effects of corruption are the main reason to highlight corruption in the first place. But aside from the merely empirical peculiarities of highlighting corruption in an environment usually described as clean, honest and non-corrupt, there are also important theoretical motivations for our specific focus on corruption in Swedish municipalities. Two observations make them an appropriate matter for closer scrutiny:

1. The literature on public corruption is biased towards cross section studies, i.e. variations between political systems at the national level. The interest in processes, i.e. temporal changes in corruption levels within one and the same political system, has been scant (Lederman *et al.*, 2005; Goel & Nelson, 1998; Park 2003; and Treisman, 2000 are examples of studies of this cross-section type). We maintain that there is need to develop knowledge about why levels of corruption may vary over time, *within* a political system.
2. Those who actually have been interested in processes are predominantly *theoretically* motivated and almost exclusively focused on explaining how order can arise from anarchy, cooperation from non-cooperation

and non-corruption from widespread corruption (see Taylor, 1987; Axelrod, 1984; Olson, 1971). Furthermore, the bulk of the empirical literature on public corruption is preoccupied with developing countries (see examples in Rose-Ackerman, 1999; Goudie and Stasavage, 1998).⁴ However, as Girling (1997) notes, corruption does not vanish when countries modernise, it just takes on new forms, and therefore it deserves attention. Corruption in mature democracies has, until quite recently, been an under-researched area. This recent research includes, for example, della Porta and Vanucci (1999), della Porta and Meny (1997), and Andersson's (1999, 2002, 2004) pioneering work on danger zones for corruption in Sweden.

The observations indicate under-elaborated venues for research on public corruption. It is unusual that researchers simultaneously analyse (a) *increasing* levels of corruption (b) *within* one and the same (c) *mature democratic* political system. With some notable exceptions (e.g. Andvig & Moene, 1990), the question 'Why do mature democracies move from low levels of corruption and high levels of trust to high levels of corruption and low levels of trust' is rarely posed or analysed.

When it comes to answering this question, Swedish municipalities are close to ideal for theory testing and theory development because they (i) belong to a mature democracy; (ii) there are many of them (290); (iii) they administer large amounts of public resources; and (iv) have been granted relatively strong powers of local self-government to decide autonomously how their resources should be spent. In addition, Swedish municipalities are similar in theoretically significant respects. Sweden is a homogenous country. Therefore, variables that are often deemed as 'usual suspects' in the literature on corruption, such as hypotheses relating to 'political culture' and 'socioeconomic modernisation', are automatically controlled for. Hence, there are good reasons to analyse corruption within the borders of one single country that displays Sweden's characteristics.

Sweden has traditionally been described as a country lacking corruption (Heidenheimer, 1989), and the perceived levels of corruption are comparatively low as indicated by Transparency International's 'Corruption Perception Index'. However, since the mid-1990s reasons have been given to revise this picture of Sweden as extraordinarily clean, honest and non-corrupt. Revelations of public scandals involving politicians and high-level civil servants have seemingly become more common and there has been increasing criticism of the capacity of Swedish institutions to deter people from corruption and to expose corrupt behaviour.

Our purpose here, i.e. to examine if a case can be made for the assertion that corruption has become an increasing problem in Sweden, can be perceived as somewhat controversial. There are at least two reasonable objections to the journey we embark on. First, a renowned Swedish professor, Olof Petersson, once claimed that corruption plays a very small

part in Swedish politics (*Helsingborgs Dagblad*, 1999). This is a widespread perception of corruption in Sweden which gains support from Transparency International's indexes on corruption: Sweden has consistently been ranked among the top six of the world's least corrupt states throughout the past decade (see <http://www.transparency.com>). Even if this is true, this standpoint is troublesome since it makes light of the problems that after all may exist. Furthermore, Transparency's data only tell us something about the relative corruption levels in Sweden vis-à-vis other countries, but nothing about their absolute level or, for that matter, about internal changes in the nature and scope of Swedish corruption.

The second objection is that one could argue that the level of corruption in fact has been constant (or even decreased), but that the level of *disclosures* has increased. Increasing disclosures could merely be a reflection of better investigative journalism rather than of actual levels of corruption. One could therefore claim that (a) early investigative local journalists broke a norm barrier in the mid-1990s and made it appropriate and accepted to scrutinise and criticise local power-holders; and/or (b) that local journalists have become more attentive to public corruption because of some early disclosures. However, the study of this argument's validity lies outside the scope of this article. We acknowledge the existence of the argument, but do not further elaborate on it. We choose to pursue our own line of inquiry, and try to see how far our argument carries. Ergo, we are primarily interested in answering the question whether an institutional rational-choice model can support the assertion that corruption may have increased in Swedish municipalities.

In the next section we present an institutional rational choice model, which is subsequently applied to the Swedish context. In the third and last section, we summarise our results and discuss their implications.

An Institutional Analysis of Public Corruption in Swedish Municipalities

Perspectives on Corruption

Somewhat simplified, the most popular explanations of corruption fall into three main categories. These state that the presence, or absence, of corruption in a society is to be explained (i) by its degree of economic modernisation or its level of economic development; (ii) by its norms and its traditions; or (iii) by its formal political institutions (see Andersson, 2004: 211). We maintain that explanations that refer to economic development and modernisation on the one hand, and those referring to culture, norms and traditions on the other, are *ex ante* inappropriate points of departure for a research design that strives to explain levels of corruption in Swedish municipalities.⁵ We therefore concentrate on the institutional rational choice framework to shed explanatory light on corruption in Sweden.

Our emphasis on institutional factors stems from both their substantive importance in understanding corruption *and* their significance from a policy

perspective. Institutional arrangements, unlike most socioeconomic and cultural factors, are pliable. Hence, findings of an institutional arrangement's effect on changes in corruption levels can lead to policy proposals for changing institutions in order to produce a desired outcome. There are also methodological reasons for using the institutional rational choice framework when analysing changes in levels of corruption within the borders of one single, homogeneous country. By doing so, one has some control over variables deemed significant in previous research, i.e. political culture and socioeconomic development are roughly the same across Sweden's municipalities.

For our purposes, it is useful to distinguish between two types of institutional rational choice studies that have highlighted the occurrence of corruption. Firstly, there is a genre consisting of cross-section studies. They work with large-N numbers, and embark on a hunt for correlations between different sets of political institutions and levels of corruption. These studies have shown, for example, that proportional electoral systems are more prone to corruption than are majority and plurality ones (Kunicová & Rose-Ackerman, 2005); that electoral systems that hold political parties responsible are more prone to corruption than are those that hold individual candidates responsible (Persson *et al.*, 2001); that presidential systems are more corrupt than parliamentary ones (Gerring & Thacker, 2005); and theoretically less sophisticated studies that inductively report all sorts of variables correlated with high and low levels of corruption (e.g. Lederman *et al.*, 2005; Treisman, 2000). All these studies are technically advanced, and share the same basic theoretical premise, i.e. that incentives matter for human behaviour and they are largely shaped by formal political institutions. We accept these premises. But since there are no data available for the levels of corruption in the 290 Swedish municipalities, we have no variation on the dependent variable to process. Hence, we can import into the present analysis neither the hypotheses nor the methodological instruments from these cross-section studies.

We need also to remember that the studies referred to above only tell us something about the variation in levels of corruption at a given point in time. Our focus is, however, different since we are interested in temporal variation. So, how can processes, i.e. changes in levels of corruption over time within one and the same political system, be accounted for? To answer this question, we import lessons drawn from what we find to be theoretically more sophisticated research that permits a more careful elucidation of the mechanisms linking corrupt behaviour to certain aspects of the formal political institutional environment in Swedish municipalities. This literature falls under the heading of what Ostrom (1999) calls 'institutional rational choice'. Scholars such as Collier (2002), Rose-Ackerman (1999) and Hopkin (1997) have used this thinking in their studies on corruption, and it is within this framework that we now develop our own model in order to fulfil this article's purpose.

Institutions and Corruption

Earlier explanations of corruption focused to a large extent on the moral deprivation in the psyches of actors conducting corrupt activities (see Andersson, 2002: 20). Although such conclusions are frequent in public debate, analyses built on such premises do not contribute to analytical clarity. It is not intellectually satisfying to state merely that people engaged in corrupt activities are morally deprived. This is neither a necessary nor sufficient condition for a person to act in accordance with our definition of public corruption. Instead, we will try to construct an institutionalist argument built on the basic premises that incentives matter for human behaviour and that formal institutions, to a large degree, shape these incentives.

A prerequisite for public corruption to take place is that politicians and civil servants are given some degree of discretionary power over the allocation of public resources (Aidt, 2003: 632f; Jain, 2001: 77). For these actors there exists an institutional environment that decides their degree of discretionary power and regulates the strength or weakness of incentives to engage in corrupt activities. This statement can be made more formal. We expect corrupt behaviour to be more common in institutional environments that (see Becker, 1968):

- give actors many, rather than few, opportunities to engage in corrupt behaviour;
- associate high, rather than low, revenues with corrupt behaviour; and
- have slack, rather than tight, supervision over actors with discrete power over public resources.

This model of thinking about corruption presupposes that individuals perform a simple cost–benefit calculation: ‘if I think I can gain from acting corruptly, if the possibilities to act corruptly appear quite frequently, and if the probability of being exposed is low, I just might ...’ (Paternoster & Simpson, 1996). Ergo, if we can show that there have been transformations in the institutional environment that make corruption more lucrative *and* harder to expose, we strengthen the suspicion that corruption may have become more frequent in Swedish municipalities. So, let us put this model to work by posing three straightforward questions in our empirical setting. Can it be argued that, as compared with the late 1980s, there have been institutional changes:

1. making opportunities to engage in corrupt activities more frequent, i.e. that there simply are more occasions to act corruptly?
2. increasing the monetary gains to be derived from corrupt behaviour?
3. reducing the probability of exposure for those engaging in corrupt behaviour?

Reluctance to Act as Whistleblowers Increases the Risk of Corruption

In the literature on Swedish public administration, scholars have highlighted the importance of civil servants in counteracting abuse of power (see Premfors *et al.*, 2003). In other words, the legal possibilities and rights accorded to Swedish civil servants to inform outsiders about wrongdoing within their respective organisations, i.e. to act as *whistleblowers* without their identity being revealed, have traditionally been a crucial instrument for keeping the extensive Swedish public sector free from corruption. However, in the course of the last two decades, civil servants seem to have become more unwilling to criticise their peers and superiors; and more of them resort to a strategy of silence when confronted with wrongdoing (Lundquist, 1999). In fact, there is ample supporting evidence that civil servants have become more reluctant to take on the role of whistleblowers (see Ström, 2001; SKTF, 1999; SOU, 1996, 1999; Aronsson and Gustafsson, 1999).

Why is this so? Many argue that the economic crisis of the early 1990s explains the reluctance of civil servants to put forward critical views when politicians and their peers break laws and/or ethical codes. Civil servants seem to have become increasingly loyal to their employers and their political organisation since, in periods of retrenchment, they are afraid of losing their jobs (Lundquist, 1999; *Dagens Nyheter*, 2000). Since the widespread existence of whistleblowers is one important explanation for the relatively clean, honest and non-corrupt Swedish public sector, it can be argued that this development has changed the incentive structure for engaging in corruption. According to the model above, this implies that the risk of being exposed while engaging in corrupt activities has diminished since the beginning of the 1990s.

'Unbundling' of Public Sector Activities Increases the Risk of Corruption

Since the early 1990s, Swedish municipalities have increasingly converted parts of their activities into independent subsidiary companies (Forsell, 1999). This has had important judicial consequences. Resources that previously were administered and controlled by public law now fall under civil law. Hence, the long-standing tradition of freedom of access to public records (i.e. the *offentlighetsprincip*) ceased to apply in important sectors in Swedish municipalities that administer large volumes of public resources. Furthermore, this development reduced the scope for individual citizens to appeal against decisions. This movement from public to civil law implies that transparency decreases and public control diminishes (Lundin & Riberdahl, 1999; Leidzén, 1999).

In the analysis of some commentators this development entails an increased risk of corruption. Gavelin (1996) claims that conversion of public activities has blurred the distinction between private enterprises and public

administration. This is the same argument as that made by the director of the public prosecution authority, Christer van der Kwast (*Svenska Dagbladet*, 14 May 2003), namely that the lack of public control and the acceleration of decision processes – which is a defining characteristic of these independent subsidiary companies – increases the risk of abuse of power, and hence of the risk of corruption too.

Zetterberg (2000) touches upon this theme, but has a slightly different take. He does not focus on the lack of public control, but on the *increased incentives* for individuals to engage in corrupt behaviour when municipalities create, and own, independent companies. He makes the following observation: when the first conversions were made in 1991–94, they were meant to be initial steps towards wholesale privatisation of the municipalities' public activities. However, subsequent steps towards this final goal were never taken; the privatisation projects were in many cases halted midway. Representatives of local party organisations took over the chairmanship of the boards and acquired strong private incentives *not* to privatise the activities. These companies have an almost complete monopoly over their respective markets and work almost entirely without competition. At the same time, board members and CEOs are given remuneration, salaries, credit cards and 'golden parachutes', just as if they were working for enterprises that face fierce competition. According to Zetterberg, this situation implies that the unbundling of the public sector into municipally owned companies has become a breeding ground for corruption.

New Public Management's Relation to Corruption

New Public Management (NPM) has been described as a new philosophy about how the public sector ought to be governed. NPM had a profound impact on the way Swedish municipalities chose to organise their public administration. From the early 1990s and onward, the basic idea was to steer by setting up goals and results in advance, as opposed to earlier practice when activities were governed through detailed rules and regulations (Montin, 2004; Bäck, 2000; Jacobsson, 1994). As Forsell (1999) notes, the ambition of the experimentation with NPM reforms has been to import features resembling market mechanisms into the public sector.

In general, scholars do not view this as a problem. Several commentators in fact argue that political systems characterised by a high degree of privatisation run a lower risk of being plagued by corruption than do those with big state apparatus and large public expenditures (see Chand & Moene, 1999; Goel & Nelson, 1998; Kaufmann & Siegelbaum, 1996). Goudie and Stasavage (1998: 126) summarise this argument neatly:

The common judgement is that more liberal economic systems, founded on market-oriented behaviour and a smaller role for the state, generate fewer opportunities than do economies where the

administrative allocation of resources and the central direction of economic activity dominate. Greater bureaucratic control over the economy will, all other things being equal, increase problems with monitoring and accountability.

So, the problem with the recent reforms is neither the ambition to make public administration more market-oriented nor the NPM reforms per se. Rather, we argue, it is the *process* of implementing these reforms that is dangerous, because the *process* creates a strange mix in which public administration is organised in a semi-private way. The reforms are just ‘middling’, so that parts of the public administration slowly fall into a grey area between public and civil law. Again, the problem is the *process* of trying to change something publicly owned, financed and administrated into something that is founded on market-oriented behaviour.

Jain (2001: 79) addresses this problem explicitly, that the process of trying to make market-oriented reforms opens up possibilities for corrupt behaviour: ‘The discretionary power associated with transfer of large volumes of assets from public to private hands can create opportunities for corruption.’ The swift process of reorganising the municipalities blurs previously stable organisational roles, norms and routines, and thereby creates leeway for unethical and corrupt behaviour (Fleishman, 1981). This is also emphasised by Andersson (2004), who points out that it is precisely in areas where rapid NPM reforms have been made that there has been neither the time nor knowledge to design new mechanisms for supervision of the new organisation. This is a frequently cited argument in the literature on NPM and danger zones for corruption (see Nilsson *et al.*, 2005; Andersson, 1999; see also Ahlenius, 2005a, 2005b).

The ‘Municipal Audit’: A Lame Duck?

With the increased unwillingness of civil servants to act as whistleblowers, the conversion of parts of municipal activities into independent subsidiary companies, and the fact that no adequate mechanisms for supervision have accompanied NPM reforms, it seems reasonable to expect that the probability of detecting corruption has declined.

But are there no formal institutions to supervise the allocation of the vast resources that municipalities have at their disposal? Yes there are. Every Swedish municipality has to have a formal institution known as ‘the municipal audit’ (*kommunrevisionen*). Its remit is to examine, evaluate and control the municipalities’ financial activities. However, this formal institution has been fiercely criticised by a number of commentators, both in the academic world and in public debate, as being a lame duck.

For example, Lundin and Riberdahl (1999) argue that its weakness stems from the built-in close ties between the auditors and those being

audited. Many of the auditors are also members of the municipal council. Lundin and Riberdahl note that it takes a lot of courage and integrity to maintain one's independence as an auditor in an environment of this kind. The UN Undersecretary-General for Internal Oversight, Inga-Britt Ahlenius, elaborates on this criticism. She goes so far as to call the way the municipal audit is organised 'institutionalized conflicts of interests'. Her criticism can be summed up in one simple question: How far can we in reality expect the auditors – who in fact are members of, and elected by, the municipal council – to be able to supervise the municipal board, the members of which are elected by the municipal council and who, more often than not, belong to the same political party as the auditors? (see Ahlenius, 2003; and interview in *Göteborgs-Posten*, 2003). Citron (1999), the journalist who revealed a corruption scandal in Motala in 1995, makes the same criticism of the audit organisation, and it also permeates Andersson's (1999, 2002) extensive research on danger zones for corruption in Sweden. The picture is clear. At least until the reforms in the laws regulating the municipal audit in 1999 and 2000,⁶ the formal institution designed to fight corruption at the municipal level was not really designed to perform this task in practice.

Conclusions

There has been much circumstantial evidence suggesting that public corruption has become an increasing problem in Sweden. Our purpose has been to examine whether a theoretical case can be made in support of the suspicion that corruption in Swedish municipalities has indeed become more frequent. By applying instruments from the institutional rational choice framework we have shown that it is reasonable to believe that corruption *may* have become a real and increasing problem in Swedish municipalities.

We reach this conclusion after a review of important changes in the institutional environment that regulates the incentive structure for actors wishing to engage in corrupt behaviour. This review suggests that (a) the possibilities to act corruptly have increased, (b) it has become more lucrative to engage in corrupt behaviour, and (c) the quality of supervision of potential corruption has declined throughout the past two decades. The most important changes detected were:

1. The prevalence of whistleblowers in public administration has traditionally been a guarantee of a clean, honest and non-corrupt public administration. However, it seems as if since the early 1990s civil servants have become more reluctant to act as whistleblowers. *Ceteris paribus*, this reduces the risk of exposure for the random individual embarking on corruption. This change increases the probability of corrupt behaviour.

2. Since the early 1990s, the municipalities have converted parts of their activities into independent subsidiary companies. This entails less transparency and public control in the public activity converted, takes a substantial amount of the administration of public resources outside the scope of the freedom of access to public records and makes it harder for citizens to appeal against decisions. This lowers the risk of being caught when 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 opportunities to abuse their office for private gain.
3. What are known as New Public Management reforms, i.e. organisational 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, creates opportunities for corruption, mainly because no adequate mechanisms have been designed for supervision of the new ways of organising the municipalities' activities, but also because swift reorganisations blur roles and norms within organisations.
4. The formal institution that is actually designed to supervise financial activities within the municipality, i.e. the *municipal audit*, has been a lame duck, and therefore cannot balance the changes described above that have occurred in the incentive structure since the early 1990s. That is because it lacks credibility, which in turn results from the fact that built into the audit is an excessively close connection between the auditors and those they are supposed to audit.

This analysis strengthens the suspicion that there is some substance in the mounting circumstantial evidence suggesting that public corruption has become an increasing problem in Sweden. Although our analysis is tentative and mainly theoretical in character, it paves the way for further research and should encourage scholars to carry out thorough empirical, descriptive, work that charts the nature and extent of public corruption in the under-researched area which corruption in Swedish municipalities represents.

Notes

- 1 Note that Swedish governors are central government-appointed officials and have nothing to do with local government. We mention this case initially because it illustrates that corruption is indeed on the public agenda in Sweden, even though this high profile does not touch upon our empirical focus in this paper, local corruption.
- 2 Today, Inga-Britt Ahlenius is the UN Undersecretary-General for Internal Oversight Services. She was previously Auditor General for the Swedish National Audits Office, and was also a member of the Committee of Independent Experts that was called for by the European Parliament to examine the way in which the European Commission detects and

deals with fraud, mismanagement and nepotism. Christer van der Kwast is a public prosecutor who is head of a unit specially designed for exposing corruption in Sweden called *Riksenheten mot korruption*.

- 3 This is as close as we get to a 'standard definition' of public corruption (e.g. Collier, 2002; Treisman, 2000).
- 4 This, of course, is not strange at all since the least developed states also are the most corrupt. This is perhaps the only robust empirical result from the cross-section tradition: the level of GDP is highly correlated with various corruption indicators (Paldam, 2002; Treisman, 2000).
- 5 Explanations that refer to a society's degree of modernisation are troublesome, firstly, because it is hard to separate the *explanans* from the *explanandum*. No doubt, the modernisation argument is simple enough: the more developed a country is, the lower we expect their levels of corruption to be (e.g. Paldam, 2002); and no doubt, in cross-section studies, more developed countries have lower levels of corruption (e.g. Barhan, 1997). However, the causal links are not self-evident. The literature on corruption has also suggested that corruption has a negative effect on economic development, hence a negative impact on countries' degree of modernisation. An inverted story therefore could be told – the degree of corruption explains the level of modernisation. Secondly, modernisation hypotheses are simply not suitable for the empirical context we want to analyse since they are particularly designed for other empirical domains, i.e. developing countries.

The literature claiming that culture, norms and traditions explain levels of corruption (e.g. Husted, 1999, Gertz and Volkema, 2001; Hofstede, 1997) is unsuitable for three reasons. Firstly, definitions of 'culture', 'norms' and 'traditions' are often too vague and porous to be used in empirical analysis. Secondly, explanations referring to these concepts have a tendency to be tautological. As Goudie and Stasavage (1998: 132) point out, '[w]ithout clear specifications of exactly what norms are or without any means of demonstrating (rather than just positing) their existence, one risks arguing that because a country had high corruption, its social norms must have been such that they favoured corruption'. Thirdly, with specific definitions of norms and culture (that stress inertia, stability and continuity, such as North's [1990] definitions), these concepts cannot explain why levels of corruption *change* over time, within one and the same political system. Ergo, they are of limited use when it comes to answering our research question, i.e. why public corruption seems to have become a frequently occurring feature in Swedish local politics.

- 6 After the debate that followed from the corruption scandals in the 1990s, laws regulating municipal audit were reviewed. In 1999 *Aktiebolagslagen* was changed so that the audit had to examine the enterprises which the municipalities own. In 2000, it was decided that *all* municipal activities have to be audited every year. Here, it also became mandatory for the municipal auditors to have professional assistance while auditing (Hanberger *et al.*, 2005: 188ff).

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