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Working Paper

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IFN Working Paper, No. 1356

Provided in Cooperation with:

Research Institute of Industrial Economics (IFN), Stockholm

Suggested Citation: Erlingsson, Gissur Ó. (2020) : A Stranger Thing? Sweden – The Upside Down of Multilevel Trust, IFN Working Paper, No. 1356, Research Institute of Industrial Economics (IFN), Stockholm

This Version is available at:

<https://hdl.handle.net/10419/240499>

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IFN Working Paper No. 1356, 2020

A Stranger Thing? Sweden – the Upside Down of Multilevel Trust

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A Stranger Thing?

Sweden – the Upside Down of Multilevel Trust

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Abstract¹

There are good reasons to expect that citizens will appreciate local government more than central government. Sure enough, previous studies have found support for this assumption. Nevertheless, I will argue that it is theoretically far too simple to think that decentralization and citizen's proximity to decision-making by definition trumps centralization and distance. As with comparative country studies, institutional quality must be taken into account in analyses of local government and multilevel trust. To illustrate this point, a closer investigation of Sweden – a decentralised, high-trust and low-corruption country – is conducted. Looking back over the past 20 years, and studying several indicators of trust, Sweden turns out to be a curious outlier from the general pattern: Swedes trust municipalities far less than the state. *Ex ante*, these findings are puzzling. To make them intelligible, while at the same time aiming to contribute to a more nuanced understanding of multilevel trust, I argue that the unfortunate combination of three factors have brought about this curious circumstance: 1) the far-reaching decentralisation and principal role Swedish municipalities have successively been given in implementing assignments which lie at the heart of Swedish welfare state policies; 2) that several of the municipalities' assignments are particularly susceptible to corruption; and 3) that the increase in responsibilities as well as the increased danger zones for corruption has not been accompanied by institutions that ensure transparency and checks-and-balances in local government, ultimately leaving Swedish local government with institutions that obfuscate accountability.

Keywords: trust, multi-level trust, accountability, impartiality, corruption, local government, decentralisation, Sweden

JEL-codes: D02, H70

¹ I would like to thank Bo Rothstein, Karl Wennberg, and Emanuel Wittberg for constructive input on earlier drafts of this manuscript.

Introduction

At the turn of the millennium, two Swedish textbooks presented puzzling observations. The first was Henry Bäck's (2000) *Kommunpolitiker i den stora nyordningens tid* (Eng. *Local politicians in the 'New Order'*), the second Tommy Möller's (2000) *Politikens meningslöshet* (Eng. *The futility of politics*). Bäck described Swedes as having astonishingly low trust in local politicians back in 1992. Of the twelve occupational categories he measured, local councilors ranked second to last – only trailed by bank managers. In Bäck's view, this was nothing short of remarkable. The study was conducted in the aftermath of the 1990s financial crisis, when heavily scandalised bank directors were viewed as 'criminals' (his words). Consequently, Bäck maintained that local politicians probably were viewed as 'petty thieves' by the public. Similar findings were reported by Möller, who noted that, in 1996, executive boards of the Swedish municipalities were ranked *worst* of the 15 social institutions respondents were asked to rate, and that this:

...deviates from the dominant pattern in international research, where trust is generally higher in local politicians and social institutions than in those at the national level. The remote and more abstract is looked upon with greater suspicion than what is close and well-known (our translation).

Around this time, a few polls corroborated these observations. For instance, approximately 70 per cent of Swedes believed that local politicians abused their power for private gain – corresponding figures for national politicians were circa 40 per cent (Svenska Dagbladet 2000). Taken together, these observations – now more than 20 years old – are all but trivial. In fact, considering:

- a) standard theories on decentralisation and fiscal federalism,
- b) that Sweden ranks high in indices measuring decentralisation and local autonomy, and
- c) that findings from a range of other countries show higher trust in local government

the figures are jaw-dropping. There are indeed good reasons to expect the public to trust local politicians more than their national politicians and have more trust in their local institutions than those at the national level. According to several scholars, the association is related to decentralisation. For instance, the literature on fiscal federalism has reported increased citizen satisfaction the more decentralised the delivery of public services (e.g. Diaz-Serrano and Rodríguez-Pose 2015), and others have found that decentralisation correlates with citizens' trust in government-related institutions (Ligthart and van Oudheusden 2015; Fitzgerald & Wolak 2016), as well as being associated with less corruption (Arikan & Gulsun 2004; Shah 2006).

Thus, decentralisation of responsibilities is assumed to be an important mechanism underlying people trusting local government more than the state. Again, in this light, survey-data and polls from 1990's Sweden that indicated that Swedes distrust their municipalities are quite baffling since Sweden regularly ranks among the worlds most decentralised political systems (Ladner & Keuffer 2018; Sellers & Lidström 2007). Furthermore, several Swedish studies have recorded findings that, *ex ante*, should make us believe that citizens should appreciate their local level more than the state. Several studies have found that individuals perceive their opportunities to influence decisions to be greatest at the local level compared to levels higher in the multilevel systems (e.g. Arkhede 2016, Johansson 2008). It is reasonable to expect that opportunities to influence decision-making at one level of government, compared with another, will correlate positively with trust in that level. Also, studies have established that significantly more people state that they are personally acquainted with local politicians than with national politicians. As argued by Oscarsson (2003), it is reasonable to assume that acquaintance with an elected representative, at a particular tier of

government, would correlate positively with trust in the social institution in which that acquaintance is active. Both empirically and theoretically, then, it makes sense that people should have comparatively greater trust in local government than the central. In addition, the points of access to the decision-making process – to the politicians, officials, and government agencies – are far superior at the local tier, and decision-makers can typically be reached quickly and with some ease. Conversely, it is plausible to assume that national politics might be perceived by many citizens as remote, abstract and somewhat difficult to comprehend, thereby relatively difficult to influence.

Thus, we have strong reasons to expect high trust in, and satisfaction with, the local compared with the central government – not least in such a relatively decentralised system such as Sweden. As we have seen, though, this does not seem to be self-evident: empirical observations in the 1990s indicated the opposite for Sweden. It is therefore motivated to ask if this was a mere fluke, explained by the fact that Bäck (2000) and Möller (2000) based their conclusions on particular points in time, from unique years and surveys, when the reputation of local politicians were unusually tarnished?

In light of the contradictory observations, I will explore whether the hypothesis of greater trust in the local versus central government is supported, based on a much richer set of variables than the one referred to in the aforementioned previous studies. I do so by looking back over the last 20 years and investigate several indicators that provide information about whether Swedes:

- 1) trust their local politicians more than their national politicians,
- 2) have greater trust in local institutions than in national institutions,
- 3) are more satisfied with democracy in their local municipality compared with the country as a whole; and
- 4) believe that corruption is more widespread nationally than locally.

Ultimately, the paper will forcefully demonstrate that trust is systematically weaker in local government vs the state in Sweden. Therefore, in the remainder of the paper, I will proceed to somewhat tentatively develop an argument about what could help us better understand why Sweden deviates from theoretical expectations as well as the international pattern. An attractive upshot with this endeavour, is that studying ‘deviant’ or ‘negative’ cases presents us with an opportunity to develop more fine-tuned theoretical underpinnings of a social phenomenon (e.g. Emigh 1997; Molnar 1967) – in our case, theorising on multilevel trust. I will maintain that, as far as mechanisms are concerned, it is somewhat unsophisticated to believe that decentralisation and political institution’s proximity to citizens *alone* determines citizen’s institutional trust. Standard variables pinpointed as important for good government, quality of government and trust in the country-comparative literature – for instance, quality of accountability mechanisms (checks-and-balances, auditing, transparency), impartiality in decision-making and rule of law (e.g. Rothstein, forthcoming; Dahlström & Lapuente 2017; Rothstein & Teorell 2008; Rothstein & Stolle 2008) – must surely play a role when gauging the quality of local institutions as well. Hence, the quality of institutions ought to be put in the centre of analyses of multilevel trust. If institutions are of lower quality locally vs the state, it should not at all be surprising if citizens trust state-level institutions more than the local ones – irrespective the degree of decentralisation.

Previous studies

Before we dive into the case of Sweden, and delve deeper into circumstances that are specific to this setting, let us look briefly at what international research has found when it comes to trust in multi-

level systems. Initially, and importantly, it must be underscored that scholars have lamented that the issue of trust in local institutions largely has been overlooked by social scientists (e.g. Fitzgerald and Wolak 2016; Hansen and Kjaer 2017). However, although empirical studies are rare, reasons for believing that trust in local institutions ought to be highest in multi-tier systems are frequently cited. As Petrzalka et al. (2013: 338) state, most assume that trust 'is anticipated to grow as it becomes closer in spatial scale – thus, the more local, the higher the trust'; an expectation echoed by several others, for instance Levi and Stoker (2000) as well as Cole and Kincaid (2001).

Based primarily on a western European sample², most studies that have tested this proposition essentially confirm the overarching prediction: the closer the tier of government operates to citizens, the more satisfied those citizens are – and the greater trust we see in politicians operating at this level of government. Conversely, the more remote the decision-making is from the everyday lives of citizens, the more trust and satisfaction with democracy fades (e.g. Cole and Kincaid 2001; Hetherington and Nugent 2001). When Denters (2002) studied the Netherlands, Norway and the UK, he found that 'trust in local officeholders is typically and often considerably higher than trust in national politicians' (Denters 2002: 793). Denters thus not only found that trust in local politicians was higher, but that it was *considerably* higher than in national politicians.

For our purposes, Hansen and Kjaer's (2017) case study of Denmark is particularly interesting. Denmark is often compared with Sweden in its way of organising local government (Bouckaert and Kuhlmann 2016), and here, the general assumptions were confirmed - 'no matter whether we analyse trust in legislature, leadership or politicians, a clear pattern can be observed, namely that a citizen's trust in the local government level is higher than the same citizen's trust in the regional and national level of government'.

A more recent study, which employed a more extensive number of countries than e.g. Denters (2002), was conducted by Fitzgerald and Wolak (2016). Here, too, a cross-sectional analysis found support for the assertion that the public trusts local institutions more than the national ones: 'In all ... countries ... [except Finland], local authorities are more trusted than national authorities' (Fitzgerald & Wolak 2016: 135). Interestingly for the purposes at hand, Sweden was included in Fitzgerald and Wolak's sample. At the point in time for data collection their study showed a different picture than the one presented by Bäck (2000) and Möller (2000): Sweden fell in line with the general pattern and the public indicated greater trust in local institutions than in those at the national tier. Ergo, Fitzgerald and Wolak's finding on Sweden makes it even more pressing to take an in-depth look at the curious case of Sweden.

Sweden: the local vs. the national level

Thus, before us, we have a clear theoretical expectation and clear empirical confirmations of these in the wider international literature – but disparate findings from the Swedish setting. This motivates us to turn to empirical evidence from Sweden and the rich set of evidence available here. In the SOM-data³, there is a broad range of indicators of trust in and satisfaction with local government as well as

² This result has also been found in the USA (Yougov 2013; Jennings 1998) as well as Japan (Pharr 1997).

³ SOM stands for Society, Opinion, and Media; and the data employed comes from the SOM-Institute, that is an independent research organization at the University of Gothenburg and has, since 1986, conducted surveys on public opinion in Sweden.

with state-level institutions. The data thus gives the opportunity to examine whether the same pattern is repeated if we use *different ways* of measuring it.

Besides giving us the opportunity to use four different indicators (trust in politicians, trust in social institutions, satisfaction with democracy, and at what level corruption is believed to be most frequent), the data also opens up the possibility of working with long time series for the first three indicators. We can get a sense of whether or not the pattern of trust is stable over time, and thus the extent to which the data from both Bäck (2000) and Möller (2000) and Fitzgerald and Wolak (2016), were driven by their data-points that captured a single indicator in a single year that differed from the general pattern.

The indicators I will take a closer look at here are:

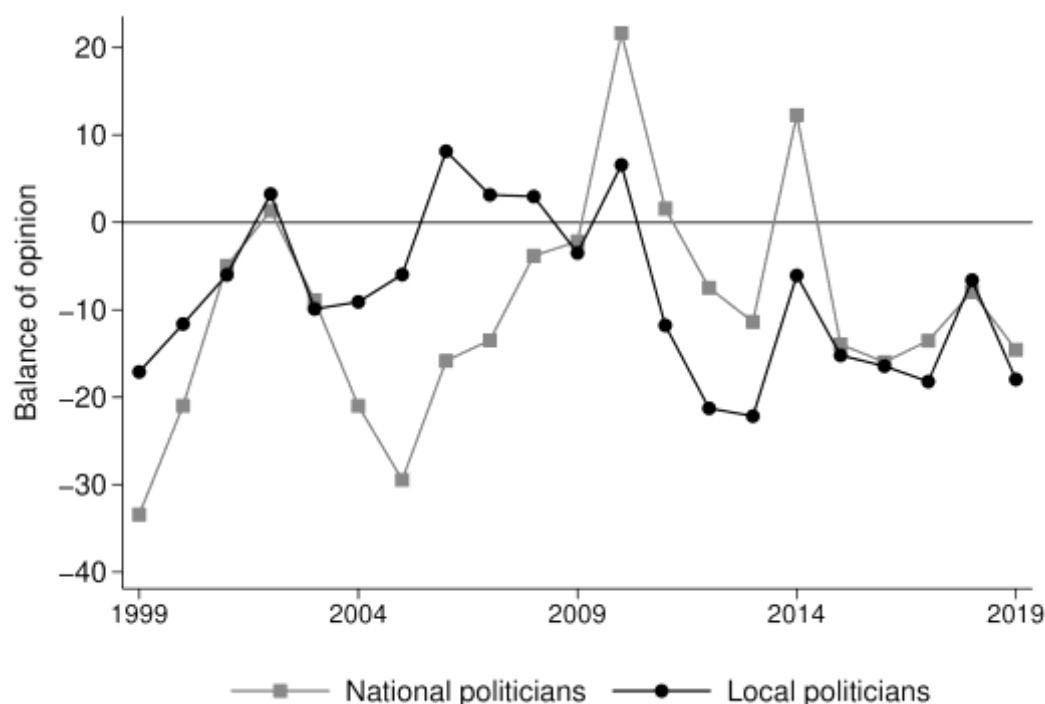
- 1) Trust in politicians (local politicians versus national politicians – here, data comes from the Västra Götaland SOM survey).
- 2) Trust in social institutions (municipal executive board versus the Riksdag and the Swedish Government – here data from the national SOM surveys are used).
- 3) Satisfaction with democracy (in the municipality versus in the country as a whole – here data from the national SOM surveys are used).
- 4) Where people believe that public sector corruption most frequently occurs (at the municipal or national level – here, various sources are employed).

For the indicators where time series exist (1–3 above), I look more closely at 1999–2019.. Although it might appear that setting the start year to 1999 is rather arbitrary, there is in fact a good reason for choosing this. A number of surveys have shown that the period around 1998–1999 was a kind of *rock bottom* for trust in politicians in Sweden (see for example Oscarsson & Holmberg 2016: 334–337).

Trust in politicians

Let us begin by looking more closely at how trust in municipal politicians and national politicians, respectively, has developed since 1999. As is evident in Figure 1 below, there are no clear patterns, at least in terms of the basic hypothesis that trust in local politicians ought to be greater.

Figure 1. Trust in local politicians and national politicians, respectively (in Västra Götaland⁴), 1999–2019



Comments: The question was: “Generally speaking, how much trust do you have in the way in which the following groups are doing their job?” The balance of opinion is the percentage for “a lot + quite a lot” minus the percentage for “a lot + very little” trust. The response option “neither a lot nor a little” has been omitted. The highest number of respondents was 5,958 individuals (for the option “Municipality” in 2012) and the lowest number was 1,506 people (for the option “Sweden” in 2016).

Source: The Västra Götaland SOM surveys 1999–2019.

For the first 11 surveys for the period (1999–2009), the expectation is basically confirmed: trust in local politicians is indeed higher than in national politicians for seven of the surveys, and roughly equivalent for the remaining four. Thereafter, however, things change. In subsequent years, the balance of opinion for trust is less for local politicians compared with national politicians in eight surveys, and roughly equivalent for the remaining two.

We can see, then, that nothing conclusive can be said about whether trust is generally greater in local politicians compared with those operating nationally. It seems that trust varies over time and, in recent years, it has been lower for local politicians. A proviso might be relevant here concerning the sample of municipalities included in the Västra Götaland SOM surveys. In 2010, a large-scale political scandal erupted in the City of Gothenburg, when an investigative journalism programme (*Uppdrag Granskning*) revealed a quagmire of corruption in the municipality. The possibility cannot be ruled out that the decrease in trust in 2010 is associated with this scandal; and that the effect of the scandal had an impact on those municipalities that were included in this specific sample (see for example Johansson 2013; *Göteborgsposten*, 17 December 2013). Nevertheless, it obviously cannot

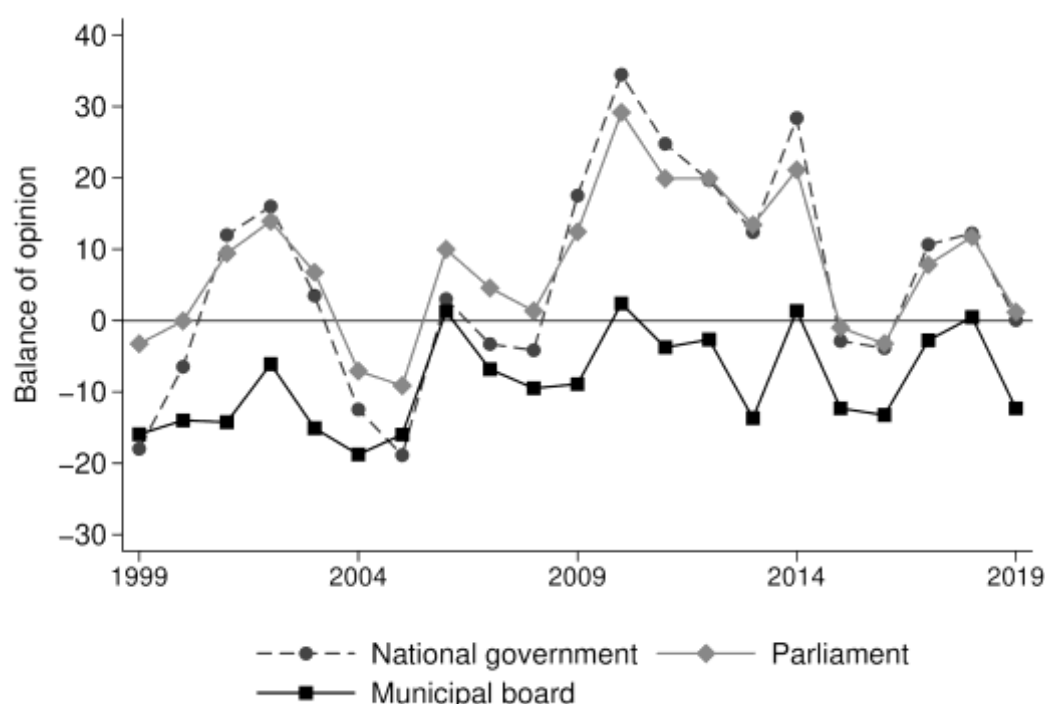
⁴ Since 1998, the Västra Götaland surveys have covered all of Västra Götaland County and Kungälv Municipality.

be taken for granted that Swedes trust more in their local politicians than their national politicians. At least for the past decade, if anything, the situation seems to be the reverse.

Trust in institutions

Let us turn from the Västra Götaland SOM surveys to the nation-wide SOM surveys. These surveys ask, among other things, questions about trust in various social and political institutions. The question asked was: ‘How much trust do you have in the way in which the following institutions and groups are doing their jobs?’. The institutions that are of particular interest here are the municipal executive boards and how they fared compared with nation-wide institutions: the Swedish Government and the Riksdag. The results are shown in Figure 2 below.

Figure 2. Trust in political institutions in Sweden, 1999–2019



Comments: The question was: “How much trust do you have in the way in which the following social institutions and groups are doing their jobs?” The balance of opinion is the percentage for “a lot + quite a lot” minus the percentage for “a lot + very little” trust. The response option “neither a lot nor a little” has been omitted. The largest number of respondents was 8,208 individuals (for the option “Swedish Government” in 2013) and the smallest number was 1,487 people (for the option “Municipality” in 2015).

Source: National SOM-surveys 1999–2019.

While we can see that the pattern of trust in institutions fluctuated over time, in general, the picture is much less ambiguous than for trust in politicians. In the 21 surveys conducted since 1999, the municipal executive boards have consistently been rated more poorly than Sweden’s Riksdag and the Swedish Government in 18 of these surveys. In 2005, the Swedish Government fared slightly worse than the municipal executive boards, and in 1999 and 2006, the municipal executive boards and the Swedish Government had approximately the same outcome. It is also worth noting that in only three of these 18 surveys did the municipal executive boards register a (barely) positive balance of opinion – more respondents gave the municipal executive boards a thumbs up than a thumbs down. The

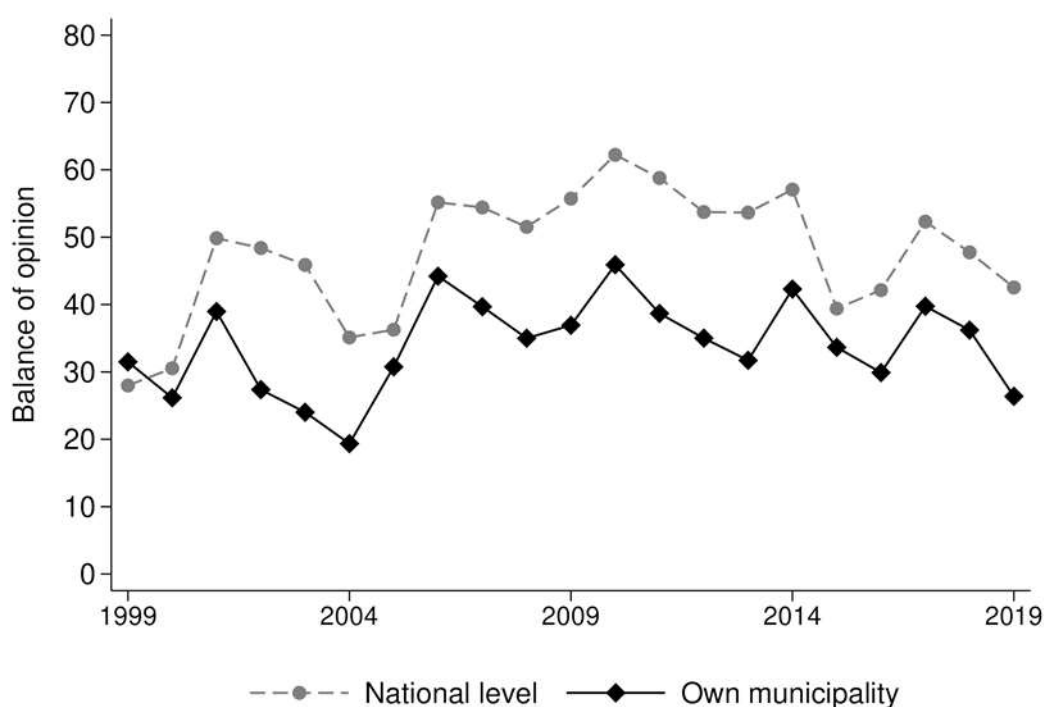
results reinforce the impression that citizens give local government institutions, which make most of the decisions directly affecting them, worse ratings than institutions at the national level. Here, the hypothesis that the public ought to have greater trust in the local compared with the central government can be comfortably rejected.

Satisfaction with democracy

As mentioned earlier, the most common hypothesis states that trust and satisfaction ought to be greater the closer to its citizens the level of government operates. And sure enough, we saw how this expectation has been confirmed in international comparative research. But when we delve deeper and look into the case of Sweden more closely, the assumptions take a battering. The pattern is *not* such that Swedes generally trust local politicians more than national politicians, and furthermore, municipal executive boards are regularly rated significantly worse than the Swedish Government and Sweden's Parliament (the *Riksdag*).

Let us therefore examine whether the theory is supported if we look at how well democracy is perceived to work. In the SOM survey, respondents were asked to indicate how satisfied they were with the way democracy was working within different tiers of government. The results are presented in Figure 3.

Figure 3. Satisfaction with democracy, 1999–2019.



Comments: The question was: “All in all, how satisfied are you with how democracy is working in...?” The balance of opinion is the percentage for “very satisfied + fairly satisfied” minus the percentage for “not particularly satisfied + not at all satisfied”. The largest number of respondents was 5,938 individuals (for the option “Municipality” in 2012) and the smallest number was 1,506 (for the option “Sweden” in 2016).

Source: National SOM surveys 1999–2019.

As is clear from the graph, the assumptions gain no support when we ask about how satisfied Sweden's citizens are with democracy. In only one of the 21 surveys (1999) is their satisfaction with

democracy greater within the municipality than in Sweden as a whole. Thereafter, the pattern is clear: the public's satisfaction with democracy in the municipalities falls short of satisfaction with democracy in the country as a whole.

Thus, after we have looked at all three of our indicators – trust in politicians, trust in social institutions, and satisfaction with democracy – it is clear that trust in and satisfaction with Sweden's municipalities is in a bad shape. Our data does *not* support the theoretical expectations, and apparently Sweden *differs* from the general pattern found in comparative studies in western democracies.

Where do Swedes believe that corruption occurs?

These results – that Swedes are relatively sceptical vis-à-vis municipalities – are somewhat startling. In this context, it is worth noting that Swedes' relative distrust of local government and municipal decision-makers can be seen in other types of surveys that have posed other types of questions about trust in processes and/or decision-making structures. When Andersson and Babajan (2014) investigated Swedes' perceptions of corruption based on data from the 2012 survey (Hagevi 2014), which is representative of Sweden as a whole, they found that corruption was thought to be most common in Sweden's municipalities and in the EU, somewhat less common in Sweden's county councils, but much less common at the national level. In the survey, the Swedish Migration Agency and the Police represented central government administration:

Almost two thirds of respondents thought that corruption is fairly or very common in Sweden's municipalities and the EU (62%), while the corresponding figure for county councils was 52 per cent and for the Police and the Swedish Migration Agency 38 per cent. **Overall, we can [thus] note that the respondents believed that corruption is more common in local compared with national government** (Andersson & Babajan 2014, our emphasis).

But Andersson's and Babajan's data applies only to Sweden. Maybe their results just mirror what is observed in other settings as well, i.e. that citizens perceive that corruption is more widespread in municipalities than at the state-level? It turns out that the answer is negative – this is not the case. In fact, Swedish local government also stands out negatively when it comes to multi-level perceptions of corruption compared with other countries. Local government's reputation, hence, tends to be comparatively more tarnished in Sweden.

This is, for instance, apparent from the Eurobarometer (2012), a survey that has posed similar questions to the public in all 28 countries in the EU. In the Eurobarometer, respondents were asked to respond to the statement "There is corruption in local institutions in [my country]". The response options were "Agree completely", "Tend to agree", "Tend not to agree", "Do not agree at all". If you combine the two first options (i.e. those who agree with the statement at least somewhat), we get the following results for the Nordic countries included in the study: Denmark 22 per cent, Finland 43 per cent and Sweden 66 per cent. Similar differences revealed themselves between the Nordic countries in a later Eurobarometer (2017) where Swedish local government stood out negatively. In other words, considerably more Swedes agree with the assertion that corruption exists in local institutions in their home country than the Finns and the Danes, in particular.

Sweden also stands out in the Eurobarometer (2012) as one of only four countries (along with Poland, Luxembourg and the Netherlands) of the 28 included where the public believes that corruption is more common in the local than the national tier of government. So, again, we see

results that indicate that Swedish local government fares comparatively less well in terms of trust than it does in other countries.

Not strange, after all: towards a nuanced understanding of multi-level trust

Whichever way we look at it, and whichever indicator is employed, Swedish local government fares worse than the central government when it comes to trust. How can this, on the face of it, puzzling observation be made intelligible? From theories and previous empirical studies on multi-level trust, the expectation is that trust should be stronger the more a decentralised the system is, and the closer a political organisation operates to its citizens. These predictions are deduced from both the literature on multilevel trust as well as the literature on decentralisation and fiscal federalism – the latter stating, for instance, that it is easier to fulfil citizens' preferences at lower levels of government and easier to hold decision-makers accountable (e.g. Seabright 1996).

However, such assertions may be too simple – even borderline naïve – i.e. that proximity of institutions and decisions *alone* trump centralisation and distance to decision-making. Although the proximity hypothesis has been supported in a handful of comparative studies, surprisingly, the hypothesis seldomly engages in a serious dialogue with the general literature on what kind of institutions tend to generate trust, for instance, the fact that countries permeated by fair, impartial and transparent institutions that are characterised by rule of law, seem to generate trust compared to countries characterised by the opposite. It is not difficult to imagine situations where accountability mechanisms in state-level institutions are strong, as well as displaying highly professionalised bureaucracies – in addition to being permeated by transparency, checks-and-balances and rule of law (that is, institutions that country-comparative studies say bring 'good governance' and 'quality of government' about). If, at the same time, local government in the same country are characterised by the opposite, it is not evident at all that we should assume decentralisation and proximity to trump centralisation and distance. Under such circumstances, it could be argued that citizens would trust local government less than the central one.

Taking this as a point of departure, a case can be made that one should not be too surprised by what has been observed thus far – that Swedes are relatively more dissatisfied with and sceptical about local government. The line of argument I will develop is that Swedes' (relatively) poor evaluation of local government *can* be made intelligible by the unfortunate mix of three 'institutional quirks':

- 1) The Swedish state has chosen to burden local authorities with a broad range of important responsibilities, so that they have come to be described as the executors of the state's modern reform policies (Dahlkvist & Strandberg 1999), or the welfare state's dogsbodies (Montin 2004), in contrast to having genuine autonomy and local self-government (Erlingsson & Ödalen 2013).
- 2) Several of the responsibilities that have been handed over to Swedish municipalities are arguably particularly vulnerable for corruption and other violations of the principle of impartiality (e.g. Andersson & Erlingsson 2012).
- 3) While municipalities over time successively have been granted more and more responsibilities, this has not been accompanied by appropriate accountability mechanisms. To this should be added that locally, there is no institutional design that ensures the autonomy of civil servants. Taken together, this hampers citizen's opportunities to hold politicians accountable while at the same time making municipalities susceptible to a politicisation of local public administrations.

Let us now delve deeper into what I believe is an unfortunate mix of institutional choices.

Increasingly more, as well as important, welfare-state responsibilities

Today, Sweden consists of 290 municipalities. It is noteworthy that the activities of these municipalities are significantly greater than those of both the state and the county councils (i.e. the other tiers of government in Sweden) *combined*. Of the roughly 1.6 million people who were employed in the public sector in Sweden in 2019, circa 55 per cent were employed by the municipalities. In other words, there are a great many individuals who might be mismanaging their jobs and hence give rise to dissatisfaction – as well as distrust – among the public. It is not unreasonable to assume that dissatisfaction with local officials and local government activities could spill over, and generally impact, trust in both local politicians and in municipal executive boards, as well as have a detrimental effect on satisfaction with local democracy.

That municipalities employ so many individuals has to do with their responsibilities for implementing core areas of the Swedish welfare state, and these are areas that the voters think are extremely important – and all citizens will, sooner or later, have interactions with their operations. Municipalities ensure that children are placed in preschools and get primary and secondary education. For those who find themselves in financial difficulties, municipalities are responsible for the social services to which they can apply for assistance. The municipalities also ensure that the elderly are taken care of. Because of these important and far-reaching tasks, the municipalities handle enormous sums of money. In total, municipal expenditure usually constitutes approximately 25 per cent of Sweden's GDP. So, again, if the public is dissatisfied with policy outcomes within major areas for which the municipality is the principal – e.g. deficiencies in preschools, schools, social services and care of the elderly – it is not unreasonable to assume that this could have an impact on their trust in the likes of local politicians and municipal executive boards. This, of course, would not need to constitute a problem in itself, if only appropriate institutions of accountability were in place. However, as we will see below, this is far from being the case.

Susceptibility to corruption

In addition to these major areas of welfare, municipalities also take care of some slightly more everyday but key tasks that most people probably rarely reflect on, and just assume will function smoothly: clean streets and squares, waste management, clean and healthy water flows from their taps, and that wastewater and sewage treatment functions properly. Additionally, municipalities also take care of various types of authorisations and inspections that can be vital for private individuals and business operators: granting (or revoking) a licence to serve alcohol, granting (or rejecting) building permit applications, conduct environmental and health inspections; in addition to handing out grants to associations and clubs within sports and culture. Municipalities have also a monopoly over zoning issues – something that is regularly highlighted as an area subjected to huge corruption risks. All these responsibilities have been discussed as danger zones for corruption (e.g. Andersson 2008; Huberts et al 2007; Fjeldstad 2004).

Added to this, the municipalities procure the bulk of the roughly SEK 800 billion in contracts awarded annually by the public sector in Sweden (e.g. Swedish Competition Authority 2016), and public procurement is also an area that has been pinpointed as a particular danger zone for corruption. An indicator of this is that companies listed on the stock exchange in Sweden have very little trust in public procurement – 73 per cent of these companies' marketing and sales managers agree entirely

or in part with a statement to the effect that public procurement processes are rigged to fit a particular supplier (*Dagens Samhälle* 2017; see also Broms et al 2019).

Weak accountability mechanisms

One of the upshots of decentralisation, it is claimed, is that it allegedly makes it easier to match resource allocation with citizens' preferences and to hold decision-makers responsible. In the representative system's purest form, decision-makers are accountable if the system is designed in such a way that citizens can discern whether those in power are acting in their interest and sanction them appropriately, so that incumbents who act in their interest are re-elected, and those that do not, lose power (e.g. Manin et al. 1999). In theory, then, accountability should be at its best the closer to the people it operates. However, in Swedish local government, there are strong reasons to believe that the potential benefits of decentralisation are not realised to their full potential since accountability is blurred and therefore hampered. This is very unfortunate, given the huge responsibilities Swedish municipalities carry, and is so for four important reasons.

First, Sweden is an international outlier having institutionalised concurrent elections: every fourth year, Swedes elect representatives for local, regional, and national government simultaneously, on the same day. When SOU 2007:40 compared Sweden to 25 other democracies, Sweden turned out to be the only one displaying this institutional feature. Concurrent elections undoubtedly poses serious computational challenges for voters. To be able to hold incumbents accountable, and make independent decisions, the voter needs to collect information about the available choices for three elections and evaluate the performance of incumbents on all three levels. At least historically, there has been a tendency for Swedish voters to casually pick the same party locally as they do nationally – something that questions to what extent genuine local evaluations and accountability take place (e.g. Berg et al. 2019). Accordingly, an Italian study has suggested that the effectiveness of local elections as an accountability measure is hindered by the concurrence of local and national elections (Bracco & Revelli 2018).

Second, there is no parliamentarism in Swedish local government. All parties elected to the municipal assembly (*kommunfullmäktige*) are also proportionally elected to the municipal executive committee (*kommunstyrelse*) as well as the municipal standing committees (*nämnder*). Hence, on the face of it, Swedish municipalities are governed by 'assembly governments' (Bergman 1999). However, in practice, a *de facto* 'quasi-parliamentary' system has evolved. This entails the chair and vice chair of all boards and standing committees being appointed by the majority (Bäck 2006). Over the years, this system has become increasingly complicated as the number of parties in local assemblies has increased. In the 1970s, 4–5 parties in an assembly was most common; today, most local assemblies have more than 8 parties. This fragmentation has come to make it much harder to find sustainable majorities (Wänström 2018). The combination of 'assembly governments', 'quasi parliamentarism', and increased fragmentation, surely makes it tough for voters to make informed choices and hold decision-makers accountable. This manifests itself, for instance, in Swedish voters' weak knowledge of who their local politicians are (e.g. Holmberg 2013, 2015).

Third, if this borderline, somewhat obscure, institutional set-up were accompanied by appropriate supervision and auditing mechanisms, its effects on accountability conditions would not necessarily be too damaging. However, scholars have found that almost one third of all local news outlets have been shut down since the turn of the millennium (e.g. Nygren and Althén 2014), implying, for instance, that circa 12 per cent of all municipalities no longer have any media coverage whatsoever

(Institutet för mediestudier 2016). To make things worse, the quality of those local media investigations that still exist, face increasing criticism (e.g Nord and Nygren 2007). The peculiar way that the formal municipal audit – *kommunrevisionen* – is organised also needs to be addressed. For instance, Inga-Britt Ahlenius (2016) – the former Under-Secretary-General for the United Nations Office of Internal Oversight Services – has called local government auditing in Sweden an ‘institutionalised conflict of interest’. Since the members of the municipal audit are all a) laymen, b) politicians affiliated to the parties in the assembly, and c) appointed by their parties, the professionalism and independence of local government auditing has been questioned (e.g. Lundin 2010). Since it has been argued, and indeed shown, that auditing is an effective instrument for strengthening transparency and accountability in government (Rothstein, forthcoming), it is indeed bad news for Swedish local government that neither mechanisms of elections nor mechanisms of auditing seem to be working properly.

Fourth, Sweden has often been singled out, and hailed, for its unique tradition of public administration where its bureaucracy enjoys a high degree of independence. Government agency autonomy is enshrined in law and ministers of government may not exercise any influence over decisions by the administration; so-called ‘ministerial interference’ is banned. Much research points to this – that having a relatively autonomous and low-politicised public administration is something to strive for: it is associated with clean and honest government, growth, happiness etc (e.g. Dahlström and Lapuente 2017). However, although true for the Swedish state-level, the sharp distinction between politicians and civil-servants does not exist in Swedish local government. This has been lamented in government enquiries (SOU 2015:24) as well as by Jusek (a Swedish union for academics) and the interest group for local government CEOs (Kommundirektörsföreningen, see e.g. Hedberg and Isling 2014). Contrary to the state-level, then, local government public administration runs the risk of being politicised. This might, in turn undermine impartiality in decision-making as well as making civil servants hesitant in delivering frank advice, holding back in ‘speaking truth to power’ and ultimately discouraging them from whistle-blowing if they witness irregularities.

Summary

In Sweden, 290 municipalities with 900,000 employees are responsible for implementing the bulk of Sweden’s welfare state policies. The range of local government responsibility is broad and affects most citizens’ lives directly and regularly. There is thus potential for a great deal of dissatisfaction, since things can go wrong in many ways, not least in areas where the public is very engaged and holds strong preferences, such as childcare and schools. This need not be a huge problem; rather, according to the literature on fiscal federalism, decentralisation of this kind could be beneficial, if appropriate accountability mechanisms were in place. However, in Swedish local government, for all intents and purposes, accountability mechanisms appear to be terribly weak.

Given the unfortunate mix of these three factors – 1) very many, very disparate responsibilities, 2) high susceptibility to corruption, and 3) weak accountability mechanisms – we should not be too surprised to see a greater dissatisfaction with the local compared with the central government in Sweden. If our argument is accepted, it is a consequence of how Sweden has chosen to organise its political system, and the role municipalities have been given. A research agenda, then, needs to be formulated, one that would systematically analyse the ways in which the political system allocates responsibilities between the tiers of government and how this affects trust in and satisfaction with the local, regional and central tiers.

Discussion: institutional quality trumps proximity?

At the turn of the millennium, two Swedish textbooks repeated that Swedes' trust in local government appeared much poorer than their trust in state-level institutions. This observation runs counter to theoretical expectations and empirical patterns found in several other countries. It is particularly surprising, since decentralisation has been expected to be a predictor of stronger trust in local government vs the state – and Sweden has regularly ranked high in indices gauging decentralisation across the globe.

Aiming to get a more accurate answer to whether it is actually correct that Sweden deviates from the general pattern, as well as what standard theories of fiscal federalism and multilevel trust predicts, the paper's ambition has been to develop more fine-tuned insights into the issue. I analysed four indicators of trust and satisfaction: 1) trust in politicians, 2) trust in political institutions, 3) satisfaction with democracy, and 4) perceptions of corruption. For the three first indicators, we were able to give a 20-year perspective to see how the municipalities have fared vs the state; for the fourth we could compare with how individuals in comparable countries evaluate the presence of corruption in local government vs. the state. With this variety of data, findings were undisputable: the notion that Swedes have *greater* trust in local government than the state must be rejected. I also showed that Swedes, contrary to what is found in most other countries, believe that corruption is most widespread in local government. The pattern that emerges is thus diametrically opposite to what might be expected. It appears that Swedes trust their state more than their municipalities. Ex ante, considering theoretical propositions and comparative research, this amounts to a conundrum.

To make these observations less bewildering, while at the same time attempting to infuse theorising on multilevel trust, I offered an explorative argument why this state of affairs should not be regarded as all that strange. The way in which Sweden's welfare state has evolved has meant that municipalities have successively taken the centre stage in the policy-implementation of core welfare policies, becoming ever more responsible for a wide range of tasks – many of which citizens are very engaged and invested in, and many of which are particular danger zones for corruption. However, although responsibility upon responsibility has been laid on the local level, appropriate mechanisms of accountability and checks and balances have not followed.⁵ Local auditing lacks formal independence. Local bureaucracies lack formal autonomy vis-à-vis politicians. Electoral accountability is blurred through concurrent elections and permanent assembly governments. In addition, investigative journalism is largely absent in many municipalities.

Considering that Swedish municipalities, contrary to the state-level, lacks characteristics of institutions known for contributing to 'good governance' and 'quality of government', I have argued

⁵ The argument I am proposing, has some resemblance with Wångmar's (2013) historical-institutionalist approach to a similar problem: why corruption seems to be a more serious problem in local government than in the state. He takes his point of departure is Rothstein's idea (2011) about the way in which Sweden's state apparatus, in the second half of the nineteenth century, went from being quite corrupt to being relatively corruption free. Wångmar then grasps the problem from a different perspective: Rothstein is probably right, corruption in the state administration was considerably reduced by the reforms and mechanisms described in Rothstein (2011). But, says Wångmar, although corruption at the state-level may have been dramatically reduced, the principles regulating the state apparatus never reached the municipalities, and much points to that local corruption may have continued long after that. This, according to Wångmar, has to do with poor mechanisms for accountability in local government. To me, Wångmar's book mounts to a credible historical background to the points I am trying to make in this paper.

that it is thus perhaps not all that puzzling that Swedes trust local government less than state-level institutions. A broader theoretical lesson from this argument is, therefore, that there perhaps is nothing inherently attractive with decentralisation per se. To boost trust in local institutions, it needs to be accompanied by appropriate, high quality institutions that, above all, ensure accountability.

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