
Corruption – understood as a breach of the impartiality principle in public office – is something that plagues many societies across the globe. Emanuel Wittberg’s *Corruption risks in a mature democracy* is a PhD thesis that deals with corruption in Sweden, but not in the blatant form found in dysfunctional states and highly corrupt environments. It does not deal with bribes or direct tit-for-tat exchanges of favors. It deals with more sophisticated forms of corruption, which may appear even in comparatively low-corruption contexts such as the Swedish one. The prime example is favoritism, for example, nepotism, favoring your next of kin, or the preferential treatment of friends compared to strangers, in the distribution of public services and benefits. Wittberg notes that there are conflicting views on whether corruption in mature democracies should be regarded as a marginal phenomenon or one of which the extent has been overlooked.

The thesis mainly relies on objective corruption indicators, rather than perceptions of corruption. These objective indicators are based on outcomes that deviate from a normatively expected benchmark. Such an approach compares outcomes that would be expected in the absence of corruption with the actual outcomes that are observed in empirical data. The indicators used are indirect types. This means that they measure outcomes that are a possible indication of corruption rather than the thing itself.

The analyses are based on large-scale micro-level data, in particular administrative register data. The statistical methods that are applied are mainly used to make treatment and control groups as similar as possible in all other respects but the one which is the focus of interest.

The question of corruption in the form of nepotism and other forms of favoritism is approached in different ways in the thesis’ four essays. Wittberg presents several striking findings. For example, he shows that having parents employed in qualified positions at a state agency increases the chance of acquiring a qualified job in the state sector by 5–6 percentage points. These effects are net of several other factors that may affect the probability of getting a qualified public sector job. The kinship effects are in part explained by an increased probability of obtaining employment from the parent’s specific employer, and in part by a higher probability of having acquired valuable work experience prior to graduation. Moreover, the advantage of having a parent employed in the public sector is larger for low-achieving graduates. All this is highly suggestive of nepotism or at least an unfair informational advantage.

Other findings show that the probability of leaving the nest increases with having relatives in strategic positions within the rental sector. This effect is found for all three Swedish metropolitan regions and is consistent across both public and private landlords. In addition, the effect is stronger for closer family ties (that is, parents and siblings). Moreover, the effect is also larger in cases where the relatives are in managerial positions. This is highly indicative of nepotism in the rental market sector.
Another essay examines the extent and the market impact of non-competitive public procurement in the construction industry. Limited competition in public procurement should increase the profitability of the winning firm since it has no incentives to reduce its costs under such circumstances. Results confirm expectations, that is, higher profitability is found among firms that won a higher share of single-bidder contracts. Furthermore, the analysis shows that single-bidder contracts are more common in municipalities where corruption is perceived to be higher. Moreover, even after controlling for the general competitiveness of each market, single-bidder contracts are more often won by local firms, indicating that local suppliers are favored rather than the leading firms in the market.

Furthermore, analyses of new entrepreneurs’ entries and location choices show that perceptions of corruption are associated with lower levels of entrepreneurial entry. Simulations show that if the corruption levels would be one standard deviation lower in all municipalities, the higher average annual start-up decision of new entrepreneurs would correspond to almost 500 new firms. These effects are most pronounced in municipalities with relatively high corruption levels.

Corruption risks in a mature democracy is not only a passable thesis; it is a very strong contribution to its research field. In addition to its specific findings, the general contribution of the thesis is threefold: First, it studies variations in corruption within a mature democracy; second, it uses large-scale administrative registers and other administrative databases that facilitate the analysis of corruption at the micro level; and third, it develops corruption indicators that are suitable for studying corruption or corruption risks at the level of individuals and firms.

As in any intellectual contribution worth its salt, some unresolved issues and things can be debated in Wittberg’s thesis. One such aspect is the question of where “sophisticated corruption” ends and where other forms of distribution of unfair advantage begin. There is a risk of “conceptual stretching” where the label of corruption is attached to quite different social practices. In general, Wittberg manages to stay clear of such conceptual stretching, but there is a considerable “grey zone” in which it is not clear whether findings indicate corruption rather than other forms of unfair advantage.

This conceptual fuzziness also applies to the relation between the two key concepts in the thesis: “corruption” and “social capital”. Social capital should here be understood as the ability of actors to secure benefits by membership in social networks or other social structures. Most of the findings of the thesis could just as well have been couched as effects from social capital, rather than corruption, which would have given the whole analysis a much more benign (but perhaps less exciting) tone.

Wittberg emphasizes that an analysis of corruption should not be content with only describing the extent of corruption. It should also seek to untangle the social mechanisms through which corruption works. This sets the bar very high, and it is unclear whether Wittberg himself passes it. In many cases, it remains uncertain whether the patterns that he uncovers really are indications of favoritism or simply the informational advantage that family, relatives, and friends can bestow upon their close ones.

It seems clear that additional types of data would be needed to reveal the mecha-
nants of corruption. Survey data, experimental data, interviews, and documentary analyses could all be used to uncover corruption processes and mechanisms. Just to give one example, text analyses of tenders in single-bidder situations among the municipalities could reveal if and how such tenders are rigged to benefit local favorites and make sure that they will be the only bidders.

A blatant omission in Wittberg’s analyses is related to gender. We receive no information about whether mothers, sisters, or daughters are more or less likely to be involved in sophisticated corruption than fathers, brothers, or sons. Previous research has demonstrated that men are more likely than women to engage in blatant corruption, and that higher levels of female representation in positions of political power are correlated with lower levels of corruption. Hence, the absence of any analysis or even information about gender differences regarding sophisticated corruption is highly unfortunate.

In conclusion, this is in many respects an exemplary PhD thesis. It addresses an important and to some extent neglected social problem. The studies are cleverly designed and competently executed. The work includes impressive data management and analysis. The text is very well written, always crisp and clear, never boring. The author consistently displays sound judgment regarding conclusions and implications. The findings are interesting and important; they highlight deviations from a fair distribution of benefits in public institutions and suggest some ways in which such unfairness may be mitigated.

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