Local Autonomy vs. National Equality

Multilevel Government Attitudes among Local Representatives in Sweden

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Introduction

Built into the concept of multilevel government is a value conflict between, on the one hand, local autonomy and, on the other hand, national equality and uniformity (Hansen and Klausen 2002; Powell and Boyne 2001).

The democratic value of local autonomy honors the principle that political decisions should be made as close to the affected people as possible. The closeness facilitates inclusion and participation in the processes which determine a locality's political future. It could also be argued that there is an instrumental value of local self-governance in relation to welfare production. A decentralized political system may be a more efficient welfare provider than a centralized system, since it is very challenging for a national government to match service supply with local preferences. Additionally, political pressures will often push the national government to provide uniform service levels (Oates 1999).

An intended consequence of local self-governance in a democracy is that local political leaders will implement divergent policies in order to adhere to the will of the locality. And, since the scope of action of local political leaders is depending on the degree of local autonomy, a political system with stronger local autonomy is likely to produce larger service variation. Local self-governance, especially under democratic rule, is thus destined to create service variation among municipalities and regions. Local government is the "government of difference" (Page 1982).

However, such service variations could be perceived as a threat to another popular political value: national equality (Powell and Boyne 2001). In relation to the welfare state, people have the expectation of being treated uniformly as equals, and not to be discriminated against on arbitrary grounds. Citizens may feel that this value is compromised in a system where the quantity and quality of public services varies depending on where you live (Trydegård and Thorslund 2010). When you perceive that services in a neighboring town are of higher quality than in your hometown, it is of little comfort that this situation has arisen by local democratic processes.

Since practically all democratic countries are organized by the principle of multilevel government, the reconciliation of local autonomy and national equality is a challenge for political leaders everywhere. However, in the Scandinavian countries this value conflict is accentuated due to two facts: Firstly, the Nordic welfare states – which are the most ambitious in the industrialized world in terms of the scale of public services – are founded on Social democratic, egalitarian ideals (Esping-Andersen 1990). Secondly, the responsibility for public services in the Nordic countries is to an unusually large extent decentralized to the regional and local self-governing tiers of government (Loughlin, Hendriks, and Lidström 2010; Sellers and Lidstrom 2007). Hence, in a system where social equality and decentralized government are two of the most prominent features, the political leaders of Scandinavia find themselves in a delicate political quandary.

From one perspective, attitudes towards national equality and local autonomy may depend on deeper ideological beliefs. Views on justice and equality determine opinions on how common resources could be fairly distributed between individuals and collectives of individuals (such as municipalities). From another perspective, strong economic and political interests may also influence the evaluation. Strengthening either local autonomy or national equality has material consequences in terms of distribution of resources and political power for different municipalities and parties.

This paper will analyze attitudes towards local autonomy and national equality among local political representatives in Sweden. The main aim is to identify which factors explain the representatives' priorities. Three explanatory factors will be in focus: Left Right Ideology (LRI), Party Interest (PI) and Municipal Economic Interest (MEI).
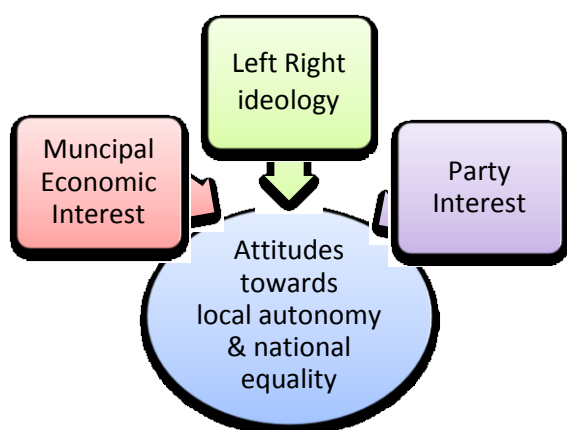
The main source of data for this study is a survey directed to all councillors in the 290 municipalities in Sweden in October 2008-February 2009 (Gilljam, Karlsson, and Sundell 2010; Gilljam et al. 2011). The survey was answered by 9 101 local councillors. This number represent 69.8 percent of the then 13 044 non-vacant council seats in Swedish municipalities. The size of a Swedish local council depend on the size of the municipality, and the number of seats vary between 31 and 101 In each municipality, the survey was answered by between 13 to 70 councillors (on average 31). The response rate was below 50 percent in only 7 of the 290 municipalities, the lowest result being 42.2. For data on state grants, the source is Statistics Sweden.

The paper will proceed as follows: First the case of Swedish multilevel government is introduced. Even though the value conflict in itself is universal, the special circumstances in the studied case must be outlined. The dependent variables are also presented in this section. Then follow three sections elaborating the explanatory factors (Left Right Ideology, Party Interest and Municipal Economic Interest) and their bivariate relationships with each other and the dependent variables. Finally all factors will be introduced into a multivariate multilevel regression analysis where the effects of each explanatory factor will be identified and discussed.

Swedish Multilevel Government: The Local Welfare State

In international comparison, the Nordic welfare states – especially Sweden – stand out in two major ways: The size of the public sector in relation to the private sector is the largest among all developed, democratic nations in the world, and the public sectors are also among the most

decentralized. The Nordic model has been coined decentralized universalism (Burau and Kröger 2004), and the strong service variation between municipalities have instigated some to use the term "local welfare states" (Trydegard and Thorslund 2001).

For decades, the Swedish welfare state has been formed around the principle of local self-governance. The general goals and regulations of the welfare state are decided in the national parliament but the service production is almost entirely found on the local and regional tiers of government. Primary and secondary education, adult education, healthcare, care of children, the elderly and the handicapped, social services, culture and leisure, public housing, public transport, water and sanitation, city planning, environmental and health protection, fire brigades, business development etc. are all responsibilities of Swedish municipalities and regions. A third of a Swede's salary is paid as local and regional income tax. About a quarter of the Swedish workforce is employed by municipal or regional authorities. (Sellers and Lidstrom 2007; Karlsson and Johansson 2008; Loughlin, Hendriks, and Lidström 2010).

The support of decentralized government is generally high, but when service equality is threatened, the legitimacy of the system is compromised (Stjernquist and Magnusson 1988). The national government tries to handle these contradictory expectations on the welfare state mainly with the help of two strategies: 1) to ensure by regulations and supervision that the service provided by local and regional authorities live up to acceptable service levels, and 2) to ensure that all local and regional authorities have equal economic opportunities to carry out their responsibilities. The national government's ambition to steer local and regional authorities through regulation and supervision is a challenging balance act. Even though Swedish local politicians have larger budgets and responsibilities than most European counterparts, they are at the same time deeply concerned about the involvement of national authorities in local business. When the local councillors of Sweden in 2008 were asked whether state authorities should have less or more influence on local affairs, 37 percent responded less and only 3 percent responded more (Gilljam, Karlsson, and Sundell 2010). Adding to this discontent is the fact that the national level is notoriously uninterested in ensuring that new decentralization reforms are fully financed (Zapata and Malmer 2010).

To decentralize a public service is to put it in the hands of local politicians, and national goals and regulations must leave room for local political discretion. A review of historical policy documents (Bengtsson and Karlsson 2012) reveals that the Swedish government used to be

very aware of the implications of decentralizing responsibilities to a self-governing tier of government. However, over time the decentralization of responsibilities has taken place without much thought on the importance of local democracy. In reality, the municipal and regional authorities are the only viable public organizations capable of producing welfare services, and the national government keeps decentralizing on routine without much consideration for whether the regulations accompanying the reforms recognize the role of local politics. In some areas the municipal authorities are so heavily regulated that they almost resemble local offices of national agencies (ibid.).

In most areas though, even where national regulations are demanding, the local governments of Sweden have great discretion in policy matters. A major contributor to the strength of the local autonomy is local taxation. Swedish municipalities receive approximately 70 percent of their revenues from local income tax. In 2012, Swedish citizens pay between 17.1 and 23.6 percent of their nominal income in local taxes (plus another 10.2 to 12.1 percent in county council taxes). The local and regional taxes are flat and without progressive components, and hence the income per inhabitant vary greatly, depending on the wealth of the locality.

However, without state intervention the flat tax would create great economic inequality between municipalities. The average income of the richest municipality is more than twice as high as in the poorest municipality, which implicates that the latter could have the double tax rate of the former and still not receive the same tax revenue. To address this problem, economic equality is reached by an extensive tax redistribution system – "the Robin Hood Tax", where richer municipalities and regions contribute to the system while poor municipalities receive substantial subsidies (Berggren and Hermansson 2008). By this system, the state is aiming for national equality through "solidaristic redistribution of chances and opportunities between groups and places" (Kearns and Forrest 2000). In that sense, the Robin Hood Tax is a policy instrument for the state which increases national equality without interfering directly with the policy choices of the self-governing municipalities.

On major component of the system is tax income equality. After redistribution, the tax revenues per capita of each municipality—deprived and privileged alike—are about the same. The other component is compensation for structural factors, such as the age distribution of the population, unemployment, number of recent immigrants, climate, etc. The system is designed to enable poor, scarcely populated municipalities to carry out their duties, but the

system is also heavily criticized, especially by wealthy municipalities in metropolitan areas who feel that their hard-earned revenues are harvested (Karlsson 1997; Politicians demand changes to "Robin Hood" tax 27 February 2012). A consequence of the system is that a municipality will not be economically rewarded when lowering unemployment or strengthening local growth, which means a lack of incentives for solving a bad economic situation. Since effects of the local tax policy on the own tax base are compensated by the state, it is feared that municipalities may not fully take the costs of taxation into account (Dahlberg and Rattsø 2010) . On the other hand, one can assume that the gratitude of thankful citizens is incentive enough for most democratically elected representatives to achieve economic growth.

Attitudes of Local Representatives – The Dependent Variables

What then do the local representatives of Sweden think of local autonomy, national equality and the Robin Hood tax? Three survey questions were formulated with the intention to measure the attitudes of representatives on these matters. All three questions were posed in form of reform proposals, where the reforms aimed at changing the status quo by 1) increasing local autonomy, 2) increasing national equality or 3) reduce the Robin Hood Tax. The representative's responses to these questions are presented in Table 1.

Table 1: Swedish Local Representatives'Attitudes Towards Local Autonomy, National equality and The Robin Hood Tax (percent, mean values).

	Very good proposal (100)	Rather good proposal (75)	Neither good nor bad proposal (50)	Rather bad proposal (25)	Very bad proposal (0)	Total	Mean (0-100)
A. Increase local autonomy	19	40	27	12	3	100	65
B. Increase national equality	23	43	21	10	3	100	68
C. Reduce the Robin Hood Tax	11	20	20	25	24	100	42

Comments: The full questions were: below follows a number of proposals that have occurred in the political debate. What is your opinion on each of them? A) Reduce national influence on local affairs, B) Aim at creating service equality among municipalities in the whole country, C) Reduce the economic equalisation between municipalities and county councils with strong and weak tax bases. Answer alternatives as presented in the table. The number of representatives responding to the three questions was 8742-8768.

From the results of table 1, it is obvious that both local autonomy and national equality have strong support among Swedish local representatives. In relation to the present situation, 59 percent favor an increase in local autonomy while 66 percent favor increased national

equality. About a third of the representatives are in favor of reducing the Robin Hood tax while about half think this is a bad proposal.

A correlation analysis produce expected relations between the three questions: Support for national equality is negatively correlated with support for local autonomy (r = -,15). Support for national equality is also negatively correlated with support for reducing the Robin Hood tax (-.08), while there is a positive correlation between reduced Robin Hood Tax and increased local autonomy (.13). The correlation values are, though statistically significant on the .01-level, surprisingly weak. One reason for this is that in the minds of the representatives, the values of local autonomy and national equality are not mutually exclusive. In fact, 35 percent of the representatives think both increasing local autonomy and national equality are good or very good proposals. However, a majority of the respondents have more consistent attitudes: 29 percent are in favor of increasing national equality but not local autonomy, 22 percent think it is a good proposal to increase local autonomy but not national equality, and 14 percent are negative or indifferent to both proposals – seemingly content with the present situation.

On the one hand, the representatives' attitudes towards "increased local autonomy" and "increased national equality" are indicators of values that in theory are contradictory to one another, and the representatives' attitudes towards these two values are as expected negatively correlated. But – on the other hand – due to the low inter-correlation they could not be merged into one index. Attitudes towards the proposed reduction of the Robin Hood Tax is of course related to the same principles as the other two questions, but in this context this question relates to a specific policy instrument with considerable consequences for the degree of local autonomy and national equality. In the following analyses, all three questions will be used as dependent variables.

Explanatory Factor 1: Left Right Ideology

The ideological left right dimension stands out as the most essential in Western politics in general (Lijphart 1984), and in Swedish politics in particular (Gilljam and Oscarsson 1996; Oscarsson and Holmberg 2008) on both national and local level. The left right dimension of local politics in Sweden is largely tied to discussions concerning the size of the public responsibilities. Today, the debate on tax levels, marketization, and privatization of public

services, is by far the most divisive issue in Swedish local government. Additionally, party politicization is just as prominent in local as in national politics (Gilljam, Karlsson, and Sundell 2010).

In this study, the subjective position on a left right scale is used as an indicator for the ideological position of a local representative. In the survey, the representatives were asked to place themselves on a left right scale from 0 (left) to 10 (right). On this scale, the mean position among the representatives is 4.8.[1] The distribution of responses on the subjective left right question is presented in Figure 1 below.

**Figure 1: Swedish Local Representatives' Subjective Left Right Position**
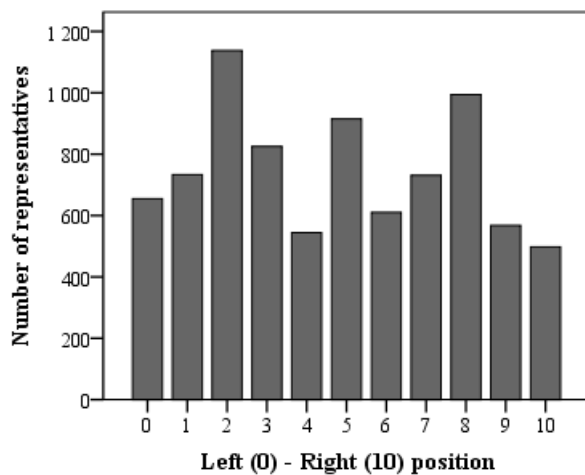
Comments: The full question was: "Sometimes it is said that political opinions can be placed on a left right scale. Where do you place yourself on such a left right scale?", and the responses were given on a eleven graded scale from 0 "definitely to the left" to 10 "definitely to right", and where 5 indicated "neither left nor right". N=8211.

Usually, left right attitudes are classified on the basis of how *individuals* should relate to one another and to the collective/the state. To be ideologically to the left means to be in favor of egalitarianism and to endorse redistributive measures and a pro-active state. Such policies imply that the privileged are net payers into a welfare system while the deprived are beneficiaries of welfare grants and services. To be ideologically to the right means to be critical of redistributive measures and to prefer a reduced public sector. Two main arguments from the right are 1) that redistribution is unjust since it meddles with the individual responsibilities of citizens and "punish" economic success, or 2) even if social equality may

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[1] An alternative indicator would have been party affiliation, since the Swedish party system is heavily based on the left right scale. The correlation between party affiliation and the subjective left right position is Eta=0.88, and the two variables could not be included into the same analyses due to multicollinearity.

be a political value, public regulations and distributive measures produce more harm than good in a market economy. Two questions from the survey could serve as an example of traditional left right policy proposals with regards to interpersonal equality and the role of the state: "Reduce income inequalities" and "Reduce the public sector". The correlation between the representatives' subjective left right position and their support for these proposals are presented in Figure 2 below.

Figure 2: Swedish Local Representatives' Attitudes Towards Individual Equality and the Size of the Public Sector by Left Right Position
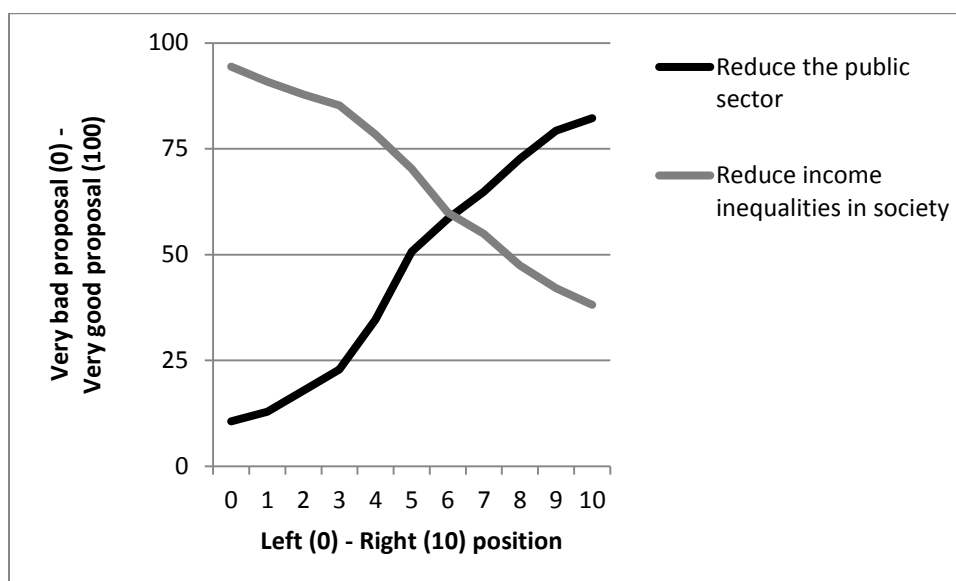
Comments: For the full question and response alternatives of the left right position, see Figure 1 above. The full policy questions were: below follows a number of proposals that have occurred in the political debate. What is your opinion on each of them? A) Reduce the public sector, B) Reduce income inequalities in society. The responses where coded on a scale from 0 "very bad proposal" to 100 "very good proposal" (see table 1). The correlation (Pearson's r) between subjective left right-position and supporting reduced public sector is r = .31 and the correlation between subjective left right-position and supporting reduced public sector is r = .29, both results are significant on the .001-level. N= 8114-8125.

But are these aspects of left right ideology tied to individualism and solidarity on the on the individual level transferable to the municipal level? Municipalities are collectives of individuals, and it is not a given to interpret their situation and responsibilities as collectives analogous with the situation and responsibilities of individuals. The correlation between subjective left right position of political representatives and their support of increased local autonomy (i.e. "municipal individualism"), increased national equality (i.e. "inter municipal solidarity") and reduced Robin Hood Tax is presented in figure 3 below.

9

Figure 3: Swedish Local Representatives' Attitudes Towards Local autonomy, National equality and The Robin Hood Tax by Left Right Position
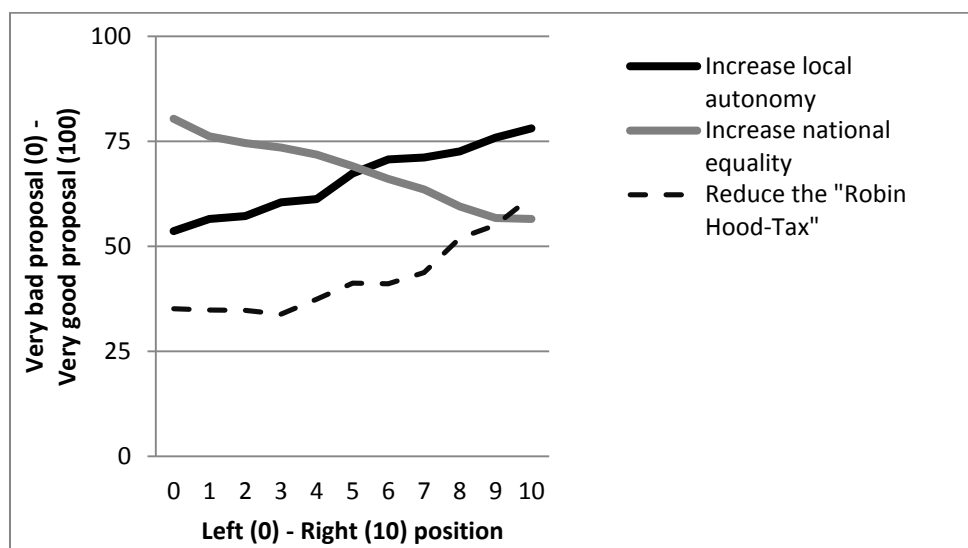
Comments: For the full question and response alternatives of the left right position, see figure 1 above. For the full question and response alternatives of the proposals, see table 1 above. The responses where coded on a scale from 0 "very bad proposal" to 100 "very good proposal" (see table 1). The correlation (Pearson's r) between subjective left right-position and supporting increased local autonomy is r = .31, with supporting increased national equality r = .29, and with supporting reduced Robin Hood Tax is r = .24. All three results are significant on the .001-level. N= 8143-8145.

The correlations in figure 3 between representatives' subjective left right position and the support of increased local autonomy and increased national equality are strikingly similar with the correlations in figure 1. Clearly, the left right principles apply similarly to the individual as the municipal level, in the minds of political representatives. Representatives to the left are more positive, as representatives to the right are more negative, to increased national equality. Furthermore, left wing representatives are more negative and right wing representatives are more positive towards increased local autonomy and reduced Robin Hood Tax.

Explanatory Factor 2: Party Interest

As mentioned above, the Swedish welfare model is heavily based on Social democratic values of social equality and redistributive justice (Tilton 1992). The Social democratic party has ruled the country for 65 of the last 80 years and, and from the start the party has purported

that the responsibility for the implementation of the welfare state should be placed on the local level (Ekström von Essen 2003). The strong confidence in the ability of local government of Social democrats does not mean that the party in general has wholeheartedly embraced the ideal of local autonomy. Instead, the party has often tended to see municipalities as integrated parts of the state and local autonomy as a potential problem for the implementation of the Social democratic welfare state. The parties to the right have traditionally been more in favor of local autonomy (Strandberg 1998). From their experience, national equality has often meant the implementation of Social democratic policies, also in municipalities where they, not Social democrats, rule. Local autonomy has historically been a way of realizing some right-wing policies despite the Social democratic hegemony on the national level. But times and ideal may have changed recently. Sweden has been governed by a center-right government on the national level since 2006. It would be interesting to measure whether the support for local autonomy increased among Social democrats and decreased among center-right representatives due to the national regime change, but unfortunately there is no earlier comparable data on such attitudes. When the survey used in this study was conducted in 2008-2009, the center-right government had only ruled for two years, and it is possible that this period had been too short for altering representatives' attitudes in these matters.

However, there is another party interest aspect applicable to attitudes on local autonomy and national equality, namely a party's parliamentary position in the municipality. Even though assembly government is still the formal frame for political institutions, each municipality is in reality ruled by a majority party or coalition (Bäck 2003; Bäck 2006). Like in other parliamentary systems, different parliamentary situations creates variations in levels of conflict and influence patterns (Gilljam and Karlsson 2012), and the parliamentary positions of representatives affect their political attitudes (Gilljam, Persson, & Karlsson, 2012; Karlsson, 2010). It is the majority which is responsible for govern the municipality during the election period. The interest of majority parties is to govern as successfully as possible and repeat their victory in the next election. An interfering national government with an agenda of its own is likely to be regarded as an obstacle for majority parties. For the powerless members of the opposition, on the other hand, the party interest lies in the lack of success of the majority. An intervening national government may very well serve that purpose.

In the survey from 2008, 4 967 representatives were members of a ruling majority (55 percent) and 4 091 were opposition members (45 percent). The difference in attitudes towards local autonomy and national equality between majority and opposition members is presented in table 2.

Table 2: Swedish Local Representatives' Attitudes Towards Local Autonomy, National Equality and The Robin Hood Tax by Parliamentary Position (mean values 0-100, mean differences, correlation values).

	All representatives	*Majority representatives*	*Opposition representatives*	*Difference: majority-opposition*	*Correlation*
Increase local autonomy	65	69	60	+9***	0.18***
Increase national equality	68	65	72	-7***	-0.13***
Reduce Robin Hood tax	42	44	40	+2***	0.05***

Comments: The results are presented as mean values on the 0-100 scale. For full question formulation and response alternatives, see table 1 above. All representatives were coded as members of either a ruling majority (in some cases a ruling minority) or an opposition according to information from The Swedish Association for Local Governments and Regions at the time of the survey. In one municipality the parliamentary situation was unclear, and the representatives from this municipality are omitted in this table. The correlation values (Pearson's r) concern the relation between parliamentary position and attitudes towards the three proposals. N=8106-8115.

Table 2 convincingly show that representatives who are members of a ruling majority over all is significantly more positive to local autonomy and reduced Robin Hood tax, and more negative towards national equality than opposition members. However, this bivariate result may potentially depend on the ideological position of the representative, since representatives to the right are more supportive of the center-right national government and its policies than representatives to the left. The figure 4 presents the correlation between parliamentary position and local autonomy and national equality under control for representatives' subjective left right position.

Figure 4: Swedish Local Representatives' Attitudes Towards Local Autonomy, National Equality and The Robin Hood Tax by Left Right Position and Parliamentary Position
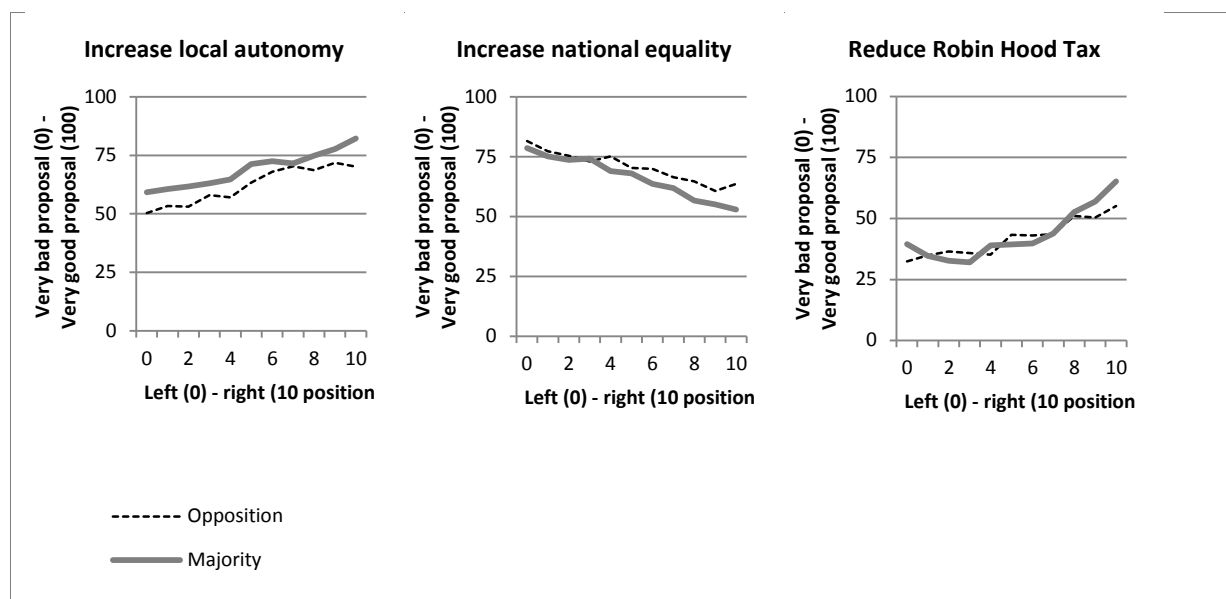

Figure 4 shows that the effect of parliamentary position on the representatives' attitudes towards local autonomy is independent of left right ideology. Majority representatives to the left and to the right are equally more positive towards increased local autonomy compared to opposition representatives. Both to the right and to the left, majority members are also more negative to national equality than opposition members, but there is a potential interaction effect: the effect of parliamentary position is very small among representatives to the left and increases the further to the right representatives position themselves. Parliamentary position adds no explanatory value to left right position regarding support for reduced Robin Hood tax.

Explanatory Factor 3: Municipal Economic Interest

In average, 30 percent of the income of Swedish municipalities derives from state grants. The Robin Hood tax is integrated in the state subsidiary system, making some poor municipalities heavily dependent on grants while some rich municipalities are net payers. The difference between the winners and losers of the system is considerable. The construction of the system is thus of great economic interest for a municipality. Compared with a situation without a Robin Hood tax, where state subsidies where distributed evenly per capita, the median municipality of the present system would not be affected at all. But municipalities with lower

revenues from the present system would gain if the Robin Hood Tax was reduced as municipalities with higher incomes would lose.

The annual grant from the Robin Hood Tax system to each municipality is reported annually by Statistics Sweden. In order to get at stable values for a municipality's economic interest in relation to the Robin Hood Tax, the revenues from the system during the four years preceding the survey is here added into an index. Adding up the revenues for the years 2005-2008, the median municipality received 30 956 SEK per capita. The distribution of Robin Hood Tax-revenue among Swedish municipalities is presented in Figure 5.

Figure 5: Distribution of Robin Hood Tax-Rrevenue among Swedish Municipalities 2005-2008 (histogram)
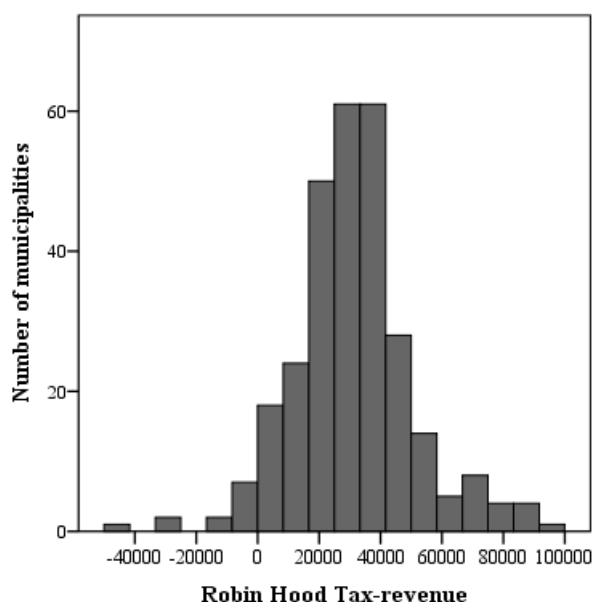

Figure 5 shows that a majority of the municipalities receive revenue from the Robin Hood Tax close to the median value. Fifty percent of the municipalities received between 20 867 and 40 587 SEK per capita. The municipality which benefitted the most from the system received 93 220 SEK and the municipality which lost the most *paid* 46 005 SEK into the system.

What then is the correlation between the Robin Hood Tax-revenue in a municipality and the representatives' attitudes towards local autonomy, national equality and the scope of the Robin Hood Tax? The answer to this question is to be found in figure 6.

14

Figure 6: Swedish Local Representatives' Attitudes towards Local Autonomy, National Equality and The Robin Hood Tax by Revenue from the Robin Hood Tax
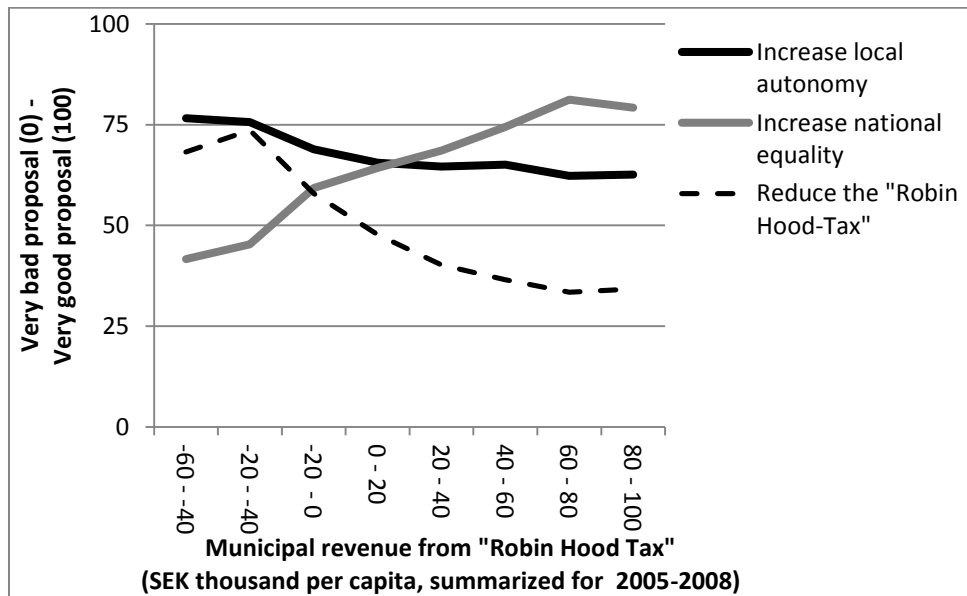

Comments: For the full question and response alternatives of the proposals, see table 1 above. The responses where coded on a scale from 0 "very bad proposal" to 100 "very good proposal" (see table 1), and the lines illustrates mean values of representatives in eight groups of municipalities depending on the size of their revenue from the Robin Hood Tax (see Figure X). The correlation (Pearson's r) on the individual level (N= 8143-8145 representatives) between the size of the Robin Hood Tax revenue and supporting increased local autonomy is r = -.06, with supporting increased national equality is r = .21, and with supporting reduced Robin Hood Tax is r = -.18.. All correlation values are significant on the .001-level.

Figure 6 shows that the size of the municipal revenue from the Robin Hood Tax correlates significantly with all three questions. The higher the Robin Hood-revenue, the stronger the support for increased national equality and the stronger the opposition against increased local autonomy and against reduced Robin Hood Tax.

The correlation between Municipal Economic Interest and attitudes aggregated to the municipal level is illustrated in figure 7.

Figure 7: Attitudes in 290 Municipalities towards Local Autonomy, National Equality and The Robin Hood Tax by Robin Hood Tax Revenue.
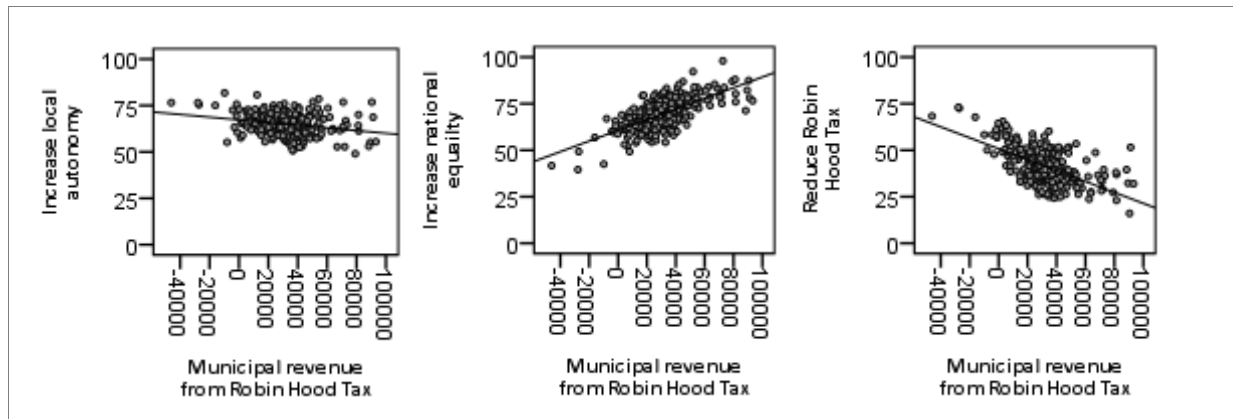

Comments: The figure presents the mean value (0-100) on the three dependent variables among Swedish municipalities (where the answers of representatives are aggregated to the council mean, N=290) by the revenue from the Robin Hood Tax.

The correlation between Robin Hood tax-revenue and the three dependent attitude variables on the municipal level is much higher than on the individual level. The correlation between MEI and supporting increased local autonomy is r = -.25, with supporting increased national equality r = .67, and with supporting reduced Robin Hood Tax r = -.60. All correlation values are significant on the .001-level.

How then is the Robin Hood tax-revenue related to the other explanatory factors? Firstly, there is a significant correlation between Robin Hood tax-revenue and the left right position of local representatives.[2] This is not surprising since municipalities that receive the highest revenue from the equalization system mainly are poor municipalities in Northern Sweden that tend to be governed by left-leaning majorities. Municipalities that receive the lowest revenue from the equalization system (or are net-payers) are often rich municipalities in urban areas that tend to be governed by right-leaning majorities. The effects of left right position and size of revenue from the Robin Hood-system are illustrated in Figure 8.

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[2] Pearson's r on the individual level is r= -.12, and on the municipal level (where the left right position of representatives are aggregated to the council mean) r =-.45. Both r-values are significant on the .001-level.

Figure 8: Swedish Local Representatives' Attitudes towards Local Autonomy, National Equality and The Robin Hood Tax by Left Right Position and Size of Robin Hood Tax Revenue.
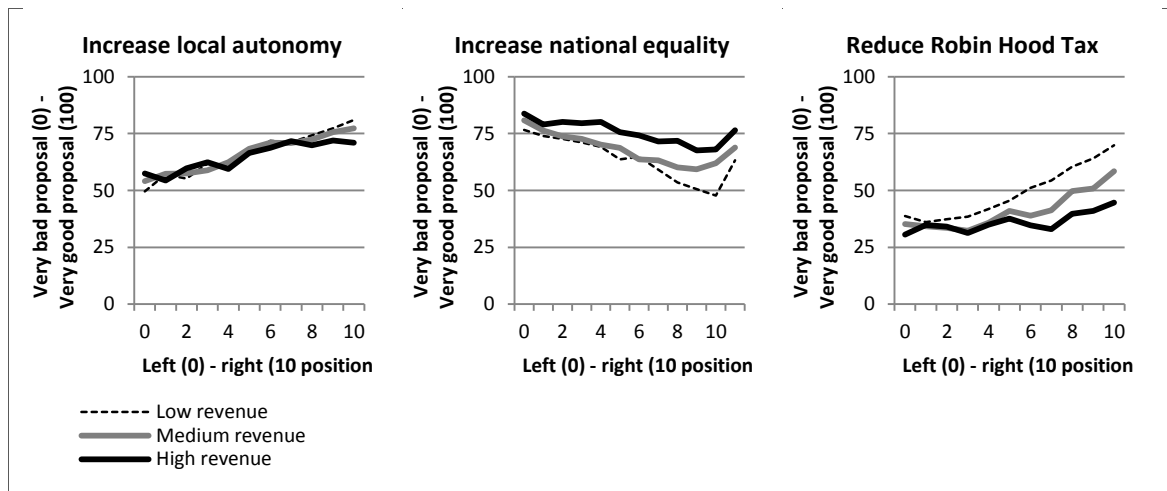
Comments: Municipalities are classified as having low revenue from the Robin Hood Tax if they belong the lowest quartile, as having high revenue if they belong to the highest quartile, and as having medium revenue if they belong to quartiles two or three.

Figure 8 show that the economic interest of the municipality adds no explanatory value in addition to left right attitudes regarding support for increased local autonomy, and a multivariate multilevel analysis in order to separate these effects properly. Figure 8 also shows that representatives in municipalities with high revenues from the Robin Hood Tax are more supportive of increased national equality and more negative towards reduced Robin Hood Tax. Furthermore, the figure reveals an interaction effect: the effects of economic interest on these two attitudes are stronger among representatives to the right.

There is of course no correlation between a municipality's revenue from the Robin Hood Tax and the parliamentary position of its representatives, since members of ruling majorities and oppositions exist in all municipalities. This does not necessarily mean that the effect of party interest and municipal economic interest should be independent of one another. To be in majority or opposition could mean different things in rich and poor municipalities. Figure 9 illustrates this.

Figure 9: Swedish Local Representatives' Attitudes towards Local Autonomy, National Equality and The Robin Hood Tax by Parliamentary Position and Robin Hood Tax Revenue.
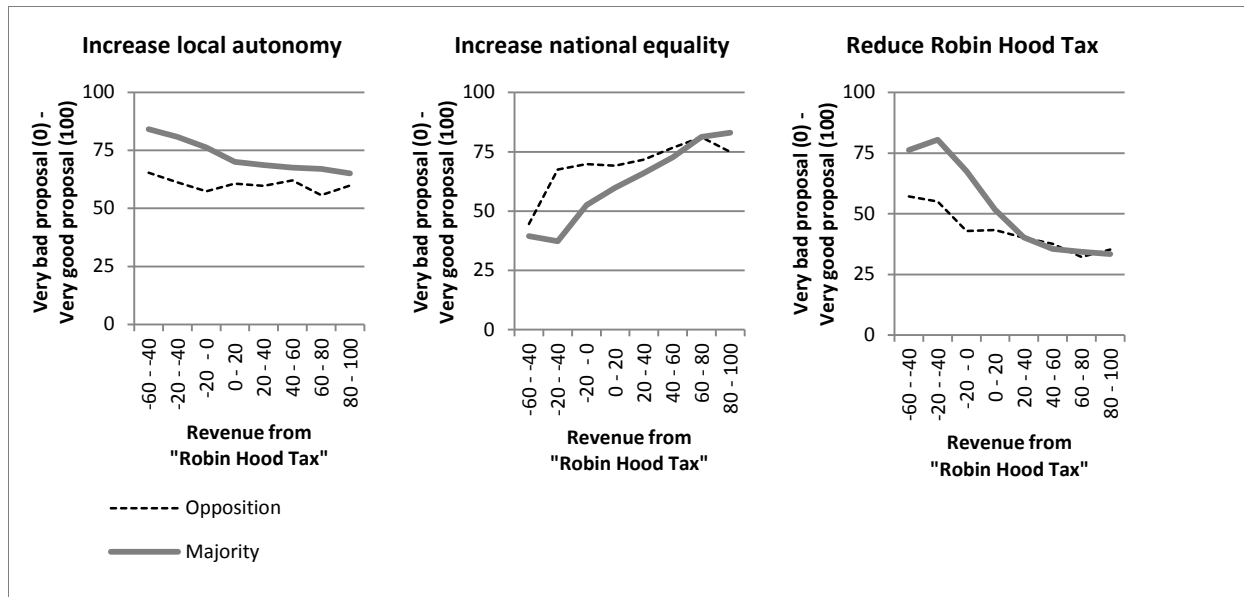

Figure 9 shows once again the general result that representatives in opposition are more supportive of increased national equality and more negative towards increased local autonomy, and this effect remains when controlled for revenue from the Robin Hood Tax. But there are clear interaction effects: The effect of parliamentary position on all the attitudes diminish as the revenue from the Robin Hood Tax increases. This interaction might be connected left right bias, since the majority in rich municipalities often is comprised by right-wing representatives, while the majority in poor municipalities mostly consist of left-wing politicians.

Multilevel Analysis

Overall, the initial analyses have indicated that Left Right Ideology, Party Interest and Municipal Economic Interest have bivariate effects on representatives' attitudes towards local autonomy, national equality and the Swedish equalisation system in the form of the Robin Hood Tax. The previous analyses have also suggested the existence of several possible interaction effects.

A methodological circumstance is that Municipal Economic Interest (measured as a municipality's revenue from the Robin Hood Tax), is a variable on the municipal level while Party Interest (measured as a representative's affiliation to a majority or opposition party) and

18

Left Right Ideology (a representatives subjective left right position) are variables on the individual level. In order to separate the effects of the three explanatory factors, multivariate multilevel must be applied, i.e. analysis in which representatives are clustered into 290 municipalities. However, multilevel regression techniques are only necessary if the dependent variables have significant variance on the municipal level. If this is the case is tested in Table 3 by estimating a random-intercept-only model (null model).

Table 3: Attitudes towards Increased Local Autonomy, Increased National Equality and Reduced Robin Hood Tax. Multilevel Regression Analysis –Varying Intercept Only Model

	Increase local autonomy	Increase national equality	Reduce Robin Hood Tax
Fixed Part:			
Intercept	65.1*** (0.32)	69.2*** (0.48)	41.8*** (0.57)
Random part:			
Municipality-level Variance	9.1***	45.1***	58.9***
Individual-level Variance	621.1***	592.6***	1036.4***
Proportion of variance between municipalities (ML/(ML+IL))	0.014	0.071	0.054
Number of Municipalities	290	290	290
Number of Individuals	8758	8768	8742
Bayesian Information Criterion	80905	80819	85387

***$p < .001$

Table 3 shows that for the dependent variable "support for increased local autonomy", the inter-municipal variance is quite small, only 1.4 percent. The inter-municipal variance for "support increased national equality" is 7.1 percent and for "reduces the Robin Hood Tax" 5.4 percent. The municipal level variance is statistically significant for all three dependent variables and hence multilevel regression techniques will be used in the following analyses.

The analyses will adhere to following steps for each dependent variable: Firstly the bivariate effect of the three independent variables will be identified in Models 1-3. Secondly, the three independent variables will be joint together in the multivariate Model 4. Thirdly, interaction variables will be added in Model 5.[3]

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[3] There are, of course, other characteristics that might affect representative's attitudes, such as age, gender and municipal size. Additional analyses show that older and male representatives are more positive towards increasing local autonomy and more negative towards increasing national equality. Male representatives are also more negative to reducing the Robin Hood Tax than female representatives. Municipal size have no effect on support for local autonomy or reduced Robin Hood tax, but a small significant effect on support for national equality (lower support in larger municipalities). The inclusion of age, gender or municipal size in the models does not significantly alter the effects of the main independent variables. For that reason, age and gender is not included in the models.

The dependent variables are all coded 0-100, where 100 signify the highest degree of support for the proposal. The independent variables are here all coded 0-1 in the following manner:

- Left right Ideology (LRI): A continuous variable where 0 = definitely to the left and 1 = definitely to the right, and where 0.5 represents neither left nor right.
- Party Interest (PI): A categorical variable where member of a majority party = 1 and member of the opposition = 0.
- Municipal Economic Interest (MEI): A continuous variable where 0 = the minimum revenue and 1 = the maximum revenue from the Robin Hood Tax.

Three possible interaction variables are then tentatively included in Model 5 (LRI*PI, LRI*MEI and PI*MEI) but interaction variables which effects are not significant are then removed from the final model.

- LRI*PI: 0 = All opposition members and majority members who are "definitely to the left", 0.5 = majority members neither to the left nor to the right, 1 = majority members definitely to the right.
- LRI*MEI: 0 = Representatives who are either definitely to the left or who belong to the municipalities with the lowest revenue from the Robin Hood Tax. 1 = Representatives who are both definitely to the right and belong to the municipality with the highest revenue. As both LRI and MEI are continuous, higher values on this interaction variable rely on both LRI and MEI values, but it accentuates the combination of being to the right and receiving high revenues.
- PI*MEI: 0=All opposition members and all majority representatives in the municipality with the lowest revenue, 0.5 Majority members in with a medium range revenue, and 1=Majority members in the municipality with the highest revenue.

The results of the analyses are presented in tables 4-6.

Table 4: Representatives Attitudes towards Increased Local Autonomy – Multilevel Models (two levels). (Estimates of fixed effects, standard errors in parentheses)

	Model 1: Only LRI	Model 2: Only PI	Model 3: Only MEI	Model 4: LRI+PI+MEI	Model 5: Interactions
Fixed Part:					
Left Right Ideology Right = 1,Left = 0	25.1*** (0.9)			22.9*** (0.9)	35.4*** (3.6)
Party Interest (PI) Majority=1, Opposition = 0		9.1** (0.5)		6.7*** (0.5)	6.5*** (0.5)
Municipal Economic Interest (MEI) High revenue = 1, Lowest revenue = 0.			-10.4*** (2.3)	-4.4 (2.3) p.051	7.4 (4.0) p.062
LRI*PI					NI
LRI*MEI					-23.6*** (6.5)
PI*MEI					NI
Intercept	53.3*** (0.5)	60.1*** (0.4)	70.7*** (1.3)	53.0*** (1.4)	46.8*** (2.1)
Random part:					
Municipality-level variance [percent variance explained]	6.3** [31]	8.7*** [4]	7.3** [20]	6.0** [34]	5.8** [36]
Individual-level Variance [percent variance explained]	562.6*** [9]	601.0*** [3]	621.0*** [0]	551.7*** [11]	551.0*** [11]
Number of Municipalities	290	290	290	290	290
Number of Individuals	8133	8702	8699	8102	8102
Bayesian Information Criterion	74400	80615	80881	74234	74215

*p<.05, **p<.01, ***p < .001

Table 5: Representatives Attitudes towards Increased National Equality – Multilevel Models (two levels). (Estimates of fixed effects, standard errors in parentheses)

	Model 1: Only LRI	Model 2: Only PI	Model 3: Only MEI	Model 4: LRI+PI+MEI	Model 5: Interactions
Fixed Part:					
Left right ideology Right = 1,Left = 0	-22.9*** (0.9)			-21.1*** (0.9)	-37.9*** (3.7)
Party interest (PI) Majority=1, Opposition = 0		-6.6*** (0.5)		-4.2*** (0.5)	-11.0*** (2.3)
Municipal economic interest (MEI) High revenue = 1, Lowest revenue = 0.			39.4*** (2.6)	33.6*** (2.5)	10.0* (4.3)
LRI*PI					NI
LRI*MEI					32.4*** (6.7)
PI*MEI					13.3*** (4.1)
Intercept	80.0*** (0.6)	72.9*** (0.6)	47.5*** (1.5)	63.1*** (1.5)	75.4*** (2.4)
Random part:					
Municipality-level variance [percent variance explained]	32.2*** [29]	45.3*** [0]	16.5*** [63]	13.2*** [71]	13.3*** [71]
Individual-level Variance [percent variance explained]	551.2*** [7]	581.8*** [2]	592.1*** [0]	546.2*** [8]	543.3*** [8]
Number of Municipalities	290	290	290	290	290
Number of Individuals	8155	8728	8725	8114	8114
Bayesian Information Criterion	74540	80663	80644	74333	74279

*p<.05, **p<.01, ***p < .001

Table 6: Representatives Attitudes towards Reduced the Robin Hood Tax – Multilevel Models (two levels). (Estimates of fixed effects, standard errors in parentheses)

	Model 1: Only LRI	Model 2: Only PI	Model 3: Only MEI	Model 4: LRI+PI+MEI	Model 5: Interactions
Fixed Part:					
Left right ideology Right = 1,Left = 0	24.2*** (1.2)			23.3*** (1.2)	57.9*** (5.0)
Party interest (PI) Majority=1, Opposition = 0		3.0*** (0.7)		0.4 (0.7)	8.9** (3.1)
Municipal economic interest (MEI) High revenue = 1, Lowest revenue = 0.			-43.3*** (3.3)	-37.6*** (3.2)	4.9 (5.7)
LRI*PI					NI
LRI*MEI					-66.2*** (9.0)
PI*MEI					-17.2** (5.6)
Intercept	30.2*** (0.8)	40.2*** (0.7)	65.4*** (1.9)	50.9*** (2.0)	28.5*** (3.2)
Random part:					
Municipality-level variance [percent variance explained]	43.5*** [26]	58.4*** [1]	24.4*** [59]	17.9*** [70]	15.4*** [74]
Individual-level Variance [percent variance explained]	995.1*** [4]	1034.5*** [0]	1036.4*** [0]	995.3*** [4]	987.6*** [5]
Number of Municipalities	290	290	290	290	290
Number of Individuals	8143	8718	8715	8092	8092
Bayesian Information Criterion	79071	85368	85252	78956	78867

*p<.05, **p<.01, ***p < .001

Overall the results in tables 4-6 confirm that the three explanatory factors – Left Right Ideology (LRI), Party Interest (PI) and Municipal Economic Interest (MEI) all have significant effect on all dependent variables.

The bivariate effect of left right position is almost the same on all three dependent variables, and the effect remains significant in the multivariate models. The analyses confirm that representatives to the right are more positive towards increased local autonomy and reduced Robin Hood Tax and more negative towards increased national equality than representatives to the left.

The effect of LRI is much stronger than the effect of PI (i.e. parliamentary position), but PI nevertheless is a significant factor for all questions in the bivariate analyses. Representatives who belong to a majority party are more positive towards increased local autonomy and reduced Robin Hood Tax and more negative towards increased national equality than representatives who belong to opposition parties. These effects remains in the multivariate analyses regarding increased national equality and reduced Robin Hood Tax, while the effect on increased local autonomy narrowly loses its significance.

The bivariate effects of Municipal Economic Interest (MEI) confirm the previous results that representatives in municipalities with high revenue from the equalization system are more negative towards increased local autonomy and reduced Robin Hood Tax, and more positive towards increased national equality, than representatives in municipalities with low revenues. However, the multivariate analyses that includes show that the MEI effect is complex and interact with the other two factors.

The results regarding interaction effects in tables 4-6 reveal the following:

The effect of Municipal Economic Interest on support for increased local autonomy and reduced Robin Hood Tax is almost entirely tied to Left Right Ideology: the negative effect of MEI is stronger among representatives to the right. Some of the MEI effect on increased local autonomy is independent from LRI, but here to the larger part of the effect interact with LRI in that the positive effect of MEI is stronger among representatives to the right.

The effect of Party Interest (i.e. parliamentary position) also interacts with other factors. While representatives belonging to majority parties in general are more negative towards increased national equality, the effect of being in majority diminish as the revenue from the Robin Hood Tax increases. The same pattern is visible regarding support of reduced Robin Hood Tax, where majority members in general are more positive tan opposition members, but this difference also diminish as the revenue from the Robin Hood Tax increases. Furthermore, the analyses confirm the results of figure 4 that there are no significant interaction effects between Party Interest and Left Right Ideology.

In table 3 we saw that representatives' attitudes towards increased local autonomy was the question with the smallest variation between municipalities. In tables 4-6 we can conclude that the three explanatory factors also have weaker explanatory power on the municipal level regarding this question, but local autonomy is also the question on which they have the highest explanatory power on the individual level. For attitudes towards national equality and reduced Robin Hood Tax, the explanatory power on the individual level is somewhat lower but – on the other hand – it is much higher on the municipal level.

Conclusions

This paper has aspired to find out how local representatives in Sweden perceive the value conflict between local autonomy and national equality. Both these contradictory values are inherent in the Swedish model for welfare production and both are apparantly popular among a majority of local political representatives. Many representatives would like to increase both local autonomy and national equality compared to the present situation, an aspiration that is not easy to realize. However, the results also show that many representatives hold more coherent attitudes, preferring one principle before the other.

The main aim of the paper has been to identify which factors explain the representatives' priorities in this value conflict. Three explanatory have been singled out, focusing on the representatives ideological beliefs (Left Right Ideology) and on the interest of the individual representatives and their municipalities (Party Interest and Municipal Economic Interest). An overall conclusion is that the explanatory power of ideology and interest in these matters are roughly equal. Relatively speaking, Left Right Ideology has a stronger effect on attitudes regarding local autonomy, while Municipal Economic Interest has larger effects on attitudes regarding national equality and the Robin Hood Tax. Generally, economic interest has larger impact than Party Interest on representative's attitudes.

Attitudes towards national equality and equalization have greater variation on the municipal level than do attitudes towards local autonomy. Municipal Economic Interest has a very large explanatory power on differences between municipalities in the two latter cases. The results also reveals that attitudes among representatives to the right that are much more affected by economic calculations, while representatives to the left seemingly are more principled. This is especially evident regarding attitudes towards the Robin Hood Tax, which is the question that in the most obvious way concern economic interest.

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The fact that representatives from municipalities that are winners in the equalization system are more positive towards equalization than colleagues in looser municipalities comes as no surprise for those who follow the political debate in Sweden. But it is often hard to identify the foundations of the political positions as the discussion often focus on technicalities. And

since right wing representatives often rule in privileged municipalities paying into the system and left wing representative rule in deprived municipalities benefitting from the redistribution of resources, it is even harder to distinguish economic interest from principle.

This study has contributed to deepen the understanding on which underlying factors affect local political leaders and their priorities regarding multilevel government values. While the effects of ideology and economic interest are somewhat expected, the presence of party interest effects are probably a more surprising revelation. Representatives to the left and to the right apparently are stronger advocates of autonomy when they represent a majority party and greater friends of national equality and equalization when they are in opposition.

The considerable differences between municipalities could to a very large extent be explained by a combination of ideological bias and economic interests. However, the great variation among individual representatives can only partly be attributed to these factors. Future studies are needed in order to further increase our knowledge on how representatives resolve the unavoidable value conflict between local autonomy and national equality.

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