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- Towards a framework for managing corruption

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## Bribes n' Booze

### -Towards a framework for managing corruption

Scandalous business behaviour is a recurrent theme in the press. One scandal that has been brought up lately in the Swedish context is that which concerns the purchasing practices at Systembolaget. Or rather, the immoral purchasing practices at Systembolaget. Or rather, it is presented as immoral. We have heard of employees having dinner with their family, and later sending the receipts to suppliers paying for the dinner. We have heard of a subsidy to buy a horse. We have heard of trips to Monaco, and other exotic places. We have listened and we have all been shocked and fascinated. Isn't it exiting that something like this has happened in Sweden, one of the most corruption free countries in the world according to the corruption survey made by Transparency International<sup>1</sup>?

It is of course always fun and exciting to moralise, and to say repeatedly that the employees are "bad" and that the whole organisation is "corrupt". This moralising small-talk surrounding us gives support to the notion that we are in fact Homo Garrulus, small-talking people (Gustafsson, 1994). I could certainly try to write one of those chattering articles, but I would probably not do it as eloquently as the articles in the press. Instead of uncovering my emotion evoking disabilities, I would like to turn to another perspective, but remaining the focus on the same phenomenon, i.e. the corruption at Systembolaget. Contrary to moralising and scandalising, my intention is to unmoralise and unscandalise the affairs that have been discovered at Systembolaget. I want to argue that there are certain factors that are important when analysing corruption. With this I mean not to give a recipe for perfectly and exhaustively analysing the phenomena of corruption but rather to try to locate risk zones depending on different factors. The factors that seemingly have an importance regarding the issue are the supply/market perspective, the organisational perspective and the product perspective. The affairs at Systembolaget will be looked upon from those perspectives, and it will be argued that these dimensions to a great extent captures some essential aspects of identifying risk zones in any organisation. However, the reason for analysing the risk zones of an organisation with regard to corruption might not be entirely clear. The reason is not simply to state that an analysis should be made per se. Rather, that this analysis is the first step to manage corruption. *Any organisation with purchasing activities is doomed to be exposed to risks of corruption, and these risks have to be taken care of in one way or another.* Hence, companies and organisations must manage corruption. This paper will be an attempt to take a first step of identifying and understanding risk zones of corruption, in order to give insights into how the management of corruption may be done.

The aim of the text is thus twofold: to unscandalise Systembolaget and to present a framework for analysing risk zones of corruption in order to give insights to how corruption can be managed. The organisation of the text is as follows. In the first part, the focus will be placed

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<sup>1</sup> Transparency International Corruption Perceptions Index 2003, [http://www.transparency.org/pressreleases\\_archive/2003/2003.10.07.cpi.en.html](http://www.transparency.org/pressreleases_archive/2003/2003.10.07.cpi.en.html)



on the *supply network* and the changes that have taken place therein. In the second part, the *products* of Systembolaget will be briefly characterised. In the third part, the focus will be put on the *organisation* of Systembolaget and identify risk zones in the organisation that was formerly thought to be impeccable. The fourth and last part concerns the viability of using these three dimensions to analyse organisations or parts of organisations with regard to corruption. But first a small survey of what Systembolaget is, for those who are not familiar with Swedish alcohol politics. Systembolaget is according to [www.systembolaget.se](http://www.systembolaget.se):

*a modern, efficient retail enterprise consisting of 420 stores and about 590 local agencies, serving about 2 million customers every week. We supply customers in Sweden with alcoholic drinks such as beer, wine and spirits. Our business is a state owned monopoly, and from the very outset its retailing activities have been separated from any private profit.*

In November 2003 a huge mass media focus was put on Systembolaget due to the suspicion of ingrained corruption. Employees at the purchasing department as well as storekeepers on different retail locations have been accused for taking bribes. It has been declared to be a scandal. Let's unscandalise it!

## **The Supply Network**

Purchasing has become passé, and the academic world as well as the business leaders have turned their attention towards the notions of supply management and supply chain management. Purchasing represents arms-length while supply management is more collaborative. Turning away from cold negotiations, Richard Kraljick (1983), amongst others argued for a more collaborative view of the relations with suppliers. Narrowing the distance between the buying and selling organisations was expected to yield synergy effects, in the disguise of decreased transaction costs, increased responsiveness in the supply chain and continuous development. Focusing on supply management instead of purchasing is, though, no panacea to the whole issue of supply. A company still has to analyse all suppliers and find a good way of working with each of them. In some cases the purchasing model will be the most profitable, in other a narrowing supply management will be the solution.

It is not an easy task to analyse the supply relations, and it gets more difficult since every supply relation has a history. The history of a supply network is plausibly of great importance especially regarding the social relations that are underlying the supply network schemas. In this text it will be assumed that the relations between companies are in fact relations between human beings. There will be a presupposition that the history to some extent influences the future. Therefore, in order to understand the Systembolaget Scandal, an exposé of the supply history will be drawn.



## 1917 – 1995 The era of Single Sourcing

From 1917 to 1995 Systembolaget had only one supplier, Vin & Sprit or V&S (see figure 1). To have the supply network organised as such is called single sourcing, everything is bought from one and the same supplier. That is, everything pertaining to the core competence of Systembolaget, buying and selling alcoholic beverages. In addition to the fact that there was indeed only one supplier to Systembolaget, another issue is of crucial importance. This touches upon the people that did the practical work, communicating, buying, selling, evaluating the assortment of V&S. Reasonably, close relationships were the standard in the interface between Systembolaget and V&S. that is, V&S being the only supplier of Systembolaget, and Systembolaget being the only customer of V&S.

When considering the problem issues of supply management, as stated above, there is a need to evaluate a supplier and strike the perfect distance to it. Too much distance will lead to a

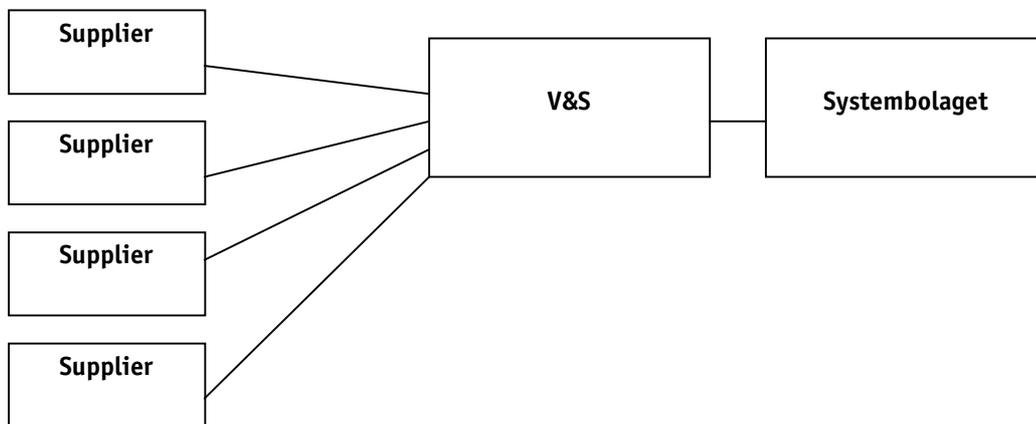


Figure 1. The Supply Network 1917-1995

relationship based on distrust and harsh negotiations. Too close relationship will lead to too much dependence, which is bad for competition. The problem of evaluating and weighing dissolves in the air, as the sigh of a tired vagabond, when there is only one potential supplier, which is the case when regarding Systembolaget and V&S.

The relation therefore needed not to be managed with relation to corruption in the period 1917-1995. No relationship could be too tight; no personal relationships could be too personal. Social relationships flourished as the two organisations realised that they were actually in the same boat, navigating through the sea of heavy political regulations. When working so tightly together with a supplier, in addition to the fact that there was no risk of being bribed (you could not, in fact, favour one supplier unethically, since there was only one). So Systembolaget and V&S were *como uña y carne*.

In identifying risk zones where corruption might occur, it is important to look at the bottlenecks asking questions like: Who has control over a market? To whom must the suppliers of beverages sell? The answer in the period of 1917-1995 is reasonably V&S. All suppliers who had the intention of selling in the Swedish market had to go through V&S.



To summarise, during the period 1917-1995, V&S was the only supplier of Systembolaget, which led to tight social relations. Since there was no risk of being bribed, no restrictions had to be made regarding gifts and invitations. However, it is reasonable to assume that the purchasers of V&S were experiencing a heavy pressure, since V&S was the only buyer on the Swedish market of alcoholic beverages. These tight relations are an initial condition at the time of the re-organisation in 1995.

### **1995 – present: two hundred replacing one.**

In the year of 1995, V&S lost its monopoly of being a supplier to Systembolaget. 158 new suppliers, of which some previously have sold to V&S, entered the market to supply beverages to the dry throats of the Swedish people. V&S now had a new mission: to compete. The other suppliers had a new mission as well: to take market shares from V&S. At present (2004) there are more than 200 suppliers competing in the Swedish market of beverages containing alcohol. The market structure at present is shown in figure 2.

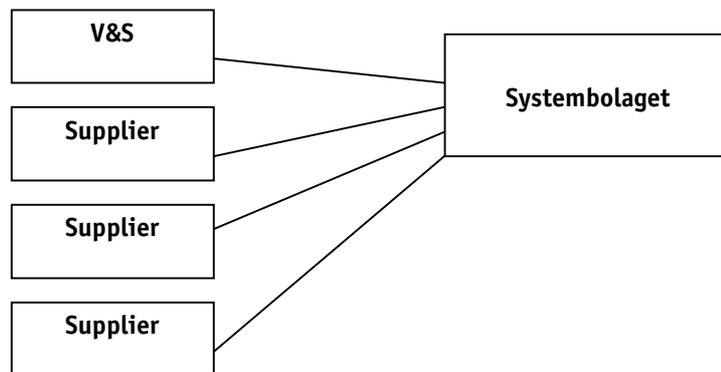


Figure 2. The Supply Network 1995

The supply structure had radically changed and the consequences on corruption risks changed as well. Now a supplier had to change its view of who to influence. In the period 1917-1995 V&S was the gatekeeper to the Swedish market. Now Systembolaget had that role. This does not logically imply that you have to bribe employees at Systembolaget, but the point is that Systembolaget was the entity that should be influenced, not V&S. There are certainly many kinds of influence. One could influence by selling the best product, or by launching a really good marketing campaign, or by having a salesperson that seems trustworthy, or maybe a mix of these factors and indeed many other. Looking at the structure of the market network surrounding the frontiers of Systembolaget, there is no reason to assume that the plague of corruption is present.

Looking at the social relations analogously as in the previous part, it has to be stressed that a change in supply structure does not necessarily lead to changes in social relationships. The tight relationships between Systembolaget and V&S have probably continued more or less in the same way as before the restructuring. In the previous part it was also speculated that there was no risk of being too personal or accepting too many gifts. In 1995 that fact was



transformed. Now there were risks of corruption, Systembolaget had to make the choice and this implies that you have different suppliers to choose from.

To summarise, from 1995 and forward, the supply structure of Systembolaget changed from single sourcing to sourcing from multiple competing suppliers. This means that Systembolaget became the gatekeeper to the Swedish market as opposed to V&S in the 1917-1995 period. What is important to bear in mind to the following discussion is that the social relations do not change as a consequence of changing the supply structure.

### **Now and then: what changed and what remained the same?**

It has been shown that the supply structure suffered a radical change in the restructuring of the market of alcoholic beverages in 1995. Instead of using one supplier, Systembolaget had to have contacts with over 200 competing suppliers. It has also been suggested, and this is not a very radical suggestion, that the social relations with the suppliers did not change. There was a social practice between V&S and Systembolaget that comprised tight relationships, friendship, invitations and gifts. This social practice had been reformed and re-established during more than 60 years. New employees were inaugurated into the system and shown that this practice was not unethical at all. Gift-giving and invitations were common, and commonly accepted. It has been said a couple of times in the text that before 1995, the employees at Systembolaget could not be bribed. It has also been said that this changed in 1995, when many competitors to V&S entered the market.

In 1995 there was thus a conflict of values. According to socio-moral norms, the friendly gifts and invitations had changed denomination into bribes and nepotism. However, according to the norms in the social practice between employees at V&S and employees at Systembolaget, this social practice was acceptable and therefore needed not to be changed. In any case, it should not be visible since it is unethical according to the socio-moral norms. Since the social practice was not fundamentally changed, it is reasonable to assume that other suppliers could have problems entering the market by use of "fair" business behaviour. The new suppliers might have thought that V&S and Systembolaget were in fact corrupt, and consequentially not playing by the rules of a perfect market. One of the business managers' dilemmas now appears: what do you do if your competitors are not playing by the rules?

There are more or less three alternative approaches. The first is that you leave the market (since you in this case could not sell to any other buyer, except restaurants and bars). The second is that you blow the whistle and accuse Systembolaget for being corrupt. This leads to certain risks, e.g. that Systembolaget will probably do everything to get you out of their supply base, or not let you in. It has to be noted that it is not clear that blowing the whistle will do the job. Finding evidence for bribing might not be as easy as identifying a fox in the vicinity of sheep. The third alternative is to play by the rules of the others. This is probably what at least some of the suppliers to Systembolaget have done. They played by the rules of the others. The rules stated that you needed to bribe at least someone to get your product on the shelf in a Systembolaget store. In a debate article in *Dagens Nyheter* written by the CEO of Bibendum, a supplier of alcoholic beverages, the CEO wrote that since V&S had set the stan-



dard for bribing and inviting, there was no other way than to play by the rules. It has to be said that the CEO stated that Bibendum had never bribed. According to the CEO, their products had not been accepted into Systembolaget's assortment due to that fact.

Looking at it from this perspective, it looks as if the corrupt people in some sense have disappeared. V&S continued a social practice that was legitimate but turned unethical. The other suppliers were following V&S.

To summarise: in analysing the risk zones, it is important to look at market structures. Is there any gatekeeper/bottleneck, and in that case, who is it? Have there been any radical changes in the supply structures of an organisation and in that case, which? What social practices exist with existing suppliers, and is it plausible that these can be changed by changing the supply network? I consider this dimension to be of fundamental interest in understanding corruption. It is important to historicise.

Now I will turn to another dimension which is important, namely what products are bought. Focusing on Systembolaget's products (apart from being important with regards to corruption) make us remember exquisite dinners, a smoky whisky with a smoky cigar, or just the memory of no memory at all.

## **The products: booze**

I will argue that the products or services purchased are also of great significance when it regards identifying risk zones in organisations. What is crucial is that concurrent with the differences in products/services purchased, the criteria of evaluation also change. If the product is extremely easy to evaluate, such as knowing if one number is higher or lower than another, there should be less risk of bribing, while a product that is difficultly evaluated, brings with it more risk of corruption. Another issue that is crucial is the way that a product type is marketed. I will thus separate the issue into:

- 1) Criteria of evaluation, goodness or workability of product/service and complexity in evaluating criteria.
- 2) The marketing of a product.

### **Criteria of evaluation: saleability**

In Systembolaget, what counts as the value of the product is how much it sells. It is clear from the statement from [www.systembolaget.se](http://www.systembolaget.se) (see above) that Systembolaget does not work as an ordinary profit-driven company, but rather as a public organisation.

*... Our business is a state owned monopoly, and from the very outset its retailing activities have been separated from any private profit...*

Since Systembolaget very reason for existing is to keep the Swedes from drinking immoderately, it might be argued that it is unreasonable to claim that the valuation of the products is



based on their marketability. This claim, though, is unreasonable. It is necessary to restate that Systembolaget wants not to increase its turnover or its potential profits but rather to keep the Swedes drinking *what they want* moderately. The value of the products are based on their sales, since the sales is supposed to be a decent operational variable for what the Swedish people wants to drink. In short, the theory goes that the Swedes buy what they want to drink.

Since I myself am not a wine expert, I rely on the method of doubt and assume that I might be an extreme case but that the rational choice does not entirely constitute the customers' selection of wines and other alcoholic beverages. The complexity of the roundness, rowdiness or "ping" of a beverage, makes most of the consumers highly susceptible to e.g. commercial ads and recommendations. The products are inherently difficult to choose between, but to evaluate how much a product has been sold is a piece of meat. We have seen in the press how suppliers of beverages tried to enhance the sales of particular products. The following letter from a consulting firm allegedly employed by a supplier of beverages to a Systembolaget storekeeper will serve as an indication<sup>2</sup>:

"Hej, här kommer målsättningen vi kom överens om.

Glöm ej **ett rött vin**.

Övrigt viktigt just nu:

**En cider**

**En snaps**

Med vänlig hälsning

NN"

"Hi, here is the goal on which we agreed.

Don't forget **a red wine**.

Otherwise important at present:

**A cider**

**A "snaps"**

Best regards,

NN"

We have heard that this type of recommendations, accompanied by the promise of personal bonuses if the targeted sales goals were reached, was quite a normal practice. It has been suggested that in order to enhance the sales, storekeepers could give orders to their employees to recommend e.g. a red wine by telling the customers how well it goes along with just any kind of food. Another way of influencing customers is to let suppliers place their own commercial ads in the store. Letting suppliers place their own ads in the stores, makes the competition between suppliers unfair (for more information on the issue of "slotting", see Aalbert (1999)). This practice is not easy to control, and it probably influences the customers in a substantial

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<sup>2</sup> The text printed in boldface are the details changed by the press. This letter is extracted from Aftonbladet, [www.aftonbladet.se](http://www.aftonbladet.se)



way. When mystery shoppers have raided Systembolaget stores, such ads have been found. For a fee, suppliers could thus place ads in the Systembolaget stores.

### **The marketing towards the end consumer: no marketing**

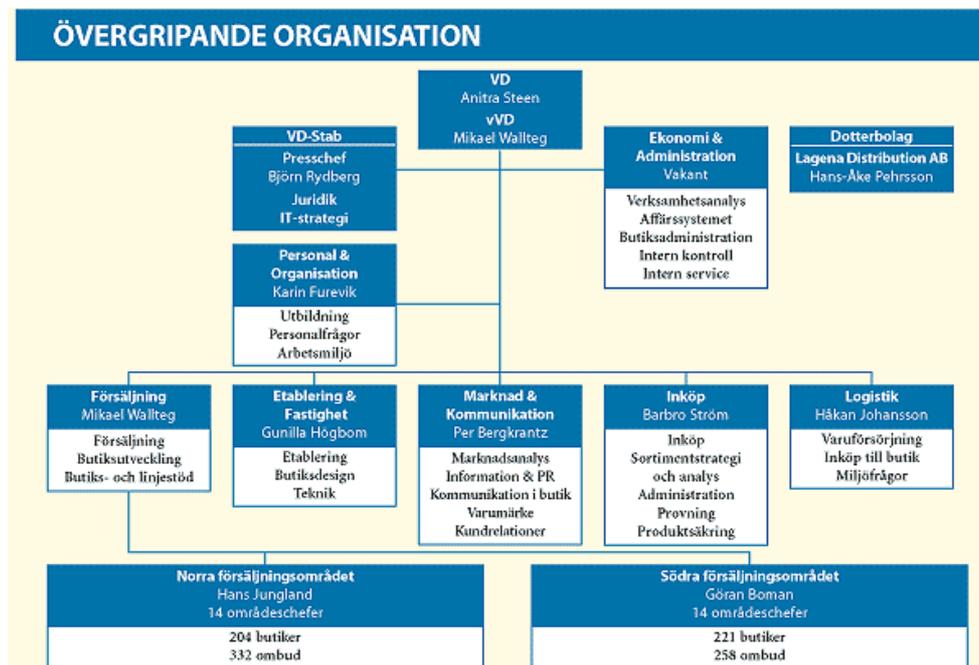
Another important factor, which regards the risk of corruption, has to do with the way the products are marketed. If, for example, a product's sales is largely dependent on ads in the mass media, the customers are plausibly influenced by these advertisements. If on the other hand, no such advertisements are available, people must base their buying decisions on other factors. Recommendations from store dependents, word of mouth, etc.

In the case of alcoholic beverages, no ads were until recently allowed in Sweden. This contributes to the difficulty of choosing e.g. the right wine. When no marketing is possible, the employees at Systembolaget have a greater possibility to influence the buying behaviour of consumers. In terms of corruption, this factor gives rise to an interest of influencing those who can influence the behaviour of consumers, i.e. the ones running and working in the stores of Systembolaget.

To summarise, it is very easy to evaluate the value of a product, since the product is evaluated based on its marketability. For the end consumer though, the products are not very easy to evaluate. Much decision-making is plausibly made on recommendations from dependents, rather than strict evaluations of bitterness, and such. Since, it is not legal to make commercial advertisements of beverages containing alcohol in Sweden, the marketing success is heavily based on the success of the salespeople.

## **| The Organisation: corrupt?**

The time has come to take a deep breath and dive into the organisation, trying to make sense of the risk zones regarding corruption in it. This is preferably done by turning the whole issue around. Instead of approaching the problem from an organisational perspective, i.e. inside-out, the outside-in approach will here be argued for. If you are a supplier of beverages, who is making the decisions that transfers you from a potential supplier to a supplier with presence in the Systembolaget stores? The approach could be characterised as a power perspective. Those with purchasing power in the organisation will necessarily be influenced. But who are they? Answering that question will cast light on whom you are expected to influence, and thus finding the risk zones. Figure 3 depicts the organisation structure of Systembolaget, and the following reasoning and discussion will refer to the figure.

Figure 3. Systembolaget's organisation<sup>3</sup>

### The first step: To enter into one of the assortments...

Once a year, an assortment strategy which consists of the composition of the assortment and the amount of new product releases is made. With some periodicity, Systembolaget distribute petitions from all suppliers that have permission to sell alcoholic beverages in Sweden, asking for products that match a certain category. For example, Systembolaget might spread the information that a red wine that should be purchased for 50-59 SEK is needed. The categories are fixed, in order to avoid unfair supplier treatment, such as distributing a tender that exactly matches one of the supplier's products. When the suppliers receive the tender, they revise their product portfolio to see if any of their products match. If that is the case, the suppliers send a tender to Systembolaget. The tenders are evaluated. Some are discarded, and in the rest, the product is tested. The wine (in this case) is tested by five people in order to assure that the quality of the product is sufficient for the standard of Systembolaget. The products are also graded, and the product/s with the highest score is accepted. This whole process is taken care of by the purchasing department (see "Inköp" in figure 3). If the product is accepted, it will enter into one of Systembolaget's assortments. At the purchasing department there is a function that tests the taste and quality of the beverages. There are thus some criteria that have to be met. For example, if a product is to be sold as wine, it must be a wine, in addition to being a product of acceptably high quality and sufficiently good taste. If these criteria are met, the product is accepted and entered into the assortment.

This does not, however, assure that the product will be sold or even introduced into the Systembolaget stores. It has been concluded that in order to enter into one of Systembo-

<sup>3</sup> From: <http://www.systembolaget.se/svenska/om/org/xindex.htm>



laget's assortments, the product has to be accepted by the purchasing department. The first gatekeeper, given that the supplier has a licence to sell to the Swedish market, is thus the purchasing department. If the product is not accepted by the purchasing department, there is no other solution than to render and enter another market. This might be costly, and therefore there is much at stake. It has been hinted above that even though a product get accepted into one of the assortments, it is not sold, or even brought to the stores automatically. In order to understand this process, there is a need to analyse the different assortments at Systembolaget.

To resume: in order for a product to get into one of the Systembolaget assortments, it has to be accepted by the purchasing department.

### **The second step: but which assortment?**

In order to answer the question about which assortment the product enters, we need to make distinctions and draw limits between the different assortments. Systembolaget claims that they have five different assortments. However, I will distinguish between three different ones, since this casts more and clearer light, dispersing the shadows of the issue.

The first is the *general* assortment (bassortiment). It consists of approximately 400 products, e.g. Absolut, Explorer, Castillo de Gredos and Carlsberg Hof, that must be available in all Systembolaget stores in Sweden. These 400 products are present in the catalogue of Systembolaget in every store in Sweden. In order to enter into the general assortment the products are evaluated on how much quantity is sold. A product that does not sell, will never be eligible for the general assortment. The general assortment is the top notch of all assortments; the value of having a product in this category is enormous. The product is almost always available at the stores and thus ready for carrying home by people.

The second is the *ordering* assortment (beställningssortiment). It consists of approximately 5000 products. These are listed in a document that is available at each Systembolaget store, and the products on the list are available if ordered. The product is normally delivered to the store the day after the order is placed. If the local demand at a certain store is considered to be high of a specific product from the ordering assortment, a store manager might keep an inventory of that product.

The third main group is the *test* assortment. New products that are accepted in the step that was described in the preceding part, enter into this assortment. The products will, as the name hints on, be tested during a time period in order to evaluate if the product is good or bad, i.e. sellable or non-sellable. After the evaluation period, i.e. after having compared how much they have sold to a specific norm, there are three possible outcomes for the product. The first outcome is that it enters into the general assortment. The second, that it enters into the ordering assortment. The third, that it does not enter into any assortment, and thus is discarded.



## **The second gatekeeper: the storekeepers**

When the first gatekeeper is passed, i.e. the purchasing department, there are many more gatekeepers. These are storekeepers. The storekeepers must decide which products they want to keep in their stores except for the general assortment. They are free to choose between all the products in the ordering assortment, and they will certainly choose whichever is the best. Since the storekeepers are free to choose whichever products they find sellable, it is reasonable that many suppliers want to influence them in some way or another. If a storekeeper does in fact choose a product he or she will probably be able to sell it, since the products in a certain category of products are rather similar, at least for the majority of the population. The storekeeper is free to arrange the products more or less how he or she likes, which means that “strategic” products might be put in strategic places in order to sell better. There could be a recommendation note next to a product. The storekeeper could additionally spread to his or her employees that the product in particular is excellent, and that it should be recommended to all clients who want something in that product category. The storekeepers thus have much power to decide what to have in their assortments and how to promote the products in their stores. Hence, the many cases of bribe-taking among storekeepers. In one sense, they are gatekeepers as the purchasing department. In another sense, the pressure on them might be less since if a storekeeper redundantly says no to all gifts, the suppliers might approach another storekeeper, and write the name of the “boring” storekeeper (often referred to by salespeople as “surgubbe” in Swedish) on the black list (which according to our societal norms are white).

To summarise this part: In order to get the chance to sell a product through Systembolaget, the product has to be accepted by the purchasing department. The product then enters into the test assortment, where it is given a time period to show that it is sellable. The saleability is to a great extent influenced by the storekeeper, who can actively promote in more or less subtle ways products that they find appealing for some reason. There are mainly two groups that should be influenced at Systembolaget, and those are thus the purchasing department, first gatekeeper, and the storekeepers, the second gatekeepers.

## **The three dimension corruption analysis: is it viable?**

The analysis made in this text throws light on the scandal and questions it. The three perspectives are a good start towards an understanding of the issue of corruption. The question remains: How could this analysis throw light on the management of corruption? In the introduction of the text I claimed that this analysis would render an increased understanding on how to manage corruption. The first dimension, the supply network analysis could be used to understand if there are big threats to a particular organisation with regard to corruption. If the organisation is an important buyer, a bottleneck in the market, then the risks of corruption will increase. It could, however, be difficult or even impossible for an organisation to change its place within a supply network.

The second dimension, the products is another dimension that is important to understand in order to find out how great the risks of corruption might be. Even in this dimension it might



be difficult or impossible to do something practical. However, the way of evaluation products can be changed in order to reduce the risks of corruption. The number of people involved in the evaluation process might be increased, or the objectivity of the evaluation might be fortified.

However, in the third dimension – the organisation – possibilities for managing corruption exist. Important factors to account for are the centralisation and decentralisation of the purchasing. How visible is the actions of a certain purchasing individual? In the case of Systembolaget we have seen that the first step into the organisation is granted by a central purchasing unit who accept a great number of products into the assortment. We have also seen that there is opportunity for the individual store managers to choose which ever of those products they want. The store managers are thus in risk of influence. The adaptation of each Systembolaget store to the local needs of the clients have created risks of corruption. This should be considered when an organisation makes strategic purchasing decisions. It is thus important to consider issues of corruption in the development of purchasing strategies and purchasing design – something which today is rarely integrated in the development of purchasing design.

This paper has focused on the supply network, the products, and the organisational structure. This leaves out the individual perspective. However, many studies focus on corruption (and ethics) as an individual issue, while scarce attention has been directed to regarding corruption (and ethics) as organisational problems. This paper is a step towards clarifying what issues can be important when dealing with corruption as an organisational issue as opposed to an individual issue.

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**Pink Machine** is the name of a research project currently carried out at the Department of Industrial Economics and Management at the Royal Institute of Technology, Stockholm. It aims to study the often forgotten non-serious driving forces of technical and economical development. We live indeed in the reality of the artificial, one in which technology has created, constructed and reshaped almost everything that surrounds us. If we look around us in the modern world, we see that it consists of things, of artefacts. Even the immaterial is formed and created by technology - driven by the imperative of the economic rationale.

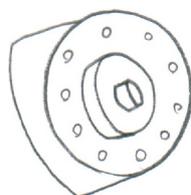
As Lev Vygotsky and Susanne Langer have pointed out, all things around us, all these technological wonders, have their first origin in someone's fantasies, dreams, hallucinations and visions. These things, which through their demand govern local and global economical processes, have little to do with what we usually regard as "basic human needs". It is rather so, it could be argued, that the economy at large is governed by human's unbounded thirst for jewellery, toys and entertainment. For some reason - the inherent urge of science for being taken seriously, maybe - these aspects have been recognised only in a very limited way within technological and economical research.

The seriousness of science is grey, Goethe said, whereas the colour of life glows green. We want to bring forward yet another colour, that of frivolity, and it is pink.

**The Pink Machine Papers** is our attempt to widen the perspective a bit, to give science a streak of pink. We would like to create a forum for half-finished scientific reports, of philosophical guesses and drafts. We want thus to conduct a dialogue which is based on current research and which gives us the opportunity to present our scientific ideas before we develop them into concluding and rigid - grey - reports and theses.

Finally: the name "Pink Machine" comes from an interview carried out in connection with heavy industrial constructions, where the buyer of a diesel power plant worth several hundred million dollars confessed that he would have preferred his machines to be pink.

**Claes Gustafsson**



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