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Panel on Getting Public Administration Reform to Work

The politics behind aiding administrative reform:

Swedish politicians' views on the technical assistance to CEE countries during their transition process

Iwona Sobis
University of Skövde
School of Technology and Society
Högskolevägen 1
P.O. Box 408
54 128 Skövde
Sweden
Email: iwona.sobis@his.se

Michiel S. de Vries
Radboud University Nijmegen
Dept. of Public Administration
Thomas van Aquinostraat 5.
P.O. Box 9108
6500 HK Nijmegen
The Netherlands
Email: m.devries@fm.ru.nl

Abstract

This paper investigates the motives and reasons behind the assistance programs to CEE countries from the perspective of the Swedish government, which was responsible for this kind of aid. How did Swedish government arrive at decisions regarding the technical assistance to CEE countries and changes therein? This paper is a follow-up on previous research by the authors on the Western assistance to CEE countries during the transition process. The research revealed that such aid was often ineffective and that priorities in and the nature of aid changed irrespective of negative side-effect on ongoing processes. Recipients blamed foreign advisors for giving inadequate advice; the Swedish foreign advisors pointed to the aid organizations, which did not provide adequate boundary conditions; and the latter told us that it was all politics, decided by consecutive ministers in the Swedish government (Sobis & De Vries, 2004, 2005, 2006, De Vries & Sobis, 2006). Therefore, this paper addresses the opinions of the Swedish government.

Within the new institutional framework two explaining factors are mentioned: the logic of consequentiality and the logic of appropriateness (March & Olsen, 1989). The first logic assumes that decisions are calculated intentional choices based on personal preferences, in which the estimates of the merits of alternatives and their expected consequences are central. In the second logic, rule bound behavior, in which action is nothing more than the matching of a situation to the demands of a position, dominates.

The description of this framework constitutes the first part of the paper. This theoretical part is followed by the presentation of our empirical research. This empirical research is based, firstly, on interviews with the Swedish officials: the Prime Ministers, the representative of Ministry for Foreign Affairs and the representative of Finance Ministry, who were politically active during the years of 1988-1997. Secondly it is based on an analysis of the diaries written by the Swedish officials who were political active during the years 1988-1997, and by some politicians who are still politically active today. Thirdly, it based on an analysis of the Swedish statute-books, government bills, resolutions and reports.

The paper concludes that Swedish government's decisions on aiding CEE-countries show that the logic of appropriateness and the logic of consequentiality are not opposites or two extremes on one continuum. Rather, we conclude that decision making processes are only seemingly based on the logic of appropriateness. When one conducts an in-depth search and distinguishes pretended and actual goals, an underlying logic of consequentiality shows up.

1. Introduction

Previous research on the Western assistance to CEE countries during the transition process revealed that it was often ineffective and that priority in and the nature of such aid changed irrespective of negative side-effect on ongoing processes. Recipients blamed foreign advisors for giving inadequate advice (Sobis & De Vries, 2004); the foreign advisors pointed to the aid organizations which would not provide adequate boundary conditions (Sobis & De Vries, 2005); and the latter told us that it was all politics, decided by consecutive ministers in government (Sobis & De Vries, 2006).

This paper is a follow-up on this research. The aim of our endeavor still is to gain further insight in the explaining factors of the (in) effectiveness of foreign assistance programs. The research question underlying this investigation reads: What were the characteristics of the position of Swedish government with regard to foreign assistance to CEE countries and what are the determining factors explaining their decisions regarding the provision of aid to CEE countries?

Of course, given our previous results, we wondered at the start about their reproof. Because until now everyone had somebody else to blame, we were curious whether the Swedish government would reproach the practices of the World Bank, the IMF, the UN, or the EU of which they possibly were a victim. Could they respond in a different way?

Given the numerous evaluation reports and other information about projects gathered by donor organizations one might expect with some benevolence that the decisions of the Swedish government were based on that information; that such decisions would be the result of an extensive weighing of the pros and cons of alternatives, based on explicit political values and taking the consequences of such decisions deliberately into account. After all, we are dealing with the public sector in a decent, well-developed constitutional state, having the reputation of providing aid in a most generous and altruistic manner. They know that the consequences of their decision can either be a big support or a burden, not so much for the decision maker self, but for the target groups. If their decision making processes proceeded along such expected lines, the blame on the politicians by donor-organizations and experts, as encountered in previous papers, has to be rejected for being nonsensical.

However, in theory the critics might have a point. Since the early work by Cohen, March and Olsen in the 1970s, we know that decisions are often not made in the expected rational fashion (Cohen, March & Olsen, 1972). March and Olsen specified this second kind of decision making and built a new institutional perspective around it in the early 1990s in their classic on "Rediscovering institutions" (March and Olsen, 1989). We know from that literature that decisions in organizations are often emerging at random, being the consequences of processes best described with the metaphor of the garbage can, in which problems, solutions, opportunities and actors flow independently and at random until they accidentally merge and completely unpredicted decisions come about. If the decisions made by the Swedish politicians would reflect that model, there might be ground for the blame. In that case one could argue that the negative results of the technical assistance to CEE countries are a consequence of the behavior of politicians that do not act ingenious, but ingenuous with regard to the consequences of their decisions.

That framework makes it interesting to investigate the nature of the decision making process on the part of the Swedish government. The next paragraph will concisely discuss this framework and address the discussion about it.

Subsequently this paper presents research findings. These findings are based on interviews with Swedish officials: The Prime Ministers, the representative of the Ministry for Foreign Affairs and the representative of the Finance department, who were politically active during the years under study, that is, 1988-1997. It also makes use of the diaries written by Swedish politicians active during the years 1988-1997, and by some politicians still active today. Thirdly, use is made of Swedish statute-books, government bills, resolutions and reports.

These results lead to quite unexpected conclusions - at least compared to our expectations at the start of the project and compared to the results of that previous research. These conclusions are given at the end of this paper.

2. The logic of consequentiality and appropriateness

March and Olsen (1989) depart from the idea that most political thinking suffers under contextualism, reductionism, utilitarianism, instrumentalism and functionalism resulting in explaining decisions by the logic of consequentiality. In those views politics is seen as being all about well calculated intentional choices based on personal preferences in which the estimates of the merits of alternatives, their expected consequences are central and power is partly determined by information and expertise (1989, p. 5). Their alternative approach focuses on the institutional structure in which politics occurs. According to them, this institutional structure provides order

and influences change (1989, p. 16). Between the context in which politics takes place and the motives of individual actors there is the institutional setting, agencies, committees that are not only arenas for contending social forces, but also collections of standard operating procedures and structures that define and defend values, norms, interests, identities, and beliefs (1989, p. 17). Within such institutions rules – routines, procedures, conventions, roles, strategies organizational forms and technologies are crucial (1989, p. 22). According to March and Olsen, rule bound behavior in which action is nothing more than the matching of a situation to the demands of a position dominates (1989, p. 23). Behavior is more about obligations and duties than about deliberate choices. This is what March and Olsen call *the logic of appropriateness* which is quite different than *the logic of consequentiality*.

They see advantages in such behavior. Such advantages arise, because this kind of behavior promotes consistency, it avoids conflicts, provides codes of meaning and constrain bargaining within comprehensible terms and enforce agreements (1989, p. 24).

All this does not make behavior routine, so they say. It is about applying potential relevant rules to specific situations, by criteria of similarity or difference and through reasoning by analogy and metaphor (1989, p. 25). In this conception expertise is a collection of rules which vary over positions. (1989, p. 30) Experts learn what experts do and politicians learn what politicians do. The field of expertise is as foreign for politicians, as for most experts the political process is an alien domain of which they are ignorant (1989, p. 30). In this sense politics is also ignorant of expertise and often trusts expertise, not because of its quality, but because the advisor is irrelevant, i.e. unambitious and not yearning for influence (1989, p. 32). Acting according to such rules induces trust which is enhanced when the decisions are piecemeal and pragmatic and when they leave the unacceptable solutions aside.

But March and Olsen go even further. It is not only action, but also perceptions, interpretations and preferences that are shaped by institutions. That results in their beautiful description that it is not just the case that people see what is to be seen, like what is to be liked, see what they expect to see, like what they expect to like, and see what they are expected to see, but rather that people have a preference to see what they like, like what they see, like what people they trust like and see what others whom they trust see (1989, p. 44).

Therefore, expertise and information, based on independent valid and reliable, i.e. scholarly research as such does not influence choices. Such research is meant first and foremost as a symbol and signal that decisions are made as they ought to be made, namely intelligently, sensitive to the concerns of the relevant people, and controlled by leadership. Such processes are judged positive if that appears to be the interpretation of a decision (making process) and decision makers are eager to bring about that picture. This might explain our problem on the ineffectiveness of assistance to CEE countries during the transition process. The hypothesis might be that decisions about that aid by the politicians were not based on logic of consequentiality, but on logic of appropriateness. The idea is that politicians made their decisions not on the basis of information about the effectiveness of aid, but because they thought it proper to make those decisions irrespective of their effects.

The same goes for explaining the changing nature of the assistance projects in the 1990. In a classic way such change is to be understood as a routine in which standard operating rules apply, as a means for problem solving, the outcome of learning or conflict, as a process of contagion or of intentional behavior.

However, as March and Olsen (1989) see it, such change might be more solution driven than problem driven. Such change more often involves transformation than innovation, in which the meaning of change only becomes clear during the process and often is captured in a competency trap. Hence, institutional change rarely satisfies the prior intentions of those who initiate it (1989, p. 65). They reflect changing preferences and goals on the part of the initiator of change during the change process, but often can also be interpreted as full of rhetoric or garbage cans. This is indicated for instance by the finding that politicians tend to retreat in case of conflicts, have difficulty in keeping attentive to the change process and hardly ever allow evaluations of the changes made.

From the new institutional perspective the problem we are facing regarding the aid to CEE-countries is that all stakeholders departed from logic of appropriateness. The recipients complained, because they were supposed to complain, the experts acted as experts should act - namely making the best of a situation within the limiting boundary conditions, donor organizations behaved as donor organizations should behave - namely following the rules made up by the money providers, and politicians made decisions in the way politicians are supposed to make decisions - promoting consistency, avoiding conflicts, providing codes of meaning, constraining bargaining within comprehensible terms and enforcing agreements.

The perspective of March and Olsen was widely acclaimed and applied. It was called a “contemporary classic” by Goodin and Klingemann (1996). The most well-known application came from Kingdon (1995), whose multiple streams model was directly linked to the perspective of March and Olsen.

However, although somewhat late, fierce criticism also emerged. Although several studies can be recalled, the most fundamental is to recall the review by Bendor, Moe and Shotts (2001) and the reply by Olsen (2002). The criticism evolves around five points. First there is substantial criticism, namely their argument that March and Olsen (1972, 1989) assume the existence of four streams which flow independently, namely problems, solutions, actors and opportunities. According to Bendor et al (2001) it is hard to imagine such independent streams. Solutions, participants, opportunities and problems cannot exist independently. They are necessarily linked: sometimes by definition, sometimes by mere logical reasoning. Secondly, they criticize the approach that emphasizes organizational anarchy for having too little attention for the role of power, leadership, authority, control, delegation and incentive systems within organizations that try to achieve as much congruence as possible (1989, p. 173). Thirdly, they criticize the ambiguity and lack of clarity of many of the phrases used by March and Olsen. According to them it is unclear what March and Olsen mean when they talk about organizational anarchy and temporal ordering and when they define logic of appropriateness. According to Bendor et al they transform a clear concept into a morass. Furthermore, it is unclear what the framework tries to explain: outcomes or designs of organization. The last point is that according to Bendor et al, theories are supposed to reduce complexity, not surrender to it, which is what the theory of March & Olsen does (Bendor, 2001, p. 185). They suggest returning to the concept of the satisficer, so named by Simon (1947, 1997), and to address the crucial issue of the aspiration level. A decision maker's aspiration level determines whether the people providing information keep on working or whether a decision is made. Such an aspiration level acts as a stopping rule: If one gets a proposal that exceeds the aspiration level, the decision maker selects that one, and the process ends. If no proposal satisfies, the staffers keep working. If more than one proposal does satisfy, the decision maker picks the one thought best. This approach, according to Bendor et al (2001) would make it possible to avoid the concept of randomness implied by organizational anarchy, as much as possible. This would imply that, although decision makers never take all information into account, there might be differences between decision makers to the degree that they are rule-followers or information-followers. According to Bendor et al (2001) the way decisions are made has to be investigated empirically and depends on aspiration levels, whereas they assume that according to March and Olsen the first type of decisions is without doubt the most common.

One can understand that Johan Olsen was not amused by this criticism. In his reply he wrote angrily about the complete lack of understanding on the part of Bendor et al; their muddling the issues, the unproductive tribal warfare they produce, the unsuccessful examples and hardly promising alternatives coming from an imperialist intellectual tradition and a program that is alien to the spirit of the garbage can model and new institutionalism (Olsen, 2002, 191-198).

It is, however, a pity that the discussion proceeded in this way, because the issues at stake are fundamental. From the point of view of March and Olsen the question would be whether it is possible for us to untie ourselves from the classic notion that all behavior is based on an implicit or explicit calculation and weighing of the consequences and whether we can accept that there is a model we can accept as an explanation for decision making processes that poses a real alternative for contextualism, reductionism, utilitarianism, instrumentalism and functionalism. From the part of Bendor et al (2001) the question is whether we have analyzed behavior thoroughly enough when we conclude on the basis of our analysis that decisions are seemingly made without using the information at hand and just on the basis of customs, norms and the position one is in.

For our search both theories might have explanatory value. When March and Olsen (1989) are right the Swedish politicians just acted as they were supposed to do: Making decisions without using the information at hand and without taking the consequences of the decisions into account. On the basis of that framework we might come to the conclusion that the ineffectiveness of aid was a direct consequence of rule-following behavior, in which the consequences of the decisions made were never considered.

When Bendor et al (2001) are right even such a conclusion would be too benevolent for Swedish politics. Following this theory we have to search for those impacts of policies - beside the formulated policy-goals - that were really important for the politicians and that might explain their decisions. Proceeding in their footsteps we would have to investigate whether there was something like a hidden agenda, which perhaps was contrary to the achievement of the official policy goals.

This discussion results in three contrary hypotheses which structure our research and of which the latter two have explanatory power for the question how it could be that the aid given to CEE-countries was not that effective for the recipients, whereas the first one would induce us to continue our search.

Hypothesis 1: The ineffectiveness of the aid given to CEE-countries cannot be explained by the actions of Swedish government. They tried their utmost to make this aid effective. That the aid was

ineffective has to be explained by the behavior of other actors whose actions limited the possibilities for Swedish government to be effective and whose actions have to be investigated in a subsequent paper.

Hypothesis 2: The ineffectiveness of the aid given to CEE-countries can be explained by the actions of the Swedish government. The reason is that the decisions made by the Swedish government about aiding CEE countries were essentially based on the logic of appropriateness. They were not based on an abundant use of available information, by intentionally determined operational goals concerning the effectiveness of aid, or the need to solve specific and urgent problems.

Hypothesis 3: The ineffectiveness of the aid given to CEE-countries can be explained by the actions of the Swedish government, although the decisions made by the Swedish government about aiding CEE countries were based on an underlying logic of consequentiality. They did calculate and weigh the consequences of their decisions. However, the weight of the effectiveness of the aid for the recipients was subordinate to other consequences of their decisions.

In order to see which hypothesis can be supported, we have to analyze the decisions made by Swedish government. The outcomes of that research are presented in the fourth section. How this research was conducted is described in the next section.

3. Data and methods

This study is anchored in the previous research conducted by Sobis (2002), Sobis and De Vries (2005), Sobis and De Vries (2006) and De Vries and Sobis (2006). It is based firstly on the analysis of the Swedish official documents dealing with the Swedish aid to Central and East Europe (CEE). This includes code of statutes, government interpellations, bills, decisions, minutes and reports. In Sweden, all official documents can be found on the Internet. The home pages of the Swedish government, different political parties and Swedish International Development Co-operation Agency [Sida] were of a great service. To collect the necessary data dealing with the parliamentary debates, governmental bills, reports and decision proved time-consuming but satisfying.

A second source of interesting information proved to be the diaries written by the Swedish Prime Ministers Ingvar Carlsson and Carl Bildt, the former Prime Ministers, political active during the period of 1988-1997. In their books, one can find explanations why Sweden's officials made a decision to 'help' the CEE countries after 1989. Moreover, these books cast a light on the political climate in Europe and Sweden and the general vision of the Swedish politicians about the future after the fall of Berlin wall. The diaries have a complementary value towards the official documents.

The third source of data constituted the interviews from the previous studies about the Swedish experts/consultants and the Swedish aid organizations. Those interviews from the mentioned studies stimulated our inquiry in the actual research about the Swedish government.

Finally, we used interviews with the Aid Ministers of the Swedish Government. The aim was to understand how they perceived Sweden's roll in CEE shortly after 1989. It seemed important to ask them about their perception of Sweden's roll in CEE during transition, their views about Sweden's political influence on a great transformation and their opinions about the degree to which Sweden's actions corresponded to the needs of the post-socialist countries.

We also sent letters to eight officials of the Swedish government who were involved in the Swedish aid to CEE after 1989. Two of three Prime Ministers i.e., Ingvar Carlsson and Göran Persson who represented the left-wing governments answered the letter but refused participation in the research. Ingvar Carlsson was the Prime Minister during the years of 1986 – 1991 and 1994 – 1996. Göran Persson was in charge in the period 1996 – 2006. Both perceived the Aid Ministers as the more promising source of information regarding the Swedish aid to CEE. Ingvar Carlsson recommended us to interview Lena Hjälms-Wallén, Pierre Schori, and Jan Eliasson, while Göran Persson recommended an interview Carin Jämtin. Ingvar Carlsson promised to answer some specific questions by e-mail, if it would be important for our research. However, we found quite interesting material in his book under title: "*Så tänkte jag. Politik & dramatik*" [*I thought so. Politics and drama*] that was published in 2003 and which partly provided us with the answers on our questions. Carl Bildt – the former Prime Minister under the years of 1991 – 1994, the actual Minister of Foreign Affairs since October 2006, and the representative of the right-wing government never replied to our enquiry about the interview. Similarly to the case of Ingvar Carlsson, we used his book "*Uppdrag – Europa*" [*Commission – Europe*] that was published in 2003. We also had a mail and telephone-contact with Kjell-Olof Feldt, who was the Finesse Minister during the years of 1982-1990. He

accepted an interview, but perceived his own involvement regarding Swedish aid to CEE too minor to be able to help us in our investigation.

The questions prepared to the politicians were close to the questions we asked the representatives of Sida in November 2005. However, it was important to ask more specific questions fitting these representatives of Government. This resulted in an interview guide for the Aid Ministers, in which the questions were divided into three thematic groups: First, the politicians vision of Sweden's political influence on the transition in CEE after 1989; second, the politicians' strategy, organization and changes of the Swedish aid to the CEE countries; and third, the politicians ideas about the effectiveness and outcomes of the Swedish aid programs to CEE.

A problem was that the interviews were retrospective in character and human memory proved really deceptive and that only two Aid Ministers gave us the interviews in depth. We don't use their name to protect their anonymity, similar as we did it in our previous articles. In this situation the governmental documents and reports, the politicians' diaries became of huge assistance to reconstruct the political climate around the Swedish aid to CEE and to answer the research questions. We have to accept these limitations.

4. Swedish government and its aid to CEE countries

So what are the results of this investigation? This section addresses that question. It is divided into three subsections corresponding to the research questions and hypotheses: The first subsection addresses the position of the Swedish government in relation with other stakeholders. In terms of our first hypothesis the question is whether there were other actors whose actions limited the effectiveness of Swedish aid and did the Swedish government try its utmost to make its aid effective?

All our previous papers on this subject concluded that the organizations under research were almost completely dependent on others and were limited by those other actors in their effectiveness. According to themselves they all tried to do their utmost to be as effective as possible within the limiting boundary conditions set by somebody else. So, the first thing we did was to investigate whether this could be the case for Swedish government also. It would save a lot of trouble when it would be clear from the start that Swedish government was wholly dependent on others. One can think, for instance, of the World Bank (always an easy target), the European Union (never forget its bureaucracy, when you want to blame someone), the IMF or UN.

The second subsection describes the explaining factors of the changes in the Swedish aid programs and the factors explaining this development. In terms of the second hypothesis, it presents indicators for rule-following behavior as suggested by the logic of appropriateness. Did the Swedish government, for instance, make extensive use of available information?

The third subsection describes whether it was indeed rule-following behavior or whether an underlying logic of consequentiality dominated. In the words of hypothesis 3, was there a hidden agenda?

4.1. The independence of the decisions

Let us first see whether the Swedes were serious about giving aid to CEE countries. Table 1 below presents the amount of money Sweden invested in this aid. We follow Krister Eduards' description of aid financing (Eduards, 2004) and SOU 2000:122). The Swedish government assigned about 7,012,500,000 Swedish crowns to the aid programs for the CEE and Russia during the years of 1989 – 2003. This sum was divided into four three-year periods and one two-year period, which in fact was the final period of Sweden's aid to the Baltic area. Table 1 below focuses on (1) the period of aid, (2) the government's bills to the Riksdag about the principles for aid financing, (3) and the sums of money assigned to the Swedish aid to CEE for each the period. Given the huge amounts –Sweden belongs to the top three nations in international aid - one can conclude that Swedish aid was a serious matter. However, it does not tell us that giving effective aid – from the point of perspective of the recipients – was a serious matter. Whether that was the case, it will be discussed in the following sections.

But were they limited or influenced by others, like the EU? When Sweden started to help CEE, they were not in the EU structures. On July, 1st, 1991 Sweden applied about the EU membership. Then the government's task was to convince the Swedes that the EU membership would be advantageous to Sweden. We wondered to what degree the government's efforts to join the EU did influence Sweden's assistance to CEE.

Asking these questions to the Aid Ministers both stated that the Swedish aid to CEE shortly after 1989 had nothing to do with the government's efforts to join the EU structures. The same opinions were shared by the experts and the representative of BITS and Sida (Sobis & de Vries, 2005; 2006). Nonetheless, Sweden's aid to CEE was frequently linked within the activities of other big financiers like the World Bank, The European Bank for Reconstruction and Development [EBRD], and the Nordic Invest Bank [NIB].

Table 1: Swedish aid to the CEE countries during the years of 1989 – 2003.

Years	The government's bills to the Riksdag	Swedish crowns
1990/91 – 1992/93	1989/90:100 1990/91:100	1 000 000 000,0
1993/94 - 1995/96	1991/92:100 1992/93:100 1992/93:179 1993/94:100	2 900 000 000,0 - 122 500 000,0 -
1995/96 – 1997/98	1994/95:160 1994/95:100 1996/97:1 1997/98:1 1997/98:70	1 700 000 000,0
1998/91 – 2000/01	1998/99:1 1999/00:1	2 400 000 000,0
2001/92 – 2003	2001/02:1 2002/03:1	1 500 000 000,0
Total		7 012 500 000,0

Source: Based on Eduards (2004), Bilaga: Promemoria. [Eduards (2004), Appendix: Memorandum.]

It was thought from the beginning that aid recipients from the CEE countries could receive resources from these banks in the form of loans to their necessary investments. The general principles for loan-allocation were rather complicated. Sweden usually took the risk and borrowed money from these banks in order to lend this money to aid-recipients however, against a higher percentage of interest. This activity proved pretty profitably to Sweden and the aid-recipients (Riksdagens snabbprotokoll, 1990/91:61, 20 §; Sobis & de Vries, 2006). By the time Sweden became the EU member the situation changed. One of the respondents explained:

Then, Sweden experienced some pressure from EU, but it was unnecessary because we had been involved in the assistance to CEE from the beginning of those countries' transition (Interview 1, 2006: 4).

However, the same respondent told us also that:

In the middle of 1990s, the Swedes were aware that their assistance was not only because of the close neighborhood with the Baltic countries but the aid was also about Sweden's EU membership. It seemed necessary to support these countries in their economic development to reconstruct their economies. However, no one knew how to do it in practice. We did not have such experiences before (Interview 1, 2006: 2).

The important thing is that none of the respondents perceived the presence of other international actors as a hindrance or limitation. On the contrary, they say that Sweden's membership in the EU structures opened new possibilities to participate more frequently in the multilateral aid programs in cooperation with the big international organizations and other Western countries. Such multilateral cooperation was discussed and decided on the governmental level:

Regarding multilateral cooperation, it did not go through Sida but directly via the governments. We were cooperating with the European Development Bank or the World Bank. It was only the government that made a decision. For example, the aid dealing with the protection of the natural environment, it was thought as the common sum of money that we (the government) divided among different countries: this part of money went to Poland, this sum went to Russia, this money went to Latvia and etc. Gradually, we could see how much aid went to each of these countries. Otherwise, there was always Sida that took care about aid (Interview 1, 2006: 7).

Most respondents from our previous and actual research explained that more financiers were involved in the aid programs to CEE, when it became obvious that some post-socialist countries applied about to the EU membership. This fact essentially contributed to changing the attitudes of the EU members towards these CEE countries. They were immediately perceived as the future partners to collaboration. Thus, it was necessary to create the proper infrastructure.

The major aim of the EU aid to CEE was to prepare these countries to fulfill the accession criteria known as the *Copenhagen criteria*. Sweden was also obligated to participate in this process and to help the EU candidates in making a progress in socio-economic reforms in line with a market economy and the EU norms and valuations. On the one hand the subsequent changes within the Swedish aid to CEE were minor and could be seen as a continuation of the previous general objectives and operative goals. On the other hand, the changes reflected the EU demands to make more efforts in the field of socio-economic sphere to prepare these countries to the EU membership (Sobis & de Vries, 2006). Both Aid Ministers confirmed that the aid to the CEE countries was only progressing in its form and extent during this period.

This is also seen in the 1999/2000 report of the Committee of the Ministry for Foreign Affairs about the economic development and collaboration in the Baltic region. In this report the government describes the many-faceted collaboration between Sweden and Estonia, Latvia, Lithuania, Poland, the Kaliningrad area, Northwest Russia and the EU cooperation with those countries. It appears from this document that the government perceived the cooperation among the Nordic Council, Nordic Ministry Council, Barents Council, EU and the Council of Baltic states of the crucial importance for putting into practice the international institutionalization in the mentioned countries. The report contains the retrospective presentation of the Swedish politic during the years 1989 – 1999. It also shows that in the eyes of the Swedish government Sweden's membership within EU opened the new possibilities to collaborate as well with the EU old members as with the EU potentially members.

Concluding, the Swedish government did not put the blame for the ineffectiveness of aid on anyone else. In the interviews with those directly involved, we did not find a trace of evidence that any decision made by the Swedish government was influenced negatively or limited by the actions of other stakeholders. If their decisions were limited by anything, it was their own decision to limit the amount of aid from 1,03 percent of GNI in 1992 to 0,7 in 1997 that Pierre Schori called for "the boundary of shame" (Motion, 1996/97:U209). However, it seems rather a lot compared to the aid given officially by other countries.

4.2. Following the logic of appropriateness

This preliminary conclusion of independence of Swedish government decision making regarding aid to CEE, leads us to the second question, namely how to understand the decision-making process on the part of Swedish government. Were these decisions made in the classic way, thoroughly judging the alternatives and using the available information, or were they made in the new institutional way, neglecting information and just doing what one is supposed to do given the position one is in.

The respondents from previous research and the Aid Ministers admitted that at the beginning, after the fall of the Berlin wall, the Swedish government had no planning and was just responding to the opportunities that befell them. There were plenty of private and free organizations trying quite spontaneously to help the neighboring countries around the Baltic and Barents areas. They were storming the government and Sida with the question how the government could support their efforts. They had their own aims with assistance and they got the government's support often on their own conditions. They were expected only to prove that they had good contacts with the aid recipients on the other side of the Baltic Sea. These developments made the government assign the first milliard counted in the Swedish crowns, for 3 years forward to help the CEE countries and Northwest Russia. At that time Swedish government did not seem to steer the NGO's or the private industry-companies in their assistance projects. At that time the general aim was to support the political and economic reforms in CEE and Russia. The boards of BITS, SWEDECORP, and later Sida were obligated to take care of the signing of the bilateral contracts between Sweden and potentially aid recipients. In other words, they matched partners to international cooperation and they were responsible for division of money among the Swedish actors providing assistance to CEE.

Both Aid Ministers perceived the fall of Berlin wall as a big chance to Sweden to create good contacts with the neighboring countries around the Baltic See and the Barrens area. The Swedes wanted to make a contribution to the development of the countries in transition, like Poland, Eastland, Latvia, Lithuania and Russia. Those states were close to Sweden geographically, historically, and culturally. One of them explained:

It was important that the Swedish political organizations and social movements could participate in the transition process in CEE. Sweden had a lot of contacts with the Polish “Solidarity movement” during the 1980s. These contacts were still there in 1990s. It was natural to the government that in the new political situation, the Swedish social movements could influence the democratic development in Poland, of course in close co-operation with the Polish equivalents. We wanted to support the collaboration between the Swedish and Polish social movements, people to people. It was our way to work with democratic questions (Interview 1, 2006: 1).

From the Riksdag minutes as well as from the interviews, it appears that the government was under a strong social press at that time. The Swedes’ sympathy or even compassion to the starving people in CEE caused that they wanted and demanded to increase the assistance to the former socialist countries. The government experienced a dilemma because they had to choose between the assistance to CEE and the help to the developing countries of the third world. The respondent explained:

We had an emotional demand for assisting Estonia, Latvia and Lithuania. We could help them with a democracy development in the framework of aid. This aid had to be concentrated in the Baltic countries. It was very difficult for us, from the psychological and pedagogical point of view, to give a priority to CEE while Ecuador had also the huge needs. But Estonia, Latvia and Lithuania are our neighboring countries. Moreover, there were also others who involved us in this aid agenda. Furthermore, it was the result of the demand to create close relations with countries around the Baltic Sea. The Baltic Sea was poisoned and we wanted to contribute to a cleaning process (Interview 2, 2006: 2).

The Swedish society expected that “everything that Sweden had in plenty could be sent to these countries” (Interview 2, 2006: 2). The ordinary people did not think about what would happen with e.g. the Estonian peasants or carpenters, if Sweden started to send potatoes or beds to Estonia. In Sweden, they produced those commodities in abundance and so it could be shared. In general, the Swedish taxpayers could hardly understand that such assistance could only change the bad situation of the CEE countries for the worse. Even the Fast Protocol of Riksdag debates under the years of 1990 – 1991 confirmed how close the Swedish politicians were to the ordinary people’s rather naïve understanding of the Swedish aid to CEE (Riksdagens snabbprotokoll, 1990/91:61, 20 §).

At that time also the Swedish politicians made use almost only of their private relations with the politicians from the Baltic countries. Concerning Estonia, Latvia and Lithuania, it was the Christian Democracy Parties of Finland, Norway, Denmark and Sweden that organized an international conference in which the politicians from the Scandinavian and Baltic countries could meet and discuss the CEE issues together (Interview 2, 2006: 2-3). Some Swedish municipalities and county councils also initiated support on their own through their contacts and equivalents within the Baltic countries. As a result, plenty of visitors from the Baltic countries came to Sweden just to see how the Swedish model of state worked in practice. Both respondents expressed their enthusiasm about that time:

In this international co-operation without a doubt, the Swedish collaboration with the Baltic countries went over the party-boundaries. Those bridges, that were created then, were not only of character that assistance was provided from state to state but the aid was provided also from municipality to municipality, from organization to organization. Party-organizations contributed to exchanging of culture. It was a fascinating experiences to Sweden that was before so isolated. Suddenly, this feeling was gone. We got some countries around us with which we had some historical and cultural bounds before (Interview 2, 2006: 3).

After these first years of ad hoc decision making in a way so characteristic of the logic of appropriateness, one could imagine that the Swedish government would proceed on the basis of more information produced by documents and evaluations. In the autumn of 1993, Sida and BITS submitted for the first time to the government the annually reports about their aid-activities. These reports were developed in the publication under title “*Svenskt bistånd 1992/93*” [*The Swedish aid 1992/93*]. This publication essentially contributed to increasing knowledge about the Swedish aid and its better understanding. 1994, there were published other reports from various part-studies about the Swedish aid of aid. It proved that the Swedish aid is not always satisfying or in other words not always effective (Riksdagens snabbprotokoll, 1993/94:94, 4§). Thus, we asked the Aid Ministers;

what role the official reports and evaluations played in their decisions about trying to improve the efficiency of Swedish aid to CEE in those years.

The Aid Ministers we interviewed shared the opinion that the evaluations of aid programs first inform the government whether the taxpayers' money was wasted or not. They said that they know that there would always be a political discussion about ineffective aid. From the interviews, it appears that "the contents of the evaluations play a political role" (Interview 1, 2006: 10). They provide the politicians with the general understanding of the international cooperation and what kind of cooperation Sweden can expect in the future:

For us, the politicians, the methods of conducting aid... we don't read too much about them. The conclusions are much more important to us. We want to have a general understanding of the aid situation. I can say that it was important to me who conducted the evaluation [Sida or the Stockholm research Group]. (...) There were some evaluations that made us change the aid politics. However concerning CEE, I don't remember this to be the case (Interview 1, 2006: 10).

Both Aid Ministers told us that Sweden is a little country and knowing the small sums that were assigned to the assistance of CEE countries no one should exaggerate the importance of the Swedish aid in relation to the needs of aid-recipients, even though one could expect better outputs, more fitted to the real needs of aid-recipients. What mattered to the politicians was not the effectiveness of their own actions, but the developments in CEE countries in general, and when those were positive nobody is interested in the effectiveness of specific projects:

Generally, we were surprised that our neighboring countries conducted the reforms so fast and with so limited support, they received. They do it, almost by themselves. Of course, they made the most difficult job. (...) I believe that the social movements and the efforts of free organizations and private companies were of decisive importance for our international relations because even if we finished our aid to CEE, it proved that our contacts with the neighboring countries created during the aid projects were still living. It concerns municipalities there we have created the friendly relations and we still spend time together. We were successful in exchange of culture. The leaders of political parties have learnt from each other. It was a mutual development in favor to the all involved (Interview 1, 2006: 4 and 11).

When you are looking at those countries today then you can see very clearly how enormous development has taken place there. (...) Those impulses that we could give contributed to create a free democratic state that was totally independent of others interest. I think that Sweden with its aid has contributed to the development of the CEE countries. I see it in this way from the perspective of the Ministry for Foreign Affairs that arranged the aid to CEE (Interview 2, 2006: 7 and 9).

According to the first PM in the period, Ingvar Carlsson, the logic of consequentiality was lacking until at least the second half of the 1990s. He remarked about this period:

When the Social Democratic government presented the first program to East Europe, the opposition made a big fuss, because we took away 300 millions crowns a year from the aid-subsidy. It happened to create quickly a scope for the aid to CEE while the budget was in practice completed. The government declared that it was only a temporary solution. Much bigger amounts of money would be needed. (...) Now, that was necessary to have much more money going to a new East Europe Program. In the budget-proposition for 1992/93, the liberal government proposed to spend 1-billiard crowns for cooperation with CEE out of the 1 percent of the state budget. It is good but less good is that the government still did not present a proposal of content that is more elaborate (Motion, 1991/92:U507, s. 6-7).

Ingvar Carlsson was of the opinion that the 'bourgeois' government presented an empty frame for their budget proposal to the East Europe. It was the program without presenting any major objective or managing form. He judged the bourgeois government as being unprepared to take responsibility for the really support to CEE. They did not make a decision in what kind of aid Sweden would be specialized; "it showed lacking respect for the Riksdag and its responsibility for the state budget" (Motion, 1991/92:U507, s.7). He explained:

This unclear situation brings about that the planning of the future efforts is stopped. Instead to speed up cooperation with CEE, it slows it down. The government loses valuable months in a process that has

already been established under great pressure. Our neighboring countries cannot draw any conclusions about what they can count on (...) The government says that they are going to establish a special fund of knowledge and a special committee in the Government Office to manage support [to CEE]. It is unclear, if the government wants to create a new public administration or advisory efforts to help them make a decision. The government has good reasons to take advice in an organized way from experts and engaged. However, if the government wants to create a new decision-making order, it can essentially contribute to the growing problem of bureaucracy. They create the new efforts when no one needs them (Motion, 1991/92:U507, s. 7-8).

Thus, Ingvar Carlsson had another vision about the Swedish aid than the bourgeois government had. He presented also his views in Motion [Resolution] 1993/94:U212. This document was in general about the Swedish aid politics, its tradition and its role to the common future. The most interesting part concerns the Social Democratic Party's understanding of good aid, inclusive the aid to the CEE countries:

We know today a lot about how good aid looks. We have experiences both from the Swedish and the international aid. The Development Assistance Committee [DAC] of OECD have set the guiding principles that are of great importance – 'best practices' that were based on the best experiences of practical assistance work that one can find. Sweden has provided aid that to a high degree lives up to these demands. Due to this assistance and due to our own country, because of our identity and our interest, we will continue to demand much from ourselves. (...) Sweden has to work internationally in order to increase the world's collected aid (Motion, 1993/94:U212, point 10, s.13).

Other examples of the logic of appropriateness are abundant. Due to the limitations of this paper we will give just one more example of argumentation that is not oriented by goal-achievement, but by doing things as they are supposed to be done. It refers to a speech in 1993 by Alf Svensson, in which he argued:

We want to have a system that is similar to the systems of others aid-givers. We are talking quite often about 'likeminded' states in the political context of aid and then we mention always Norway, Denmark, and the Netherlands. Norway, Denmark, the Netherlands and Sweden constitute a class for themselves. Let us say that. Those countries have never used the contracts that we have. I do not want to say and I do not believe that no one in this Riksdag will believe that their aid is less long-term than our Swedish aid. Other authorities like a side of Sida, I think about SAREC and BITS can without any doubts establish long-term cooperation without land-frame. (...) The Social Democratic Party say in their bill that they will have strong authority with competence and professionalism. Yes, we also want that. (...) The Commission of Inquiry's recommendation points out the demand of competence and its importance. The proposals are based on the goals- and result steering. (...) The government authority [Sida] receive a growing freedom in agreement with their various working methods to find effective solutions of problems in aid-work in order to reach objectives (Riksdagens snabbprotokoll, 1992/93:113, 6§, Speech 65).

Therefore, one can conclude that the orientation of the Swedish government seemed hardly based on the logic of consequentiality. Another indicator is that it delegated all the operational matters to their administration. Accordingly to the Swedish tradition of state administration, the assignment of money to Swedish aid from the state budget and the creation of guiding principles was the government's duty, while public authorities like BITS, SWEDECORP or Sida were responsible for putting into effect the government's decisions in the framework of financial possibilities. One of the respondents said about the general objectives and the operative goals: "That was Sida's task, they were responsible to carry out the Swedish aid" (Interview 1, 2006: 4). The same person competed: "Sida also divided money among various actors [like church, parties, municipalities, county councils and companies from industry] participating in aid project" (Interview 1, 2006: 5).

We did not find any confirmation for Sida's representative who complained over the government's uncertain regulations (Sobis & De Vries, 2006). According to them government's regulations negatively influenced the possible effectiveness of aid programs to CEE. But it seems that the personnel of donor-organizations had formulated the general objectives and the operative goals even before the government officially declared the first guiding principles for aid in their bills to the Riksdag.

Some consultants and experts of which the opinions were presented in previous research shared the opinion that the regulations sometimes implied that it was forbidden e.g. to prolong any aid program, even if that program was

useful to aid-recipients or that it was impossible to hire local competence from aid recipients within the framework of Swedish aid program (Sobis & de Vries, 2004). When we interviewed the representative of BITS and Sida, it proved that they were blaming the government for creating such strict and sometimes ambiguous rules (Sobis & de Vries, 2005). We asked the Aid Ministers about the government's regulations for BITS and Sida. We wondered, how they could explain the negatively impact of governmental aid-regulations on the effectiveness of the Swedish aid-programs to CEE.

Both Aid Ministers emphasized that BITS and Sida had enormous freedom in providing the Swedish aid to CEE. They had almost their internal regulations that were the result of their own translation of the governmental guiding principles:

We (the government) decided only the sums of money and the general guiding principles for aid. After this, it was Sida itself, which decided details. [Regarding e.g. hiring of local competence] I hardly believe that the government created such the regulations. However, it should be controlled if it was something like that. We had some government's documents but not too much. We sent, of course, the letters to Sida, in which we explained the government's decisions but we did not give any detailed instructions like this i.e., dealing with the employment possibilities of local experts from aid-recipient countries in the framework of the Swedish aid program. No, I don't remember that. I don't understand it (Interview 1, 2006: 7-8).

I don't recognize the picture. I would like to say that Sida had their hands completely free and I don't remember any situation of interrupting international co-operation if there weren't serious political reasons behind that. It never happened towards CEE. I dare to say that the aid to CEE characterized a great administrative generosity... or whatever you want to express it. Of course, there were some limitations. When the CEE countries were waiting on our assistance then we took the resources from Africa or Latin America. (...) I wish we could do something more but our aid constituted only 1,03 percent of GNI in 1992 (Interview 2, 2006: 6).

Not only is this important for the confrontation with the replies of donor organizations, but the statement says something more. It tells us that, in the words of the Swedish politicians, the effectiveness of the aid simply was not their business, since they delegated the actual work to donor organizations like BITS, Sida and SWEDECORP. The only possible conclusion on the basis of the above is that the decisions on aiding CEE-countries by Swedish government are characterized to a large extent by the logic of appropriateness. They seemed not to be bothered by choosing among alternatives based on expected outputs and the weighing thereof in choosing among projects or countries to be aided. They did not make thought-through plans to help the transition countries in their development. They did not bother to look at the available information e.g. the evaluations about the effectiveness of the aid provided and seemingly supported any alternative that came around and that improved the relations with their neighbor countries. Striking is also that they just wanted to have the aid organized like other countries organize it, that is, to do things as they are supposed to be done.

Although this section is no prove - nothing can prove what really happened - it gives abundant indications that the way the decisions by Swedish government came about, is a reflection of the logic of appropriateness.

4.3. Official and hidden agendas

The conclusion of the previous section does, according to Bendor et al (2001), not imply that there was not an underlying logic of consequentiality that steered the government's decision making. This last subsection analyses whether the indicators for the use of the logic of appropriateness really describe the actions by Swedish government or that underneath there still is the logic of consequentiality, indicated by the existence of a hidden agenda that explains the position of Swedish government. To denote something like a hidden agenda does not imply that it is actually hidden or just known to a few insiders. In this paper we see a hidden agenda as the actual reasons for doing something under the pretence that you have other reasons, which are either undisclosed to your audience, or known but not talked about.

In order to understand the Swedish position toward the CEE-countries one has to understand the position of Sweden at the end of the 1980s and the beginning of the 1990s. Until 1991 the Social Democratic party held a firm grip on political developments. By that time the government was led by already quoted Ingvar Carlsson. Sweden was not yet a member of the EU and the fall of the Berlin wall came as a surprise. According to Ingvar Carlsson, the fall of Berlin wall created new conditions and opportunities for Sweden. He became convinced that it was necessary to join the European structures. The issue was rather controversial for the Swedes, but the Prime

Minister admitted in his diary: "I had a political vision about Europe in co-operation" (Carlsson, 2003: 374). Many advocate that his political vision essentially contributed to the application by Sweden to EU on 1st July 1991. The government's decision seemed to be the result of developments in the world around Sweden. Also important is that according to interview 2, Sweden had been waiting for the collapse of communist dictatorship for a long time, but when it happened, the government hardly could believe it.

The CEE liberation from the Russian occupation concerned rather Sweden's respect for a right society, in which it was necessary to build new institutions guaranteeing democracy, to build a free press, independent juridical system, a pluralist party system and establishing contacts with the world around. It was another type of aid. It was easier for us to manage this kind of assistance geographically and practically. Suddenly, the Swedish government saw a great opportunity to use their political scientists, jurists and even public institutions. They were never used in the aid program addressing Africa and Latin America. I remember this benevolence that we had for the Baltic countries: Estonia, Latvia and Lithuania very well. It was no problem to us to start the new forms of assistance because we had every-day contacts with these countries... Everything that we had in plenty could be positive for the Baltic countries (Interview 2, 2006: 1).

In 1991 there comes a fundamental change in government. For the first time a right-wing government came into office, determined to profile itself as anti-socialist and more cosmopolitan. This government with Carl Bildt as PM faced a serious economic crisis. It downsized government and at the same time laid the foundations for Sweden's entry into the EU. As to the aid to CEE countries the high aspirations continue. Bildt writes in his diary about his opinions:

"Sweden today is a society that longs for changes. Our will to get out of isolation and to join the European Community is also an expression for the longing for the changes in our society."

"The overriding task to us during the rest of 1990s must be to help the Central and East European countries in transition from the devastation that the socialist politics caused to the relative welfare and stability that only the free market economies and plural political systems can accomplish."

"If we do not be successful with contribution to stabilizing in Central and East Europe during 1990s, I afraid that the development within these countries can contribute to creating instability in Europe during a long time forwards" (Bildt, 2003: 118).

So the grand vision was there to 'help' the CEE countries. But as other interviewees told us, there is a big difference between general objectives and operational goals;

It is always so that the general objectives are comprehensive. They are dealing with democratization, political pluralism, human rights and market economy et cetera. You have to find a main thread to connect the issues and find a good solution.

But in practice you never start any assistance with the comprehensive objectives. Instead you have to begin with a little stake towards the general objective. It [the aid to CEE] was not about our "proud" objectives and the general guiding principles, but about the power to act. I believe that it was important to keep the aid within the near area. We could show in practice that we wanted to make some efforts around the Baltic Sea. Of course, there was a gap between the general objectives and the operative goals, but it did not mean that we did not know in what direction we ought to go with assistance. Assistance demanded pragmatism (Interview 2, 2006: 3 – 4).

According to interview 2, Sweden had from the beginning a vested interest in assisting the countries around the Baltic Sea and the Barents area. This cooperation was based on the bilateral agreements. The Aid Minister explained the connection between the general/comprehensive objectives and the operative goals as follow:

It was at the beginning of 1990s. We felt solidarity with the people living around the Baltic Sea. We wanted to facilitate the changes that would take place there. During the first phase, the general objectives and the operative goals addressed the protection of the environment. We were very close to each other, all connected to the Baltic Sea. We, as everybody else, thought – yes. When I was in Riga for the first time, I discussed the problems with one of Latvia's ministers. I asked him: where to start our cooperation? Only

to begin to talk about the environment, it proved that there were plenty of things to be done immediately. We wondered, in what we ought to put the small sums of money that we had to dispose from the Swedish side. Where to start? We talked a lot about water and pollution. Then, during the discussion it appeared that the installation of water meters would be the best purpose to which we could make a contribution. Water is a free commodity, but we noticed that in Riga the consumption of water was considerable larger than in Stockholm. This situation was not due to the higher standard of life in Riga, but the result of the availability of running water in Riga everywhere. We wanted to make a contribution to water cleaning, but first we had to make an impact in Riga by finishing the waste of water. It is a good example how we could go from a general objective to an operative goal (Interview 1, 2006: 3).

Descriptions of the general objectives were also found in the Commission SOU 2000 under title “*Utvärdering av utvecklingssamarbetet med Central- och Östeuropa*” written by Krister Eduards. The Commission was dealing with the evaluation of development work within CEE. The same author also described them in Sida’s publications of 2004 under title *Sweden’s Support to the Transition of the Baltic Countries 1990 – 2003*. We did not find any official documents that explicit confirmed the existence of the operative goals. Only one respondent from the study of 2005 used the concept of operative goals, when being asked about the major objectives of the Swedish aid to CEE. Then, the respondent wondered what objectives we were referring to i.e. to the general/comprehensive objectives or to the operative goals. The respondent’s remark gave us an impression that the politicians and donor-organizations had two types of aid agenda – the official one and the underlying agenda. Since that time, we always asked the respondents about their understanding of the general objective and the operative goals to explain discrepancy between these two concepts.

The interviews also indicated that the operative goals seemed to be “quiet knowledge” about which many knew, but only few were inclined to talk. Although the operative goals are not hidden in the real sense of the word, they are kept silent, just existing on paper, without making them public. The interviews with the Swedish experts and the representative of donor-organizations (BITS and Sida) confirmed that behind the general objective were always such operative goals. We have the impression that the operative goals had an instrumental character and served almost only the Swedish interest, not necessary the needs of aid-recipients. Thus, we managed to trace again the official documents and reports to find confirmation for our findings from the previous research. We found some statements that indirectly suggest that the operative goals were the real driving force behind the aid to CEE-countries.

It was the right-wing government that for the first time in 1991 introduced the special guiding principles for the Swedish aid to CEE. The guidelines for the Swedish International Enterprise Development Corporation [SWEDECORP] are a good example. According to the Swedish Statute Books 1991:840:

1 § The board of SWEDECORP was obliged to promote and contribute directly to the development of the industry and commerce in developing countries (u-länder) and CEE according to the particular guiding principles:

2 § SWEDECORP will especially, in collaboration with the Swedish International Found AB [Swedfund International AB] contribute to developing strong enterprises within aid-recipients countries through capital investment firstly in cooperation with the Swedish industry and commerce, contribute to creating favorable conditions for investments and business activities within aid-recipients countries by transfer of knowledge to industry and commerce organizations, and contribute to trade development within aid-recipients by informing and advising these countries about outlet possibilities for items and goods, they can receive on the Swedish market.

3 § SWEDECORP for a task they take upon themselves in its area of activity will be paid compensation,

4 § SWEDECORP will in their cooperation with international organizations and authorities or organizations in other countries adapt themselves to the activity and principles of Swedish Foreign Ministry (SFS, 1991:840).

Striking is that the guidelines impose a restriction on Swedish aid, namely that it should be beneficiary to Swedish government and business interests. One year later, the government introduced similar instructions for BITS. According to the Swedish Statute Books of 1992:269, BITS was expected to proceed as follow:

1 § Preparation for international technical and economic co-operation (BITS) has as a task to contribute to economic and social development within individual developing countries like Central and East Europe.

BITS is going at the same time to contribute to expanding and strengthening Sweden's band with cooperation countries by efforts and collaboration with Swedish institutions and business.

2 § BITS will especially make a decision about governmental efforts in a framework of technical cooperation with some developing countries, make a decision about governmental efforts in Central and East Europe, make a decision about credits to some developing countries according to regulations of 1984:1132 dealing with credits for some development purposes (d-credits),

3 § BITS will in its cooperation with international organizations or authorities and organizations in other countries adapt themselves to the activity and principles of Swedish Foreign Ministry (SFS, 1992:269)

Seen in these instructions is the double objective of Swedish aid: 1) to contribute to the economic and social development within developing countries and 2) to do this in such a way that Swedish institutions and business profit. The problem is that the objectives can be and often are contrary in their effects. When that is the case one does not have to wonder what to choose. The first objective is formulated on a far higher level of abstraction than the second one. Many advocate that these governmental guiding principles constituted the foundation to the donor-organizations on which they formulated the operative goals. The aid to CEE countries was expected to promote both: the creation of profitable companies in Sweden's investment countries but also the Swedish business opportunities (Bill of 1994/95:U31; Sida, 2005; Swedfund, 2007).

Therefore, Bendor et al (2001) may well have been right when they suggested that the logic of consequentiality is also underlying the logic of appropriateness. The point is that looking at the consequences of decisions does not necessarily imply that the formulated goals thereof and the related consequences dominate. When giving aid to a country in need, the improvement of the recipient does not necessarily have to be the major criterion to choose among alternatives. This subsection presented indications that the protection of Swedish interests was the prime concern for the Swedish government. Of course, there were gorgeous general goals in terms of the expansion of democracy, freedom and human rights, but the operational goals, showed minimal aspirations regarding development in recipient countries and maximum care for the interests of Swedish business. Perhaps the Swedish government was championing the swift development of CEE-countries; however, their prime concern was the development of Swedish business. Two challenges they could combine through the guidelines to the donor-organizations.

This finding is not contradictory to the logic of appropriateness. A government should take care of its own people and its own business. That characterizes their situation, that is their *raison d'être*, and the appropriate way for them to make decisions. One can say that the Swedish government acted in a way the Swedish government was supposed to act, but still with an underlying logic of consequentiality.

5. Conclusions

On December the 13th of 2003, when the defeated Iraqi president "Saddam Hussein" was caught "like a rat in a hole", the American governor in Iraq, Paul Bremer III, told the media: "We've got him". We have the same feeling now that our four-year research is finalized.

At the beginning of our endeavor, we went to the city of Lodz which we regarded as the crime scene. At the beginning of the 1990s this big industrial city in Poland was in the middle of a process of administrative change, because of the breakdown of the Berlin wall and the end of Soviet supremacy. It was trying to modernize its municipal apparatus and was receiving "help" in order to do so from a large number of western experts. These were paid by donor organizations, national governments and international organizations. It appeared from our first research that the words "help" and "aid" did not quite capture what was going on. Much of the aid failed to be effective and even hindered the recipients in their path to development. The billions of euros that were spent were, to say the least, hardly spent effectively and when something was done effectively, such a program suddenly was prorogued, regardless of its effectiveness.

This was the policy failure or "crime" investigated and for which the culprit was sought. So like detectives we went through the whole process of receiving and providing "aid" in order to understand why things happened as they happened. All those involved until now pointed to another part of the aid-chain as the perpetrator. We chased all those who were suspect, because of such accusations and listened to them. Unexpectedly but also luckily we did not get trapped in loops in which one actor accuses another one, and the latter returns the ball. Who was blamed was dependent on who was talking and the blame was always on a new actor. This made it possible to go through the whole aid-chain.

The investigation started by asking the recipients, who pointed to the lousy expertise given by foreign experts, who, according to the recipients, mostly did little more than export their own national standards, without taking

the specific local circumstances into account. The research continued by interviewing the experts, who pointed at the restricting boundary conditions imposed on them by the donor organizations which were in their eyes hardly advantageous. So the next suspects, i.e. the donor organizations, became the subjects of research and they were asked what was going on. They told that they were completely dependent on political decisions that hardly took the effectiveness of programs into account when dividing the budget on foreign aid.

So at last this research project addressed the politicians. This paper gave an account of this investigation. Until now the involved always pointed to new suspects, this is not the case for the Swedish politicians. They are sure that they are themselves responsible for the decisions made. However, their decisions were in their own words only general decisions based on general objectives. As politicians they were hardly interested in evaluations or information about the operational processes or the effectiveness of projects in CEE countries. All this can well be interpreted within the new institutional framework as developed by March & Olsen (1989) in which they assume that the logic of appropriateness dominates among decision makers.

However, Bendor et al (2001) argued that such a conclusion can only be the result of a superficial analysis, since the logic of appropriateness has to have an underlying logic of consequentiality, if only because a decision-maker who does not do what he or she is supposed to do, or fails to match a situation to the demands of their own position, might face grave consequences. Therefore, we sought for indicators for such an underlying logic of consequentiality and found them in the 'hidden' agenda of Swedish politicians. That agenda is reflected in the guidelines for the donor organizations. These guidelines make the need for effective aid in terms of the improvement of the recipient's situation subordinate to the need to improve the situation of Swedish business and institutions. That explains why Swedish politicians were neglecting the information about aid's effectiveness and why they put the organization of aid at a distance, in the hands of donor organizations. All that mattered was whether the Swedish economy could profit from tied aid and that seems to us to be acting out of the logic of consequentiality.

With the benefit of hindsight and knowing the outcome, it is of course, possible for a critical reader to say: "well, this is self evident". According to us, however, it could well have been the case that Swedish government would point to other actors by which they were limited. It might also have been possible that they were really altruistic, because they have that reputation, and the outcome we present is clearly a possibility. We could not predict that this would be the outcome. Furthermore, the findings do make a difference. As a judge might say in court, it is something different when a criminal committed the crime because he was forced, or acted out of rule-following behavior and neglect of the consequences, i.e. a logic of appropriateness, or whether he had only his own interests in mind when committing the crime, i.e. a logic of consequentiality. In case of a combination of the latter, which is the case here, the judgment can be much harsher than when the actions are explained differently.

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