

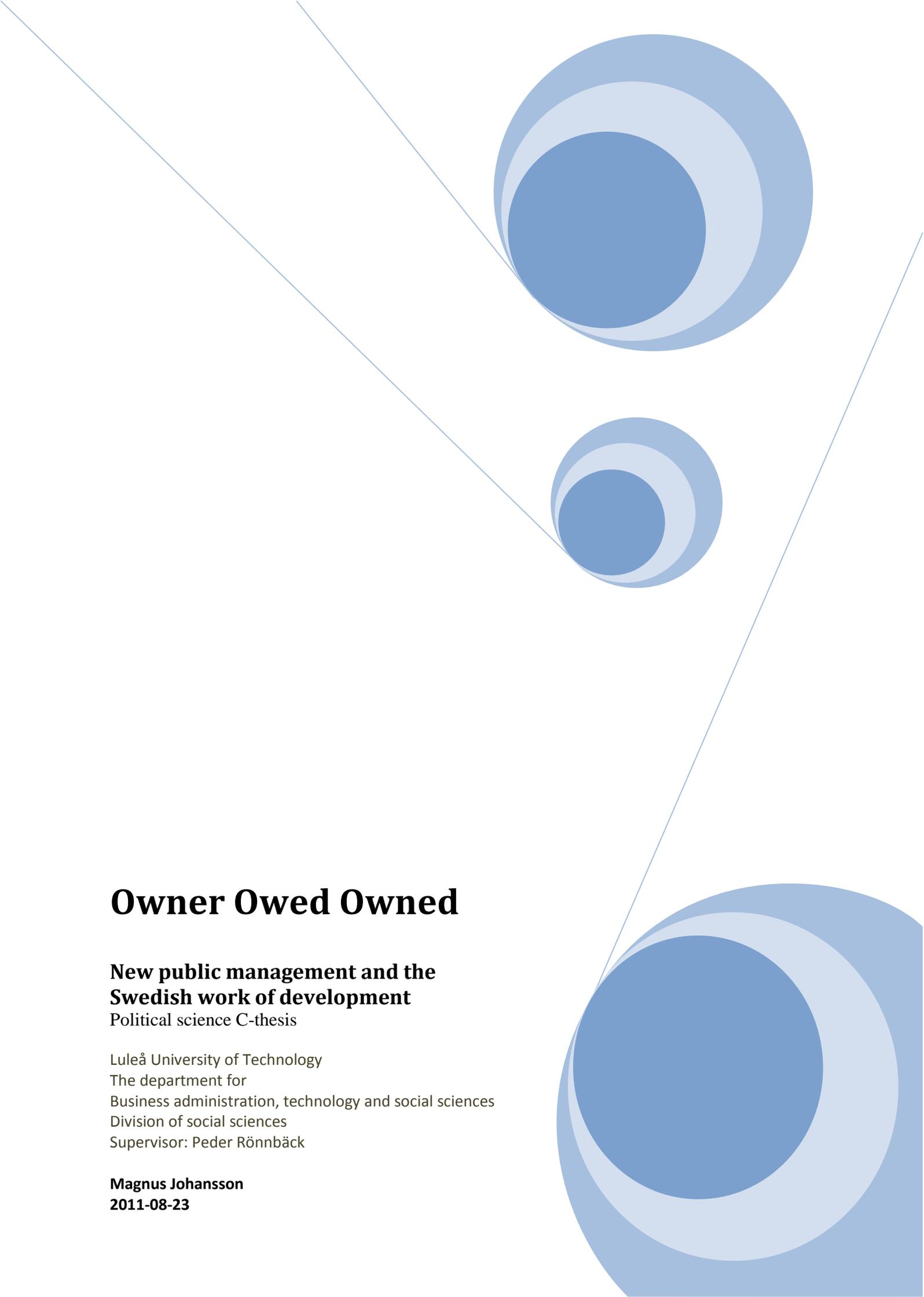
Owner Owed Owned

New Public Management and the Swedish Work of Development

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Abstract

New public management (NPM) is influencing the Swedish work of development. Collaboration with the NPM influenced International Monetary Fund and World Bank Group along with major structural reforms within Sida hint towards such development. Traditionally Sweden follow the line of Progressive Public Administration (PPA) and the rhetoric policy for aid was formed before the breakthrough of NPM. Does the current rhetoric policy document follow the change in practice? If NPM is implemented in the rhetoric policy it would also most likely bring along changes in motives to give aid, view on and use of money, view of ownership etc. Has a change in motives, methods and values occurred in the rhetoric policy?

The aim of the thesis is to study whether a management change from PPA towards NPM occurred in the rhetoric policy steering the Swedish aid, and to observe how it affects motives, methods, values and the receiver in the work of development. The rhetoric policy management view development is studied through an ideal model analysis. The motives, methods and values are studied in the descriptions of the same in the bills, along with a literature study.

An increase of NPM is found in the current government bill (PGU) in the study but PGU is not based on the NPM theory and the motives and goals remain quite stable. There is however a change in methods used, and new concepts to obtain the goals arose. Some values are also reintroduced after a period of absence, such as ownership for the receiver. The major change for the receivers over the period is how they are steered by others (i.e. the giver). The receivers were no longer considered as the owners of their development as their ownership disappeared in the 1980's and implementations of structural reforms were heavily stressed by the givers. A lesson from the study is to be even more careful about applying new management theories in the work of aid. Implementation takes time and the grass is not always greener on the other side.

Sammanfattning

New public management (NPM) har inverkan på och kommit in i det Svenska biståndsarbetet. Dom kraftiga omorganiseringarna på Sida som nyligen genomförts samt samarbetet med Internationella Valutafonden och Världsbanken vars struktureringsprogram är influerade av NPM tyder starkt på en sådan utveckling. Sverige har traditionellt sett en progressiv/byråkratisk (PPA) hållning och policyn för biståndsarbetet var formad innan NPM fick sitt internationella genombrott. Följer den retoriska policyn förändringarna som kan skönjas i praktiken? En implementering av NPM skulle vidare troligen innebära förändringar för motiven att ge bistånd, syn på och användning av pengar, syn på ägarskap m.m. Kan man skönja en förändring för motiv, metoder och värden i den sista propositionen?

Syftet med studien är att studera om en förändring av managementsyn skett från PPA till NPM i dokumenten som styr det Svenska biståndet, samt att utröna hur metoder, värden, motiv och mottagaren påverkats av utvecklingen. Den retoriska policyns syn på management studeras med hjälp av en idealmodellsanalys och motiv, metoder, och värden fångas i propositionernas beskrivning av domsamma samt genom en studie av litteratur.

Slutsatsen är att det finns en högre grad av NPM i den nuvarande propositionen (PGU) i jämförelse med den tidigare men att PGU inte är baserad på teorin, samt att mål och motiv i stort sett bibehållits. En förändring är emellertid tydlig i de metoder som används, och vidare har nya koncept att nå målen uppkommit. En del värden är återinförda efter en tids frånvaro, såsom mottagarens ägarskap. Den största förändringen för mottagarna är hur de blivit styrda av givarna. Från att anses vara ägaren av sin utveckling försvann ägarskapet under 1980-talet, och en implementering av Internationella Valutafondens strukturprogram var kraftigt accentuerat av givarländerna. En lärdom från studien är att vidta högre grad av försiktighet vid införande av nya managementteorier på biståndsområdet. Implementering tar tid och gräset är inte heller alltid grönare på andra sidan.

List of abbreviations

a.t. – authors translation

CK – Centralkommittén för svenskt tekniskt bistånd till mindre utvecklade områden
(*The Central committee for technical Swedish aid to less developed regions*)

DAC – Development Assistance Committee

GDI – Gross Domestic Index

IMF – International Monetary Fund

NIB – Nämnden för Internationellt Bistånd (*The Board for International aid*)

NPM – New public management

OECD – Organization for Economic Co-operation and Development

PGU – prop. 2002/03:122 Politik för global utveckling (*Policy for Global Development*)

PPA – Progressive Public Administration

SAPs – Structural Adjustment Programmes

SIDA – Swedish International Development Authority

Sida – Swedish International Development Cooperation Agency

UN – United Nations

UNDP – United Nations Development Programme

WBG – World Bank Group

“The work of Aid” has the same meaning as “the work of development” in this thesis.

Content

- 1. Introduction 1
 - 1.1 Background..... 1
 - 1.2 Aim 4
 - 1.3 Disposition..... 5
- 2. Theory 6
 - 2.1 New public management/ Progressive Public Administration 6
- 3. Method 11
- 4. Results 14
 - 4.1 Prop 1977/78:135 “aid on the receiver’s premise” 14
 - 4.1.1 Hood’s dimensions in prop. 1977/78:135 17
 - 4.2 Between the bills 19
 - 4.2.1 Washington consensus 19
 - 4.2.2 The country-studies in 1993 21
 - 4.2.3 The 1990’s..... 22
 - 4.2.4 Hood’s dimensions between the bills..... 23
 - 4.3 PGU “collective responsibility” 25
 - 4.3.1 Ownership and managing in PGU..... 26
 - 4.3.2 Hood’s dimensions in PGU..... 29
- 5. Analysis 31
- 6. Discussion 36
- Sources 38

List of Tables

| | |
|--|----|
| 2.1. Overlapping phases among the accounts | 6 |
| 2.2. Hoods seven dimensions | 9 |
| 4.1. Hoods dimensions in prop. 1977/78:135 | 16 |
| 4.2 Hoods dimensions in the Washington consensus | 22 |
| 4.3 Hoods dimensions in PGU | 28 |
| 5.1 Hoods Dimensions a summary | 30 |

1. Introduction

1.1 Background

How to obtain results in organizations has always been an important question for decision makers. Different approaches give different processes as well as different outcomes. The theories used in public management shift over time when new theories, perspectives and solutions are implemented in the policy. Some shifts are rapid while others are gradual. New theories are more often added to the old theory instead of replacing it (Odén 2006:17). It is common that they are introduced to make changes in the current situation. A shift can be seen rhetorically, in terms of rules in form, and practically, in terms of rules in use. The practice is steered by the rhetorical policy, and a shift in the rhetorical policy should bring shifts of practice. The reverse does however also happen, when a process of change starts in the practice and the rhetoric has to phase to the new conditions. In this thesis the liberalistic management theory of NPM, *New public management*, is studied in the realm of Swedish aid.

The first activity that is defined as a kind of aid in Swedish aid-history is from the middle of the 19th century. At that time the church *Evangeliska fosterlandsstiftelsen* (EFS) sent out their first missionaries to the region of Ethiopia to preach the Gospel of Jesus Christ. Their main goal was to give people the Word of God and prepare them for eternity, but they also started schools and centers of healthcare. Around a hundred years later, in 1952, the aid was organized in the establishment of CK, *the Central committee for technical Swedish aid to less developed regions*. CK was established by 44 voluntary organizations and their first project was to educate teachers in Ethiopia and Pakistan among other places. Three years after the establishment of CK a campaign that the government should give aid to undeveloped countries started, and in 1962 the first government bill for development aid, prop. 1962:100 was introduced (Internet 3).

In prop. 1962:100 there were four headlined goals, economic growth, economic and social leveling, economical and political independence, and democratization. The government founded *the board for international aid* (NIB) with voluntary organizations represented in the

council and so CK left the scene. NIB worked for three years before it was replaced with *Swedish International Development Authority (SIDA¹)* (ibid.).

The Swedish foreign aid in the 1970's focused on building schools, hospitals, power plants and factories. At the same time there was a realization that "the model of the west" was not easily implemented in other countries. Out of this realization new concepts were developed, such as "Aid on the receiver's premise" (Internet 3; Internet 4).

"The Swedish model" of aid that evolved in the 1960's and 1970's was codified in the Swedish government official report *Sou. 1977:13*, and the following government bill, prop. 1977/78:135 (Odén 2006:90).

In the 1980's during the Thatcher and Reagan administrations in Great Britain and USA respectively, NPM the new liberal theory of management in the public sector had its breakthrough. The ideas behind NPM were originated from the private sector theories and three words, stated as the three "Es" "economy, efficiency and effectiveness" were, and are still, important for NPM (Björk et al. 2003:114; Almqvist 2006:22). NPM was quickly spread and applied in the public management of many countries, mainly to OECD countries² (Hill 2007:277; Odén 2006:95).

NPM implies a fundamentally different way of viewing the political democratic management and it entails a split between politics and administration. The idea has metaphorically been termed as "Policy makers are steering, whereas policy implementers are rowing" (Angevall 2005:22 a.t. *author's translation*).

There were two phenomena in the early 1980's that dramatically changed the work of development in the international realm. The first one was the influence of the new liberalistic management thinking, NPM, and the second one was the debts crisis that aroused when countries in debts cancelled their payments. As the countries in debt could not make payments they become highly dependent on the lenders to obtain future aid. The two greatest lenders were the World Bank Group (WBG) and the International Monetary Fund (IMF) who together with USA formed a NPM influenced consensus for economic politics, the Washington Consensus.

¹ "SIDA" become "Sida" (small letters), *Swedish International Development Cooperation Agency*, in 1995. In the new organization smaller Aid-authorities, such as SAREC which worked with research questions, were built into the greater Aid-authority (Odén, Wohlgemut 2010:13).

² Notice though that NPM is not a "new" phenomenon. It has been around since the start of public administration, and in the 1980's it was put together and reintroduced after a period dominated by progressive ideas.

After some years the Washington consensus had a governing role for the majority of the givers of bilateral aid, including Sweden (Odén 2006:95ff; Odén 2005).

Traditionally Sweden is defined as a Progressive Public Administration (PPA) state, something that is clear in Kieron Walsh's book, *Public Policy and Politics: competition contrasting and the New public management* (1995). He wrote on his first page about a debate on the role of the government. In the debate it was not only a matter of how the activities could be limited and controlled, but also about the institutional character of the state. In order to implement NPM it was not enough for the state to be smaller, it had to also be different; it had to become market-oriented. Walsh referred to the Swedish model to describe the PPA welfare state, which NPM desired to replace:

The big problems of Swedish society, as perceived by the adherents of the model, were seen to require big solutions. Big solutions meant nationwide and uniform social programmes, planned and administered in a centralised fashion by big, hierarchically organized government agencies, and financed out of all-purpose tax funds. In some services, local governments would be appropriate producers and distributors, but only following a radical programme of amalgamation and centralization (Walsh 1995:3).

In this PPA influenced state, the rhetorical policy for the Swedish work of aid was shaped. "The Swedish model" of aid that evolved in the 1960's and 1970's was codified in the Swedish government official report *Sou. 1977:13*, and the following government bill, prop. 1977/78:135 and was shaped previous to the breakthrough of NPM (Odén 2006:90).

Large structural reforms in the Sida administration, *Swedish International Development Cooperation Agency* in a direction to NPM are evident in later years. The aim of the structural reforms according to Sida budget document 2011-2013 (Internet 1) is to increase the result control and improve intern efficiency of the agency. The cost of the administration has been cut from 6.5 percentage³ 2003 to 5.6 percentage 2010 and cuts within the employees working in Sweden were about 20 percentages between 2009 and 2010. More reforms are expected in the future. One important key to the reforms can be the change of governing party 2006 from social democrats to a more liberal right-wing coalition combined with a second key, the influence of NPM (Internet 1; Internet 2).

In practice it seems like Sweden is highly influenced by NPM. The introduction of NPM comes from an external process in the 1980's and does not necessarily have its dawn in the rhetorical policy.

³ Percentage of the aid share Sida is given to administrate

What is it like in the policy document that steer the work of development? Is the rhetoric influenced by NPM?

The previous government bill before the breakthrough of NPM was prop. 1977/78:135. And the current is prop. 2002/03:122 (PGU).

1.2 Aim

NPM is influencing the Swedish work of development in practice. The reformations of Sida and the collaboration with IMF and WBG are two phenomena that indicate influence. Traditionally Sweden is a PPA state and the rhetoric policy “the Swedish model” is formed before the breakthrough of NPM. Does the current rhetoric policy document follow the change in practice? If NPM is implemented in the rhetoric policy, changes in motives to give aid, view on and amount of money, view of ownership etc. should also be found. Changes in these areas highly affect the receiver. Has a management theory change occurred in the rhetoric policy? If so what changes for methods values and motives has it brought?

The aim of this thesis is to study whether a management change from PPA towards NPM occurred in the rhetoric policy steering the Swedish aid, and to observe how it affects motives, methods, values and not least the receiver in the work of development.

The following question is shaped in order to reach the aim for the study:

What is the development from the former to the current governmental bill in a NPM/PPA perspective, and what changes does the development bring on motives, methods and values⁴?

Focus is on the receiver and on the consequences that a change in management view brings as the motives, methods and values change. Washington consensus and the Swedish policy discussion in the time between the bills are also investigated.

Only changes towards NPM in Sweden that result in consequences for the work of development in receiving countries are studied. Structural domestic changes without clear consequences on the work of development are not studied in this paper.

⁴ Former in a NPM breakthrough perspective, prop. 1977/78:135 and the current prop. 2002/03:122 (PGU)

1.3 Disposition

In the second chapter NPM along with PPA are described and ideal models are presented. The third chapter clarifies the method used in the thesis. The fourth chapter is the study of methods, values, motives and counterparts to the dimensions of the ideal models, investigated in literature and government bills. The chapter is divided into three parts: the former government bill, the time in between and the current bill. Each part concludes with analysis on the relation to PPA/NPM. In the fifth chapter, analysis and conclusions are drawn from the study, complementary idea from literatures are added where due. The thesis ends in the sixth chapter with discussion.

2. Theory

There are several theories for the reasons behind the development of the new theory. Christopher Hood (1995) summarizes in his paper that one theory of the development meant that it was prompted by the old progressive model's inability to work in the modern post industrial society, formed by the revolution in the area of electronic communication and information. A second meant that the great spread of the NPM was a result of a shock driven by the presentation of the New Right theories of management in the liberal administrations of Great Britain and USA. A third theory said that the progressive model in practice abolished itself by its work against the very things it was shaped to work for. There were also theories that said that NPM came as a result of the work of important actors from the market sector, who themselves wanted to increase their share. In his paper Hood views the uprising as a criticism of the PPA view of steering, control, and accounting. PPA saw politicians as inherently corrupt and as trying to enrich themselves and their interests as much as possible. They also presumed that using the private sector in the public sector would lead to high-cost low-quality products, either because of corrupt influence in the awarding of contracts, or because of organized crime in control of the public contract market. Out of these assumptions come two cardinal management doctrines for the PPA. The first is to keep the public sector separate from the ways of the private market, and secondly to create a structure that maintains buffers against political and managerial discretion. The solution to the second was a hierarchal structure with clear procedural rules. NPM then reversed these two cardinal doctrines, by lessening or removing the differences between the public and the private sector, and shift the emphasis on process accountability unto a greater emphasis of accountability in terms of result. No longer were the market and the private businesses associated with low trust, but with high trust. The "budget maximizing bureaucrats" on the other hand received low trust and were seen to be in need of having their costs and evaluations directed by accounting techniques (Hood 1995:94f).

2.1 New public management/ Progressive Public Administration

Just as there are several theories of the development of NPM, there are different accounts for the content of NPM. There is commonality between them but different scholars stress on different phases. On the other hand the countries that implemented "NPM" were as well doing so in different ways and to varying extent. Hood strives to capture the common line from the different commentating and advocating accounts of what NPM entails in 1991 and in 1995, Hood went further to discuss the varying implementations of NPM. To describe the themes of NPM he refers to accounts such as Aucoin, 1990; Hood, 1991; Pollit, 1993 that have been

stressing different phases in the development of NPM, and he concludes: “However there is a good deal of overlap among the different accounts of what NPM entailed” (Hood 1995:95). These described “overlaps” are captured in following table.

Table 2.1 Overlapping phases among the accounts

| From: (PPA) | To: (NPM) |
|--------------------------------------|--|
| Emphasis on policy making | Emphasis on management skills |
| Stress on process | Stress on output |
| Orderly hierarchies | An intendedly more competitive basis for providing public services |
| Fix pay | Variable pay |
| Uniform and inclusive public service | A variant structure with more emphasis on contract provision |

(Hood 1995:95).

Furthermore Hood found that the majority of accounts associated NPM with seven dimensions of change from PPA towards NPM. He clarified that the dimensions do not hold a framework of what a country needs to do to be classified with NPM. Countries have made efforts on different elements and few have even tried to embrace them all, he states. The first four elements relate to the PPA cardinal doctrine of the distinction between the public and the private sector in its organization and methods of accountability. The last three relate to the standards and rules which were meant to fence in professional discretion, which is the second cardinal doctrine of PPA (Hood 1995:95ff). Here follows Hood’s own description for the seven dimensions:

Public service distinctiveness

1. “A shift towards greater disaggregation of public organizations into separately managed “corporatized” units for each public sector “product” (each identified as a separate cost center, with its own organizational identity in fact if not in law, and great delegation of resource decisions, in a movement towards “one-line” budgets, mission statements, business plans and managerial autonomy). The corporatized style contrast with the PPA style of providing all public services through “semianonymized” organizations within a single aggregated unit, with detailed service-wide rules, common service provision in key areas of operation, detailed central control of pay bargaining and staffing levels” (ibid.).

2. “A shift towards greater competition both between public sector organizations and between public sector organizations and the private sector. The aim for a more competitive style contrasts with the PPA style of ascribing semipermanent “ascribed” roles to public sector organizations; that is, captive markets which are indefinitely assigned to particular “prestige” producers” (ibid. p.97).

3. “A move towards greater use within the public sector of management practices which are broadly drawn from the private corporate sector, rather than PPA-style public-sector-specific methods of doing business. Examples of the latter include “model employer” aspirations to set an example to, rather than to follow the lead of, private-sector employers in matters of pay and conditions of employment (for example, in equal opportunity or employment of disabled persons) and the traditional “double imbalance” pay structure of public administration, in which lower-level staff tend to be relatively highly paid compared to their private-sector counterparts and top-level staff are relatively low-paid (cf. Sjolund, 1989)” (ibid.).
4. “A move towards greater stress on *discipline and parsimony* in resource use and on active search for finding alternative, less costly ways to deliver public services, instead of laying the emphasis on institutional continuity, the maintenance of public services which are stable in “volume terms” and on policy development” (ibid.).

Rules vs. discretion:

5. “A move towards more “hands-on management” (that is, more active control of public organizations by visible top managers wielding discretionary power) as against the traditional PPA style of “hands-off management” in the public sector, involving relatively anonymous bureaucrats at the top of public-sector organizations, carefully fenced in by personnel management rules designed to prevent favouritism and harassment” (ibid.).
6. “A move towards more *explicit and measurable* (or at least checkable) *standards of performance* for public sector organizations, in terms of the range, level and content of services to be provided, as against trust in professional standards and expertise across the public sector. The old PPA style involved low trust in politicians and managers but relatively high trust in professional expertise, both in a “vertical” sense (that is, up and down the organizational ladder, or between “principals” and “agents” in the new legal-economic language of the economic rationalists) and in a “lateral” sense (that is, across different units of the public sector; cf. Fox, 1974, pp.72-84, 102-119)” (ibid.).
7. “Attempts to control public organizations in a more “homeostatic” style according to preset *output measures* (particularly in pay based on job performance rather than rank or educational attainment), rather than by the traditional style of “orders of the day” coming on an ad hoc basis from the top, or by the subtle balancing of incompatible desiderata in the “collibration” style of control identified by Dunsire (1978, 1990) as central to orthodox bureaucratic functioning” (ibid.).

Kieron Walsh (1995) divides NPM in two strands in his book. The first strand of NPM is managerialism. The aim of managerialism is to gain more effective control of work practices and includes following features:

- Continuous increase in efficiency
- The use of “ever-more-sophisticated” technologies
- A labour force disciplined to productivity
- Clear implementation of the professional management role

- Managers being given the right to manage (Walsh 1995:xiii)

The second strand of the new management is based upon indirect control rather than direct authority and the characteristics are:

- Continual improvements in quality
- Emphasis upon devolution and delegation
- Appropriate information systems
- Emphasis upon contracts and markets
- Measuring performance
- Increased emphasis on audit and inspection (ibid. p.xiv)

Osborne and Gaebler are well recognized in the NPM literature along with Hood (Hill 2007:277) and their description on the phases (Osborne, Gaebler 1994:35) does not noteworthy differ from the descriptions from Wahls and Hood except a higher focus on the “customer”.

Hood has become one of the leading names among the analysis of NPM and his model (1995) is among the most cited. A reason for the success would be that he instead of creating his own frame, studied the different account for NPM to find the common line (Hill 2007:277f; Lapsley 2009:3). There have been many attempts to refine, revise, and to build on the model over the years. Nevertheless the model has stood firm and still it is one of the leading models for NPM (Hill 2007:277f; Lapsley 2009:3f; Maesschalck 2004:466; Premfors et al. 2009:342). A use of his model in this thesis is seen appropriate.

Following table is a summary of Hood’s dimensions and is used in the textual analysis to capture the dominating management theory in the government bills, and the time in-between.

Table 2.2 Hoods seven dimensions

| | PPA | NPM |
|---|---|---|
| 1 | "semi-anonymized " organizations | Each product separately managed in the state owned corporation units |
| 2 | "semipermanented organizations", captive markets which are until further notice assigned to particular "prestige" producers | Competition and market based provision with more emphasis on contract provision |
| 3 | Progressive style of management, e.g. Fix pay | Private sector management, e.g. Variable pay |
| 4 | Emphasis on policy making, maintaining a, in volume terms, stable service. | Emphasis on management skills, regulation and cost-cutting |
| 5 | "Hands of management", the top manager fenced in by rules | "Hands on management", more decision power to the top manager |
| 6 | Stress on process | Stress on output, more explicit and measurable (or at least checkable) standards of performance |
| 7 | Following "orders of the day" | Self regulating system according to preset output measures |

3. Method

The Swedish work of aid's rhetorical policy development is a case of policy implementation in the rules in law when the external circumstances and the rules in use are changed.

The thesis is an inductive case study⁵ where the case of rhetoric policy development is studied by an ideal model analysis⁶. The ideal model analysis is used to examine the used theory in the analyzed material. The above described typology of the PPA and NPM theory construct two ideal models, Table 2.2. The ideal models are then laid upon the studied material as a raster to find counterparts to the theories in the material. In the analysis of the material, there will be a search for discussions related to the seven dimensions. To be considered a counterpart the text has to talk about management or be related to management, further it has to be in line with at least one of the dimensions characteristic. Answers to following questions are searched for to capture the management view:

Who?

- Who shall deliver services or who is “rowing”, private sector or the state?
- Who shall manage, the top manager or rules?

What is important?

- A stable service or efficient management skills?
- Process or result control?
- A free market or a state owned public service?

How?

- Through orderly hierarchies or a competing and free market?
- Provision based on common good or by the “customers” interests?

Except the management view, the motives, methods and values in Swedish aid are studied. To capture these areas the following topics are investigated:

- Motives to give aid
- Goals for the work of development
- View on ownership
- View on and amount of money

⁵ A case study investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used (Backman 1998:49).

⁶ For idea analysis see Bergström, Boréus (2000:158ff)

- View on and relation to the business world and voluntary organizations

Two bills are studied prop. 1977/78:135, the former government bill in a NPM perspective, and PGU the current government bill. A third area studied is the Washington consensus and the Swedish relation to the same. Beyond the Washington consensus, the motives, methods and values in evaluations of the work of development (Ganuza, Lundahl 1995) and the domestic discussions previous to PGU are observed. For the third area studied, and to contribute to the analysis of the government bills, a literature study is made.

The description on the Swedish aid history in the introduction mentions a realization during the 1970's that the receiver's premise had to be leading in the work of development. A clear intervening plan for implementation of a management theory is then not likely to be found in the government bill, prop. 1977/78:135. However it is likely to find descriptions on the reasons for the main goals, and comments on desirable directions in tune with leading management theory. The work of development did not originate with the state but the churches, and later on structured by voluntary organizations. These organizations were also represented in the board for international aid after the first government bill was accepted. It is then not likely to find a PPA low trust view on, at least this kind of private organization. It is although likely to find discussions on management methods in international organizations programs in the part of multilateral aid, where view of IMF and WBG is of special interest. The different activity areas of the Swedish aid are directed by the main goals and are as well interesting for an overview. As example it would be likely, in an NPM implementation perspective, to find increasing percentage of aid given through private organizations in the latest government bill.

Each of the three parts of the investigation is followed by a separate analysis of the relation to the dimensions of the ideal models and after the three investigation parts comes a collective analysis. Thereafter are the discussion and conclusions drawn. The focus in the discussion is on the receiver along with the relationship between practice and rhetoric.

An ideal model is profitable in studying the development of a policy vis-à-vis a fixed idea. A problem with NPM is however that the theory doesn't have a canonical content and that different theorists stress different substance. Hood's model tries to capture the common line for the NPM-theorists and the model is in that way not a "one man's idea". It is one of the most cited models, and still it holds a leading position. Furthermore it's a usable tool for this thesis aim to examine whether a change occurred in the Swedish work of development in a PPA/NPM view since the two theories are described together as contrast to each other and

Sweden traditionally is seen as a country following the method of PPA. Hood's dimensions are seen as appropriate for this study.

To find literature for the Swedish work of development and NPM/PPA an overview of the books in the University library in Luleå are made along with searches on the webpage of Sida, the department of foreign affairs and Google's search engine.

4. Results

In this chapter the pre-NPM government bill, the time in between and the latest government bill, PGU's take on management according to Hood's ideal model are studied, along with the motives and views for the work of development.

4.1 Prop 1977/78:135 "aid on the receiver's premise"

The foremost motive to give aid is solidarity and this motive is superior to all others. Solidarity leads in turn to a stress on social fairness and economic leveling. Sweden aim to work in the poorest countries but the aid must also find its way to the poorest people, and so the countries that themselves strive after social equality are more appropriate for collaboration (prop. 1977/78:135 p.79ff).

There is no ranking order of the main goals that direct the work of development. The bill states that it is hard to rank them, and even unnecessary since conflicts between them are rare (Ibid. p.83). the goals are as follows.

- Resource growth
- Economic and social leveling
- Economic and political independence
- Democratic development of society (ibid. p.80 a.t.)

Some of the characteristics of the policy in the government bill according to Odén (2006) are:

- Great stress on the poorest countries.
- High amount of aid as gifts.
- Stress on countries whose politics is reapportionment oriented
- Country programming with strong power for the receiver
- Strong support to liberation movements
- Low level of bounded aid
- A clear distinction between aid and export funding
- Keeping a distance from the International Monetary Fund, IMF, and the World Bank Group, WGB.
- Trying to build bridges between "north" and "south" at international conferences (Odén 2006:103 a.t.).

One of the four main goals is to strengthen the sovereignty of the receiving countries. This is done by supporting economic and social development that in turn will make the foundation for a real national sovereignty. This implies a broad working area for the Swedish aid. Support to agriculture to decrease the need of importing food and projects to build a national industry and technical base to lower the need for foreign technology are two of them. Of course these efforts have to be in line with the strategy of the receiving country. The goal to streng-

then the sovereignty also entails that Sweden should be ready to increase the support if a country's economic development is threaten by foreign pressure (prop. 1977/78:135 p.82).

The bill states that it is desirable for the aid to support the increase or maintenance of a democratic social structure, something that doesn't happen overnight. "It is therefore necessary to tie the hope of a full democratic system to the long term development" (ibid. p.82f a.t.). The long term perspective goes on and brings tolerance and flexibility towards the receiver.

The goal for the work of development has to be strived for with flexibility and adapting to the circumstances for each case. That the difficulty to achieve the goals varies is a fact we have to accept. Though should we even in future choices of new programming countries build on a valuation of how effective the resources given can be used to achieve the goals (ibid. p.82 a.t.).

As already stated we have however to accept wide margins of tolerance when it comes to changes in countries with which we have great collaboration. We are not only bound to the long term contracts but the work of development implies as well that we receive a moral responsibility (ibid. p.83 a.t.).

Another goal is the economic and social leveling. In the development debate it was earlier stated that unequal income distribution had to be accepted in order to have growth. The view was that only rich groups or companies could generate economization that was great enough to higher the investments. This view gave that social divisions, with some rich and several poorer, were to be accepted in order to increase the national standard for everyone, including the poor. The bill refers to "several exhaustive studies" that showed that even countries with relatively equal income distribution it has been possible to finance large investment programs. The bill is questioning and gives the go-bye to the earlier discussed perspective and further stress the importance of social equation. "...A more equal distribution of resources also makes a fundament for a more stable growth that can meet the people's needs" (ibid. p.80 a.t.).

It is clear that the strategies to obtain development are up to the country itself, "Aid on the receiver's premise", something that is apparent in the description of country programming. The rising of the country programming goes back to the first governmental bill, prop. 1962:100, there it is stated that: "To gain good effects, in the work of aid, the framing and direction need to be based on knowledge about the receiving country's needs and condition..." (Sou. 1977/78:14 p.106 a.t.). The bill also underlined the character of mutual collaboration in the work of aid. There was substantially less stress on ownership for the receiver in the 60's, but awareness that collaboration gained the work of development was there. The

1968 policy of three year period planning gave a higher degree of long-sightedness where the former practice was one year at a time. This policy of long time collaboration progressed into country programming during the 70's, and increased the focus on the receiver (ibid. p.106f; prop. 1977/78:135 p.95ff).

In prop. 1977/78:135 the description of country programming is stated as:

The start of the country programming is an obvious respect for the receiver's sovereignty and its right to decide about its own development. It assumes as well, as the investigation underline, a comprehensive view on the development. Economic and social progress for the people in developing countries doesn't come from, from outside, selective measures in certain sectors, but through a gathered policy of development that the government and the people of the developing country decides to take. The resources that is given through aid has to be used inside the frame of such politic to be able to contribute to the living condition of the people... This method demands mutual trust and a great perceptiveness from the giver.

Starting-point for the country programming is the financially frame that the Swedish government accepted for the country in question. Then it rest on the government of the country to formulate the needs that it wants to meet with the Swedish aid. From this starting-point the partners in collaboration form the program that is going to be realized by the support from Sweden (prop. 1977/78:135 p.96 a.t.)

According to the appendix of the pre-investigation there are two important underlying values for the principle of country programming. First is that the relation between the giver and the receiver should be based on the view that they are *two equal countries*. The second value is that *each receiving country is planning its own development*, the aid supported development inclusive (Sou 1977:14 p.106).

According to the bill the owner of the development has to be the owner of the outcome evaluation as well, which is the receiver. It is seen as desirable to evaluate Sida and its work, but to go into detail of the effects for the receiver is difficult. "The opportunities for a more detailed evaluation of the effects of Swedish aid are naturally narrowed by the character of the development collaboration" (prop. 1977/78:135 p.82 a.t.).

What we see in the government bill from 1977 is that it has a distancing position in the question of management. The giver is however not only a provider of requested resources and there are ways to steer without taking the ownership from the receiver. The important tool is the mouth and the way is "dialogue". Actors from Sweden should always be ready to contribute to the collaboration with Swedish knowledge, experience and policy (ibid. p.98). Another tool is in the choice of new countries. The countries that are most likely to obtain the goals of Swedish aid have priority, though still with a focus on the poorest countries (ibid. p.82).

One percent of the GDI, *gross domestic index*, is stated to be desirable amount set aside for aid. There is a mindset of big push and the bill views the one percent goal as a sub target and hopes to see higher amounts in the future. One percent of the GDI is seen as a starting point, not an absolute. The recommendation from the United Nations (UN) is that 0,7 percent of the GDI should be committed to the international work of development, and Sweden is one of the few to reach the recommended amount (1977/78:135 p.84).

Where does the policy stand in a PPA/NPM perspective according to Hood's dimensions?

4.1.1 Hood's dimensions in prop. 1977/78:135

Table 4.1 Hoods dimensions in prop. 1977/78:135⁷

| | PPA | 1 | NPM | 1 |
|---|---|----------|---|----------|
| 1 | "semianonymized" organizations | | Each product separately managed in the state owned corporation units | |
| 2 | "semipermanented organizations", captive markets which are until further notice assigned to particular "prestige" producers | | Competition and market based provision with more emphasis on contract provision | |
| 3 | Progressive style of management, ex. Fix pay | | Private sector management, ex. Variable pay | |
| 4 | Emphasis on policy making, maintaining a, in volume terms, stable service. | | Emphasis on management skills, regulation and cost-cutting | |
| 5 | "Hands of management", the top manager fenced in by rules | | "Hands on management", more decision power to the top manager | |
| 6 | Stress on process | | Stress on output, more explicit and measurable (or at least checkable) standards of performance | |
| 7 | Following "orders of the day" | | Self regulating system according to preset output measures | |

⁷ The table view Hoods dimensions along with observed counterparts colored.

Management theory is not prompted in the government bill prop. 1977/78:135. However it is clear that Sweden has a view on what is best for the own country. By this insight the bill reasons, if it is the best way for Sweden it is probably good for others as well (prop. 1977/78:135 p.82). But the owner of the development is the receiver not the giver, and therefore flexibility and tolerance for different methods is needed. Through dialogue the receiver can come to understand “the quality of the Swedish line” and itself start to implement it.

The first two dimensions are not directly mentioned in motives and goals, it is up to the receiver to decide. Swedish actors should always be ready to contribute with Swedish perspectives through dialogue, but the decision is the receiver's.

In the discussion on “a new economic system of the world” (ibid. p.67) Sweden is taking a positive stand to a global free trade where the global market is ruling. This seems to be in line with the NPM view on the second dimension, at least at a global perspective. Another goal could however hinder effective domestic emphasis on NPM methods of free market based provision, economic equation. In the discussion of economic leveling Sweden takes a stand that a more equal resource-distribution is beneficial for a stable growth that reaches the many. This stand is in line with the PPA method of the third dimension. Further is the goal of leveling given higher weight in a conflict between growth and economic equation (ibid. p.81).

Some of the criticism in the investigation on IMF and WGB is that it is to “market-oriented”, have many conditions etc. (ibid. p.19f). In the presentation the criticism is partly accepted partly neutralized (ibid. p.88ff). The practices of IMF distinguish partly from “aid on the receiver's premise” and that is in the investigation viewed as a problem. The discussion is to a degree about the fourth dimension where the bill takes a PPA stand.

The outcome evaluation is owned by the receiver and a more detailed picture is hindered by the collaboration character. “The goal for the work of development has to be strived for with flexibility and adapting to the circumstances for each case”. The purpose of evaluation is to improve the work of development and so a focus on process in the sixth dimension, PPA.

Views on the fifth and seventh dimension were not found in the Government bill.

The principle of “aid on the receiver's premise” is important. Even if Sweden takes stand in a management perspective it is not going to implement them against the will of the receiver.

4.2 Between the bills

4.2.1 Washington consensus

As mentioned in the introduction there were two phenomena in the early 1980's that dramatically changed the work for development in the international realm of aid. The first one was the influence of NPM, and the second one was the debts crisis that arose when countries in debt cancelled their payments (Odén 2006:95f).

As the countries in debt could not make payments they became highly dependent on the lenders to obtain future aid. The two greatest lenders were WBG and IMF who together with USA formed a NPM influenced consensus for economic politics, the Washington Consensus (Odén 2005). The consensus had two parts, stabilizing and structuralizing. To stabilize importance was laid to balance the macroeconomics through a decrease of the budget deficit and the inflation, and then to liberalize the monetary regime to decrease the risk for future overestimation of the national currency value. To lower the budget deficit great cut were made in the public services which, much as a result of earlier foreign aid, had been build up in many countries. The structuralize part, Structural Adjustment Programs SAPs, of the consensus laid much effort to decrease the public sector and to increase the private sector as well as the steering role of the market. The receiving countries wanted future aid and so they implemented the programs (ibid.; Odén 2006:95ff). SAPs conditionality to implement the macroeconomic policy of IMF undermined the ownership for the receiver (Odén 2006:155f).

In the first years SAPs met with a lot of criticism and even Sweden criticized it in public. An attempt to operate with a Swedish, or rather a Nordic, line was made in Tanzania, where the Nordic countries shaped their own structural program in the beginning of the 1980's. The attempt did however not succeed, and 1984 the government in Tanzania were told that it had to make agreements with IMF and WBG to obtain further aid. So after some years, partly as a result of no better working alternatives, according to Odén, Sweden accepted the way of IMF and WBG, and with time the Washington consensus had a governing role for the majority of the givers of bilateral aid (ibid. p.101ff).

As a result of the criticism the SAPs were later modified. The ownership of the receiver was though still low (ibid. p.155f). In the second generation of reforms the focus moved from the earlier cost reduction and cost containment towards capacity building. This focus was generated by the lessons from the first generation of reforms that the weak capacity was the root

problem for the, at the time, inopportune service delivery. The reform program was deeply supported by bilateral donors and the UNDP. The key interventions included:

- Enhancing staff skills, with more emphasis to on-the-job and short training and to manage external technical assistance differently.
- Improving management systems and structures, including those for human resources, financial and information management.
- Restoring incentives and improving pay.
- Improving the work environment (Odén 2005).

A third SAPs generation of management reforms focused on service delivery improvement. There were a number of factors that made a third generation of reforms necessary besides the inadequacies of the two earlier reforms. Among them was the need of showing early results, the demands of accountability and transparency from the public and the shift towards market economies. Some of the main elements of the third generation reforms are:

- They took a differentiated approach to pay with selective pay strategies for strategic groups or sectors.
- There was an effort to refocus government to its core functions: law and order, infrastructure and social services provision, regulation of the private sector and economic management.
- In other services for which the public sector had responsibilities, attempts were made to separate provision from the production function. This led to support for local government and the creation of autonomous agencies.
- Greater emphasis was placed on performance and the overhauling of personnel management practices to focus more on individual performance.
- Efforts are now being made to modernize budgeting, financial management systems and information technology

“Apparently, all these activities are consistent with the NPM philosophy” (Odén 2005).

4.2.2 The country-studies in 1993

After accepting the way of IMF and WGB Sweden strived to work in line with it. This is visible in the evaluating country studies with economic and efficiency perspectives that were made 1993-94⁸(Ganuza, Lundahl 1995). The study clarifies that it is not enough to give money to a country to obtain growth, and relate to the old management theory where the money were meant to increase the importing capacity for the country, which in turn would increase the investments and in a second turn lead to economic growth. In the studies they problematize this concept and come to the conclusion that as well as the economic growth could be positive it could be negative, depending on the type of aid, how the country's economic politics were formed, how transactions were made and how much the giver was steering the country. Pushing money into the system and thinking that this would give economic growth was not satisfactory, and follow-ups were seen as important to be able to stop negative effects at an early stage (ibid. p.7ff).

All the country studies come to the conclusion that the economic politic had a great impact on the efficiency of aid. And to do the structural reforms that the Washington consensus required were seen as necessary to obtain efficient aid. There was an insight that aid relationships always caused some degree of influence. To give money to a country would impact on the behavior of the receiver even if there were no formal conditions stated. Direct and clear control towards a known goal was advised in place of indirect control with vague orders.

This insight disagrees violently with the aid policy – “aid on the receiver's premise” – that Sweden embraced unto the middle of the 80's, and with the tools that the system used for formation, follow-ups and examination of the efforts. In later years, manly during the 90's, Sweden has played a more active role in the policy dialogue with the receiver's. The studies partly point out strengthening of control and follow-ups as desirable, and partly on the active economic-political discussion that has to continue and deepen (ibid. p.17 a.t.).

The conclusion according to the studies was that Sweden had to work towards higher conditionality, to be able to change the economic politics in a desirable direction. As stated above the studies viewed the amount of money given as not necessarily linear with “the more the better”, and sometimes a lower amount could be more sufficient. Therefore the writhers re-

⁸ The studies were a result of a work given by *the committee for analysis of development collaboration, Komittén för analys av utvecklingssamarbete*, established by the government. To be a candidate for the study two criteria had to be fulfilled, first the sum of foreign aid to the country would be big enough to have clear effects on the country. Secondly Sweden had to be one of the five largest givers of bilateral aid to the country, so that the conclusions from the study in greater scale could be drawn to the Swedish aid. This entailed four countries. The perspective that was taken were based on the process of liberalization in the 1980's and the investigators tried to answer the questions of what the general effects of aid was in a country, and what directly been accomplished as a result of the aid, the researchers are eleven economists from different backgrounds (Ganuza, Lundahl 1995:11ff).

sponse to the Swedish policy, to give one percent of the index of gross domestic to aid, were that it was not a purpose on its own and that the amount of money to give not least should be specified by the efficiency (ibid. 18ff).

In the prolog Mats Karlsson (ibid.), undersecretary at the department of foreign affairs, give some comments on the book. He stresses the importance of a sustainable economical politics to be able to give aid efficiently, and that the old system didn't provide this. He discusses the great change that took place in the 1980's and thinks of what the next step would be. He does not doubt that experience show that it is the right direction to go, reforms of the economic structure does give results. But more needs to be done, the question is how. He himself would like the stress on conditionality to decrease and instead see changes as a result of a domestic process, and refers to the terms "governance" and "ownership" as concepts leaning to a desired direction. He thinks that it is important that the poor are able to claim their rights, and that the aid doesn't stand in the way for the same. The learning from the economic analysis is however to be very important. In fact the economic and the political formulation of questions are intimately related, Mats Karlsson says, and he states that the country studies will affect the Swedish work of development policy (ibid. 7ff).

4.2.3 The 1990's

In the literature we find that a discussion during the 1990's on motives for the Swedish work of development accord, and that the solidarity motives were mainly challenged by the enlightened self-interest of giving aid (Odén Wohlgemuth 2010:9f). The conditionality increased in the 1990's, except macroeconomic conditions was respect of human rights, a working social management and a working, at least formally, multi-party system also prompted. In the end of the decennium a new condition was added. This one was added to increase the ownership of the receiver, where the receiving countries should frame national anti-poverty strategies. These strategies should then constitute the foundation for the development collaboration. The conditionality was criticized by the receiving countries and one president from Tanzania said "We cannot import wholesale foreign values without regard for the realities of Africa. There is no moral justification for the west to teach Africans about democracy when they ruled Africa for generations without it." (Odén 2006:156).

4.2.4 Hood's dimensions between the bills

Table 4.2 Hoods dimensions in the Washington consensus⁹

| | PPA | 2 | NPM | 2 |
|---|---|---|---|---|
| 1 | "semianonymized" organizations | | Each product separately managed in the state owned corporation units | |
| 2 | "semipermanented organizations", captive markets which are until further notice assigned to particular "prestige" producers | | Competition and market based provision with more emphasis on contract provision | |
| 3 | Progressive style of management, ex. Fix pay | | Private sector management, ex. Variable pay | |
| 4 | Emphasis on policy making, maintaining a, in volume terms, stable service. | | Emphasis on management skills, regulation and cost-cutting | |
| 5 | "Hands of management", the top manager fenced in by rules | | "Hands on management", more decision power to the top manager | |
| 6 | Stress on process | | Stress on output, more explicit and measurable (or at least checkable) standards of performance | |
| 7 | Following "orders of the day" | | Self regulating system according to preset output measures | |

The time between the bills was in a NPM perspective dominated by the stabilizing and structuralizing programs of IMF and WGB. In the three generations of management-reforms changes on focus are made, partly as a result of inadequacies in earlier reforms. From cost reductions and containment measures to accomplish a lean and affordable government, unto efforts of refocusing the government to its core functions.

The first generation of reforms was focused on the first, the second and the fourth of Hood's dimensions, with emphasis on regulation, cost-cutting, competition and market based provision. In the second generation emphasis was laid on management skills and improving private sector management which is the third and the fourth dimension. The decentralization of power

⁹ The stabilizing and the three generations of structuralizing of SAPS are accounted for in the same table which gives a long time perspective. Possible fade of for earlier prompted dimensions are ignored. Only Odéns summarize over the main elements are viewed.

to the “autonomous agencies” in the third generation of reforms is in line with the first dimension of Hood. The stress on performance goes with the sixth dimension, the new selective pay approach follows the third dimension. The stress on the state to steer is according to the NPM-theory, “the state should steer but never row the boat”. That there is emphasis on steering shows though that this been deficient in the concerned countries.

To accept the NPM influenced Washington consensus, and later to officially support it, shows very clearly that Sweden was influenced by NPM, at least supporting organizations that implemented it. In the country studies relatively new views on money are presented by the decision-makers of Swedish aid. The earlier view that increased amounts of money given, increased wealth has changed. Now increased wealth does not necessarily mean “give more money”, instead the new theory presumes that more money as well as increase, could decrease the wealth, it is the conditions and outcome evaluation with focus on results that is important. Nevertheless it is also clear that the principle of “aid on the receiver’s premise” has not totally left the scene and that there are different views in circulation. Mats Karlsson who represents a decision maker is clear that the receiver is the best actor to make the change and he would like the conditions to decrease and be replaced with ownership. The ownership of the receiver also decreased in the end of the decade, interesting is that it was through a new condition.

4.3 PGU “collective responsibility”

The world is getting smaller. The borders between the countries are fading and the mutual dependence is increasing. There are no longer any “backyards”, where countries can act undistracted by the World Community. No country can disregard the things happening at other locations. Today everything concerns everyone. The effects of economic successes and failures spread like rings on water. Armed conflicts, pollution of the environment, terrorism and poverty, are challenges the world faces together. We have a collective responsibility (PGU:6 a.t.).

With these words the Swedish policy of global development is introduced. PGU, or prop. 2002/03:122, is the latest government bill for the work of development. As we saw in the previous subchapter the bill is written in a time when NPM has been implemented in the international work of development and a move towards the same is visible in Sweden.

The new policy has one main goal “To support a just and sustainable global development” (ibid. p.19 a.t.). Two perspectives are stated, “the policy shall be coined by a perspective of rights. This means that the human rights shall constitute the fundament for the interventions that is made for a just and sustainable development. The policy shall as well be coined of the perspective of the poor on development which implies that the needs, interests and conditions for the poor people shall constitute the starting-point for attempts towards a just and sustainable development” (ibid. a.t.).

The focus for the Swedish work of development is people that do not have a share of the wealth that is contributed by the globalization, the poor. The knowledge that development can never be forced from outside but must be shaped from the inside, by the people, leads to the aspiration to be a better listener but as well a better demander. The experiences of successful Swedish anti-poverty programs where peace, democracy, good social management, investments in children and youth, economic growth, just distribution and gender equality have been important pieces, is carried along in the work of development (ibid. p.7).

The main goal and the two perspectives are followed by main features of the policy.

The policy shall improve and be coined by respect for the human rights, democracy, and good social management, gender equality, sustainable use of natural resources and care for the environment, economic growth and social development and safety. Besides this it shall also sight on areas where new demands are prompted for a comprehensive view and collaboration. This mainly concerns the areas conflict management and global mutual utilities (ibid. p.22 a.t.).

To contribute to the goal of a just and sustainable development every part of Swedish politics has to strive in the same direction, according to PGU. In the new global era everything concerns everyone and therefore the policy for global development has to engage the entire socie-

ty. In the government all departments share the responsibility of reaching the goals and furthermore the private sector along with voluntary organizations is given a more important role (ibid. p.7).

The bill states that the respect for human rights, democracy and a good social management has not been prompted enough in earlier work of development. The same goes for sustainable use of resources, care for the environment, perspective on child justice, perspective on handicap justice and equality. These mentioned factors are viewed as fundamental conditions to obtain a just and sustainable development, and therefore they should not only be understood as goals but as means for the work of development (ibid. p.17 a.t.).

The fundamental motive to give aid remains the same as in the earlier bill: solidarity with people in other countries. In the discussion the solidarity view is strengthened by the insight that safety, justice and sustainable development is not exclusively a national concern but a global concern, it influences everyone. From this insight the conclusion is drawn that even the responsibility has to be shared. Without a development friendly national policy no progress is achieved. Furthermore each country has the responsibility to shape favorable conditions for development, for its own people. The rich countries responsibility on the other hand is to support and complement strivings in the poor countries through a development friendly collective policy, and through international work of development (ibid. p.18).

In PGU the Swedish goal of one percent of GDI set aside to aid remains. Instead of increasing the Swedish amount emphasis is laid on influencing the collective to follow the recommended and agreed promises (PGU:74f). There has however been a change in the percentage of the amount given to the poorest countries, a decrease from half of the amount to one third of the amount (Internet 5).

4.3.1 Ownership and managing in PGU

The responsibility is collective in the Swedish policy of PGU, and a strong national responsibility is needed to obtain the goals for the work of development. As mentioned in earlier subchapter a condition to frame national anti-poverty strategies that should constitute the foundation for the development collaboration were given. These strategies, which imply greater responsibility for their own development and to implement reforms and shape favorable domestic conditions for development, were manifested in international agreements. In the same agreements the rich countries promised to improve resource influx, investments and trade to the advantage of the developing countries (PGU:58). The bill states that “The heart of the

work of development is to contribute to increased knowledge and to build long lasting institutions. The aim is that poor people and countries themselves can take the power of their own development” (ibid. a.t.). Sweden can, according to the bill, contribute to the development in a number of social areas (ibid). As hinted above the value of ownership has a retake in PGU.

The development has to be impelled by the country itself, by its parliament, government, authorities, business world and organizations, and by groups and individuals that are trying to leave the poverty. What the surrounding world can do is to support and strengthen the positive occurrence (ibid. p.16 a.t.).

Many poor countries have to a great extent been dependent on support from outside. Today there is insight into the magnitude national ownership has for the process of development. In development collaboration one can support the national politics but not be allowed to take over. The country’s own anti-poverty strategies, or corresponding, have to be the underwork from where the efforts in the work of development are made. Sweden shall continue to practice ambitious effective development collaborations with focus on the poorest countries. To enable this it is central with an adaptation of the resources of the Swedish aid administration to be sufficient to administrate the activities, furthermore to follow up and evaluate the results of the used policy (PGU:58).

The outcome of Swedish administration is as shown above stressed in PGU. Sweden also strongly supports the work started by the UN and WBG of increased result control and follow-ups in the partner countries as well (ibid. p.73). The focus of the work of development is on output rather than on process. Furthermore the private organizations are given a key role and when the policy for global development is formulated and implemented, it should be done in collaboration with the private organizations. The main reason to collaborate with private organizations is that it is seen as vital in order to reach the goals of the work of development (ibid. p.77). Also the business world and the trade union movement are given key-roles and are seen as good contributors to the policy for global development. They are viewed to be a good complement to the state in the work of development and therefore the bill states that the forms of collaboration should develop (ibid. p.78).

In the strivings to obtaining the, “receiver’s owned”, development a new term in the collaboration is found in PGU, “partnership”. The starting point of the collaboration is that the developing country has the main responsibility and leadership. Without a strong national responsibility, no sustainable results are reached. And so the national needs, priorities and strategies for development have to be fundamental for the collaboration. Effective partnership is that which is based on respect, trust, openness and long-sightedness. The partners need a mutual value-system, especially when it comes to anti-poverty work and areas such as human rights, democracy, equality and children’s rights. Another important area is the decrease of income

differences through an equal resource distribution policy. To inherit this mutual value system the same tool as in prop. 1977/78:135 is used, “the dialogue” (ibid. p.63). There is also a terminology change in the word “Development”.

The policy that is presented in this government bill is build upon the new view of development that has grown forth during later years. The importance of a free trade and working market economy is important features, as well as the benefits from a diversity of actors, domestic and international, public and private, in the strivings for development. That the efforts and programs should be build on the collaborating countries own priorities and plans is stressed, and that the responsibility for the development should be found in the developing country. It is in the collaborating countries the dialogue of policy and coordination of the givers is to be done. Foreign investments, public or private, makes compliments to the countries own strives for development (ibid. p.79 a.t.).

Even if the ownership is at the receiver in PGU there are areas more or less prompted to be a part of the receiver’s policy. One of these areas is social leveling. “A political will to translate growth to social development, through a just redistributive politics and through working democratic institutions and rule systems is demanded. Remaining gaps is not only unjust, it is as well from an economic perspective inefficient and in the long run even dangerous” (ibid. p.29 a.t.). Sweden should according to PGU support the framing of a socially welfare system that can strengthen peoples own capacity and influence, and also give support and safety in vulnerable circumstances. PGU refers to the Swedish welfare system and proposes a notable Swedish engagement in the forming of a welfare system in the partner’s country, viewed as motivated through the experiences Sweden has gained by their own successful program framing in modern time. A note is however that one cannot export readymade models (ibid.).

Another prompted area in PGU is a working macro economy that can meet the needs of the poor both as producers and consumers. “The growth has to be of a kind that benefits the poor” (ibid. p.16 a.t.). A stable macroeconomic frame is viewed as needed, as well as sound and transparent finances, working institutions and effective collection of taxes. Again a relatively equal distribution of income is seen as important to strengthen the growth and strives for anti-poverty along with investments onto human resources and social development (ibid. a.t.). A powerful tool to obtain development and spread economic advancement, viewed as important by the bill, is a free and open trade. According to PGU competition is an important tool to reach effectiveness in the economy (ibid. p.36). The striving for effectiveness leads also to restrictions on the giver, in this case Sweden. The restrictions are on purchasing, and the work of development should not be bounded onto Swedish companies. “Boundless purchasing increase free trade and free markets. It also gives a signal to the developing countries on the importance of deregulation of their own markets to favor free competition” (ibid. p.72 a.t.).

In the chapter of “experiences to build upon” (ibid. p.16 a.t.) an interesting discussion over the role of the state is found.

Different theories on the driving force in development have over the years dominated the debate of how development achieves. The most important conclusion from this debate is that the term development been given a broader meaning. Development is more than economic growth. Investments in people’s education and health play a settling role for the economic growth. Establishing functioning market economies is important – but the market can’t solve everything. An interaction between the state and the market is needed to obtain just distribution and to secure the access of primary service, like education and health-care (ibid. a.t.).

It doesn’t have to be but in relation to the Swedish history, and the views of Mats Karlsson, this does look like a “Post NPM” view or at least a note to free market idealists. When it comes to the primary services the market isn’t sufficient on its own and the state is needed.

4.3.2 Hood’s dimensions in PGU

Table 4.3 Hoods dimensions in PGU

| | PPA | 3 | NPM | 3 |
|---|---|----------|---|----------|
| 1 | ”semianonymized ” organizations | | Each product separately managed in the state owned corporation units | |
| 2 | “semipermanented organizations”, captive markets which are until further notice assigned to particular “prestige” producers | | Competition and market based provision with more emphasis on contract provision | |
| 3 | Progressive style of management, ex. Fix pay | | Private sector management, ex. Variable pay | |
| 4 | Emphasis on policy making, maintaining a, in volume terms, stable service. | | Emphasis on management skills, regulation and cost-cutting | |
| 5 | ”Hands of management”, the top manager fenced in by rules | | ”Hands on management”, more decision power to the top manager | |
| 6 | Stress on process | | Stress on output, more explicit and measurable (or at least checkable) standards of performance | |
| 7 | Following “orders of the day” | | Self regulating system according to pre-set output measures | |

The first dimension seems to be up to the partner to decide. The direction in the chapter on economic growth is not directly about management but gives a hint of the freedom the states has in choosing methods.

The state can beyond the institutional frame also through investment, by itself or in collaboration with the business world, contribute to the growth through strengthening the domestic resource body (PGU:27).

The policy of PGU emphasizes competition and market based provision, cost cutting etc. but when it comes to the primary services the policy is that the state should take care of the distribution so that everyone is secured access. For the second and the fourth dimension there is then a combination between PPA and NPM. NPM in general and a choice for the primary services like education and health care.

The third dimension is not clearly stated in PGU but a stress on regulation of income in the course of redistributing in order to decrease the gaps is clear. “Remaining gaps is not only unjust it is as well from an economic perspective inefficient and in the long run even dangerous” (ibid. p.29 a.t.). This implies a more PPA view on the third dimension.

Sweden strives for a higher degree of result control and stress on output. “The important work started by UN and WBG of increased result control and follow-ups of the global work of development is strongly supported by Sweden” (ibid. p.73 a.t.). This is in line with the NPM view of the Sixth dimension.

Comments for the fifth and seventh dimension were not found in PGU.

The poor is the owner of its own development in PGU and so the ownership is found at the receiver. A free market is seen as important for growth and without a working macro economy the poor will not benefit from the growth. The ownership is fenced in by a number of conditions that is seen as indispensable for development. A free market and competition is highly stressed along with result control which is in line with the dimension of NPM. However great income gaps are not accepted and the state is the owner of the primary services. PGU is then following a confined NPM line in general terms and more PPA perspectives for primary services. How to deliver the primary service, in a PPA/NPM way, seems furthermore to be up to the country's own decision.

5. Analysis

What is the development from the former to the current governmental bill in a NPM/PPA perspective, and what changes does the development bring on motives, methods and values?

Table 5.1 Hoods Dimensions a summary¹⁰

| | PPA | 1 | 2 | 3 | NPM | 1 | 2 | 3 |
|---|---|---|---|---|---|---|---|---|
| 1 | "semianonymized" organizations | | | | Each product separately managed in the state owned corporation units | | | |
| 2 | "semipermanented organizations", captive markets which are until further notice assigned to particular "prestige" producers | | | | Competition and market based provision with more emphasis on contract provision | | | |
| 3 | Progressive style of management, ex. Fix pay | | | | Private sector management, ex. Variable pay | | | |
| 4 | Emphasis on policy making, maintaining a, in volume terms, stable service. | | | | Emphasis on management skills, regulation and cost-cutting | | | |
| 5 | "Hands of management", the top manager fenced in by rules | | | | "Hands on management", more decision power to the top manager | | | |
| 6 | Stress on process | | | | Stress on output, more explicit and measurable (or at least checkable) standards of performance | | | |
| 7 | Following "orders of the day" | | | | Self regulating system according to preset output measures | | | |

Out of the seven dimensions a clear change towards a higher degree of NPM-views is visible in PGU in comparison to the former bill. But PPA has the same amount of dimensions partaken. The second and the fourth PPA dimensions in PGU are found in the discussion that the State has to secure the access to primary services. This is not clearly prompted as a management theory but that the state has to assure that the service comes to the one in need of it. How to assure the service, "row" or "steer", is the county's choice. For the third dimension the view that social leveling is important to reach the aim of the work of development remains steadfast. A working market and free trade is important to obtain growth. However a "post NPM" discussion is viewed in:

¹⁰ prop. 1977/78:135 Blue. Washington consensus Yellow. PGU Red.

Development is more than economic growth. Investments in people's education and health play a settling role for the economic growth. Establishing functioning market economies is important – but the market can't solve everything. A interaction between the state and the market is needed to obtain just distribution and to secure the access of primary service, like education and health-care (PGU:16).

The market has its limits and the state is needed to secure the primary services. This does not necessarily go against NPM but the trust in the markets "sufficiency" is clearly narrowed. Whether the trust is increased or decreased is however difficult to state. The same tendency, which the quotation states, is found in the third generation of SAPs' stress on the state to steer. Nevertheless SAPs policy is still based on NPM as Odén (2005) also states.

The mixture of the two theories in PGU in the comparison of Hood's dimensions is in line with the analysis of Odén and Wohlgemuth (2010:22) who say that the two perspectives and the main features of PGU cannot be seen as based on an explicit development-theory. PGU is not based on NPM but it is clear that a move towards the NPM theory's dimensions occurred in comparison to prop. 1977/78:135, and further IMF and WBG who bases their doctrines on NPM is supported by Swedish aid.

In the 1970's the international perspective was that the state should replace the market, and in the 2000's the role of the state was to make the market work as sufficiently as possible (Odén 2006:126). A similar development can be seen in the Swedish work of aid howsoever the former bill has a clear distanced position towards managing in respect of the receiver's ownership.

It seems that PGU is prompting values from the policy 1977. For example the ownership for the receiver is important. The view that Mats Karlsson presents in the country studies 1993-94 is very much in line with what was happening internationally and in the Swedish policy the following decade. He stated that the economy is vital but that the poor must be the owner of their own development (Ganuza, Lundahl 1995:8f). The receiver has the ownership even if an amount of conditions is a part of the work of development. There is also stress on collective responsibility in PGU which can explain the decreased amount of ingredients Sweden is stressing as important for the "partner" to implement. The "Partner" has replaced the former collaborator. For an effective partnership a mutual value system is important (PGU:63), and as clarified above Sweden has quite a clear view of what it considers to be good values and

methods, which to a degree are prompted in conditions but mostly through the same “dialogue” as for the former bill.

Stress on the process is replaced by stress on output. It is not taken for granted that attempts always are assisting the development and therefore focus on result control is important for an efficient work of development. In the former “indiscriminate” follow-ups the receivers were the owner, and the hinder to adequately evaluate the Swedish part were accepted without further discussion. PGU, on the other hand, asks for more commonly accepted indicators and statistic, and the evaluation is favorably made in collaboration with other actors in the “collective responsibility”. The developing countries strive to make their own follow-ups on results ought to be highly supported and as much evaluation responsibility as possible should be laid on the county’s own audit entity. That the partner own the evaluation is desirable, but as long as the country and its audit entity cannot do it sufficiently the evaluation is “owned” by Sweden. This is a clear change between the bills.

The main motive is still solidarity even if other motives have been suggested, during the 1990’s and in the pre investigation for PGU, as the enlightened self interest (Odén, Wohlgemuth 2010:10). The main goals from prop. 1977/78:135 are also found in PGU apart from the goal of independence. Gender equality is heightened and given its own main feature in PGU and a new concept, prompted by the globalization, are the global mutual utilities. Some of the other goals are redefined but the substance is approximately the same (Odén 2006:175).

Private organizations, trade union and the business world are prompted as important co-workers and are given a crucial role in the work of development in PGU (Odén 2006:187ff; Odén, Wohlgemuth 2010:18; Wohlgemuth 1997:169). Only Swedish organizations were supported with aid, although SIDA could decide on exceptions (prop. 1977/78:135 p.104). As long as private organization and the business world were useful in obtaining the goals for the work of development, through their contacts, member support, effectiveness, etc. they were supported. So a change from “useful” to “key actors” is visible between the bills. Furthermore it is stated in PGU that: “The collaboration with private organizations, *nationally as well as internationally* should be strengthen” (PGU:76 a.t. authors emphasis). In 2002 10 percent of the amount given to private organizations was given to international organizations and local organizations in the receiving countries, according to *Development Assistance Committee’s* (DAC) statistics (Odén 2006:187f). This means that a change in use, of private organization outside Sweden, is made.

In both bills the goal of one percent of the GDI is stated to be desirable amount set aside for aid. In the 1970's there was a mindset of big push and the bill viewed the one percent goal as a phase goal and hoped for higher amounts in the future. One percent of the GDI is seen as a starting point, not an absolute. The recommendation from UN is that 0,7 percent of the GDI should be committed to the international work of development. Sweden is however one of the few to reach the recommended amount (1977/78:135 p.84). In PGU the Swedish one percent goal remains. The problem that a low amount of aid giving countries reach the 0.7 percent goal remains as well, and instead of increasing the Swedish amount emphasis is laid on influencing the collective to follow the recommendations and agreed promises (PGU:74f). There has however been a change in the percentage of the amount given to the poorest countries, a decrease from half of the amount to one third of the amount (Internet 5).

Not in any of the bills were comments for the fifth and the seventh dimension found. This is probably best explained by the view of ownership and sovereignty. The fifth and the seventh dimensions are on a detail level and if the bills would have gone down to direct or give its view on a detail-level the questions could rise to whom the sovereignty and ownership belongs. But why are there no counterparts for the Washington consensus? The consensus is only briefly investigated in this thesis and the analysis relies on the main elements presented by Odén (2005). A deeper investigation in the consensus own documents had probably brought counterparts to the two dimensions.

Interestingly enough is the divergence in practice. The Swedish policy has over time viewed ownership as important and the final acceptance of the IMF and WGB line were made when other roads seemed closed. But by acceptance of the NPM based policy Sweden went, in a higher level perspective, from a NPM view of the fifth dimension towards a PPA view. Countries fenced in by conditions replaced the tolerance and acceptance for the receiver's premise. That was a major change.

So what is then the development from the former to the current governmental bill in a NPM/PPA perspective, and what changes does the development bring on motives, methods and values?

In a NPM/PPA perspective the former government bill, prop 1977/78:135, is taking a distancing stand when it comes to managing in respect of the receiver's ownership. Although is there a higher amount of PPA dimensions in the mindset of the bill. In PGU the receiver is the owner as well but more conditions are given. The Bill is not based on NPM but in comparison

to the former it is visible that the Swedish work of development has been influenced by it and the bill is leaning towards the dimensions of NPM, even if table 5.1 shows an equal spread. So the rhetoric development is to a noticeable degree in line with the practice.

The process and implementation of the highly NPM influenced Washington consensus with IMF and WBG as prominent figures was dominating the international realm of aid in the time-span between the bills. After the unsuccessful attempt to implement an alternative program in Tanzania Sweden accepted the line of IMF and WBG and so started to work according to a policy that was rooted in the NPM mindset. The effect in Sweden is clear in the economic discussions in the country studies made 93-94, also in shifting of terminology from “collaborator” to “partner” and furthermore the “enlightened self-interest” attempt to be the motive of giving aid instead of solidarity. The influence of NPM in the work of development has however not affected the goals, at least not considerably. Motives, amount of money and development doctrines in PGU remain stable. The discussions to change motives and amount of money in the 1990’s are not included in the government bill. The influence of NPM does however affect the methods used. Examples are that the private organizations, the business world and trade unions are no more used “as long as there are no better alternatives” but viewed as key-players in the work of development and are given a vital role for the achieving of the goals. Focus is as well no longer on a “correct process” but on outcome and result control. The amount of money is stable but less percentage is going to the poorest countries, a drop from half to one third of the amount.

6. Discussion

Even if major changes have taken place in the international work of development the motives and aims of the Swedish policy are very much the same. Solidarity is still the main motive and the four goals that were presented in prop. 1977/78:135 are also found in PGU although not as goals but as main features. The description is different but the substance seems to be very much the same. The goal of independence is not found in PGU which is reasonable in a world where everyone is dependent on each other, the borders are fading, and the work of development is a collective responsibility. The importance of gender equality has been prompted and also included as a main feature, and the new concept of global mutual utilities are prompted by the globalization. The methods used to reach the motives and aims have however changed. For example the private sector and a free market is highlighted and stressed as important for growth and particular projects are evaluated by the outcome instead of the process.

If the domestic change in Sweden is modest the change for the receivers has however been more distinct. From being owner of their own development they came to be “ruled” by the givers and rapid changes in the administration took place. The relatively small steps of Sweden in accepting the IMF and WBG line of how to attain development along with the increased amount of conditions given to the receiver, gave a fundamentally different type of aid for the receiver.

Note that Sweden moved towards a higher degree of NPM in relation to the receiver, which implies a free market that provides the general services and a steering state with decreased “rowing”. But if one looks at a higher perspective the policy changed in the opposite direction. In the 1970’s Sweden decreased its own ownership and increased the ownership for the receiver. The receiver should make the decisions how, where and when, and Sweden could tolerate different methods. In 2002 the ownership of the receiver is on its way back again but it is clearly fenced in by conditions, or in PPA terminology “rules”. The countries are free to do what they want inside the clearly traced frame. This looks similar to the PPA top down methods of managing public services. So the relationship between the giver and the receiver from 1977 until 2002 have, seen from this perspective, moved in an opposite direction, from a manager with a great decision power, to a “fenced-in” manager, or from NPM towards PPA. So maybe one of the major consequences for the receiver, by means of NPM, is found in the quotation from the aforementioned Tanzanian president: “We cannot import wholesale foreign values without regard for the realities of Africa. There is no moral justification for the

west to teach Africans about democracy when they ruled Africa for generations without it” (Odén 2006:156).

The retaking of old values and “post NPM” discussions give support to the critical standpoint Sweden had in the first year of the 80’s. Now after three generations of reforms and entering into a new millennium some of the values founded in the international aid agreements are similar to the ones found in the government bill of 1977, one of those being ownership. From being owner of its development the receiver became owned by the givers after the dept crisis. But two decades later the ownership for the receiver is prompted again. As mentioned in the first chapter a change was incited from the rules in use. One could say from the investigation that the receivers’ ownership never disappeared from the Swedish policy. Rhetorically we find it in the former bill, in the comments on the country studies from the undersecretary at the department of foreign affairs 1995, and it is also prompted in PGU. But the practice of ownership of the receiver was gone for about two decades. That the practice did not go in line with the rhetoric and was impelled by external pressure can be seen as a problem, especially when the old policy is retaken. Caution in this area seemed to be favorable, and a lesson to draw from the study is to be careful when it comes to too quick implementation of new and popular theories. Implementations are time-consuming and in some cases it is better to wait or even not to implement. If the ownership is important for the work of development it is also desirable to find it in the practice. Or in other words: The grass is not always greener on the other side, consider once again what you already have before you make a move.

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