SEARCHING FOR PROFESSIONALISM

The provision of technical assistance to local government in CEE-countries during their transition process

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Abstract

In the last four years we presented a number of papers at NISPAcee conferences and elsewhere on technical assistance to CEE-countries during the transition period. All those papers showed that something was very amiss in the process of technical assistance, be it on the side of the recipients, the foreign experts, the donor organizations or the governments that provide the money. The last paper in Kiev made many participants ask the question: “So, what needs to be done? What are your recommendations?”

This paper intends to address these questions. Since the subject of our research was the search for professionalism, the first question is what is indicative for professionalism, how this differs from the practice of technical assistance and what can be done to reduce this gap. Hence it is not an empirical but a normative paper, based on the outcomes of previous empirical research.

The paper first points to the problems in all the phases of technical assistance as encountered previously. Subsequently an analysis is given of those outcomes, framing them within the theories on professionalism. The main question the paper tries to answer in the theoretical part is what professionalism is and which dimensions can be distinguished. It is argued that individual professionalism can be conceived in two ways, a modern and classic type, with the latter being more effective from the beneficiaries’ point of view. Hence, the explanation of varying practices in the field of technical assistance it is not a matter of amateurism vis-à-vis professionalism, but rather two different interpretations of the construct.

The paper argues further that the organizational structure of this form of aid and the incentive structure within the aid-chain result in the dominance of the modern-day professional, and driving out classic professionals. We conclude that it might be desirable if the classic professionals could be brought in again, which requires a quite different type of organization and incentives than employed nowadays.

1 The authors want to express their gratitude to Frits van den Berg, Jan Kees Helderman, Berry Tholen, Ellen Boschker, Nienke Wind, Kenan Cankaya, Marleen van de Kamp, Ewoud Rohn & Bas Barten for their input in this paper
1. Introduction

This paper is the last one in a series of eight on the Western assistance to local government in CEE countries during their transition process. Its aim is to draw conclusions and give recommendations on the basis of that previous research.

That research started out of curiosity. The Western countries provided about 40 billion US $ on technical assistance to CEE countries between 1990 (after the fall of the Berlin Wall) and 2004 (the year in which 10 CEE countries became members of the EU), and as it appeared from many comments from the recipients at the local level that a lot of this assistance fell flat. The local officials of the CEE-countries we spoke to were critical, sometimes even cynical about the quality of this assistance. For them, only being acquainted to the individual experts, the latter were to blame. During the process of investigation we discovered, however, that this criticism was only part of the story. There seems to exist something like an aid-chain, not a coherent chain, which is sometimes depicted as “Development.Inc” (cf. Easterly, 2006), but an incoherent, fuzzy chain, in which at each junction goals, objectives and instruments and techniques are proposed which not necessarily coincide with the goals and objectives formulated by others, and in which each link is subjected to its specific boundary conditions.

This paper models the results from that previous research within the manifold theories on professionalism. This is done, because at first sight it appears that all the outcomes on the process of the technical assistance given to CEE countries, point to a lack of professionalism. Professionalism was lacking among the recipients, who did not know how to act under the new circumstances arising in the early 1990s and how to deal with the transition process. It seemed also to be missing among the individual experts and advisors who were sent to the CEE countries. They often had not the slightest idea what the circumstances were over there, what to do or what advice to give. Furthermore professionalism seemed missing among the donor-organizations which sent these unknowing experts abroad without giving them the opportunity to prepare properly. Finally it seems to have been missing among the politicians of donor countries, who just had their own countries’ interests in mind.

However, as this paper will argue, this view is only the superficial part of the story. We will argue that there is more than one definition of professionalism and the concept includes many aspects. It will also be argued that over the years, one specific conception of professionalism has become more and more neglected, while other aspects were overemphasized. Hence, the conclusion we will draw at the end of this paper and which is argued in between is that perhaps there was not a lack of professionalism, which interfered with effective technical assistance, but a one-sided perception of the true meaning of professionalism, which might be the cause of the problem.

Furthermore, we will argue that this dominance of a specific type of professionalism was encouraged by a specific power, organization and incentive structure. The hierarchical flow of money, dubious objectives and steering instruments, such as monitoring and evaluation, as well as the incentive structure in which it is stimulated to please donor-organizations and governments, instead of concentrating on what the recipients need, has driven out the good professionals in favor of the modern-day professionals, in the same way that according to Gresham’s law “bad money drives good money out of circulation” The “bad money” in our case is represented by those modern-day professionals that opt for emotion-free and goal-oriented standard-setting and keeping up appearances, based on an academic education, who work solely for financial gains. The good money is in our case visible in old-fashioned professionals that opt for emotion-free and goal-oriented standard-setting and keeping up appearances, based on an academic education, who work solely for financial gains. The good money is in our case visible in old-fashioned professionals who show commitment and empathy, who never misrepresent themselves, continuously try to increase their expertise, have the clients’ interests in mind, see the contingencies of problems and base their interventions on sound diagnosis. These types of professionalism of actors are seen in the conduct of the recipients of technical assistance, foreign experts, representatives from donor-organizations as well as to politicians.

This paper concludes by proposing some improvements, but these are not in line with current trends. We do not conclude, for instance, to increase of decrease the volume or quantity of foreign aid and technical assistance as such, or that one should build standards of excellence in terms of education and accreditation as preconditions for providing technical assistance, or that it suffices that the plot of a malicious aid industry against the poor is exposed, and neither that there should be more administrative control on the aid provided.

This paper argues that professionalism is also about content and that content is more than just a transfer of standards in exchange for money, the existence of a proper monitoring system, and conducting regular evaluations.

We start with an overview of the outcomes of previous research and frames and analyze the outcomes. This continues with a description of recent attempts to improve the practice in the field and recommendations as made in the literature and concludes with a number of recommendations based on our own research.

2. A summary of previous findings

What did come out of our previous research? This section concisely presents the most important outcomes of that research.

The first paper to be mentioned presented the theoretical and empirical puzzle. How could it be that while everyone wanted the Central and Eastern European countries to move towards the Western camp, and huge amounts of money were spent on technical assistance to make this come true, the effectiveness of that help at the local level was nevertheless disappointing? (De Vries & Sobis, 2006) This paper explained our progress and also the problems faced while doing this research. It explained how we, out of a continuous reflections on parts of the research, finally
their own work. Their excuse was that they did not have any experience in the CEE countries. According to our
always act according to the criteria given in manuals and books on advisory work. They were equally critical about
path dependencies into account. The result was that some recommendations were contrary to domestic regulations,
operating procedures used in their home country, without analyzing the specifics of the context and without taking

The first investigation into that question (Sobis & De Vries, 2004; cf. Sobis, 2002,) pointed out that western
advisors have to be seen primarily as standard setters who make recommendations that perhaps work in their home
country, but that are quite beside the point in the recipient country. There were however differences between Swed-
ish advisors on the one hand, listening and making thought through advice based on the local situation, and on the
other hand the advice given by American and French foreign experts who acted arrogantly and just told the local
officials to do things as they were done in the USA respectively France. The latter often tried to copy the standard
operating procedures used in their home country, without analyzing the specifics of the context and without taking
path dependencies into account. The result was that some recommendations were contrary to domestic regulations,
some exceeded financial possibilities, and some just introduced a lot of bureaucracy. Furthermore, the advice of the
French and US experts was often contrary, or incomprehensible from the recipients’ point of view. Even the British
experts, who were perceived positively by aid-recipients, proposed organizational standards passing aid-recipients’
domestic legislation. The result was that the recipients often made choices that can at best be described as compro-
mises between the norms of rationality and the norms of fashion. From their perspective the foreign experts were to
blame for giving ineffective advice. The results also showed that quantity as such did not make the difference, but
rather the quality of the experts and their advice.

In the second phase of our research project we went to the Swedish experts, of whom it was said they were the
best (Sobis & De Vries, 2005). Even they agreed that their work was not always successful, and that they did not always
act according to the criteria given in manuals and books on advisory work. They were equally critical about
their own work. Their excuse was that they did not have any experience in the CEE countries. According to our
respondents they were hired by donor organizations, which were hardly interested in making projects work, but
were only concerned about the western interests. Hence, the experts ended up in CEE countries without being proper-
ly prepared by their employers, and entered into situations characterized by ambiguity, ignorance, uncertainty,
without any support from the donor organizations. Moreover, at the beginning, they were quite often expected to
prepare a basis for the Swedish aid providing within the chosen countries. This outcome redirected our research to
the donor organizations, because their morale and motivation was now at stake. The experts felt little trust from
donor organizations in what they were working on, and they saw too little attention for ethics, trust and commit-
ment. In the eyes of the experts, the donor organizations were to blame.
The question then became whether the role of the donor organizations is really to be criticized (Sobis & De Vries, 2006). According to themselves this is only partly justified. The respondents in our third case study were very frank about this. They told us they were trapped between the demands of Swedish national authorities and the regulations that restricted their possibilities on the one hand and their own goals with regard to improving the situation in CEE countries on the other hand. We investigated whether indicators could be found that support this view. Because of the openness and transparency of the Swedish policies and the frankness of our respondents, ample indicators were found. This paper concluded that the aid to CEE was not a question of altruism or selfishness as proposed by the social exchange theory. It argued that the establishment of “new” power relations in Europe was the major motive behind assistance, which caused that the assistance programs to CEE countries were entwined between the major objectives of Swedish government and the down to earth, concrete, operational goals formulated for specific projects (cf. Statute-Books, 1988:533; 1991:440; 1992:269). Thus, the incoherence between major objectives and operational goals might well be the explanation for the failure of concrete assistance projects. According to the donor organizations themselves they are just small players in the field handling only a minor impact. They had limited knowledge about what is really going on in the recipient countries. They were dependent on shifting regulations made by government, and shifting goals also determined by government that were not always congruent with what was needed in the recipient countries. Their main task was to transfer money to consultancy agencies that sent so-called “experts” and “consultants” to do something, but of which it was far from transparent to the donor organizations what they really did.

These results were the basis of our final investigation. It resulted in a research project addressing the politicians within national government (Sobis & De Vries, 2007). Until then those involved in the aid-chain always pointed to new suspects. This was not the case for the Swedish politicians. According to the respondents’ (previous prime ministers and ministers of foreign aid), they were responsible for their decision-making concerning the aid to CEE countries. They emphasized that they made only general decisions based on general objectives in this regard. As politicians, they were hardly interested in evaluations or information about the operational processes or the effectiveness of aid-projects in CEE countries. All this could be interpreted within the neo-institutional theory developed by March & Olsen (1989), in which a distinction is made between the logic of consequentiality and the logic of appropriateness. We sought for indicators for both rationales and found arguments in favor or a logic of consequentiality in the ‘hidden’ agenda of Swedish politicians. That agenda was reflected in the rules or guidelines for the aid-organizations. These guidelines made the need for effective aid in terms of the improvement of the aid-recipient’s situation subordinate to the need to improve the situation of Swedish business and institutions. However, at the same time the major objectives of Sida dealing with aid providing made an impression that assistance is provided only in the favor of aid-recipients (Sida, 2005). That explains why Swedish politicians were neglecting the information about aid’s effectiveness. All that mattered was whether the Swedish economy could profit from tied aid.

3. Analyzing the outcomes

We are not the first to criticize consultancy work. Many scholars preceded us and probably many will follow (Wedel, 1998; Pinault, 2001; Byrne, 2002; Clark and Fincham, 2002; Kitay and Wright, 2004; Craig, 2005; Czander, 2001; Smith, 2002; Pries and Stone, 2004; Sobel, 2004; Warren, 2004; Brunsson, et al. 2000; Obolensky, 2001). Our broad research showed that the western assistance did not solve the major problems of aid-recipient countries. However, we can not follow the famous opinion of Ferdinand Piëch – the former CEO of Volkswagen, who said: “If you want to ruin a company, you only have to try fixing it with the help of external consultants”. The situation in the aid-recipient countries of CEE was bad enough at beginning of the transition process from socialism to capitalism that only a war or a nature cataclysm could make it worse. In such circumstances, any pieces of western advice could not but contribute by introducing some modern working methods in line with a market economy. In our opinion, this should be perceived in terms of assistance. Nevertheless, we share the opinion with the aid-recipients that this aid could have been much more effective and professional. When analyzing the whole aid-chain, we came to conclusion that even the Swedish were not really worthy of the classifications of “the best qualified, most honest and really humanitarian actors in the field of foreign aid” but we wish to avoid the only conclusion that in the end everything is about politics. Is there simply no other answer to this problem? Do these findings give rise to pessimism? In our opinion, giving an answer like this would be definitely too easy when billions are spend without really helping the recipient countries.

We would like to see the business of aid-industry and technical assistance particularly to become more professional. However, that immediately begs the question: “How do you mean, professional?”

Studying many theories dealing with professionalism e.g. Freidson (1986), Abbott (1988), Burrage & Torstendahl (1990), Brante (1990 and 1999), Evetts (1999), Hellberg (1999), Andersson (2001), Florida (2001), Laursen at al., (2007), we observe that there are different definitions and types of professionalism. Below we will address two forms of professionalism and analyze how well the process of technical assistance fits those two sides of professionalism.
3.1. Individual professionalism

3.1.1. Modern views on individual professionalism and amateurism

Nowadays, when one wants to know the basics of something, Internet is among the first sources. When searching the term “professionalism” by Google, we have found in approximately 11.900.000 hits. The first few of the results provide definitions and tutorials on what constitutes professionalism. Dictionary.com gives as a definition of professionalism in terms of: 1) professional character, spirit, or methods, 2) standing, practice, or methods of a professional, as distinguished from an amateur”. The dictionary of Merriam Webster tells us that professionalism is: 1) the conduct, aims, or qualities that characterize or mark a profession or a professional person, and 2) the following of a profession (as athletics) for gain or livelihood.

An Indian Guru named Sanjeev Himachali sees professionalism as a declaration, wherein you mention, how you like to get treated by others. It is about attitude, behavior, self-presentation; self-respect and dignity. It means not just knowing how to do your job, but demonstrating a willingness to learn, cooperating and getting along with others, showing respect, and living up to your commitments. It also means avoiding many kinds of behavior that cause trouble in the workplace.

Edgar B. Toupin (2002) tells us that a general, raw view of professionalism is: “a focused, accountable, confident, competent, motivation toward a particular goal, with respect for hierarchy and humanity, less the emotion”

A tutorial on the internet tells us that a profession is “a vocation requiring knowledge of some department of learning or science”, a professional is one who follows “an occupation as a means of livelihood or gain”, or one who is “engaged in one of the learned professions”. Professionalism is exhibited by one of the “professional character, spirit or methods” or the “standing, practice, or methods of a professional as distinguished from an amateur”.

Another tutorial tells us that professionalism is: 1) a vocation requiring knowledge of some department of learning or science, 2) a professional is one who follows “an occupation as a means of livelihood or gain”, or one who is “engaged in one of the learned professions”, 3) professionalism is exhibited by one of the “professional character, spirit or methods” or the “standing, practice, or methods of a professional as distinguished from an amateur” (American College Dictionary, 2008)

Still other websites provide a number of recommendations for people wanting to be (seen as) professionals. Among such recommendations, you can find the following explanations:

“Don't ever do anything as though you were an amateur.”; “Anything you do, do it as a Professional to Professional standards.”; “A professional looks, speaks and dresses like a professional. An amateur is sloppy in appearance and speech.”; “A professional keeps his or her work area clean and orderly. An amateur has a messy, confused or dirty work area.”; “A professional is focused and clear-headed. An amateur is confused and distracted.”; “A professional does not let mistakes slide by. An amateur ignores or hides mistakes.”; “A professional jumps into difficult assignments. An amateur tries to get out of difficult work.”; “A professional completes projects as soon as possible. An amateur is surrounded by unfinished work piled on top of unfinished work.”; “A professional remains level-headed and optimistic. An amateur gets upset and assumes the worst.”; “A professional handles money and accounts very carefully. An amateur is sloppy with money or accounts.”; “A professional faces up to other people’s upsets and problems. An amateur avoids others’ problems.”; “A professional persists until the objective is achieved.”; ”A professional produces more than expected.”; ”A professional produces a high-quality product or service.”; ”A professional earns high pay.”; ”A professional has a promising future. An amateur has an uncertain future.”; “The first step to making yourself a professional is to decide you ARE a professional.”

Although such internet sources are not to be taken too seriously, because mostly statements are not argued and as such differ from scholarly sources, the internet does give one indication of the aspects of professionalism. The above views underline professionalism as an individual trait of someone who has a well-paid occupation within a profession, who acts in conformity to the standards of that profession, who keeps up a professional appearance, who has acquired knowledge within some department of learning or science, who is goal-oriented and avoids showing emotions. It is reflected in the internal guidelines of McKinsey telling its consultants never to leave the clients’ office before everyone has left the building. Not to promote hard working, but in order to give the image of being hard working. It is the commercial view on professionalism that is dominant in this approach.

3.1.2. Classic views on individual professionalism

The criteria for individual professionalism could be rather different from the ones found on the internet and the organizational criteria given. This section addresses some of the classic academic interpretations of professionalism, which contradict the above mentioned description of professionalism in that they emphasize content.

Contrary to the businesslike, free of emotions, attitude, Talcot Parsons already stressed the importance of altruism versus selfishness next to esoteric knowledge and complex skills (Freidson, 1994: 2-13), and of being aware that it is special when one is serving the needs of the public. Freidson (1994) sees commitment as one of the basic elements of professionalism (Freidson, 1994: 200). According to Kubr in his classic and famous work on management consulting, especially in the public sector, professional consultants should show empathy for the client, and
Understand that in this sector “people” and “process” problems prevail over “technical” problems (Kubr, 1976; 1996: 428-429).

Contrary to keeping up appearances, Kubr (1976, 1996: 121) tells us: “A professional consultant will never misrepresent himself, pretending that he can do a job that is beyond his competence, even if he is short of work and keen to get any assignment.”

Kubr also has a rather different view about the role of a consultants’ pay than seems to be the dominant idea about consulting nowadays. A consultant is not in the field for making money. He or she should even handle commissions with care, because they could be seen as bribes, and “a professional consultant would make his competence and time fully available to the client, with the objective of achieving the best possible results in the client’s interest” (ibid). This he calls the “golden rule of consulting”. Consultants should even warn their clients beforehand if the costs of the consultancy are expected to be high in relation to the benefits. This idea is similar to that of Freidson who warns that performing some activity for the sheer love of it and without interest in its capacity to provide a living, indeed as an amateur, in contrast to “professionals” who earn money from their activity, is not at all the same as characterizing something as an amateurish job, or work of an amateur, which implies poor work, while a professional job implies good, reliable work of skill and quality (Freidson 1986: 22-23).

Contrary to organizational professionalism, understood in the literature of subject in terms of the institutions behind the professionalism of individuals, and especially the role of proper, e.g. academic, education, many scholars doubt whether that is the essence of professionalism, Andrew Abbott (1988), for instance, is critical about the (American) system of academic education. He is not convinced that academic education turns university’s alumni into professionals. According to him, the American system of education is still divided into elite professional education and non-elite professional education. Individuals learn their professional skills not necessarily within academic environment. It can take place e.g. by practicing somewhere e.g. in other organizations that have their rules, procedures and guiding principles for acting. For Abbott, professionalism is synonym to expertise, that is institutionalized in people, commodities and organizations, and which often is not established by educational systems. Contrary, it can be even acquired in a better way outside such systems. Thus, expertise that consultants possess is for sale as a commodity against payment, while organizations in which consultants are employed can structure their expertise by their internal organizational regulations. As Freidson concludes “professional education is too academic, theoretical, or unrealistic” to the practical needs, especially for new professional adepts (Freidson 1986: 212; see also Hughes et al. 1973).

With regard to acting in conformity to the standards of the profession, academic scholars also have quite a different view. Let us take as an example the opinions of Soal (2007):

“To work with professionalism is not simply to deliver a service that is reliable in its predictability and consistency of standards. The development sector is teeming with people who can provide respectable, even reputable, services: trainers who have their workshop ‘packages’ that get sold all over the world; consultants who ply their methods and ready solutions; NGOs that make it their reputation developing something original – then peddle it endlessly, with little regard for need or context. Professionalism goes beyond this, generating in its adherents the abilities to face each situation they confront, anew, to recognize these and to formulate from a confident inner capacity, responses and interventions that best suit that situation at that time” (Soal in Wallace et al., 2007: 7).

Thus, the spread of “institutionalized standards” in fact contradicts the classic understanding of professionalism. This is also argued in studies conducted by Czarniawska & Sevón (1996), Brunsson & Jacobsson (2000), and Rovik (1996; 2002).

As to the goal-orientation, this can perhaps be seen as the most important problem, no matter how sound it seems in the eyes of everyone involved in the process of foreign aid. Many scholars have argued that to emphasize predetermined goals is perhaps the main flaw in the process of providing aid. Eberhart Reusse (2002: 28) gives two astonishing examples in his review of development policies by the FAO, that is, on the “War on Waste” and “Cereal Banks”. In both cases millions of dollars were spent based on “news”, which was later unmasked as unrepresentative dramatization, but which resulted nonetheless in new goals and allocations to achieve those goals without a proper diagnosis. The news triggered its own momentum and programs, technical assistance against, for instance, the alleged food waste continued for two decades (ibid). As Reusse tells us: “the lack of professional expertise, especially in the field of economic analysis and evaluation, tends to be responsible for the tenacity of NGO-supported paradigmatic intervention concepts of problematic justification” (2002: 86) and the cost-effectiveness, efficiency and impact are rarely subjects of analysis in NGO-country program studies (Reusse, 2002: 87, see also van Dijk, 1994: 36).

To be goal-oriented implies that one has skipped two important phases in the field of consultancy, e.g. entry and diagnosis. Consultancy involves as Kubr (1996: 22) argued a number of phases, a process one has to go through. In this process of consulting he distinguishes five phases, e.g. the Entry, Diagnosis, Action Planning, Implementation and Termination phase:
• There is always an entry phase, when consultants come in. In this phase there is the necessity to learn about the perspective of the client on the problem, to conduct a preliminary problem diagnosis, and to develop a dynamic and comprehensive view of the organization, its environment, resources, goals, activities, achievements, and perspectives. All this should result in a SWOT analysis which could form the basis for action (cf. Kubr, 1996: 141 ff).

• Central during the diagnosis phase are investigations in the nature of the problem, the people side of diagnosis, an analysis of the causes of the problem, insight in the clients potential to solve the problem, and to avoid flaws such as mistaking symptoms for problems, preconceived ideas about the causes of problems, looking at problems from a technical point of view only, ignorance about different perceptions of the problem, partial problem diagnosis and a failure to focus purpose (cf. Kubr, 1996: 175).

• Third is action planning, requiring on-the-job-diagnosis; using creativity as could be achieved by brainstorming, synectics, attribute listing, morphological analysis, lateral thinking et cetera (See also Dunn, 1982); and presenting alternative routes towards the goal, including a risk analysis, an assessment of the necessary conditions to be fulfilled, and the perspectives of such alternatives, leaving it to the client to make a decision what to do.

• The implementation phase is “the culmination of the consultant’s and the client’s joint effort” (Kubr, 1996: 221). Implementation is where “the rubber hits the road” (ibid). The consultant working with the client to put into action the plan that has been agreed upon and to implement changes that are real improvements from the client’s point of view is the basic purpose of any consulting assignment. Basically, the client wants to see their problems solved and it is in the implementation phase that the consultant uses their preset plan to solve the problem.

• The termination phase means that: “Every project has to be brought to an end once its purpose has been achieved and the consultant’s help is no longer needed” (Kubr, 1996: 237).

At this stage, we just conclude that there are huge differences between the classic and modern visions on professionalism. These differences are visible in the position of “professionals” on six dimensions:

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<tr>
<th>MODERN PROFESSIONALISM</th>
<th>CLASSIC PROFESSIONALISM</th>
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<tr>
<td>1. emotion-free</td>
<td>commitment and empathy</td>
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<tr>
<td>2. keeping up appearances</td>
<td>never misrepresenting oneself</td>
</tr>
<tr>
<td>3. financial gains</td>
<td>having the clients’ interests in mind</td>
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<tr>
<td>4. formal (academic) education</td>
<td>building expertise</td>
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<tr>
<td>5. standard setting</td>
<td>interventions that best suit that situation at that time</td>
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<tr>
<td>6. goal-orientation</td>
<td>intervention based on sound problem diagnosis</td>
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3.1.3. The ‘professionalism’ of actors in the process of assisting CEE countries

How did all the actors in the process of providing technical assistance to CEE-countries fit in these dimensions? Figure 1 below shows how most of the demands out of theories on professionalism were not met. The recipients did not get what they wanted, but also failed to define their problems and purpose and left this to the consultants to decide, they did not choose their consultants, but these were imposed on them.

Often, there was no equality, but rather dependence, and no joint fact finding or active cooperation, nor involvement in the implementation process. All this findings are contradictory to recommendations in the literature. Kubr recommends recipients to “learn about consulting and consultants; define your problem; define your purpose; choose your consultant; develop a joint program; cooperate actively with your consultant; involve the consultant in implementation; monitor progress; evaluate the results and the consultant; beware of dependence on consultants” (1996, 2002: 721 ff).

As to the consultants the two models – the classic and modern – partly explain the variance in the appreciation of the recipients. These differences were seen in the dichotomies: emotion-free versus commitment and empathy; keeping up appearances versus never misrepresenting oneself; making money versus having the clients’ interests in mind; formal education versus building expertise; standard setting versus interventions that best suit that situation at that time; and goal-orientation versus intervention based on sound problem diagnosis. In our view the variance in the appreciation of consultancy can partly be explained by the position of consultants on these two conceptions of professionalism.

For instance, from our previous research it could be concluded that the Western consultants in local government in CEE-countries focused mainly on action planning. Their action plans, however, were not embedded in any on-the-job-diagnosis; they were without any creativity, and they were certainly not presented in the form of alternative routes towards the goal, including a risk analysis, an assessment of the necessary conditions to be fulfilled, and the perspectives of such alternatives, leaving it to the client to make a decision what to do. Instead it was standard-setting i.e. copying the standards that were used in their home countries. Seen was also that consultants often terminated their consultancy work right after presenting this plan, neglecting that real improvements need to be imple-
mmented. The whole planning process, the contingencies involved, the training and developing of client staff, the provision of tactical guidelines, the maintenance and control of new practices was often left to the client. The consultants did follow one the rules for termination better, e.g. stay no longer than necessary (Kubr, 1996; 2002: 239).

As to the donor-organizations, similar comments can be applied. They were unable to facilitate the consultancy process, by allowing the consultants to prepare properly. They did not provide working boundary conditions. Instead, within those organizations the timely circulation of money, the political objectives and control in the form of project evaluations dominated.

Finally, the remarks of the politicians were frank but nonetheless astonishing. They were not interested in substance at all and moved the money as they saw fit, given the economic interests in their own country.

Perhaps many of our actors – recipients, advisors, representatives of donor organizations and politicians - in the field of technical assistance were in one way or another professional in the modern definition thereof, namely keeping up appearances, being free of emotions, setting standards, primarily goal-orientated, aiming for financial gains and recruiting based on the criterion of being highly educated. What was neglected, however, was the classic perspective, in which the substance of professionalism is crucial. Classic, implying, not in vogue, not fashionable, but in our view, certainly not meaning outdated.

3.2. Power and professionalism in the organizational context

The behavior of the individual actors does not come out of the blue. It is structured within an organizational setting which can be interpreted out of different theoretical frames. Firstly, individual behavior can be explained in terms of power and dependences (Bell, 1976; Freidson, 1986; Abbott, 1988). Secondly, such behavior can be explained by the organizational structure of the aid provision in relation to the specifics of the context in which technical assistance takes place (Mintzberg, 1973) and thirdly it can be explained by the specifics of inter-organizational relations in the aid-chain, in which the incentive structure, transaction costs and aspects of principal agent theory are crucial.

3.2.1. The role of power and dependencies in knowledge transfer

Figure 1 above illustrated that the technical assistance is not just about actors in a process of transfer of knowledge, but much also about dependencies and power-relations among the different actors in the aid chain. It suggests that one of the causes of the problem is to be found in the political arena. This is not only a problem for the CEE-countries, but it can be seen as a general problem of the commodification of knowledge, in which knowledge transfer is less and less about substance and more and more about making money, and creating power-relations and de-
Julia Evetts (1999) goes somewhat in Freidson’s footsteps. According to her:

“development of knowledge and skills and secure professionalism. This is furthered by the one-sided education these
fact do not have a choice but to be in a system that is organized by various authorities in order to control over the
demands and due to particular expectations of clients to which they work (Freidson, 1986: 210). Professionals in
Evetts argues further that a growing number of international professional federations or associations show us, on
phy of profession, guidelines of professional behavior, admission requirements and others to clearly distance them-
the one hand, that they try to protect professional identities and its major characteristic elements like e.g., philoso-
Freidson observes that
		
t's to solve some problems.

According to Bell (1976: 117) this development has implications for the nature of knowledge. Knowledge is
there to sell. The increasing demand for high competences and high academic merits on the labor market allowed
him to talk about “meritocracy” and a new type of professionals. These professionals represent the so-called knowl-
edge class. Bell argues that the post-industrial society permanently creates knowledge and such production constitutes
the dynamic force that forms the modern society. He observes a new tendency that he calls for “development
of meritocracy”. This tendency causes that academic education becomes the most important mechanism behind
social mobility and new opportunities for social (in)equality. For him such a professional class is “the heart of post-
industrial society” (Bell, 1976: 374) and its’ growth is based on formal training in a broader intellectual context.
Thus, meritocracy with its somewhat new codification of knowledge essentially contributes to creating a new social
order (Bell, 1976: 426).

His theory was taken up by Eliot Freidson (1986) who in his book: Professional Powers. A study of Institution-
alization of Formal Knowledge develops this understanding of the production of knowledge by focusing on the
relation between formal knowledge and power in the context of existing institutions in the American society. He
investigates “the relationships between those who create, transmit, and apply that knowledge and the actual exercise
of power” (1986: 1-2). He wonders which rules or institutions are created by professionals and how the growing
commodification of formal knowledge can explain the existence of the “tyranny of the experts”. For him, agents of
knowledge are as well creators as carriers of these institutions. They create, transmit and apply rules in order to
solve some problems.

Freidson argues that knowledge is intrinsic and “not all people have the same body of knowledge” (1986: 2).
Knowledge develops due to a human culture. It is not so surprising that knowledge from one culture can be different
from knowledge of another culture. Moreover, specialized, theoretical and rather abstract knowledge can be
understood only by elites in each society. In this regard Freidson (1986: 4) agrees with Bell (1976: 20) and shares the
same opinion as Ellul (1973) concerning politicians’ importance for a development of formal knowledge. He
says that “politics and politicians hold the power, and they decide what formal knowledge to apply and to what
purpose” (Freidson, 1986: 7). Politicians make decisions in a framework of a complex consultative relationship be-
tween them and experts, advisors, consultants – those who have the relevant skills.

Freidson observes that formal knowledge is permanently transformed by professionals due to their actual work-
demands and due to particular expectations of clients to which they work (Freidson, 1986: 210). Professionals in
fact do not have a choice but to be in a system that is organized by various authorities in order to control over the
development of knowledge and skills and secure professionalism. This is furthered by the one-sided education these
professionals receive which is “too academic, theoretical, or unrealistic” to the practical needs, especially for new
professional adepts (Freidson, 1986: 212; see also Hughes et al., 1973)

Julia Evetts (1999) goes somewhat in Freidson’s footsteps. According to her:

“(…) states in Europe are witnessing the growing phenomena of translational regulations of professional
service. One of the major objectives of the European Union (EU) since its inspection has been the harmoni-
zation of national regulations affecting the provision of goods and services in order to facilitate the free
movement of produces and labor in the European market. The professions, and the services they provide,
are increasingly covered by regulations which define a common basis of competence for licensing as well as
sometimes common standards of professional practice” (Evetts 1999: 19).

Evetts argues further that a growing number of international professional federations or associations show us, on
the one hand, that they try to protect professional identities and its major characteristic elements like e.g., philoso-
phy of profession, guidelines of professional behavior, admission requirements and others to clearly distance them-
sehems from other occupations, although these international professional federations and associations are not the
regulative bodies by themselves. On the other hand, the same international professional organizations essentially contribute to the modification of national regulatory and licensing system for professionals that is perceived as the institutional side of professionalism (Evetts, 1999: 24).

Especially in a highly developed country like Sweden, the theory on post industrial society as first described by Daniel Bell might be valid. The logical conclusion would be that the problem we address is political in nature and the major objectives and goals of those on top of the aid-chain are crucial for understanding the problem. In our case those on top e.g. the government, set the priorities which were primarily in its own interest to take Sweden out of the isolation in Europe by assisting the neighboring countries in their transition process. Moreover, there was pressure coming from industry and other organizations, which saw a good opportunity in making a business in CEE countries. This made the politicians to make a decision about the aid-providing to CEE and Russia. However, the government had also some kind of expectations that this could create a win-win situation. Nonetheless, the domination of own interest affected the whole aid-chain, which eventually is not about helping out of altruistic aims, but just about preserving and creating power relations, dependencies and improving one’s own position. Such keeping up the appearance of altruism, the emotion-free and goal-oriented standard-setting, and the motivation to get one’s own academics to work induces the dominance of a certain kind of professionals and the driving out of those professionals that care less about Sweden’s or even worse French or US interests and care more about the fate of the beneficiaries.

3.2.2. The organization of technical assistance in relation to its context

When the problem is perceived within an organizational perspective it is basically about the question how to optimize “two fundamental and opposing requirements: the division of labor into various tasks to be performed and the coordination of those tasks to accomplish the activity” (Mintzberg, 1989: 100).

The classic work of Henry Mintzberg (1983) on organizational structures argues that an optimal organizational structure as such does not exist, but has to be judged in relation to its fit to its environment. When the environment of an organization is dynamic, when there is much uncertainty, when the complexity of tasks is high, and the market is diversified, one needs a different kind of organization than when the environment thereof is stable, tasks are more routine and information is ample available. In the latter situation a bureaucratic organization and hierarchical management that standardizes knowledge, skill, processes and output could be fitting. The more the environment is characterized in terms of the former situation, the more suitable it becomes to decentralize, to remove hierarchies and reduce standards.

When judging the context of transition of CEE-countries in this respect as well as considering the views of all those involved, as investigated in previous papers, one cannot but conclude that the situation was complex, that information was lacking and that the uncertainty was huge. Hence, one would expect an organizational setting fitting this situation, e.g., a missionary, innovative or at least a professional organizational structure.

The characteristics of the professional organization were well described by Henri Mintzberg (1973: 466-171). In his view a professional bureaucracy is characterized by the fact that the production core is composed of professionals, who provide services rather than tangible products within a complex environment, as in consulting firms. People within such organizations have autonomy and the power is held by the professionals, a highly decentralized structure exists with horizontal distribution of power. The professional organization has a large operating core, which relies on standardization of skills and knowledge and which permits coordination through work-related training, as is required for professional groups (Mintzberg, 1973). Typically, the skills of the individual worker have been learned outside the organization (e.g. university). There is a strong culture and clan control, as well as ample space for training and developing and sharing experience in order to enhance proficiency, e.g. performing tasks based on highly developed knowledge and skills in order to achieve excellence.

As a consequence there is a relatively small management layer but a large support system. In such an organization the specific tasks of the professional bureaucracy is to facilitate its operating core by standardizing skills and knowledge, and to act as the boundary between the professionals in the field and outside influences such as government. This implies that those employed within the professional bureaucracy are experts in negotiation, public relations, and fund raising (Mintzberg, 1989: 174–81).

Perhaps one would expect the aid-chain to be at least a professional organization. Our analyses, however, depicts it rather as a mixture of different organizational structures. We found lacking professional autonomy, a centralized structure, a management, which failed to act like a buffer between political demands and professional work on the floor, and which did not standardize skills and knowledge, but instead the processes and outputs. Hence, we see an organization in which the classic professional cannot flourish and his destination can only be to become cynical and frustrated.

We see the aid chain as a combination of different types of organization which are all adverse to classic professionalism. Partly, it is a political configuration, in which processes fluctuate between shaky alliance between the organizations and a politicized organization. In such political organizations political games are played that tend to become dominant over substantial issues. Such games include e.g. the sponsorship game, the insurgency game, the budgeting game, the empire building game, the expertise game, and the rival camps game (Mintzberg, 1989: 238–40).
The aid chain is illustrated in figure 2. It presents the black box in which the government provides money, primarily a means to achieve its geopolitical goals; in which the donor organizations distribute the money by defining projects and programs; and in which the foreign experts collect the money and execute the projects and programs. It could be extended by incorporating the recipient side, which is also often seen as a coherent whole. However, the goals of aid receiving governments in CEE countries, aiming for accession for the EU, were very different from those of the ‘beneficiaries’ at the local level, who were not the ones, who were eager to be disturbed by another team of foreign experts, and the local officials who had to implement the changes, but who met resistance when trying to do so.

It would be nice, if one could speak of a coherent and at least professional organization e.g. “Development Incorporated” (Easterly, 2006), with coherent goals, coordinated interventions and a coherent group of actors carrying out their tasks professionally, but one cannot. The goals of the government, the programs and project as developed by the donor organizations, the implementation thereof by the foreign experts and the needs of the recipients, do not coincide, to put it mildly.

The decomposition of the aid process enables the distinction of quite different interests of the organizations involved. It is striking that only few of them seem to see aid as a mission. Most organizations involved in aid-provision see the aid as a job to be accomplished. The result of the job, that is the provision of adequate advice, has become mainly a side-effect of what the actors involved really do. Whether this side-effect is to be judged positively or negatively seems to be merely a question of chance, which could explain why approximately half of the aid projects succeed, depending on who measures it and who the commissioner of that research was. The effect is that the impact of this aid for the recipient country is only of secondary importance and the actors within the aid-chain are satisfied, if they could do the job by the book, within the limitations of time and money. The direction the money flows determines the dependences and power disparity. The money is provided by governments, distributed by donor organizations, and received by the advisors in order to benefit the recipients according to the principle that one of our respondents pointed in the words: “the Swedish money stays in Sweden”.

Concluding, part of the problems can be explained by the organizational structure, which did not fit the specifics of the context, even if the organizational structure of donor organizations and division of tasks have been changed a couple of times to improve aid providing at hand and coordinate the efforts of all involved. Instead of a professional, missionary or even innovative organizational structure, we see a mixture of a politicized organizational structure and an incomplete divisional organizational type that must negatively influence the professionalism of the aid-chain. Again this does not create an environment in which the classic professional can perform optimally.

3.2.2. An inter-organizational institutional perspective

In the third place, the problems encountered can be interpreted as an inter-organizational problem. Central in this approach is the dilemma between: (1) inducing actors to do what one wants them to do in an efficient and effective way, under the restriction of incomplete information about what they are doing actually i.e. the asymmetry of information, the impossibility to order such behavior hierarchically, because of the discretionary power of the agents, and (2) realizing the goals without increasing the costs involved – the transaction costs - too much.
In this framework, our aid-chain does not represent an organization, but a network of organizations, in which the relations between government, donors, consultancy agencies, and beneficiaries can be framed as principal-agent relations, in which some of the actors are simultaneously principals and agents. In this regard the aid-chain shows the multiple principal-agent relations e.g. the government being the principal in relation to donor organizations that are perceived as the agent. In the relations between the donor organization and the consultancy agency, the first organization is the principal while the second one the agent. Some actors are double agents e.g. the beneficiaries as well as the donor organizations can be seen as the principals of the consultants.

The problems central within this framework are: (1) the existing asymmetry of information between principals and agents, (2) the limited possibility for optimal pricing of the aid provided because of the nature of the provision, (3) the danger of moral hazard, be it supplier-induced or consumer-induced, (4) supplier-induced demand, (5) double agency roles, and (6) the near impossibility to use hierarchy as an instrument, leaving only incentives as a feasible instrument to induce certain behavior. (cf. Blomqvist, 1991).

All these problems would not be problems, if all actors had the interest of the recipients continuously in mind, if there was abundance of financial means, and all actors were capable in their work. However, in the complex and dynamic situation, which the transition process in the CEE-countries was, we see that finances were scarce, many actors had their own interests in mind, and one could doubt the capability of actors i.e. the knowledge and skills to make sufficient improvements at the local level during the transition process. These problems were clouded, however, by the asymmetry of information that existed between information providers (consultants) who pretended to know what was needed and consumers (aid-recipients), who had quite different ideas on what was needed; between providers (who said they implemented assistance programs) and the donor-organizations (who constructed the programs); between aid-recipients that asked for a certain kind of help and donors that provided different assistance, and between the donor-organizations that distributed the money and governments that provided the money. The problems concentrate around such questions as: who is especially in need, what is needed, how much it costs to provide it, who has to provide it, how to determine, and how much to invest in order to determine, whether it is effectively and efficiently provided, and how to prevent that some actors take advantage of the existing information they have, while this information is lacking among significant others (see: Schut, 1995; Gibson et al., 2005)

As already noted by Arrow in the 1960s, in the business of transfer of information, socially efficient allocations cannot be generated. The reason is that information is difficult to value or price optimally beforehand, because, if the beneficiaries knew enough of the value of information, they would know the information itself and would not need it anymore (Arrow, 1963: 946). This leaves it to the providers to tell the recipients what kind of information and how much of it they need. Hence, such cases are characterized by supplier-induced demand. Providers can even cheat the recipients regarding what is needed, misrepresent the value of their information, and deliver too much than is needed, provide something that is not needed, or take much longer than is necessary in the diagnosis, goal-setting or implementation. This is known as the moral hazard, in terms of aid the risk of fraud and corruption.

As we have seen, not only the providers induced a certain demand, but also the donor-organizations, telling the consultants which problems in CEE-countries to tackle. Both streams result in a phenomenon known as supplier-induced demand. To make the case even more complicated both consultants and donor organizations face in our case double agency problems. On the one hand the principals of the consultants are the recipients. Consultants are there to meet the demands of the recipients. However, the finances for this assistance come from a third party, that is the donor organizations. Hence, these organizations are also the consultants’ principals. As Clark Gibson et al. note:

“If we assume that consultants seek long-term relationships with donors, then they worry about their reputations and will try to please their donor-employer. This yields two effects. First given the information asymmetry about how the project is actually working, consultants have incentives to provide information about the project that agency staff wants to hear… Second a consultant concerned with possible future contracts with a donor agency is likely to maximize control over a project, rather than pass control on to the targeted individuals for aid” (Gibson et al., 2005: 231).

When there would be congruence in the goals of donors and recipients there would be a minor problem. However, we found ample inconsistencies in the goals of both actors. A similar double agency problem is faced by the donors, who are in the middle between their information about recipients needs and the limitations given by the governments’ objectives. This theory gives an explanation or at least an alternative description of the problems we encountered in the aid-chain. One of the obvious recommendations could be increase control, monitoring, and evaluations. Some scholars (see Radelet, 2003) indeed recommend this. However, this would increase the so-called transaction costs dramatically, without ensuring the effect for evaluations suffer also under information-asymmetry, and agents are eager to write evaluations that please their principals instead of giving a realistic account of aid-provision. Neo-institutional reasoning gives an alternative recommendation and suggests that if the technical assistance to local government in the CEE-countries failed, the institutional rules, i.e. especially the incentives to make a process efficient and effective are flawed. As Douglas North tells, such institutions probably do fail, because “institutions are not necessarily or even usually created to be socially efficient, rather they, or at least the formal rules,
are created to serve the interests of those with the bargaining power to create new rules” (North, 1994: 360; cf. Freidson 1986).

The question thus arises: how to insert incentives in the system to induce actors to act efficiently and effectively. This theory has been widely applied in the health services, in which a similar organizational structure exists as in the organization of foreign aid. According to this theory therefore, similar problems exist, although the problem in the health sector is that consumers ask and get too much, that providers are mostly capable, and that insurers are mostly unable not tell the providers what kind of help to provide, i.e. there is a remote insurance system.

In that policy area, from a similar interpretation of the problems within the institutional theory, several solutions for the existing problems are suggested. The first is that, if there is information-asymmetry of which the consumer is the victim, it would help to increase the power of the consumers, by increasing consumer information, and by increasing their freedom to choose what help is needed and from whom to get it. As to increasing consumer information, this does not necessarily imply increasing the information about the specific service, but rather information about the reputation of providers. This enables a freedom of choice to hire those consultants with the best reputation, probably the most effective ones, even if this would imply charging higher prices. From research into the health system, it is argued further that the incentive to hire advisors that do provide quality is increased, when one would change the system of fee-for-service to be paid by the donor into a system of cost-sharing between donor-organization and recipient, for instance, by providing the latter with a prospective payment they can use to select themselves the help and consultants needed.

The second solution, also borrowed from the health sector, is also directly related to the existing information-asymmetry. The idea is to replace regulated competition, in which fixed, standardized rules are central, into managed competition, in which managed flexibility and adaptation is central (Enthoven, 1988). This could be done, according to Enthoven by developing regulatory agencies, positioned on the demand side, that manage the provision of aid by creating and maintaining a new system of incentives for developing aid and learning from past experiences, act as intermediaries between consumers and aid-plans, and are insulated from special interests.

When those two solutions were sought for, one could imagine that the classic professionals would come back in. However, all current trends in such incentive structures, point to the desire to establish more control, more needs for keeping up appearances and to please donor-organizations and governments by creating a biased image of reality instead of reality itself.

4. Finally

Where does this leave us? We have analyzed the problems in the technical assistance programs to CEE-countries from multiple angles. We looked at the behavior of individuals, organizations and the relations between organizations. Everywhere problems are visible, so it is not easy to recommend what should be done to improve it. Nonetheless, this final section tries to do just that. If one is able to identify the problems and can explain the problems, the logical next step is to remove the causes in order to improve the situation. Below we address possible solutions:

(1) If the analysis is correct that the process of developmental aid is politicized two obvious conclusions can be drawn: a) increase political control or b) take it out of the hands of politics i.e. privatize:

- The first solution, one could argue that there is a role for national parliaments in the donor countries and its population at large. They should control the conduct of their government and could demand a shift in priorities in favor of the recipients. Parliaments could forbid tied aid and could induce demand induced aid. To accomplish this means that the problem should be put on the political agenda, and exposure of what is going on in reality is one of the ways towards that goal.
- The second solution is to take aid out of the hands of government. This conforms to a momentarily more generally heard plea, namely: “Leave it to the free market and stop wasting the tax-payer’s money” (e.g. Easterly, 2006; Smith & Thurman, 2007). If it is self-interest that governs technical assistance, let’s do it out of self-interest regulated by financial mechanisms and incentives that traditionally rule the free market. If nobody really cares, but about his own salary, as our second hypothesis reads, it makes sense to let the criterion on value for money dominate the regulation of the market. In the free market, the invisible hand would make sure that if one fails to deliver the goods, one eventually will loose buyers and consequently disappear from the market. Only those doing the good job will be hired and increase their market share. However, four counterarguments are at stake:
  a) First, the market of foreign aid and foreign technical assistance is more complex than a normal marketplace. This is the case, because the recipient and the buyer of assistance programs are different actors with different positions in the aid-chain i.e. the problem of third-actor-financing. Hence, doing a bad job for the recipients is not necessarily a bad job from the perspective of the donor-organizations.
  b) Second, the free market solution is based on an assumption that nobody cares intrinsically, but for the money. If one thing strikes us in the outcomes of the different investigations, it was that the people involved varied very much to the degree they did care and wanted to make a difference. Talking to the key-persons in the aid chain convinced us that the will was there, but that their substantial objectives
were continuously intermingled with bureaucratic, strategic, and political restrictions on the one hand and the need for self-preservation on the other.

c) Third, every part of the aid-chain has perfectly good reasons to act in the way they are blamed for. The speed with which developments took place in Central and Eastern Europe induced a form of technical foreign aid which could hardly be thought through properly. This would not have been different if the aid was provided by the free market. All actors were unprepared and were restricted by the regulations and boundary conditions imposed on them by others. This constituted the dependencies. These restrictions and bureaucracy did not come out of the blue. These were the logical consequences of the avoidance of blame that money is wasted.

When privatization is not an option, several changes down the aid-chain are recommendable.

(2) If the analysis is correct that donor-organizations on the one hand lack the power to act as a buffer between political objectives and the work in the field and consequently lack the possibilities to facilitate the field work and instead impose the political objectives on the field workers and overload them with administrative procedures, the obvious solution is to alter their position in the aid-chain. One could recommend that they refrain from setting objectives and give their money straight to the beneficiaries so to let the latter decide by themselves how this money is used, or that they start to take their position seriously and act as a buffer between consultants and governments, facilitate instead of steer the work of the consultants. When an organization has the power to distribute financial funds it is of course tempting to steer those flows and set general objectives. However, it is recommendable to restrict oneself to giving money and controlling whether this is well spent, or is subject to fraud and corruption. Probably the contract—the major tool of donor organizations used when matching aid-recipients and aid-providers should be worked out with much more care. It should take into account first of all the right choice of consulting firms to the international cooperation and the substance of aid, well discussed before the signing of document instead of focusing almost on the financial obligations of those involved and the general goals.

(3) If the analysis is correct that consultants are acting professionally in a modern way, but that it would be desirably if they would act professionally in a classic way, this is what one should aim for. Consultants should take responsibility, only accept assignments when the conditions are in order, when they get enough time to prepare properly, when the benefits are expected to exceed to costs, and they should refuse assignments if they know they lack the skills and knowledge to do the job or when boundary conditions are too limiting. They should be committed and take the interests of the beneficiaries more seriously, instead of keeping up appearances. They should see the beneficiaries as their clients instead of the donor-organizations. In other words, they should act as professionals in the classic way.

(4) If the analysis is correct that beneficiaries don’t benefit from the technical assistance given and their power is too low to get the help they need, the obvious solution is to empower them, to let them set the objectives, and let them choose the help they need. It is similar to what is known in the literature about changing the ownership of the problem and striving for demand-induced assistance. Seen from the individual perspective of Kubr (1976; 1996; 2002), the organizational theory of Mintzberg (1983) and the Institutional framework as applied to foreign aid by Gibson et al. (2005), it appears: “Encouraging programs that place the beneficiaries rather than the contractors, in the center of the linked arenas is an obvious step to give more emphasis to the role of beneficiaries in the ownership of projects” (Gibson et al., 2005: 84).

The tools to improve the process of technical assistance are, however, not just of an organizational nature. The above emphasized that we seriously think that without able individuals the process is deemed to fail. Therefore, we like to stress again that the aid-chain is in need of professionals who are committed and show empathy, that don’t misrepresent themselves, have the clients interests in mind, are willing to build expertise, adapt their interventions to suit the specifics of the situation and that base their interventions on sound problem diagnosis.

This latter condition can only be fulfilled if the institutional, organizational, incentive structure of foreign aid would change in favor of stimulating such behavior, not by increasing administrative procedures, but by emphasizing substance. The theories presented in the previous sections provide ways to achieve such solutions. It involves changing the organizational structure of the aid chain, decentralizing responsibilities, and aiming for more coherence between the actors in the aid chain.
ing the structure of incentives in such a way that the above recommendations can be reached might be an option. Moreover, many advocate that the asymmetry of information observed among those involved in the aid-chain proved the “hidden” side of organizational culture and power relations within the chain. It represented the aid’s informal features that essentially contributed to reproducing the pattern of aid-provision by spreading institutional standards and organizational fashions which is a one-sided approach to professional consulting work in terms of the classical theory of professionalism. This way to provide aid constituted only the façade towards the world around of donor organizations to give an impression that their aid-providing was legitimate i.e. in line with the modern understanding of professionalism when aid providing. Thus, the major dilemma of providing aid concerns rather the total transformation the basic assumptions, values and norms of aid-providing.

In order to achieve the positive effects, it could be argued from the same theories that it is essential to decentralize the aid chain horizontally and vertically, to transform it in an innovative organizational model or even adhocracy, implying less standardization of skills, knowledge, process and output, to reduce the information-asymmetry to the advantage of the recipients, to change the money flow in such a way that recipients become owners of technical assistance programs, and for the all actors, including the recipients, to change their conduct and act professionally in the classic meaning thereof. It should be added that innovative organizations are the classical example of matrix-organizations regarding division of labor.

The aid chain is in need of such innovative institutions, independent of geo-politics, self centered money flows, tied-aid and goals and objectives put forward by politicians that are contrary to the recipient’s interests. Such institutions could make proposals for a system of incentives for all actors involved and processes. These incentives are expected to be adapted to changing situations and dynamic developments in accordance to the occurring changes within the organizational environment. It would also be institutions that promote learning, effective and efficient aid-provision and that act as intermediaries between recipients and donors, reducing the information-asymmetry and aim for improved communication. Such institutions could support the professionalism in the aid-chain by providing training courses, by organizing meetings between stakeholders, by taking care of knowledge transfer, and by providing information about legislature and culture in recipient countries.

The aid-chain is in need of institutions that could promote that what many authors in this field are asking for, that is innovation; Easterly (2006) talks about the need for “searchers”, Prahalad (2005) pleads for a combination of McKinsey consultants, Microsoft Engineers and Peace Corps Volunteer (2005: 365). Together with Sachs (2005), Calderesi (2006) and Klein & Hartford (2005), they ask for innovation in the aid business. Innovation is the new buzzword. What it really says is: “We don’t know what to do and await the prince in white armor”. Easterly and Prahalad are convinced that this Prince is to be found in the private sector, Sachs still has faith in the existing organizational structures, Calderesi wants to restructure the aid industry and Klein and Harfort await the outcomes of evaluations.

The consequence is, to continue the metaphor, that the Prince is still at home practicing his kissing on the available maidens, deliberating whether his armor should be made by his personal blacksmith or by the new commercial guy in town; and disputing with his friends whether Cinderella is to blame herself that he lost sight of her. The poor beauty waits in vain, while all she wants is the Prince to brush his teeth and to get on his horse in order to give her that kiss. Similarly our old–fashioned professionals are at home, frustrated about working conditions, failing aid, the ills of aid and roads to hell. They are waiting for conditions under which their professionalism could flourish and they could do their work effectively. The potential recipients of foreign aid are also still waiting; waiting for an outcome of the ongoing discussion in the foreign aid literature about organizational settings, institutional frameworks, improving processes, and the yet unknown results of evaluations.

What is forgotten is that all the examples of effective aid, presented in the recent literature, point out that effectiveness is contingent, it always starts with a valid diagnosis of the problem, based on valid assumptions, a good idea and applying sound theories around which processes and organizational settings are built afterwards, instead of vice versa, that is a process proceeding from professional preparation to professional implementation. Hence, we are not awaiting a modern-day Prince, but rather the return of a number of old-fashioned professionals.

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