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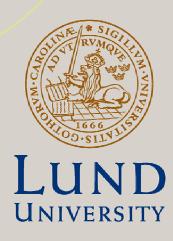
Working Paper 2012:28

Department of Economics School of Economics and Management

# Surprising institutions

Carl Hampus Lyttkens

October 2012



# Surprising institutions<sup>1</sup>

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#### **Abstract**

This paper introduces the notion of surprising institutions. Because we often carry incorrect beliefs about the world surrounding us and we are therefore often mistaken about the nature of the institutional structure facing us. The story told in this paper shows that an institution may come as a surprise, even though its origins lies some 500 years back, and that the information we receive as feedback on our actions does not necessarily improve our understanding of the institutional structure. It turns out that it is possible for an "ordinary citizen" to win a case against a multinational corporation, and against a government agency with more than 350 years on its neck (what a surprise!) but it also transpires that even if you win, you lose (not quite a surprise).

Keywords: institutions; beliefs; surprise; feedback; property rights

JEL classification: H11; K11

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<sup>&</sup>lt;sup>1</sup> This paper was first presented at the conference in honour of Thráinn Eggertsson, Reykjavík, April 2012. I am very grateful to Thráinn and the organisers of the conference for giving me an incentive to put this experience on paper and putting it in context.

#### 1. Introduction

Institutions fulfil several important roles in society. Institutions constitute the rules of the game and reduce the uncertainty in human interaction. Unfortunately, as Douglass North (1981) has made us aware, when we look around us and back in history we can see that efficient institutions are an exception rather than the normal state of affairs. This theme has been elaborated by Thráinn Eggertsson (2005), who focus particularly on the possibilities of reform (or lack thereof) and in so doing points out that individuals frequently rely on incomplete social models (mental constructs to cope with uncertainty and complexity in the environment). We are often ignorant about the likely responses of other actors in the economy, and the feedback we receive on our actions do not necessarily improve our mental images of how the world functions (North, 2005).

An institution may be inefficient because it was designed that way on purpose. The relative efficiency of an institution depends on how it affects behaviour in the economy, which in turn depends on the extent to which it is understood by the different actors. This paper focuses on the extent to which an actor knows about and understands an institution.

It is often not a good idea to assume that everybody has perfect information about everything. On the contrary, our information is frequently not only limited but also erroneous and so we often carry incorrect beliefs about the world surrounding us.<sup>2</sup> One aspect of this is that we are often mistaken about the nature of the institutional structure facing us. Institutions may be more or less well-known and the institutional structure is not necessarily transparent. Consequently the presence and characteristics of particular institutions may come as a surprise to us.

The two dimensions – efficiency and transparency – are obviously related. For example, an institution that would be efficient if it was well understood may be rather less than efficient if individual actors do not know enough about it. In the latter case, resources can be wasted, for example, in the nature of transaction costs, when people act on an erroneous belief about the nature of the rules of the game.

The following story illustrates several kinds of institutional surprises. It is based on my personal experience of a series of surprising institutional discoveries; the discoveries were made when I ventured to protect my property rights with respect to a piece of land owned by my sister and me (around 210 hectares) and located in southern Sweden. The opposing team counted among the players not only a multi-national corporation but also (this being one of the surprises) a Swedish government agency with a long history. It is not at all obvious that the experience has made my beliefs about the institutions in this area more correct than before.

## 2. Background: A Swedish institution with a long history

*Anno domini* 1600, Karl IX – the Swedish King-to-be – engineered the beheading of five leading aristocrats. This event later became known as The Carnage in Linköping and represented an

<sup>&</sup>lt;sup>2</sup> As noted in behavioural economics, our beliefs tend to be wrong on average, for example, because we are overconfident, we conclude from too small samples, and we expect our future preferences to be close to the present ones, cf. DellaVigna (2009).

important step on Karl's way to the Swedish throne.<sup>3</sup> After the death of Karl's brother Johan, Karl's nephew (Johan's son) Sigismund became King of both Poland and Sweden. However, by playing on anti-Catholic feelings and the fact that Sigismund largely was under obligation to stay in Poland, Karl IX gradually seized control over Sweden, until in 1607 he formally was crowned King of Sweden.

The main source of opposition to Karl's take-over lay within some groups of the Swedish aristocracy, and they suffered for this. During the period when he manoeuvred to take power, Karl had more than 20 aristocrats summarily executed (Pettersson, 2008). Since he did not trust the aristocracy, Karl followed the example of his father Gustavus Vasa and relied to a large extent on commoners as secretaries and administrators. He however also instituted several of the magistracies (held by members of the aristocracy) which would serve as the basis of Swedish administration in the following century.

When Karl was not busy knocking off aristocrats, he took a deep interest in his personal income and later also in government revenue. He banned trade in the countryside, favouring trade in the towns where he could tax it.<sup>4</sup> He also tried to regulate the export of iron products (Pettersson, 2008).

The legacy from Karl IX was taken over by his son King Gustavus Adolphus, who put Sweden on the political map of Europe during the 30 years' war. After the death of Gustavus at the Battle of Lützen in 1632, Sweden was ruled by the regency of Queen Kristina. Head of the administration was Count Axel Oxenstierna (powerful already during the reign of Karl IX). Oxenstierna further developed Swedish government bureaucracy, which was to undergo a metamorphosis during his time in power<sup>5</sup> and served as a basis for Swedish administration in the centuries to come.

It was under the leadership of Oxenstierna that the government agency "Bergskollegium" was formed in 1637, an agency ordained to direct mining affairs which it continued to do until 1857. It is noteworthy that in 1649 Bergskollegium was seen as important enough to be put on an equal footing with the five main branches of government (finance, foreign policy, jurisdiction, war and fleet).

In 1857 Bergskollegium was abolished and its duties taken over by Kammarkollegium. The organization of government agencies dealing with the mining issues was divided into districts; these districts were subsequently gradually amalgamated during the 20<sup>th</sup> century, until in 1998 the whole of Sweden became one district. The mining inspectorate received a new name – "Bergsstaten" – and was put under the leadership of one "Bergmästare", a title that goes back to

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<sup>&</sup>lt;sup>3</sup> Even today, Karl IX seems to have a less good reputation in this part of Sweden (the County of Östergötland, which incidentally is where our property was situated, cp. below) compared to the rest of Sweden where his efforts to present himself as the bulwark against *papism* (suspect friendliness towards Catholicism) seems to have worked better (Pettersson, 2008).

<sup>&</sup>lt;sup>4</sup> This is of course no surprise to those who believe in the predatory model of the state, cf. Levi (1988), Lyttkens (1994), North (1981).

<sup>&</sup>lt;sup>5</sup> Sweden was relatively early with many public institutions. For example, the Bank of Sweden (Sveriges Riksbank) was founded in 1665, and in 1749 the demographic statistics were collected for the first time making Sweden and Finland the countries with the longest continuous records of that kind.

<sup>&</sup>lt;sup>6</sup> The original name was "Generalbergsamtet".

<sup>&</sup>lt;sup>7</sup> Heckscher (1936), p. 688.

the medieval period and continued in use over the centuries. The head office is now in the city of Luleå (in the north of Sweden) with a subsidiary office in the city of Falun in the County of Dalarna.

This is the background to the government agency Bergsstaten, which is an important actor in what follows.

# 3. Tasty left-overs from the New Institutional Economics smorgasbord: surprising institutions

New Institutional Economics (NIE) has brought several features of the institutional structure in contemporary society to the attention of other economists. It has influenced mainstream economics which now regularly incorporates, for example, considerations of transaction costs and social norms. Much of NIE is now conducted within this (extended) neo-classical paradigm.

However some of the most intriguing notions of NIE remains to be explored. One of these is the importance of the belief systems of the actors in the economy and in particular the fact that these may entail erroneous beliefs about the world. Furthermore it is by no means certain that the feedback individuals receive on their actions make their beliefs about society more correct than they were before (North, 1990).

Institutions – defined here as the rules of the game – play an important part in this. One example of incorrect beliefs is when the existence of an institution is poorly known in general or in detail. If that is the case, a citizen will as likely as not be surprised when he finds out about the rule of the game in that particular sphere of society. What surprises an actor of course varies across nations and with the experiences of how actors behave. For a contemporary Greek, it is, for example, probably surprising to come to Sweden and find that you can phone a government official (or nowadays email her) and receive a quick, straightforward, and usually correct answer to a question. A citizen of Athens in the classical period would on the other hand have been anything but surprised if he learnt that a government official had embezzled the money entrusted to him. 9

To the extent that the institutional structure is unknown to us, the feedback we get on our decisions may include information about these previously unknown institutions. When this is the case the institutions might be consonant with what we believe about society so that they come as no big surprise. It can also happen however that the institutional set-up turns out to be substantially different from what we expected, in which case information about them may well increase rather than reduce the uncertainty we experience.

<sup>&</sup>lt;sup>8</sup> Institutions are sometimes defined as shared beliefs, for example, by Aoki (2001). This obviously makes it pointless to talk about surprising institutions. However, the phenomena I deal with in this essay would still have to be considered.

<sup>&</sup>lt;sup>9</sup> The overarching principle behind the extensive rules and regulations in classical Athens was "that absolutely nobody is to be trusted" (Davies (1994, p. 204), who attributes this characterisation to David Lewis). Similarly, Hansen (1999), p. 310, concludes that "the Athenians had the characteristic of being honest with themselves about themselves. […] they went on the basis that, given the chance, every one of them would have his hand in the till and make a profit out of political activity, and they took every possible means to limit the chances."

In this essay we will encounter some different ways in which the institutional set-up can turn out to be surprising, even to a supposedly well-informed citizen.

## 4. Learning about your property rights – a surprising story

#### 4.1 A letter – not nice, but no surprise

In early spring 2006, I receive a letter. It is addressed to my sister and me, and informs us that Lundin Mining Exploration AB (henceforth Lundin Mining) has received permission to search for minerals on our piece of land.

The property in question is all covered with forest, and it has been in the family since the 1930s, when my grandmother bought it. My sister and I took over the property in 1994 when we bought the 50% that were owned by our cousins. <sup>10</sup> It is always a great pleasure to visit the forest and learn more about planting, clearance, thinning, etc. The property is situated some 450 kilometres from where we live, in the county of Östergötland, where Linköping is the most important city (residence of the King's governor etc.).

We very much enjoy the visits to "our forest." We use to meet there with a forester – an employee of the government authority that regulates forestry in Sweden ("Skogsstyrelsen"). He knows everything about forestry and we always learn a lot and have a great time generally. Furthermore, the visits make a nice change to my normal professional activities and it provides my sister and me with a useful income. Furthermore, I view (my part of) the property as a substitute for an old-age pension scheme, since I plan to sell my half to my sister's side of the family when I approach retirement.

But now a mining company has decided to search for minerals in my forest! And it is a big multinational one too, so it seems unlikely that they will be unable to afford it. This is worrying because even though I am no specialist in law, and therefore not absolutely certain, I believe that Swedish law gives them the right to start mining if they find something worth mining. They will own the mining business of course. And even though I think I have read something about a change in the law which means that I will in fact receive some miniscule proportion of the proceeds from the mining (an improvement compared to the previous legislation when the owner of the land received nothing in such a case), this is no real comfort. It seems highly likely that the beautiful views will be destroyed. I strongly suspect that it will ruin the forest in its capacity as income insurance for old age.

What to do? I decide to phone the government agency that administers such cases. I can see from the letter to me that it is called Bergsstaten, and the letter is signed by an official entitled Bergmästare. When he answers I ask if there is any chance of success if I try to protest against the plans of Lundin Mining. The answer I receive is a simple and straightforward "no" – there is nothing I can do to stop them from getting the concession to prospect on my land for three years. I sigh and hope that they will not find anything worth mining.

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<sup>&</sup>lt;sup>10</sup> It is situated in the municipality of Motala and the parish of Tjällmo.

#### 4.2 Another letter – let's trust Coase

Time passes, and in this case no news is good news (it must mean that they have not found anything worth mining). Then in the end of March 2009, I receive a new letter from Bergsstaten. It informs us that Lundin Mining has asked for a one-year extension of their concession, until March 21 in 2010. Bergmästaren has granted them this extension. This time however I was in a more obstinate mood. "Let's see if at least I cannot create some transactions costs. Perhaps if I am difficult enough the company will give up?" It is a vague hope, but at least a hope. If I am sufficiently annoying, perhaps Lundin Mining will give up and shift their interest to property with owners less inclined to write complaining letters to the authorities?

Coase (1960) showed that transaction costs make the distribution of rights matter for resource allocation, and I do have some rights on my side. However I do not have great hopes because, being an economist, I can see that it is likely to be an economically efficient rule that individual land owners cannot stop a mining project. Following Coase's line of argumentation,<sup>11</sup> it could easily be prohibitively costly to contract with all the landowners who have property that would be needed to start a mining project, even if the income from the mining project in principle would suffice to make every one better off. This is because each landowner could engage in opportunistic behaviours (a major source of transaction costs, as we know from Oliver Williamson (1985)), and try to appropriate the whole surplus of the mining operation.

So on March 25th I write to the County court of Dalarna – the court of appeal for the decision by Bergsstaten to grant Lundin Mining an extension (cf. Table 1 for a time table of the whole process). <sup>12</sup> I note with some interest that the letter with my appeal should be sent to Bergsstaten and not to the court of appeal, (cf. below on capture theory).

In the letter, I emphasize that our property includes areas of great natural beauty, which most likely would be destroyed if Lundin Mining is allowed to start mining there (and I point out that Lundin Mining already has had three years at their disposal). As I said, my hopes are not great, because if I remember correctly from my earlier phone call, such considerations would be taken into account later in the process. If Lundin Mining find minerals, the value of the nature will probably be taken into consideration when it comes to the decision whether to allow them to start mining or not (fat chance that we would be able to stop them then, if we had not done so before, but what the h—k, I do not expect to be successful, I expect to be a nuisance).

The next letter I receive is a statement dated April 14<sup>th</sup> from Bergmästaren to the County court regarding our appeal. He states that there is no reason not to grant Lundin Mining their extension. The value of the nature will be considered if and when it ever comes to a potential mining project. Furthermore, Bergmästaren notes that according to Swedish law, a party should

<sup>&</sup>lt;sup>11</sup> It is worth noting that some text book writers do not take the time to actually read Coase's 1960 article. Instead they rely on the reports of other writers and hence come away with a belief that the message in Coase's article is that there are no transaction costs and therefore it does not matter how rights are assigned. This of course is simply wrong, as anybody who has bothered to read the whole 1960 article can tell you. The fact that people sometimes do not read all they should, however, come as no surprise (transaction costs and erroneous beliefs once again).

<sup>&</sup>lt;sup>12</sup> The county court of Dalarna has been assigned this function as a court of administrative law (Förvaltningsrätt).

be granted extension if the said party has conducted "meaningful investigations"<sup>13</sup> and Bergmästaren notes that we have not made any objections as regards the meaningfulness of the investigations carried out by Lundin Mining.

#### 4.3 The first institutional surprise: the rules of the game are not totally against us

This made me curious. I had not noted this concept of "meaningful investigations" in the first letter about the extension. And I had been given the opportunity by the County court to comment on the new statement from Bergmästaren. So in order to explore every avenue of success, and Sweden being the kind of country that it is (cf. section 3), I contacted the County court (or was it Bergsstaten? I simply do not remember) and asked for a copy of the original letter where Lundin Mining asked for an extension. I also spent some time reading up on the legislation (the web is a wonderful thing).

When shortly afterwards I receive the copy, I find that Lundin Mining describe their activities until today in two parts. In the whole area covered by their concession, which includes many more properties than just our forests, they have carried out geophysical measurements and have been drilling. But in the particular are where our property is situated, all they say is that they have carried out "geological visits in the field" ("...har geologiska fältbesök gjorts").

Now this looks like a possible opening – what a nice surprise. The facts may be more in my favour than I had expected. In my new letter (May 6th), I point out that what Lundin Mining – according to their own application – has done to date on our property could be translated into plain non-bureaucratic Swedish as "we have been there and taken a look." This, I now argue, could hardly be the kind of "meaningful investigations" that was mentioned in the law, when it states that extension is almost automatic if such investigations have taken place.<sup>14</sup>

I was reasonably satisfied with my crafting of the reply, but I still did not really think that I could succeed in stopping Lundin Mining. A telephone call to a friend who happens to be a judge did not give me great hopes of success. He to a look at the legislation and concluded that it was heavily biased in favour of the mining company. For example, he told me that nobody actually had to inform me when someone obtained the right to look for minerals on my land.

So I was pleasurably surprised when I received a copy of the comment that Bergsstaten had delivered as a response to my new letter (dated June 2nd). Bergmästaren states that after careful consideration of the facts, he has found that Lundin Mining *had not* in fact showed that they had carried out "meaningful investigations", and that they ought not to have been granted an extension on this account.

I have won! Or then again perhaps not.

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<sup>&</sup>lt;sup>13</sup> In Swedish: "ändamålsenliga undersökningar". Minerallagen, 2 kap, § 6.

<sup>&</sup>lt;sup>14</sup> Mineralförordningen SFS 1992:285, § 7.

# 4.4 The second institutional surprise: it looks as though Bergsstaten is a player on the other team

Keeping on reading the statement of Bergsstaten, I find to my surprise that *Bergmästaren* also notes the following: even if there have not been any meaningful investigations, a party shall (according to the law) have the right to an extension if the party has "acceptable reasons" for not having carried out such investigations. An example of such acceptable reasons would be that the area under consideration forms part of a large area where investigations are carried out. Bergmästaren argues that it is likely that Lundin Mining would have been granted an extension if they had stated this as a reason in their application and consequently – Bergmästaren argues – Lundin Mining ought to be given an opportunity to complement their original application.

This was indeed an institutional surprise (and an unpleasant one at that). Not only is the law very favourable to those who wish to look for mining opportunities, but in addition to this it now seems to be the case that the government authority that supervises these activities is in fact a player on the team of those who want to start mining. In fact, when the County court eventually makes a decision in our case (more on this anon), Bergsstaten is listed as my adversary together with Lundin Mining. I had not counted on this, I must admit.

My way of summarizing the statement from Bergsstaten in a new letter to the County court (dated June 17<sup>th</sup>) is that Bergmästaren now says that Lundin Mining should have been denied an extension on the basis of their application, but that they ought to have been granted an extension if they had written a different application, and that therefore they should have the right to write a new application.

I suggest to the County court that Bergsstaten does not behave like an impartial agency, and I question if this is in accordance with Swedish law. In addition, I try to be imaginative and dig up a few more aspects from my reading of the relevant legislation: A extension on the grounds cited by Bergsstaten would require 1) that the project as whole stretches over more than three years, which Bergsstaten has not in fact shown, and 2) that it is probable that the investigations on our land would in fact be carried out within the time specified in the extension (i.e., one year), which again had not been shown. Both of these aspects are necessary conditions for an extension in this case as far as I can understand.

I add that a company like Lundin Mining ought to be aware of what they should specify in order to have their extension granted, and should therefore not be allowed to bring more arguments to the case (admittedly not a watertight argument, but as I said – trying to be a nuisance).

#### 4.5 No surprise at all

It comes as no reprise when we receive a copy of a statement from Lundin Mining (dated June 22<sup>nd</sup>), where they apply for an extension of their right to search for minerals on the grounds that our property is part of a larger area where investigations are carried out, i.e. precisely those arguments that Bergmästaren pointed out would have been acceptable as a reason for not having performed sufficient investigations. One supposes that Lundin Mining has employees who can read.

Similarly, it is hardly surprising that Bergsstaten in a new comment (July 1st) states that the reasons that Lundin Mining now gives for applying for an extension are such that it should be granted according to the law. The new arguments brought forward by Lundin Mining constitute a sufficient excuse for not having performed any thorough investigations, according to Bergsstaten (anything else from them would indeed have been a surprise, since this is what they wrote already on June 2<sup>nd</sup>).

Bergmästaren adds that as an impartial official he ought to have pointed out to Lundin Mining that they should have given other reasons for an extension in their original application.<sup>15</sup>

In a new comment (July 12<sup>th</sup>), we argue that even if our property is part of a larger area under investigation, Lundin Mining has still failed to show that the investigations will in fact be carried out within the time of the extension. In fact, Lundin Mining has not even commented upon this aspect of the case.

In a letter to the Court of July 29th, we note that a final comment from Lundin Mining (in mid-July) does not add anything principally new. This is where the exchange of letters ends.

#### 4.6 What will happen now? More surprises?

Not having heard anything for a while, I phone the County court in late August or early September 2009 to ask what is going on. I receive the answer that as far as the County court is concerned, the case is ready for a decision (avgörandeklart). It stands in line.

This sounds sort of OK but I can now start thinking about the fact that the County court is situated in the same small Swedish city as the subsidiary office of Bergmästaren (Falun).

A main idea in the capture theory of regulations is that a regulating agency over time will tend to become captured by those it is set to regulate. There are several reasons for this. For example, employees of the government agency are likely to see a future career as employees of the regulated firms. For the firms it is of course very useful to hire people who know a lot about how the regulator thinks and plans. Furthermore the employees of the government agency and the firms will often meet regularly in committees etc. Hence to me as an economist it looked as decidedly bad news that the court selected to handle cases concerning mineral rights was in fact geographically located in the same city as the government agency that was siding up with Lundin Mining against me.<sup>16</sup>

#### 4.7 The third institutional surprise should perhaps not have been much of a surprise?

After a while, I forget about the case. So it is with a certain amount of surprise I open a letter about 9 months later. Dated 2010-05-21, it informs me that Lundin Mining's permission to

<sup>&</sup>lt;sup>15</sup> I hate to admit it, but this sound reasonable. It still feels unfair though, when you as an individual is confronting a major company.

<sup>&</sup>lt;sup>16</sup> The fact that Lundin Mining wrote such a sloppy application could be seen as an indication that they firmly believe that Bergsstaten will be on their side and will grant them an extension anyway.

search for minerals on our land had expired on March 22, 2010. In other words, is seems that their right to extension was upheld while the case was going on. I had in fact read something of this nature when I browsed the legislation in the area. So perhaps I ought not to have been surprised. Given what my friend the judge had told me about the general tendency in the legislation in the area, I ought to have expected this even though it seemed unfair to me.

#### 4.8 The fourth and fifth institutional surprises: a letter can be nice, but also useless

I am definitely surprised when I receive a new letter in December 2010. It reports the verdict delivered by the County court on December 1<sup>st</sup> with respect to our case.<sup>17</sup> The court begins by noting that the time for the 1 year extension has expired (in fact it expired 7 months earlier). The court however also argues that we as plaintiffs have a reasonable interest in having the case tried by the Court.

With respect to the actual case, the court finds that: 1) Lundin Mining has not conducted meaningful investigation and 2) Lundin Mining has provided acceptable reasons for not having had time to conduct such investigations, but 3) Lundin Mining has not shown that it is likely that the investigations on our land would be carried out within the one-year extension. Therefore, there has not been sufficient reason to grant them an extension! We won!

The court however also notes that since the extension has expired, the court will not take any further action in the case. So we also lost? Surprise, surprise?

#### 5 Discussion

So we have won, but lost, the game vs. Lundin Mining and Bergsstaten. Does this mean that there has been no capture? After all, the court has decided in our favour. We may note that the county court was amalgamated with anther County court in February 2010, which would make capture potentially less likely. On the other hand, the case was ready for a court decision in September 2009, with half a year left of the extension, but a court decision did not appear until eight months after the extension had expired. This delay could be an easy strategy to give Lundin Mining what they wanted, but could of course also be due to other bureaucratic reasons.

The case has featured a number of surprises. The potentially biggest one is that it is possible for an "ordinary citizen" to win a case against a multinational corporation, and against a government agency with more than 350 years on its neck. At the same time, this comes with another surprise, namely that even if you win, you lose.

So ex post it seems that we may have created a lot of transaction costs in vain. On the other hand, perhaps precisely these transaction costs will make at least Lundin Mining less eager to search for minerals on our land in the future?

 $<sup>^{\</sup>rm 17}$ Förvaltningsrätten i Dalarna, Dom 2010-12-01, Meddelad I Falun, Mål nr 394-10, Enhet 2.

Institutions can be surprising in many ways. You can be ignorant of the existence of some of the rules of the game (a feeling fervently experienced by non-Americans trying to watch a game of American Football or (worse) baseball), you can be mistaken about the meaning of a rule that you are aware of, the interpretation of a rule can depend on the presence of other rules or conditions (for example, that the bureaucratic delay means that you lose even if you win a case of extension).

This uncertainty is inevitable, so the big question in a way is whether the feedback we received made us better informed than before. Has uncertainty been reduced and have our expectations about consequences of an action become more correct? The answer to at least the first question seems to me to be "no" – we feel as unsure about the possibility of success in a case like ours as before we began the whole process. On the other hand, it definitely shows that it is possible to create some transaction costs, which is always nice to know.

## 6 Epilogue

We have now sold our property to a descendant of Birger Jarl, ruler of Sweden in the thirteenth century and founder of Stockholm, and probably at least as ruthless as Karl IX<sup>18</sup>. We wish the new owner the best of luck against Bergsstaten and big business in the future.

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<sup>&</sup>lt;sup>18</sup> For the record, however, the buyer himself is one of the more friendly persons we have ever met.

Table 1: Time table of Lyttkens vs. Bergsstaten and Lundin Mining		
Date	Event	Surprise?
2006	Lundin Mining receives a 3 years concession to search for minerals on the property of Lyttkens. It is valid until 2009-03-21.	No, not really
2009-03-11	Bergsstaten receives an application from Lundin Mining for a one-year extension of their concession (Dnr BS 201-390-09).	
2009-03-18	Bergsstaten decides in favour of the application from Lundin Mining.	Pretty quick handling, or don't you think?
Around March 20th	We are informed about the application from Lundin Mining and the decision by Bergsstaten.	
2009-03-25	Lyttkens lodge a protest to the County court in Falun against the decision by Bergsstaten.	
2009-04-14	Bergsstaten/Bergmästaren argues that the decision should stand.	
2009-05-06	Lyttkens argues that the extension should be denied, because Lundin Mining has not shown that they have carried out meaningful investigations.	
2009-06-02	Bergmästaren notes that Lyttkens is right: the extension ought not to have been granted on the grounds stated in the original application; however, Lundin Mining ought to be allowed to add other grounds for granting them an extension.	Yes indeed. Twice.
2009-06-17	Lyttkens complains that Bergsstaten is not impartial and adds some further arguments against the extension.	
2009-07-09	Lundin Mining complements their application, adding the other grounds indicated by Bergsstaten 2009-06-02	No way.
2009-07-01	Bergsstaten states that the reasons that Lundin Mining now gives when applying for an extension are such that it should be granted.	Hardly.
2009-07-12	Lyttkens argues that even if the area forms part of a larger area under investigation, Lundin Mining has still failed to show that the investigations will in fact be carried out within the time of extension.	
2009-07-29	Lyttkens notes that a final comment from Lundin mining does not add anything principally new.	
Around September 1st 2009	The case is ready for a decision by the court.	
2010-03-22	The extension expires.	Somewhat.
2010-12-01	The court decides in favour of Lyttkens in the case of Lyttkens vs. Bergsstaten and Lundin Mining, but since the extension has expired, no further action is taken.	Yes.

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