THE SPREAD OF ECONOMIC DOCTRINES IN POSTCOLONIAL AFRICA

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For social scientists it is a sobering and useful exercise in self-understanding to attempt to see clearly how the direction of our scientific exertions, particularly in economics, is conditioned by the society in which we live, and most directly by the political climate (which, in turn, is related to all other changes in society).... Responding to that cue (Evans, Peter), students turn to research on issues that have attained political importance.... So it has always been. The major recastings of economic thought ... were all responses to changing political conditions and opportunities.

-- Gunnar Myrdal (Myrdal, Gunnar 1968)

1. INTRODUCTION

One of the most cited statements about the role of economists in society is by Keynes (Keynes, John Maynard 1936: 383-4). "(T)he ideas of economists and political philosophers ... are more powerful than is commonly understood. Indeed the world is ruled by little else." Keynes may have been exaggerating, but the view that ideas—right or wrong—do matter is correct. Significantly, the ideas that mattered were not openly those of economists but those of philosophers as well.[2] In this paper I will discuss the spread of economic ideas in postcolonial Africa. The focus of economists in Africa exhibits quite dramatic shifts over the years. It has moved from the developmentalist perspectives of the 1970s, through a neoliberal phase of faith in the market, to a more eclectic combination of neo-institutionalism, growth orientation, interest in poverty and redistribution issues. These shifts, while widely examined

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[2] Interestingly enough, economists increasingly subscribe to ideas that effectively make economists themselves superfluous. In contexts where "government failure" has been attributed to rent seeking and clientelism rather not informational problems, it is difficult to see why economists would still insist on being useful. And if "nature" is more important than institutions, or if institutions determine everything (including the knowledge they need for their functioning), it is not clear why ideas should matter. And if economists are human and all humans are driven by self-interest, why should we take their ideas seriously? And where rational expectations holds, policy making becomes forlorn.

elsewhere, have not been the subject of much debate in Africa. It is my contention (a) that economic thinking in Africa has been largely conditioned by the needs of national and foreign governments, but predominantly by the latter, especially in the more recent years;[3] and (b) that the training opportunities and alignment of material incentives have conditioned the direction of economic research in Africa. No social science discipline in Africa has been shaped by the immediate understanding of the economic needs of the aid establishment as much as economics, and none has benefited from the foreign-driven consultancy industry as much as economics.

In this age of deconstruction of intellectual schemas, and from rhetorical and sociological approaches to methodology, we have learned to accept that ideas that become accepted at any given time are necessarily not the "best ones" but those that "win out". To understand the domination of one particular economic idea, we need to know more about how the profession of economics is socially constituted, funded and disseminated, and how it is organically related to power. This is not an easy task, given the diversity of national experiences and the dispersion of economists in Africa. Problems of writing about economics in Africa are compounded by the absence of a sociology of economics, knowledge about the institutions within which economists are produced or utilized, and the intellectual itineraries of the scholars themselves. We do not yet have the kind of work that A.W. Coats has done on economists in the developed countries (Coats, A. W. 1981;1993) or Sikkink (Sikkink, Kathryn 1996) on Latin America.

This paper has also been motivated by the disturbing fact that the economics profession in Africa has not been self-critical of its epistemological foundations, and has not been conscious of the implications of its material underpinnings and social construction. There is little debate about the deontology of the profession, and about the implications of its funding for its direction and credibility. This contrasts sharply with other disciplines where self-criticism is rife, at times bordering on self-flagellation.[4] It is also in sharp contrast with practices among economists elsewhere. In the United States and the United Kingdom, there is an almost ritualistic, traditional presidential and ministerial address during which elderly economists articulate their dissatisfaction with the direction of the discipline. There is also a steady flow of

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[3] This is not an exclusively African problem. Nora Hamilton's description of the process of the spread of neoliberal ideas in Latin America is fully applicable to the African case: "The process constitutes a form of linkage, whereby education and training abroad as well as joint investments, trade relations, and other types of international contacts results in the identification of domestic actors with the interests and outlooks of international reforms" (Hamilton, Nora 1997: p. 3)

[4] See, for instance, (Mafeje, Archie 1993;Mamdani, Mahmood 1993;Mkandawire, Thandika 2000). This said, economics shares many of these weaknesses with other professions in Africa.

literature on the malaise of the discipline.[5] But one hears very little of self-doubt from the African economics community. This paper aims to contribute to the initiation of a critical gaze upon the profession in Africa.

Explaining "Paradigm Shifts"

There are many possible explanations for shifts in policy making and needs, including those that attribute them to objective changes in the economy, ideologies and constellations of interests, etc. The most beguiling explanation to an economist is the "learning effect" that acts as *deus ex machina*, suddenly asserting itself throughout a whole continent. Its strong evolutionary undertones suggest that changes in policy are a result of the discovery by policy makers and their technocrats of deficiencies in particular policies, or the abandonment of certain orthodoxies that may have informed their past practice. In this view, the statist proclivities of benighted African rulers are said to have their origin in (a) "Keynesianism", its lack of confidence in the efficacy of capitalism and its clear assignment of crucial economic management roles to the state (Johnston 1971)[6]; (b) the Soviet experience of rapid industrialization, which suggested that the process of industrialization could be speeded up vertiginously through central planning, (c) the colonial heritage of *dirigisme*; and (d) "development economics", which called for some form of planning to achieve industrialization or to correct market weaknesses. Consequently, the wave of "liberalization" and "de-nationalization" of African economies, and the movement from so-called inward-looking import substitution strategies towards export oriented strategies, are attributed to the demise of these schools of thought and the triumph of neoclassical wisdom in both academia and policy-making circles. Policy makers are said to have learned some lessons from the debacle of the 1970s and made "structural adjustments", and only in those cases where for one reason or another policy makers have been perplexingly recalcitrant and have foolhardily stuck to their reprobate ways have the new lessons gone unheeded, deepening economic crises as a consequence. In addition, the success of the putatively laissez-faire "Four Tigers"—Hong Kong, Singapore, Taiwan and South Korea—and the collapse of the centrally

[5] Mark Blaug cites a number of titles that include "The Decline of Economics", "Crisis of Vision in Modern Economic Thought", "Against Economics" and even the more terminal "The Death of Economics". Blaug himself comes up with the title "Ugly Currents in Modern Economics". Some economists have accused economics of being "autistic", which the Merriam-Webster dictionary defines as "a variable developmental disorder that appears by age three and is characterized by impairment of the ability to form normal social relationships, by impairment of the ability to communicate with others, and by stereotyped behaviour patterns". There is even an association for "post-autistic" economics, which was spawned by students of economics at the Sorbonne who wished to protest against the disembodied nature of what they were learning in their economics classes and the "uncontrolled use" of mathematics and "as an end in itself".

[6] For a critical view on this view of Keynes influence see (Toye, John 1987)

planned economies have contributed to undermining the theories and experiences that have sustained the *dirigiste* tradition (Nelson 1989; Callaghy 1989). Furthermore, it is often suggested that there are contagious effects of ideological shifts and policy changes elsewhere. Here the argument is that the move towards "Thatcherism" in Europe and "Reaganomics" in the United States, and the demise of the welfare state in some of the hegemonic key donor countries, could not but shape the thinking of key policy makers if for no other reason other than their congenital mimetism.

Another explanation that comes close to the one above but which tends to deal with groups—"policy elites" or "insulated change teams"—embedded within state institutions, rather than with the state as a whole, is favoured by policy analysts who argue that people in state institutions exercise considerable influence over policy choices. Or as Merilee Grindle and John Thomas (1991) argue, policy elites (defined as "those who have official positions in government and whose responsibilities include making or participating in making authoritative decisions for society" (p.59)) in general, including individuals among them, are significant actors in their own right in discussion for reform initiatives and have a "non-trivial impact"' on the design, content and management of reform. Among the factors they consider influences on the perceptions of policy elites are (a) personal attributes and goals; (b) ideological predisposition; (c) personal expertise and training; (d) memories of similar policy experiences; (e) position and power resources; and (f) political conditionality. It is also argued that the predominance of neoclassical economics in universities of the "North" has produced a breed of technocrats familiar with such arcana as effective exchange rates, computable general equilibrium models and the literature demonstrating the iniquities of "government failure" and the virtues of the market. Some of these technocrats occupy key positions in the state apparatus, and it is to their intellectual influence that changes in policy are at least partially attributed. "Chicago Boys"' in Chile are the quintessential example of how a few technocrats can steer a country's policies.

One can raise a number of reservations to these assertions as they concern policy changes in Africa. First, important policy shifts on the continent have frequently *preceded* the availability or recruitment of technocrats deemed conversant with the new analytical tools required for the articulation and implementation of new policies. African economists supporting any new policies have often emerged long after the policies have been adopted or imposed; much of their task has been to lend an aura of legitimacy ("national ownership") and "scientific objectivity" to imposed policies. At best, one might consider the eventual adoption and implementation of externally imposed policies as some kind of "retrospective consent". Second, in Africa as elsewhere, the "learning effect" argument assumes that technocrats have unrealistically high levels of autonomy from societal forces and underplays the

political significance of the fact that major policy shifts are often accompanied by changes in technical personnel. Thus in recent times policy changes have included replacement of native advisors with foreigners, or the insistence by foreign institutions that funding is conditional on the removal of certain individuals from decision-making positions.[7] Third, brute economic force has been used to push through certain ideas. The unresponsiveness of African bureaucracies and their apparent unwillingness to learn has been used to justify the conditionalities that have accompanied policy making. It has also led to the hijacking of key policy-making agencies by international financial institutions (IFIs), making a mockery of such a learning process in which the teacher does all the homework. The element of imposition has simply overwhelmed the learning process.

Third, the "learning approach" leaves unanswered the question: What factors influence the triumph of one set of technocrats over another, given the fact that at any given time there are many ideologically anchored policy options (Silva 1993)? In much of the current literature, there is a tendency to consider as technocrats only the small band of economists attached to the minister of finance, and often directly under the tutelage of IFIs. And yet the fact is that there are other technocrats in other ministries who may have other interpretations of alternatives solutions to the crisis, coloured by their own ministries' mandate and the time horizon over which their major activities are conceived. Technocrats in planning divisions and so-called spending ministries have clung to some developmentalist view of their own activities and tend to insist on the long-term effects of any particular set of policies. The question, then, is: Why, from the available *smorgasbord* of policy recommendations, do states make their particular choices? One cannot attribute the changes merely to the ideational shifts of technocrats, who are themselves a creation of the state or whoever dominates policy-making in the country, and therefore that cannot serve as an explanatory variable. As Campos and Esfahani (1996) rightly argue: "The existence of the team (of technocrats) is an endogenous variable that must be explained as part of the overall policy determination" (p.451). It is for this reason that while giving great

[7] The case of Nigeria is enlightening in this respect. The Nigerian government, apparently at the behest of the international financial institutions (IFIs), simply recruited as minister of finance an economist who had not only been outside the country, but had also been an employee of the World Bank. As minister of economic planning, it appointed a Harvard-trained Nigerian who had spent most of his time in the US and "was not well integrated into the mainstream of the nation economic profession" (Bangura 1993). It was at the insistence of donors that Kaunda dropped his "Soviet-trained" economic advisor.
In a number of countries nationals have been attached to finance ministries but paid international salaries by donor agencies. This was apparently intended to circumvent local bureaucracies and to have a set of motivated bureaucrats in structures in which most of the bureaucrats are demoralized and marginalized precisely by policies encouraged by these very agencies (retrenchments, wage cuts etc.). The effect has been that these nationals have tended to tether their professional careers to IFIs.

weight to the role of "policy elites" perceptions and influence, Grindle and Thomas are constrained to note:

Policy elites are never fully autonomous. Instead they work within several interlocking contexts that confront them with issues and problems that they need to address, set limits on what solutions are considered, determine what options are feasible politically, economically, and administratively, and respond to efforts to alter existing policies and institutional practices. The contexts are defined by the structure of class and interest group mobilisation in the society, historical experiences and conditions, international economic and political relationships, domestic economic conditions, the administrative capacity of the state, and the impact of prior or co-terminously pursued policies and respond to efforts to alter existing policies and institutional practices (Grindle, Merilee and John Thomas 1991: 37).

Finally, there are the ambiguities of lessons of history and differences in their interpretation and absorption. African policy makers are often divided about the importance, nature and relevance to their specific circumstances of the lessons of the past, and so the fact that policy "success" or "failure" is often contested suggests a "substantial indeterminacy" to the learning process (Pierson, Paul 1993). Thus for some the failure of development planning was due to lack of implementation, while for others it was inherent to the planning exercise itself. So we still need to know why certain lessons are learned and others are shunned, and who "packaged" the lessons for Africa.

Another, more society-centric, view is that changes in economics, like changes in society as a whole, reflect changes in the constellation of interests and the ideological expression of these changes. In such a view, the interventionist practices of the past were the result of "capture" of state policies by rent-seeking or neo-patrimonial regimes which rewarded themselves and their followers through such policies. Support by economists for interventionist policies would be largely seen as self-serving. Changes towards liberalization would, in principle, be assumed to reflect the ascendancy of social forces that would benefit from the reduction of rent-seeking opportunities. They would bring along their own economists who would support liberalization policies. Although much of the new political economy builds on such assertions, there is simply no empirical evidence that policies pursued by African states can be identified with specific interest groups.[8] One remarkable fact about

[8] . Even Robert Bates (writing with Anne Kruger), whose analysis of state policies has been enormously influential in the context of Africa, was constrained to admit: : "One of the most surprising findings in our case studies is the degree to which the intervention of interest group fails to account for the initiation or lack of initiation of policy reforms" (Bates, Robert and Anne Krueger 1993: 455).

changes in doctrine is how little influence local business, the putative beneficiary of these policies, has on the process.[9] And so in the African case, economists have not risen to prominence as interlocutors for social interests, but as consultants riding on the coattails of foreign funding institutions.

These two views (i.e., the learning cum-statecentric effect and society-centric) capture only part of the truth, because they ignore the importance of foreign institutions for policy making in Africa, power relations and the nature of the "market" within which ideas are exchanged. A constructivist view which stresses the social construction of knowledge would help in unravelling some of the puzzles about economics in Africa. We have learned from Gramsci, Foucault and others that a "hegemonic discourse" not only provides means and grounds for analysing reality and suggests lines of action in terms of both ends and means, it also constructs a "regime of truth" and the "common sense" that define and endorse acceptable language, modes of reasoning and conclusions. The idea here is that the dominated intelligentsia must belong or be beholden to what Haas (1992) referred to as an "epistemic community".[10] They must be weaned away from a perception that this hegemonic project is somehow counter-intuitive. In the best case, they must be made to "own" the hegemonic orthodoxy so that it "comes naturally" to them, so to speak. This Gramscian view provides a useful insight into the spread of economic ideas in Africa.

In explaining the triumph of Keynes's ideas Peter Hall (Hall, Peter 1989) suggested new ideas had to aligned with administrative and political arrangements to ensure their adaptation. Theda Scopcol and Weir (1985) have made a similar point when

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[9] This is apparently a generalized phenomenon in many developing countries. FitzGerald notes:

Domestic business in developing countries is still relatively weak in the political sense so that the *illustrés* in power can impose reform measures based on economic doctrines of efficiency (whether forced industrialisation or trade liberalisation) with a far greater degree of freedom than in Europe, let alone the US. This is distinct from the traditional ability of business groups to lobby successfully for government support in the form of tariff protection, tax exemption or changes in labour or environmental legislation for their own sector. The two major changes in doctrine during the last half-century have thus *both* been associated with a shift in the means of achieving state managers' long-term goal of economic modernisation and international competitiveness. This has involved a changing balance *within* central government, and changing international institutional alliances as well. Radical economic reforms are not the outcome of complex political negotiation with domestic lobbies. Rather they are the result of shifts of doctrine—often in response to external shocks—but always appealing to universal ideas of economic modernity, and thus containing significant a cultural element. (FitzGerald, E.V.K. 2003: 3)

[10] Peter Haas defines epistemic communities as "channels through which new ideas circulate from societies to governments as well as from country to country" (p. 27). It is "a network of professionals with recognized expertise and competence in a particular domain and an authoritative claim to policy-relevant knowledge within that domain or issue-area" (p. 3).

they argue that new ideas are powerful when they are congruent with the "structure of political discourse" of the nation. The idea itself need neither be new nor have greater explanatory power, but it must be palatable to critical political interests and be implementable by the state. An example is the neoliberal message of the "Berg Report" (World Bank 1981) that promised Africa an "accelerated development". For years Elliot Berg had been expressing pretty much the same anti-statist ideology (see for instance Berg, Elliot 1964). In addition, there have been economists in many African countries who subscribed to neoliberal notions of economic policy. For years monetarists trained by the International Monetary Fund (IMF) had ensconced themselves in central banks very much like "sleepers" awaiting instructions from Washington when the timecame.[11] The arrival at the World Bank of Anne Krueger, a neoliberal economist, signalled the political shift to the right in major economies—Reagan in the US, Thatcher in the UK and Kohl in West Germany—as well as official approval by the World Bank of the ideas, suggesting "a paradigm shift".

Thus to understand the changing policies and the ideas behind them, one must understand the context within which ideas have emerged or submerged in Africa, as well as the changing needs, ideological shifts and intellectual developments in the IFIs and the donor community. Appendix 1 provides an indicative mapping of the intellectually itinerary, comparing changes in World Bank thinking and the concerns of economists. With minor variations, most donors have followed the scheme, sometimes as leaders but more often than not as followers, hence the focus on the World Bank in this paper. I argue in this paper that the training of African economists has been largely formed by the policies sketched in this schema and the requisite skill profiles identified by the key players..

The First Round: Development Economics and Planning

Until the 1970s, problems of welfare and unemployment in the developed countries, and those of poverty and underdevelopment in the developing ones, were interpreted through the lenses of the corpus of knowledge recognized as Keynesian economics and "development economics" respectively. Although there was little in common

[11] FitzGerald (FitzGerald, E.V.K. 2003) observes how, in contrast to the changing fortunes of finance ministries, central banks have maintained a relatively steady course. He adds
The role of central banks in developing, transmitting and reconciling ideas on monetary policy and economic analysis is crucial in developing countries. There exists a dense web of regional relationships between these banks, reinforced by the IMF. Their staff members share a similar outlook, and most have been trained by the Fund at some point in their career. Their economic research departments are often the best in the country—and in small nations often the only one. They are often the main source of economic statistics and macroeconomic analysis; and thus make a key contribution to the spread of 'global' economic culture in developing countries (FitzGerald, E.V.K. 2003).

between the actual analytical content of Keynesian doctrine and that of development economics, the two approaches shared critical views of neoclassical economic theory, and the related acceptance of state intervention. They also had in common the understanding that the economy described by neoclassical economists was a "special case", and that there were many other economies that could be "stylized" by entirely different models because they were characterized by different structural features. Furthermore, they both were induced by the need to solve policy problems and were not merely formal theoretical disciplines. Consequently their modelling was based on "real economies" trapped in a particular equilibrium (unemployment or underdevelopment) from which they had to be extricated.

Development planning was closely associated with the view that there was such a thing as "development economics" as a separate discipline preoccupied with understanding problems of developing countries. Development economics, building as did on the notion of "market failures" and recognition of the perversity of such failures in developing countries, took it as given that the state would play an important role in the development process. The plan indicated the strategy of development and the projects that would realize the strategies. The advent of national independence injected a new sense of urgency into the planning process to address both the "nation-building" and developmental imperatives. Significantly, donors accepted development planning as an essential exercise. Indeed, aid could only be accessed after the submission of a plan which indicated, among other things, the "financial gaps" that were to be filled by external resources. Until the 1970s, the World Bank frequently required as a condition for the issue of loans some kind of plan that indicated investment priorities. Chenery, then the vice-president at the World Bank, played an important role in the development of the theoretical rationale for such planning.

Building capacity—The first round

The perceived need of the policy-making community—both domestic and foreign—was thus for "development planners". Recognizing this need, the World Bank established the Economic Development Institute in 1955 to train senior government officials. In the absence of qualified indigenous or national planners, both national governments and donors relied on expatriate. In the meantime, training programmes were set up to send Africans to specialized institutions that trained them in specially tailored courses. Planners were to be trained in such things as national income accounting, input-output models, planning methods and "development economics" *in senso extenso.* In Africa, institutes such as the African Institute for Economic Development and Planning (IDEP) were established to train policy makers in planning

skills. Universities abroad designed courses specifically for students from developing countries. The emphasis was to be on "applied economics" relevant for developing countries. In many cases, African students were pushed in this direction and were advised not to spend too much time on theory. Courses were sometimes tailored to speed up their completion by Africans, with the result that African students skimmed the more theoretical work as they were pushed in the direction of more "relevant" case studies. Economists trained in planning enjoyed considerable influence since, as David Hirschmann (Hirschmann, David) observes, planning offices were the "the flagship of economic expertise in the bureaucracy, the location of many of its best thinkers".[12]

An extensive literature on development planning emerged (Griffin, Keith and J. Enos 1970;Lewis, Arthur 1966;Meier, R. 1965;United Nations 1961;Waterson, Albert 1966), with some carrying such oxymoronic titles as "Planning without Facts" (Stolper, Wolfgang F 1966). Most of this literature was commissioned by some of the major international institutions. As examples for planning, the World Bank commissioned Jan Tinbergen and Albert Waterson (Tinbergen, Jan 1959;Waterston, Albert 1965).[13] The United Nations commissioned several texts, including one by Arthur Lewis (1966).

The Second Round: From Development Planning to Project Planning

The first generation of the planners were professionally not older than a decade when the "crisis of planning" struck—first in 1973, and more fatally in 1979. The oil crisis, "stagflation" and subsequent indebtedness of the developing counties severely put to test the models and the theories that had underpinned the welfare and development policies of developed and developing countries respectively. The crisis of planning led to the understanding that good plans were meaningless if there were no well-designed projects for their implementation. It should be recalled that this period was also one when "poverty" was brought back onto the agenda by the World Bank ("redistribution with growth" and the International Labour Organization (basic needs strategies). Poverty alleviation was associated with projects focused on small farmers and provision of urban services. In the 1970s Robert McNamara presided over a huge increase in the volume of lending by the World Bank, which put pressure on country and project staff to get enough projects approved. The years between 1974

[12] We should, however, bear in mind that even then expatriates played a key role. Donors tended to see them "more than anything as a guarantee of reliable and realistic development plans" (Forster, Jacques and Olav Stokke 1999: 65).
[13] The Tinbergen book was held up for three years because the then president of the World Bank did not like the idea of a "mixed economy".

and 1982 saw massive public investment booms. By the mid-1970s, 52 per cent of the total aid provided by the Organisation for Economic Co-operation and Development (OECD) countries was allocated to projects, and nearly two thirds of this aid was for infrastructure: roads, railways, water and sewerage, ports, airports, power stations and telecommunications. The shift to project funding was also encouraged by the rise of private bank lending in the 1970s, as the recycling of petrodollars opened many developing countries to this kind of credit.

Building capacity—The Second round

All this led to demands by donors and recipient countries for new skills that existing economists did not master. A new generation of economists had to be trained to fulfill the requirements. Thus no sooner had the cohorts of “development planners” returned home with their newly minted M.A; and Ph.D. degrees, than their skills were described as *passé*. The new game now was “project planning” and “project evaluation”. Once again IFIs commissioned new manuals (Little, Ian and James Mirrlees 1969;UNIDO 1972), which were often distributed free to universities and government agencies. Courses were set up in the developed countries to teach project planning, cost-benefit analysis, etc. Institutions such as IDEP added project planning to their curricula. Paradoxically, while more resources were being expended on training Africans in costs and benefits, Bank practice was to rely less and less on the technique presumably because in the McNamara “new style” poverty-oriented lending “entailed lending for small projects based on less information, using well-documented techniques and involving more costs and benefits that were difficult or impossible to quantify using standard economic analytic tools” (Finnemore, Martha 1996: 213). Thus while the donors preached cost-benefit analysis to developing countries, they themselves ignored the tools. Little and Mirrlees (1990) note “There is no doubt that this created tension. When the pressure is on to get the money out, it is not surprising that demands for more complex analysts are unwelcome. Worse than this, project analysts would never get promoted if they were honestly compelled to report favourable on several projects. The waste that this entailed was known as the ‘McNamara Effect’”.

It should be stressed that movement towards project analysis did not constitute a dramatic epistemic break with the development planning policy framework. Neither was development economics rejected. Development planning was about giving strategic direction to different sectoral activities and projects. It provided the backdrop to the project evaluation exercises that were to dominate in the 1970s. One reason is that both approaches shared the market failure argument for intervention. The new

literature on project evaluation was based on the view that the market would not capture both the social benefits and costs of particular projects. Indeed, given the obvious imperfections of the market in the developing economies such social accounting of the value of individual projects was deemed appropriate In addition cost-benefit analysis was based on market imperfections and the recognition of the discrepancy between social and individual costs and benefits. It also viewed the state in a benign way. The state provided the cost-benefit analysis its normative basis (by defining the social discount rate). As Mosley and Eeckhout (Mosley, Paul and Marion Eeckhout 2000) point out, project aid was premised (a) on the confidence that the state had the legitimacy and will to plan for development; (b) on the assumption that capital was the major constraint to development; and (c) on the idea that aid could be allocated to projects, which were somehow strategically embedded in a national plan.

The assault on development economics led naturally to the assault on one of its important institutional expressions—development planning. Although planning had already lost much of its lustre, multilateral institutions made conscious efforts to further discredit planning offices as parties to a strategy to change the thinking of Third World governments. Earlier generations of economists were denigrated in several ways: they were blamed for the intellectual underpinnings they had given to a failed strategy; they were simply declared “old fashioned” and unfamiliar with the new analytical tools; they were lumped together with the “rent-seekers”, and their views were labelled self-serving and reflective of their self-interest or clientelist relations. In such circumstances, one assiduously sought to side-step them or to breed a new cohort of economists with the requisite analytical skills. This naturally led to greater reliance on expatriate expertise.

Before moving on to the next phase, it is necessary to highlight some salient features of how the training of economists was funded during the period. Perhaps most significant was the much more pluralistic environment within which economic ideas spread. First, the global economic system, with its “embedded liberalism”, allowed considerable room for nation-states to pursue their welfare or developmental policies. In addition, the Cold War and resurgent nationalism militated against a hegemonic discourse. Furthermore, the predominance of national funding in universities and the multiplicity of benefactors permitted some degree of openness to funding a broad spectrum of non-mainstream ideas. Considerable funding came from foundations to university staff development programmes. Cranford Goodwin, who once worked at the Ford Foundation, advances the thesis that

> ... *economics had acquired a highly privileged position with American foundations which saw the new burgeoning social sciences as likely to provide the answers to the many of society's looming problems. And because so many problems had economic roots, economics gained a special priority. Consequently, the foundations came to be among the most powerful vectors for the spread of economic ideas—directly themselves, indirectly through the provision of funds to others, and very indirectly by placing their Good Housekeeping Seal on the works of economists (Goodwin, Craufurd D. 1989).*

Significantly, the economists from IFIs had virtually no association with scholarly economists in African universities. And for quite a number of years departments of economics provided the most informed criticism of the policies being promoted by these institutions. In addition, the foundations were content with providing fellowships to good American universities without having to insist that the economics studied should be of a particular type or tethered to a particular policy package. Or as stated by David Court:

It was accepted that the only relevant qualification was a Ph.D. from an overseas university and preferably one from one of the best universities. From this perspective, staff development was, by definition, national development and its measure was the achievement of qualifications, with little debate occurring about the content of that training (Court, David 1994: 131).

This is not to say that there were no efforts by the major powers to push their own economic doctrines. Considerable efforts were made to spread economic ideas to the developing countries as part of the larger struggle against communism. Leading development economists at institutions such as the Massachusetts Institute of Technology (MIT) (e.g. W.W. Rostow and Max Millikan) moved easily among academia, state department, foundations and, in the case of Max Millikan, the Central Intelligence Agency (CIA).[14] In such cases, the technical components of economics were much less significant than the ideological ones. Again, this is not to suggest that this side of economics was ignored. In 1963, the Economic Development Institute was created (with the assistance of the Ford Foundation and Rockefeller

[14] Max F. Millikan was an economics professor at MIT during the 1950s. From 1951-52 he took a leave of absence to serve as assistant CIA director. Upon returning he became director of MIT's Center for International Studies, which was funded by the CIA and Ford Foundation. André Gunder Frank (Frank, André Gunder 1997) gives an interesting account of the involvement of some leading development economists with the CIA.

Foundation). It now trains close to 3,000 specialists in development economics each year, and its "mafia" of alumni hold key positions in central banks and ministries of finance.

The Third Round: From Project Planning to Stabilization

For two decades, starting from the mid-1970s, the status of development economics in both academia and policy circles was not enviable. The titles of some of the articles published in the 1970s and 1980s clearly suggest that all was not well with the discipline: "In Praise of Development Economics" (Thirwall, A.P. 1978), "The Birth, Life and Death of Development Economics"(Seers, Dudley 1979), "The Rise and Decline of Development Economics" (Hirschman, Albert 1981) "The Poverty of Development Economics (Lal, Deepak 1983,), "The State of Development Theory"(Lewis, Arthur 1984). The beleaguered discipline of development economics found itself hounded out of economics departments, development finance institutions and journals as what Albert Hirschman has called "monoeconomics" spread itself. The "pioneers" of development economics were forced into a defensive posture as they fended off accusations of having provided the intellectual scaffolding for *dirigisme*, which had failed, as well as of downplaying the role of the market (see the papers in Meier, Gerald and Dudley Seers 1984).

By the end of the 1970s, the era of project planning was over. Mosley and Eeckhout (2000) give three reasons for the decline of project aid: (a) the growing complexity of the projects and delays in planning and budgetary allocations; (b) the realization that the success of projects was not determined in the main by factors internal to the projects but by external factors and, especially, policy that affected exchange rates and price level; and (c) most relevantly for the paper, "it was becoming clear that evaluation methods such as internal rate of return which assessed only the direct effects of a project…gave only partial and almost certainly an over-optimistic view of the efforts of aid" producing what the authors term the "micro-macro paradox" in which at the macro level aid had a low or even negative relation with output growth, while at the micro level projects showed fairly decent rates of return.

The large number of non-performing projects led the World Bank to the view that it was the macroeconomics that was wrong, and that no project would be expected to perform well under such conditions. The view from the Bank seems to have been that it was much more important to "get prices right" than expend resources on cost-benefit analysis since the incentive structure applied to both private and public sector investment. For this, and a host of other reasons, it was felt that aid must come in the

form of financial programmes, which had hitherto been a reserve of the IMF. Initially, such financial programmes were aimed at creating the appropriate policy environment for the success of project aid. But by 1980s, the World Bank was reorganized and the Central Project Department that had been interested in cost-benefit analysis was disbanded.

Aside from its blame for the crises of the 1970s and 1980s, and the ideological ascendance of neoliberalism in leading OECD countries and financial institutions, the demise of development economics had a lot to do with interpretation of the development experience of the post-war period. Up until 1997, the spectacular economic performance of the East Asian countries stood out sharply against the poor performance of most countries in Latin America, Asia and Africa, and the transition economies. As with all successes, these aroused many claims of paternity. From the mid-1970s, through a series of OECD studies (Little, I., T. Scitovsky, and M. Scott 1970), the "counter-revolution" of neoclassical economics claimed that success was evidence of the wisdom of relying on market forces. In contrast, the "lost decades" of much of Africa and Latin America were squarely blamed on "development planning", which distorted prices and led to slower growth. Indeed, the experiences of the quintessential development states were evoked as evidence against development economics.

And by the 1980s development economics simply ceased to serve the needs of the establishment upon which its rise had been so dependent. Its death was given official sanction by the United States government. The US representative to the Asian Development Bank is reported (Newsweek 13th May, 1985) to have announced that the "United States completely rejects the idea that there is such a thing as 'development economics'" (cited in Toye, John 1987: Page 73). Development economics became, as John Toye remarks, "an Orwellian un-thing" in the eyes of the most powerful nation. The Spartan certainty of the ascendant neoliberalism as to what was required left no room for specialized knowledge of the problems of development. For neoliberal economists, development economists falsely denied the universality of rational economic behaviour and, by their focus on perversions of standard economic theory, opened doors for *dirigisme*. For some, the whole enterprise of development economics was a futile one, and the *dirigisme* associated with it was blamed for poor economic performance. Deepak Lal, who was close to the new neoconservatives that had come to power, described development economics as "an invention of a set of theoretical curiosities by the *dirigistes* to supplant the market". He claimed that the "demise of development economics is likely to be

conducive to the health of both the economies and the economics of developing countries" (Lal, Deepak 1983,).

It is, however, important to recall that the demise of development economics had little to do with the logical or empirical failure of the theories behind it; nor was it merely an academic "paradigm shift"; nor was it because of new research findings. Rather, it simply signalled the ideological shifts of the main shareholders of the international institutions.[15]The case for an interventionist "developmentalist state" has been restated with all the requisite rigour. On a purely theoretical level, Paul Krugman is right when he notes:

What was ironic was that a competitive neoclassical orthodoxy settled in on the development front just as the orthodoxy was breaking up in other fields. We can now see quite a lot of sense: Indeed whatever bad policies may have been implemented in the name of high development theory, the theory itself makes quite a lot of sense. Indeed in some ways it was a remarkable anticipation of ideas that would to analytical fruition thirty years later in the field, for example, of international trade and economic growth (Krugman, Paul 1992: 22).

And in terms of economic performance, development economics prevailed during the period of unprecedented growth in the developing countries. Definitely, the "governing of markets" in the high performing economies drew heavily on the discipline of development economics, the claims of neoliberal economists notwithstanding.

Not surprisingly, even as neoliberalism gained ground and development economics seemed to return to the fold of neoclassical economics through the so-called "analytical development economics", neoclassical economics itself was heading in directions that would have been familiar to the "pioneers" of development economics—incomplete markets, problems of asymmetric information, economies of scale, path dependence and problems of co-ordination (Bardhan, Pranab

[15] We should also bear in mind that for all their arrogance and domination of the policy agenda in the developing countries, these institutions are, in turn, dominated ones, subject to the whims of Washington and Wall Street. Or ,as Dezalay and Garth (Dezalay, Yves and Bryant Garth) point out, "Within the space of Washington, they occupy the paradoxical position. They are close to the places where key decisions are made, but that proximity only underscores their own lack of autonomy in games of power over which they have little control" (Dezalay, Yves and Bryant Garth: 83) ". "Despite their investments in the field of learning, their experts remain at the margins of scholarly economics—which devalues the practical learning of the experts of the IMF and the World Bank. The academic elites of the university regard them as mainly the representative of the lucrative business of marketing the Washington consensus" (Dezalay, Yves and Bryant Garth: 83). Joseph Stiglitz's characterization of economists at the World Bank as "Third rate economists from first class universities" was emblematic of the attitude of academia.[15]

1993;Carter, Michael 1996;Krugman, Paul 1992). These new theories pointed to problems of transaction costs in real markets, to the need for public institutions to enforce competition, to possibilities of under-investment by the private sector in socially valuable activities, and to problems of co-ordination (especially of investment decisions). In addition "new growth theories" rediscovered a whole range of determinants of economic growth that were central to development economics and that provided a rationale for government intervention; they asserted that because the contribution to the overall social production of some investments is higher than their contribution to the income of individual agents, some government policies to foster such activities would be welfare enhancing (Barros, A. 1993). However, as Joseph Stiglitz notes, there was the anomalous situation whereby much of the cutting-edge theoretical work in the developed countries was on the information problems associated with allocating capital and monitoring its usage, yet in the same period the reigning paradigm in development economics ignored these considerations despite the fact that they were more important to developing countries. Carter suggests three reasons for this (a) the intrinsic complexity and conditionality of the ideas themselves; (b) the incompatibility between the ideas and political incentives; and (c) the loss of intellectual certainty and universality implied by the ideas, which inhibits the formation of a coherent epistemic community. The ambiguity and conditionality stem from the fact that the theories admit multiple trajectories and equilibria. The political "market failure" literature suggests "multiple equilibrium" equilibria, which undermines simple rule-based intervention by suggesting that the effectiveness of analysis is place- and time-specific to institutional and cultural factors. It rules out the "one-size-fits-all" approaches so favoured by international organizations. The political dissonance coming from the market failure perspective opens up space for selective state intervention and thus goes against the ideological and intellectual predispositions of most economists, some of which have been persuaded that "government failure" is always worse than market failure.

With the demise of both development and project planning, pre-eminence was given to the macroeconomics of stabilization. Mrs. Thatcher's strident claim—"There is no alternative"— was echoed in IFIs through a standardized set of policies that was applicable to all economies. In the case of Africa, the shifts in the major donor countries were conveyed though the IFIs. In 1981, the World Bank published what was popularly called the "Berg" report (World Bank 1981), which signalled the end of both development and project planning in Africa. The salient message of the report was that "getting prices right" would not only address macroeconomic issues, but would also provide private entrepreneurs sufficient signals to ensure efficient allocation of investments. There was no need for "shadow pricing" or project

evaluation for deciding on projects. Even the traditional "public goods" could be better provided if the markets for them were liberalized. Most national economists and those in regional institutions and networks (such as the ADB, CODESRIA, and the ECA) were deeply sceptical about the appropriateness of the proposed solution to the African crisis. They challenged the new orthodoxy largely on developmental grounds and argued (a) that structural adjustment policies were pro-cyclical and would only make the crisis worse; and (b) that the policies underestimated the structural bottlenecks that inhibited African economies from responding rapidly.

Capacity building once again

The economic crisis itself was interpreted as evidence of "policy failure". In a book published by the African Economic Research Consortium (AERC), Degefe and Pakkiri (Degefe, Befekadu and Logan Pakkiri 1994) make the case for Ph.D. programs in economics, arguing categorically that the basic source of the crisis was their (African countries) conspicuous weakness in tracking domestic and external variables of importance and then adjusting policy by attempting to minimize the cyclical effects and remove the structural bottlenecks by generating appropriate policy paradigms:

> *Had policy makers been alerted to the changing needs and provided realistic alternative options, these countries would have adopted strategies leading to better economic management. In the absence of such policies, these countries instead maintained the unsustainable strategy and introduced regulatory and repressive policies to contain the disaster. The market was increasingly curtailed with controls and rationing introduced to ride out the storm (Degefe, Befekadu and Logan Pakkiri 1994: 23).*

A similar view is expressed by Dirk Hansohm writing on Namibia. After a presentation of the externalist versus the internalist arguments and the "nature" versus" "policy" explanations for Africa's poor performance, he argues that "sound economic policy research (EPR) is a key 'missing link' within the development process. The quality of economic policy is important, which, in turn, is dependent on the extent and quality of EPR" (Hansohm, Dirk 2330).[16]

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[16] The author acknowledges there is "surprisingly" little literature establishing the usefulness of economics in policy making: "Because of methodological problems, it is very difficult to measure the impact of EPR on economic policy. Accordingly, little analytical work has done. However, from the anecdotal evidence available … it is quite clear that there is a wide difference everywhere between what economists recommend and what policy makers implement. Why is this the case?".

Another issue that became progressively more problematic was conditionality, which went along the new policy package. To solve the "principle-agent" problems that had bedevilled conditionality, "ownership" of policy-making should be transferred to nationals. The OECD donors increasingly began to see how ownership was limited in African and began to call for its transfer to Africans. However, the ownership reserved for Africa did not include generation of policy but ownership of pre-packaged policies. This was achieved in two ways. One way was to maintain the charade whereby key position papers, such as those for meetings of the Paris Club, which supposedly reflected government opinion, were drafted by donors—who then turned around and praised recipients for their thoughtful propositions.[17] Another way was to produce Africans who understood and agreed with what the donors were talking about. The emphasis was to be on the mastery of a "toolbox" deemed by donors as constituting the missing skills for adjustment.[18] In many cases attempts at transferring ownership to Africans have been so farcical as to border on a hoax, and have ultimately been self-defeating as they have bred cynicism and mistrust. While the "Washington consensus" could be exported to a number of Latin American countries where "local interlocutors were typically part of the network of alumni from these organisations" (Dezalay, Yves and Bryant Garth: 91), the situation in Africa was that, except for the few economists in the central bank who jumped on to the new dogma with remarkable alacrity[19], there were few economists conversant with orthodox macroeconomics in other parts of the government (including ministers of finance). Most of the economists were development economists or newly trained experts on "project evaluation" or sectoral economics (transport economists, agricultural economists, health economists, etc).

So again, a new breed of economists had to be produced for the new policy agenda. And given the "policy failure" belief, the solution was to either impose the "correct policies" on Africa or to provide Africans with the capacity to formulate proper policies. All this led the need for initiatives such as African Capacity Building Foundation

[17] Tony Killick (1997) reports that "letters of intent" which are ostensibly from governments, were almost invariably drafted in Washington with the government left trying to negotiate variations in a document presented to them. He adds: "It is difficult to imagine a procedure more subversive of ownership". In an even more bizarre situation, the World Bank is reported to have drafted a response to one its directives!

[18] Interestingly, France was reluctant to join the consortium because of its fear that it might produce a breed of economists who would advocate devaluation of the CFA franc. Already a number of "Anglophone" trained economists had begun to advocate devaluation of the currency. It was only after the devaluation of the CFA franc that France began active involvement in the consortium.

[19] This can be accounted for by the fact that, as Fitzgerald (2003) notes, central banks never accepted developmentalism in the post-war decades.

(ACBF), which has allocated most of its funds to enhancing capacity in economic policy analysis both at the regional and national levels. Much of the new support to economics has been on the assumption that it was the absence of analytical capacity that accounted for the African economic crisis. Since the early 1980s, the World Bank has linked interest in capacity building to the administrative and technical capacity needed for policy analysis and economic management in the context of structural adjustment programmes (SAPs). Its desire was to create "competent reputable technocrats" deserving of "recognition, appreciation, prestige and awards" (World Bank 1997: 83, 91-6). Chile's group of high-level advisors—the "Chicago Boys", Indonesia's "Berkeley Mafia" and Thailand's "Gang of Four" are good examples. The approach also required dislodging the more developmentalist economists that occupied key positions. A whole generation of economists trained in previous programmes were not only deemed to be wrongly trained, with strong a statist notion to boot, but were also lumped together with the kleptocracy.[20] Their opposition to SAP was squarely attributed to individual to ignorance at best, or self-interest at worst. In addition, their skills were redundant in the new scheme of things, where a few specialists in the ministry of finance or central bank could in fact implement the new policy agenda.

One salient feature of the new context of capacity building was the World Bank's self-repositioning as a "Knowledge Bank". Although the Bank has always portrayed itself as a source of ideas and expertise for the developing countries, its proclamation of this role has become more shrill in recent years, partly in response to the evidence of a tenuous link between loan conditionality and policy change, and partly because its non-financial role has increasingly become its *raison d'être* in light of the increased role of private capital. On a more positive note, "it also reflects the Bank's self-image as a leading generator, repository and disseminator of knowledge relating to the development process, and the importance that the leadership attaches to closing the "knowledge gap" between rich and poor countries" (Pincus, Jonathan 2001: 183).

I noted earlier how removed the IFIs were from economics in the universities. Things were to change sharply as the universities faced serious financial crisis.[21] The IFIs

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[20] In the case of Egypt, the Egyptian economist Galal Amin notes that "with the withdrawal of state intervention in the economy, economists in many departments found their services surplus to requirements and their prestige reduced. In the Ministry of Planning and Development, for example, scores of well trained economists found themselves suddenly redundant as a result of the decline in importance of the whole planning exercise" (Amin, Galal 1997: 163).

[21] Foundations which had provided more open-ended support to economics had lost much interest in the subject. By the late 1970s,

took up a more proactive position in trying to shape the content of teaching in African universities, especially in the area of economics. In its new role, the Bank was not only content with training policy makers in its own institutions, but sought to change university education and to directly or indirectly control various research networks.[22] International donors now sought to enter directly into the organization of degree programmes, bulldozing through the universities and research institutions.[23]

This led to an unprecedented investment in one branch of the social sciences—economics—and in that field concentration was to be on macroeconomics of stabilization.[24] In perhaps the most spectacular attempt to transform a discipline ever carried out on any continent, a consortium of donors set up the AERC in July 1988. Its principal objective was "to strengthen local capacity for conducting independent, rigorous inquiry into problems pertinent to the management of economies in sub-Saharan Africa". According to its Web site, the consortium's mission rests on two premises.

1. That development is more likely to occur where there is sustained sound management of the economy; and
2. That such management is more likely where there exists an active, well-informed group of locally based professional economists to conduct policy-relevant research.

Other networks included the one on industrial policy at CODESRIA and the PTIC for Francophone universities.

I noted above how the official donors have accepted the idea of directly intervening in university teaching of economics. More troubling for the prospects of a broad agenda in the teaching of this discipline in the universities is that even the foundations have changed their position. For a while the foundations seemed to have lost interest in

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"the foundation's ardour toward economics has substantially cooled. A marriage that seemed made in heaven has ended in some places at least in a trial separation or divorce. To my knowledge, with only one exception (headed by an economists), none of the major foundations today has a program aimed at assisting the discipline as such, and expressions of scepticism from foundation officers about the utility of the subject have become commonplace" (Goodwin, Craufurd D. 1989: 138-9).

[22] Significantly, this was the time when the World Bank was pushing its case against university education as a whole.

[23] In many cases donor pressure was such that quite a number of economics departments entered into degree programmes without the formal approval of their own faculties or senates. In the Francophone countries the strategy was to separate economics from the law faculties.

[24] Interestingly, this huge investment in the discipline took place when the World Bank had persuaded aid donors that the rate of return on higher education was low when compared to primary education. Social sciences were singled out as singularly unproductive. The presumption must be, therefore, that economics was an exception.

economics, or simply let it develop in the directions that universities and individual scholars deemed fit. The involvement of the Rockefeller Foundation in setting up the AERC would seem to suggest a revival of interest in the patronage of economics in the developing countries, but with a more focused agenda. Concerns with structural adjustment had repaired the marriage between some foundations and economics. However, in contrast to the more open-ended support of economics in the 1960s and 1970s, this time the funding was tied to policy and research agendas driven by the exigencies of SAP. David Court, then at the Rockefeller Foundation, explained the shift thus:

Now, after twenty-five years of experience, the deficiencies of some overseas training and a context of financial austerity must lead to the definition of fellowships in terms of required skills and experience, rather than simply the achievement of a degree. The more precise we can be about desired outcomes, the better placed to decide how they can be achieved. (Court, David 1994: 131)

Of course this greater precision of what skills were required further narrowed the intellectual space for a more open and more pluralistic economics teaching and research environment. And so by the mid-1980s, the financial crisis that faced many African universities (and the drying-up of internal funds), the acceptance by many donors of the Washington consensus and the monoeconomics that went along with it, and the creation of a donor consortium to fund capacity-building and research in economics, there was a sharp narrowing of options in the economic research field.

The "market" of ideas

The phase of structural adjustment demonstrated more sharply than other earlier phases the brutal force of money in shaping the intellectual agenda. For a discipline that has invested so much in establishing that human action is driven by self-interest and greed, the economics profession in Africa as elsewhere has, quire remarkably, remained silent about the role of material incentives in the development of the discipline and the attachment by individual scholars to particular ideas. And yet if the profession is to move ahead and avoid arbitrary domain restriction[25] on the applicability of its analysis to itself, then there is an obvious need for "the economic analysis of the economic conditions of economic analysis" in Africa, to paraphrase Pierre Bourdieu (1988). It surely would be a case of bad faith if economists refused to

[25] A process whereby one insists on a general explanation in the face of discomfiting examples by simply stating that those examples are the exceptions that prove the theory.

use the same tools on themselves as they use for dissecting others' motives. In the name of consistency, some economists have argued that if we were to generalize seriously the *homo oeconomius* hypothesis so as to include under its scope *all* economic agents, it should obviously be applied to *economists* as well (Bonilla, Jesus P. Zamora 2002;Frey, Bruno 2000;Pagano, Ugo 1999;2002). Or in the words of Pagano:

If orthodox economic theory is correct to maintain that, at least up to a certain degree, individuals are selfish rational choosers, then economists cannot be assumed to be the only exception to this picture of human nature. A contradiction between the interests and actions of "selfish economists" and what Economics is *supposed* to do may, therefore, easily arise. While the welfare of society at large demands that the community of economists is supposed to study problems that are relevant to a certain field of inquiry, namely the economy, economists are (also) interested in job security, tenure and their careers. This is even more so for a community that (unlike that inhabited by Ricardo, Marx, Walras or Pareto) operates almost entirely within a world of incentives defined by Academia. Such a community is inevitably (over) sensitive to academic screening procedures and to the rules of the competition occurring among its members. (Pagano, Ugo 2002: 14)

Textbook economics suggests two separate entities whose actions reach equilibrium at the intersection of the demand and supply curves that they separately generate. Market theory assumes a separation of producers and consumers of ideas who only meet in the market place. It is thus assumed that economists supply economic knowledge and policy makers demand it. In reality however, policy makers in Africa are actors on both sides, demanding certain (economic) skills and providing the financial resources for the production thereof (i.e., the requisite economists). Through their conditionalities, donors filter the knowledge usable by local policy makers. It is the donors that suggest or sanction the approval of local economists both directly and indirectly. It is they who define who are "real economists" and governments have learned that they save time if they use these donor-certified economists to prepare their documents. As a consequence, what policy makers get is not a smorgasbord of ideas, but the one idea of which they have financed the production. In addition, much of the cream of the new competence in economics is captured by donors themselves, and is often deployed by them. Access by African governments to this competence is often mediated by donors through the donor-dominated consultancy industry. We should also recall how economists have risen to play a more prominent role in policy circles. Often they have risen not so much because of their expertise or as

interlocutors for social interests, but as consultants riding on the coattails of foreign funding institutions. It is this internal dynamics that determines who gets consultancies, who gets hired by international organizations and by governments who desperately need economists who can talk the talk of the funders.

The mechanisms driving this dynamic are many. In some cases certain key individuals who belong to the same "epistemic communities" as the expatriate experts are identified and empowered by them. Being associated with international epistemic communities is both materially rewarding and intellectually reassuring.[26] The inclusion and even seduction of African economists into epistemic communities pushing for a particular policy agenda included organization of courses, and provision of lucrative travel grants and fellowships. In some cases consultancy arrangements were made from which "nationals" could champion the externally driven policy agendas as their own. Or nationals are seconded from international positions to national institutions and selected individuals had their salaries topped up. This is done in the name of "ownership" and is supposed to facilitate "dialogue", since it places donors and recipient countries on the "same wavelength". In such a situation the capacity building exercises had more the character of cloning than the production of people with critical analytical skills. Governments also realized that it is thus much easier to use economists accepted (or even paid) by donors as this facilitates dialogue, or more prosaically the release of funds. The overall effect is that the so-called dialogues took on the character of the "conversation" between a ventriloquist and a puppet—a process unlikely to enhance the capacities of either of the participants in the dialogue. Elliot Berg cites this kind of dialogue as a kind of "learning blockage":

- There is a lack of autonomous intermediaries in heavily-aided countries. Donors spend much of their dialogue in discussion with captured institutions and officials who are direct beneficiaries…
- What is most pertinent from the learning perspective is that genuinely critical dialogue, the best source of feedback, is rare, narrowing the information flow to donors about what is really happening (Berg, Elliot 2000: 32).

- Dialogue should not only be a polite way of imposing one's agenda, but an important component in the exchange and transfer of knowledge.

[26] Wade's observation on Taiwan is of some relevance to the Africa situation: "Having control of university funding and good international connections, this group organises conferences on Taiwan's economy in which like-minded Western economists are invited. In this way the argument is propagated that Taiwan has been successful because of the release of markets forces" (Wade, Robert 1991: 220).

To continue with the market analogy, the value of the economists' expertise was further enhanced by the technocratic turn in policy making that came with the new emphasis on "political credibility" as essential to attracting foreign investment. Grabel (Grabel, Ilene 2000) notes that the new neoclassical theorists "treat a policy's viability as the consequence of the epistemological status of the theory that generates it rather than the outcome of endogenous social and political action". "Good policy" is no longer the product of group struggle but of rational policy analysis, hence the importance of economic expertise visibly and credibly insulated from domestic politics. And government officials know that economists are not only desired for their knowledge but also for their cosmetic and even "guru" effects, to calm the nervous "animal spirits" of jittery investors. Many governments seem to be of the opinion that the way to solve the credibility problem in international financial markets or to talk to the Bretton Woods Institutions (BWIs) is to hire nationals employed in the latter institutions often at enormous cost. In Malawi, a former senior IMF official has been attached to the president's office as advisor. The government of Nigeria has employed a vice-president of the World Bank, Ngozi Okonjo-Iweala, as minister of finance and, according to news reports, (Agbroko, Godwin 2004) is paying her US$250,000 annually which was reportedly her salary at the Bank. Since this is paid in foreign currency, it is likely to compromise her credibility in the eyes of her people as she talks about devaluation of the national currency.[27]

However, even more serious is that the "endogenization" of economic knowledge generates an internal dynamic that has had enormous implications for the development of the economic profession in Africa. This consultancy industry—or what Dezalay and Garth refer to as the "dollarization of economics"—was unlikely to produce a critical social science profession. Perhaps more alarming are the effects of all this on development economists themselves. If, as Colander (Colander, David C. 1989:34) observes, as elsewhere the "Incentives in the economics profession are for articles, not ideas", in the African case the consultancy report has replaced the article in a context where getting into the consultancy circuit has become more important than getting university tenure. Both the motivation and institutional arrangements for spreading particular ideas were ready-made for turning economic ideas into "mush",

[27] One remarkable feature is how much media prominence is given to economic advisors nowadays. Formerly chief economic advisor to the president and now governor of the Nigerian Central Bank, my co-author [[his name does not appear at the beginning of this paper. If he's your co-author on something else, specify what it is.]] Charles Soludo is in the news almost every week, if my search on Google is to be believed.

to borrow from Robert Solow's title, tethered as they were to a very heavy axe to grind. As Solow has noted:

Economic ideas when they come to influence events—or only to reinforce the opinions and beef up the arguments of movers and shakers who have already made up their minds for quite other reasons—may bear little resemblance to the original ideas, the "real" ideas. In particular, it is almost certainly true that ideas get coarsened even if not biased. Subtleties evaporate, including important subtleties, and qualifications disappear altogether. In the end ideas can be used to justify actions that would not be supported by a correct statement (Solow, Robert M. 1989: 75-76).

And this may partly explain why, although economics has been by far the best-financed social science discipline in Africa, it has not been active in public debates nor has it been distinguished by much original thinking among African economists—although, ironically, Africa has been a fertile ground for producing ideas that have eventually impacted on the discipline as a whole (Collier, Paul 1993)[28].

The premise of capacity building endeavours was that in some sense economics might somehow be "productive" and could be useful to development. However, the productivity of economics cannot be taken for granted. There has been no systematic specification of the functional relationship between economics and social well being (Frey, Bruno 2000). As Frey observes, many contributions to the subject "are based on mere assertions, speculations and wishful thinking (p. 17)". However this has not deterred economists from declaring their usefulness. Bruno Frey notes that "While in other areas of economics they would not easily accept that looking at the input side allows the effect on output to be assessed, they do so when it comes to evaluating the effects of economic theory on economic or political development" (Frey, Bruno 2000: 1).[29] As a solution, Frey suggests that the "economics of economics" might be a possible field of inquiry.

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[28] Significantly, as Paul Collier (Collier, Paul 1993) notes, the study of Africa by such economists as Joseph Stiglitz and James Tobin has contributed to the discipline. What he does not pose as a problem is why these insights have not informed policy making in Africa. One reasons is, of course that Africa's contribution has consisted largely of work by visiting scholars and the continent's provision of raw data. After all, "Africa is a gold mine to economists because its economic history has been so extreme: booms, busts, famines, migrations. Because there are so many African countries, often following radically different economic policies, Africa offers a diversity ideally suited to the comparative approach which is the economists' best substitute for the controlled experiment" (p. 59).

[29] Doubts about the usefulness of economics are often conveyed in the profession's self-directed irony, often with a whiff of self-aggrandizement, emphasizing the damage they can do.

The new focus exhibited none of the self-doubt among economists that has been expressed from time to time. In a paper written in the 1960s, Dudley Seers (Seers, Dudley 1963) had raised the question: "Why Do Visiting Economists Fail". In the 1970s Streeten rephrased the questions: "Why Do Failed Economists Visit"? (Streeten, Paul 1974). An even more appropriate question is the one raised by three writers, including Nobel Prize winner Douglas North, "If Economists Are So Smart, Why Is Africa So Poor? (Haber, Stephen, Douglas C. North, and Barry H. Weingast 2003).

For all the certainty in the assertions about the relationship between a certain discipline and economic development, the donors themselves are not sure what happens. A survey of 500 research institutes in developing countries undertaken in 1999 by a high-level committee appointed by the Global Development Network (GDN) to measure the demand for different products being supported or potentially supported by GDN concluded:

One of the biggest concerns of donors is whether or not the research-related activities that they are funding are having an impact. However, no one is sure how to adequately measure impact. While donors usually try to ensure that the research that they are funding is properly disseminated, it is not clear how to define or judge good or best practice dissemination. There is clearly a need for more work on both measurements of policy impact and the types and strategies of dissemination that are and are not working in different cultural, institutional, and political settings.

The research agenda in the South is heavily influenced directly by the North, often by implementing agencies or electronic networks based in the North. Funding tends to flow to the thematic areas that are of the most concern to the North. Moreover, few projects contain significant core funding for institutions. The vast majority of funds are

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Allen states " … a country's economic progress is in inverse proportion to the distinction of its economists" (Allen, G.C. 1978). Stigler (Stigler, George 1982:) asserted that economists exert a minor and scarcely detectable influence on the societies in which they live, while for Wyplosz "The economic success of France and Japan seems to indicate that economic policy can be carried out perfectly well without economics". Tullock (Tullock, Gordon 1984: 229) states that "…the average article in an economic journal has very little prospect for contributing to the well-being of the world". Ward notes the paradox: "It is undeniable that since 1969, when the Riksbank of Sweden began to award Nobel prizes in economics, there has been a close correlation between the number of Americans receiving the Award and the decline of the American economy. At the same time, no Nobel prize in economic science has ever been given to an economist working in a high-growth economy" (Ward, Benjamin 1980: 5).

tied to a specific product, strongly suggesting that the agenda is often set in the Northern countries.

The Fourth Round: The "Post-Washington Consensus"(?)

Following a brief upswing in 1995-6, was touted as evidence that adjustment was finally working, African economic growth rates declined. Although some economists insisted that this was because Africa had not adjusted enough, the real question raised now was: "Why is it that when the recommended policies are put into place (often under the guidance of—and pressure from—the International Monetary Fund and the World Bank), the hoped for results do not materialize quickly?" (Clague, Christopher 1997: 1). In 1989, the World Bank was constrained to ask: "Does Africa have special structural problems that have not been properly understood? Have the external factors been correctly assessed? More fundamentally, is there a long term vision that is both credible and energising?"[30] These questions led to a veritable wild goose chase, as the policy arena entered what Gustav Ranis refers to "an era of some disarray" suggested by the fact that "new growth theories" have included more and more variables—policies, investments, ethnic diversity, religion, colonialism, culture, status, geography, politics, institutions, social capital—but have been "accompanied by diminishing robustness" (Ranis, Gustav 2004). The number of "determinants" of growth has increased pretty much at the discretion of individual econometricians and availability of data sets.

By the end of the 1990s, the World Bank had retuned to "poverty". The new understanding of poverty and the failure of SAP as a development strategy required going "beyond the Washington consensus". It suggested the need for some kind of development planning, in the form of a "Comprehensive Development Framework" for World Bank policy. In its report of 2000 (World Bank 2000) the World Bank made some attempt towards such a broad perspective. The result was a rather eclectic report that tried to take on board all the determinants of growth raised by the new growth theories.

Building capacity—The latest round

[30] Prompting Adebayo Adedeji to remark that these were "pertinent and fundamental questions" which should have been asked and answered "before designing development strategies, not after they had failed, causing severe hardship and rending the fabric of African institutions" (Adedeji, Adebayo: 256-7:).

It was clear from discussions of the new comprehensive policy framework and of the preparation of Poverty Reduction Strategy Papers (PRSPs) that planning capacity was important. This required a breed of economists that not only competent in the use of a number of tools, but that also had the social *savoir-faire* to engage their societies productively. They also had to have a "holistic" view of the development process—something that development economics insisted on. One effect of the decline of the state was that interest in the study of development economics has declined. Even among individual Africans studying abroad it is mostly only those on scholarships that bother studying "development economics". Those with their own means of financing to study abroad tend to go into such things as banking and finance.

By the end of the 1990s there was a gradual return to funding infrastructure, partly because the interest of the private sector in some of the "public good"-type infrastructure proved much less enthusiastic than had been expected. It immediately became clear that irrespective of how much structural adjustment and market liberalization one had pursued, there were always infrastructural projects for which there was no market and whose identification would involve some non-market appraisal.[31] It would come as no surprise if some of the old manuals of cost-benefit analysis were to be dusted off and reissued in revised form.

Capacity building: One more time

The latest shift in the policy agenda and the more eclectic form it has taken have caused confusion in the African economics community as institutions and individuals try to adjust to changes in "demand". In response to this shift, African economists are now engaged in the "good institutions" debate (see for instance Ndulu, Benno and Stephen O'Connell 1999), PRSPs, world trade issues, "new growth economics". Once again, specialized courses on some of these new policy preoccupations are being administered by regional networks. Funds are being set aside to build the capacity of economists to prepare PRSPs, and in the discourse of the new institutional economics, etc. Economic research institutes, too, began to rework their agenda and recompose their skill mix so as to include poverty reduction and preparation of PRSPs. Thus the AERC shift from emphasis on macroeconomic management to problems of poverty and institutions is stated thus:

[31] Indeed at the World Bank where Little and Mirrlees made their presentation a participant is reported to have suggested that it was perhaps time for the Bank's Economic Development Institute to assess whether it should re-establish itself as a training centre for project evaluation and management.

The current thematic areas are Poverty, Income Distribution and Labour Market Issues; Trade, Regional Integration and Sectoral Policies; Macroeconomic Policies, Stabilization and Growth; and Finance, Resource Mobilization and Investment. This current set of themes evolved from a consolidation of macroeconomic and trade issues to make room for the introduction of the theme on poverty.

In addition, while maintaining a focus on the selected themes, an evolutionary expansion and deepening of thematic coverage is partly aimed at a better understanding of how markets and governments function in the African context. Also of interest is the manner in which institutional structures affect economic behaviour and performance, and the exploration of the link between policy and growth (AERC 2004).

While the adjustment to changing demand is understandable for African economists, the loss of certainty by the international financial institutions should come as good news. First, it suggests the need for context-specific and time-varyiable understanding of African economies, and thus places a premium on the knowledge of local economics. Second, it has led to what Carter refers to as an "epistemological delegitimation" (Carter, Michael 1996: 139) that could permit a more open research agenda. African economists should seize this opportunity to think more creatively about African economies and their predicament. The "hangman's nose" of underdevelopment should concentrate our minds on this one issue. A remarkable feature of early theorizing about development was the preponderant presence of Central Europeans with their concerns for reconstruction—Bela Balassa, Bert Hoselitz, Nicholas Kaldor, Tibor Scitovsky, Rosenstein-Rodan, Michael Kalecki, Balogh. In addition, there were the economists from the periphery – Arthur Lewis, Prebisch, Mahalanobis inspired by the nationalist quest for industrialization. Gunnar Myrdal needs special mention for his social democratic angle to development. The intellectual preoccupation with the reconstruction of Central Europe or catching up, rather than the impositions of the more advanced Europe, must surely have accounted for their concentration on these issues.

Lessons from Other Experiences

One remarkable feature of policy making in East Asia is the marginal role assigned to economists, especially of the Anglo-Saxon variant. Opposition to neoclassical economics was quite strident in all these countries. As Wade notes, disillusionment with neoclassical economists came early in the 1950s when these economists objected to the developmentalist thrust of economic policies largely on the basis of

static comparative advantage arguments, a story that should be familiar to Africans. In South Korea, the US-trained economists, known as "monetarists" or "foreign", tended to be critical of interventionist policies of the government and later tried to downplay the central role of such interventions in the "miracle" of their country or argued that the performance would have been even better in their absence.[32] Alice Amsden, in a paper entitled "The Specter of Anglo-Saxonitisis Haunting South Korea" (Amsden, Alice 1994) notes that US-trained economists were strong critics of the *chaebols*—the form of corporate structure that would be crucial to the "Korean" success story. In Taiwan, a new generation of economists argued that Taiwan should import fabric rather than yarn or raw cotton, on the grounds that comparative advantages recommended that cotton fabrics could be imported more cheaply from Japan than they could be domestically produced. In Japan, there were about 300 neoclassical economists most of whom were "busy learning theories that depended heavily on mathematics and had no time to conduct empirical studies of the Japanese economy" (Gao, Bai 1997).

The policy makers also felt that these theories did not stylize their economies properly and rejected the idealized stylization of economies.[33] As Sawa Takamitsu notes,

Western economic theories, which were based on thorough individualism and quantitative methodology, might be an effective analytical tool for understanding Western Europe and North America. For comprehending the Japanese economy in the second half of the 1950s, however, they were simply what Schumpeter called a "toy gun" (Sawa Takamitsu 1984: 14 cited in Gao, Bai 1997: 242).

One consequence was the marginal role given to Western trained economists. Chalmers cites one of the leading academic economists, Komiya Ryutaro, who argued that "the Japanese government does not hire professional economists", referring to anyone who has acquired an advanced research degree in economics and is employed as an expert in economic analysis. In Japan engineers had an important influence. And according to Allen (cited in Wade, Robert 1991: 220), the Ministry of International Trade and Industry (MITI) engineers "were the last people to allow themselves to be guided by the half-light of economic theory. Their instinct was

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[32] As Wade notes, "Having control of university funding and good international connections, this group organizes international conferences on Taiwan's economy to which like-minded Western economists are invited. In this way the argument is propagated that Taiwan has been successful because of the release of market forces" (Wade, Robert 1991: 221).

[33] I have elsewhere made similar appeals for a better "stylization" of African economies (Mkandawire, Thandika 1996).

to find a solution for Japan's post-war difficulties on the supply side, in enhanced technical efficiency and innovations in production. They thought in dynamic terms". In Taiwan most ministers and senior officials with responsibility for economic affairs were graduates in engineering or science. According to Wade, 11 out 14 past ministers of economic affairs had such qualifications, plus five out of 14 ministers of finance or chairmen of the central bank. In the influential sectoral planning department, the staff was almost all engineers.

It is not that economists played no role in economic policy but, according to Ha-Joon Chang, that the economics training they had was of the "wrong kind".[34] In the case of Japan, as Chalmers Johnson has stated, while policies were constructed in accordance with and influenced by sound economic principles, "these come from the industrial policy, plan-rational, developmental school of economics and not from the economic policy, market-rational, regulatory school that prevails in English-speaking countries" (Johnson, Chalmers 1995: 27). In South Korea although the title of "economists" was appropriated by university economists, there were other economists known as "editorialists" that had influence on policy. These argued from a more structuralist perspective. Or, as Wade notes, "They argue in terms of national vulnerability, economies of scale, external economies, and the like, ideas which feature little in the arguments of the "academics" (Wade, Robert 1991: 223). The economic knowledge that sustained industrialization in Japan was that of Marx, Schumpeter, List and the postwar Keynesian economics of the Harrod-Domar growthmodel. From Schumpeter, the Japanese learned the importance of "rents" in innovation and that competition could be both "creative" and "destructive". They also learned that various restrictive practices may increase profits and reduce the risks faced by firms that undertake the costly investments required for innovation. From Frederick List they learned about the importance of domestic markets in getting industries started; and from Karl Marx they learned about the contradictory nature of capitalist accumulation and the need to manage capital-labour relations-[35] In the postwar period, Marx's "two department" schema was used to justify the prioritization of the capital goods industry in the reconstruction of Japan (Gao, Bai 1997). And from the experiences of the "non-Anglo-Saxon" "late industrializers", they learned the

[34] Ha-Joon Chang observes "The fact that the bureaucracy in India, a country with arguably one of the best economics training in the world, has not been equally successful in guiding its economy also suggests that specialised training in economics may not be crucial in making a 'high quality' economic bureaucracy" (Chang, Ha-Joon 2003:).

[35] For them Karl Marx provided the political economy understanding of societies they were determined to "catch up" with. This is in sharp contrast to the understanding of Karl Marl as simply a manifesto for the overthrow of capitalism—an understanding that was quite prevalent in African circles.

importance of the banking and corporate structures in industrialization. Writing on South Korea, Ha-Joon Chang (Chang, Ha-Joon 1996) notes:

The major themes of Korean economic policy-making (were)…the concern with social waste from excessive competition (a distinctly Marxian notion), the emphasis on scale economies, the obsession with capital accumulation and the desire to develop heavy and chemical industries. (The) political-economic agenda of the Park regime was summarised in the First Five-Year Plan document as 'guided capitalism' where the state plays a guardian role.

Ha-Joon Chang goes further to argue that the competence that is required for a selective industrialization strategy seems, somewhat counter-intuitively, that of a generalist rather than that of an economist in the conventional sense. He suggests: "the least developed countries intent on developing a good economic bureaucracy should put more emphasis on recruiting people of generally high calibre, rather than looking for specialists in economics and other related subjects". Wade suggests "Familiarity with engineering concepts, even at the top levels of industrial policy-making has made for an easy translation from the broad choices to what exactly must be done to get specific projects off the ground. It encourages a 'can do' attitude which blends into the conviction that the government should guide private firms" (p. 220).

One permissive circumstance for the devaluation of economists in the developmental phase of these countries was that economists did not enjoy much prestige at the World Bank. Financial experts and engineers focused on "development through public institutions" and, concentrating on planning and input-output models, largely ran the Bank. It was only in the late 1960s that economics was recognized at the Bank when the new President Wood appointed Irving Friedman to bolster the ranks of economists.[36] The situation today is different. Economists occupy key positions in the Bank and have tended to argue that recipient countries are desperately in need of their skills. So the chances of marginalizing economists from the serious business of development are remote in aid-dependent economies such as ours. Globalization has also placed a premium on economists, although globalization does not say which economists are the most appropriate. Is it economists who simply argue to their

[36] Irving Friedman himself observed: "I was told that there no economists at the bank—because very few of the 150 Ph.D.s in economics (i.e. ¼ of the professional staff) were willing to be regarded as economists. They told me that being an economist at the Bank was the death of career" (cited in Dezalay, Yves and Bryant Garth: 267).

countries that they must bow to the imperatives of global markets, or those who argue that developing countries should be "government markets" and selectively become integrated unto the global system through strategic trade theories? Global trade is not about free markets but regulated and negotiated markets—which might explain why, while African delegations to trade negotiation tables have economists in key positions, the other countries' teams seem to have a preponderance of lawyers.

Conclusion: What Is to Be Done?

The first concluding remark I would like to make is that the point of departure must be the creation of a community of scholars that is self-reflexive and self-critical, and that critically examines the premises of its existence and its relationship to the reality of power and poverty in Africa. And so besides the epistemological questions about the validity of particular economic ideas, African economists ought to pay greater attention to the sociological and economic ones: How is the community of economists constituted? Who pays for it? What is the reward system? And how well does it serve the common good?

My second remark is that we must remind ourselves of the central developmental issues of the continent. One recurring query about economics is its relevance to the real world: How much does it take into account the available insights concerning the nature of social material and, in our case, the scourge of underdevelopment? Economics, as Joan Robinson was wont to argue, is a toolbox. It must not define the problems. The ideal should be to make the toolbox as versatile as possible so as to deal with a wide range of problems that occur in different times and economies, differently. Given our condition, if development economics did not exist, we would have to invent it. Our work should be tied together not by a common set of techniques but by a common set of questions. The *tool*- or *method*- driven research often led to the predominance of the mastery of new techniques, rather than identifying, let alone answering, questions of immediate importance. We should do everything within our intellectual power to avoid what Colander refers to as "the art of devising clever models and in so doing to demonstrate one's technical virtuosity" (Colander, David C. and A. W. Coats 1989: 33). In a similar spirit Gerry Helleiner has argued

> *It seems to me that one needs to attack the current problem at its root —- which is the traditional mainstream postgraduate economics programmes, which train the teachers and practitioners of most development economics today. I believe we must try to reduce the relative importance assigned in current mainstream postgraduate economics programmes to purely abstract reasoning; rebalance the core economic theory courses so as to place the traditional neoclassical assumptions into their appropriate context; restore economic history and history of economic thought to the core curriculum; and insist upon greater relative emphasis upon empirical and policy analysis in these programmes (Helleiner, Gerry 2001: 2).*

Third, we should encourage the creation of a pluralistic social science community. If our specialization in economics is not lead to a poor intellectual diet, we have to interact or "trade" with other disciplines or specializations. As economists we would agree with Mcloskey's injunction, "Don't specialise without intellectual trade!".Moreover, since economic theory is so weak that it is possible for different economists to defend quite contrary positions with the claim of scientific truth, a precondition for reaching objectivity is an open public discussion (Kirchgässner, Gebhard 1998). Pluralism does not mean that each one of us should hold contrary or contradictory ideas in our heads. Rather, as stated by Geoffrey Hodgson,
Policy toward science must be pluralistic and tolerant, but science itself must be intolerant with what it regards as falsehood. Perceived error must be exposed and criticised not by denying the opponent a voice, but by explaining the mistake to the scientific audience. The role of diversity is not to sanctify or foster contradiction. Tolerance of the right of a scientist to practice, even when we may disagree with his or her views, does not imply discursive tolerance of any method and proposition. Any failure of social sciences to erect an adequate and coherent general theory is not rectified by applauding incoherence (Hodgson, Geoffrey 2001: 35).

Pluralism does not (quite) rule out formalism, but it does rule out unqualified relativism and logical incoherence.

My fourth remark is that, while the peripatetic advisers can afford to hold to only one idea at time, we as a collective need to create an intellectual community to address simultaneously the many problems we face at any time. The flexibility of institutions depends partly on capacity to deal with the many tasks that are imbedded in their mandates and their creative deployment by societies to address social problems. To achieve this we need a pluralistic intellectual community in which the search for truth relies only on dialogue and inter-subjective discourse, and not the level of funding.

Fifth, we must take the specificities of the histories, political economies and institutions of our respective countries seriously. This will make our diagnosis of problems much more context specific, and thus likely to be informative and useful. One's understanding of the nature of and reason for the failure of past efforts predisposes one to a particular set of solutions. Thus, the acceptance of explanation that the crisis of African economies was due to "policy failure" at the national level, and that the success of East Asia was a vindication of neoliberal doctrine, predisposed policy makers to the kind of policies that the IFIs were pushing. Had the crisis been perceived as the failure of, say, the international economic order (poorer terms of trade, higher interest rates, decline in foreign lending, as the Economic Commission for Africa was wont to argue), and had the role of the "developmental state" in the East Asian "miracle" not been occulted, the policy package would have been different— involving perhaps a developmentalist regionalist agenda. This is not to suggest that the economic crisis played no role in the "paradigm shift", but to argue that while the crisis may indeed have encouraged a questioning of the predominant development model, it did not necessarily entail the solution that was eventually adopted. Were the shifts in policy a reflection of the insights acquired from the African development experience or from experiences in other developing countries, there would have been a greater probability that what was being said was relevant and appropriate to the circumstances. Instead, the changes reflected theoretical predilections and ideological shifts in the advanced countries, and their adoption in Africa came along with the conditionalities and the dominance of channels of training by the donors.

My sixth remark is that I believe that it is the social responsibility of African intellectuals to address the serious problems facing our continent. Obviously, how useful one is depends on more than one's unilateral declaration of commitment. It also depends on the openness of other actors to one's idea and knowledge. Unfortunately, the ruling classes in Africa have rarely felt it necessary to organically engage intellectuals in their projects. Nevertheless, the fact remains that we do have the responsibility, and that responsibility is best met if we take our societies and their problems seriously.

Finally, if we are to create a useful and dynamic republic of social scientists in Africa, we must be engaged in a process of intellectual endeavour that is in some sense cumulative. One of the problems is the time lag between the recognition that certain skills are needed and the supply of such skills. In many cases, by the time Africans

completed their Ph.D.s, the fad had passed.[37] As I noted above, changes in policy fashion have often led to changes in direction of capacity building, and are accompanied by a denigration or marginalization of skills acquired in an earlier phase. In trying to keep up with these changes we have often done this against our better judgement and have often thrown away the proverbial baby with the bathwater.[38] I also noted how donors have changed their ideas about the problems facing our societies, and in the process raised false options. And yet the greater recognition of institutions, economies of scale, and problems of asymmetric information and co-ordination is largely a rediscovery and brushing-off of the classics of development economics. In a cumulative process of knowledge acquisition, it would have been clear that conflicts among planning, projects and macroeconomic are a non-issue. In many cases paradigm changes have reflected not our reality, but changing ideologies, politics and fashions abroad.

[37] I witnessed this dramatically at a seminar in Ibadan, on structural adjustment and agriculture, attended by a significant number of agriculture economists. But few of them knew much about macroeconomics and the impact of such policies on agriculture. Several of them had specialized in farm management under a scheme in which the World Bank and the US government assisted Nigeria in the various large-scale agricultural development schemes. Here were economists trained in linear programming, cost-benefit analysis, etc. for an agriculture that was largely small scale.

[38] As the Japanese economist Ohno has noted with respect to the shifts in World Bank thinking: “But the international economic organizations are constantly in search of one miracle solution. The World Bank’s policy focus has shifted from infrastructure and industrial projects in the 1960s to basic human needs in the 1970s, ‘structural adjustment’ in the 1980s, and privatization and institution building in the 1990’s. A few years ago, its policy again shifted dramatically to an exclusive attention to poverty reduction. Certainly, poverty is a very legitimate concern in development. Furthermore, adjusting policies to changing reality is not only desirable but necessary. But the transformation of what the World Bank considers the key policy ingredient is a bit too fast and too radical; wisdom of the past should not be thrown away so quickly when the Bank staff stampede to a new development credo (especially after the inauguration of a new Bank president)” (Ohno, Kenichi 2002: p 34).

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Appendix 1:

Time period	World economic developments	Economists' concerns	World Bank priorities
1950s and 1960s	Rapid growth in incomes Rapid expansion of trade Trade liberalization in OECD Popularity of import-substitution industrialization Rising commodity prices Independence of many developing countries	Planning and government intervention Balanced and unbalanced growth Two-gap model Import-substitution industrialization Growth theories and dualism	Project analysis and lending Infrastructural investment Industrialization Focus shifts from Latin America in the 1950s to India and Pakistan in the 1960s Growing concern in the 1960s for an economy-wide policy framework and balanced growth
1970s	Oil price increases in 1973 and 1979 Balance of payments problems; collapse of Bretton Woods exchange regime Rising external debt and fiscal deficits Declaration of income growth and trade expansion	Attraction of outward orientation and costs of protection; effective protection Domestic resource costs, shadow prices Cost-benefit analysis and project appraisal Incomplete information and markets, incentives, risks, and institutions Poverty and income distribution Rational expectations and macroeconomic policy Computable general equilibrium models	Poverty Income distribution Rural development and agriculture Human development—-education, health, nutrition, population Infrastructure Urban problems

1980s	Mixed growth experience in early 1980s (continued strength in Asia, stagnation in Africa and Latin America) Fall in commodity prices Debt crisis Inflation in developing countries Transition from socialism Worldwide recession in late 1980s	Structural adjustment Debt New growth theory Household behaviour Imperfect competition and new industrial organization, trade, and industrialization theories	Structural adjustment and stabilization Trade liberalization "Getting prices right" Public finance, capital markets Privatization Population, environment
1990s	Continued slow growth in Africa and Latin America Financial crisis in Asia and Latin America	Privatization, microeconomics Income distribution Neo-institutionalism poverty and inequality	Poverty reduction Post-Washington consensus "Second generation reforms "Comprehensive Development Framework" Institution-building and "good governance"; Economic growth

Source: First three Rows (Stern, Nicholas and Fransisco Ferreira 1997). I have added the last row for the 1990s.