

The Spread of Economic Doctrines and Policymaking in Postcolonial Africa

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Abstract: This article looks at the relationship between economic ideas and policymaking in Africa over the last half century. It discusses the ways in which the focus of economists working on Africa has moved from the structuralist-developmental and neo-Marxist perspectives of the 1960s and 1970s, through a neoliberal phase of the 1980s and 1990s, to a more eclectic combination of neo-institutionalism, growth orientation, and welfarist interests in poverty and redistribution issues. These shifts in development thinking, while not unique to Africa, have not been the subject of much debate in Africa. The article argues that such a debate is long overdue, including an interrogation not only of the leverage of foreign interests, but also of the profession of economics itself and the implications of its material underpinnings and social construction on the integrity and credibility of its research.

Résumé: Cet article porte sur la relation entre les idées économiques et l'élaboration des réglementations en Afrique au cours du dernier demi-siècle. Il examine la façon dont l'attention des économistes travaillant en Afrique s'est détournée des perspectives structuralistes-développementalistes et néo-marxistes des années 60 et 70, en passant par une phase néo-libérale dans les années 80 et 90, pour se pencher sur

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une combinaison plus éclectique comprenant une approche néo-institutionnaliste, une orientation sur la croissance, une politique d'allocations pour les plus démunis, et un intérêt sur les questions de redistribution. Ces changements dans la pensée du développement, tout en n'étant pas propres à l'Afrique, n'ont pas fait l'objet de beaucoup de débats sur le continent. L'article soutient qu'il est grand temps d'avoir ce débat, et de s'interroger sur l'effet de levier des intérêts étrangers, sur la profession même de l'économie, sur les conséquences de ses bases matérielles et sur la construction sociale de l'intégrité et la crédibilité des travaux de recherche la concernant.

Key Words: Economy; policymaking; development; neo-institutionalism; poverty reduction

The theme of the 2011 conference of the African Studies Association was “Fifty Years since Africa’s Modal Year of Independence,” and during the recent outpouring of reflections over these years, much attention has been placed on understanding how various societal interests and institutional imperatives have constrained development. However, much less attention has been paid to the ideas that help us understand any society. It is not enough to study the interests of various actors in societies, or the exigencies of institutions, or the limits that structures impose on societies. Ideas matter. While not always decisive, they do have an autonomous and noticeable effect on interests and institutions. If we are to understand the last fifty years in Africa or the future of the continent, then the ideas that have been deployed matter, whatever form they take—as the scientific understanding of reality, or as the feverish imaginations of men and women in power, or as the world visions of the people, or as simply cultural expressions of their being. In the narrower sphere of policymaking, the neglect of ideas leads to a partial understanding of African policymaking and the misinterpretation of its basis. Thus many apparent “paradoxes” in regard to African social groups’ not playing to type as defined by their material interests or institutional location partly reflect the neglect of ideational aspects of political practice. The focus on ideas is in no way intended to downplay the other determinants of knowledge and change; indeed, as this article will suggest, power arrangements, institutional inertia, and economic conjuncture all play their role, and the significance of ideas is circumscribed in a fundamental way by the dialectical interaction with and among these factors.

For a number of reasons, I have chosen to focus here on particular ideas related to policymaking in Africa since independence—specifically, those forming the itinerary of the discipline of economics. First, for much of the period I cover, economics has played a prominent role. This is not to suggest that at any given time economics and the issues it points toward have always been at the center of policy. And indeed, looking back over the half century since independence suggests that economic ideas have not always been a central preoccupation, although economic interests have been.

In the early 1960s much of the focus on the ideational aspects of nation-building and development in Africa was on the arts, history, philosophy, and political ideologies. And it was precisely in these domains that Africa's newly acquired intellectual assertiveness was most pronounced. However, in the later postcolonial period economic ideas have become emphasized more and are a much more contested arena than perhaps any ideas in the social sciences. In addition, the intellectual profiles of African leaders have drifted toward economics. At independence only 8 percent of African leaders had education in economics and related fields (business, engineering). By 1980 the figure was 15 percent. It reached 35 percent by 2005 (Hira 2007), and today a stint in one of the international financial institutions is considered a political plus.

Second, the link between ideas and policies is much more sharply drawn with respect to economic policy than in any other social policy. I also believe that in the African case economics has clearly, and one might say self-consciously, associated itself with policymaking. Because of its relatively transparent proximity to policy, it provides us with some useful insights into the fraught relationship between ideas and policy in Africa.

Third, the itinerary of economics in Africa captures the trajectories of postcolonial African policymaking and thinking quite neatly. The focus of economists working on Africa has moved from the structuralist-developmental and neo-Marxist perspectives of the 1960s and 1970s, through a neoliberal phase of the 1980s and 1990s, to a more eclectic combination of neo-institutionalism, growth orientation, and welfarist interests in poverty and redistribution issues. These shifts in development thinking are, of course, not unique to Africa.¹ However, they have not been the subject of much debate in Africa. There is not yet in Africa anything close to the large number of publications on economics and its relationship to policy as there is in Latin America (see Dezalay & Garth 2002; FitzGerald & Thorp 2005a; Sikkink 1991, 1996). Furthermore, the economics profession in Africa has rarely been critical of its epistemological foundations, nor has it seriously considered the deontology of the profession, especially the implications of its material underpinnings and social construction on the integrity and credibility of its research. This is in sharp contrast to the situation of other disciplines, where self-criticism has been rife.² It is also in sharp contrast with practices among economists elsewhere and the steady flow of literature on the malaise of the discipline.

In this article I will look at the relationship between economic ideas and policymaking in Africa over the last half century. I divide postcolonial policy history into three periods: the planning era, with its predominantly structuralist premises on development; the structural adjustment era, with its neoclassical understanding of the economic crisis; and the "post-Washington" era, with its more eclectic foray into various areas of social sciences although within a fundamentally neoclassical framework. For each of these phases I look at how ideas informed dominant policies and how local capacities to service these policies were developed. I also examine what was happening

to research and teaching in the universities. I do not say much about the correctness or appropriateness of the ideas that spread, were rejected, or were absorbed.

First Phase: Development Economics and Planning

The first two modal decades of Africa's independence were the era of "interventionism" par excellence in both the developed and developing countries. Problems of welfare and unemployment in developed countries and those of poverty and underdevelopment in developing ones were interpreted through the lens of Keynesian economics and development economics, respectively. Although there was little in common between the actual analytical content of Keynesian doctrine and that of development economics, with Keynesianism focused on aggregate demand and development economics focused on supply constraints, the two approaches mostly shared critical views of neoclassical economic theory and the related acceptance of state intervention.³ Development economics, building as it did on the ideas of "catch-up" and implied intentionality (or what Albert Hirschman [1981:10] described as "a deliberate, intensive, guided effort"), and on the recognition of the perversity of market failures in developing countries, took it as a given that the state would play an important role in the development process and that countries could deliberately telescope their development through state action. This called for some kind of national development planning. Virtually all external donors and private investors accepted development planning as an essential exercise, and up until the 1980s they routinely required, as a condition for the aid or loans, some kind of "plan" that indicated investment priorities and the "financial gaps" that were to be filled by external resources. The support was not only for the coordinating role of the state but was extended to the entrepreneurial role of setting up and managing enterprises. One should also add here that institutions such as the World Bank supported the nationalization of the mining industry in order to reduce price volatility and help finance development (Luong & Weinthal 2006; Ross 1999). Significantly, all this resonated well with the nation-building ambitions of new states. There was not much feeling that planning per se was an imposition from outside, although there were complaints about the competence and ideas of expatriate planners who were imposed on them as technical assistants or who ghost-wrote the plans.

Producing Planners

Colonial governments after the Second World War had been engaged in "colonial welfare and development" planning. In the postcolonial period, in light of the absence of qualified indigenous planners, both national governments and donors relied on expatriates (Green 1965).⁴ Consequently, economists from the erstwhile colonial powers played a central role in the formulation of these first plans. However, both the politics of indigenization of

expertise and the costs of expatriate skills made it clear that the arrangement was temporary, and the felt need of the policymaking community—both domestic and foreign—was thus for the training of “development planners.” In the meantime, training programs (staff development plans) were set up to send Africans to institutions with courses designed specifically for students from developing countries (see Helleiner 1972). The emphasis was to be on “applied economics” relevant for developing countries. African students abroad were often counseled to opt for such economics and not spend too much time on theory, the result being that African students tended to only skim the more theoretical work as they were pushed in the direction of more “relevant” case studies. Recognizing this need for planners, the World Bank extended the role of its Economic Development Institute (established in 1955) to train senior government officials. Within Africa, institutes such as the United Nations Institute for Development and Economic Planning (IDEP) were established to train policymakers in planning skills such as national income accounting, input–output models, planning methods, and “development economics” *in senso extenso*. An extensive literature on development planning emerged during this period. Most of this literature was commissioned by major international institutions (see Helleiner 1972).⁵ By the end of the 1960s and 1970s a steady stream of trained planners were assuming positions in their respective governments, where they had considerable influence; as David Hirschman observes, planning officers were the “the flagship of economic expertise in the bureaucracy, the location of many of its best thinkers” (1999:296–97).

Project Planning Phase

No sooner had the first cohort of trained economists begun to take up their planning posts than, by the early 1970s, “the crisis of planning” struck. The economic planning was problematic and quite arbitrary. As characterized by Marvin Miracle, much of it was “in the macro tradition of unreliable guesses of current national income combined with desired, but unrealistic, growth rates and fictitious capital-output ratios” (1969:146): a practice best captured by Wolfgang Stolper’s tongue-in-cheek book title, *Planning without Facts* (1966). Although African economies enjoyed high rates of growth, there was no clear relationship between this growth rate and the sectorial targets set by the state. This was a tolerable situation as long as growth was taking place. The discrepancy became unacceptable when the growth indicators turned negative. This led to the understanding that good plans were meaningless if there were no well-designed projects for the implementation of the plans.

In addition, in the 1970s, following the growing realization that economic growth was not adequately addressing the issues of poverty and inequality, the international agencies shifted toward “growth with equity” and “basic needs” strategies.⁶ The new vehicle was not national plans but projects. Poverty alleviation was to be addressed through integrated rural development

projects focused on small farmers and the provision of urban services. Robert McNamara, as president of the World Bank, presided over a huge increase in the volume of lending for such projects; by the mid-1970s, more than half of total OECD (Organization for Economic Co-operation and Development) aid was allocated to infrastructure projects: roads, railways, water and sewerage, ports, airports, power stations, and telecommunications. The shift toward project funding was also reinforced by the rise of private bank lending in the 1970s as the recycling of petrodollars opened many developing countries to these new lines of credit. Significantly, this kind of funding paid little attention to the balance of payments and other macro-economic implications of borrowing.

The new shifts toward project planning put pressure on country and project staff to get enough projects approved and called for new skills. And so, 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 at best inadequate, and at worst *passé*. The new game now was “project evaluation” and “project planning.” All this led to demands by donors and recipient countries for new skills that existing economists had not mastered. A new generation of economists had to be trained in the requisite skills of project evaluation and cost analysis and in sectorial economics, transport economics, agricultural economics, economics of education, and so on. Institutions such as IDEP added project planning to their curricula. Once again international institutions commissioned new textbooks and manuals (Little & Mirrlees 1969; UNIDO 1972), which were often distributed free to universities and government agencies.⁷

Movement toward project analysis did not constitute a significant epistemic break with the development planning framework, nor was development economics as such rejected. Rather, these revisions constituted a second-order change and were directed simply toward facilitating better implementation of the development plan and not the fundamental objectives of economic policy such as establishing a market economy. 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 imperfection of the market in the developing economies, such social accounting of the value of individual projects was deemed necessary. The state, through its development plans, was expected to provide the normative basis of cost–benefit analysis (e.g., by defining the social discount rate).

Academic Research

During the first phase many economists were focused on the national economy, regardless of their individual ideological positions.⁸ For some this involved the elementary but crucial task of getting the national accounts in order. Others were preoccupied with how well the national economy was internally

“articulated” or with integrative role of fiscal policies, while the more critical were concerned with the adequacy of the national bourgeoisie to pursue the national project and how the nation-state was integrated into the world system. Later, individual economists gained knowledge in specific sectors, but the approach was still from the national perspective. African economists were interested in industrialization, technological acquisitions, and the use of the gains from favorable trade conditions for industrialization. This research was carried out in universities and regional or international organizations such as the Economic Commission for Africa and IDEP, and the thrust of most of the analysis was largely within conventional development and structuralist economics. It tended to be critical of the extraversion of African economies and the dependent nature of national governments, the waste of economic surplus, or the failure to plan strategically.

Donor-driven training of economists was largely confined to civil servants in the planning or project-management institutions. Even when donors supported the teaching of economics in African universities, there was rarely any insistence on a particular form of economics other than its being somehow “relevant.” The overall effect is that economics in the universities was not “policy oriented” in the simple sense of its being done at the behest or on behalf of policymakers. Most of the economists did not work within a directly normative policy framework and definitely not in the consultancy mode that is now *de rigueur*. Researchers were, of course, pre-occupied with the relevance of their work. Indeed, much of the debate on the relevance of economics was very much among university economists themselves.⁹ The independent research within universities shared the overall view of the policymakers about development and planning. Even the critical voices of the “Dependence School” resonated with the general nationalist view that African economies were still under colonial rule and that the state should play an important role in the development process. After all, a major text in this vein was written by a sitting president, Kwame Nkrumah (1966).¹⁰

This is not to say that there were no efforts by the major powers to push their own economic doctrines. Efforts to spread economic ideas to the developing countries were part of the larger struggle against communism. There was a belief that disseminating the liberal worldview was in the national interests, and leading development economists in the U.S. moved easily between academia, the State Department, foundations, and even the CIA. In general, however, there was agreement that this could be best achieved by bringing African students to the U.S. and sending U.S. faculty to African universities. There was no need for any heavy-handed indoctrination or steering of the emergent academic communities.¹¹ The liberal worldview could also be enhanced simply by supporting the new African universities and research centers. Considerable funding of economics, together with the other social sciences, existed through foundation support to university staff development programs. Although these foundations aimed at “influencing economist behavior, through funding economists

they thought were good and not funding those they thought were bad . . . [,] overall their goals were generally to promote impartial, objective research” (Backhouse 2005:378). In the case of Africa, the foundations were content with providing fellowships for Africans to study at 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 of the Rockefeller Foundation,

It was accepted that the only relevant qualification was a PhD 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. (1994:131)

In retrospect, the most remarkable thing about research during this first phase was that it was carried out autonomously within universities and often in splendid isolation from the policy world. It was also not under the enormous pressures of the monolithic discourse that would be so pronounced in the 1980s and 1990s. The Cold War and resurgent nationalism militated against such a hegemonic discourse. Furthermore, the predominance of national funding in universities and the multiplicity of benefactors permitted some degree of openness to funding non-mainstream ideas and provided the chance that a broad spectrum of ideas would be funded. The point here is not to suggest unrestrained intellectual autonomy in African universities but to underscore the fact that the relative financial independence of national universities from foreign funders, the generally more pluralistic intellectual environment in a much less unipolar world, and the self-assertiveness of new states permitted a much more open intellectual terrain, at least within university premises, when compared to what was to happen later.

Second Phase: The Stabilization Phase

The Paradigm Shift

By the end of the 1970s development economies and project planning were in a serious condition. Development economics simply ceased to serve the needs of the establishment upon whom its rise had been so dependent. Preeminence was now given to the macroeconomics of stabilization. In 1981 the World Bank published what was to become popularly known as the Berg Report, which signaled the end of state interventionism in Africa. The salient message of the report was that “getting prices right” would not only address macroeconomic issues but also would provide private entrepreneurs with sufficient signals to ensure efficient allocation of investments. There was no need for project planning, let alone national planning.

Not only was national planning abandoned, but so also was project planning. Mosley and Eeckhout give three reasons for the decline of project aid: (1) the growing complexity of the projects and delays in planning and budgetary allocations; (2) the realization that the success of projects was not determined in the main by factors internal to the projects but by external factors, especially policy that affected exchange rates and price level; and (3) most relevant, the fact that “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” (2000:104). According to the World Bank (1988), “although lending targets were met, half of the audited rural development projects in Africa failed over the 1965–86 period.” The large number of non-performing projects apparently “sapped the [World Bank’s] . . . confidence” (Kapur 1997:720) and led it to believe that it was the macroeconomics that was wrong and that no project could be expected to perform well under such conditions. It was deemed much more important to get “prices right” than to expend resources on cost–benefit analysis, since the incentive structure applied to both private and public sector investment.

The “Battles for the African Mind”

The “normalcy” framework and consensus on planning of the first phase in policymaking had muffled the discord that existed in economic thinking. The dramatic policy shifts in the form of structural adjustment programs unleashed what Adebayo Adedeji, then the executive secretary of the United Nations Economic Commission for Africa (UNECA), referred to as the “Battles for the African Mind” (2004:266). The view that ideas were the driving force behind policy shifts became more prominent during this phase, when there was dramatic confrontation between neo-Keynesian and neoclassical economists, with the latter now riding on the coattails of resurgent neoliberalism in politics. This immediately raised the question in Western academic circles about the drivers of economic policymaking. Did changes in direction take place because of endogenous changes in ideas or by diffusion through normal processes of learning and emulation? Was it the “invisible hand” at work in “marketplace of ideas,” or was it “the visible feet” of economic interests? Was it the persuasive capability of institutions, or perhaps the weighty compulsions of international factors?¹² The debate spilled over to Africa but in a much cruder form that pointed to ideological blinkers and greed as accounting for the pursuit of wrong ideas. The more generous interpretation was simply that African resistance to good ideas was due to ignorance about experiences in other parts of the world:

In part, this opposition reflects and is in turn reinforced by Africa’s relative isolation. African intellectuals have been somewhat cut off from the global public policy debates that have generated support for economic policy reform elsewhere in the world. Relatively few of them have been able to

follow policy developments in regions of the world where these reforms have been carried out. They are less likely to have received public policy training or had professional experience in the West. (van de Walle 2004:48)

Changes in policy were thus seen as results of diffusion and learning. It has thus been argued that movement from so-called inward-looking import substitution strategies toward export-oriented strategies was due to the demise of the interventionist schools of thought and the adhesion by wizened policymakers to neoclassical wisdom. In some cases it was argued that politicians had ceded the steering wheel to autonomous technocrats familiar with the new analytical tools. The analogy used was from Latin America where, it was argued, the training of economists in the universities of the North had produced a breed of technocrats familiar with neoclassical economics and literature demonstrating the iniquities of “government failure” and the virtues of the market. The alacrity with which certain ideas were adopted in Latin America and Eastern Europe was thus attributed to the prior existence of communities of scholars who advocated, or at least held, those doctrines. Some of these technocrats occupied key positions in the state apparatus, and it was to their intellectual influence that changes in policy were at least partially attributed. The “Chicago Boys” in Chile are the quintessential examples demonstrating how a few technocrats can steer a country’s policies.

This analogy, however, is misplaced with respect to the situation in Africa. First, the diffusionist arguments assume an incremental process of learning, while the shifts in Africa were sudden, tectonic, and far reaching. Second, while the “Washington consensus” could be easily exported intellectually to a number of Latin American countries where “local interlocutors were typically part of the network of alumni from these organizations” (Dezalay & Garth 2002:91)—or as in the case of the “Chicago Boys,” had been “standing in the wings, ready to implement their ideas in the realm of policies” (Fourcade-Gourinchas & Babb 2002:549)—the situation in Africa was different. African countries did not have what has been referred to as “local bastions of neoliberalism” (Plehwe 2011:133). Except for the few economists in the central banks who jumped on to the new dogma with remarkable alacrity, few economists were conversant with orthodox macroeconomics in other parts of the government, including the Ministries of Finance.¹³ Most of the economists were development economists or experts on “project evaluation” or sectorial economics (such as transport, agricultural, health, etc.).

Consequently, adherents to the doctrine had to be quickly planted on this conceptual loam and nurtured in a hothouse fashion. African economists supporting any new policies have often emerged long after the policy has been adopted or imposed, so that much of their task has been to lend an aura of legitimacy and “scientific objectivity” to what is at best retrospective consent (national ownership). And so important policy shifts have frequently preceded the availability or recruitment of technocrats deemed conversant

with the new analytical tools required for the articulation and implementation of the new policies. In addition, shifts in policy have been accompanied by changes in personnel, and have included replacement of native advisors with foreign ones or the insistence by foreign institutions that if they are to provide funds to a particular country certain individuals be removed from decision-making positions. In other words, the technocrats are an endogenous variable to which one cannot attribute the ideational changes, and therefore they cannot serve as an explanatory variable.

Finally, most national economists and those in regional institutions and networks such as the African Development Bank, the Council of Development of Economic and Social Research in Africa (CODESRIA), and the UNECA were deeply skeptical of the appropriateness of the proposed solution to the African adjustment crisis (Campbell & Stein 1991; Mkandawire & Soludo 1999; 2003; Onimode 1988).¹⁴ Much of what the international financial institutions (IFIs) were claiming simply produced cognitive dissonance and skepticism among African scholars and doubts about the integrity of the research itself, which often consists of brief visits to fill in data in a standardized macroeconomic model. There was also strong opposition to adjustment from a wide range of social scientists outside the economics discipline. Even officials of the central banks were initially skeptical of the new prescriptions on developmental grounds, arguing (1) that SAP policies were procyclical and would only make the crisis worse, (2) that the policies underestimated the structural bottlenecks that inhibited African economies from responding rapidly, and (3) that they undermined capacities for long-term growth by reducing investment in human capital and infrastructure. Much of this opposition simply had no impact. Initially there were pockets of resistance in economics departments, but much of this was soon drowned out by a highly regimented and well-funded form of networking among economists from the IFIs and institutes closely related to them. What Hirschman had termed “mono-economics” had triumphed, so that even diversity of opinion and controversies that still prevailed in the heartland of neoclassical economics were simply elided.

There were, of course, economists of neoliberal persuasions and there were many economists who immediately aligned themselves with the new paradigm. The axiomatic solution to the crisis, as the one suggested by the “Getting Prices Right” approach, was simple and seductive. Their conviction was further strengthened by the egregious mismanagement of the interventionist model.

Market of Ideas

As with everything in the era of liberalization, the metaphor used to characterize the conflicts over ideas referred to globalization: “the global market of ideas.” The “marketplace of ideas” argument is based on a premise from textbook economics about a separation of producers and consumers of ideas, who only meet in the marketplace. It is thus assumed that atomistic

economists supply economic knowledge and atomistic policymakers demand it. In such a market, good ideas triumph and bad ones are defeated. But as the new institutional economists have suggested, such a view ignores the role of institutions in the markets and the many “market failures” that characterize markets. First, not so naive as to leave things to the caprices of the “invisible hands,” donors acted to affect both supply and demand of economists, thus becoming actors on both sides of the system, monopolistically supplying the skills through technical assistance and financing the production of the requisite economists. They, in turn, monopolistically ensured that their products were demanded by aid recipients through technical cooperation arrangements, topping up of salaries of selected local experts, and so on. The “market of ideas” was thus heavily rigged. The World Bank (1996) described this process as “supply driven and geared to satisfying internal institutional demands rather than the capacity building needs of the countries.”

Second, there are huge asymmetries in communicative power and control of the resources that each of the actors have brought to the “marketplace.”¹⁵ One salient feature of the new context of capacity building was the World Bank’s self-characterization and self-repositioning as a “Knowledge Bank” (Toye & Toye 2006).¹⁶ The World Bank became “the single most important external source of ideas to developing country policy-makers” (Gavin & Rodrik 1995). Furthermore, it has increasingly and more vocally taken on the task of what Robert Wade (1996) and Robin Broad (2006) refer to as “paradigm maintenance.”¹⁷ It is probably in this role as an “ideational entrepreneur” that the IFIs have had the most impact on the spread of economic ideas. In the case of Africa, the World Bank became a main player in all the “capacity building” initiatives aimed at producing the desired type of economists. The Bank also included African economists in its “spin-off” organizations such as the Global Knowledge Partnership and Global Development Network (GDN).

The strategy for propagating new ideas involved discrediting those who still challenged the old development economics or opposed the new neoliberal dilemma. Earlier generations of economists were denigrated in several ways: they were blamed for the intellectual underpinnings they had provided to a failed strategy; or they were simply declared “old fashioned” and not familiar with the new analytical tools (Fox 1997). In some writing they were dismissed as self-serving rent-seekers who had benefited from the regime of interventionism. This is no small matter for an individual economist’s well-being. It is the donors and the ubiquitous and carefully selected consultants who 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 or engage donors on their behalf. Being associated with international “epistemic communities” was both materially rewarding and intellectually reassuring. Nationals were also transferred from international positions to national institutions and selected individuals had their salaries boosted.¹⁸

In addition, the IFIs could bolster the political clout of these individuals and “change teams” in the local “palace wars” by making them the gatekeepers to their country’s access to international finance and by direct financial rewards through consultancies and salaries. In some cases key individuals who belonged to the same “epistemic communities” as the expatriate experts were identified and empowered by them through access to financial and research resources. In this new “marketplace,” the value of the economists’ expertise was further enhanced by the technocratic turn in policymaking that came with the new emphasis on “political credibility” as essential to attracting foreign investment. And government officials were made to believe that economists are desired not only for their knowledge, but also for their cosmetic and even “guru effects” to calm the “animal spirits” of jittery investors by signaling to foreign capital markets that a country was in the right hands and pursuing “sound policies” and thus was safe for investment (FitzGerald & Thorp 2005b). Sobriquets such as “American-trained,” “former World Bank official,” “Harvard-trained,” “nonideological,” and “analytically proficient” were used to characterize financial officials as proficient.

Palace Wars

Many battles over ideas were not fought in the “marketplace” but within and between institutions, often with the help of their international counterparts, with each one defending the set of policies that fell under its international mandate. It is necessary to point out here that in terms of the international development agenda there was a dramatic shift from the approaches of United Nations agencies, with their sector-specific specialization and direct operations with related “spending ministries,” to the Breton Woods institutions, with their close links to central banks and Ministries of Finance. Quite frequently, “palace wars” pitted “technocrats” against benighted or greedy political actors. This partly arose from the tendency to consider as “technocrats” only the small band of economists attached to the Ministries of Finance and often working directly under the tutelage of international financial institutions. And yet the fact is that there were other technocrats in other ministries who may have had other interpretations of and alternative solutions to the crisis, as colored by their own ministries’ mandate and the time horizon over which their major activities are conceived. In the immediate postcolonial years the “spending ministries”—Ministries of Planning, Trade, Industry, Education, and Agriculture—occupied central positions in their governments. Ministers of Finance basically accommodated their expenditure needs. The new emphasis on the watchdog role of finance ministries shifted authority from the “spending” ministries to the finance ministries and institutions. In the process it enhanced the position of economists in these ministries while undercutting that of specialized economists in the “spending ministries.” Thus, although technocrats in planning divisions and so-called spending ministries may have clung to some developmentalist views of their own activities and tended to insist on

the long-term effects of any particular set of policies (FitzGerald & Thorp 2005a), they were now in much weaker positions institutionally. And in any case, many donors found it unnecessary to hold a dialogue with local economists, most of whom remained highly skeptical of adjustment packages. Instead, they appealed directly to the political leadership. Eboe Hutchful (2002:152) notes that in Ghana, for instance, the “World Bank negotiators had learned that . . . it was sometimes advantageous to commence with the politicians rather than the technocrats, and that all that was needed was Rawlings’ personal commitment to ensure that a policy would be carried [out].” Governments, in turn, also realized that it was much easier to make use of economists who were accepted (or even paid for) by donors, as this facilitated dialogue, or more prosaically, the release of what Hutchful (1995) refers to as “policy rents.” Local economists may thus have been pushed in the direction of the IFIs’ thinking by their own governments.

Capacity-Building Once Again

The absence of “local bastions of neoliberalism” called for remedial action, if only to address an issue that became progressively more problematic and required local capacity—the lack of “ownership” of policies by Africans themselves. This lack was blamed for the ineffectiveness of the conditionalities that came along with the new policy package. To solve the “principle-agent” problems that had bedeviled conditionality, it was argued that “ownership” of policymaking must be transferred to nationals. This was to be 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 ghost-written by donors who then turned around and praised the recipients for their thoughtful propositions.¹⁹ However, such attempts at transferring “ownership” to Africans have on several occasions been as farcical as to border on a hoax. The “ownership” reserved for Africans did not include the generating of their own policies, but rather the “ownership” of prepackaged policies. As Elliot Berg observes,

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. . . . It is unclear how genuine many of these partnerships are, given the differences in power and knowledge between the aid donors and their local partners. The result is that feedback has become distorted and often unreliable. (2000:32)

This was ultimately self-defeating, as it bred cynicism and mistrust among the local counterparts. Ideas are most potent when they are completely internalized and “owned” by local experts. The efficacious way of achieving this was to produce what Ngaire Woods calls “sympathetic interlocutors . . . who understand and are sympathetic to [the] reform agenda” (2006:68). The solution was to provide such local counterparts with the requisite skills and

imbue them with an intellectual inclination that would enable them to “own” the hegemonic orthodoxy so that it “comes naturally” to them, so to speak.²⁰ In such situations, external actors need not exert any direct influence in order for their agenda to be carried out.²¹

Storming the “Ivory Tower”

As in the earlier phase, donors embarked on new programs to train African economists in government in the new stabilization economics. Both the World Bank and IMF significantly increased their “capacity-building” programs. At the national level “workshops” became a popular instrument for proselytizing new ideas. The in-house training of economists or the identification of certain individuals as such was not enough. The apparent success of the “Chicago Boys” encouraged the view that one could train university economists in particular tools or approaches, offer them research funding, disseminate their ideas, and place them in key positions within so-called change teams.²² And so it was necessary to get at the root of the problem—the universities. We noted earlier how removed the international financial institutions were from economics departments in the universities during the earlier phase. This arms-length stance of the aid establishment toward the teaching of economists in universities changed dramatically in the era of adjustment.

International donors now took up a more proactive position in trying to shape the content of teaching in African universities and sought to enter directly into the process of organizing degree programs through a process that involved bulldozing one’s way through the universities and research institutions.²³ In its new role as the self-proclaimed “knowledge bank,” the World Bank not only trained policymakers in its own institutions, but also sought to change university education and to directly or indirectly control various research networks.²⁴ According to the World Bank, the aim was to create “competent reputable technocrats” deserving of their “recognition, appreciation, prestige and awards” (1997:83,91–96). More troubling for the prospects of a broad agenda in the teaching of economics in the universities is that even the private foundations changed position. For a while the foundations seemed to have lost interest in economics or simply let it develop in the directions that universities and individuals scholars deemed fit.²⁵ This began to change in the era of adjustment. 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 a research agenda driven by the exigencies of SAPs. 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. (1994:131)

This intensive focus on the training of economists led to an unprecedented investment in this one branch of the social sciences, with a concentration on the macroeconomics of stabilization. In perhaps the most spectacular attempt to transform a discipline ever carried out in any continent, a group of donors, with the support of the Rockefeller Foundation, set up the African Economic Research Consortium (AERC) in July 1988 with the principal objective “to strengthen local capacity for conducting independent, rigorous inquiry into problems pertinent to the management of economies in sub-Saharan Africa” (see mission statement at web.worldbank.org). It is worth noting that at this period universities faced serious financial crisis so that both institutional and individual survival strategies weakened the intellectual resolve to resist these new incursions.

The outcomes of this hands-on “capacity building” and spread of ideas have been a source of many mea culpas by the aid establishment (Jaycox 1993; World Bank 1996; Valdellín 1998). Expectedly, the World Bank (1996) laid some blame for the “flawed approach” on “host governments’ failure to develop a coherent vision of capacity building, leaving the field open for donors to impose their own ideas.” In light of the World Bank’s involvement in the disruption of national planning and its squeeze on tertiary education, this is a fair remark.

Third Phase: “Goodbye Washington Consensus, Hello Washington Confusion?”

By the mid-1990s, many observers of African economies agreed that structural adjustment had not generated the “accelerated development” that the Berg Report had promised.²⁶ Already in 1989, the World Bank had been 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 energizing?”²⁷ These questions signaled the failure of the “Washington Consensus” to stimulate economic growth and structural change. It was also clear that one major objective of development policy—the eradication of poverty—had not been addressed by structural adjustment. By the end of the 1990s the World Bank had to acknowledge that the failure of SAPs as development strategies called for going “beyond the Washington Consensus,” as it titled its 1998 report, to address the issue of poverty, which was now understood as complex and multifaceted.

To compound matters, economists in the IFIs distanced themselves from the “consensus” around which the new training of African economists was anchored and began to look elsewhere for explanations of the “African Tragedy”—ethnic diversity, unfavorable geography, colonial history, and so on. All this undermined the policy focus of earlier capacity-building programs.

In its report of 2000, the World Bank made some attempt toward such a broad perspective. The result was a rather eclectic report that tried to take on board virtually all the determinants of growth that the “new growth theories” had thrown up. This state of disarray is summarized by Lindauer and Pritchett in their account of the “end of Big Ideas”: “it seems harder than ever to identify the keys to growth. For every example, there is a counter-example. The current nostrum of one size doesn’t fit all is not itself a big idea, but a way of expressing the absence of any big ideas” (2002:13). The foundations upon which the highly structured “capacity building” edifice had been built were shaken. According to the World Bank,

The central message . . . is then that there is no unique universal set of rules. . . . Thus we need to get away from formulae and the search for elusive “best practices,” and rely on deeper economic analysis to identify the binding constraints on growth. . . . This much more targeted approach requires recognizing country specificities, and calls for more economic, institutional, and social analysis and rigor rather than a formulaic approach to policy making. (2005:xiii)

Once again, the shift by donors left capacity-building institutions in Africa in the lurch.

Now a number of things were recognized as important. The first was that politics and institutions mattered. In this respect the centrality of the state to the effort of “catching up” was recognized. This was interpreted to suggest that training in institutional analysis was important (AERC 2004). According to the AERC executive director, this signaled a growing interest in “political economy issues as a way to explain why Africa has lagged behind other continents” (LyaKwurwa & Ajakaiye 2007). Accordingly, leading political economists were now brought into the training of economists in Africa. The approach drew heavily on public choice theories²⁸ and was premised on finding the answer to the question as to why African policymakers failed to adopt the “good policies” promoted by the IFIs—even as the value of such policies was being severely challenged.

The second was that investment in infrastructure was necessary. It immediately became clear that, irrespective of how much structural adjustment and market liberalization had been pursued, there are always infrastructural projects for which there is no market and whose identification involves some nonmarket appraisal. World Bank economists began once again to produce studies suggesting that infrastructure is good for economic growth (Calderon & Servén 2004; Foster & Briceño-Garmendia 2010; World Bank 2009) and serves the new agenda on poverty.²⁹

The third was that some form of national planning—or in the words of a former president of the World Bank, “Comprehensive Policy Framework” (Wolfensohn 1999)—was necessary. The multinational Commission on Growth and Development (launched in 2006 and known informally as the

Growth Commission—see web.worldbank.org) spoke positively of planning boards in Korea, Singapore, and Malaysia. Botswana was praised for “a tradition of long-term planning guided by a vision for the future direction” (World Bank 2008). The Commission for Africa of the U.K. bemoaned the “weak institutional capacity (that) prevents the state from undertaking its responsibilities effectively, whether planning and budgeting, managing development assistance, providing services or monitoring and evaluating progress” (2005:135–36). These effects of “uncreative destruction” and the forced process of displacing old capacity with new have been evoked by donors to argue that African economies are unable to absorb aid because they cannot draw up long-term plans for the utilization of aid or elaborate project documents for financing.

Once again a cohort of economists was confronted with the reality that their skills in stabilization macroeconomics were not up to the new task. Economic training had to move from preoccupation with stabilization to a focus on economic growth (Commission on Growth and Development 2008). There is also the need for more specific sector knowledge. There simply were no national planners, no industrial economists, no urban economists, no transport economists, no health economists. The return of aid to infrastructure has revived interest in project evaluation and cost–benefit analysis (Foster & Briceño-Garmendia 2010:18). This requires a new breed of economists who are not only competent in using a number of tools but who also have a holistic view of the development process, more fine-grained knowledge of different aspects of their national economies, and the social *savoir-faire* to productively engage their societies in a broad developmental agenda. To confound things further, some of the freshly baked products of “capacity building” around the stabilization and liberalization agenda who were then assuming key positions turned out to be more orthodox than their trainers now wished them to be. Focused on static allocative efficiency and stabilization, they had problems adjusting to the new focus on growth, prompting the World Bank to insist that

Reforms need to go beyond the generation of efficiency gains to promote growth. The policy focus of reforms in the 1990s enabled better use of existing capacity but did not provide sufficient incentives for expanding that capacity. While this emphasis on efficiency was warranted at a time of extremely large distortions and waste, it also explains the frequent instances of stabilization without growth or liberalization without growth. (2005:10)

Similarly, central banks turned out to be more conservative than had been intended.

The forced process of displacement of old capacity with new had disastrous effects in terms of the ability of governments to deal with the crisis, rendering them less able to formulate their own positions and negotiate on an equal footing with the IFIs (Hirschmann 1999). Today governments

complain that they cannot find economists to help them draw up new national plans, facilitate their access to global financial markets, or evaluate projects in which they can invest their newly acquired wealth in productive activities. As one minister informed the author, “All they [economists] say is that we should strengthen our reserve position or set up sovereign funds. Nothing about how we can productively use them for national development.” Donors themselves frequently complain about lack of local counterparts with whom to bargain or plan for new activities in infrastructure, agriculture, and so on.³⁰ This lack of economists with knowledge of development and sectorial economics affects not only the recipient countries but donors as well, a fact that shows up in the phenomenon whereby some of the major advisors on macroeconomics are now morphing into specialists on infrastructure, urbanization, industrial policy, and energy without any evidence of prior demonstrated skills in these areas.

Research Environment Today

The current research environment is much more open than it has been in the past, and for a number of reasons, most of which are connected to a general loss of policy traction by the Washington institutions. The first reason is the crisis of neoliberalism worldwide and the failure of structural adjustment in Africa. This has led to a more eclectic “post-Washington Consensus” policy agenda that leaves some room for other concerns. In light of this, donor-funded economic research institutes and networks began to rework their agendas. This shift in research away from an emphasis on macroeconomic management was captured by the AERC (2004):

The current thematic areas are Poverty, Income Distribution and Labor Market Issues; Trade, Regional Integration and Sectorial 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 [of] poverty and labor markets and . . . the incorporation of issues [of] natural resource management, agricultural policy[,] . . . and food security.

The second reason is democratization, which has created space for views about the economy that differ from orthodoxy. Although initially new democracies pursued orthodox policies (Mkandawire 2004), with the passage of time the shift was increasingly toward more “home-grown” policies, reflective of the emergence of new social groups and political parties that were now making their own demands for economic expertise and providing their own economic analysis, albeit without the technical finesse of the IFIs. The third reason is the reduced financial reliance on Washington. African economies now enjoy greater autonomy, largely due to improvements in their trade positions. When African economies have found themselves in

favorable economic circumstances (e.g., adequate foreign reserves or improved terms of trade), they have pursued more developmentalist/nationalist policies and consequently are more receptive to ideas that were typical of development economics. The fourth is the growing influence of other donors not quite beholden to the Washington Consensus or any of its variants (e.g., China) and more receptive to the “developmentalist” intention of African countries.³¹ The fifth is the paradigmatic crisis of neoliberalism, especially following the Asian financial crisis and the Great Recession still haunting much of the developed world. The crisis has severely eroded the respectability of the peripatetic advisors who served as purveyors of knowledge from “The Knowledge Bank.” The recourse by Western countries to policies they had declared taboo for African countries (bail-outs, nationalization of enterprises, stimulus packages, and other countercyclical measures) has helped African critics of the neoliberal development agendas. And finally there is the revival of African universities and the increased investment by African governments in their own universities. This is allowing for more autonomous research not tethered to donor-dominated research networks and consultancies. But whether this window of opportunity will be exploited by the African research community is another matter.

Concluding Remarks

In any society, there are many determinants to the generation and adoption of ideas. These include special interests and the societal pressures they exert, scientific progress in the research community, contagion and “international demonstration effects,” and institutional imperatives. All these factors have been at work in Africa. The various explanations for the determinants of policy are not as neatly distinct as they are often claimed to be, and at any given time each of these factors has some explanatory value.

I have traced the path through which the teaching of economics and the choice of research themes have followed the changes in donors’ preoccupations. However, the weight of each of these matters is contingent upon a number of factors: the constellation of power and alignment of interests; the nature of the economic crisis; the prevalent domestic ideational atmosphere; and the international context. Economic conjuncture is important in determining the donors’ leverage and recipient’s acceptance of foreign diktat and the balance of forces between domestic and external forces. While in Africa the demands of the aid donors for specific types of knowledge and skills have always played a role and fundamentally affected the rise and fall of any particular focus in economics research, the donors’ pre-eminence became more pronounced in the era of adjustment, trumping local ideas about the economy and local special interests. This is partly a reflection of the crises in the African university and partly a consequence of the dominance of donors, especially the IFIs, in both policymaking and research on African economies. Current understanding of development policy is that it involves “self-discovery” and is only effective if it is context

specific (Hausmann & Rodrik 2002:1). The knowledge required is not simply of the passing moment but also of the historical process and structural factors that have brought an economy to the present state and that condition or limit actors' choices. This calls for a process of knowledge generation that is reflexive and cumulative, whereby new ideas build on previous knowledge. The organization of such a cumulative process differs from one designed to simply spread or equip recipients with ideas deemed appropriate by whoever controls the purse or in response to the "flavor" of the moment.

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Notes

1. These shifts are traced in Bloom (1998); Gavin and Rodrik (1995); Kapur, Lewis, and Webb (1997); Lindauer and Pritchett (2002); Thorbecke (2007).
2. See, for instance, Mafeje (1993); Mamdani (1993); Mkandawire (2000); Diouf (1993); Imam and Mama (1993); Zeleza (2003).
3. One should note here that there were “structuralists” who paid attention to the Keynesian problem of aggregate demand (see Furtado 1965; Vera 1998).
4. Writing about planning in Nigeria (and this could have been said about any African country), Reginald Green observes:

Even more basic, neither the planning process nor the resultant plan shows evidence of any serious attempt to make the economic targets and policies represent national goals in more than the vaguest sense. For all practical purposes the federal plan was drawn up by a limited number of expatriate economists, working virtually in a vacuum so far as detailed direction or consultation with political leaders went, and with only peripheral advisory contact with Nigerian civil servants and planners. (1965:254)

5. Examples of such planning are the works of Jan Tinbergen (1959) and Albert Waterson (1965), commissioned by the World Bank. The United Nations also commissioned several studies, including one by Arthur Lewis (1966).
6. These strategies never quite caught on in Africa, partly because most of the economists and regional organizations were preoccupied with the issue of the new international order (see Mkandawire 1980). In any case, this phase, and the flirtation with “basic needs” and “redistribution and growth,” were too brief to have allowed for the initiation of programs to train a new breed of economists.
7. Paradoxically, while more resources were being expended on training Africans in cost–benefit analysis, the World Bank relied less and less on the technique, presumably because the McNamara “new style” of 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 1996: 213). Thus, while the donors preached cost–benefit to developing countries, they themselves ignored the tools (see Little & Mirrlees 1990).
8. This would be true of the work of such economists as Kofi (1974), Okigbo (1981), and Onitiri (1967,1969).

9. On the review of and debates about books on teaching economics in Africa, see Kimble (1969).
10. Strangely enough, Nkrumah's book does not seem to have had much influence in the new "Dependence School," which tends to dismiss thinking among African leaders as "petty bourgeois."
11. Or as Edward Berman (1983:83) observes: "Foundation personnel felt that the socialization of key Third-World nationals into the norms of Western social science could play a determining role in helping to ensure that those individuals would follow development paths that, minimally, were not antagonistic to the interests of the United States."
12. See, e.g., Blyth (2002); Colander and Coats (1989); Hall (1989, 1994).
13. This can be accounted for by the fact that that, as FitzGerald (2003) notes, those central banks never accepted developmentalism in the postwar decades.
14. See also the papers in Mkandawire and Soludo (2003) and Onimode and Institute for African Alternatives (1989).
15. There are many other sources of "market failure" in the "market of ideas." See Blocher (2008).
16. On some of the tensions and debates in the Bank's desire to become a knowledge agency, see King (2002).
17. Such paradigm maintenance includes "incentives in hiring, promotion, and publishing, as well as selective enforcement of rules, discouragement of dissonant data, and actual manipulation of data (Broad 2006:387).
18. One of the most bizarre attempts to impose a change team was the case of the "Dream Team" in Kenya led by the renowned paleontologist Richard Leakey and which included technocrats from multilateral agencies, some of whom were reportedly paid as much as U.S.\$25,000 a month in a country where senior civil servants earned less than U.S.\$1,500. The team was funded from a \$27 million public-sector management technical assistance project funded by a group of donors led by the World Bank and was designed to "take the reins of government departments and reassure international investors" (Crawley 2001). The team was disbanded two years later after failing to turn around the economy.
19. Tony Killick (1997) reports that "letters of intent" that were ostensibly from governments were almost invariably drafted in Washington, with the governments left trying to negotiate inconsistencies in the document they received. 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 own directives!
20. The international "epistemic community" has been highly circumscribed and hierarchical. It is quite remarkable how the same names appear in the consultancy teams or networks working on the training of economists in Africa.
21. This seemed to have happened in a number of countries. On Nigeria, see Olofin (2007:5).
22. The trick was how to find a Pinochet counterpart to complete the story.
23. In many cases donor pressure was such that quite a number of economics departments entered into degree programs without the formal approval of their own faculties or senates. In the Francophone countries the strategy was to separate economics from the law faculties and to push for closer links with the more "Anglo-Saxon" economics of French-speaking Canadian universities.
24. Significantly this was the time when the World Bank was pushing its case against university education as a whole.

25. Foundations that had provided more open-ended support to economists had lost much interest in the subject:

The foundation's ardor 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 economist), none of the major foundations today has a program aimed at assisting the discipline as such, and expressions of skepticism from foundation officers about the utility of the subject have become commonplace. (Goodwin 1989:138–39)

26. The subheading of this section draws from the title of an article by Dani Rodrik (2006) which aptly summarizes the message from the World Bank report (1998).
27. As Adebayo Adedeji remarked, 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” (2004:257).
28. Two major works justify this statement. The first is a special supplement of *Journal of African Economies* (Ajakaiye, Drazen, and Karugia 2008). The second is the two-volume book edited by Ndulu et al. (2008).
29. Thus, for instance, Fay et al. (2005) argued that infrastructure was important in achieving child health–related Millennium Development Goals. See also Leipziger et al. (2003).
30. As Grindle (1996:35) writes,

A frequent sight in ministries of finance and central banks throughout the region (Africa) was the current mission from the IMF or the World Bank poring over figures, complaining about the lack of data and the unreliability of the data that existed. Equally frequent were complaints that there was “no one to negotiate with” because existing economic skills among state officials were low or even nonexistent.

31. China's recent attack on the “Doing Business” report of the IFC and the World Bank (www.doingbusiness.org) is symptomatic of a more active engagement by China of the dominant ideological apparatus.