

TRANSLATING THEORY INTO PRACTICE: ECONOMIC ADVISORS IN GHANA

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Role of Economic Advisors in Africa

- Classically a blame game of who is responsible for Africa's economic failure:
 - ▣ A failure of design (content of economic advice)
 - ▣ A failure of implementation (political process undermined economically rational approaches)
- Ghana as “a veritable morality play [...] illustrating one theory or another” (Robert Tignor)
- 1950s-60s: individual advisors (Lewis vs. Roberts)
- 1970s-80s: World Bank as development agency (conceptions of legitimate forms of knowledge)

Nkrumah under the influence?



- Douglas Rimmer:
 - Kleptocratic politicians corrupted or ignored sound economic advice given
- Tony Killick, *Development Economics in Action*:
 - Outside advice reinforced the political intentions of people like Nkrumah
 - Agreement that “economists created a climate of opinion” that made the “Ghanaian economic policies of the early 1960s appear - for a time - constructive and socially beneficial.” (Rimmer)

Who were the advisors?

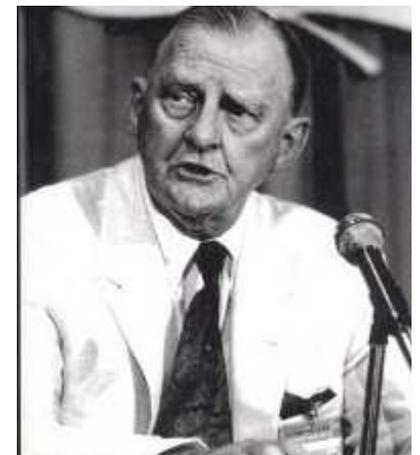


□ W Arthur Lewis

- Only economists can know what is possible, politicians' job is to manage population's expectations (Tignor)
- "The advice you have given me, sound though it may be, is essentially from the economic point of view, and I have told you, on many occasions, that I cannot always follow this advice as I am a politician and must gamble on the future." Nkrumah to Lewis

□ Robert Jackson (& wife Barbara Ward)

- Trusted by UNDP, renowned for his organisational & planning skills
- Accepted Nkrumah's view that political leadership set economic agenda & economists then design suitable programmes (Tignor, Murphy)



Is this about people?

- Lewis could not translate his knowledge into practice
- Jackson did not sufficiently question political expediency
- ⇒ Dual task at the core to advisor relationships:
 - Creating economic solutions that survive the political process

World Bank Mission in Ghana

- Established 1971 to support Busia's democratic government in dealing with Nkrumah's debt legacy
- Deals mostly with military regime under Acheampong (1972-1979)
- Dismal failure not attributed (entirely) by resident representative to obviously irrational economic policies, but WB's failure to work within the constraints of political process & scarcity of talented civil servants:
 - “The scarcity of administrative talent [...] is widely recognized in our writings [...] [but] not always so well recognized in our ways of doing business.”
- Disjoint between theoretical knowledge and its practical application

Structural Adjustment 1980s

- Rawlings' second takeover in 1981 leads to a surprise shift in economic policy with the appointment of Kwesi Botchwey in 1982
- Lack of administrative capacity now acknowledged as it threatens success of program which WB wants to promote
 - Implementation zeal has to be restrained as one “advisor” newly appointed as a head of policy unit at Ghanaian Ministry of Finance
- To ensure donor support WB tells a very positive story of Ghanaian politicians committed to changing economic course
 - Advisors now criticise overly optimistic representation of the economic situation
 - Also political violence is being ignored
 - Other organisations such as UN promote “growth-oriented policies with a human face”

What does this tell us about what knowledge is deemed relevant?

- Declarative (know-about) knowledge of economic theories and statistical facts
 - ▣ Economic statistics hard to procure
- Awareness that some 'tacit' knowledge (know-how, contextual knowledge) is necessary
 - ▣ Resident missions create & store this kind of knowledge, become channels to execute policy
- This division of labor replicates the differential understanding of the advisory role of Lewis & Roberts
- This leads to repetition of mistakes & lack of reflection of wider implications of WB policy

Knowledge flows & organisational memory

- Problem of seeking to apply theoretically derived models without including contextual factors in the planning stage:
 - ▣ Stephen Reyna (2007) on Chad-Cameroon Pipeline: World Bank's "travelling model" applied to the unsuitable context of Chadian politics
- Development economics still favors solutions at scale over tailored responses => de-prioritisation of local contexts & needs

Conclusion: Advice never hurts the giver

- Individual advisors faced similar problems to large organisations:
 - ▣ How to translate theory into practice, and which one to prioritise
- Large organizations such as WB have not overcome this problem, despite it being a) well-known, b) better resourced.
- Reflections and rejections of accepted discourses evident in archival record
 - ▣ Tacit knowledge is not all that tacit
 - ▣ Few avenues for social learning and reflection
 - ▣ Little direct influence of contextual knowledge brokers with central policy designers
 - ▣ => Policies driven by donors, not by needs of recipients