Pop Developmentalism in Africa

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This article traces the intellectual history of development economics from its initial preoccupation with the big questions of industrialisation to its current focus on micro-level extra-market and extra-political interventions. Whether it is administering deworming tablets in Kenya or teaching negotiation skills to girls in Zambia, this new approach to development implicitly promises wide-scale transfor-mative development for the adopters of its medicine. I argue that the current policy prescriptions of the field cannot on their own lead to wide-scale transformative development. If anything, the interventions called for by the new development economists are the results and not the causes of transformative development. I call for a more eclectic approach to development economics that largely borrows aspects and ambitions of the field's forbearers but grounds itself in the specificities of individual developing countries.

I have three objectives in this essay. First, I would like to show that the practice of development economics has gone through two major phases over the last 80 years or so from its formal birth in the 1940s. Second, I will argue that the current practice of development economics, as encapsulated in the intellectual labour and policy prescriptions of the 2019 economics Nobelists (Abhijit Banerjee, Esther Duflo and Michael Kremer) and their disciples, cannot on its own lead to wide-scale transformative development of the kind we have come to associate with the now industrialised countries. If anything, the kind of development interventions that the trio's work calls for are likely to be the results of transformative development and not its cause. My conclusion here holds, even if Banerjee et al. were to resolve, by some deus ex machina, all the myriad concerns about internal validity, external validity and research ethics that have been levelled at their methods (Deaton 2010; Muller 2015; Hoffmann 2019). Lastly, I will argue for a more eclectic approach to development economics that largely borrows aspects and ambitions of the field's forbearers but grounds itself in the specificities (history, politics, etc.) of individual developing countries.

In its initial incarnation in the 1940s, development economics was concerned with the big question of how to fundamentally transform the economies of the then 'Third World'. Albert Hirschman, himself a pioneer of the field, writes that 'development economics started out as the spearhead of an effort that was to bring all-around emancipation from backwardness' (2013: 69). In this initial formulation, development unequivocally meant sustained increases in income per head. And the vehicle that was to deliver this was industrialisation. The early pioneers (Paul Rosenstein-Rodan, Ragnar Nurkse, W. Arthur Lewis, Kurt Mandelbaum, Albert Hirschman, among others) all agreed that the process of industrialisation required an omnipresent state to not only address market failures, which were said to be endemic in the developing world, but to also engage in entrepreneurial ventures. Much of the intellectual debates at the time were split between those who believed that industrialisation required a 'big push' along a 'balanced growth' path (Rosenstein-Rodan, Nurkse, and Lewis to some extent) and those who believed that 'unbalanced' sectoral linkages were key to industrialisation (Hirschman). These were the halcyon days of classical development economics.

From the early to mid-1970s, a crisis of confidence arose within development economics as a result of the many false industrialisation starts in the developing world. Countries that should have been well on their way to 'take-off' did not do so and those that had taken off crashed only moments after. The growing mathematisation of economics that was well underway at the time meant that the pioneers of development economics, many

of whom were not trained in the new orthodoxy, could not adequately respond to the charge levelled by neoclassical economists that false starts were the result of government-inspired resource misallocations. Further, neo-marxists pointed out that rather than bridge inequalities, as hypothesised by the classical development economists, whatever little industrialisation that had taken place had had the actual effect of deepening intra- and inter-country inequalities. Lastly, many of the efforts towards industrialisation were said to have happened at the expense of political and democratic progress under authoritarian regimes, aspects that had been completely neglected by the first generation development economists.[1] All these factors, according to Hirschman (2013), resulted in the decline of development economics, at least in its classic vintage.

By the 1980s many poor countries were in the grips of economic crises. In the case of sub-Saharan Africa, the World Bank traced the origin of the crisis to the economy-wide distortions that had partly been inspired by the work of development economists (World Bank 1981). The prescription of the World Bank and other allied institutions was, therefore, straight forward: poor countries, especially those in sub-Saharan Africa, needed to structurally adjust their economies in favour of market-based allocations coupled with a minimal role for the state. However, by the 1990s it had become apparent that structural adjustment had been the wrong prescription for the wrong crisis (Mkandawire and Soludo 1998). Many African countries had implemented the requirements of structural adjustment with devastating results, especially for the poor.[2]

At the start of the twenty-first century, the international financial institutions (IFIs) came to the position that the singular focus on markets inherent in structural adjustment policies (SAPs) had adversely impacted the lives of the poor. Thus, they now required governments in Africa to prepare Poverty Reduction Strategy Papers (PRSPs) that were to articulate how governments would protect the welfare of the poor. However, the IFIs and many in the donor community still held the view that statist policies were to blame for the crisis. These views were heavily influenced by work coming out of the 'neo-patrimonial school' that used an incredible array of epithets ('tribal', 'corrupt', 'cronyistic', 'parasitic', et cetera) to describe the bankruptcy of the African state (Mkandawire 2015).

It is into this milieu that today's mainstream version of development economics was born. The donor community, given the incompetence of the African state, insisted on the direct provision of aid to needy communities. Government involvement in this process, if any at all, was to be kept to a bare minimum. Thus began the era of Non-Governmental Organisations (NGOs) and Project Aid.

Inspired by the Millennium Development Goals (MDGs), donors identified micro-interventions in mostly health and education as these were considered to be important inputs into development. The large infusions into Project Aid, however, required rigorous evaluations to figure out 'what works' (Duflo and Kremer 2008). Knowing what works is not only important for the purposes of accounting for tax dollars on the part of donors, but for the transplanting of this knowledge to other settings in the developing world. Mainstream economists, armed with the tools of credible causal identification (Angrist and Pischke 2010), were particularly suited for this challenge. Thus they formed a symbiotic relationship whereby donors supplied financial resources and economists provided credible answers as to which interventions worked. And to do this, economists carved out for themselves 'islands of normalcy' in the developing world (i.e. places that were insulated from the neo-patrimonial urges of the state) to run their development experiments with local NGOs as their favoured implementing partners. Development economics was no longer concerned with the large macro-question of how to permanently increase income per head but with micro-level questions around whether certain interventions (mosquito nets, deworming tablets, iodised salt, teaching negotiation skills to girls, et cetera) improved some narrow measure of the poor's welfare.

This reorientation of the field of development economics towards micro-level concerns betrays a complete misunderstanding of what is commonly meant by development. In saying this I am not disputing the claim that some of the micro-level interventions favoured by the new development economists do alleviate some of the poor's hardships (of course I am abstracting here from the still unresolved questions about internal and external validity, et cetera). However, the argument is that the favoured interventions of the new development economists are in no way the sine qua non of development. At best, these interventions act as a feel-good tourniquet meant to temporarily alleviate suffering much like humanitarian assistance. And as Deaton (2013) has argued in

the case of Britain, spectacular improvements in well-being (as measured by, say, life expectancy) in the late eighteenth and early nineteenth centuries followed increases in the general level of incomes in the economy. Increased incomes, in turn, accorded the authorities the resources needed to invest in large-scale public sanitation infrastructure. This is also what has characterised the Chinese experience over the last 30 years. The new development economists are guilty of putting the cart before the horse.

There is a pressing need for development economics to reconnect with its historical ambition and preoccupation of thinking through the mechanisms that are likely to permanently and fundamentally transform the lives of the poor. And as Rodrik (2008) argues, some of the empirical skills in the new development economists' toolkits can be helpful here.[3] These will, however, have to be combined with other methods of knowing complete with multidisciplinary approaches (history, politics, et cetera) that dig deep into the experiences of individual countries. Mkandawire (2001) shows that many African countries scored a lot of progress in the first 20 years after independence and mostly on the back of industrialisation. Serious minds are needed to deduce yesterday's lessons for today's development challenges.

Notes

1. The experience of W. Arthur Lewis as economic advisor to Kwame Nkrumah in newly independent Ghana is illustrative of this point (see Tignor 2006).
2. Van De Walle (2001) argues that structural adjustment policies (SAPs) did not succeed in the case of Africa because many governments did not actually implement them. The careful work of Mkandawire and Soludo (1998) shows that many African governments actually went even further in their implementation of SAPs than what was required by the international financial institutions.
3. See for example Lane's (2019) survey of the 'new empirics of industrial policy'.

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