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# “Ideas on the Move: On the Institutionalization of Neoclassical Economics in Africa”

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# Outline

- I. Introduction-Power, Ideology and Theory in the Making of Policy in Africa
- II. Economic Doctrine and Policy in Africa
- III. The Concatenating Power of Neoclassical Economics
- IV. Adjustment, Educational Crises and the Capacity Building Project in Economics
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# Introduction

- Policy in post-independence of Africa was largely a product of the confluence of ideology, power and theory.
- What do we mean by theory, power and ideology?
- Theory is generally seen as a system of ideas intended to explain something, especially one based on principles independent of what you are attempting to explain.
- Power is the ability to affect outcomes and does not simply rely on coercion for that purpose.

# Introduction

- Power is exercised through rewards not just punishment and is most effective when the authority underlying the power is deemed legitimate-when the subjects of power have a common set of shared beliefs and understandings-hence institutions and institutional constructs like organizations are important for the effective exercise of power.
- Institutions are habits of thought common to the generality of men and women.

# Introduction

- Ideology is also extremely important-it is a systematic body of concepts or a set of integrated assertions, theories or aims that constitute a social and/or political program
- Donors have long recognized the centrality of economics and economic theory in helping to meet their political, institutional and policy objectives
- Economics is the language of power that plays a largely uncontested role in shaping policy and in controlling resources.

# Introduction

- Economics also plays an important role in forming and buttressing ideologies and in turn are shaped by ideologies.
- Take for example the political ideology of neoliberalism which is the belief in the primacy of free-market capitalism with a commitment to the policies of deregulation, privatization and the reduction of government spending.

# Introduction

- Neoliberalism has shared beliefs with the foundational constructs of neoclassical economics.
- The microfoundations of neoclassical economics are defined by a commitment not only to methodological individualism but also to homo economicus or self-interested economic man, and the acceptance of equilibrium as a natural state.

# Introduction

- Assumptions about human behavior are a product of both rational deduction and axiomatic reasoning (posited set of rules where rational predictable behavior is assumed without explanation or proof).
- A number of general propositions arise from these microfoundations that are at the heart of the theories underlying neoliberalism.

# Introduction

- These include the commitment to state minimalism, a preoccupation with static efficiency, a focus on distortions and marginality, changes in relative prices leading to predictable outcomes, and finally development is seen as a static equilibrium state-these are terrible tools to conceptualize development which involves structural and institutional transformation.

# Introduction

- Closely aligned with neoclassical theory is the presumed static efficiency gains that purportedly arise for countries through free trade that nudge countries to follow their comparative advantage which in Africa's case was unprocessed raw materials with its boom and bust cycles which undermine development.

# Introduction

- However, not all neoclassicals are neoliberals due to the presence of market failures
- The core belief of the proponents of neoliberalism however was a view that state failures were much more important than market failures in developing countries economies and hence the focus had to be on reforming the state.
- As donors pushed African countries toward the neoliberal agenda they realized the need to transform the economics profession on the continent in support of the agenda.

**Part II**

**Economic Doctrine and  
Policy in Africa**

# History of Economic Doctrine and Policy

- Mkandawire (2014) divides the history of economic doctrine and its impact on policy making into three phases:
- 1)the planning era, with its predominantly structuralist understanding of development;
- 2)the structural adjustment era, with its neoclassical understanding of the economic crisis; and

# History of Economic Doctrine and Policy

- 3) The “post-Washington” era, with its more eclectic foray into various areas of social sciences although within a fundamentally neoclassical framework.

# Phase One-Diversity in Economics

- During the first phase academics debated the nature and impact of capitalism and the possibilities of development in African universities and influenced the strategies that helped construct the economies of early post-colonial project.

# Phase One-Diversity in Economics

- Some focused on 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.

# Phase One-Diversity in Economics

- 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.

# Phase One-Diversity in Economics

- There was widespread recognition that state intervention and planning were at the very core of developing strategies for development in African countries.
- Emphasis was initially in economics training for planning using techniques like input-output models and later to evaluate projects using cost-benefit or project planning when planning was seen as largely ineffective due in part to the absence of good data.

# Phase One-Diversity in Economics

- Research was carried out in universities and regional or international organizations such as the UN agencies like Economic Commission for Africa and IDEP using development economics like capital centered models.

# Phase One-Diversity in Economics

- 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.”

# Phase One-Diversity in Economics

- Researchers were interested in the relevance of their work and independent research within universities shared the overall view of the policymakers and donors about development and planning.
- Even the critical voices of the “Dependence School” adopted the nationalist view that African economies were still under neo-colonial rule and that the state should play an important role in the development process.

# Phase One-Diversity in Economics

- 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.

# Phase Two and Beyond: Monoeconomics

- However, this changed.
- The alternative perspectives of the sixties and seventies gave way in the 1980s and 1990s to a return to monoeconomics with a focus on neoliberalism and standardized doctrinal textbooks representing idealized neo-classical versions of Western economies.

# Monoeconomics

- As donors shifted from supporting state sponsored planning and import-substitution toward structural adjustment in the early 1980s, they met resistance from local economics departments and other academics who had been trained in other theoretical paradigms and hence had little connection to the neo-classical model that provided the theoretical core of neoliberal policies.

# Monoeconomics

- As Mkandawire (2014) points out the World Bank in its initial approach bypassed local economists by directly dealing with politicians.
- However, this was seen as creating a lack of “ownership” of these policies where conditionality was viewed as extraneous and imposed and hence illegitimate-creating a “principle-agent” problem.
- World Bank tried “ghost” writing neoliberal reports and pretending they were written by local governments.

# Monoeconomics

- However, this were seen through as farcical or even a hoax: “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 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.” (pp.184-85)

# Part III

## The Concatenating Power of Neoclassical Economics

# Monoeconomics

- Institutional economists and sociologists have long recognized the powerful socializing impact of formal academic training around a single paradigm.
- Socialization by nature involves the internalization of common constructs of understanding that concatenates the actions of individuals to alter the world in a coordinated fashion-in an academic setting is buttressed by rewards and punishment.

# Monoeconomics

- It begins with allocating grades, followed by the battle for recognition through the mechanisms of peer review in a hierarchy of journals, often reflecting the priorities set by those with disciplinary power and resources.
- The institutionalization of an approach to a discipline is more effective when it involves extensive training, is authoritarian in nature, and where textbooks with a common curriculum are presented as the product of the highest levels of knowledge of that discipline.

# Monoeconomics

- Neo-classical economics succeeds largely through its ability to follow this approach.
- As some of you that have taken courses in economics know, from the beginning students are presented with models of pure competition, optimality, indifference curves reflecting utility maximization, equilibrium and marginal analysis as if they are immutable laws underlying economic behavior.

# Monoeconomics

- Classrooms frequently lack a culture conducive to open debate, or any careful weighing of empirical evidence to consider alternative theoretical approaches.
- Emphasis is on the technical and the formal and learning the language that allows students to think like economists with an almost exclusive reliance on textbooks purportedly representing the latest expertise in the field but typically presenting variations on the same neoclassical economic micro and macroeconomic approaches.

# Monoeconomics

- A similar hierarchy is built into the economics profession itself where promotion and recognition is measured by a set of neo-classical economic journals that accept papers that largely use the same constructs of understanding.
- There is little incentive for the profession to change even in the face of over whelming evidence as noted by Colander (2015)'s observation about the lack of an impact from the Great Recession of 2008.

# Monoeconomics

- Colander (2015) provides a good explanation of how neoclassical economics is able to perpetuate itself in the face of the overt disconnect between their paradigm and the real world.
- The economics profession is a complex system; hundreds of thousands of economists try to survive and prosper within the rules and constructs of the institutional configuration of the profession.

# Monoeconomics

- Stability in its profession is not from encouraging pluralistic theorizing but by operating with a set of agreed upon tools, norms and doctrines.
- Academic economists dominate the field and generate a hierarchy of publications that determine rewards and standing.
- Revenue flows to individual economists are not sustained by giving the best policy advice or providing the most accurate predictions-key-publish in a set of prestigious journals.

# Monoeconomics

- Pertains to economists in academic jobs and also in government agencies including central banks
- Economics profession is a closed system in which the relationship of its research to the outside world events is of secondary importance.
- What matters is how other economists in this closed system react to their work.

# Monoeconomics

- A key way of demobilizing opposition was to incorporate African academic institutes into the Western-oriented economics profession.
- Proponents of adjustment denigrated earlier generations of economists and blamed them for providing the intellectual basis for the ‘failed’ state efforts-their economics declared old-fashioned and they were condemned for their lack of ‘modern’ tools.

# Monoeconomics

- While the African constituency in support of the neoliberal model was small compared to its size in places like Chile with its conservative Chicago-trained economists, local economists and personnel in central banks got on board
- New graduates of American and other Western universities in African countries welcomed the new approach to policy, joined in the chorus of condemnation, and became leaders in supporting macrostabilization and adjustment.

# Phase Two and Beyond

## Monoeconomics

- Today, many departments in Africa are mirrors of the mainstream-dominated economics programs in developed countries
- We will explore how this came about including the role of the World Bank below
- In mid-May, I presented a lecture to the Economics Department on the flawed nature of measuring poverty analysis using consumption based household budget surveys compared to income approaches.

# Phase Two and Beyond

## Monoeconomics

- The approach has been institutionalized for decades in Tanzania.
- Consumption based measure for measuring poverty really became popular in Tanzania and other African countries partly due to its heavy promotion by the neoclassical economists of World Bank along with the institutionalization of neoclassical economics throughout the continent.

# Phase Two and Beyond

## Monoeconomics

- In a neoclassical economic world capturing household well-being by measuring consumption in a choice-theoretical framework best reflects utility maximizing behavior.
- Understanding the drivers of poverty and inequality challenge neoclassical economic approaches that have come to dominate the development agenda in Africa

# Phase Two and Beyond

## Monoeconomics

- Generating gini coefficients from consumption data as a representation of inequality is rather absurd and misleading given that the biggest driver of inequality is often durable goods and other income generating assets along with savings which are excluded from the approach.
- Consumption surveys are removed from the dynamics of income which is central to understanding inequality, class differentiation and the perpetuation of poverty.

# Phase Two and Beyond

## Monoeconomics

- Sadly, there was no push back on my critique though I was directly attacking how they measure poverty and inequality and the economic theory taught in their department which justified it.
- A Ph.D. student came by to see me a few days after my talk and complained that lecturers fail you for asking questions about what they are being taught-There is no critical tradition left and no understanding that economics is only one badly flawed approach to the discipline.

# Monoeconomics

- However, as Chelwa (2021) points out the reorientation toward the West does not mean that African based economists have participated in the creation of knowledge about Africa that informed the generation of policy.

# Monoeconomics

- For example, there was not a single Africa based author on the influential World Bank Research Observer though more than 10% of all its articles between 2005-15 were on Africa.
- This is partly due to the long term effects of the crisis in Africa and the underfunding of research but also linked a more fundamental problem of “extroversion”.

# Monoeconomics

- The knowledge produced by African researchers about the continent is ‘extraverted’ in the sense that it is outward facing produced mainly for the consumption of the North.
- It leads to a form of scientific dependence whereby African researchers are always dependent on the North for a ready market for their scientific wares and, crucially, for the modes of inquiry (research questions, theoretical frameworks, laboratory apparatus, etc...).

# Monoeconomics

- With scientific dependence, the clearing houses for what constitutes legitimate knowledge about the continent are Northern journals.
- African researchers are, therefore, likely to be published if their works conform to the North's idea of Africa.
- African researchers need to mimic how Northern researchers would study their own continent if they are to have any success.

# Monoeconomics

- They are bound to fail not in the least because they do not have the same command over research resources as their Northern counterparts.
- To Grieve the implications are profound “African scholars are virtually absent from the debates that ultimately shape development scholarship and policy about the continent...”

# Monoeconomics

- The underrepresentation of ‘African voices’ have contributed to the gross policy errors like structural adjustment “might have been avoided had the circle of consensus been extended to include voices on the continent.”
- As Mkandawire points out, the institutionalization of the neoclassical economics with its overemphasis on stabilization macroeconomics has created a profound capacity problem as African countries try to transcend the neoliberal era and progress in phase 3.

# Monoeconomics

- “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. 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.

# Monoeconomics

- 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.”
- The next set of slides will try to explain how this came about by focusing on how the World Bank and IMF used power, theory and ideology to develop the policy agenda in Africa.

# **PART IV**

## **Adjustment, Educational Crises and the Capacity Building Project in Economics**

# Structural Adjustment

- Adjustment arose internationally in the late 70s from a confluence of factors including the election of Reagan and Thatcher, the reinvention of the IMF *raison d'être*, and the increasing domination of neoclassical economists in US universities and inside the World Bank partly out of deliberate purge by the neoliberal ideologue Anne Krueger, after she came chief economist at the Bank.

# Capacity Building

- As already pointed out one of the most powerful mechanisms to demobilize opposition and shrink the parameters of policy spaces is to infuse academics and policy makers with the same shared understanding of priorities, constructs and theories and to build up organizational structures and capacities within states with the sole mission of implanting neo-liberal policies.

# Capacity Building

- The IMF has understood this from the very early on by inviting senior central bank and Ministry of Finance officials from developing countries into temporary or longer term positions inside the Fund headquarters in Washington.
- The World Bank was also aware of the issue of Capacity Building in vital areas like budget determination, debt payment capacity and macroeconomic coordination.
- Not surprisingly, all countries receiving structural adjustment loans between 1979 and June, 1988, were provided with assistance contingent on upgrading the capacities of governments to meet conditionality

# Crisis of Universities

- An opportunity arose in Africa.
- During the economic and social crisis of the late 1970s, higher education institutions became arenas of social struggle with students protesting against government policies.
- Some governments became increasingly hostile to universities; they were seen as threats to stability and power.

# Crisis of Universities

- At the same time, the crisis pushed African governments to be more dependent on agencies like the World Bank for financial support, which included neoliberal conditionality aimed at massive cuts in education.
- The World Bank was particularly hostile to higher education.

# Crisis of Universities

- They saw higher education grabbing too many educational resources relative to educational needs elsewhere, and as being inequitable, with higher income groups over-represented.
- The Bank argued that resources should be directed away from tertiary to primary education that generated higher net rates of return and hence would lead to greater efficiency for the economy.

# Crisis of Universities

- Common sense would suggest that you need higher education to produce teachers to teach at the primary level though this logic seemed to escape the Bank.
- Enrollments in primary education were affected by austerity focused conditionality, the imposition of user fees and the shortage of teachers.
- Education fell to only 5.3% of the GDP after adjustment was imposed.
- The situation was far worse in higher education.

# Crisis of Universities

- The introduction of the severe austerity of adjustment and the growing antipathy for higher education by the World Bank and other donors made the 1980s and 1990s a period of great crisis in African universities more broadly.
- Between 1980 and 1988, spending per student on higher education in Africa plummeted by more than 75 per cent, creating profound problems on the campuses throughout Africa

# Crisis of Universities

- There were 150 protests in dozens of African countries by students and teachers struggling against the austerity and burdens imposed on them by structural adjustment and attacks on academic freedom between 1985 and 1998.
- By 1991, average monthly academic wages were down to only three days of subsistence at places like the University of Dar es Salaam.

# Crisis of Universities

- Instruments of research like papers, pens and books were beyond their means. Austerity at the individual and institutional level increasingly forced a greater dependence on foreign agencies and donors.
- The World Bank leveraged the opportunity to reconstitute economics department and emphasized training economists to deal with 'weaknesses' in their education; this goal was in line with the broader 'capacity building' project of the 1990s.

# Capacity Building

- In 1991, the World Bank launched the African Capacity Building Initiative operating through the newly organized African Capacity Building Foundation in Harare, Zimbabwe.
- While most people would argue that the greatest capacity needs of Africa were in medicine, engineering and the sciences, the focus instead was on ‘economic policy analysis and development management’.

# Capacity Building

- The reason was quite clear: ‘Despite the achievements in education and training in Africa during the past 30 years, most countries still do not have a critical mass of top-flight policy analysts and managers who can help pilot their economies through the storms and turbulence that must be faced daily’
- Among other things a key focal point was on the ‘rehabilitation and improvement’ of ‘departments of economics’ in selected national universities,

# Capacity Building

- Building or strengthening regional institutions for policy analysis, strengthening or creating government policy units in places like Ministry of Finances, fellowships for selected individuals for research and strengthening local consultancy firms
- The Bank pointed to successful approaches to transforming economics departments. One example was the agreement, beginning in 1979, between Sweden and the government of Tanzania to train economists for PhD training at Lund University in a neoclassical economics

# Capacity Building

- By 1991 there was a ‘strong group of over a dozen professional economists at the UDSM’
- What also was needed was a single organization with the resources to build an African wide network of economists that would focus on neo-classical economics training and placed in universities and key policy posts in ministries and central banks.
- The Bank in its report hailed a newly formed initiative they co-sponsored three years before in Nairobi as an example of a successful capacity building network in economics.

# **PART V**

## **The World Bank and the African Economic Research Consortium**

# AERC

- The African Economic Research Consortium (AERC) was financed by the World Bank, IDRC, Ford and Rockefeller Foundations and USAID.
- With its \$1.3 million budget, it was initially able in its first three years ‘to enhance the capabilities of individual researchers in more than a dozen universities and policy institutions by sponsoring needed research on African issues’

# AERC

- In reality, the research focused almost entirely on Bank and IMF imposed structural adjustment policies like ‘balance of payments and debt management’ rather than agendas set by Africans.
- Overall, the AERC more than any other organization has transformed the teaching and research on the African continent in support of the neoliberal project.

# AERC

- The steep decline of African universities in the 1980s and the commitment of large sums of donor funds for ‘domestically’ generated research initiative in the name of ‘capacity building’ created incentives for African academics to search for alternative sources of income for survival.

# AERC

- A single organization with the resources to build an African wide network of economists that would focus on neoclassical economics training and placed in universities and key policy posts in ministries and central banks was desperately needed.

# AERC

- From the beginning, in line with the capacity building project of the World Bank discussed above, the focus was in areas servicing neoliberal objectives.
- The first report commissioned by the AERC (from an eight-country study) in 1989 on graduate training pointed not only to the crisis in economics departments from the general problems in African universities, but problems with the wrong education.

# AERC

- The linkage to the Bank and IMF were there from the beginning.
- For the first 10 years, the head of research and then Executive Director of the AERC, was Professor Benno Ndulu.
- He was recruited from the University of Dar es Salaam, where he was one of the first PhDs at that university trained in a mainstream economics program in the United States (Northwestern University).

# AERC

- Following his term, he was awarded appointments at the World Bank from 1999 to 2008 including a role as advisor to the Vice President of the Partnerships Group in the Africa Region in 2007 in January, 2008-January, 2018 he was the Governor of the Central Bank of Tanzania.

# AERC

- The World Bank kept a close eye on the AERC through its representative on the Board (sometimes the WB chief economist for Africa has served on the Board).
- They have been part of a consortium of donors who elect the Board of Director

# AERC

- From the beginning, donors recognized the importance of the AERC for generating capacity in support of neoclassical economics and related neoliberal policies.
- In fiscal year 1999–2000, for example, a dozen bilateral and multilateral donors including the World Bank financed more than 80 per cent of the nearly \$8 million budget.

# AERC

- By 2012–2013, income had climbed to over \$17 million, most coming from bilateral donors (led by the usual donors including USAID, SIDA, NORAD, DANIDA, DFID and the Dutch Foreign Ministry) and the Gates Foundation
- The World Bank and IMF have used the AERC to build close links with economists in African countries.

# AERC

- Those who have been involved in conferences and in reviewing the research sponsored by AERC have been overwhelmingly mainstream economists including many from the Bank and Fund.
- Between May 1994 and 2016, more than 150 economists that have been part of the AERC research network have been brought to the IMF for various periods through the AERC/IMF visiting scholars program.

# AERC

- The initial focus set out by the Director was on research grants to expand economic skills in balance of payments and financial management.
- Twenty projects were launched within the first year in these two areas.

# AERC

- By 1997, additional themes were added, all reflecting different dimensions of the neoliberal agenda (External Balance and Macroeconomic Management, Trade, Trade Policy and Regional Integration, External and Internal Debt Management, Domestic Resource Mobilization) with plans to expand into a new area of poverty (obviously in line with the shifting donor emphasis of that period).

# AERC

- The research cycles of 18 months involved a careful vetting process in all three stages, the proposal, work-in progress and final report.
- There were presentations at each stage at the biannual research workshops.
- Emphasis was on mainstream methodology (buttressed with plenary workshops on methodology at meetings) rather than original research or the discovery of novel empirical observations

# AERC

- However, the rewards for staying with these programs were high by African standards.
- During the 1997–2003 period work-shops, the average spent was more than \$5,000 per student.
- Grants for completed projects ranged from \$10,400 to \$19,600 over the same periods
- Compare this to national per capita incomes of \$3–500 in the 1990s in many African countries.

# AERC

- A review of AERC research papers is illustrative of the nature of the work produced under the tutelage of the organization.
- The overwhelming focus of these papers are on neoliberalism including orthodox macrostabilization, fiscal imbalances, deregulating banking regulations, real interest rates, real exchange rates movements and parallel markets, and monetary policy

# AERC

- The AERC provided financial support to economics departments in a number of African countries to organize MA coursework along Western lines (with three core courses in macroeconomics, microeconomics and quantitative methods), and carefully to vet the syllabi and course material.

# AERC

- The AERC flow of dollars was a huge inducement for African economics departments that had been subject to severe austerity to participate in the programs.
- Increasingly, graduate training in neoclassical economics has become the main focal point of the activities.

# AERC

- By 2010, CMAP (collaborative master's programme for Anglophone Africa) involved 21 universities in 16 African countries.
- The content of the program was very similar to any standard economics program anywhere in the West.

# AERC

- The CMAP degree programme consisted of up to 12 months of macro, micro and quantitative methods taught at select universities and 14 weeks of elective courses taught at their Nairobi campus by African scholars and leading international experts, as part of the Joint Facility for Electives Program (JEF).
- Electives include a standard list of options such as econometrics, game theory and international economics

# AERC

- The AERC impact has been ubiquitous in Africa. There were more than 2,000 students from 25 countries in the CMAP program from 1993 to 2013 who took JFE courses.
- In addition, there were 268 students in their Collaborative PhD program (CPP) that also took JFE courses.
- Between 1991 and 2012, they supported 3,238 economic researchers in 35 SSA countries and thousands since.

# AERC

- It is difficult to come up with a quantitative measure of the impact of the AERC in changing the plane of policy making in Africa over the past 30 years.
- In the past 19 years, the AERC received nearly \$200 million dollars to alter the terrain so that the economic interests of economists aligned closely with the World Bank and donor agenda

# AERC

- However, they have made a conscious effort over time to increase their impact on policy makers and to institutionalize the network of AERC trained economists. This was a key focal point of phase V of their operations covering the period 2000/2001 to 2003/2004. Hassan and Rempel (2005) review the efforts to build and maintain the network and expand their influence.

# AERC

- Beyond successful capacity building dimensions that placed AERC economists in key institutions, they point to a wide area of influential activities which draw on their ‘comparative advantage’ as economic experts.
- This includes working closely on projects with other African and international based agencies, designating key people in African institutions like central banks as AERC research fellows.

# AERC

- Organizing national policy workshops and higher level senior policy seminars involving well-known scholars and audiences of senior policy people from multiple countries.
- Perhaps the biggest impact was the creation of an interconnected community of neoclassical economists on the continent exhibiting what the former director called an ‘esprit de corps ... evident in AERCs thematic research-driven by a peer review mechanism’

# AERC

- The program review for 1997–2003 came to a similar conclusion; that the AERC created ‘a community-of African researchers across the continent.’
- This was not done by getting people to collaborate or produce more research but by creating common constructs of understanding: ‘the typical output of the AERC is a person, and not just a paper or book’

# Conclusions

- The economic challenges in Africa are formidable but the tools available to deal with these challenges are badly flawed after decades of the dominance of neoclassical economics.
- Let me quote from a recent exchange with an economist in the economics department at UDSM who just returned from a number of years of very high level positions in the government:

# Conclusions

- “By the way, although it was very hard being on the other side of the academics, I can now appreciate what we are missing at the department in terms of connecting with policy...interesting to gain new insights about alternative thinking/analysis given the path of the department.”
- Perhaps some hope?