

The African Economic Research Consortium:

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# An Evaluation of Phase II and a Look Ahead to Phase III

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## PREFACE

We wish to express our deep appreciation to those many people who have assisted in this evaluation. Meetings with the Board and Advisory Committee of AERC clarified and confirmed to us the importance of our task. Our interviewees were most cooperative and enthusiastic, leaving us with an unmistakable impression of the high value they attach to AERC.

Jeffrey Fine, Benno Ndulu, and their colleagues facilitated our work in every way, allowing us to comment on the Phase II of a program they have managed so successfully, and sharing ideas on how AERC might cope with the demands and challenges of Phase III. We kept the secretarial team, headed by Ms. Beth Eastlick, busy for a number of days. It is our privilege to submit this report of our findings and suggestions for the future. We can only hope that our limited contribution will add to the continuing success of AERC.

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## SECTION 1: GENERAL INTRODUCTION

### 1.1 Background to the Evaluation

In August of 1992, we were invited to prepare an evaluation of the African Economic Research Consortium (AERC) that would focus in particular on Phase II, covering the period 1991-1993, with the expectation that the results would be useful also in the preparation of the Program of Work for Phase III, covering the period 1994-1996. We were asked specifically to:

- (a) review and summarize the salient features of the Consortium's development to date;
- (b) assess the AERC's programming and activities for research, publications and dissemination, and training as being conducted during Phase II; and
- (c) in the context of the AERC's mandate and prospective resources, identify and discuss salient strategy and programmatic concerns that should contribute to the formulation of the Program of Work for phase III and beyond.

To prepare this report, the evaluators embarked on extensive field trips at times separately and at other times together. For instance one of the evaluators (Goodwin) spent four days in Nairobi in September 1992 gathering documents, meeting staff, and observing office operation. After a stop in Lagos, where he met with the other evaluator (Kayode), he went then to a two-day meeting in Accra between AERC and World Bank researchers and government officials. He visited Abidjan to discuss AERC with French-speaking economists. Meanwhile the other evaluator (Kayode) was engaged in organizing written self-assessments among selected AERC members in Nigeria, his home country. Both evaluators travelled to Abidjan for an International Conference on African Economic Issues, October 13-15 organized in part by AERC. There, they interviewed conferees and attended sessions.

At the regular biannual AERC Workshop in December 1992, the evaluators observed all parts of this important activity, administered a questionnaire to each participant, held more interviews with researchers, resource persons, and others, and prepared vignettes of the experience of selected participants who had important involvement with government. One of the evaluators (Goodwin) met with the Board in November 1992, and both met with the Advisory Committee in December 1992. From these meetings emerged a richer sense of what these two groups would like to see in the evaluation. Additional fieldwork was undertaken in December and January by one of the evaluators (Kayode) to examine the utility of AERC to policy makers in Nigeria. The evaluators met for one last time between January 21-31, 1993 to share their findings and agree on this final report.

This document may be thought of as having three parts somewhat intertwined. The first is a description and interpretation of that which we are evaluating. This contains considerable detail both because some readers may not be intimately familiar with the organization and because we ourselves wished to be certain we understood accurately that which we appraised.

The second part is our evaluation of AERC based on a comparison of our findings with the objectives of the organization. Our evidence is the documentation provided to us, structured interviews, questionnaires, and informal conversations. Although we have attempted as much as possible to base our findings on objective data, inevitably our conclusions grow to some extent out of our own experience and our intuition.

The third part of the document contains our reflections about the future directions of the AERC. Whereas the second part is aimed more to assist the donors in determining future funding of AERC, this last part is directed more to the Board and the Advisory Committee as they chart the course ahead. In this third part, we recognize that we are new to AERC and in our innocence may miss much of the nuance and background detail. Nevertheless, we hope that there may be value in our reactions and reflections as they emerge from brief but total immersion in the organization's affairs.

## 1.2 The AERC Idea and Its Origins

For the most part, the economics discipline has developed over time as a consequence of normal market forces. On the demand side, students, employers and leaders of higher education have all concluded that competence in economics is valuable for job performance and for a liberal education. Whether this is so is another matter but in the developed western countries at least, the post-graduate professional fields of business administration and law in particular have sustained a buoyant demand for economics graduates at the baccalaureate level. On the supply side, since Alfred Marshall and Richard T. Ely, leaders of the economics profession have stressed the importance of rigorous professional training and research to meet the burgeoning demand for teachers and advisors.

There have been few occasions when either public authorities or private philanthropy have perceived economic science as a public good deserving of public subsidy either on the demand or supply side. These actors do, of course, enter the market regularly for the purchase of the products of economics--training and research--but this is very different from intervention in the market to effect its outcome. Two exceptions come to mind in the United States. In the inter-war years, the Rockefeller Foundation worked hard to help the economics discipline worldwide cope with problems of depression, the collapse of the global economy, and the rise of totalitarian regimes which they attributed to economic causes. After World War II, the Ford Foundation followed in the Rockefeller tradition with a grant program in Economic Development and Administration. From the 1950's into the 1970's, Ford worked with universities and other institutions in the United States and abroad to strengthen training and research in economics, taking into account especially recent

developments in macroeconomics and the contributions of economics to the understanding of problems of growth in recently decolonized new nations. Development assistance agencies of various kinds followed up this early foundation interest with support for research and training in particular sectors where they had an interest such as agricultural economics and urban studies.

It might be argued that support for economics by the National Science Foundation in the United States and comparable government agencies for research support in other countries constitutes public appreciation of the externalities present in this discipline. A more plausible interpretation is that this support rests on some generalized sense of the value of all science and higher education to society, and that funds for economics represent only that discipline's share in this broad-based response.

The purpose in providing this background is to highlight the distinctiveness of the AERC program. This undertaking rests on the presumption that economic science is uniquely important to the economic development of the African continent, and it implies that investments in economic science at modest levels promise payoffs through better economic policies equal at least to those available in other opportunities. It should perhaps be pointed out that this presumption rests mainly on faith, especially taking into account the familiar observation that Germany and Japan, the most economically successful developed nations, are also those with very weak economics professions. On the other hand, Great Britain, the cradle of modern economics, and India--the developing country with one of the most highly developed economics professions--have been major economic disappointments.

The faith that underlies the AERC rests not on any simplistic notion that levels of economic growth can be correlated confidently with strength in the economics profession, that more and better economists may raise growth rates, say, from five to six percent, but rather that, at a minimum, middle-level expertise in economic analysis is essential for a nation to avoid economic disaster that in some cases may even involve negative growth rates. The AERC's stated objective from the start has been to encourage rigorous economic policy research by Africans in Africa and its dissemination to professional audiences within academia and among policy makers. It was presumed that this policy research will lead to sounder management of the African economies.

The notion of pursuing a continent-wide strategy toward the strengthening of policy-oriented economic research in sub-Saharan Africa grew partly out of experiences with a network of macroeconomists in developing countries supported in the early 1980's by the International Development Research Center of Canada and led by Jeffrey Fine, then a program officer, now the Executive Director of AERC. It was a short leap to the conclusion that the same networking technique might usefully be extended across sub-Saharan Africa with a narrow focus on a part of the economics discipline. The effort began in 1988 as a collaboration among three kinds of donors: bilateral aid givers, international organizations, and private foundations. The project was an autonomous entity from the start. For convenience, during the early years, the Rockefeller Foundation acted as institutional host to the secretariat in Nairobi until AERC signed an international agreement with the Government of Kenya and registered under Kenyan corporate law.

Part of the reason for the pursuit of a continent-wide strategy is the many difficulties confronting university economics departments throughout Africa. These difficulties and their causes are well documented in the publications of AERC. Among the highlighted difficulties are:

- a continuing decline in real levels of support to universities
- a steady drop in real rewards to staff
- a substantial increase in average class size and teaching loads
- a steady loss of experienced staff

Two immediate and major causes of the above and other difficulties are suggested in the AERC studies, (see for example, Jeffrey C. Fine, *A Strategy for Graduate Training in Economics for Africa* AERC Special Paper 9, August 1990). The declining support for higher education is attributable to prolonged economic crisis. The continued expansion of undergraduate enrollments, the second major cause, is explained in terms of strong local pressure for governments to accommodate a swelling number of qualified entrants. For many reasons this pressure is likely to continue for a couple of decades

The mandate of AERC is to support policy research; thereby it is addressing some of the difficulties confronting economics departments in Africa. But whether or not this will result in better economic policies and therefore address the prolonged economic crisis rests, as we earlier suggested, on faith. In successive sections of this report, we discuss: (1) accomplishments of AERC and our appraisal of them; (2) its reception among African economists and others, based on a questionnaire administered to a selection of them, as well as interviews; (3) the challenges AERC faces immediately ahead; (4) new opportunities for the future; and (5) conclusion.

### **1.3 The AERC: A Summary Account of What It Is Today**

The AERC supports economic policy research by locally based economists in Sub-Saharan Africa. Established in June 1988, the AERC currently comprises 13 contributing Members, who elect a Board of Directors responsible for setting policies and procedures and approving an annual Program of Work and Budget. Determination of research priorities rests with an independent 15 member Advisory Committee that, in line with AERC's expanding set of responsibilities, is assuming a more active role in training issues as well. AERC's activities are managed by a Secretariat based in Nairobi Kenya and headed by an Executive Director who, along with Coordinators for Research and Training, is appointed by the AERC Board.

Donor support for AERC has rested on two premises. The first is that development is more likely to occur where there is sound, sustained management of the economy. The second is that such management is more likely to happen where there exists an active, well-informed group of locally based professional economists. Hence support for research by the AERC is targeted toward local economists.

The AERC is well regarded within the international donor community for its effective support of research by African economists. The Consortium is seen as combining responsiveness to local communities of professional economists with accountability, in terms of substance as well as finances, to its backers. Furthermore, the networks of African economists and institutions formed through its research and training programs have facilitated or spun off other useful initiatives. Among these have been the revival of national and regional professional associations and the encouragement of various research activities outside the Consortium. Continuing interaction among African researchers also underpinned a major study of graduate training in economics for Africans that resulted in operational plans for collaborative MA degree programs for anglophone Africa, Nigeria, and francophone Africa. The AERC has assumed responsibility for implementation of the anglophone one during its initial phase.

Dissemination of the results of AERC supported research has been targeted toward decision makers within African governments as well as professional economists within and outside Africa. The results of all AERC research grants are presented in technically edited Final Reports. Those that have been positively reviewed by anonymous external assessors are published as AERC Research Papers. More recently, researchers have added Abstracts of Research Papers for cataloguing by libraries and non-technical Executive Summaries for use by policy makers.

**Table 2.1 (continued)  
Expenditure**

General Administration	581	442	357
Program Management	156	212	126
Research	866	650	409
Publications and Dissemination	88	76	28
Capacity Building & Training	326	181	91
<b>Total Expenditure</b>	<b>2017</b>	<b>1561</b>	<b>1011</b>
<b>Net Balance for Year</b>	<b>18</b>	<b>357</b>	<b>443</b>
<b>Fund Balance Beginning Year</b>	<b>818</b>	<b>461</b>	<b>18</b>
<b>Fund Balance End Year</b>	<b>836</b>	<b>818</b>	<b>461</b>

**Notes**

Until the AERC signed an international agreement with the Government of Kenya and commenced and commenced separate operations (in January 1992), the Secretariat's administrative expenses were financed by the Rockefeller Foundation's AERC Program Grant.

The negative figure for the Netherlands for 1991 relates to overprovision for the preceding year.

Sources: AERC Annual Reports for 1990 and 1991.  
Audited Accounts. 1991 and 1990. RF AERC Program Grant

The finances of AERC are audited and therefore our comments are limited to trends and ratios observable from Table 2.1. The substantial fall in funds directed to program management and administration between 1990 and 1991 is commendable. Notwithstanding the substantial savings, the excess of support and revenue over expenses dropped substantially between 1990 and 1991. This can be explained by the increase in research expenses. Although the rate of increase in research expenses is lower in 1990-1991 than in 1989-1990, the concern should be more on absolute change and less on rate, particularly as revenue in-flow did not change significantly between 1990 and 1991.

## Issues and Queries

A major accomplishment of AERC during Phase II has been to consolidate the structure created during Phase I. However, several issues have arisen which deserve some comment.

1. Are relations between the three key parts of the organization (Board, staff, and Advisory Committee) satisfactory and promising for the long run? Several people have pointed out that the excellent relations that have prevailed to date among the Board, the senior staff, and the Advisory Committee of AERC, rest perhaps to excess on the strong friendships, buoyant goodwill and accommodating personalities of those who lead the three components. At the same time, natural tensions can be found in other comparable organizations among groups with such different perspectives and responsibilities, and it may be wise to recognize and constrain these as much as possible so that they do not become destructive. In particular, donor representatives on the Board are likely to feel the pressures that grow out of the objectives of their own institutions; secretariat staff may develop the familiar "field" resentment against head office; and scholars on the Advisory Committee can reject the intrusion of any norms other than purely disciplinary ones. We would not presume to suggest what form the fully developed relationships among the parts of the AERC should be. We are persuaded, nevertheless, that reporting responsibility, committee structures, accountability, and other matters should be carefully re-examined at this time. While we appreciate the reason for the strict separation between the Advisory Committee and the governing Board of donors, we think the possibility should be explored of some overlap in membership or attendance so as to minimize the danger of miscommunication and misunderstanding. Another change in structure that should be contemplated is the inclusion of African members on the Board.

2. Is turnover within AERC excessive? The AERC fabric is exceptionally delicate at many points; moreover, the operation is both complex and rapidly changing. It takes newcomers, whether to the staff, Board or Advisory Committee, considerable time to penetrate the complexity. At present, the system is so constructed as to hurry people through so that four years may reasonably be the maximum time of involvement of senior staff (on leave from universities), Board members (typically cycling through jobs in the donor agencies), and Advisory Committee (limited to one non-renewable four-year term). Not only does this fast cycle open up serious dangers of discontinuity, but it is doubtful whether there exist enough actual or potential friends of AERC to fill all the positions with dedicated incumbents. We acknowledge the danger that with long terms AERC might be captured by a small group of like-minded protagonists, and for this reason some turnover

must be enforced. But at least during the delicate early years, stability and continuity may be greater goods.

3. Are activities too highly concentrated in Nairobi? To this question, which we heard from several observers, we answer probably not. First of all, many activities, ranging from policy conferences to workshops and large academic conclaves, have in fact been held across sub-Saharan Africa. We admire the AERC for the efforts it has made to branch out beyond Nairobi and we think it is approaching a proper balance.

4. Should AERC extend its operations beyond the countries now covered? At present AERC operates in those countries of sub-Saharan Africa where it believes it can be effective. Excluded in particular are those countries where civil war and disorder or repressive authoritarian rule make independent economic inquiry difficult or impossible to carry out. On a continent where some nations are large and powerful while others are small and weak, AERC has a narrow line to walk. Thus far it has done this with great skill, retaining both balance and general good will among participants and among nations. The impending inclusion of South Africa may pose problems with this equilibrium, but AERC shows every sign of being able to handle the challenge.

5. Is Jeffrey Fine simply the leader of an unseemly movement to Anglicize non-Anglophone African economics? Most of the people we spoke to said quite the contrary, and they point approvingly to the practice of simultaneous translation and Fine's own bilingualism. Indeed, several Francophone scholars felt they had been held back by their dependence on the French language and they welcomed AERC as one way to break the thrall.

## **Conclusion**

Both evaluators have had considerable experience with academic and other non-profit institutional structures and they can say with confidence that AERC's record with institutional architecture and construction is quite remarkable. The organization is firmly in place, healthy and vibrant. Like any institution, it faces challenges and uncertainty ahead, but it demonstrates the flexibility and resilience to deal with them.

## **2.2 The Programs**

### **Research Stimulation and Support**

Most of the visible achievements of AERC to date have been accomplished through the extraordinary mechanism it has developed to strengthen the output of serious policy-relevant research by African scholars. In our experience, this structure is entirely unique. It resembles, in effect, an extension of post-graduate education and responds to the reality that when most African scholars finish their doctoral studies, they find themselves in exceptionally unsupportive and discouraging circumstances. The universities where they are employed are likely to be under-financed and overrun with students demanding an

education. They and their colleagues are ill-paid, without funds to cover research expenses, and pressed to do consulting--much of it quite pedestrian in nature--to make ends meet. Scholarly research necessarily takes a back seat and, after several years of neglect, may seem out of reach.

To combat these conditions, AERC has put in place a system of incentives, channels for assistance, and a remarkable mix of discipline through peer review and positive reinforcement through professional rewards. The series of steps is, briefly, as follows: To begin, professional economists throughout the continent are invited to suggest policy-relevant economic research projects in four areas of concern for which modest funding might be provided. They are encouraged to apply as teams, with academic economists joining colleagues in government on projects. There are about eighty proposals per year. When a proposal is first broached, it is reviewed by the Research Coordinator or his deputy and a reply is issued suggesting, usually, how the proposal may be made stronger. At this point, or later in the process, relevant literature may be suggested or supplied to the applicants. When a proposal is judged to be sufficiently promising (normally about 40 out of the 80), the applicants are invited to defend it at the next biennial workshop held normally in Nairobi.

At the workshop, applicants will encounter constructive but unusually frank and unmodulated commentary from members of the working group to which they have been assigned. There are four concurrent working groups that meet over three days and occasional plenary sessions. The commentary tends to be led by the "resource persons" and "observers" present (members of the Advisory Committee and other special guests) but other researchers are no less vocal. On the fourth and last day of the workshop each research team meets in a closed session with the technical committee of its respective session. The findings are then submitted through the Research Subcommittee member of the Advisory Committee in the technical committee to a meeting of the Subcommittee which recommends who shall be permitted (i.e., encouraged with funding) to proceed to the next stage. At this second stage, researchers return to a workshop with an interim report (a paper distributed in advance), are again subjected to scrutiny by peers and resource persons, and are either sent on to a final stage with or without redirection, or in a very few cases stopped in mid-stream. Finally, in a third appearance, successful researchers present the final product of their efforts. If this too passes the scrutiny of the research subcommittee, it is accepted for publication. Of the approximately forty projects that are initiated each year, 23 to 25 end up as Research Papers. Funding is provided with a clear incentive for performance: 60%, 30%, 10% at the three stages. The average-sized grant is \$14,000 to \$15,000.

At this point, there begins yet another series of steps aimed at quality control. The final product is scrutinized once more by the Research Coordinator and is copy edited. Thirty copies of this draft are then sent to the authors for distribution as they see fit. In addition, copies are sent to two referees, usually outside Africa, for advice on whether it should be included in the Research Paper Series and, if so, what revisions are desirable. After recommended revisions have been completed, and if the authors so desire, the final manuscripts are copy edited for publication by its own copy editor supervised by the Centre for the Study of African Economies at Oxford. They are then printed and distributed free of charge to a mailing list of about 800 inside and outside of Africa.

Depending upon the diligence of the researchers and the number of difficulties encountered along the way, the process from initial application to publication of a typical research paper is likely to take between two and four years. Approximately one hundred projects are now either somewhere in the pipeline or have already come out the end. Throughout the process the Research Coordinator remains alert to the appropriateness of the methodology, the policy relevance, and the quality of the data used in the project.

Individual researchers are encouraged to re-enter the process after "graduation," (i.e., completion of one cycle) as part of the same team or a different one, and many have done so. There is some difference of opinion among those involved with AERC whether participants should be permitted to cycle through again and again, or whether one or two cycles should be thought of as a sufficient to generate continuing stimulative effect on the production of policy-relevant research. At that point there could be a natural progression to other kinds of AERC activities. The advantage of a limit of one or two cycles would be to make room for others.

### Queries

We must state up front that we and most observers find the AERC research program to be extraordinarily effective. It has sustained, or rescued from inactivity, a group of highly talented and productive economist-researchers. Queries, therefore, are being offered in a spirit of overall admiration and respect.

1. Are there too many steps in a process that has become very complex and expensive? We recognize that it was critically important during the first two phases of AERC to establish rigorous standards among participants and tight quality control over the research products that reached the outside world. Hence, the multiple meetings and editing were necessary and appropriate. Now, however, as practices are becoming well understood and high quality recognized, and as demand for participation in AERC has increased, we think some streamlining may be in order. We do not presume to prescribe what form this might take. But, for example, screening of proposals might be carried out by a subset of the research Advisory Committee in brief regional meetings. The whole workshop group need not be part of this process. Moreover, one of the work stages might now be eliminated, recognizing that the opportunity cost of the multiple stages in the present system is participation by more scholars. The work of the Research Coordinator might be reduced by the appointment of part-time associate research coordinators for specific themes. With these changes, the Nairobi workshops might be limited to presentations of final products, perhaps with specialization among the fields at the June and December gatherings, reducing thereby the need for concurrent sessions. Our sense from attending the workshops is that the final products afford the most juicy meat for participant interaction while attendance at the earlier-stage presentations is a little like being present at someone else's doctoral examination: discomforting and not deeply edifying.

2. Is the field coverage appropriate? This is a complex question to which we do not have an easy answer. The macro focus of AERC certainly seems consistent with the overriding policy concerns of African nations, and in order to have discernable impact choices must be made and priorities specified. At the same time, we have some sympathy with those who say that AERC is creating a continent of macroeconomists. However, within the definitions of the macro fields targeted, there is considerable latitude for inclusion. Certainly coverage today may include, in addition to traditional macro: large parts of international trade and finance, money, corporate and public finance, and the behavior of particular sectors as it affects imports and exports. Our impression is that the AERC is very sensitive to this issue, has indeed expanded coverage in the direction of international trade and markets, but we conclude that this is a question that should be kept open.

3. Is the methodology too restricted? Not only is the focus of AERC "macro," but it is overwhelmingly respectable mainstream macro. There are certainly few post-Keynesians, Marxists, or even rational expectationists here. Nor are there bearers of many of the other disciplines that often interact with macroeconomics: history, law, sociology, psychology, philosophy, and even the natural and physical sciences, etc. In the long run, we suggest, this narrowness may be limiting. Certainly it is out of step with much of the profession on other continents where interactions between economics and other disciplines are yielding rich results, especially with respect to critical policy issues. AERC has taken some cautious steps to strengthen the research skills (e.g., in time series econometrics) and extend the topical horizons (e.g., toward the costs and benefits of regional integration) of its participants. We suggest it consider extensions further, even well beyond the bounds of the discipline. Recently there has been much soul searching in American economics about just what macroeconomics is and should be (see, for example, a symposium in the current issue of the *Journal of Economic Perspectives*). AERC would be well-advised to reflect this thoughtful introspection in its own affairs. Perhaps some future plenaries could consist of round-table discussions among representatives of New Keynesians, Post Keynesians, New Classicals, Neo-Austrians, New Institutionalists, and other sects that clutter the macro landscape.

4. Is the agenda of AERC dangerously donor driven? This question is related to the last two but involves difficult issues of intent. In its most extreme form, the charge implicit in this question is that the entire AERC structure is designed to soften up African nations to accept the prescriptions for structural adjustment that grow out of the "Washington consensus" generated by the World Bank and International Monetary Fund. Skeptics say that the focus on macro questions, the relative lack of attention to distributional impacts, the failure to incorporate social and political analysis all testify to this overriding objective. To the extent that some donors in their support of AERC have indeed been motivated by regret that many African nations are not yet able, with their own human resources, to negotiate evenly with missions from international organizations, there may be some underlying validity to this charge. Moreover, some donors, like most humans, undoubtedly share a faith that when others are adequately exposed to sound theory and current facts, they will arrive at the same policy conclusions. But we could find nothing like a conspiracy to brainwash African intellectuals with ideas that were "good for them."

## Conclusion

The program for research stimulation and support has been remarkably successful and changes to it should be undertaken only with great care. We concur with the many commentators who suggest that to date AERC has hardly put a foot wrong. The program has sustained the efforts of a hundred or more research teams which have undertaken projects that are critical to their professional lives and, as demonstrated below, are contributing to the policy process. However, we see this program as necessarily an evolving one and success should not dictate sclerosis. We urge attention to how best to channel the continued metamorphosis. Our suggestions are intended as points to ponder, not as confident dictates.

## Training

AERC's activities in this area thus far consist mainly of planning and preparation. The concern that motivates these efforts has four parts. First, there is the sense that if the pipeline is not kept full with well-trained young entrants to the economics profession the research program will ultimately be futile. Second, the education that young African economists often receive at the start of their post-graduate experience is ill-suited for the challenges they will face. Especially for the masters degree, which becomes a terminal professional degree for many students, an orientation toward local conditions and constraints is critical. Third, opportunities are often lost to achieve economies of scale in thinly-staffed universities. This is especially true with post-graduate training. Fourth, and by no means least, improvement in graduate training can be the route by which all of higher education in economics can be strengthened. If a university is to offer a credible graduate degree, as judged by other institutions, it must look to its staff competence, curriculum, research output, and facilities, including library and computer capability.

AERC has approached the problem of improving masters level training by dividing the continent south of the Sahara into three categories: Francophone, Anglophone-Nigeria, and Anglophone-not Nigeria--a sensible approach, we think. In the first two categories, AERC's role has been quite limited. It has commissioned and published studies of the problem and provided advice and moral support to those who have been charged with making change and finding the funds to do so. In the third category, AERC has become considerably more active. It has accepted responsibility, for a time at least, to implement the plan for a collaborative M.A. within that collection of countries. This plan provides for teaching of core courses for the M.A. on participating campuses and then a cooperative offering of electives at a "common facility" in Nairobi. Participating departments in the cooperative M.A. will be subject to negative sanctions of close peer review and possible cessation of support for them to offer their own degrees. Positive reinforcement will come from modest funding for improvement of local capacities. The plans for this program are already well advanced and the first students will enter in 1993.

The AERC agreed to act as an implementing agency for the Anglophone-not-Nigeria M.A. only after considerable discussion and a commitment to the Board that this additional responsibility would not adversely affect its research activities.

The AERC has taken some steps to encourage and assist those who have not done so to complete Ph.D. dissertations. They have also explored the pros and cons of different kinds of Ph.D. programs, especially the "sandwich" degrees that require cooperation between an African and another university. High on AERC's current agenda is a plan to look hard at the issues that surround Ph.D. training for Africans over the next decade and more. It plans a conference and book on this topic which should open up the subject very effectively for those many people who are concerned about it.

## Queries

1. Should AERC be in the business of operating a training program? Our judgement is that the AERC plan for a new M.A. program in non-Nigerian Anglophone Africa is well thought through and likely to be successful in its objectives. At the same time, as the AERC leadership recognizes well, this is a dangerous new road to travel. To begin with, the plan is highly complex and certain to be demanding of administrative time and attention. Second, the plan is controversial and will require highly visible trade-offs that will please some but not all. In fact, we have heard complaints that the common facility may weaken strong departments that will no longer offer elective courses on their home campuses. Third, the plan is very expensive and will require the AERC to stretch its admirable fund-raising skills.

The AERC training program promises to be one of the most effective means of reaching that large part of the economics discipline beyond the small elite served now by the research program. The potential payoff is high but so are the downside dangers. The current caution of the AERC seems well founded, but we conclude that the decision in this case to actually "get into the business" of training is reasonable and well founded.

2. Should AERC spin off training activities into a separate and distinct new institution? We think not, at least not yet. There are clear synergies and economies of scale between the research and training programs and we guess the costs would be higher and quality of performance lower if the two functions were separately administered. Knowledge that is acquired about the economics discipline in order to operate the training program skillfully is also useful in operating the research program and vice versa. The central office staff, moreover, does not appear to have reached a point where additional increases in responsibility will lead to increased unit costs. Organizations with responsibilities comparable to those of AERC in other countries operate efficiently at a much larger scale (for example, in the United States, the American Council of Learned Societies, the Social Science Research Council, the Institute for International Education). We see no reason why AERC need fear additional growth just yet.

3. Should AERC perform for the other two regions the direct fund raising and operational services it provides for the Anglophone countries other than Nigeria? Although the current commitment reflects a prudent reluctance to extend responsibilities it represents some inequity among regions. While additional direct involvement with operation of training programs in other regions would be simply foolhardy, AERC should consider providing some form of critical support to minimize this inequity. AERC might assume direct fund-raising functions and provide minimal back up support for certain operational programs for Nigeria and Francophone Africa.

4. Is AERC trying to accomplish some sort of homogenization of training in economics at the masters level? Not at all. In fact some commentators think the three regional plans are too disparate and should be reconciled to some degree.

### **Conclusion**

Attention to post-graduate training needs is a natural extension from AERC's initial concern for the research of scholars. But the complexities of this area of endeavor are many and AERC is wisely proceeding with care.

### **Dissemination**

AERC brings its message to its constituents in a variety of ways, as follows.

1. Various leaflets (including annual reports) are distributed widely to economists in academe and government throughout sub-Saharan Africa describing the purposes of AERC and the opportunities open to participants.

2. A newsletter, aimed primarily at the AERC family and presented in lighthearted form, is circulated twice annually in March and September.

3. Special Papers (15 to date) contain commissioned studies, contributions from distinguished resource persons, members of the Advisory Committee, and others. Most of these are likely to be viewed as authoritative reference works of continuing interest to participants in AERC, and they are avidly collected for this purpose.

4. Research Papers (10 to date) are the outcome of successful projects that have cycled through the workshops and then passed through the review and editing process described above. They vary in size, from article to monograph length, and they resemble physically the Special Papers series. Abstracts and executive summaries of these papers are now being prepared systematically and it is intended that these will receive wide dissemination.

5. Books have not yet appeared but are under consideration. One in particular is contemplated that will draw on the work undertaken to date on the informal financial sector. This will be a synthesis rather than a collection of earlier studies.

## Queries

1. Does AERC at present have the right "mix" of disseminating vehicles? The answer to this question must depend upon the audience intended to be reached. At the moment, it is unlikely that AERC reaches through its current media many readers other than professional economists within Africa. Most policy-makers in Africa or elsewhere would not be able to handle the technical presentation of the material, and with the current distribution system economists outside Africa are unlikely to come across the papers either in full text, in indexes, or as abstracts. We discuss below alternative media to reach other audiences that AERC may wish to consider for the future.

2. What purposes are served by the Research Papers series, keeping in mind that the output is destined to increase rapidly quite soon? There are two purposes. In particular African economists are put in touch thereby with results of their colleagues recent research, reliably recorded and effectively presented, for use in classroom, the preparation of advice to policy makers, and the conduct of their own research. In addition, because Research Papers are rigorously refereed, they become credible items for consideration for promotion and tenure within academic institutions. Whether weight attached to these papers is fully equal to publications in prominent international journals is not clear. It has been suggested that credibility with promotion committees would increase if the names of the panel of referees were included on the inside front covers.

3. Is the physical appearance of the AERC publications satisfactory? Our answer is "only barely". The two papers series might best be described as "dowdy", although given the audience to which they are directed, this may not matter very much. The unappealing appearance of the informative leaflets is more serious. These are simply not likely to catch the eye of scholars or others who have a stream of similar materials crossing their desks daily and must make choices. Even the AERC logo seems undistinguished and amateurish. It might be a wise investment of a few thousand dollars to engage a design firm to reconsider and recommend changes in the appearance of all AERC publications.

4. Is AERC well organized to deal with its increasing load of publications? We think not. A highly skilled professional has been engaged as a consultant on publications and she has recommended innovative approaches. But we think the time has arrived when a professionally staffed publications or dissemination unit should be established within AERC, in some cases to effect change that is clearly called for, in other cases to experiment with and evaluate different models and approaches, but in all cases to keep fully involved with the problems and issues.

## **Conclusion**

Among the three main dimensions of AERC activities--research, training, and dissemination--we think the last of the three is most in need of attention. It is quite natural that this aspect should receive attention later than the others, and we can only applaud what we take to be AERC's current focus on the area. Later in the report we raise various aspects of this subject that relate to other audiences to be reached.

## **Professional Development**

In addition to specific programs targeted toward policy-relevant macroeconomic research and masters-level training, AERC has attempted to strengthen and stimulate the economics discipline across the continent in whatever ways seem practical. Originally this program was intended to remove constraints to policy-relevant research by providing small, targeted grants to departments and to worthy individuals for such purposes as sabbatical leaves and conference travel. Subsequently, in attempts to improve the dissemination of research results, it has helped to revive national and regional economics associations in various ways, in particular by supporting meetings of different kinds, including those at a national level between scholars and government officials, on a regional level among scholars, and on one recent occasion in Abidjan, the first-ever joint meeting of the West African and East and Southern African Economic Associations.

Attempts have been made also, without much success to date, to revive the two periodicals of the regional economic associations.

## **Conclusion**

In light of the maturation of the workshop process and the new training activities, as well as the new activities being discussed for Phase III, we conclude the AERC's strategy toward professional development needs to be reconsidered and redefined.

## **Overall Conclusion to Section 2**

Our summary appraisal of AERC's accomplishments in developing an administrative structure and programs over the past five years is overwhelmingly positive. The office and staff are firmly in place and working very well. The success in encouraging and stimulating high-quality policy-relevant research can only be described as remarkable. The training efforts are just in their infancy but show promise. Dissemination is well under way but needs more attention. Efforts to accomplish professional development are well intentioned but in need of an integrated strategy. Suggestions that we have made for some mid-course correction and reconsideration of structural and programmatic issues are of a kind that can, and should, be made within any vibrant and successful institution.

### 3.0 Assessment Methods

There are several dimensions to the impact of the AERC. Our focus here is on the two major ones, namely, (1) those who take part in its programs and the institutions they inhabit, and (2) public policy.

We used multiple sources of evidence for assessing the impact on these two dimensions. These are:

- 1) written assessments by selected researchers;
- 2) personal interviews with selected individuals in Abidjan, October 1992 and in Nairobi, December 1992;
- 3) a questionnaire administered at the December Nairobi Workshop.

#### Written Assessments

This was more or less a pilot method of data collection used before the Abidjan meeting of the evaluators. Ten researchers/scholars were selected in Nigeria (the home country of one of the evaluators) who included representatives from universities (Ibadan and Abuja), and training and research/training institutes (NISER and NCEMA). The selection included the most senior such as professors, and the most junior such as an assistant lecturer. They were all assured of high confidentiality to ensure a free assessment, including positive and negative comments. We attach some of the responses in the appendix edited to exclude descriptions of familiar aspects of AERC. It is important to note that all those requested to submit an assessment did so and the write-ups range from 1 to 14 pages typed! We interpret the response as indicative of the very high interest in AERC. The large number of positive suggestions and, in few cases, negative comments on the program are interpreted by us as a measure of the frankness and reliability of the responses.

#### Personal Interviews

This approach was extensively used at Abidjan where we took advantage of the International Conference on African Economic Issues and at Nairobi. At Abidjan, we interviewed 19 Conference participants for an average of about 45 minutes each. Preference was given to non-members of AERC who we understood we might not meet again. The non-AERC members included persons from IFPRI, OECD, central banks and universities. In Nairobi sixteen additional persons were interviewed.

Supplemental personal interviews were conducted by one of the evaluators (Goodwin) in Ghana and Abidjan on a West African tour in mid-September. Those interviewed on this trip included:

- the Chairman, Department of Economics, University of Ghana
- the Vice Chancellor, University of Ghana
- the Dean of the Social Sciences Faculty
- a former Director of the African Capacity Building Foundation and former member of AERC Advisory Committee
- A Ghanaian government official
- Selected faculty members of the University of Ghana
- Faculty members, CIRES, Abidjan
- A Francophone economist on the AERC Advisory Committee

#### Questionnaires

We administered questionnaires to all participants in the December 1992 Nairobi workshop and received 23 completed returns. The response rate was about 20 percent of those present but over 30 percent of the "effective" population. Because of the confidentiality (respondents did not sign), individual follow-up of non-respondents was difficult. Nonetheless, general discussion with participants revealed that many of those who had been interviewed personally considered it unnecessary to fill out the questionnaire. The observers at the conference, except one, did not complete the questionnaires at all.

We are satisfied with the representativeness of the respondents. As shown in Table 3.1, they include those from six African countries. In terms of length of association with AERC, this is almost evenly distributed between those with long association (i.e. more than 2 years) and those with 1-2 years. Table 3.2 shows the distribution.

**Table 3.1: Distribution of Questionnaire Respondents by Country**

Country	Number	%
Ivory Coast	5	22
Nigeria	7	30
Canada	1	4
Kenya	2	9
Ghana	6	26
Tanzania	1	4
Ethiopia	1	4
Total	23	100

**Table 3.2 Distribution of Respondents According to Association with AERC**

Years	Number	%
1 to 2	11	50
3 to 5	8	36
Since inception	3	14
Not indicated	1	-
Total (valid)	22	100

### 3.1 Impact on Participants

We report our findings on the impact on participants in two ways, based on sources of evidence. For this purpose we treat together the evidence from the written self-assessment and the personal interviews.

#### 3.1.1 Evidence from Self-Assessment and Personal Interviews

The timeliness of the AERC was highlighted by many of our respondents in assessing its impact. The general feeling was that AERC came at a time it was needed most. In the words of a senior economist, "AERC came just in the nick of time for many." The economic crisis, many respondents emphasized, had forced most African countries to rely more and more on external assistance by the late 1970's. Unfortunately, accessibility to external assistance was complex and problematic since the intermediary role of international financial institutions (IFIs) was needed. The performance of this role was impeded by African institutional instabilities and the seeming lack of requisite analytical capacity to negotiate competently with foreign donors. This led to perception of the urgent need to enhance capacity building in Africa. This need was further justified by the success of the IDRC in establishing a highly effective macro-economic research network in Eastern and Southern Africa in the early 1980's.

The above background provided by many of the respondents was used to appraise the activities of AERC. Specifically, it was used to explain the macro-focus of AERC's sponsored research. A few of our respondents were of the view that this macro-focus should now be broadened. In the same vein, it was felt by some that the thematic approach should be fine-tuned to include sectoral issues. A general feeling among those in favor of sectoral issues was for inclusion of the agricultural sector. To support this, it was argued that sector remains the mainstay of the economies of most African nations. At a minimum, some suggested, issues in African agricultural development ought to be included as a priority area of research in the AERC. Arguments were also advanced by some respondents for including the manufacturing sector, which was considered by the proponents as a major potential engine of growth for many of the African economies.

Our concern in this section is the impact of AERC's activities on the participants. Our respondents did not come out categorically to link the focus of research to its impact on them. It could, however, be inferred that the essence of their comments is that a broadening of the focus will lead to greater impact on their development. The impact could also be inferred from the motivation for the suggested broadening of the focus. There are those who are not macro focused and who have experienced some difficulties in developing acceptable research proposals. Indeed, one of our respondents had his proposals rejected twice. Although he appeared not bitter, we believe nonetheless that his view was affected by his experience and background.

We should also point out that some of our respondents believed that the macro-focus was dictated largely by the interest of the donors. This may not be true, but it is a widely-

held perception. As if to persuade us of the need to enlarge the focus, some argued that a major problem in the way of African economic development is resource mobilization which is regarded by them as a micro issue.

We have already raised the macro-focus as an issue in section 2. We believe that the macro-focus is understandable against the background of AERC's development. Nonetheless, the evidence from the participants will alone support a re-examination. For one thing, this may clear away some misconceptions. For another, a re-examination does no harm. We note, of course, that the macro-focus is one of the distinguishing features of AERC--we are not aware of any other organization in Africa that is so focused.

The reaction to AERC's sponsored research is another dimension used for assessing the impact on participants of AERC's activities. Like the macro-focus dimension, the impact on participants can only be inferred. Our conclusion from the evidence of the participants is that the impact could be greater if the approach were modified. Most of the respondents were impressed with the impact but were of the view that the approach to the sponsored research "was unnecessarily quantitative." Commenting on this, one respondent thought, "the overwhelming use of econometrics is because of the need for quick results which may be good for the young ones." Econometrics, according to this respondent, "is just a tool, must be seen as such and therefore must not become overwhelming."

Some of the researchers also observed an over-emphasis on modelling and mathematics. One of the respondents sums up thus: "it appears the AERC is losing sight of its objective of funding applied research as informed inputs into policy decisions." And "it appears there is greater interest in the modelling and mathematical defence of research reports than in the chances of their acceptance by policy makers." Yet another observation is to the effect that modelling ignores the deplorable data situation.

It is the feeling of some of our respondents also that undue "modelling" may lead to "talking to" rather than "talking with" policy makers. Some see the present approach as "going back to the graduate school."

We have discussed above AERC's distinctive approach to research. Our respondents raised it as well. They claim to have reaped enormous benefits from this approach including:

- the stimulus of peer review
- academic advancement
- workshop contacts
- literature up-date

The emphasis placed on each of the above and other benefits varies from one respondent to another. For example, one senior professor emphasized, "the meaningful use of what is already known and the confidence to use results we have." The research, he

added, encouraged African scholars to "stand up" and defend or challenge positions more forcefully than hitherto. The workshop exposed researchers to comment and criticism that improved their subsequent performance.

In addition to its multidimensional benefits, the research process was seen by most of our respondents as the main distinguishing feature of AERC. None of the respondents could recall any other organization that has a research process which is as comprehensive as the AERC. Less frequently mentioned is the "training" benefit of the research process. No doubt, this is a latent advantage, but its weight in the benefits should not be underestimated.

Our own appreciation of the benefits of the AERC process, manifest and latent, has made us discount most of the criticisms of the process. Nonetheless, important issues relating to this process, some of which have been raised already in section 2, were raised also by our respondents. A few feel that the current process is "too rich" and unnecessarily luxurious. There was the feeling that the three-stage presentation could be reduced. The general feeling was that presentation of the interim report is most crucial and should be retained. There were no clear views on which of the other stages to eliminate. The presumption, of course, is that eliminating any or both stages will lead to greater cost savings than the reduction in impact.

A number of other benefits of AERC to the participants and their institutions were mentioned. The financial benefit is a general consideration that only a few boldly and openly admit. A head of department observed in general that his department "has been transformed by AERC activities in research." A Vice-Chancellor put it more succinctly, "AERC has rescued his Economics department and made it one of the most vibrant in the university." He added, "I would like an AERC in every field."

The impact of AERC is best summed up in the words of one of our respondents who is not a direct beneficiary of AERC's activities. According to him,

"AERC has turned out better than any hoped. Jeff identified a need and responded to it. African countries have experienced stagnation and decline, and their universities an exodus of good people. Accra economics went down to 2 staff. AERC figured out how to stop the outflow with minimal resources. It reduced the sense of depression and isolation at minimum costs. Expertise of the highest quality has been generated as well as self-confidence and communication."

The other evidence from the participants relates to impact-enhancing activities. Dissemination of research findings, linking policy to research, and improving data quality are such activities that were frequently mentioned.

The general feeling among respondents was that adequate use is not made of the research output. Different reasons why, and therefore different suggestions for improvement, were put forward. Some, for example, observed that the findings of various research teams on different countries were diffused, while others said they were "too abstract." Some others thought the marketing of the research output was inadequate. It

was generally agreed that dissemination should go beyond the final report. Some suggested the publication of abstracts of final reports possibly through such outlets as an AERC Research Digest. The relevance of research findings, some observed, was likely to remain low because of the lack of communication between economists and researchers in other disciplines. Africa, according to one of our respondents, "appears to be suffering from interdisciplinary lacunae which, for instance, makes implementation of purely economic policy directives difficult without a corresponding conducive sociopolitical environment."

The most frequently mentioned way of raising the relevance of research was by linking research to policy. This is a new direction into which AERC is moving. It is, however, interesting to note conflicting views of the desirability of intensifying efforts in this direction. Most of our respondents were of the view that AERC should "create and sustain regular interaction between researchers and policy makers." Indeed, one of our respondents emphasized "the need for an AERC model that is national in scope and designed to promote this closer interaction between researchers and policy makers." Using the example of his country, he pointed out some evidence of an "oasis problem." He therefore argued for intensification of efforts to involve more people, especially the influential policy makers and researchers in AERC. He concluded that "capacity utilization should be emphasized as much as "capacity building."

But not all our respondents agreed on the need to strengthen the link between policy and research in an effort to raise the impact of AERC. A few maintained in very strong terms that AERC should "abdicate to ACBF responsibilities for linking research to policy and should work only with the research community." We were told of ACBF's plans to support institutes modeled on the Korean Development Institute for some African countries including Ghana and Uganda. In our view, ACBF's involvement should not be an important factor in deciding whether or not AERC should be involved. In the final analysis, ACBF may be involved in most of the areas of operation of AERC. Both are concerned with capacity building, with AERC being more involved in the intermediation role and ACBF in funding. Surely the interests of both in "linking research to policy," as in all other areas, can and must be harmonized. Our view is that the mission of AERC should be the determining factor. This is an issue for the Board.

Data quality is an area in which AERC, according to available evidence, has made little or no impact. The question, however, is whether or not AERC should make more efforts in this area. Those who expressed definite views were for a clear role for AERC. One of the most articulately expressed positions saw, "keeping track, and ultimately keeping data, from the innumerable micro level field surveys currently being undertaken by IFPRI, OECD, Oxford, etc." as a very important role for AERC.

The place of data in policy formation is obvious, so also is the deplorable state of data in Africa. Our respondents expressed the situation variously. One said, "if you don't improve and add to existing data, you just recycle and produce bad policy conclusions." We were told horror stories about recent research on Africa in Scandinavia that used sensible analytic tools sensibly but the data were so poor that the results were quite wrong. The data situation attracts frequent comments at AERC's workshops. The issue therefore is no

longer the desirability or otherwise of improving the amount of data and its quality, it is more of who should be charged with the responsibility and what should be the role of AERC, if any. This is an issue that is best resolved in light of the mission of AERC. A secondary issue is how AERC should be involved, assuming it has to assist in tackling the data problem. One suggestion made is that a "full-time person like Benno do nothing but worry about data--advise on quality, needs, and how to gather it." We took this comment to mean that in addition to the Research Coordinator, AERC could use a scholar-statistician (like Simon Kuznets) to spend full time on improvement of the data. We recommend this suggestion for consideration.

### 3.1.2 Evidence from the Questionnaires

Most of the questions in our questionnaire dealt with issues covered in both the written assessment and personal interviews. Nonetheless, the responses have been useful. They have provided us with the opportunity of validating or questioning conclusions based on other sources. Further, and perhaps more importantly, analysis of the questionnaires has enabled relative weights to be attached to some of the impacts. Although some of the questions were not fully answered these were not questions on impact.

**Table 3.3** Distribution of Responses According to Most Valued Benefits of the AERC

Benefit	Number	%
Peer review	13	22
Workshop contacts	19	32
Academic development	22	38
Pecuniary benefit	3	5
Literature support	2	3
Total	59	100

Note: The numbers reflects multiple answers by the respondents.

The important dimensions of the impact of AERC are brought out in the request to participants to list and rank the three most valuable benefits of AERC. Based on the frequency of responses, academic development was perceived as the most important impact of AERC on the participants. The literature support and pecuniary benefits were considered of least importance by the respondents. The assessment of the responses on these two items, however, must go beyond the raw data. These and other benefits are

better assessed from the responses to the request to rank the benefits. Table 3.4 summarizes the ranking of the benefits. As shown in the table, assistance with literature was considered most useful by 50 percent of the respondents. Indeed, 95 percent of the respondents found literature support at least useful.

**Table 3.4 Respondents' Assessment of Utility of AERC Research Workshops**

Activity	Most Useful		Just Useful		Not Useful		Total	
Proposal preparation	13	(62)	6	(29)	2	(10)	21	(100)
Preliminary review by Research Coordinator	16	(76)	4	(19)	1	(5)	21	(100)
Assistance with literature	10	(50)	9	(45)	1	(5)	20	(100)
Proposal presentation and peer review	17	(81)	4	(19)	0	(0)	21	(100)
Meeting with technical committee	13	(65)	7	(35)	0	(0)	20	(100)
Post workshop assistance by AERC	10	(50)	9	(45)	1	(5)	20	(100)
Interim report presentation	11	(55)	8	(40)	1	(5)	20	(100)
Final draft report presentation	14	(70)	6	(30)	0	(0)	20	(100)
Review process for final report	8	(42)	10	(53)	1	(5)	19	(100)

*what is difference?*

Table 3.4 is concerned with assessment of workshop activities which form only a part, albeit a most important part, of AERC activities. As shown in the table, proposal presentations and peer review were assessed as the most important aspects of the workshops. These are very closely followed by the preliminary review by the Research Coordinator. The evidence from the respondents revealed on the other hand that the least important workshop activity is the review process of the final report. (This result conflicts with our own impression that these final sessions are very useful.)

**Table 3.5 Respondents' Assessment of AERC Research Grant**

Assessment	Number	%
Generous	5	25
Just Adequate	12	60
Inadequate	3	15
Total	20	100

As we mentioned earlier, an assessment of the importance attached to financial support must not be limited to table 3.3. We show in table 3.5 the appraisal of the AERC's research grants. As shown in this table, 25 percent assessed the grants as generous and 60 percent considered the grants as just adequate. Cumulatively, therefore, 85 percent of the respondents considered the grants as at least adequate.

### **Comment**

The evidence from the questionnaires has not contradicted the findings from the other sources, namely, written self-assessment and personal interviews. Indeed, certain aspects effectively covered by the questionnaire are those not covered by these other two sources.

Our assessment shows clearly an impressive impact of AERC activities on the community of AERC's researchers. The evidence from the participants reveals excellent performance and attainment of set objectives. Some reservations have been expressed by our respondents. We consider these to be legitimate and they should be addressed. These observations must not be seen as excessively critical, but rather as inevitable for an organization that is successful and growing. Success increases demand for the services of the successful especially in an environment with too many problems seeking few solutions.

### **3.2 Impact on Policy**

The focus here is on the impact of AERC research on policy. We collected most of our evidence from members of AERC at the December 1992 workshop in Nairobi. The Nairobi interviewees were selected based on their policy involvement in their home countries.

Our original intention was to explore the impact of AERC research on governments in several African nations by visits to the capitals and interviews with important policy makers there. Unfortunately, these visits turned out to be impossible to arrange. However, Kayode did conduct some conversations in Nigeria and the results are infused throughout this report.

We conducted targeted interviews with a set of individuals among the AERC research community whose careers suggested the possibility of an involvement with the policy process. We talked with these persons for time periods averaging an hour at the December 1992 AERC workshop in Nairobi. Because much of the information relayed to us was of a confidential or delicate nature, we report it without precise identification of people or place. We do attempt to recount faithfully, however, the substance of these interviews. In no case could we corroborate the facts contained in these accounts but in all cases the testimony was conveyed to us persuasively and with conviction.

Ten participants were interviewed and the experiences reported are reproduced as an appendix to prevent unnecessary interruption of this report. We wish to emphasize that the cases cover different countries, both Anglophone and Francophone, in West as well as in East Africa. We present below highlights of our findings indicating the case or cases from which a finding has been drawn. We suggest these generalizations even though the evidence is admittedly rather slight.

- (1) The attitude of policy makers towards policy research by academics is becoming more positive (see Case A);
- (2) There is increasing recognition and use of AERC-sponsored research by international organizations and national governments--sometimes without acknowledgement (Cases A and I);
- (3) The provision of "African flavor" to research findings by AERC raises their relevance and applicability; lessons from one African nation can be drawn for another (Case B);
- (4) There is increasing recognition of scholars in the AERC community by policy makers through:
  - a) a rub-off effect of respect for AERC officials (Case B);
  - b) greater use of research output (Case D);
- (5) There is evidence of some direct use of AERC-sponsored research (e.g., in the handling of "involuntary credit," (Case C);
- (6) AERC research has facilitated international negotiations (Case D);

- (7) The AERC has raised critical policy questions thereby opening up new areas of research into practical problems (Case D);
- (8) Some direct rendering of advice to governments has been sharpened through AERC's research output (Case E);
- (9) AERC has by example encouraged firm grounding of public policy in sound economic analysis (Case F);
- (10) There has been direct application of some findings of AERC research to real-life problems (Case H);
- (11) AERC researchers have assisted international consultants (Case I);
- (12) African policy makers could benefit from publications that condense and interpret AERC findings (Cases A and H);
- (13) Association with AERC enables scholars on leave in government to keep their research skills well honed for an eventual return to the university;
- (14) AERC has provided the authority as well as the resources to explore important policy taboos such as exchange rate flexibility for the CFA franc (Case D);
- (15) Interpretation of research findings for policy is so important it might be desirable to sponsor workshops in this art (Case H);
- (16) Researchers have been happy to discover that intellectual curiosity and national need may both be served by the right kind of policy research (Case I);
- (17) More continent-wide comparative studies addressed to a well-focused policy problem would be useful to policy makers (Case J);
- (18) For economists working very close to government as consultants, AERC has provided independence and professional interactions (Case E);
- (19) A close and continuing direct contact between AERC and senior government economists might reveal research topics of great current interest, such as, at the moment, the ethnic consequences of privatization (Cases F and J);
- (20) There is a continuing danger that very sophisticated analytical techniques may obscure the weakness of the data on which conclusions are based (Case J).

## Comments

The ultimate objective of AERC is to have a constructive impact upon public policy both indirectly through capacity building, accomplished by AERC with its training and workshop programs, and directly through the publication of policy-relevant research. Since AERC has been in existence for barely five years, and considering the inevitable time lags in both training and research, it cannot be expected that AERC has yet left wide impact trails through government. Nonetheless our findings on the potential and actual impact of AERC on public policies are encouraging.

There is clear evidence of direct, positive, and immediate impacts. There are also strong indications that the impact could be higher if only the relationship between policy and research could be strengthened. We draw the attention of AERC to some of the suggestions made towards enhancing the impact of the research on output. These include:

- (1) According greater priority to some demand-driven research proposals (i.e., those emanating from government and international organizations), and attaching less weight to researchers' own preferences. One high official expressed frustration at what he considered endless discussion of esoterica while precise policy issues that worried him went unattended. The issue here is one of balance.
- (2) Giving greater emphasis to relevance and realism of results and less to sophistication of techniques and certainly less to sophistication for its own sake; this is an issue of style, methodology, and presentation;
- (3) In order to improve the chances of attaining (1) and (2), providing for whenever possible:
  - a) greater involvement of policy makers in the activities of AERC, especially the sponsored research; and
  - b) even greater emphasis than hitherto on scholar/public servant collaborative research. Several observers expressed concern that the emphasis on this style might be declining in AERC.

In view of the foregoing, we commend the current initiative of AERC in promoting national research networks. While recommending an intensification of the effort in this direction, we, at the same time, suggest that appropriate lessons be learned from the workshops in Nigeria, Ghana, and Tanzania which at best should be regarded as experiments in promoting national research networks.

While the impact of research on policy depends to a large extent on its "quality" and relevance, there are other considerations that should not be forgotten, including the involvement of researchers in the policy process and the dissemination of research output.

We are aware that AERC cannot do much to influence directly the involvement of researchers, and in particular scholars, in the policy process. However, such involvement can be influenced indirectly through greater encouragement of collaborative research between scholars and those involved in the policy process. That is the implicit logic in the priority rating suggested earlier. A generous interpretation of collaborative research may be needed initially. Such an interpretation should broaden collaboration beyond scholars and those involved in the policy process on a full-time basis to collaboration among scholars and those involved in the policy process on a part-time and/or ad hoc basis as experts, members of committees, etc.

The suggestions made so far must be viewed only as necessary and inevitable fine-tuning of the strategies for AERC-sponsored research. They do not detract from the impact of this research which, if seen as investment, must have a gestation period longer than the few years of existence of AERC. The findings as revealed by our selected cases therefore reflect commendable efforts on the part of AERC and the researchers.

## **SECTION 4:           PHASE III AND BEYOND**

Speculations and recommendations about the future of AERC only have meaning with respect to a set of assumptions and value judgements. We found quite quickly in the course of our inquiries that there was a good deal of variety in these assumptions and values. Even though few people were at opposite extremes, we think it illuminating to construct the polar cases, and this we do in the first part of this section. In the second part, having admitted our own assumptions and values, we examine opportunities we see ahead for development of new aspects of AERC programs.

### **4.1    AERC's Mission and the Two Models**

A complication we quickly discovered in preparing our evaluation of AERC and reflecting on its future is that different people involved with it have very different conceptions of its mission and therefore of appropriate roles and functions. Different role specifications lead necessarily to different functional prescriptions. We could discern two polar positions on the fundamental structural issue. Most people stand somewhere between these two extremes, but we believe it is useful all the same to illuminate these two poles in stark and absolute terms.

## Model I

This model portrays AERC as mainly a post-doctoral training program to prepare a substantial body of African economists to serve directly their governments in middle-level professional roles with policy-relevant research and to serve governments and international organizations also as consultants capable of preparing technically sophisticated reports. This program is conceived partly as a rescue mission for those trained many years ago and partly as a supplement to training in modern graduate schools. Since the demand within government and international organizations is at the moment mainly for macroeconomic analysis, that is the area to which AERC appropriately confines its attention.

The implications of Model I can be transformed easily into prohibitions against activities that AERC might consider undertaking. Above all, under Model I, AERC should not become distracted by activities that might seduce it from its central mission. It should not, for example, become involved in pre-doctoral training because that activity is unrelated to its post-doctoral responsibilities and can be undertaken better by others. Defenders of Model I argue that background conditions in Africa dictate their position. First of all, they say, resources available to African universities are so few, and hence salaries paid even to the best people so low, those economists who pass through the AERC process successfully will inevitably become consultants rather than research scholars in the sense of this term as it is used in the developed world. A second background condition assumed, and sometimes expressed explicitly, by advocates of Model I is that politically most African nations remain largely authoritarian, and they show few signs of change. Therefore the target audience for improved economic analysis should be those in government charged with the direct implementation of economic policy. Other potential audiences, for example, legislatures, the mass media, and the institutions of civil society, are simply irrelevant.

A second implication of Model I is that the research output of AERC can never be of great disciplinary significance except as a means of gaining credibility with donors and participants. The research projects are mainly training exercises that are not of great value in their own right and the audience for them should not be of deep concern.

A third implication of Model I is that the "graduates" of AERC need receive no special attention. The AERC function is to provide a post-doctoral training experience lasting 3-4 years and those who pass through will either "succeed" and be "discovered" for consultancies by their governments and international organizations, or they will fail for this purpose and fall by the wayside. In either case, they should be no further responsibility of AERC, and any serious attention to them would be a distraction from the main purpose. A case can be made, the defenders of model I concede, for modest support of the wider profession of economics in Africa so that the flow of new entrants to AERC will be sustained. But the quality of the indigenous professional services (such as journals and meetings) need not be of high priority to AERC since their mere existence is enough for the purposes at hand.

A fourth implication of Model I is that the dissemination function of AERC should be minimal because its proper function is training for the production of policy-oriented research. Moreover, the research output can be expected to be of little interest to a wider professional audience outside Africa. One observer suggested that there are only 5-6 scholars in Africa with the capacity to "play on the world stage," and they have not passed, nor will pass, through AERC. The technical economists in African governments do, indeed, need servicing with a rich flow of materials, but AERC cannot provide these. We were repeatedly told by adherents of Model I that what is needed in Africa is a network of policy research think tanks modelled after the RAND Corporation or the Korean Development Institute that will serve as a transmission mechanism between the economics discipline worldwide and the policy communities within governments. If AERC tries to get very far into this dissemination business rather than the post-doctoral training business, they say, it will simply muddy the waters.

Finally the advocates of Model I dismiss out of hand the notion of AERC disseminating its research results beyond the professional community. They say variously that (1) civil society and the democratic parts of government are simply not sufficiently well developed to accept and absorb successfully the messages to be disseminated. (2) If dissemination outside the profession truly needs to be carried out it will be done better by others and would distract AERC very seriously if undertaken; and (3) there is no indication that any conscious dissemination of research results beyond the profession has ever been successful in affecting policy outcomes. The ultimate filiation of ideas is unpredictable and unmanageable and should be left alone by AERC and all other such training agencies.

## **Model II**

Model II for AERC proposes in essence that this organization serve with policy-relevant research not just government and international organizations as presumed under Model I, but all parts of a pluralist society including, in particular, the private sector, the mass media, and the many institutions of civil society that include the church, trade unions, and non-governmental organizations of all kinds. Where these diverse parts of civil society have been repressed or remain vestigial, AERC can contribute to their growth and maturation through the provision of comprehensible discussions of current economic challenges and alternative policy options. In essence, Model II conceives of AERC not simply as a training mechanism for applied economists in national governments and international organizations, but as an institution with the capacity to stimulate constructive social and political as well as economic change.

While proponents of Model I dwell usually (but not always) outside of Africa, those in support of Model II can be found inside and out of the continent. We like to think, but cannot be confident, that to a large extent the two models reflect change in views over time more than a difference in essential philosophy. Model I was perhaps more appropriate at an earlier time when African nations seemed permanently mired in authoritarian government and stagnant "planned" economies. In recent years, democracy has been waxing throughout the continent while deregulation, privatization, and structural adjustment appear to be laying the foundation for an era of growth and pluralism that has not been experienced since decolonization. Regardless of the probability one attaches to the likelihood that this political and economic change will continue on an upward trajectory, it is our view that optimism is the right posture to be retained by AERC; and if that is so, it should move steadily closer to Model II than to Model I. With that assumption in mind, we suggest in the next section three directions in which AERC might wish to move in the years ahead. In all cases, these moves would be an extension of programs underway. But since we think the changes in degree would involve virtually a change in kind, they merit some reflection and discussion.

#### **4.2 AERC's Growth Path: Some Suggestions for New Opportunities**

We recognize that AERC has a challenging array of tasks on its plate already and, at the same time, it has several well-developed additional opportunities that lie open to it. If, as recommended, AERC's growth path is to move nearer to Model II, then it means adding more to a plate which is already full by the assessment of some. It is therefore important to address the issue of how AERC should shoulder this expanded responsibility. In fine-tuning its strategy for managing a fuller plate, AERC should consider greater use of catalytic approaches in discharging some of its tasks, in addition, of course, to direct involvement in some others. A catalytic role could be performed through greater use of national and sub-regional associations and/or individuals. In the subsections that follow we outline several kinds of new activities that, in our judgement, are likely to yield high returns.

##### **1. Extend the clientele and products of the consortium**

We heard very often legitimate concerns expressed about the danger that AERC may easily become overloaded by too many responsibilities, with the consequence that its principal function to date, the research workshops, will be neglected. It was frequently pointed out to us that success can be a magnet for those in trouble, of whom there are many in Africa, and if great care is not exercised the magnet, in this case AERC, becomes overwhelmed by those seeking its services and thereby loses its attraction. While we agree entirely that the opportunity cost of all program extensions should be scrutinized carefully, the possibility of securing expanded human and financial resources for additional functions

should be explored. Our conviction is that in a democracy, and especially an emerging one, many communities can benefit from, and may even come to depend upon, the local economics profession. The target communities of AERC to date, for both its capacity building and research output, have been mainly university-based scholars and technically sophisticated public servants in the international organizations, central banks, ministries of finance and economic planning agencies of the national governments. Communities which we suggest should be added for attention by AERC include legislatures (many of which are just beginning to take on significant roles), non-economists in government who have nevertheless an interest in economic affairs, the mass media, segments of the market economy (business, labor, agriculture), the church, non-governmental organizations, and concerned citizens mobilized in any way they see fit. The operating principle in determining the extension of the audience should be that in a democracy anyone that wishes to understand better the conditions around them, and policies that affect them, should be assisted to do so.

How might these new communities be reached by AERC? The answer varies for each community, and trial and error alone will reveal the most effective devices in each case. Many models are available in other societies and it might be well to begin by reviewing these carefully. An obvious first step would be to explore different forms of printed material to reach a wide range of constituencies: perhaps a much enlarged newsletter, or a magazine comparable to that of the Institute for International Economics (*Economic Insights*), the National Bureau of Economic Research (*NBER Reporter*), or The Brookings Institution (*Brookings Magazine*). The purpose of such a publication would be to interpret and explain to the uninitiated the significance of research work undertaken and challenges that remain in the field. Pamphlets and other ad hoc pieces aimed to attract non-professional readers (and perhaps distributed free of charge by institutions of civil society) could supplement or be an alternative to a serial publication.

Different types of meetings than those now conducted by AERC could be undertaken, starting with the question, "what would a non-professional audience like to hear?" rather than the question, "what would the researchers like to tell them?" Unquestionably, delivery of information and guidance on economic policy to a lay audience is an art requiring special skills; but it is an art that can be learned and toward which the experience of some developed nations may offer guidance.

A central question remains, of course, of why AERC, given its particular mission, should even contemplate such an extension of its mandate when so many other responsibilities now impinge. Four powerful reasons can be suggested. The first is that there is simply a moral and social duty in a democracy to reach out to those citizens who seek to gain understanding. If scholars do not perform this function who will? And how can freedom survive where everywhere outside government and the university ignorance prevails?

The second reason is that experience from other countries suggests strongly that major policy changes in a democracy can seldom be made or sustained where the public is unfamiliar with the reasons for the change and the competing options. The consent of the governed is needed for the successful adoption and implementation of many public policies. It is not enough for the public to be told by "experts" that this or that is good for them. They have to be convinced--especially where appropriate public policy actions are counter intuitive, as is often the case with macroeconomic issues. In developed countries it is now widely accepted that a large number of public policies could never have been accepted--for example, counter-cyclical fiscal policy and market-based environmental policies--without broad understanding and acceptance by a wide range of elite groups at least, and the general public to some degree. African nations are faced now with a breathtaking range of policy reforms that affect the lives of everyone--from structural adjustment, through privatization, to full participation in an integrated world economy. With the tasks of public education about economic affairs still remaining to be addressed in Africa, it would naturally make sense for AERC to proceed cautiously, starting perhaps with elite groups where the problems of communication are least daunting. But AERC has faced challenges successfully before and we think the potential payoff here is very high. To those who claim that democracy in Africa will be for the foreseeable future a mirage, and that efficiency under authoritarian rule is the best that can be contemplated, we reply that this is an unacceptable assumption, intolerable in principle and unjustified from a review of recent events.

In some respects relationships with elements of the mass media may be the easiest to nurture among links with civil society because as free media come to life, reporters, editors, and publishers experience an intense "need to know." Where better for the media to go for guidance than the experts? But the experts must recognize and be willing to respond constructively to their needs. And this is where AERC is well positioned to help. Small group discussion, personal contact, and short, intense training programs conducted by institutions like AERC have strengthened the media in other countries with relatively little expenditure of funds. Similar activities could flourish in Africa.

The third reason for AERC to reach out to a larger audience is because of the exceptional stimulation this audience may provide to the community of scholars engaged in policy-oriented research. Scholars who are dealing mainly with theoretical issues quite properly listen almost exclusively to their peers and prefer to dwell exclusively within the discipline. Those who address policy, however, and these include the vast majority of scholars working through AERC in Africa, will not only derive pleasure and excitement from close involvement with those who are actors in the process they are attempting to explain, but they may also gain data about and deeper understanding of the behavior of these actors from direct involvement with them.

The fourth reason to reach a wider audience is because in the long run this audience is the resource base upon which AERC may have to depend. When the foreign donors and international organizations are gone, AERC will have to draw nourishment from its own soil--the business community and other parts of African society. The extension of audience we are proposing may be seen in part as cultivation of this soil.

Clearly if, as we suggest is appropriate, AERC does decide to extend its audience it should do this cautiously, testing different modalities and making sure that the system is not excessively stressed by the new responsibilities. Moreover, the leaders of AERC must carefully eschew policy advocacy and entanglements in local controversy. At the same time, we urge that the positive complementarities not be ignored. In addition to the stimulation and information discussed above, AERC and those who participate can also come closely in touch thereby with society's agenda as they develop their own.

## **2. Improved linkages of African economists with the economics community worldwide.**

An extremely important contribution of AERC to date has been to increase the self-confidence of many African economists inside government and academe that they can produce excellent research in a timely fashion. The research workshops and research paper series have demonstrated convincingly that African economists can do what their professional colleagues do elsewhere in the world, and do so following the same rules of scholarly rigor and peer review. But AERC has accomplished this objective largely within the community of African economists, and "African economics" remains today largely invisible outside the continent, except for a small coterie of "Africanists" in other places, and specialists on economic development. African isolation seems far greater than that of economists in other developing regions, such as South America or Southeast Asia for example. African economists are, of course, asked to participate from time to time in activities where their particular "area" perspectives are required. But African names are seldom found outside the continent in projects or publications where the focus is not on Africa but is on the traditional topics to which economists attend.

Does this isolation matter? It would appear that it does, for substantially two reasons. First, because African economists are not often viewed as equal partners by economists worldwide, they are usually cut off from the stimulation and peer interaction that is essential for vigorous life, or even survival, on the frontiers of a discipline. They do not experience the in-group conversations, receive early drafts of path breaking papers, or benefit from long- or short-term visits of leaders in the field.

The second advantage of "playing in the big leagues" is the extra pride and self-confidence that comes from being compared to the very best. With this condition, it might be added, comes access to a different category of resources. Most of the funds that have come to AERC thus far have had essentially two justifications (whether stated so baldly, or not): (1) to achieve and maintain minimum standards in an important segment of the human capital of the region that produce policy research, and thereby (2) to experience "better" economic policy-making. Admirable as these rationales may be, they have limitations: they preclude research support above a certain level, and they may even lead to termination of support when these minimal objectives are reached. Support for economics that is based not merely on this capacity-building argument but rather upon the contribution to knowledge within the global discipline may, in contrast, be endless,

depending of course upon the continuing capacity of the discipline and the African researchers to yield useful knowledge.

What, then, can be done to bring African economists more directly into the global community of economists, at various levels. Several steps can be taken, among which the following are only examples.

Systematic scheming should be conducted (as it is done within most economics departments and faculties in the industrialized countries) to have the most promising AERC research products published in the best journals in the field, and in the case of books by the best publishers anywhere in the world. Several means to this end come to mind. One device might be to bring young African researchers together with some of the key editorial "gatekeepers" of the discipline. Consider a workshop lasting over several days in which a prominent mentor (who might also be an editor) would work with a select group of the very best researchers to reconstruct their papers so as to make them as attractive as possible to a wide international audience and to the best publishers. With luck, this person might be prepared also to intervene constructively with the editors on the authors' behalf. It is our sense that this next step of transforming the best AERC research papers into respected journal articles is now little attended but is most important. The purpose of the suggested workshop would be partly to arrange for a set of very good papers to reach a wider audience through these journals and partly to develop skills in the authors to enable them to prepare later submissions on their own.

Another approach might be to move gradually away from the selection of resource persons, observers, and members of the Advisory Committee from the two scholarly sub-fields where now they mainly come: specialization in the economies of developing countries and African area economics. These are not, in fact, the principal fields of economics with which most African economists will ultimately wish to be identified, and they are not the fields in which contacts on the world stage will be most valuable. We suggest the deeper involvement of distinguished persons from the mainstream fields of macroeconomics, international economics, industrial organization, and public economics, whether they have special experience with Africa and the rest of the developing world or not.

Successful penetration by African economists of the most prestigious publications would have innumerable byproducts. These publications are abstracted and indexed in the *Journal of Economic Literature* and other databases, and the authors would build up a track record in the Social Sciences Citation Index. The significance of this record would be that when economists worldwide conducted literature searches in preparation for work of their own, they would come to think routinely of productive African economists as members of their smaller sub-community: to correspond with them, include them in collaborative activities, invite them to meetings and for visits, and visit them themselves on their home campuses.

Complementary to workshops that would convert working papers into attractive, publishable journal articles would be workshops designed to teach promising young researchers how to raise their own funds from governments (local and foreign), international organizations, corporations, and private foundations. Fund raising is a high art that successful economists in industrialized nations usually learn in their youth from mentors. Such mentoring is seldom available in African nations. Yet, the complexities of fund raising in Africa are even greater than in developed nations. The sources are just as diverse but often they are more remote, and face-to-face contact is nearly impossible. The complex signaling that goes on between applicant and potential source, and then between funder and grantee, may therefore be unusually obscure. There are already among African economists some extremely skilled fund raisers and one approach to building up indigenous fund-raising capacity might be to enlist these persons, together with some from outside, to present a workshop based on case studies of successful and unsuccessful fund-raising efforts. Thereby the mysteries of accountability, expenditure responsibility, and other such arcane subjects might be clarified. Very much in the way that a relatively short series of training endeavors might inculcate a self-sustaining culture of journal publication, so fund-raising skills once developed might be passed on from one generation to another.

### **3. Actions to reduce the migration of the very best talent nurtured by AERC.**

A serious problem that can be anticipated for AERC, and that, paradoxically, may be expected to increase with AERC's success, is the departure from the continent of the most distinguished members of the research network. If one characteristic of AERC programs is to become the international exposure they provide for talented young researchers to the communities of economists worldwide through writings and direct contacts with members of the Advisory Committee, resource persons, and peer reviewers of the written output, it is only natural for offers to start to flow to the most successful researchers from high-paying employers outside the region. If such offers are accepted in large numbers the resulting "brain drain" may imperil AERC in several ways. First, it will be demoralizing to see rising stars deflected repeatedly into another firmament. Second, the financial donors may rightly question whether the program is in reality a capacity builder or rather a capacity destroyer. Third, it is quite likely that if the institutions that employ the AERC researchers discover that regularly they lose abroad the best of those who partake of AERC they are likely soon to lose their enthusiasm for it. Certainly this mounting skepticism has been the experience of programs in the United States designed to encourage faculty at less privileged institutions who end up in practice increasing the out-migration from these institutions.

It is neither practical nor right to think of any kind of barriers to brain drain, such as commitments from researchers to stay put in return for grants. Instead, positive encouragements to remain at home must be contemplated to the extent that these could be provided by AERC. Without question, salary levels and basic working conditions are the most critical determinants of retention, and the member institutions need to be reminded that when they are privileged to have first-class scholars in their midst, these persons

operate within a world market, and if world prices are not attended they will lose their most mobile resources. Since few African institutions can in fact consider compensating on a global scale it is fortunate that many African scholars acknowledge non-pecuniary advantages. But to these advantages, assistance from AERC with travel, computer facilities, and other relatively inexpensive "perks" might make a significant difference. What we suggest, here, is that some tendency toward outward drain of the best brains should be expected as a byproduct of AERC success in integrating African scholars into the world community. We have seen no evidence of this tendency to date but we suggest that AERC be alert to it and recognize that it has within its power the capacity to mobilize resistance. In any case, the depressed African condition is one of the long-run targets of AERC. Hopefully, therefore, the brain drain effect will not be forever.

## **SECTION 5: SUMMARY AND CONCLUSION**

The authors of this report have conducted an extensive review and evaluation of AERC lasting over six months and including examination of its structure, observation of its programs, distribution of questionnaires to its participants, and interviews with a wide range of persons involved with it in various ways. We find the institutional structure to be well designed and constructed and the financial condition to be satisfactory. Structural questions that may be raised by us and others are in the spirit of asking how an excellent institution can be made even better.

The program for research stimulation and support has been superbly successful. It has generated a large amount of policy-relevant research and invigorated a substantial cohort of African researchers in universities and government. It has been innovative, flexible, and widely praised by nearly everyone involved. Some course corrections should be contemplated, but only if the overall contribution is not threatened thereby (some questions for consideration distributed throughout the body of the report are gathered together in appendix 3).

The training program is still at an early stage and is more problematic than the research program. But it is on a sensible trajectory. The skepticism expressed by some about various aspects of the cooperative MA program seems largely unfounded.

The dissemination activities of AERC have made a good start but need attention, as do the programs concerned with overall professional development of economics in Africa.

Three devices were employed to explore the impact to date of AERC on its participants and the policy process: written assessments, personal interviews, and questionnaires. Overall, these mechanisms supported the conclusions we reached from our own observation. Participants testified to the strong impact on their own professional development and, to a surprising degree, to the effects they could see on the policy processes in their own countries. They offered some criticism, as well as bountiful praise, and made

some constructive suggestions for change. Respondents emphasized in particular the timeliness of AERC, the need to reconsider the macro focus, and the desirability of shifting the emphasis somewhat from technical virtuosity to policy relevance. The greatest praise was reserved for the psychological impact that AERC has had upon its participants, in many cases restoring them to constructive functioning within the economics profession after years of discouragement and inertia. Many respondents raised the issue of developing new bridges between the scholarly and policy worlds so as to benefit both.

We were surprised and impressed by the evident impact that AERC has had already on the policy process in Africa. Contacts with government agencies in Nigeria suggested that a majority of the papers produced to date are of substantial potential impact. Interviews with AERC researchers revealed a wide variety of policy interactions, enriched in almost all cases by the AERC links. It was reported to us that AERC had increased the credibility of researchers with policy makers and had provided the policy process with valuable materials with an "African flavor." In a number of cases AERC contacts led to their close involvement with a variety of policy-related activities in government.

In order to reflect upon the road ahead for AERC, we set forth two different conceptions of its mission and place in the African context. On the basis of the second conception, toward which we argue AERC should now be moving, we suggest that AERC consider extending its client base to elements of civil society and contemplate new dissemination vehicles appropriate for the larger audience. We argue for attention to legislatures, the mass media, the private sector of the economy, churches, NGO's and citizens generally who wish to understand the economy around them.

We recommend also that AERC attempt to improve linkages of African economists with the professional community worldwide through penetration of the major journals and professional meetings. Additional benefit could be attained through improvement in fund-raising skills among AERC research entrepreneurs. These and other actions may help to reduce the out-migration of the most talented AERC members if the program continues on its successful course.

The single impression we wish to leave most vividly with the readers of this report, and the donors in particular, is that the AERC through its first years of life has been a phenomenal success. It has met and exceeded the goals set for it, and it has contributed mightily to the production of policy research, the reinvigoration of the economics discipline in Africa, and indirectly thereby to improvement in the economies of the nation states. Naturally, as with any organization, certain features of AERC call for some attention. And its road ahead deserves careful study. But the funders of this program should congratulate themselves on their past foresight and good judgement, and should proceed with the funding of the next phase with confidence.

## APPENDIX 1: WRITTEN ASSESSMENTS

### Assessment 1

Since 1988, the African Economic Research Consortium, AERC, has provided useful assistance to local researchers into African economic problems. This has the dual advantage of enhancing the technical skills of African researchers who benefit tremendously from the superb network of the consortium which includes international experts from all over the world. At the regular biannual workshop organized by the consortium, a team of intellectuals from different parts of the world are allowed to make suggestions and contributions to the studies being carried out by researchers. In many respects such contributions often lead to substantial revisions and improvements in the quality of work finally produced. Specialized workshops are also organized to expose local researchers to new methodologies in economic analysis. Such methodologies are supposed to make local researchers more relevant internationally. In addition, it also marked a refreshing alternative to situations where either for lack of financial resources or avenue for presentation of their ideas, research into African economies has been left in the hands of non-Africans who know little about the specific problems of the continent but who were only interested in confirming the erroneous belief of the western world about the dynamism of African economies.

The Advisory Committee of the body which among other responsibilities determines the research priorities of the body in line with the perceived priority areas of the countries is composed of leading African scholars, policy makers and international resource persons. The presence of Africans in the Advisory Committee would therefore ensure that the research agenda of the body is made to reflect local need of the Africans. The integration of policy makers into the Advisory Committee is a useful development. One of the objectives of AERC has been the facilitation of closer ties between researchers and policy-makers. A major goal of research is to be a useful input into policy formulation. In order to do this it is important for formal transmission mechanism between researchers and policy makers to be established. Until recently, a formal link for transmitting AERC research work to policy makers was not in place. However, with the sponsoring of national workshops in some countries, policy makers have been made acquainted with research findings of AERC sponsored research. This may mark a useful beginning for bridging the wide gap between researchers and policy makers in Africa, thereby bringing to an end the mutual suspicion between the two groups. However, it is important that other channels of communication should also be identified and pursued. For example, invitation of selected policy makers to AERC workshops, sending copies of AERC publications to government institutions, and leading domestic businessmen.

The AERC has also been working assiduously towards creating a crop of young intellectuals that can compete internationally. This is being achieved through the newly introduced MA programme that will bring together selected postgraduate students of economics in all African countries in one place for a period of twelve weeks for intensive training, with lecturers being invited from all over the continent. Facilities such as computers and relevant textbooks and journal articles which are not available in these countries would also be made available for the students. Through its thesis support grants which are annually made available to Ph.D students in African Universities, the AERC has provided immense succor to young African researchers who otherwise might not have gone through the doctoral program. Funding is provided for data collection and collation, computing work, acquisition of relevant journals and books, etc., all of which undoubtedly have been stumbling blocks for doctoral work in Africa.

In spite of its few years of existence, the AERC has had useful impact on Africa as can be attested to by the number of researchers in its network and the number of people that have benefitted from its activities. This has facilitated cross fertilization of ideas. However, there are still avenues for improvements. First, the research projects sponsored by the AERC should be divided into two categories. The first should consist of the mandatory one year completion cycle and another one to extend beyond one year. This will allow for a more comprehensive study of some vital research issues which the mandatory one year span can not effectively handle.

Second, there is the need to organize collaborative work among researchers in different countries to permit cross country studies and cross fertilization of ideas.

Third, exchange and refresher programs can also be organized for researchers in the network.

## **Assessment 2**

### **Virtues**

1. Provides a unique opportunity for interaction among front-line economists and policy advisers across the whole of Sub-Saharan Africa (SSA).
2. There is a noticeable improvement in the quality of applied research through objective criticisms.
3. It fosters an understanding and hence an appreciation of the economic problems of individual African countries.
4. The reports allow for identification of common economic strengths and problems of SSA. These contain valuable insights into the extent of potentialities for meaningful regional and continental integration efforts.

5. The assembly facilitates better human resource allocation through better utilization of African scholars either as researchers on African issues or as teachers in areas of shortages.
6. The pecuniary aspects of research grants and awards has rekindled the interest of new entrants into the academic profession.
7. Its policy workshops constitute an attempt to bridge the gap between researchers and policy makers, thereby paving the way for utilization of findings of applied research as useful inputs into policy decisions.

#### Weaknesses

1. It appears the AERC in losing sight of its objective of funding applied research acceptable as informed inputs into policy decisions. It appears there is greater interest in the modelling and mathematical defense of research projects than in the chances of their acceptance by policy makers.
2. As of now, the findings of various research works on each country are diffused. There should be a means of summarizing the major findings of research, their policy relevance and implications, and suggesting how the findings can be effectively transmitted to appropriate policy makers.
3. There is still the suspicion that some regions in Africa are being given preferential treatment.

### Assessment 3

#### Introduction

I find the objectives of AERC quite relevant. Being a program that aims at strengthening local capacity for conducting independent, rigorous inquiry into problems pertinent to the management of economies in Sub-Saharan Africa, its success should greatly enhance self-reliance in all other domains of life in Sub-Saharan Africa. The AERC initiative should therefore be sustained for a long time in order to achieve its laudable objectives.

#### Research

#### The Process

##### (a) Review of Research Proposals

The research process is quite good. In particular, the speed of response to proposal authors is remarkable. I also find the comments quite incisive indicating that thoroughness

is not sacrificed for speed in reviewing proposals. Moreover, my experience has been that the comments are unusually constructive. In order to maintain these attributes, it may be necessary to provide for Assistant Research coordinators. This is especially so since the number of proposals to be treated will increase in the near future.

(b) The Workshops

The workshops at which proposals, Work-in-Progress and Final Reports are presented are quite instrumental in bringing African economists together to share experiences. The knowledge gained about the structure, problems and development issues of African countries is invaluable. Also, access to the papers assists researchers in seeing the practical applications of new techniques of analysis to African problems. Resource persons are very helpful, especially to the younger colleagues who may need assistance in focusing their research problems. They are also academic enough to encourage views that may seem to differ from theirs, i.e., they are not dogmatic. The meetings with resource persons may appear worrisome to new entrants who may see it as an examination. Of course, this is not the intention. Rather it is another means of promoting technical assistance to the researchers. It may be necessary to emphasize that this is the purpose of the meeting and that it is not a viva.

(c) Publications

One problem with publications is the speed with which researchers submit their revised final reports after the workshop and the delay in revising their papers upon receipt of reviewers' comments. It may be necessary to tie incentives to these activities. One possibility is to increase the honorarium slightly and pay half of it upon receipt of post workshop revised final report and the remaining half upon receipt of the revised final report on the basis of reviewers' comments. This way, the number of research papers coming out of the network will increase considerably.

(d) Wider Dissemination of Research Findings

In order to widely and cheaply disseminate the findings of AERC researchers, it may be useful to produce an *AERC Research Digest* which will contain abstracts of final reports submitted after the workshop. This digest may be annual to begin with but as soon as the network enlarges, it may be possible to produce it twice a year. This is in addition to the newsletter currently being produced.

#### Assessment 4

The AERC is doing a good job in the building of research capacity in Africa, but it is not devoting enough resources to the marketing of the output of its sponsored research at the country level. It should explore other strategies for disseminating research output in addition to the distribution of its final reports.

The current needs of policy-making may be broadly similar across African countries. However, in specific terms, there are clear differences. The AERC should have links with reputable research and training institutions as well as with finance and planning Agencies in each country to provide it annually with the areas of focus of, or constraints on, government macro and sectoral policies. Such information should also contain specific economic problems on which the government would like studies to be commissioned. Information of this nature will then provide the basis for what type of research proposals the AERC should approve at the country level. The current policy of a blanket research agenda for all countries allows for a neat grouping of research interests, but it does not allow for immediate policy relevance of research output.

To promote effective utilization of research output in policy-making, the AERC needs to strengthen policy analysis units like the departments of planning, research and statistics in two key ministries, namely, finance and planning, and the research department of African countries' central banks.

The need for collaboration between policy makers and researchers in African countries is critical, if research output is to be of any relevance for decision-making. It is to this end that the AERC, as part of its initiatives in the area of dissemination, now supports national policy workshops and senior Policy Seminars. A typical example of this was held in Nigeria in April 1992. Given the importance of such seminars or workshops, they should not be a one-shot affair. The AERC should see to it that they are held, at least, annually.

An AERC research report should be presented in two forms, namely, the main research result and an extract of it. The research extract should be targeted towards policy makers and, as such, be simple, concise, and non-technical.

In the dissemination of its research output, the AERC should target institutions that have direct responsibility for policy formulation and management. In the Nigerian system, these institutions would include: the National Planning Commission, the Central Bank of Nigeria, the Ministry of Finance and Economic Development, the office of the Secretary to the Federal Government, and the National Centre for Economic Management and Administration (NCEMA), etc.

## **Assessment 5**

### **Impact of Its Output**

An assessment of the AERC impact can be approached at two levels. First, at the level of individual economic researchers, the research grants offer the economists the golden opportunity to conduct viable research.

More often than not, researchers are frustrated by an avalanche of problems rooted in the lack of resources to ensure result-oriented research. The grants offered by the AERC to economic researchers go a long way to assuage the frustrations of economic researchers. Equally, award of such grants and the provision of a conducive environment help to enhance the analytical skill of the researchers. The various workshops and seminars have exposed researchers to the requirements of organizing successful seminars and conferences. Similarly, the seminars and workshops offer the researchers the opportunity to compare notes, learn from co-researchers and correct perceived inadequacies in final research reports. And, given the perennial lack of funds and therefore insufficient literature encountered by graduate students in their pursuit of higher degrees, the small grants offered by AERC almost always serve as a safety belt for a quick and qualitative research output.

Secondly, the impact of AERC research activities on African states can not be over emphasized.

The several seminars, workshops and final reports of commissioned and individual research have identified a lot of economic problems and relevant policies that can address the problems. The various policies put in place have also been subjected to rigorous examination by the economic professionals with a view to adopting and/or correcting the inadequacies inherent in its formulation and implementation. Significantly, the output of such endeavor forms the core of African states policy directives. Indeed, seminars have been sponsored and jointly organized by AERC and local research institutes for the senior policy planners of the affected countries in order to arrive at a workable policy formation and directive necessary for economic growth. For instance, in April 1992, AERC and the Nigeria National Center for Economic Management and Administration (NCEMA) organized a Senior Seminar on Economic Policy Research for Policy Design and Management in Nigeria for senior policy makers in the Nigerian bureaucracy. The quality and success of that Seminar led to the desire to make NCEMA a unifying center for economic researchers, akin in style and quality to AERC.

#### AERC-Sponsored Research Projects: The Problem

Despite the healthy and encouraging efforts of AERC to sponsor, organize and coordinate economic research required for rapid economic growth and development, there are perceivable problem areas requiring urgent attention. These problem areas can be divided into two:

##### (a) Modalities of Operation

The AERC machinery of investigating data provided by the researchers, on which research findings are based, is not adequate. This is because, more presentation of research proposals and findings is not enough for the verification of results. Granted that such findings are supposedly subject to external assessment, still not much success has not been achieved in this regard. An unfortunate awareness of this situation, by the policy makers and researchers alike lead to growing indifference to the policy design and management

benefits of the research output. In addition to this problem is the unnecessarily technical nature of research reports which invariably reduces the enthusiasm of the policy makers for the research outputs. Other problems that often characterize research reports are unimplementable recommendations, because of the obtuse nature of the findings; questionable data base; and the often untimeliness of research and consequent lack of focus on current issues of concern to policy makers.

Furthermore, researchers themselves are confronted with a variety of problems which include an inadequate forum for interaction between researchers and policy makers for the discussion of current research findings; and inability to identify urgent areas requiring scientific inquiry, among others. Beyond these problems, there are also some political and bureaucratic difficulties militating against AERC-sponsored research. They range from instability in policies and institutions as a result of frequent changes of government to undue secrecy placed on vital information by the bureaucrats emanating from the fear of abuse of classified information disclosed to researchers by policy makers. All these problems combine to affect the impact of research findings.

#### (b) Impact of Research Findings

A major problem in this direction is the inaccessibility of final research results to policy makers. This problem was in fact brought to focus during the AERC/NCEMA April 1992 Seminar for senior policy makers. Added to this problem is the lack of communication between AERC and other researchers across institutions of higher learning. Africa appears regularly to be suffering from inter-disciplinary lacunae which, for instance, make implementation of purely economic policy directives difficult without a corresponding politically conducive environment. Indeed, if economic management is a function of political will and direction, the hesitation to link economics with politics will continue to frustrate growth. Research efforts of the AERC should therefore be extended to interesting areas of political economy.

#### Suggested Solutions

In dealing with these problems, the following approaches may be considered. First, AERC has to widen its research focus to areas which may identify factors leading to institutional political instabilities which may have influence on the rate of economic growth. There should be more research on conflict resolution necessary for effective economic stability, growth, and development. In addition, AERC must create and sustain a regular interaction between researchers and policy makers and step up its funding of post-graduate training in order to generate more competent professionals.

Finally, comparative research on economic problems in Africa should be pursued with vigor because of the rapid economic growth of individual African states and the impending integration of African countries. This is the lesson of the current efforts in the European market.

## Assessment 6

The AERC is involved in the following activities:

- (1) Research via networking
- (2) Supporting national workshops/seminars on relevant economic policy
- (3) Capacity building
- (4) Institutional support

Though all the activities are somehow interconnected, we attempt to assess each separately.

- (1) Research via networking:

This is by far the largest activity of AERC. Research proposals by individuals are subjected to critical reviews before funds are provided. Researchers assemble twice a year to present results of their work while new proposals are also considered. In this area, AERC has done quite well. However, it may be necessary that resource persons be expanded to include competent resident African economists rather than just economists working on African issues.

The research results need to be policy relevant. Policy makers have to be involved at some stage if the research is expected to inform policy. Some efforts in this direction have started but there is need to intensify them. AERC may have to insist that researchers within a country utilize policy makers in their work.

It is also important that the network workshop be rotated within Africa if funds are available. This will not only give the network a continental outlook but will interest policy makers in the country in which the workshop is being held. It must be noted that the AERC has succeeded in bringing together virtually all known economists in Africa. This way, economists in Africa get to know each other. The exchange of ideas can further strengthen the output of African economists.

- (2) Supporting national workshops:

Researchers and others are not aware of this activity. It may be necessary to find ways of encouraging or ensuring that national economic associations and departments of economics hold workshops/seminars on economic issues affecting their respective countries. This may not be similar to the policy makers cum researchers workshop. The idea behind this is to enable researchers and others to deal with several economic issues tormenting their countries. These matters may not necessarily fit the research network agenda of the AERC but nevertheless, may demand urgent attention.

(3) Capacity Building:

This is a new area for AERC. However, it appears that the consortium has been awarding funds to doctoral students for dissertation writing. This aspect is not fully publicized. If well advertised, potential Ph.D.s may become interested. Capacity building need not be limited to the training of MA's alone. In order to assist in the development of competent staff for economics departments, it is important that recipients of funds for Ph.D. theses be made to enter into bond to serve a particular department for some specified period. After all, in order to train good MA's, competent Ph.D.s are also required.

(4) Institutional Support:

This is another activity that is not well known. What is the nature of the support? How and when can an institution apply for such support? If the support is for the procurement of equipment so as to enhance research and teaching then AERC must devise a means of monitoring the full utilization of such equipment. Is the support a once-and-for-all grant?

**APPENDIX 2      Impact of AERC-Sponsored Research on Policy: Experiences of Selected Participants: Evidence from Interviews**

**Case A**

This involves a university scholar in a national capital. According to him, there has traditionally been little interaction of academics with government. Indeed, suspicion, disdain, and hostility most often characterize attitudes on both sides. Ironically, academics who have accepted jobs in government have quickly picked up the culture of the bureaucracy and have made little use of their old academic economist colleagues.

Since he and several others joined AERC, they have conducted a range of studies concerning structural adjustment and exchange rate regimes that are directly relevant to policy in his country. As a consequence, he sees a change in attitude toward their research over the last three years, although most of the evidence is indirect. For example, he mentioned an accidental meeting with a Minister who expressed surprise that the university economists had begun to produce such interesting output and asked for copies of all working papers. One of the important conclusions of their AERC research was acknowledged, perhaps coincidentally by the country's Central Bank in its annual report. In other areas their effects on national policy have come indirectly through the actions of international organizations who use them as consultants even when their national governments don't. These international organizations show respect for their AERC research. He observed that few of the public policy makers in his country have time to read or digest the AERC research reports, but they would benefit from some sort of interpretive publications (executive summaries and abstracts would help). He senses a changing attitude of government toward academic research and believes that he and his colleagues will in future have a stronger voice in policy discussion.

## Case B

This case involved a professor on sabbatical advising government at the highest level. His involvement in AERC predates his advisory role, although he had been involved in numerous consulting assignments for government. His advisory role was essentially in the economic area and covered macro policies which government had to discuss with international agencies. He reported how he had been asked to offer advice on the use of the auction system to allocate foreign currency. He told policy makers the lesson learned from Zambia where, according to him, the system was made the flag carrier of the economic reform. The collapse of the auction system then had devastating implications for the reform. This and similar issues had been discussed at AERC and enabled him to provide interpretation. Merely reading country cases alone could not have been as persuasive. The experience of Ghana in exchange rate policy was another illustration used. In summary, he found the intra-African comparison at AERC meetings most useful and relevant to his role in government. This he called the provision of "African flavor."

This respondent informed us that AERC is well known by economists and government in his country. Therefore additional recognition is given him for participating in AERC activities, even after he joined the government.

## Case C

This involves another academic who was on sabbatical as a Minister/Commissioner. Unlike case B, he got involved in AERC activities only after he joined government. He was invited by a lecturer to be a co-researcher in an area which was within his portfolio in government, and indeed, in an area where he wanted some research carried out. The research was essentially demand-driven and in the area of fiscal policy.

Describing the impact in some detail, the respondent hinted that in an attempt to achieve a balanced budget, it was the practice for some deficits to be hidden as "involuntary credit," a problem addressed in the AERC research. He was able to recommend policy, and he was also successful in selling this policy to other governments in his country.

This interviewee reported one interesting byproduct of his AERC involvement. Because of his continual participation while in government service, he found it relatively painless to return to the university and the academic culture.

## Case D

This is a university economist whose association with AERC goes back to the predecessor macro network. His first project assisted negotiations in Geneva where "the ambassador learned from my learning." Next, his participation in the AERC workshops made him sensitive to the importance of exchange rate flexibility to economic performance, and he began to question the benefits of the CFA franc system: "Ghana has been able to use all of the tools in the box. Why not us?" This subject has almost religious overtones in Francophone Africa and he was warned to stay away from it. AERC provided him with both the stimulus and some modest funding to pursue the matter in depth, including visits to Brussels and Paris. He has had interviews with members of the Delors Committee and the Governor of the Bank of France, which he considers a rare privilege for a Francophone African academic. He also tied into the CEPR network. He has constructed a variety of scenarios for the CFA franc in future and he believes he has contributed to a new awareness of the role of the CFA franc in the new EMU. He has recently been appointed to a new "national committee" on the CFA franc in his country and expects his AERC project report to become the basic document. He wrote this report in English so as to receive maximum comment, and ironically he must now translate it into French.

According to him, until now economists at Clermont Ferrand University have dominated thinking on the CFA franc. He expects to mount the first challenge. He did a simple cost-benefit calculation of his country's participation in the CFA franc system and reported the startling results in a long TV interview (e.g., the Bank of France pays very low rates on accumulated reserves but charges world market rates on negative balances). The first complete case he knows of for devaluation of the CFA franc presented in Francophone Africa came from Shanta Devarajan of the World Bank at the AERC-sponsored Abidjan Conference in October. He considers this a watershed paper that finally opened up the subject for public debate. Since then he has had an invitation from the Governor of the Central Bank to discuss the question. He is confident that soon more African economists will be addressing the topic analytically.

## Case E

This person, who received his Ph.D. from an American graduate school twenty years ago, has seen the political conditions in his country fluctuate wildly over his career. During the most repressive periods, the AERC was his only contact with professional life. In recent years, he has been engaged mainly in preparing reports for various parts of government: on the implications of structural adjustment, the demographic implications of a recent famine (where he believes he succeeded in persuading government that the famine was the result in part of over-population), effects of changes in the tax structure, and expected exchange rates. His clients, who, according to him, have depended on and used his reports, have been mainly the Central Bank and the Ministries of Finance and Economic Development. Virtually all his research is "demand driven," and thus he needs to find an

equilibrium between academic rigor and the practical needs of his government, but the latter are uppermost. Almost all governments have depended on him for advice. When World Bank missions visit they come first to him for data. AERC provides for him stimulating literature, human interactions, constructive peer review, and critical financial support. He intends to keep proposing projects to the network for as long as he is professionally active.

#### Case F

This is a senior academic who traces the start of his involvement with government to the early 1980's when senior statesmen began to recognize the onset of national economic crisis and started to attend National Economic Workshops at the university. Since then the best academics have more demands on them than they can meet. Among other things, he is on the board of the Central Bank, the National Task Force on Privatization, and a national committee to prepare a macro budget model. He relates his work for AERC closely to the demands of government and regularly sees the results of this work reflected in legislation and public pronouncements. Participation in AERC workshops has caused his contributions to be much more firmly rooted in sound economic analysis. He thinks the demand-driven work of AERC is so important they should recognize it more self-consciously with a coordinated and directed focus. Moreover the skills required to deal with special problems should be sought out and brought into play. For example, the ethnic implications of privatization are now a major barrier to an extension of the private sector in many African nations. It is feared that certain minority groups will gain increased power. A collaborative multinational attack on this problem, with use of other relevant disciplines (history, sociology, law, etc.) as well as economics is needed. This person thought the research agenda proposed by policy makers in government, not that proposed by the individual researchers, should determine the AERC work program. The researchers will give the necessary rigor to the research, but they must work on what matters to the real world.

#### Case G

This is the case of a junior academic and mid-level civil servant who has a master's degree from his home university and hopes to enter a Ph.D. program in the United States in 1993 or 1994. At the moment, he holds the titles of Director of Economic Policies in the Ministry of Planning and part-time lecturer at the university. Together with his minister, who was his university teacher, he is the joint author of an AERC study on private direction investment (PDI). This is an extension of his master's thesis. The study at present seems slightly esoteric but could be an important defense for structural adjustment. Moreover, he is optimistic about increasing PDI with improved macroeconomic and political stability: then, such elements as an "investment code" recommended in his AERC paper will become important. He intends to continue his association with AERC and may formulate a proposal related to his service as permanent secretary of the technical committee on privatization.

## Case H

During his Ph.D. training in the United States this person served as consultant for a major multinational bank. This gave him skills which he put quickly to use for government after returning home as a university lecturer. He spends most of his time now as consultant for government preparing, in particular, for visits by missions from international organizations. He has been active in AERC from the beginning. He finds both the research products and the corridor conversations exceptionally helpful to his work. For example, when the IMF pressed his country to adopt a Dutch auction of foreign exchange, he was able to assemble evidence of problems with this technique elsewhere. According to him, his consulting reports have real impact. He applied a technique he had acquired through AERC to a local case, and the Governor of the Central Bank, who had requested the information, was ecstatic with the results.

From this person's perspective, AERC "does not drive far enough into the policy implications of the research it supports." They leave too much to the reader. He usually has only a few days to answer questions from his Minister and he has not the time to test out all the relevant implications of the AERC papers he keeps on file. A two-page conclusion to a seventy-page study is out of proportion. Perhaps the authors need some special training in interpretive writing. He learned his capacity to write concisely at the American bank. Despite his criticism of AERC, he was able to provide numerous anecdotes of AERC having been directly useful to him. On one occasion, his Minister was faced with the need for immediate response to what could be done to deal with unemployment growing out of the closing of a public enterprise. He was able to cite the effectiveness of training for employment in small-scale enterprise and it was practically grabbed out of his hands. When he told the Minister where the data came from, he responded, "I will never complain again when you go off to those meetings." The Minister's interest in the AERC activities in his country has increased, this person claimed, because of his recollection of the usefulness of the study provided.

## Case I

This person reported how he had undertaken his first AERC project entirely because of intellectual curiosity about the informal financial sector and macroeconomic adjustment. This has led to two additional AERC research reports. He was surprised to find that a team of Danish consultants sponsored by an international agency depended very heavily on his papers in their project on the rural financial sector of his country. He was pleased to find many of his recommendations incorporated in their final report. This person emphasized that intellectual curiosity has been the motivating force in his work and he is simply pleased and proud that an unexpected byproduct is policy impact.

## Case J

This person has attended three workshops as an observer and gave his impressions as someone who sees himself as halfway between insider and outsider. He reported that he could not think of an occasion when AERC research had been influential in his organization although he hastened to add that he could not speak for various far-flung research units. He complained that the "appropriate interface" and "the complete linkage" between research and policy had not been developed fully by AERC. He simply did not find the papers very interesting. They seemed to him like an assembly-line production that caused him to say "so what!" He would like to have seen more comparative projects where continent-wide inferences could be drawn. As an example, he complained about the work done on the informal financial sector. He said that project should have started with a set of policy-related questions and a coordinated research strategy *ex ante*. It is not enough, as is now being done, to prepare an integrated interpretation *ex post*. It was now too late to get continent-wide generalizations that would be persuasive and useful to him in his work.

This person made a wide range of suggestions that, if accepted, would, he thought, make AERC more useful to him. (1) Maintain workshop members in "continuous interaction" between meetings. Relationships now are too staccato for his taste. (2) Canvas top political leaders in Africa to discover what policy problems are looming ahead on the horizon. This information should then be communicated to AERC members. There are meetings of planning and finance ministers whose minutes AERC could receive or whose meetings they could attend as observers. (3) Give more attention and weight to the quality of data in AERC research. Authors seemed too anxious to jump ahead to sophisticated analysis of what were in fact intolerably flimsy data. They use all sorts of proxies which to him seem unacceptable. (4) Reverse somewhat the reaction to what another interviewee called "The Sussex approach" to development questions. From a prior condition (the Sussex approach) where a large amount of interpretation grew out of a small amount of analysis, now an amount of interpretation that is too skeletal rests on a large amount of analysis that is so complex its weaknesses (especially its data weaknesses) do not stand out. (5) In light of all these comments, the AERC leaders should share with researchers the selection of topics and methods and should not be as researcher driven as they now are.

### **APPENDIX 3: Observations, Suggestions, and Recommendations Made During the Course of the Report**

1. Reflect seriously on the structured relationships between the Board, the staff, and the Advisory Committee. These may need more formal specifications.

2. To achieve as much stability and continuity as possible throughout the operation of AERC, consider extending the terms of those involved with AERC in all capacities: Board, staff, and Advisory Committee.
3. So as to release capacity in the AERC system for the involvement of additional researchers consider compressing the current three-stage workshop sequence and introducing new modalities for those who have "graduated" from the system.
4. Thematic coverage has been cautiously extended in recent years. This extension should continue, perhaps in the direction of some micro topics and sectoral studies.
5. Additional constructive involvement of other subdisciplines within economics, and other disciplines outside economics, should be explored.
6. Recognizing the heavy extra load involved in assisting with collaborative training programs some continuous responsibilities should still be retained for those programs currently incubating in Nigeria and Francophone Africa.
7. Serious attention should be given to AERC publications, with respect to both form and appearance. Responsibility for this function should be assigned to a new senior staff person.
8. The strategy toward professional development needs to be reconsidered and redefined, taking into account the exceptionally complex nature of the challenges presented and the limited resources available.
9. Consider establishing data improvement as a distinct objective of AERC, with assignments of necessary staff to the task.
10. In attempting to strengthen the policy-research nexus, consideration should be given to emphasizing demand-driven projects, more intense involvement of policy makers in the collaborative research, and the generation of reader-friendly products.