

## NOTES ON THE THEORY OF ADVICE

There is a basic problem in giving advice and this is to choose how much you accept as data in the situation. Economists have been unrealistic in that they have rarely tried to specify this or even recognised the need to do so.

Take a simple question. What sort of budget would I have prepared if I had been the Chancellor of the Exchequer? The first answer is that if I had been in all respects like the Chancellor of the Exchequer, I would have produced exactly the budget which he did produce. For somebody who asks the question, What would you have done in his place?, is really asking you what you would have done if you had been in some respects like the Chancellor of the Exchequer but not in others. He would be disappointed had you said, I did not believe in military expenditure or the National Health Service so I would have eliminated these and thus have been able to cut out, say, the whole of income tax. This is a perfectly valid statement but it is <sup>of</sup> little interest because no Chancellor of the Exchequer could conceivably behave in this way. He can only make marginal adjustments - though how far these can go is precisely the question which is interesting.

If one is advising a Minister of finance one comes up against the same basic difficulties. One cannot get round this by saying that one will talk only in a technical capacity because in some sense one might say that very drastic changes could be made - though even then one would be open to the charge that one had not allowed for the ultimate economic consequences that would follow, the social and political repercussions of such changes. One is always making certain assumptions about the political situation and the trouble is that one may well be making quite different assumptions from those of the politician. Perhaps neither side knowing how big the gap is.

There is a lot to be said for not trying to give advice at all in the sense of saying that one policy is better than another but approaching the question indirectly, letting the politician speak about his objectives

and the policies he favours and then drawing attention to some possible problems or inconsistencies, by putting the right type of question.

This implies a rather critical attitude to the presumptions of those who lay down conditions for foreign aid. To specify such conditions is to use a style of work in which it is assumed that you can analyse another country's problems and see the lines of solution with adequate judgment of all the political and social factors which are involved so that you are prepared to say after taking such and such a step the total repercussions will be more positive than those which would <sup>have</sup> followed taking another step.

The standard counter argument to this is that you are already interfering in historical processes by giving aid, by choosing one country rather than another and by deciding how much to give and in what field. The risks of damage are, however, less severe if one does not actively try to influence policy. The distinction is perhaps between the case of an uncle who selects certain nephews and nieces for whose university education he will pay and the case of the uncle who requires to discuss with the recipient the terminal reports, and makes suggestions about the extent to which the student should curtail his social life, choose other optional papers, etc.