

Dudley Seers as a Development Adviser in Ghana and Malta

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In 1963 Dudley Seers produced a highly influential paper, 'The limitations of the special case'. By this date Seers already had over ten years' experience as economic adviser. He had worked for the Colonial Office and had produced there, among other things, the controversial Seers and Ross Report (1952) on the economic development of the Gold Coast. He had been engaged as consultant on development matters by a number of governments in the Far East, Africa and the West Indies, and had worked as an economist in a variety of international organisations, including the headquarters of the United Nations and the Economic Commissions for Latin America and Africa. He had produced a paper in 1962, entitled 'Why visiting economists fail', full of practical commonsense advice for the economist working as development adviser in an unfamiliar social and economic environment.

Seers' paper of 1963, however, was a clearly defined challenge to the major tenets of development economics as then commonly understood. 'The limitations of the special case' was recognised, even at the time, as representing something of a watershed in development economics. It was introduced as the reactions of an economist who 'after several years of work overseas on problems of economic development has had an opportunity to reflect on the usefulness of the subject'. The paper articulated a growing discontent with the inability of development economics to get to grips with growth processes in poor countries. In response to the paper, a special conference was called in 1964 at the University of Manchester, to which many prominent development economists were invited to contribute.¹ Reflecting some years later (1979) on this conference, Seers argued that the problems which he had identified in this 1963 paper, and on which many of the development experts invited to the 1964 conference had concurred, still dogged the profession, and were likely to blur perceptions of development issues into the 21st century. These problems were claimed by Seers to have their origins in early orthodoxies which had, among other things, confused 'development' with economic growth, and in pursuit of this objective had invoked, in the Harrod-

Domar model, a wholly inappropriate and overly quantitative macro-economic framework deriving from the Keynesian revolution [Seers 1979:707-19].

Seers himself, in his early work as development adviser, was — as we will see — very much influenced by Keynesian economics. The theoretical framework which in the 1950s underpinned his policy recommendations reflected this fact, and also showed the influence of Joan Robinson, his former teacher, and of Thomas Balogh, with whom in 1955 he had produced a report on the economic problems of Malta. By the early 1960s, however, he had begun to move away from Keynesian economics towards the 'structuralist' perspectives which were to direct his later work. In 'A theory of inflation and growth in underdeveloped economies' (1962) Seers acknowledged the education he had received in Latin American structuralist economics, whilst working for the Economic Commission for Latin America (ECLA). Particular mention was made of his association with the Chilean economists, Osvaldo Sunkel and Anibal Pinto, in various ECLA advisory groups on economic policy in the late 1950s and early 1960s.² In this seminal paper Seers claimed that the new structuralist doctrines had certain affinities with Keynesian economics in that they were anti-monetarist, and tended to be taken up more readily by the interventionist Left than the pro-market Right. But he specifically rejected the extensions of Keynesian analysis into the dynamic field, extensions associated with the names of Domar, Harrod and Joan Robinson, as being part of that traditional theory (classical or Keynesian) which had so far proved to be of little help in the circumstances of underdeveloped countries.

One school of thought which Seers did acknowledge as having relevance to structuralist theory was that associated with Nurkse, emphasising a planned and balanced pattern of industrialisation to maximise the complementary aspects of investment decisions. Economists who thought along these lines did have a long-term influence on Seers. Indeed, Seers would figure prominently among those younger economists who, according to Little [1982:35], emerged strongly in the 1950s, having been influenced by pioneer

¹ Together with Dudley Seers, these included H. Myint, E. Hagen, Paul Streeten, Thomas Balogh, Peter Ady, Kurt Martin, Joan Robinson, Colin Clark and Nicholas Kaldor. The Proceedings were published in Martin and Knapp (eds.) 1967.

² Other visitors to ECLA whom Seers noted as having influenced his work in a structuralist direction included Kaldor, Chenery, Balogh and Tinbergen, though they themselves would not necessarily be counted among the 'structuralist' thinkers.

development economists working in Britain during and just after World War II, most notably Kurt Martin, Arthur Lewis, Hans Singer and P. N. Rosenstein-Rodan.

Seers' structuralist thinking underwent a number of changes over the years. In the early days of policy advice, with which this article is largely concerned, the emphasis was very much on sectoral bottlenecks, and import-substitution policies arising out of the general trade-pessimism which permeated the structuralist school. There was much criticism of the social structure, and especially of land-tenure arrangements. By the time that his book *The Political Economy of Nationalism* appeared in 1983 however, the shortcomings of early structuralist thought were fully acknowledged.³ Seers agreed with the critics of structuralism, that protection had encouraged monopoly, discouraged innovation and weakened resistance to increasing costs. The resultant inflation had imposed severe strains on many economies in the Third World, and had necessitated the imposition of hard-line fiscal and monetary policies. 'Dependency' thinking, however, which is an offshoot of early structuralism, still had an important role to play, he claimed, in explaining the choices being made in many Latin American and other poor economies which sought to de-link from the world economy while simultaneously bowing to egalitarian-populist demands. The most successful economies were likely to be those which took account of non-material motives such as nationalism, and invoked a strong and self-reliant culture in their pursuit of economic development. *The Political Economy of Nationalism* was an attempt by Seers to incorporate into development economics a non-material and specifically political dimension which, by his own account, had been present in his thinking since the 1960s.

We have seen in this brief outline how Seers had an early commitment to orthodox Keynesianism, which was later supplanted by those structuralist perspectives which, although essentially Latin American in origin (and little known outside the region at that time), he personally believed were sufficiently general to apply to all underdeveloped countries [Seers 1962a]. How did these ideas influence Seers in his role as economic adviser in the 1950s and 1960s? And how was this advice received and acted upon?

These questions can be answered principally with reference to the Gold Coast/Ghana where Dudley Seers acted as adviser to both the colonial administration in its closing years, and to the government of Kwame Nkrumah. He was eventually to figure in the group of prominent economists who were called to Ghana to comment on the draft of the Seven Year Plan. This ill-fated document, conceived in 1961, marked the end of the 'Nkrumah era' in Ghana.

The Ghana case is of particular interest in that it is claimed by Killick and others as the country where, in the 1950s and 1960s, many of the leading ideas of development economics, the discipline which had emerged during and after World War II, were tried out and, in some eyes, substantially discredited. The case of Seers, however, illustrates the complexities which could underpin the role of economic adviser. Seers was frequently out of tune with those who sought his advice. He never followed rigidly a pre-conceived set of ideas. When he believed he was mistaken, he changed his mind. And he was always aware of the political demands of development policy and the overriding need, in the final analysis, to take these into account.

The Seers and Ross Report⁴

The year 1951, in which Dudley Seers and C. Ross visited the Gold Coast, was a constitutional landmark in the history of the colony. The new constitution which had come into being provided for eight elected representatives on the Executive Council under the leadership of Kwame Nkrumah. Self-government had been closely linked in official thinking with ideas of economic and social advancement of colonial peoples, and public policy stressed the need to promote material and social welfare. 1951 was also the year of the First Development Plan. The Gold Coast Legislative Assembly at its August meeting had given approval to a development plan with estimated capital expenditure of some £73 mn for economic and social services, communications and general administration.

In 1951, however, the Gold Coast was operating under severe constraints. Essential materials were in short supply, and there were problems in obtaining staff with the necessary technical expertise to carry through the capital expenditures envisaged in the First Development Plan, and for the newly-promoted Volta River scheme. Seers and Ross, at this time respectively lecturer in economic statistics and research officer at the University of Oxford, were appointed by the Colonial Office to enquire into building costs on the Gold Coast and make recommendations. Their Report, which followed a very brief (two months) visit to the Gold Coast, came in for immediate criticism from the Colonial Office for the way in which the terms of reference had been widened. In the authors' words, they had attempted to provide 'an economic assessment of development' in the colony, terms of reference which they judged capable of taking on board issues of a complex and highly controversial character: the role of capital accumulation; foreign investment in a developing economy; development finance; and the selection of priorities for development policy.

⁴ See also Ingham 1987: 68-89. Extracts from the Report are reprinted in Kay (ed.) 1972 under the heading 'The fragile economy'.

³ A critique can be found in Haas 1986.

'Development' in the Seers and Ross Report was taken as equivalent to government-financed capital works. Expenditure was seen primarily in the areas of water supply, transport, communications, building and construction. In many areas of economic life, construction being one, there was in the Report a presumption against private investment altogether, which, it was argued, competed for scarce labour and materials. In those parts of the economy where private investment was to be more welcome, it should, the authors recommended, be recorded centrally to make it more amenable to public regulation and control [Seers and Ross 1952:145]. This rather heavy-handed Keynesian treatment was also evident in the way the Report focused on inflation in the Gold Coast after 1945. There was a detailed account of the various sources of inflationary pressure, 'the combination of high consumption and greater capital development' which had 'strained the physical capacity of the country . . .' 'New purchasing power . . .' brought about by higher cocoa incomes, was transmitted 'backwards and forwards across the economy with sharp inflationary effects' [Seers and Ross 1952:8,20]⁵

Seers and Ross assumed that the marginal propensity to save in the Gold Coast economy was very low, that the low standard of living, the lack of savings institutions and the strength of social customs offered little incentive to thrift. They may have been mistaken in this view. Certainly research undertaken by Polly Hill and others has shown the high degree of individual and collective commitment, enterprise and initiative exhibited by the Gold Coast peasant producer, and the high levels of personal savings and investment which had established and spread the cocoa industry through the forest belt of West Africa from the end of the 19th century [Hill 1963; Johnson 1964; Hunter 1961]. Nonetheless it was the Seers and Ross view, a presumed shortage of domestic savings, which was to have significant implications for the Ghana economy in the Nkrumah era. The low marginal propensity to save was argued in the Report to be an important contributory factor in inflationary pressures. Compensatory reductions in public expenditure were ruled out for 'development' reasons and because the tax-collecting machinery was judged to be inefficient. The deflationary solution suggested instead in the Report was a form of incomes policy in which the Cocoa Marketing Board fixed cocoa prices at a level which yielded a constant (relatively low) income for cocoa farmers. The Report pointed out

⁵ The Keynesian influence was also evident in the way the Report treated the financing of Gold Coast development expenditure: 'The first question that most people ask when Development is being discussed is "Where is the money coming from?" rather as if a private person were suggesting some ambitious scheme of his own such as building himself a resplendent new house. Almost all arguments that rest on the analogy between nations and single individuals are either misleading or fallacious, especially economic arguments' [Seers and Ross 1952:83].

that development required a high rate of saving, and went on to add that in the Gold Coast case 'this can only be achieved by the Government and the Marketing Board. If resources are to be used for Development, they cannot be used by private individuals' [Seers and Ross 1952:49]. Nkrumah was to note later in his autobiography that it was 'about this time (1954) that it became clear to me that further steps were necessary to control the price paid locally to the cocoa farmer, otherwise we would shortly be faced with inflation' [Nkrumah 1957:179].⁶

Though the Seers and Ross Report may have sown in Nkrumah's mind positive thoughts on a future policy of taxing cocoa incomes, which would come to have serious debilitating effects on the cocoa sector, other aspects of the Report were less attractive to him. The Convention Peoples Party (CPP), in its 1951 Manifesto, had embraced an energetic policy of industrialisation for the Gold Coast. Yet in the Seers and Ross Report, despite the attention paid to development, capital accumulation and public sector investment, it was clearly stated that 'for the foreseeable future, the Gold Coast would remain predominantly a country of peasant farmers' [Seers and Ross 1952:159]. The growth of manufacturing was envisaged as being necessarily slow, labour-intensive, directed at light import-substitution activities and simple food-processing. This view of the Gold Coast economy — Seers and Ross first used the now-fashionable epithet 'fragile' to describe the structure of the Colony on the eve of independence — was scarcely calculated to appeal to the more aggressive sentiments within the CPP. There was no endorsement of the policy of 'progressive industrial development' called for by Nkrumah.⁷

The response to the Seers and Ross Report in colonial circles in Britain and in the Gold Coast was mixed.⁸ The new role assumed for the Cocoa Marketing Board, that of taxing producer incomes, was considered politically impracticable, though of course in later years this was precisely how the produce control boards would come to operate. The Report's treatment of inflation was criticised, insofar as it neglected the influence of the money supply on domestic price levels. There was also a mixed reaction to the Report's statistical procedures. Seers and Ross had introduced what was then a novel Keynesian three-way national income accounting system, way ahead of anything employed hitherto in the Gold Coast. This provided the first macroeconomic picture of the Colony, and one which was drawn up in a remarkably short space of time. Nevertheless, these

⁶ I am grateful to Mr. J. H. Frimpong-Ansah for drawing my attention to this.

⁷ Nkrumah's statement to the 'Industrial Development Committee', 1953, quoted in Kay 1972: 89-92.

⁸ CO554/747 66472 Extracts from the Colonial Office Minutes, the Seers and Ross Report, 1952.

procedures did not meet with unqualified approval. A number of Colonial Office commentators regarded them as misleading, and a waste of effort, in the context of a poor agricultural economy — a sentiment, incidentally, which Seers himself appeared later to endorse in 'The limitations of the special case'.⁹

There was, however, unanimity between the Report and the Colonial Office on its major plank; the need to give priority to an increase in agricultural productivity, in an economy likely to remain overwhelmingly agrarian into the foreseeable future. Official attitudes towards the desirable balance between industry and agriculture in African conditions were set out in several reports and memoranda from the early 1940s onwards. A number of these had originated in the Colonial Economic Advisory Committee (CEAC) under the Secretaryship of Arthur Lewis, and its successor body, the Colonial Economic and Development Council (CEDC).¹⁰ The need to diversify the African colonies through the development of certain secondary industries was accepted by the Colonial Office at the end of World War II, but this was not perceived in any revolutionary sense. Peasant agriculture was to be the mainstay of the economy, and since existing agricultural practices appeared incapable of yielding improved standards of living, much attention was to be directed towards the need to increase the productivity of peasant farmers. The Seers and Ross Report echoed many of these proposals from official documents for raising agricultural output: more research and experimentation, educational extension schemes, greater use of fertilisers, soil conservation and so on. The Colonial Office gave weight to changes in the system of land tenure to promote improved productivity. Again this was echoed in the Seers and Ross Report, as also was the official scepticism about the possibility of raising the rate of investment in traditional agriculture through the mobilisation of rural savings.¹¹

⁹ In the Report the Gold Coast National Accounts were prepared for each of the years 1948-51. The 'output' side covered the major sectors of the economy, cocoa, mining and forestry, construction, public enterprises, private industries and services. 'Expenditure' was a simple breakdown between consumption, capital formation and exports. 'Income' was cocoa income, mixed income, and wages and salaries. One of the reasons given in the Colonial Office for treating the Report's statistics with caution was that they failed to cover subsistence output, and probably understated food-farming as a whole. Seers supported this view in 'The Limitations of the Special Case', arguing that macro-aggregates such as output, employment, savings and so on were often meaningless in poor agrarian societies.

¹⁰ Among the more important documents are CEAC (1944), the *Memorandum on Colonial Economic Development* submitted by Arthur Lewis, and his *Memorandum on the Principles of Economic Planning*, CEDC, 1948, with subsequent discussions in the Colonial Office on CO999/2 (1948). See also the *Report of the Colonial Working Party*, CEDC, 1948; *Industrial Development*, CEDC, 1946; and *The Economic Development of Agricultural Production in the African Colonies*, CEDC, 1947. The early work of the CEAC, under the Secretaryship of Arthur Lewis, and its stormy relationship with the Colonial Office, are discussed in Ingham 1988.

Incidentally, the inadequacy of colonial governments' investment in peasant agriculture, and the lack of small-scale agricultural equipment in general, was a persistent theme in Arthur Lewis's reports and memoranda to the Colonial Office at this time — a shortcoming in colonial policy which was indeed never remedied. The proportion of capital investment devoted to agriculture in the colonies was always pitifully small.¹²

The Cocoa Industry

Although the Gold Coast colony was operating under considerable economic strain in 1951, and may well have justified the view of a 'fragile' economic structure, many of the fundamental problems of the economy were masked in the 1950s by favourable prices for the major export crop, cocoa. In 1951 the Gold Coast produced about one third of the total world output of cocoa, and cocoa constituted two-thirds of the value of total Gold Coast exports. World prices in the 1950s were highly favourable, and the prosperity of the industry may well have given a false impression of economic strength in the years before and immediately after independence in 1957. In the Seers and Ross Report the authors call into question the long-run outlook for the cocoa industry, from an agronomic point of view.

[Cocoa] is a commodity whose long-run prospects are doubtful. 'Swollen shoot' threatens the whole industry; there are doubts whether the land, particularly in the new cocoa areas of Western Ashanti, will yield further crops of trees after the present ones die; and the protective canopy is often neglected. The maintenance of annual cocoa exports at something near average pre-war levels is misleading; output in the best areas with long-run capacity to support cocoa is uncertain [Seers and Ross 1952: para. 11]

As late as 1964 it appeared that this earlier pessimism about the ability of the country to maintain its level of cocoa production in the long-run was quite unfounded.¹³ Then the massive decline in cocoa output began, which may only now, in the late 1980s, have begun to reverse itself. Ironically, the recommendation in the Report, that of taxing producer

¹¹ See in particular CO852/867/1 (1947) despatch of the Secretary of State to the Governors of African Colonies, dealing with the social changes which may be necessary in speeding up technical changes in agriculture and industry with a view to increasing productivity. Many of his recommendations, especially those in relation to the role of land tenure systems, are also to be found in the Seers and Ross Report.

¹² See CO999/2 1948. At this time less than 12 per cent of capital investment in the colonies was going into agriculture, and of this a very large proportion was accounted for by the East African Groundnut Scheme.

¹³ See, for instance, Killick 1966: 243.

incomes through the marketing boards, contributed towards this decline, insofar as it encouraged Nkrumah in his punitive attitudes towards the industry. Between 1960 and 1965 payments to cocoa farmers declined by one third. At this level producer prices were too low to provide incentives for farmers to undertake the new planting required to maintain output, let alone to provide for a modest increase in the volume of production [Killick 1978:119]. It is interesting to note that the pessimism in the Seers and Ross Report about the long-term prospects for cocoa, was shared at the time by the colonial administration in the Gold Coast. A Report from the Gold Coast Ministry of Finance had concluded that 'cocoa production seems unlikely to expand, and its more distant prospects are uncertain'.¹⁴ Although this view does not seem to have made much impression in London, officials were made aware of the need to offer farmers encouragement to undertake new plantings. Successive reports from the Ministry of Agriculture in the Gold Coast called for long-term plans to improve cocoa farming methods in the Gold Coast. Nkrumah's later antipathy to primary production, and the cocoa industry in particular, is well-known and had a basis both in political opportunism and socialist ideology [Killick 1978, Ch.3]. But it is important to recognise that his later policies towards the industry were not developed in an economic vacuum. Advisers, including Seers, were at the time pessimistic about the long-term prospects for cocoa production. The Seers and Ross Report referred to the instability of world markets and the folly, in these circumstances, of basing development plans on a single crop. Even Arthur Lewis, visiting the Gold Coast in 1952 at the invitation of the Nkrumah government, paid scant attention to the cocoa industry. Though high export earnings were currently yielded by the cocoa crop, there was very little in the Lewis Report on the cocoa industry, despite the Report's overall recommendation of an 'agriculture first' policy [Lewis 1953].¹⁵

'The Economic Problems of Malta'

Seers contributed to a second major colonial report in the early 1950s, produced in 1955, with Thomas Balogh, on Malta. The present article is concerned primarily with Seers' role as economic adviser in an African context, but I have included a brief account of 'The Economic Problems of Malta' because it touched for the first time on certain themes which became increasingly important to Seers in his later work.

¹⁴ CO852/1376 *Economic Progress in the Gold Coast*, K. C. Tours, Ministry of Finance.

¹⁵ Lewis's brief was to examine the country's potential for industrial development. When the Report was published in 1953, the economy was enjoying a relatively high degree of prosperity brought about by high earnings, not only from cocoa but also from timber and minerals.

These themes concerned the 'freedom to manoeuvre' in economic policy for governments constrained by peculiar geo-political circumstances. The study of the external factors shaping the boundaries of policy-making was to figure very largely in Seers' work in the 1970s and 1980s, in both a theoretical sense and also in the context of policy advice. He was eventually to conclude that:

differences over what governments *should* do, are often really about what they *can* do . . . those who embark on this strategy [of 'de-linking' from the world economy] with naive optimism, may well lose not merely power, and see their policies reversed, but also forfeit their liberties, perhaps even their lives [Seers ed. 1981, Ch.6].

Malta in the 1950s was, *par excellence*, an economy operating under readily identifiable political, geographic and demographic constraints. It was an island fortress of great strategic importance, with what the authors described as an 'unbalanced economic structure' based on British and allied military expenditure. It was also experiencing high rates of population growth, a solution for which was sought at the time in massive programmes of emigration to Australia. Balogh and Seers identified many of the conflicts for policy arising out of these external constraints. Development programmes which increased optimism about future prosperity, would discourage emigration and partly defeat their own purposes. With heavy reliance on military expenditure, the civilian economy had declined. Domestic manufacturing had disappeared, the fishing industry had dwindled, and land had been withdrawn from cultivation. In short, there was a 'peculiar social and economic structure . . . the main feature of which is that Maltese living standards depend wholly on Imperial expenditure' [Balogh and Seers 1955, para. 57]. Malta was totally dependent on one industry, the scale of which was outside her control, and it would be 'a dangerous gamble to rely on a single source of income which has proven so unstable in the past' [*ibid*, 1955, para. 41]. The nub of the problem was, according to the authors, a situation of poverty and dependence, coupled with existing constitutional arrangements in which Malta was 'excluded from the control over its own economic destiny' [*ibid*, para. 150].

Balogh and Seers were aware of the fact that the solution favoured by the then Maltese government (and supported personally by Dom Mintoff) was complete integration with the British economy. This was also the solution favoured by the Labour party in Britain, backed by the Fabian Colonial Bureau. The authors' recommendations were more cautious. Indeed, from a variety of perspectives integration was not a workable option. The full text of the Report was never published, and of course the subsequent shaping of relationships between Britain and Malta is another

story. But the case illustrates an early influence on Seers, and the lessons which he learned from the experience of a country like Malta on the European periphery. Indeed, in later years he cited Mintoff as a brilliant example of a politician who could exploit special geo-political circumstances to the advantage of a small economy, with a poor base in terms of natural resources. The Malta case, he argued, was one of those which contradicts 'vulgar' dependency notions, that external forces wholly determine internal political successes. Much depends on the intelligence of political leaders, and their assessment of what can be accomplished, given the multiplicity of constraints under which they operate [Seers 1981:144-5, 148-9].¹⁶

The Ghana Seven-Year Development Plan

The importance of external constraints for countries which are closely integrated into the world economy, and the critical role in such circumstances of political leadership, even as a major determinant of successful development strategies, are two themes with clear application to the unhappy experience of Ghana in the Nkrumah era. Although Seers never dealt explicitly with such matters in the Gold Coast/Ghana context, (certainly there was nothing of this order in the Seers and Ross Report other than references to 'external problems' with the world cocoa market) it is nevertheless hard to escape the conclusion that his experience during the Nkrumah years must have coloured his later views in this respect. The failure of the Ghana leadership to mobilise support from diverse political groupings, and to accomplish its aims given a multiplicity of external constraints, massively reduced the chances of economic and social development.

In 1963 Seers, having moved from Latin America to the United Nations Economic Commission for Africa, was one of a number of prominent economists invited to Ghana by Nkrumah to discuss the draft of the Seven Year Development Plan. The number included Arthur Lewis, the Hungarian economist Jozsef Bogнар, Albert Hirschman, Nicholas Kaldor, K. N. Raj and Osvaldo Sunkel.¹⁷ If 1951, the year of the Seers and Ross Report, had represented something of a constitutional landmark in Ghana's history, 1963 was a political low in which the nationalist regime under Nkrumah appeared, incapable of surviving further crises. The 'Dawn Broadcast' of April 1961, which had launched the Socialist phase of the First Republic, had taken place in an economy which showed increasing instability: accelerating prices, falling real wages,

¹⁶ These ideas were explored more fully in *The Political Economy of Nationalism* [Seers 1983], which stresses the need for political skill in exploiting nationalist sentiments to tolerate the hardships which may be involved in a policy of delinking.

¹⁷ Appendix B of the *Seven Year Development Plan 1963-64 to 1969-70* [Accra 1964] provides a list of the economists invited to a conference in April 1963 to discuss the Seven Year Development Plan.

dwindling reserves and growing indebtedness.¹⁸ At the time of the coup in 1966, the foreign debt had risen to \$7.5 mn. An increasingly authoritarian and repressive government had to cope with waves of protest in 1962 and 1963. The popular base of the CPP was rapidly eroding, with widespread dissent in evidence among farmers, trade unions, students, religious groupings and even within the bureaucracy [Chazan 1988; Austin 1964; Chidebe 1982].

The 'outside experts' of 1963 therefore, called in to advise on a Development Plan which aimed to underpin the socialist programme of the First Republic, did so against the background of tension and social discontent. The broad outlines of the Seven Year Plan had been approved in late 1961 by the CPP, and it was intended to operate from 1964 to 1970. It replaced the earlier Five Year Plan, which had been drawn up at Independence with the help of Arthur Lewis, who had arrived in Ghana at the invitation of Nkrumah. This 'Lewis' plan, in effect, held for two years only, from 1959 to 1961, and was, with hindsight, a fairly cautious document, rather in the mould of the 1951 colonial Development Plan. Limited industrialisation on an import-substitution basis was called for, with the Ghana government providing the infrastructure which would attract the private capital from abroad on which industrialisation was to be based. A major problem with the 'Lewis' plan was its over-optimism about foreign investment; it also failed to provide any support for agriculture, a shortcoming for which Lewis himself was hardly to be blamed.¹⁹ The Seven Year Plan, on the other hand, was a radically different document from the 1951 colonial plan. Its chief architect, J. H. Mensah, introduced the Seven Year Plan as a commitment to a socialist pattern of society. The growth of the public sector in both industry and agriculture was to be maximised. The state would set up and manage enterprises both in industry and agriculture. The annual level of investment was to be double that envisaged in the Five Year Plan. The long-term emphasis on infrastructural development was to be relaxed in favour of massive investments in manufacturing. This was an 'industrialisation first' strategy, to be financed, in the face of diminished export earnings and foreign exchange, by external loans to finance state enterprises [Mensah 1965].

¹⁸ Killick (1978) details the dramatic deterioration in the external performance of the Ghana economy between 1960 and 1966. The decline in the payments situation was not, he demonstrates, primarily the responsibility of the import side. Declining export earnings and rising transfer payments abroad were at the heart of the problem. See also Killick 1965.

¹⁹ The precise contribution made by Lewis to the Five Year Development Plan is open to question. He claimed that his part in the Plan was not a decisive one and criticised the fact that agriculture tended to be 'the Cinderella of development programmes' [Lewis 1959]. See also Kofi and Hansen 1982 for a discussion of Lewis' role in the Five Year Plan.

It is not the intention in this article to provide a commentary on, or critique of the development strategy underlying the Seven Year Plan. Killick (1978) has provided an excellent and thoroughgoing assessment of the Plan, both as a technical document and in terms of its practical consequences. It is another aspect of the Plan, namely its reception by the 'outside experts', which is of interest to us here. Killick, who was present at the 1963 Conference, has noted that, although the experts offered what could be termed 'constructive professional advice', very little was offered by way of fundamental criticism of the strategy. 'Nkrumah's planners could reasonably go away from that meeting in the belief that the principal ideas of the plan had found general acceptance' [Killick 1978:53]. This has caused Killick to advance what is perhaps a controversial hypothesis, that what Nkrumah was trying to do in the early 1960s broadly corresponded with the ideas then being put forward by development economists — indeed, that development economics at the time was highly compatible with socialist and nationalist sentiments evident in a broad spectrum of development strategies being pursued by poorer nations.

In the final section of this article, we briefly explore the hypothesis suggested by Killick, as it relates to Seers as a development adviser. Although Seers was not a major policy adviser in respect of the Seven Year Plan (that role was taken on by Jozsef Bogнар) nevertheless it is interesting to discover whether the policy prescriptions arising out of Seers' work in the 1950s and early 1960s roughly corresponded with the type of development strategy pursued by the Nkrumah regime between 1957 and 1963. The answer I think must be yes, but in some respects needs to be qualified.

Seers and Development Policy

We noted earlier that from a structuralist perspective, Seers came to acknowledge a heavy debt to those economists such as Nurkse, Prebisch and Hirschman, who in the 1950s stressed the importance of demand-based relationships between industries, and advocated in consequence the pursuit of patterns of industrialisation which could capitalise on such linkages. By implication this was a broadly interventionist development strategy. Like most of his contemporaries in the 1950s and 1960s, Seers envisaged that this strategy would be implemented within the framework of national economic planning. Later he was to concede that 'development planning' in the Third World context had turned out to be 'something of a charade'. Nevertheless, he always kept faith with some form of central direction, arguing that what had been lacking was 'the will (as exists in wartime) to make all policy decisions consistent with ultimate goals' [Seers 1979:712].

The articulation of development strategy, within the framework of development planning, was the way in which most economists in the 1950s envisaged poor countries as escaping from their generally low levels of income and productivity. What happened in Gold Coast/Ghana at this time, therefore, was broadly in line with the policy advice on offer then from Western economists such as Seers. He, moreover, belonged to that school of thought, reflected in the Seven Year Plan, which doubted the ability of the *private* sector in such circumstances to deliver all that was required of it in the way of capital accumulation. In respect of domestic manufacturing, he questioned whether private sector rates of investment could rise sufficiently to achieve the targeted rates of growth. On this point Seers parted company with Lewis, who placed great faith in private sector investment, whether it came from domestic sources or overseas. Commenting on the Five Year Plan, to which he had contributed, Lewis argued that 'the most important question to ask [when assessing a development plan] is whether the policies are adequate to stimulate private investment in the production of commodities' [Lewis 1959:4]. The 'Lewis' plan, as drafted, had laid great stress on creating an appropriate framework for investment by foreign businessmen and local entrepreneurs.

Seers, however, appears to have been much more sceptical about the role which the private sector might play in the development of the economy. In the Seers and Ross Report development expenditure was perceived as essentially a public function. In the private sector, there was a warning against the proliferation of small firms. In some activities, construction being one, the Report had ruled out private investment altogether on the grounds that it would compete for scarce materials and labour. This point of view coincided with the attitudes of Nkrumah and his key local policy advisers, Mensah in particular, who approached the issue from a socialist perspective, as indeed did the chief expatriate policy adviser, Bogнар. The Seven Year Plan abandoned the Lewisian commitment to private sector investment, in favour of a massive import-substitution strategy. The expansion of the industrial sector was to come about through state-owned and managed enterprises, financed largely by external loans.

At this point, it should be remembered that the *scale* of the industrialisation programme in the Seven Year Plan far exceeded anything which Seers had espoused. The Plan aimed at a doubling of manufacturing output in the space of seven years. The Seers and Ross Report had envisaged a gradual expansion of manufacturing, based on simple food processing and light manufacturing. Seers was undoubtedly aware of the problems which would be faced by an 'industrialisation first' strategy under West African

conditions. Indeed, it is difficult now to imagine that industrialisation on the scale called for in the Seven Year Plan could ever have succeeded in the circumstances of a poor peasant economy. Tony Killick has documented the lamentable economic performance of the Ghana state enterprises, rooted in widespread managerial inefficiencies. But even without these managerial and decision-making constraints, the strategy of the Seven Year Plan would still have been seriously flawed in that it failed to tackle in an appropriate fashion two of the fundamental weaknesses in the domestic economy: low productivity in traditional agriculture, and the existence in the economy of major bottlenecks of an infrastructural kind. Both deficiencies had been identified by Seers in the early 1950s. In the case of the infrastructure, there had been significant public expenditure in the 1950s, on roads, water supplies, and on the new harbour at Tema. But the failure of these investments to attract private investment in manufacturing on a sufficiently large scale, was good enough reason for the planners in the 1960s to overturn infrastructural investment in favour of expenditure on directly productive activities. Similarly Seers, like Lewis, had advocated throughout the 1950s policies to increase productivity in traditional agriculture. He had stressed those types of policies which had also found favour with the Colonial Office at the time: land reform, agricultural extension services, research programmes to improve the quality of local foodcrops, all of which were calculated to engage the support of the peasant farmer on whom, in his view, the economy's long-run future depended. Instead, the Seven Year Plan pinned its hopes on a swift agricultural revolution, through the mechanisation of production and the establishment of state farms. None of this had any success [Killick 1978, Ch 8].

What Seers did appreciate in his later writings was the inconsistencies in the type of development strategy which underpinned the Seven Year Plan. Nkrumah was pursuing a policy of self-reliance. In part, though not entirely, this was due to pessimism about the prospects for cocoa, a view supported by economic advisers including Seers. But paradoxically this policy, as manifested in a huge programme of import-substitution, was carrying the economy into a circle of debt, dependency, political instability and repression, from which, almost three decades later, it has still not recovered. As Seers was later to remark:

it requires rare skills not merely to frame an optimal set of delinking policies but to mobilise an adequate coalition of diverse political forces to support it; to present it persuasively to the world outside; to explain to the domestic public why it is all that can be achieved; and of course to implement it [Seers 1981:145].

Whether political leadership in Ghana in the

Nkrumah era possessed these skills is open to question. In any case, those nationalist sentiments which Seers later argued were needed to coalesce various local interests, and buttress a strategy of delinking, were absent in the Ghana case. Some say that they are hardly relevant anyway in West Africa, where nation states have been created out of a heterogeneous people with different attitudes towards material welfare, different cultural traditions and a highly varied ethnic consciousness [Lewis 1965:3-18].²⁰ Even in the 1950s in the Gold Coast, the CPP had little appeal for chiefs, Ashanti cocoa farmers and some of the educated elite. In the 1960s these groups were joined by various trade unionists, students and disenchanting ethnic minorities. An increasingly authoritarian and corrupt government was unable to mobilise the widespread popular support necessary to carry through the socialist programme of the First Republic. Finally, it is worth noting that the nationalist and patriotic sentiments, which could perhaps have yielded a workable ideology of development, were weakened in the Ghana case by a pan-African vision, for which Nkrumah was prepared to sacrifice much in the way of purely national interest.

1963, the year of the conference of experts on the Seven Year Plan, brings us back to our starting point, the publication of Seers' paper, 'The limitations of the special case'. Looking back now on the Ghana Seven Year Plan, it is interesting to note how in many important respects it answered the criticisms of development economics put forward by Seers in that paper. The Plan was well-adapted to the 'typical' case of an underdeveloped economy; it employed an 'open' model with economic performance related to sales of primary products. Improvements in health and nutrition were treated as part of investment expenditure rather than consumption expenditure, and so on. Even its later critics recognised the Plan as something of a technical 'tour de force' in African conditions. Its statistical basis was sound, and it was drawn up by competent young economists, well-versed in the development literature.²¹ Criticism from the visiting experts was, as we have seen, largely directed at the Plan as a technical document.²² This

²⁰ Lewis challenges the view that the single-party state is a specifically African creation, appropriate to the African social system. Instead he argues that it has been the unwelcome response to the fundamental political problem in West Africa, viz. the mutual antagonisms between political parties with different geographical and ethnic bases.

²¹ Rimmer claimed in 1969 that the Seven Year Plan was the most impressive plan document produced in Africa to that date. It drew on statistical resources not then available in most African economies and the planners involved were men of undoubted technical ability. Its failure was to 'abstract from politics'.

²² Examples of the type of criticism put forward by the invited experts are given by Birmingham (1966), himself one of the expert advisers. For example, the production of cereals was shown as increasing by 58 per cent during the Plan period, but after criticism and discussion this was reduced to 28 per cent.

may be, as Killick suggests, because all were agreed on the wisdom of its underlying strategy. But it could also demonstrate the existence of a significant degree of professional cohesion among economists (probably more then than now) even when they disagreed on fundamental issues. Seers himself, in these early papers, was in the habit of referring to 'economists' in much the same way as he referred to 'engineers', as possessing a common range of special skills which could, when required, be placed at the disposal of governments in different parts of the world. These technical skills set economists apart from other social scientists in the development field, and often resulted in a remarkable degree of unanimity between local economists and visiting experts, with debate very much confined to the technical issues which utilised their professional skills.²³

Turning to the broad strategy of the Ghana Seven Year Plan, there was nothing in 'The Limitations of the Special Case' to suggest that Seers himself dissented from its basic premises. The 1963 paper saw import-substituting industrialisation as the way forward for the underdeveloped primary producer. New manufacturing industries would need to be established, though it was conceded that both natural resources and the size of the domestic market would in practice limit the available range of options. When Seers called, in that paper, for a revolution in the thinking of economists on development, it is clear that what he had in mind was a move towards the structuralist school, which was to occupy his attentions in the 1960s and beyond. The 1963 paper, however, lacked the political insights which were to become increasingly important to Seers in his later writings where he argued that de-linking needed to be handled with great political skill if the population at large was to entertain feelings of participation in the development process, and if unfavourable economic and social trends were to be avoided. The influence of the Ghana experience is clearly perceptible.

A final point — in the 1950s intellectuals like Seers had a significant influence on British economic policy in Africa (for instance in the increased infrastructural investment in the Gold Coast following from the Seers and Ross Report) and, as a legacy of this, in the development strategies of newly-independent African states. The views of economists were paralleled in political circles in Britain, in the Fabian Colonial Bureau, for example, and in the Colonial Office, following the appointment of Creech Jones as

Secretary of State for the Colonies. By his own account, Seers became increasingly aware of the need to incorporate a political dimension into the diagnoses and prescriptions offered to Third World countries. Closer to home, the influence of such 'professional' advice on changing attitudes in Britain towards constitutional change and economic development in Africa, merits further study.

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²³Sydney Caine has conveyed to me the high degree of professional unity which prevailed among economists working in the Colonial Office during the 1940s, even when as individuals they disagreed on matters which would be regarded now as quite fundamental to development strategy. Very much the same point of view has been expressed by Hans Singer in relation to the 1950s. Economists regarded themselves as a group apart from those of their colleagues, often administrators, who lacked the necessary technical skills to advise on development policy.

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