



“Home-Grown Solutions and Ownership”

by

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HOME-GROWN SOLUTIONS AND OWNERSHIP

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1. Background

North-South relations are characterized by acute imbalances in power²--military, economic, technological; but not least in knowledge and information. The last describes a situation in which Northern donors and think tanks and Northern-controlled multilateral organizations dominate the development knowledge industry, (this is represented by Figure 1). In so doing they exert a major influence on the policies and decisions of governments in the South. This influence is conceptually distinct from that derived from donor conditionalities, but in practice the two are strongly interlinked. Policy advice is customarily bundled with development finance; and conditionalities are a codified form of prevailing orthodoxy. Northern influence also comes about through the training of talented Southern economists in the elite universities of the North, through intellectual innovation and trend-setting by Northern centres that set the standards for Southern institutions, through the norms of professional recruitment and advancement in the international academic community, through the concentration of knowledge resources in Northern centres³, and through historically rooted prejudices originating in the rise of the

¹ This paper draws on my longer paper, "Power Imbalances and Development Knowledge", prepared for the Project on the Reform of the International Development Architecture of North-South Institute in Ottawa, Canada. My thanks to Bill Morton of the North-South Institute for useful comments on an earlier draft. Thanks also to Yash Tandon, Executive Director of the South Centre, for agreeing to present this paper on my behalf at the Workshop.

² It is recognised that some countries of the South have achieved significant weight in international affairs; and differentiation within the South is considerable. Nevertheless, the reality of power imbalances prevails for the majority of the countries in the South.

³ The World Bank, the leading producer of development knowledge, spends some \$600 million per year on 'analytical and advisory activities'. Its research department alone (which accounts for less than 5 percent of this figure) has a staff of over 120. Data from Kapur, Devesh (2006) "The 'Knowledge' Bank". In *Rescuing the World Bank*. CGD0502 0527_Engl_6x9.indd 159-170;

http://www.cgdev.org/doc/books/rescuing/Kapur_Knowledge.pdf; Accessed 29/05/07; and Banerjee, Abhijit; Angus Deaton; Nora Lustig; and Ken Rogoff (with Edward Hsu) (2006) *An Evaluation of World*

West and the legacy of colonial rule. Hence, within much of the South, Northern knowledge is automatically given greater legitimacy in policy making than Southern knowledge about itself.

This situation is in *fundamental* contradiction with the requirements of ‘home-grown solutions and ownership’. Home-grown solutions must mean the generation, by local actors, of knowledge and of policy interventions that are *specific to the local environment* (and this does not just mean local adaptation of so-called ‘universal principles’ of good economic management). It involves recognition that knowledge is as important to development as physical capital or any other input and that development knowledge is largely context-specific. And ownership means *acceptance of, commitment to and responsibility for the implementation of*, these home-grown solutions. The two are, therefore, inextricably interlinked. Too often, ‘ownership’ is simply a euphemism for local buying-in to policies that are or externally generated and/or imposed. Small wonder that there is such a low rate of implementation!

The dominant tendency in development knowledge, as represented by the neo-liberal paradigm; assumes the inherent superiority of market-based solutions, private sector ownership and trade and investment liberalization in solving problems of resource allocation and development (recently supplemented by the mantra of ‘good governance’). This is invoked as a universally valid principle; with customisation to particular economies taking place within this general framework. The efficacy of this approach is contradicted by the accumulation of policy failures accompanying the imposition of neo-liberal conditionalities, by powerful critiques of neo-liberalism within the academic community, and by the growing clamour for ‘ownership’ of development policies within the Global South. The present conjuncture opens a window of opportunity for a new approach.

2. Towards a new approach

We propose that a new approach to development knowledge should be informed by three basic ‘epistemic principles’,

- (i) recognition of *diversity* as an inherent--and desirable--characteristic of the global community;
- (ii) recognition of *specificity of national context* as the point of departure for analysis and policy making; and
- (iii) Recognition of *indigenous knowledge, effort and initiative* as the driving force of development.

Corresponding to these are three basic principles for North-South development partnerships:

- (i) The principal responsibility for development lies with the South itself. This principle applies with especial force to development research and policy making.
- (ii) Northern donors should be prepared to accept a wide degree of policy heterodoxy vis-à-vis the role of state, market and trade and investment liberalization; and of ‘trial and error’ in development policy.
- (iii) A major goal of development cooperation should be the accumulation of indigenous capabilities in the South for development research and policy-making. This is a long-term process that involves institution-building and social learning.

Figure 2 depicts an ‘ideal’ development knowledge system that is South-driven and North-supported.

3. A possible methodology

Below we set out an illustrative checklist of research, analytical and organisational tasks that would be involved in indigenising development research and policy making (DRP).

Technical/analytical aspect.

- i. **History.** Historically rooted and contextualised analysis is essential to understanding how an economy works and the economic culture.
- ii. **Economic culture.** Ethnicity and class; the propensities of different socio-economic groups for savings, investment, and entrepreneurship; the nature and capacities of the ‘state’; the structure and capacities of the ‘private sector’.
- iii. **Economic structure.** Role of different sectors in the economy, organization and ownership, land distribution and land tenure, monopoly and oligopoly; etc.
- iv. **External relationships.** External trade and investment, external debt and external financing and their influence on the economy
- v. **Macroeconomic situation.** Growth, inflation, fiscal situation, balance of payments, exchange rate regime, etc.
- vi. **Social situation.** Income distribution, condition of different socio-economic groups, gender imbalances, poverty and social exclusion.
- vii. **Development objectives.** Elaboration of socio-economic goals and targets to which major societal stakeholders subscribe.
- viii. **Development strategy and policy.** Formulation of policies vis-à-vis role of state, market and private sector; taxation and expenditure; external opening of the economy; etc.
- ix. **Feedback loops.** Evaluation studies of effect of policies; policy modification and refinement and policy innovation.

Process/organisational aspect.

The process should be *participatory* and *iterative*. The ideal situation is one in which all major stakeholders in the country are involved in the research process (e.g. data collection, cooperating in survey research, discussion of research results) and in the formulation of development objectives, strategies, and policies. This is where democratic and participatory governance comes in—one cannot have participation in DRP without

having it in the society as a whole. Furthermore, the process involves continuous experimentation, trial and error, and learning from failures and successes. One never 'gets it right' the first time around. And the world, and the society itself; is always changing.

4. Mobilizing local capacities

The other side of the participatory process is the mobilisation of local capacities. Obviously the role of *indigenous knowledge centres* is crucial; especially in the technical/analytical aspects. It is highly desirable to have one or several high-level centres of excellence at the apex of a national DRP system; or better still, as the hub of national network. For resource-challenged countries (small and/or low-income), a regional centre can be envisaged. But national centres of excellence are not enough: an important objective should be to develop/legitimise intermediate and low level research capacities within particular industries/sectors; socio-economic groups (e.g. business, farmers, women) and at the community level.

To function adequately as national/regional centres of excellence, indigenous knowledge centres must have the necessary authority and the resources. They must be in a position to determine their own agendas independently of external influences and to be responsive to the local needs. They must have the staff, equipment and overall budgetary support required to sustain long-term research commitments. Governments, business, civil society and external donors must provide material support, recognising fact that knowledge is as important to development as physical capital or any other input. Knowledge is not a luxury that only the rich can afford; it is a necessity that the poor cannot afford to do without.

5. Development partnership

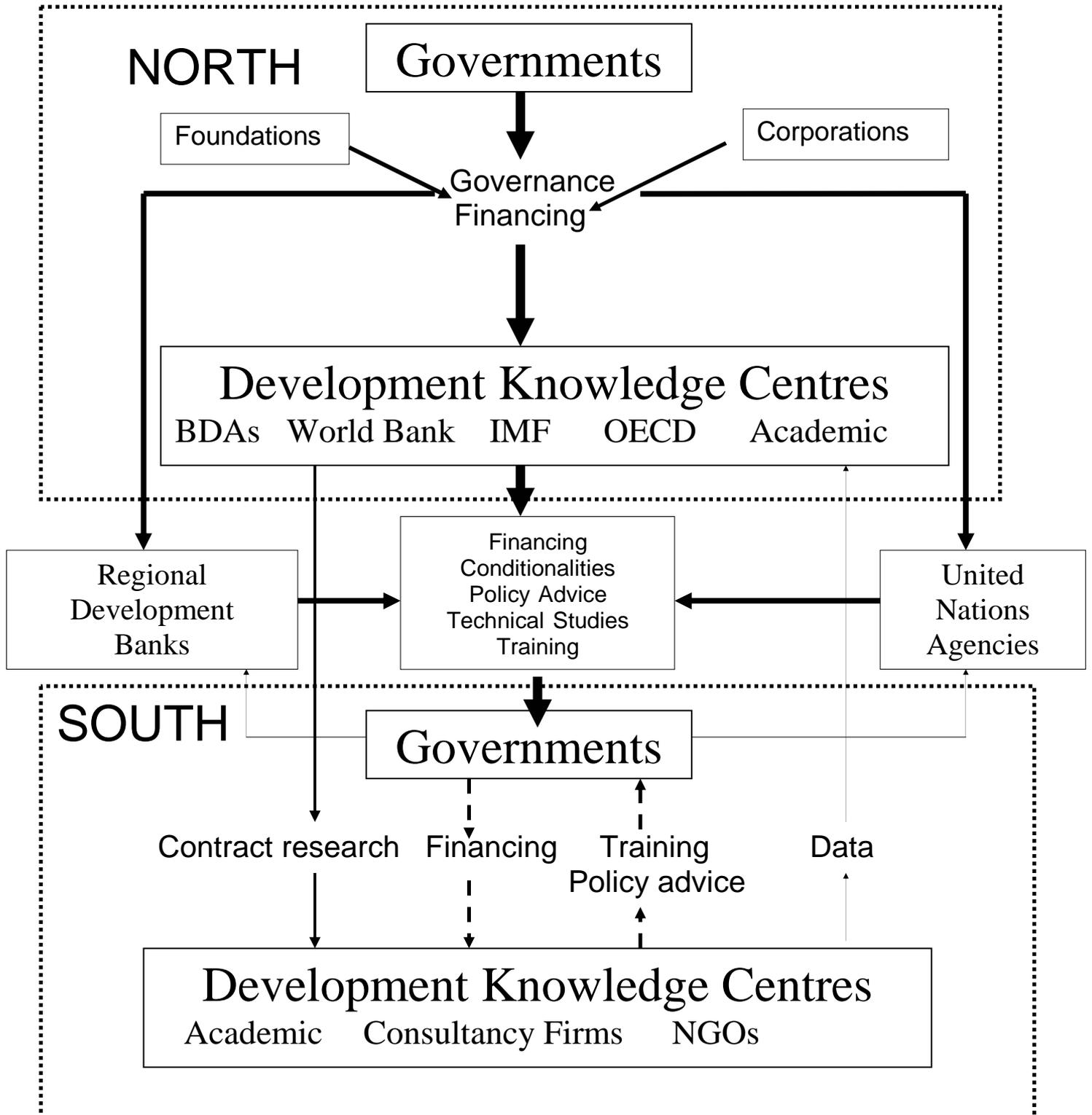
Accordingly, a major objective of development cooperation activities should be to *support the research and problem-solving capabilities of centres in the South, of regional centres, and of South-South research and policy collaboration.* Southern centres may be

helped with provision of complementary resources, expertise, information, training, and technology and by participating in collaborative research with Northern centres. Such assistance should never substitute for local effort and it should not be used as a means of influencing the agenda, staffing and ideological content of research and policy advice. Similarly, national participatory policy projects should only be supported when local actors take the initiative and the agenda is locally determined.

A start may be made by developing a 'model', or models, of ideal-type South-North collaboration in development research and policy making. (A different 'model' will be necessary for collaboration in policy making; however, this paper is concerned mostly with the research and policy advice aspect). Such models may be based on existing best practice experiences drawn from the Global South. Here, the experiences of organisations such as ECLAC, the South Centre, the Third World network, and national centres of excellence in the more advanced countries of the South will certainly be useful.

4/09/07

Figure 1. North-South Development Knowledge Hierarchies



Note: Unbroken arrows denote strong links, broken arrows denote weak links
 Source: author.

