Small transformations' or 'more of the same'? Deepening the concept of change in global financial governance, theories and policies via the example of Sub-Saharan African economies

Alice Nicole Sindzingre*[1,2]

[1]School of Oriental and African Studies (SOAS University of London), department of economics – United Kingdom

[2]Centre d'Economie Paris-Nord (CEPN), Université Paris-13 – Université Paris-13 – France

Abstract

Economic theories as well as global financial governance (international financial institutions such as the IMF and the World Bank) and public policies have been confronted with several global crises since the end of the 20th century (e.g., the Asian crisis and the global financial crisis/GFC). Yet the question remains debated as to whether these crises have induced 'genuine' changes in existing economic theories, institutions and policies or as to whether the latter have remained 'broadly' unchanged. Such a question, however, requires a definition of the concept of change itself. Indeed, only large and visible shifts *à la* Kuhn (in theoretical paradigms, institutions, policies) may be qualified as changes. In contrast, in an Hirschmanian perspective, transformations may occur via small departures and innovations within a consensus, via 'partial, limited, and pragmatic responses' that may be erratic adjustments in institutions and policies: here, mainstream theories have evolved since the GFC towards more openness to non-mainstream concepts (such as instability), and international financial institutions have given more policy space to emerging and developing countries. In addition, the observation of change may depend on the time spans considered, short-term or long-term, with long-term historical approaches better perceiving the inertia and stability of structures, be they conceptual frameworks, institutions or policies. In this context, the paper argues that a consequentialist approach of the concept of change has a greater explanatory power: observable changes in outcomes and causal mechanisms 'prove' changes in theoretical paradigms, institutions and policies. In this approach, the example of the mainstream theories that have been used in the analysis of the growth trajectories of Sub-Saharan African economies and the policy reforms applied to them since their independence shows that changes have been limited. Theoretical paradigms, financial governance institutions and the associated policies claim to have changed since the GFC (e.g., in taking the 'vulnerability' of these economies into account). Behind 'small changes' and 'innovations' in theories and policies, however, outcomes remain poor (with even increasing divergence vis-à-vis rich economies), and their underlying causal mechanisms are stable since the 'lost decades' that followed independence: i.e. theories relying on irrefutability mechanisms and absorbing theories that could induce changes, and cumulative constraints generated by externalisation processes (commodity-based market structures; conditional lending by international financial

*Speaker

institutions to policies that are identical across time and space). More than an Hirschmanian transformation through small changes, a consequentialist perspective suggests processes of lock-in and cumulative causation.

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