



## **Life as a Fellow: Sir Andrew Turnbull, Cabinet Secretary**

**Ministry of Commerce, Industry and Foreign Trade, Zambia, 1968–70**

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The Chancellor's wife, Sarah Brown, invited me to contribute to a charity book in which people in public life were asked to nominate a person who had been particularly influential in their careers. If the question had been not a person but an organisation I would have undoubtedly nominated the ODI, which gave me my first break after leaving university.

I am also grateful to its first director, William Clark. He was a wonderfully colourful establishment figure. At dinner one evening a friend said to him reproachfully "Oh William you are such a name dropper". To which he replied "that's funny. The Queen mother said the same thing to me only last night".

Before joining the World Bank he had been the Press Secretary at No10 at a time of a military conflict, Suez, which bitterly divided the nation. He ended up resigning deeply disillusioned. But I think if I continue this historical analogy I will soon get into hot water.

The person I named in Sarah Brown's book was my economics tutor at Cambridge, Chris Bliss. He sent me an email afterwards in which he said

"Hearing from you again brought back many happy memories of a time when economics was all excitement and optimism, when the brightest students were queuing up to study it."

Certainly it was a sense of excitement and optimism that attracted me towards ODI. There was a sense that change was afoot in post independence Africa (for ODI's work was almost exclusively confined to Africa in those days), and a sense that economics could contribute positively to that change.

And for a while it seemed that it did. There was also democracy (of a sort) in Zambia, a President in Kaunda whose decency and good faith shone through. His weak grasp of economics only became apparent later.

Living standards were rising, education provision at all levels was growing rapidly, a new professional class with which Zambia was so meagrely endowed at independence was being created. A hostile South African and Rhodesian business elite was gradually being replaced. Local agriculture was being encouraged without antagonism to the white farmers.

There was a partial 51 percent nationalisation of the Zambian copper industry, with a management agreement to retain access to the professional skills of the mining companies. It was what New Labour would call a Public Private Partnership.

And yet it has all turned out so badly. Between 1964 at independence and 1971 when things started to go wrong, life expectancy improved from 44 to 47 years, but thirty years later it had fallen to 37, lower even than at independence.

Per capita income rose from \$200 in 1964 to \$430 in 1971 but thirty years later had fallen back to \$320.

Fate has not been kind to Zambia. For much of its life it has been surrounded by instability and war around its borders. But much of the blame for this I think should be attributed to poor governance.

There is no sadder illustration of Zambia's plight than 2 miles south of Lusaka along the Kafue road.



There used to be a quarry with a crusher where one could buy different kinds of aggregate. Now the crusher has broken down as there is no money to buy spares. Zambians sit in the sun with hammers breaking big rocks into small ones, the very activity which was inflicted on Nelson Mandela on Robben Island. But this time it is not a punishment, it is a way of life, a form of urban as opposed to the more familiar rural subsistence.

But if my contribution to Zambia did not endure, its contribution to me was enormous. There I had the chance to:

- make my way in an unfamiliar environment;
- work with people of different nationalities;
- enjoy a spirit of optimism;
- work in a system where there was no gulf between policy and delivery;
- where one was given responsibility at a much earlier age than would have been the case at home.

When I returned to the UK in 1970 to take up the post at the Treasury for which I had pre-qualified before I left, I felt I had an advantage over my colleagues, with more experience knowledge and confidence. And the flying start I achieved helped me to get where I am now.

Finally, let me return to the question of economics as I fear, by quoting the Zambian experience, that I may have left you with the impression that I am a paid up member of the dismal science school.

Last month there was an interesting exchange in the FT between John Kay and my successor at the Treasury. John's piece took the form of an open letter to a niece advising her on whether to take up economics. His conclusion was indeed dismal. The optimism of the 1970s had faded. Faith in the ability of economics to contribute to public policy or the development of businesses had declined. No organisations were employing economists in senior positions.

Gus's reply was that in Britain at least this was not true. We now had a macroeconomic regime which was widely admired around the world. Our frameworks for monetary policy, fiscal policy, debt management, and financial regulation were built on good economic principles.

The same is true of microeconomics in fields like utility regulation, work incentives, economic instruments to promote sustainable development, competition policy, and congestion charging.

Economic advice has thrived under two conditions:

- where there is an underlying framework of belief in markets and market incentives with economic interventions being designed to simulate those signals where they are lacking;
- where as much attention is paid to the framework of governance as to the economic principals themselves, e.g. in defining responsibilities and accountabilities; transparency in explaining the basis of decisions; pre announcement of decision timetables.

Perhaps this is the explanation to why the injection of economic advice in to a country like Zambia failed, despite the high hopes and optimism invested in it. However much economic input is made, it cannot be effective in a world where governance is poor, where local politics oscillates between blunder and plunder, where the social and political infrastructure does not have the essential ingredient of trust.

Until these issues of good governance are addressed, the people of Zambia will remain condemned to break rocks in the sun.

Let me finish on a more optimistic note addressed to the new ODI Fellows. I have two reactions:

- admiration that you have come through a very competitive process to secure these highly sought after assignments;
- envy, as I would love to swap places with you.