

Mozambique institutional diagnostic overview

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Introduction

There has been increasing awareness of how important institutions are for countries to grow and develop. The Economic Development & Institutions (EDI) research project aims to gather evidence on how to achieve positive institutional change, i.e. how institutions can contribute to growth and improved economic and social outcomes. The goal is to engage with policy makers and opinion leaders to generate information on solutions for effective policy change. The research project includes four different types of research activities, the Institutional Diagnostic Tool in focus here being one of them:



The institutional diagnostic tool

The Institutional Diagnostic Tool (IDT) is a *country-centred* approach that aims to design a diagnostic tool that will allow policy makers to identify institutional areas that constrain development and to give advice on appropriate directions for reform. There is emphasis on ensuring that the research has clear operational relevance and has a strong practical focus, with the vision of being of high academic quality and effective in policy reform debates and initiatives. The IDT is complete for Tanzania and is ongoing for Benin and Bangladesh. Mozambique is the fourth country study. The overall aim is to derive a general diagnostic tool or framework from the juxtaposition of these (and possibly one or two more) country studies. The Mozambican experience is in many ways unique and important insights follow from this experience.

Within the context of EDI, we define “institutions” broadly as the “formal or informal rules of the game, which political, social and economic actors are expected to follow, individually and collectively”. Therefore, it deals with a variety of areas, namely, political, judicial, economic, cultural, religious, etc. With this in mind, the approach to review possible obstacles to development in the country involves different stages.

Approach for Mozambique

Main stages of the Mozambique Institutional Diagnostic Tool



The first three main stages aim to identify the critical institutional factors at work in Mozambique. The *Background Paper* will establish the context and describe the institutional performance of Mozambique in an international perspective in five important dimensions: (i) rule of law and judicial independence; (ii) voice, participation and political accountability; (iii) political instability, violence and state legitimacy; (iv) state capacity and autonomy from private interests; and (v) sovereignty and independence.

Input from *key informant interviews* will add critically needed insider perspective and in-depth understanding. The validity of the themes identified will also be tested in a Launch Workshop with a broad range of policy stakeholders and opinion leaders (e.g. academics, policy makers, private sector, civil society), who will provide advice on the approach taken.

Based on the outcomes of these discussions, a *questionnaire survey* will gather the views of various types of decision makers, top policy makers and experts. The overall predominant institutional factors that emerge from these stages will inform the selection of the thematic areas that will undergo further detailed study.

The following stage will involve a thorough analysis of these key *thematic areas* with the aim of understanding what are the causes of the observed institutional issues, what could be done about them, and what could be the implications of introducing such reforms. The main learnings from these studies will be synthesised in the next stage.

Finally, there will be a *dissemination workshop* and the project will culminate in the publication of an edited volume compiling the insights from the different stages, following the general structure from the previous volumes for Tanzania and Benin. The present draft outline is foreseen and to be confirmed.

Part I. General approach to the diagnostic

Chapter 1. Background study on Mozambique

Chapter 2. Insights from the analysis of the survey and key informant interviews, including identification and overall justification of thematic studies

Part II. Fundamentals

Chapter 3. Rule of law and judicial independence

Chapter 4. Voice, participation and political accountability

Chapter 5. Political instability, violence and state legitimacy

Chapter 6. State capacity and autonomy from private interests

Chapter 7. Sovereignty and independence

Part III. Case studies

Chapter 8. Agriculture

Chapter 9. Education and Health

Chapter 10. Fiscal reforms and Public Sector Management

Chapter 11. Financial sector

Chapter 12. Natural resources sector

Part IV. Synthesis

Chapter 8. Synthesis chapter

The Mozambique institutional diagnostic is undertaken by the Development Economics Research Group (DERG) at the University of Copenhagen. Professional interaction and collaboration includes staff in the ongoing UNU-WIDER and University of Copenhagen technical support to the Ministry of Economy and Finance and the University of Eduardo Mondlane.

About EDI

Institutions matter for growth and inclusive development, but there is little evidence on how positive institutional change can be achieved. The Economic Development and Institutions (EDI) research programme addresses this knowledge gap by working with some of the finest economic thinkers and social scientists across the globe to inform new pathways to inclusive, sustainable economic growth.

Policy engagement is a critical focus for EDI research. We engage with policymakers and influencers throughout the design and development of our research programmes. EDI Research Insights and Policy Briefs are published at various stages of research to distil evidence and synthesise key findings for general and policy-focused audiences.

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