

# IGC Mozambique

2017-18

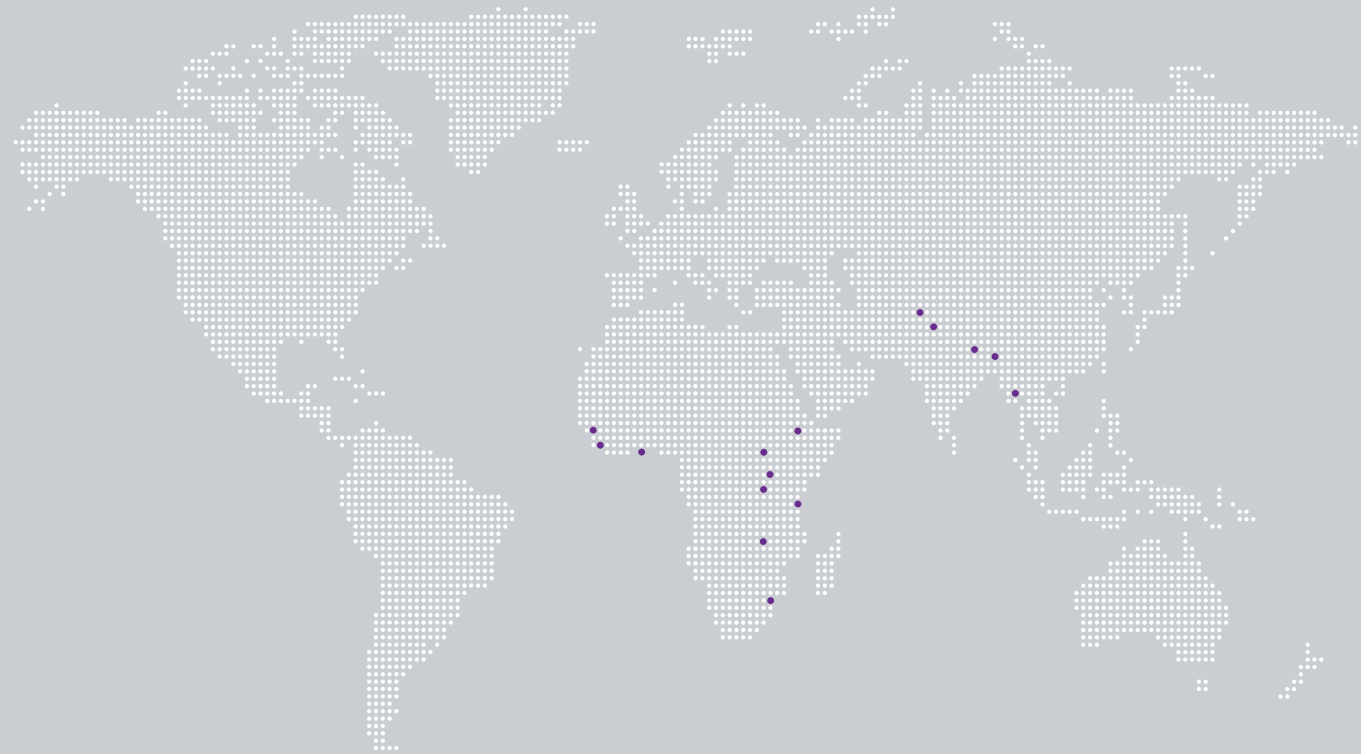
Workplan

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# IGC

International  
Growth Centre



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# 1. The IGC's engagement in Mozambique: Overview

## Priority Areas and Live Projects for 2017-2018

### Firms

Examining new data sources for a strengthened Labour Market Information System

Financial literacy of managers and the efficiency of capital allocation

Entrepreneurship training in Mozambique: the role of business skills vs. aspirations

Randomized impact evaluation of farmer participatory innovative agricultural practices (Pilot)

The Cotton production cluster as an engine of production and employment growth

Subjective expectations, labour market choices and migration among university students in Mozambique

### State Effectiveness

Preventing excess female school dropout in Mozambique

Interoperability of mobile money: international experience and recommendations for Mozambique

Improving the efficiency of health systems in Mozambique

### Inclusive Growth

Resource discoveries, FDI, and local development: Evidence from Mozambique

Evaluation of the impact of mobile banking and financial literacy on microenterprise development in Mozambique

On the mechanics of the political resource curse: behavioral measurements of information and local elite behavior in Mozambique

### Cities

Construction and building materials industries: a reflection in view of recent economic developments

## 2. Ongoing Projects for 2017-18

Project	Research team	Type of output	Delivery date	Project objectives	Policy relevance
Examining new data sources for a strengthened Labour Market Information System	Pedro Martins, Cinzia Rienzo	Working Paper and Policy Brief	May 2017	Examine labour market mismatches and assess the potential of online jobs portals to improve the Labour Market Information System.	This project may support the recently created Labour Market Observatory, within the Ministry of Labour, in defining its work priorities.
Construction and Building Materials Industries: a reflection in view of recent economic developments	Novella Maugeri	Policy brief	May 2017	Provide a policy-oriented update to the Background Study for a Strategy and Policy Framework to Support the Development of the Construction and Building Materials Industry in view of economic developments since 2015.	This document could help guide the national construction policy, the implementation of which will be coordinated by the Ministry of Public Works, Housing and Hydric Resources.
Resource discoveries, FDI, and local development: Evidence from Mozambique	Pierre-Louis Vézina, Gerhard Toews	Working paper and policy brief, workshop	June 2017	Investigate whether giant natural resource discoveries cause FDI waves in non-resource sectors and whether such FDI projects increased household income, the creation of local firms and employment	The results can contribute to policies aimed at investment promotion and enhancing local benefits of FDI projects
Entrepreneurship Training in Mozambique: The Role of Business Skills vs. Aspirations	Catia Batista, Julia Seither	Working paper	June 2017	Examine the impact of improvements in human capital of micro-entrepreneurs on business outcomes, and their potential to grow into SMEs that foster sustainable economic development.	The projects' results could feed into the development of new initiatives to strengthen technical and managerial capacities of the Mozambican workforce.
Interoperability of Mobile Money: International Experience and Recommendations for Mozambique	Steffen Hoernig, Marc Bourreau	Working paper and policy brief	June 2017	Study the experience of Mozambique and other countries with the interoperability of financial institutions, with a focus on mobile money providers, and develop specific recommendations for the Bank of Mozambique.	The results will support the Bank of Mozambique in promoting financial inclusion, by helping to determine the optimal regulatory stance in relation to interoperability.

Project	Research team	Type of output	Delivery date	Project objectives	Policy relevance
Improving the efficiency of health systems in Mozambique	Sandra Sequeira, Margaret McConnell, Maria Steenland	Research paper & policy brief, workshop	June 2017	Identify cost-effective and scalable strategies that can improve the quality and impact of the health system in Mozambique. The focus is on improving the quality, the efficiency and the impact of health care clinics by introducing a system to schedule appointments.	Depending on the results of this study, the Ministry of Health is interested to scale up this intervention to the rest of the country, beyond the three pilot provinces of Maputo, Gaza and Inhambane.
The Cotton production cluster as an engine of production and employment growth	Jorrit Oppewal, Alberto da Cruz, Rafael Uaiene	Report	June 2017	Analyse the cotton value chain to identify obstacles to the sector's further development and propose a concrete sector-specific 'pact' between the private and public sector, detailing mutual commitments, that can leverage further investment. As a follow-up project, a similar study will be undertaken on the pigeon pea value chain.	The study can be used by the Ministry of Economics and Finance and the Ministry of Agriculture to structure a constructive dialogue with the private sector, resulting in the adoption of a public-private 'pact' that can increase investments and productivity. ,
Evaluation of the Impact of Mobile Banking and Financial Literacy on Microenterprise Development in Mozambique	Catia Batista, Sandra Sequeira, Pedro Vicente	Research paper & policy brief	July 2017	Evaluate the impact of financial literacy and facilitated savings through mobile banking on microenterprise productivity and household welfare.	The findings from this research may suggest a system of incentives aimed at making formal savings more accessible, especially to small entrepreneurs. It may also shed light on effective ways to increase financial literacy of small entrepreneurs.
Preventing Excess Female School Drop Out in Mozambique: Conditional Transfers and the Respective Role of Parent and Child in Schooling Decisions	Christine Valente, Damien de Walque	Research paper & policy brief, workshop	September 2017	Examine intra-household educational decisions to help guide education policy.	The study will shed new light into an important dimension of education policy on how to stem high female dropout rates.
Randomized Impact Evaluation of Farmer Participatory Innovative Agricultural Practices (Pilot)	Dean Karlan, Catia Batista, Gharad Bryan	Working paper and Policy Brief	October 2017	Pilot a randomized impact evaluation of farmers' own experimentation with new technologies on their knowledge about the technology returns, the optimal mix of inputs, and adoption of the technology.	The results of the full scale study may be useful for policymakers to design development interventions in agriculture and in other fields where technological innovation can play an important role (such as finance or energy), and the best strategies to promote its effective adoption that are key to meaningful development impact.

Project	Research team	Type of output	Delivery date	Project objectives	Policy relevance
On the mechanics of the political resource curse: behavioural measurements of information and local elite behaviour in Mozambique	Pedro Vicente, Antonio Cruz, Inês Vilela	Working paper and policy brief	November 2017	Evaluate the impact of the provision of information about the management of the newly discovered natural gas in the Rovuma basin, and of citizen meetings held to deliberate on the main priorities for spending the revenues from these resources.	The provincial government of Cabo Delgado sees the project as a way to improve communication channels with village communities across the province.
Subjective Expectations, Labour Market Choices and Migration among University Students in Mozambique	Mariapia Mendola, Luigi Minale, Ines Raimundo	Working paper and policy brief	March 2018	Investigate the role of subjective expectations about employment and earnings in influencing occupational and migration choices of university students in Mozambique.	The results can be useful to inform policies aimed at reducing the skills mismatch in the Mozambican labour market.
Financial Literacy of Managers and the Efficiency of Capital Allocation in Corporations	Claudia Custodio, Igor Cunha, Daniel Metzger	Working paper, policy brief, dataset, workshop	September 2018	Examine the economic effects of investing in managerial human capital and understand the channels through which managerial capital impacts firm performance and value creation.	The project's results will provide guidance on how to develop policies to improve the allocation of human and financial resources within large firms.

### 3. Completed Projects in 2016-2017

Project	Research team	Type of output	Delivery date	Project objectives	Project outcomes
Diffusion of Mobile Money: Evidence from a lab experiment in the field	Catia Batista, Marcel Fafchamps, Pedro Vicente	Research paper	January 2016	Determine how information about mobile money services flows within social networks in rural villages, how social influence affects the adoption of mobile-money, and possible peer effects.	This supported the implementation of the Financial Inclusion Strategy, which is the cornerstone of the Bank's Strategic Plan for 2016-2022.
Financial Literacy of Managers and the Efficiency of Capital Allocation in Corporations (pilot)	Claudia Custodio, Igor Cunha, Daniel Metzger	Report, Workshop	March 2016	Assess the level of financial expertise of Mozambican managers and their current financial practices, as well as financial constraints faced by firms. The full-scale project purports to provide information on the weaknesses and strengths of Mozambican managers' financial knowledge.	Research team currently implementing the full-scale study.
Workshop on Private Sector Development in Mozambique: Focus on Managers and Workers	Pedro Vicente, Claudia Custodio, Pedro Martins	Workshop, blog post, policy note	March 2016	Present preliminary evidence from various studies on how business skills and financial literacy training for entrepreneurs and managers could positively affect private sector development and economic growth in Mozambique and discuss these results with stakeholders from the private and public sector as well as civil society.	First step towards a much deeper dialogue between the Ministry of Labour and private firms managing online job portals, with a view of possibly using the latter as data sources for the newly created National Observatory of the Labour Market.
Background Study for a Strategy and Policy Framework to Support the Development of the Construction and Building Materials Industry in Mozambique	Rogério Quintella, Vasco Nhabinde, Novella Maugeri	Report, High-level hearing, blog post	July 2016	Establish the growth relevance of the development of the construction sector in Mozambique. Identify main barriers the sector is facing and propose a strategy for policy reform.	Following roundtables with regional and national stakeholders, the final study was presented to the Ministry of Public Work's Technical Committee.
Discussion of preliminary paper on the economic impact of demining	Elias Papaioannou, Giorgio Chiovelli, Sotelios Michalopoulos	Closed round-table	October 2016	Discuss preliminary results on the economic impact of demining from a spatial development perspective.	The meeting succeeded in introducing public officials to the consideration of general equilibrium effects of demining. On top of that, the research team was able to gain access to additional data sources to improve on their final paper.

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Does management training and consulting services improve working conditions, worker skills and productivity, and firm performance in SMEs? Evidence from the construction industry in Mozambique	Renata Lemos	Report	December 2016	At the scoping level, assess the feasibility of a randomized experiment on the impact of management training on firm performance, working conditions and worker skills, with a focus on the construction industry.	Research team currently seeking funds to implement the full-scale study.
Implementing the National Development Strategy: Poultry	Jorrit Oppewal, Alberto da Cruz, Vasco Nhabinde	Report, high-level hearing	December 2016	Analyse the poultry value chain to identify obstacles to the sector's further development and propose a concrete sector-specific 'pact' between the private and public sector, detailing mutual commitments that can leverage further investment.	The study presented and discussed at the National Poultry Meeting at the presence of the President of the Republic. Its results are currently being used by the Ministry of Agriculture for the design of a set of policy measure to promote the sector.



## International Growth Centre

The International Growth Centre (IGC) aims to promote sustainable growth in developing countries by providing demand-led policy advice based on frontier research. The IGC directs a global network of world-leading researchers and in-country teams in Africa and South Asia and works closely with partner governments to generate high quality research and policy advice on key growth challenges. Based at LSE and in partnership with the University of Oxford, the IGC is funded by the UK Department for International Development (DFID).

The IGC is contributing to policy in Mozambique mainly through its work on private sector development and state effectiveness. Within these broad themes, we have been particularly active in the areas of access to financial services through mobile money, as well as a range of sector specific studies including construction, poultry and cotton. Current projects include research into the interoperability of mobile money, an evaluation of how to reduce excess female drop out from school, and a study on improving the management of the health system.

### Contact IGC Mozambique

IGC Mozambique  
Ministério da Economia e Finanças,  
Avenida Ahmed Sekou Toure N. 21, 5º Andar, Flat 55, Maputo

Email: [mozambique@theigc.org](mailto:mozambique@theigc.org)  
Website: [www.theigc.org/countries/mozambique](http://www.theigc.org/countries/mozambique)  
Facebook: [www.facebook.com/igcmozambique](https://www.facebook.com/igcmozambique)  
Twitter: @IGC\_Mozambique

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