

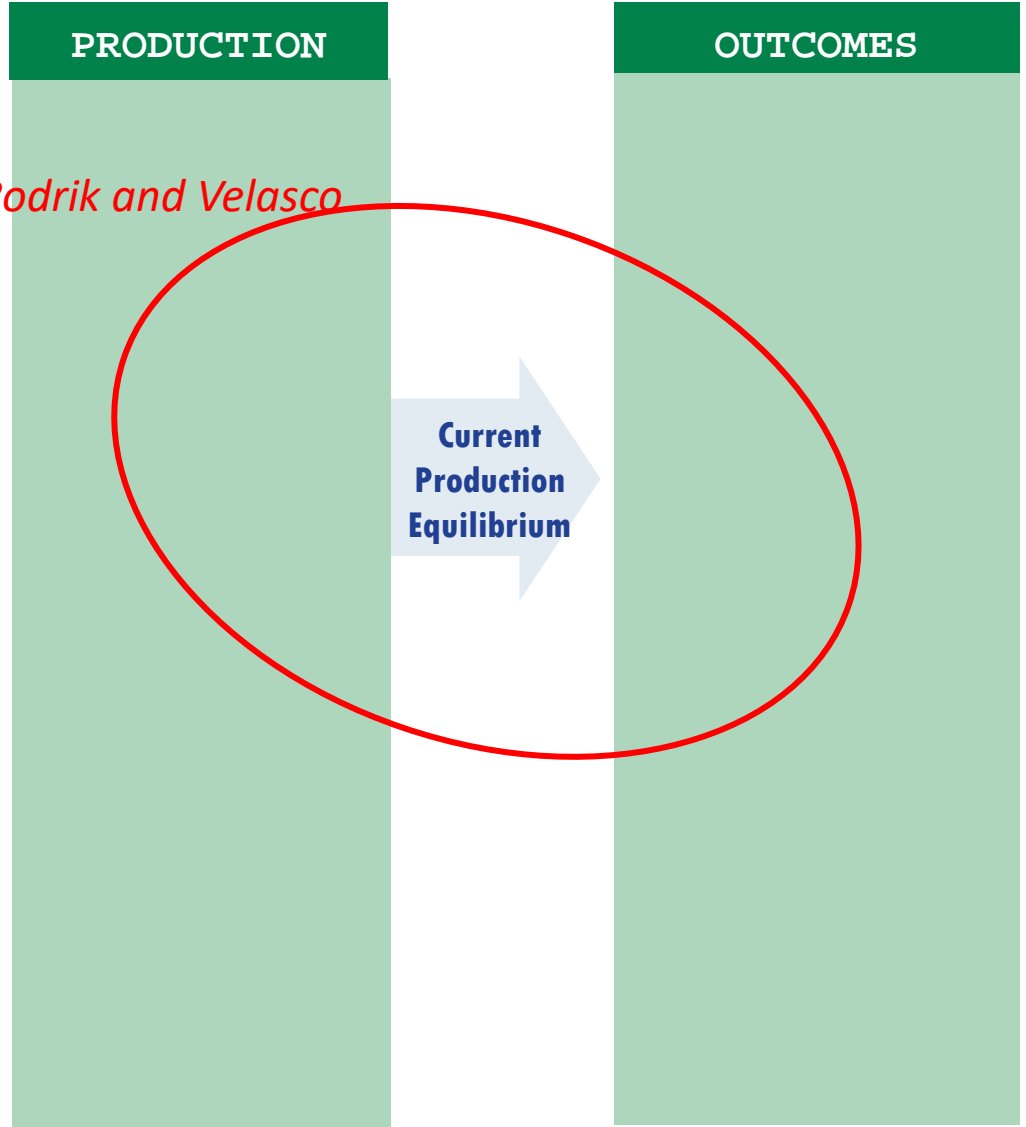
Thicker Diagnostics

Stevan Lee, Oxford Policy Management

Australasia Aid Conference 2020

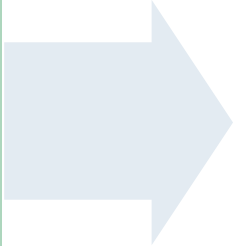
Diagnostic Space

External shocks: politics, policy, economic, physical, disruptive technology



Hausman, Rodrik and Velasco

Diagnostic Space



Diagnostic Space

External shocks

FOUNDATIONS

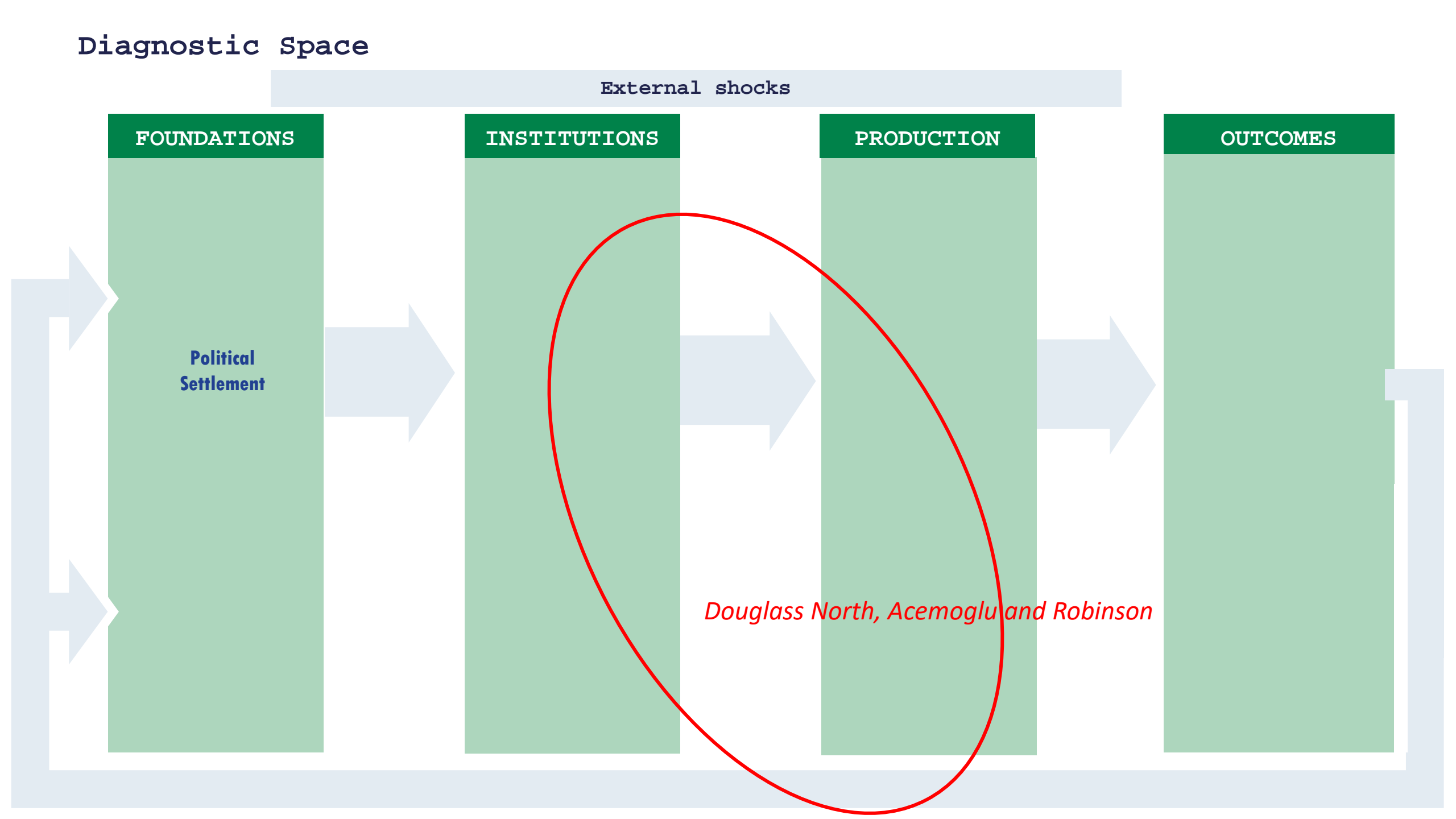
INSTITUTIONS

PRODUCTION

OUTCOMES

Political Settlement

Douglass North, Acemoglu and Robinson



Diagnostic Space

External shocks

FOUNDATIONS

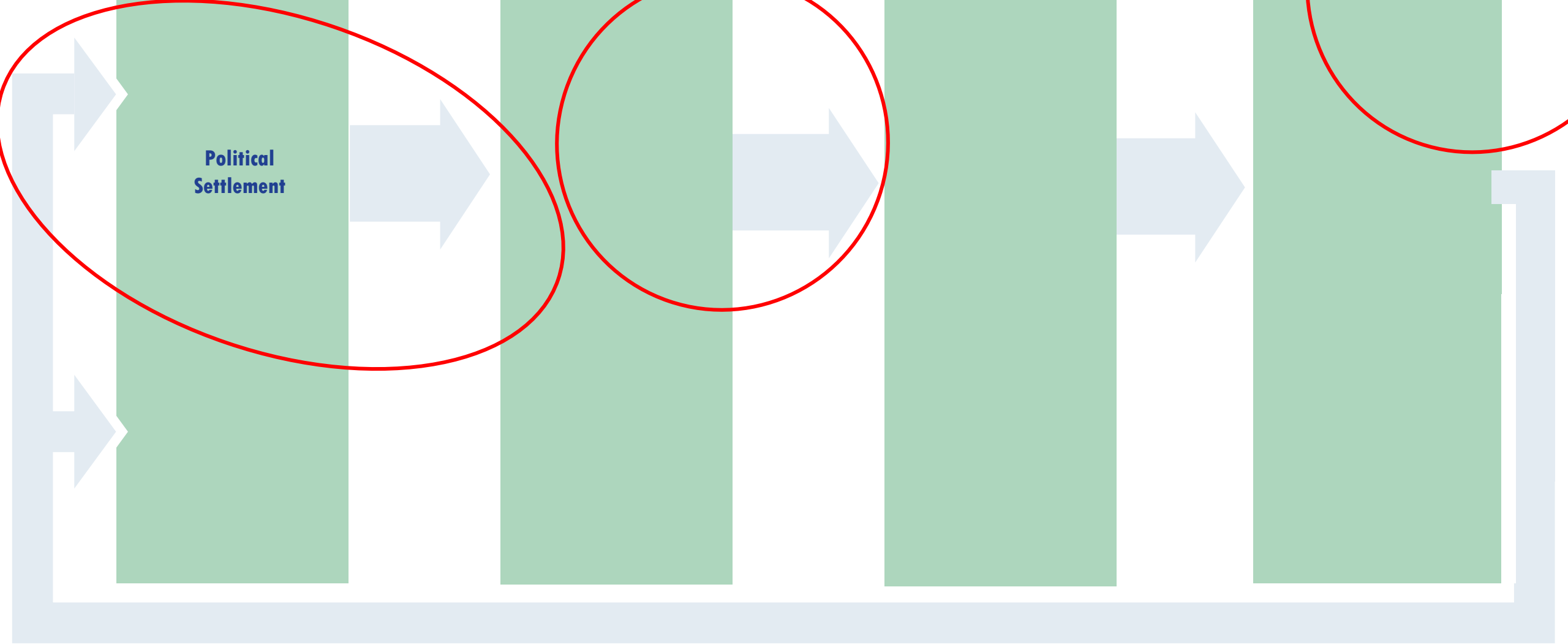
INSTITUTIONS

PRODUCTION

OUTCOMES

Mushtaq Khan

Political Settlement



Diagnostic Space

External shocks

FOUNDATIONS

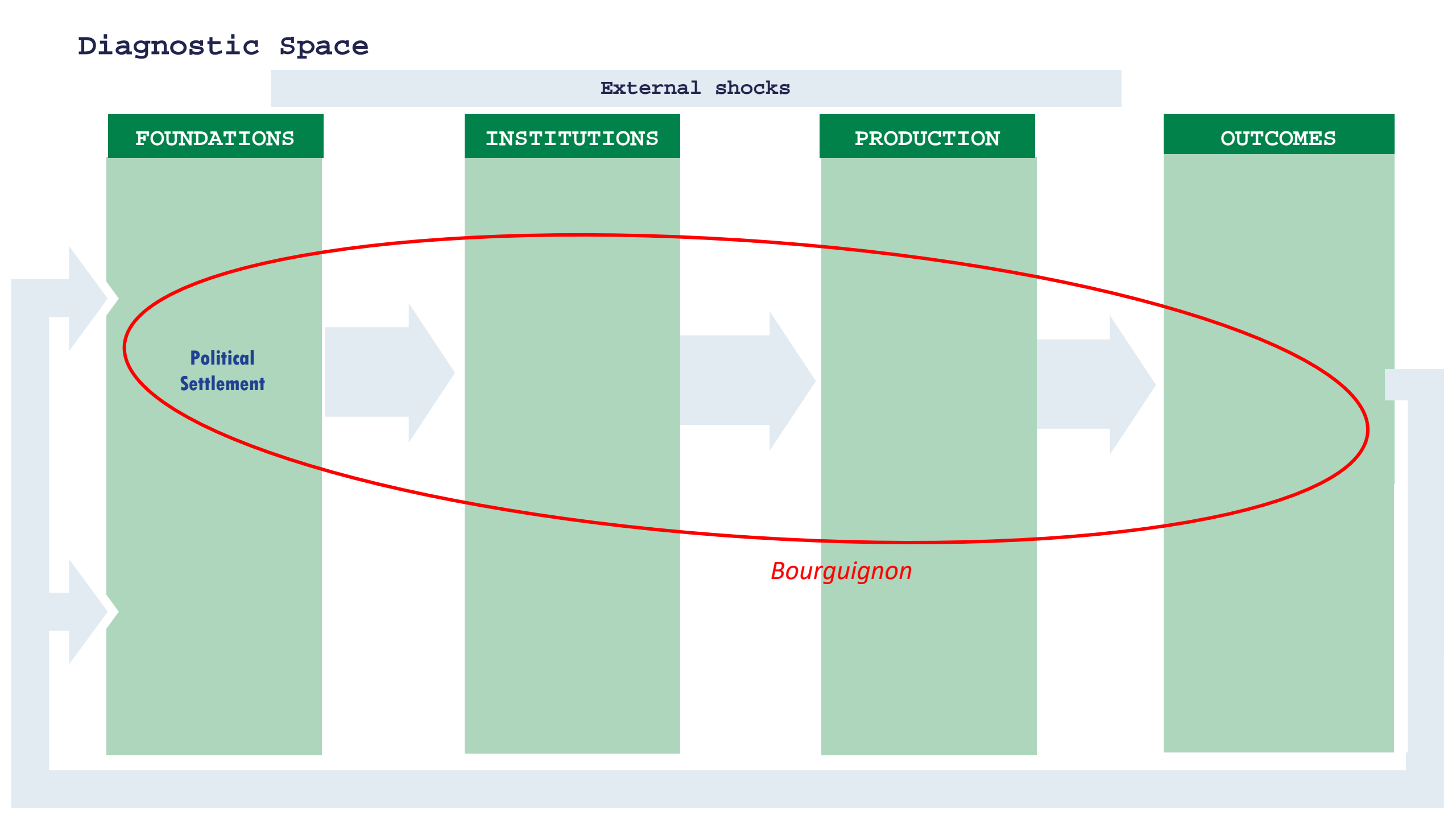
INSTITUTIONS

PRODUCTION

OUTCOMES

Political Settlement

Bourguignon



Diagnostic Space

External shocks

FOUNDATIONS

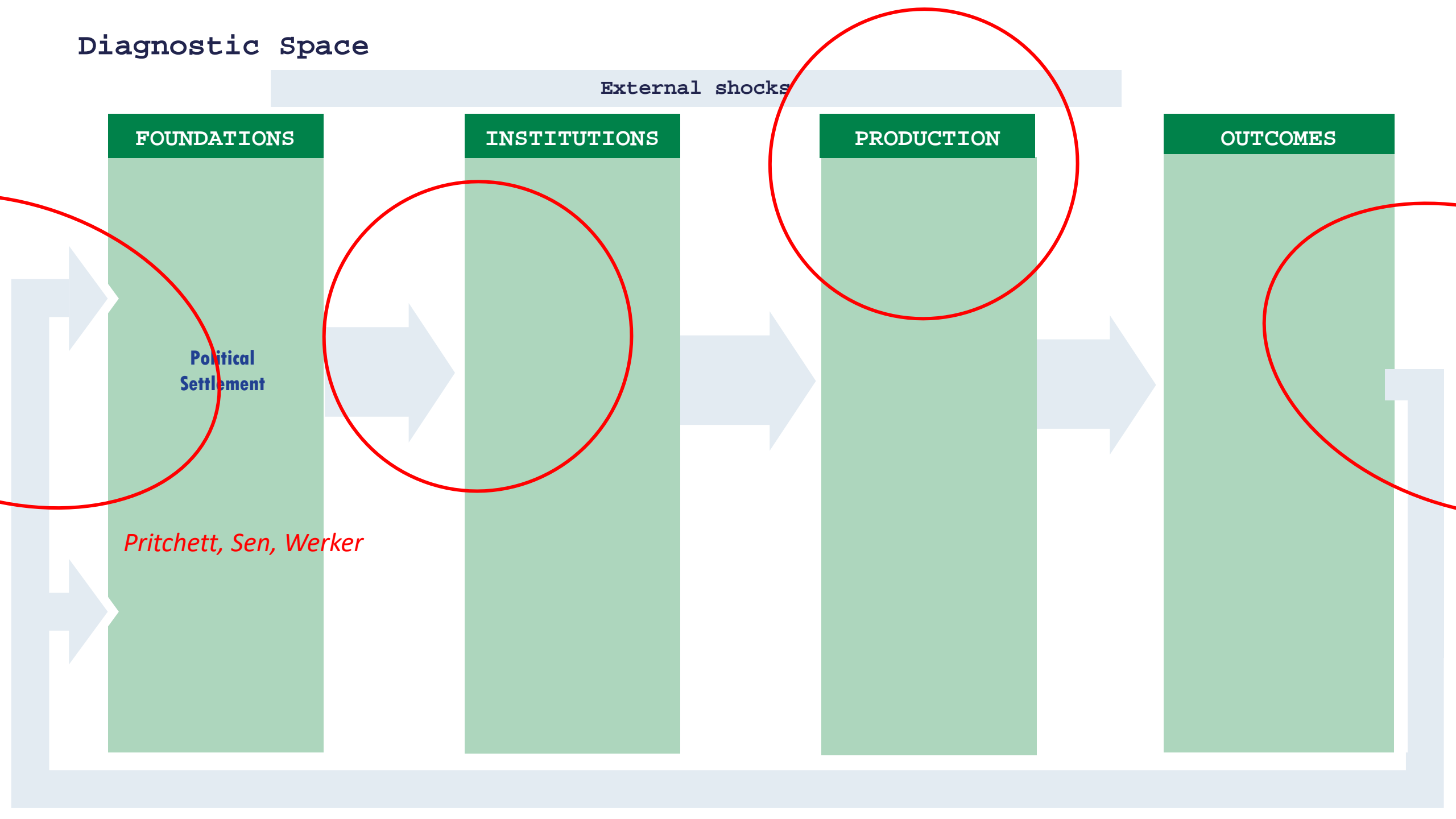
Political Settlement

Pritchett, Sen, Werker

INSTITUTIONS

PRODUCTION

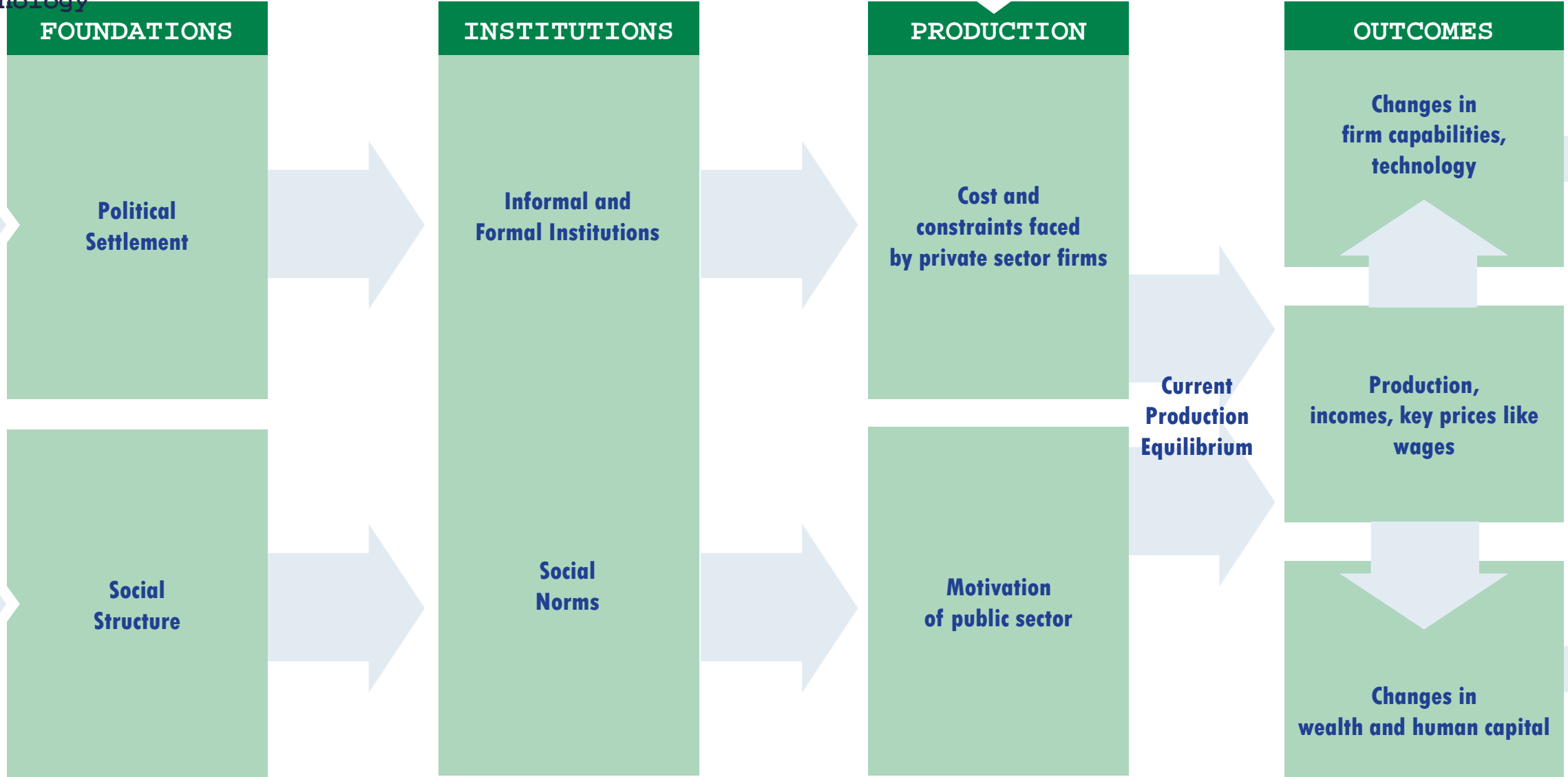
OUTCOMES



Diagnostic Space

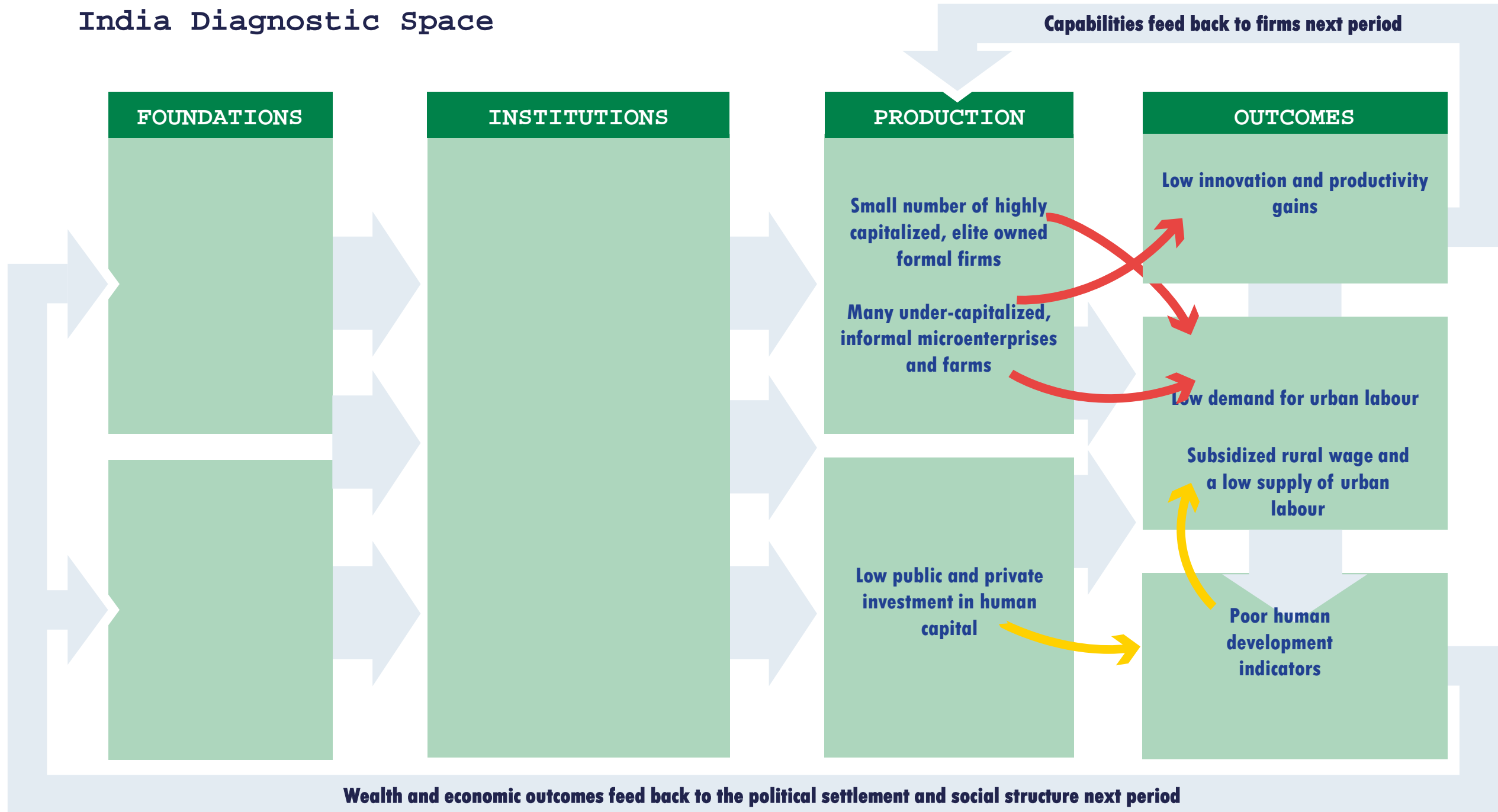
External shocks: political, policy, economic, physical, technology

Capabilities feed back to firms next period

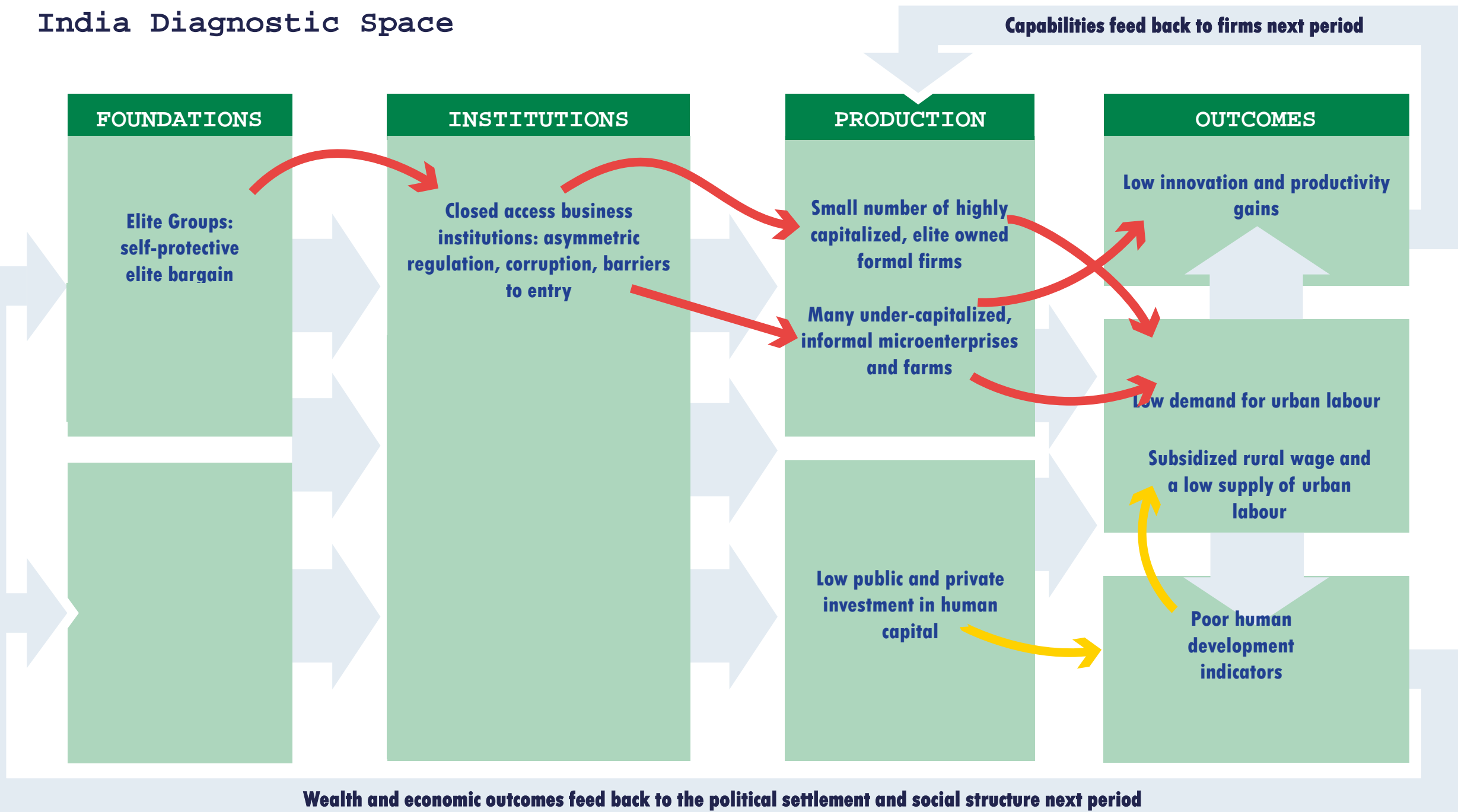


Wealth and economic outcomes feed back to the political settlement and social structure next period

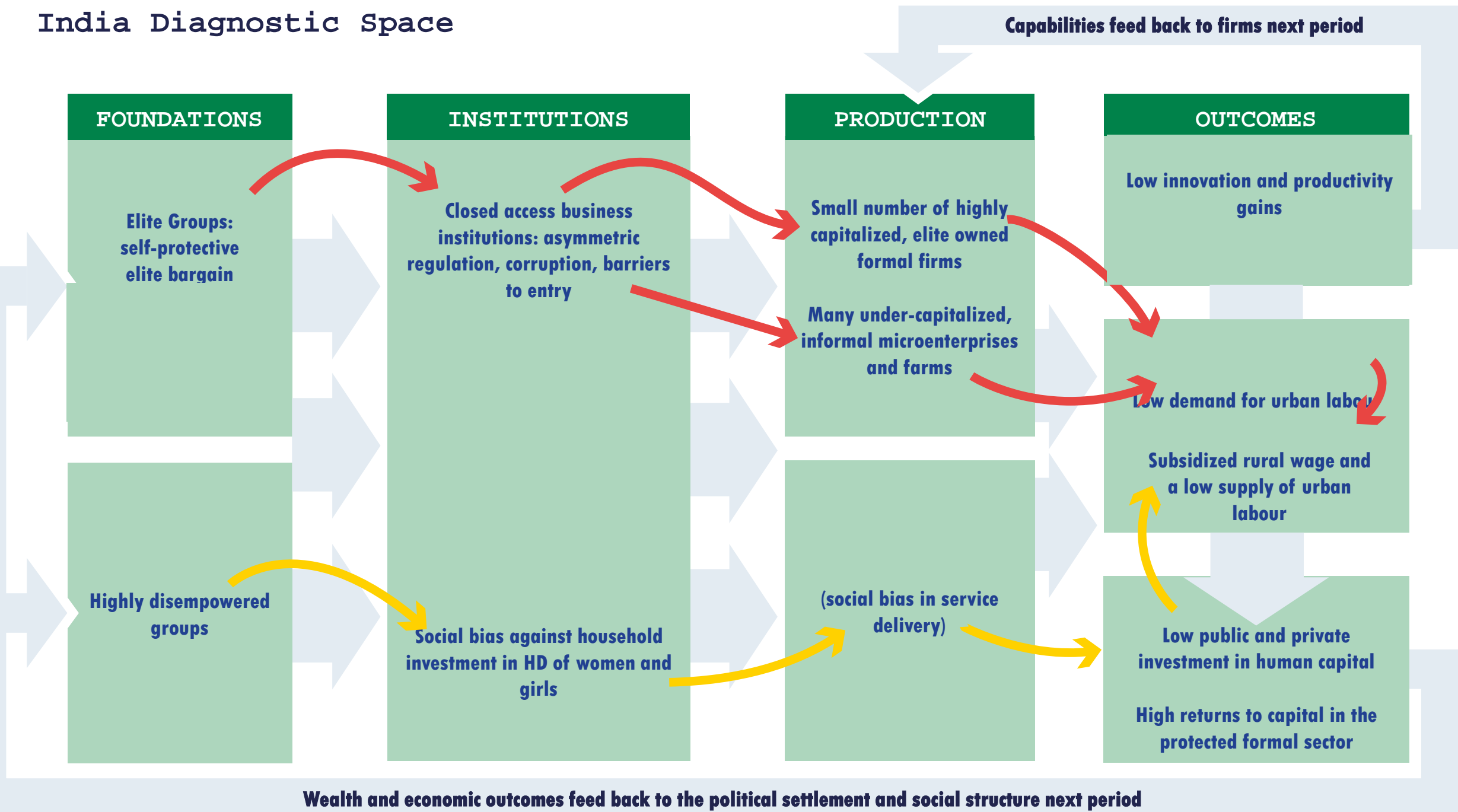
India Diagnostic Space



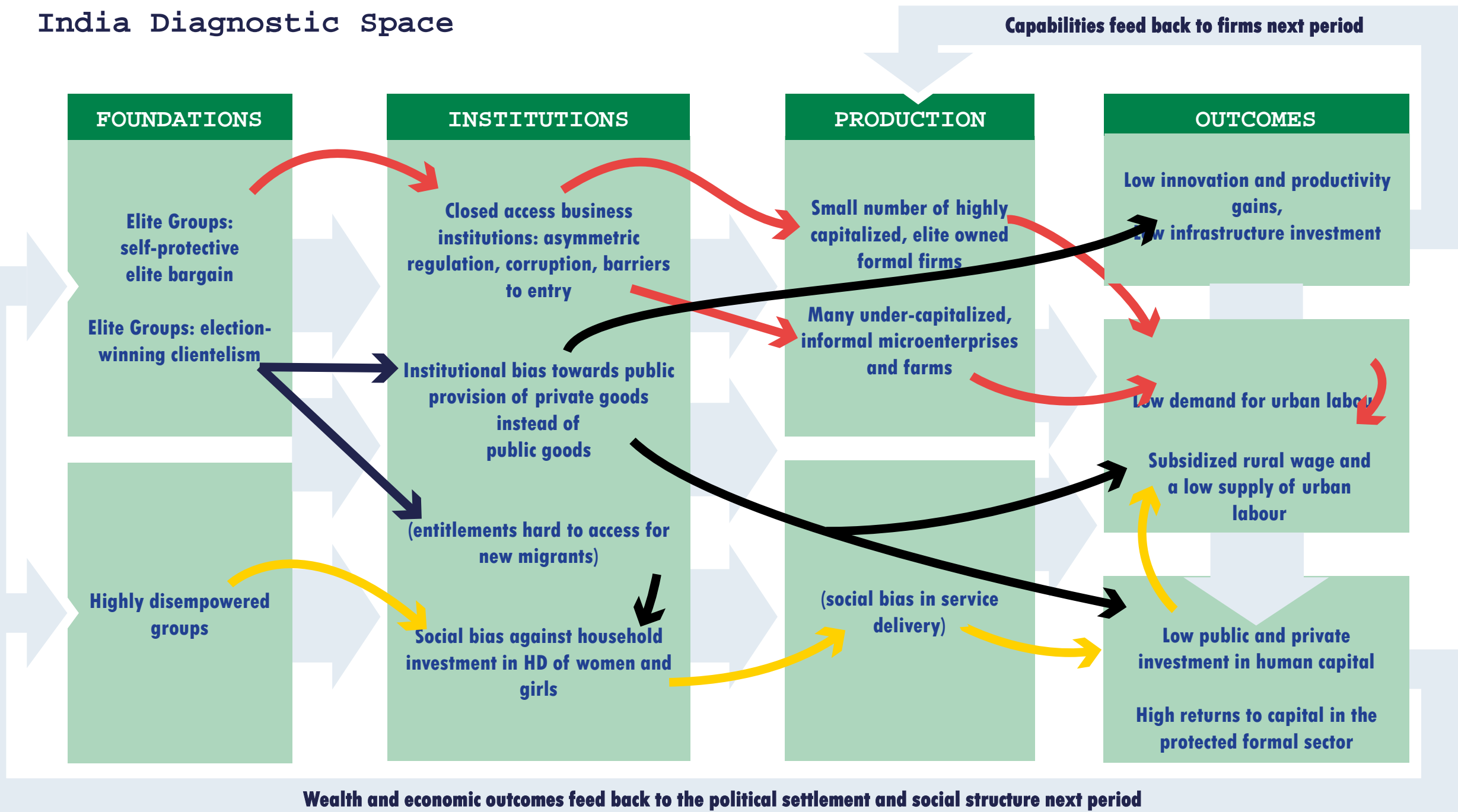
India Diagnostic Space



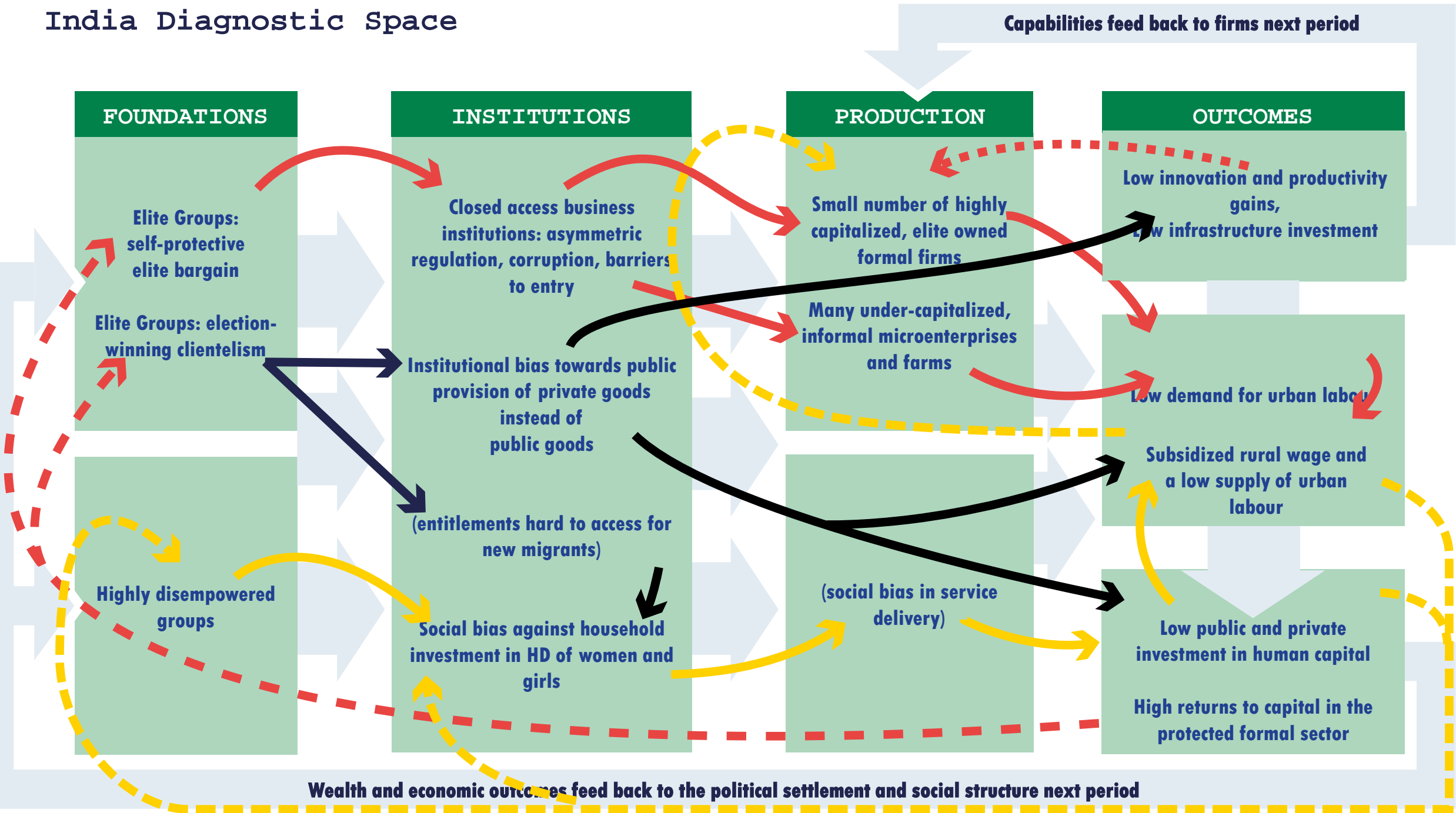
India Diagnostic Space



India Diagnostic Space

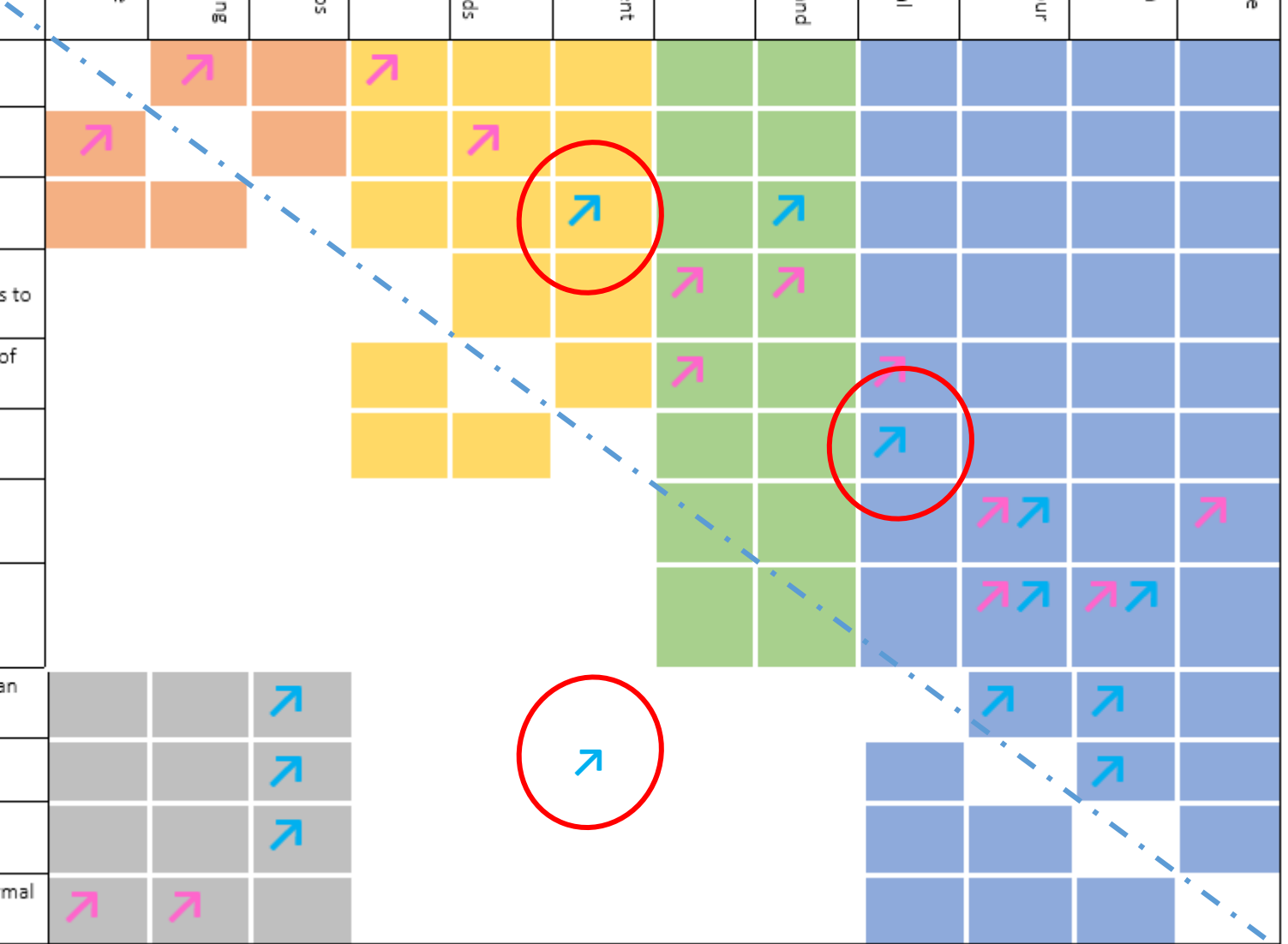


India Diagnostic Space



Thankyou

INDIA THICKER DIAGNOSTIC SPACE MATRIX		Elite Groups: self-protective elite bargain	Elite Groups: election-winning clientelism	Highly disempowered groups	Closed access business institutions: asymmetric regulation, corruption,	Institutional bias towards public provision of private goods instead of public goods	Social bias against investment in HD of women and girls	Small number of highly capitalized, elite owned formal firms	Many under-capitalized, informal microenterprises and farms	Low public and private investment in human capital	Low demand for urban labour	Subsidized rural wage and a low supply of urban labour	High returns to capital in the protected formal sector
POLITICAL SETTLEMENT AND SOCIAL STRUCTURE	Elite Groups: self-protective elite bargain		↗		↗								
	Elite Groups: election-winning clientelism	↗				↗							
	Highly disempowered groups						↗	↗					
INSTITUTIONS AND SOCIAL NORMS	Closed access business institutions: asymmetric regulation, corruption, barriers to entry						↗	↗					
	Institutional bias towards public provision of private goods instead of public goods						↗		↗				
	Social bias against investment in HD of women and girls								↗				
PRODUCERS	Small number of highly capitalized, elite owned formal firms									↗↗		↗	
	Many under-capitalized, informal microenterprises and farms								↗↗	↗↗			
OUTCOMES	Low public and private investment in human capital			↗							↗	↗	
	Low demand for urban labour			↗								↗	
	Subsidized rural wage and a low supply of urban labour			↗								↗	
	High returns to capital in the protected formal sector	↗	↗										



Nepal Rapid Diagnostic

- This was done purely from secondary sources in a couple of days

Asia Foundation 2017, Political Economy Analysis of Local Governance in Nepal;

Asia Foundation 2014, Political Economy Analysis of Electricity Tariff Restructuring in Nepal;

Magnus Hatlebakk for Norwegian Ministry of Foreign Affairs 2017, Nepal, a political economy analysis;

MCC 2014, Nepal Growth Diagnostic;

ODI for DFID 2014, Structural economic transformation in Nepal, A diagnostic study submitted to DFID Nepal;

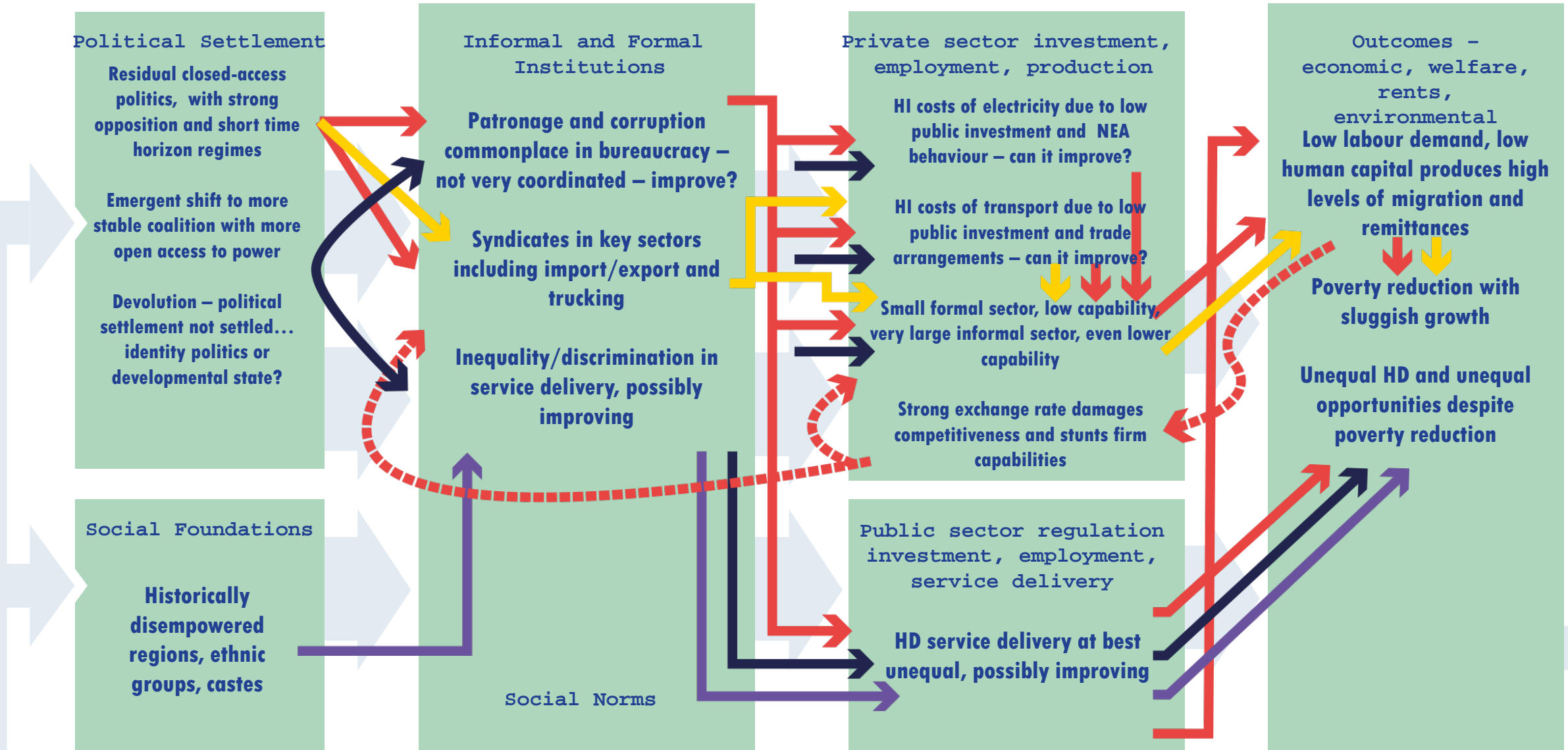
Roy and Kahn 2017, Nepal's Political Settlement and Inclusive Growth: Not Quite Business as Usual;

World Bank 2018, Systematic Country Diagnostic.

Other uses

- India HD
- Nigeria HD
- Nepal general
- Myanmar general
- Tanzania and Indonesia Disruptive Tech (Pathways)
- EDI Institutional diagnostics (different but consistent)
- DFID's own country diagnostics (different, separate)

External shocks: political, economic, physical, disruptive technology



Outcomes feed back to politics and social change – producing pathways