An Analysis of Correlations between Institutional Governance and Economic Development in Zimbabwe

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Abstract

The main focus of this study was to analyse the correlations between institutional governance and economic development using annual time series data covering the period 1996 to 2019. Since there has not been much attention given to the role of institutional governance in facilitating the economic recovery in Zimbabwe, the economy has failed to register sustainable economic growth post-2000. To give an insight into the major variable excluded in the formulation of national policies, an econometric Pearson correlation model for correlations between institutional governance and economic development was applied. Economic development was measured using GDP per capita growth while institutional governance was measured by four variables, namely, the rule of law index, voice and accountability index, regulatory quality index, and political stability index. The empirical outcome reveals a strong positive correlation between institutional governance variables and GDP per capita growth. Hence, this study recommends that Parliament should exercise its powers to hold public institutions and all other state organs accountable for respecting the rule of law and maintaining political stability; macro-stabilisation institutions should implement sound economic policies; and there should be an immediate response by institutions to curb illicit economic operations to minimise economic leakages. These reforms need institutional political independence to be implemented and can facilitate economic development. Therefore, instead of targeting only macroeconomic indicators as a way out to resolve the economic crisis, this study provides policy makers in Zimbabwe with insight into recommendations for institutional reforms to improve the effectiveness of institutional governance to promote sustainable economic development.

Keywords: Correlation, Governance, Institution, Economic development, Zimbabwe

Introduction

Institutional governance has become the major key index to use when analysing what it is that impedes economic development, especially in developing nations. The importance of having good governance in public institutions emanates from the general understanding that government institutions are the primary facilitators of economic development. The importance of vibrant institutional governance is underlined by numerous studies revealing that public institutions are key drivers of development in the sense that effective institutions aid investment in physical and human capital as well as stabilising macroeconomic conditions (Mishkin, 2007; Okebukola, 2014; Koh, 2016).

A number of these studies have attempted to examine the effect of institutional governance on economic development using qualitative analysis. The results obtained have not been backed by statistical representation of data to minimise personal bias and enhance the accuracy and depth of the research. Most of these studies carried out were cross-sectional in nature, and are limited to providing the temporal link between the outcome and the exposure because both are examined concurrently. They have left an empirical gap that motivated further empirical exploitation. Recent empirical studies have been done in a bid to close this empirical gap by considering consistent time series data. This study applies the Pearson correlation test on time series data to analyse the correlations between institutional governance and economic development. This is in light of the general idea that effective institutional governance serves as a conduit for the economic development of the nation.

Background

Although there have been several debates regarding to the involvement of government in the economy (Farla, 2013), most nations opt for limited government intervention. Government involvement debates on the Washington Consensus were centred on institutional governance as the perceived reason for different views between those who advocated for limited government intervention and those who supported full government intervention. Hence, many developed nations, including Singapore, embrace the limited role of government in institutional governance to sustain economic progress. Poon (2016), however, proclaims that Singapore achieved sustainable vibrant economic development, and that social stability arose from good governance. According to Yeung (2000), in the early 1990s Singapore faced increasing competition and rivalry for foreign capital due to stepped up global competition for investment. This lead to long term anticipated growth limits that were later transformed into an official state policy for building an external wing to Singapore's economy. The government created favourable conditions for both state-owned and private companies to expand their operation beyond Singapore's territorial boundaries.

The fruits of good governance have not only been realised in developed nation; in South Africa good governance starts with honest hard work by every official of the state. Rondinelli (2007) essential elements of accountability, transparent and democratic institutional and process were honoured with integrity in full support of South Africa's National Development Plan. The National Development Plan covers several key areas of development ranging from increasing exports, supporting small businesses and business innovation, to reforming public service delivery policies and infrastructure and increasing rural development and an effective welfare service for citizens. IDASA (2012) put forward that these national goals were realised through the public participation process of legalising government decisions. Thus, South Africa to some extent produces results that meet the needs of its citizens while making the best use of resources.

However, not all nations yield good results from the institutional governance processes they employ; in Zimbabwe it is believed that the institutional governance process implemented might have impeded economic development (Bhoroma, 2018). This may also explain the failure of economic blueprints such as the post-2010 Zimbabwe Agenda for Sustainable Socio-Economic Transformation (ZIM-ASSET), despite the contributions that these policies brought with them. Had it not been introduced to counter poor institutional governance, one might argue that it was mere political propaganda promoting the belief that a good programme was being implemented. The prevailing argument was that these policies, despite making some positive contributions, and along with other factors, led to the collapse of the Zimbabwean economy. An example of these policies includes the Economic Structural Adjustment Programme (ESAP), implemented in 1991-1995 and the 2000 Fast Track Land Reform Programme (FTLRP) that lead to the violation of property rights and farm debt. It is further argued that the Structural Adjustment Programme (SAP) was Western-driven, and not suitable for Zimbabwe, being a developing country, and there was poor implementation, leading to massive retrenchment of workers, high unemployment, and deindustrialisation.

According to Morrison (2013), development processes are not linear. They are marked by inconsistencies and contradictions and Zimbabwe is not an exception to this. The Zimbabwean government effected policies that were shaped by different ideologies that later proved contradictory in nature. Since 1980, Zimbabwe has introduced several economic blueprints in a bid to promote sustainable economic development and poverty alleviation ranging from Growth with Equity (GWE), the Transitional National Development Plan (TNDP), the First Five-Year National Development Plan (FFYNDP), the Economic Structural Development Programme (ESAP), the Zimbabwe Programme for Economic and Social Transformation (ZIMPREST), Vision 2020 and the Long-Term Development Strategy, the Millennium Economic Recovery Programme (MERP), the National Economic Revival Programme (NERP), Macro-Economic Policy Framework (MEPF), National Economic Development Priority Programme (NEDPP), the Zimbabwe Economic Development

Strategy (ZEDS), the Short Term Emergency Recovery Programme (STERP I), the Short Term Emergency Programme (STERP II), the Medium Term Plan (MTP) to the Transitional Stabilisation Programme (TSP). According to Ngwenya (2022), the early years of independence were marked by policies aimed at redressing colonial era imbalances by assimilating previously marginalised people into the mainstream economy. The government had to assist these people through land resettlement, free education, health care, and job creation.

Despite these policy frameworks, Zimbabwe experienced a collapse of the vibrant and dynamic economy, mostly experienced in 2000 (Besada, 2008). However, the crisis is historical and goes back to 1980. Despite efforts to make Zimbabwe open for business, and attract investment, the key issue dragging development down appears to have been poor institutional governance, which has been deeply rooted since the end of the colonial era. One of the recurring problems that can be traced back to the 1980s is corruption, which uses the existing governance structures for the benefit of a few. This corruption involves government tenders, politicians, and politically connected individuals. An example is the Drax deal that involved awarding a procurement contract to Drax International without going to tender (*Mututwa*, 2022). This case was before the High Court in 2020 when Drax International LLC and Drax Consult SAGL prosecutors claimed that the health ministry had illegally awarded contracts without a competitive tender process. The issue of corruption by public officials is deeply rooted in the history of Zimbabwe and its institutions that accommodate such dealings. Several policies are crafted by the Reserve Bank of Zimbabwe, Ministry of Finance and Economic Development, Ministry of Mines and Mining Development, Ministry of Agriculture, and the Parliament of Zimbabwe to promote economic development, but corruption involving government tenders happens behind the scenes, raising questions regarding the governance in these institutions.

Research Hypotheses

The null hypothesis of this study is that there is no association between GDP per capita growth and institutional governance variables (rule of law, regulatory quality, voice and accountability and political stability indexes). When the probability value of t-statistics fell below 5 percent, we reject the null hypothesis and concluded that there is an association between these variables.

Theoretical Approach

In this study, three theories are used, namely, the Structuralist approach to economic development, Neo-liberalism, and Kaufman's theory of governance. Theoretically, the Structuralist approach to economic development (Farla, 2013) argues in line with Neo-liberalism (Clarke, 1994) that institutional governance has a vital role to play in the economy, that is, effective institutional governance will lead to the creation of effective institutions to correct market failures and to promote free markets in which the government has only limited direct involvement. Likewise, Rodrik and Subramanian (2005) reach an intellectual consensus that the political institutions of limited government promote economic development. While these theories try to provide answers as to the policies that can be implemented to promote development, Kaufman's (2002) theory of governance lies in the centre between these policies and development. Kaufman (2002) theoretically managed to observe that institutional governance is a necessity for sustainable economic development and that the difference in the rates of economic development in different countries can be explained by the differences in the quality of the environment in which both public and private sector players operate. The mentioned environment includes institutions covering the rule of law, economic policies and government regulations of the country. Hall and Jones (1999) show that differences in capital accumulation, productivity and output per worker are driven by differences in institutions and government policies. North (1990) argues that institutional governance that promotes the rule of law, property rights and democracy, among other factors, is key to the development of an economy.

Institutional governance and economic development across nations

The empirical review of the literature confirms that four scenarios exist regarding the association between institutional governance and economic development across nations. The first scenario asserts that good governance in an economy with stable and sound macroeconomic conditions will lead to sustainable economic development (Okebukola, 2014; Koh, 2016, Legatum Institute Foundation, 2017). Studies were done on developed nations during periods of stable macroeconomic conditions in countries such as Singapore, Germany, Canada and Japan. In countries in which the rights of the citizens are respected, their lives and properties are well protected, which stimulates the desire of investors to invest in these nations with secured property rights. This will in turn create a high real national income. As institutions effectively operate in a stable macroeconomic environment, they significantly stimulate sustainable economic development. The Legatum Prosperity Index (2014) mentions that in developed countries, the government operates transparently and predictably to create conditions that allow businesses to grow and succeed. Good institutional governance principles held by developed nations are therefore positively related to sustainable economic development.

The second scenario confirms the recovery of sustainable economic development through upholding good institutional governance principles in the face of unstable macroeconomic conditions (Giulio, 2011; UN, 2010). The global financial crisis in 2008 brought the international financial system to a grinding halt. The UN (2010) found evidence that reforms in the financial governance mechanism such as risk management were used by the USA government to resolve the financial crisis. In addition, Griffiths and Zammuto

(2005) ascertain that to resolve the financial crisis, economic global governance was represented by the reformation of the international financial institutions of the Breton Woods agreements, in order for financial institutions to play their pivotal role more effectively in promoting financial stability and fostering the development of the lives of the poor. Therefore, institutional governance reforms are a better way to resolve macroeconomic instability to recover sustainable economic development.

The third scenario confirms the ambiguous relationship between bad institutional governance and economic development under a stable and sound macroeconomic phase. During this phase with weak institutional governance, an economy can experience episodes of positive growth and negative growth. According to Lee (2018), without economic stability brought by good institutional governance, the nation will find itself less able to sustain periods of positive growth.

The final view confirms a linear negative relationship between bad institutional governance and economic development during unstable macroeconomic conditions. This is supported by Kempe (2014) and Bhoroma (2018). This literature provides sufficient evidence that a lack of the rule of law and respect for property rights, lack of citizen engagement in formulating national policies, and political instability in an unstable macroeconomic condition will lead to inefficient markets and more economic leakages. Reviewing the literature, one can suspect that institutional governance indicates the differences in the economic growth rates across the nations.

The association between institutional governance and economic development has not received adequate attention in Zimbabwe. Chu (2011) and Bhoroma (2018) point out areas of institutional governance where no significant efforts were made to address the issues of rule of law and respect for property rights, political instability and regulatory quality in Zimbabwe. However, policy makers in Zimbabwe are concentrating on targeting macroeconomic indicators excluding a major variable, institutional governance, in the formulation of national policies. Hence, this study seeks to analyse the correlations between institutional governance and economic development to give insight into a significant variable that needs to be considered for Zimbabwe to achieve sustainable economic development.

The contribution of this study to relevant literature lies in its focus on institutional governance and its association with economic development. The motivation is primarily driven by the failure of the economy of Zimbabwe to register sustainable economic growth since the post-2000 era through targeting macroeconomic indicators. And there has not been much attention given to the role of institutional governance in facilitating economic recovery. This study is of significance since it will apply the Pearson correlation test to investigate the direction and strength of the relationship between institutional governance and economic development in Zimbabwe. The study provides recommendations for the significant role of institutional governance in economic development. Although the institutions in Zimbabwe have been in existence since the pre-independence era, most studies on institutional governance and economic development dwell on qualitative analysis. Thus this study provides insight into the exact strength and direction of the association between these variables through the application of an econometric model.

Methodology

The study uses a Pearson correlation framework to establish the association between institutional governance and economic development. This was done after testing the linearity and homoscedastic assumptions using variables and residual scatterplots, respectively. The Pearson correlation framework uses Pearson's correlation coefficient to statistically test the association between two continuous variables. According to Guajarati (2013), the approach is best for measuring the association between variables of interest as it is based on the method of covariance. In addition, the magnitude of the association and the direction of the relationship between the two variables is realised.

The Pearson correlation model used in this analysis is the following:

$$R = \frac{\sum\left(X_t - \overline{X} \right)(Y_t - \overline{Y})}{\sqrt{\left[\sum(X_t - \overline{X})^2 \ \sum(Y_t - \overline{Y})^2 \right]}}$$

Where $X_t = \begin{bmatrix} V\&A_t \\ PS_t \\ RQ_t \\ RL_t \end{bmatrix}$ which is a 4 x 1 vector of variables and Y_t represent real GDP per capita growth rate a proxy variable measuring economic development. *V&A* is the voice and accountability index, *RQ* is the regulatory quality index, *RL* is the rule of law index, *PS* represents the political stability index and R is the Pearson correlation coefficient that provides the degree of symmetric correlation between two variables in pure numbers within the limit range of +1 to -1.

Definition and Justification of Variables

Economic development (Y): Economic development is defined as the creation of wealth through the process in which citizens realise the benefits of increasing a nation's ability to produce goods and services over time. There are various measures used to measure economic development and these include the human development index, real GDP per capita growth, and real gross national product (GNP), among others. The study employed real GDP per capita growth as a proxy for economic development as it focuses on the growth of national income per person, which has a direct bearing on the general welfare of a nation's citizens. Although GDP per capita is criticised as a measure of economic development across nations, in a nation where the same denominated currency purchases the same quantity for all citizens, it can be a good estimator for economic development. Measures such as the human development index were not considered since they comprise the literacy rate, with Zimbabwe having a 90 per cent literacy rate but a national poverty headcount ratio of 38.3 per cent in 2019 (World Bank, 2022). This means the literacy rate in the human development index is not a significant variable for measuring economic development in Zimbabwe. Also, the gross national product (GNP) was not considered as it measures production using Zimbabwean factors regardless of global location. Hence, the GDP per capita growth rate is the preferred proxy for economic development as used by Noman (2012) and Mazwi (2019).

Voice and accountability (V&A): Voice and accountability consider a wide range of ideas about how citizens can express preferences, secure their rights, make demands on the state, and ultimately achieve better development outcomes. Strengthening citizens' participation in national policy formulation reduces the risk of non-compliance by the public, and leads to the successful implementation of developmental policies. Hence a positive association between the voice and accountability index and GDP per capita growth is expected.

Political stability (PS): The index of political stability is based on the severity of political protest and violence in a nation in any given year. When the political system in a nation plays a crucial role in maintaining its political stability so that economic development is achieved. Political stability reduces the investment risk thereby encouraging more investment, which leads to an increase in capital accumulation. These variables have been used by Feng (1997) and are expected to be positively related to economic development.
Regulatory quality (RQ): Regulatory quality captures the perceptions of the ability of the government to formulate and implement sound policies and regulations that promote and permit private sector development. The use and implementation of policy instruments that facilitate access to and equitable sharing of the benefits of financial and natural resources could lead to economic development.

Rule of law (RL): The rule of law is the mechanism, process, institution, or practice that supports the equality of all citizens before the law and prevents all forms of arbitrary use of power. Considering the rule of law on property rights is not only important for economic development but, more crucially, as a key cornerstone for the market economy. Once property rights are infringed, the economy is bound to collapse with devastating speed. Lack of property rights causes a loss of investor trust and the disappearance of equity finance and entrepreneurial knowledge, which are the most important ingredients for economic development. Hence the rule of law is expected to be positively correlated with the economic development process of the country.

Data Sources

The study uses annual time series data for the period 1999 to 2019. The data was obtained from the World Penn Table version 10.0 and the Reserve Bank of Zimbabwe database. Regarding institutional governance variables data, there were some missing observations in some years. To make the data valid for correlation analysis, a crude approach to handling missing data called complete case analysis was utilised to exclude all cases in which either one or both of the values being correlated are missing (Gujarati, 2014).

Limitations, the Validity and Reliability of the Study

Due to limited time series observation less than 25 observations, the researcher confined the study to correlation analysis modelling which can undertaken with at least 20 observation (Tiao, 1975). Even though, 23 observations were used the findings can be generalisable since the degree to which the research outcomes will stay steady across recurrent investigations was maintained.

Estimations and Interpretation of Results

Table 1: Descriptive statistics of variables

	GDPGWTH	V_A	PS	RL	RQ
Mean	0.835628	-1.312661	-0.944222	-1.511179	-1.762482
Median	1.779873	-1.386220	-0.932961	-1.592860	-1.903126
Maximum	19.67532	-0.611550	-0.464483	-0.656564	-0.702424
Minimum	-17.66895	-1.674941	-1.521978	-1.852296	-2.236245
Std Dev.	10.01556	0.269259	0.282971	0.330336	0.416323

Institutional governance indexes on average were all negative; the rule of law index, political stability index, regulatory quality index and voice and accountability index for the period 1996 to 2019 indicated weak institutional governance in Zimbabwe. However, the GDP per capita growth rate on average was 0.8 per cent with a range of -17.7 to 19.7 per cent, indicating that the economy had experienced episodes of both positive and negative economic growth rates. This concurs with the third scenario, which confirms the ambiguous relationship between bad institutional governance and economic development under a relatively stable and sound macroeconomic phase. Although the economy of Zimbabwe had experienced positive economic growth rates, it failed to sustain these. This is in line with the study by Lee (2018), that without economic stability brought by good institutional governance, the nation will find it less able to sustain periods of positive economic growth rates.

Correlation Analysis

Correlation analysis was employed to check the association between bivariate data to indicate a predictive relationship that can be exploited in practice. Before correlation estimations were made, the linearity relationship assumption between GDP per capita growth rate and institutional governance indexes was tested together with the homoscedasticity assumption. The results of the linearity relationship assumption tests are presented in Table 2, Table 3, Table 4 and Table 5.

Table 2: Linearity between GDP per capita growth and regulatory quality index

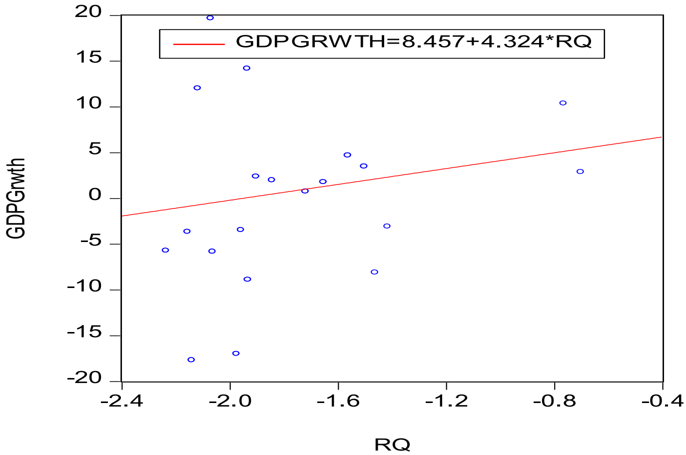


Table 3: Linearity between GDP per capita growth and voice and accountability index

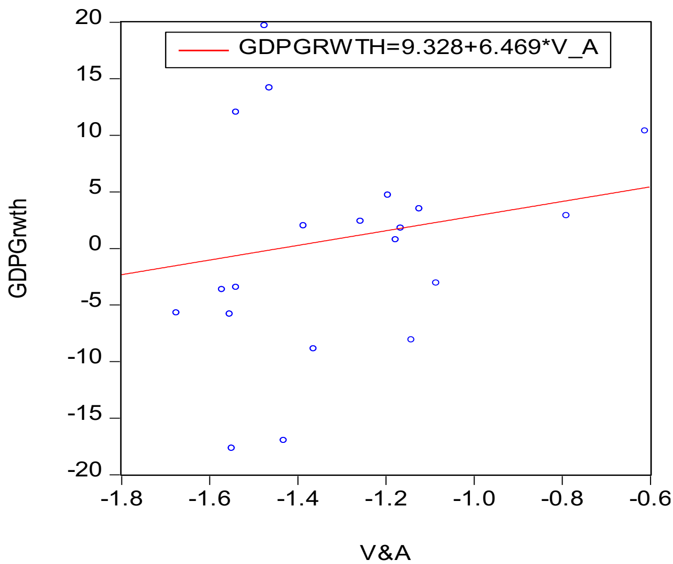


Table 4: Linearity between GDP per capita growth and rule of law index

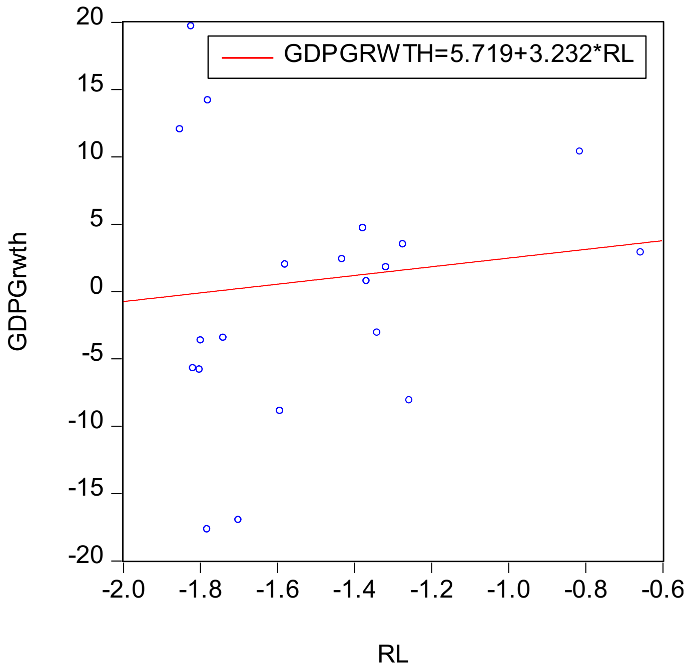
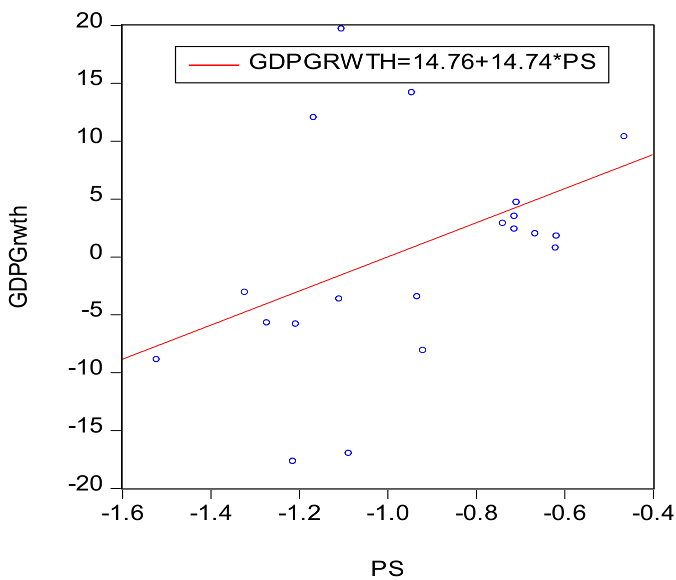
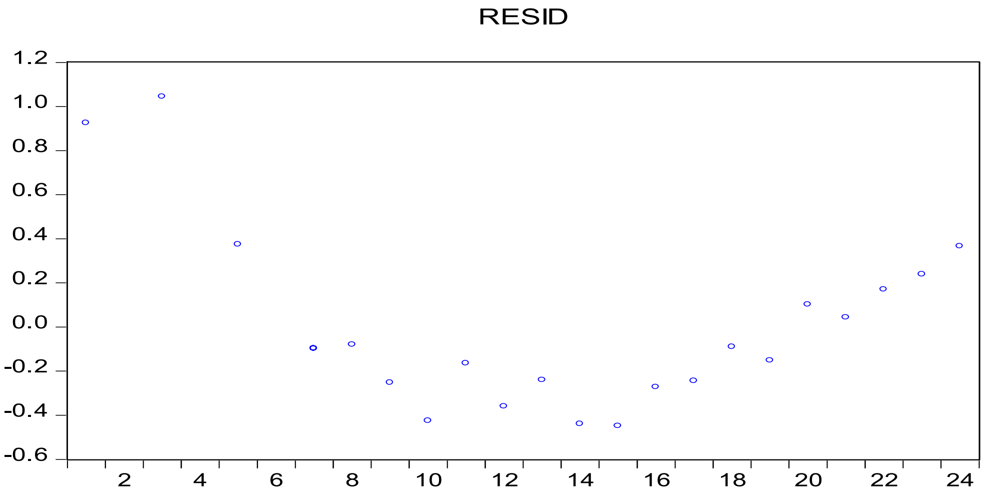


Table 5: Linearity between GDP per capita growth and political stability index



Linearity relationship assumption tests showed that all institutional governance index variables were linearly related to GDP per capita growth rate and the scatterplots yield a relatively straight line. The homoscedasticity assumption test was also carried out as shown in Table 6.

Table 6: Residual Scatterplot



A residual scatterplot shows a random displacement of scores that takes on a series of rectangular shapes with no systematic pattern. This indicates that the assumption of homoscedasticity is met. All assumptions of the Pearson correlation test were satisfied, therefore it paved the way for the Pearson correlation model analysis.

Pearson Correlation Test

A Pearson correlation test, which constituted the main hypothesis of the study, with results as presented in Table 7, shows that institutional governance indexes are positively correlated with GDP per capita growth rate.

Table 7: Pearson Correlation Test

Correlation Probability	GDPGWTH	PS	RL	RQ	V&A
GDPGWTH	1.000000				
PS	0.584996	1.000000			
	0.0053				

RL	0.770227	0.600273	1.000000		
	0.0000	0.0040			
RQ	0.714243	0.555567	0.971336	1.000000	
	0.0003	0.0089	0.0000		
V&A	0.761371	0.590606	0.967541	0.966093	1.000000
	0.0001	0.0048	0.0000	0.0000	

Voice and accountability (V&A) have a positive relationship with the GDP per capita growth as indicated by a positive pairwise correlation coefficient of 0.761, which is statistically significant at a 1 per cent level of significance. The coefficient value of 0.761 indicates a strong positive correlation level between the two variables. This implies that enhancing how citizens can express their preferences, secure their rights and make demands on the state is key to stimulating economic development in Zimbabwe as this supports the strengthening of citizen participation in national developmental policies that affect their lives. The risk of policy resistance by the public is thus reduced, leading to the successful implementation of developmental policies.

The coefficient of political stability is positive with a value of 0.58, statistically significant at 1 per cent, implying a moderate positive relationship between political stability and GDP per capita growth. Therefore, if the political system in Zimbabwe plays a crucial role in maintaining the political stability of the nation, economic development would be achieved. Maintaining political stability reduces investment risk thereby stimulating the desire to invest more in human and physical capital, key components in the economic development process of the country.

Enhancing the ability of government institutions to formulate and implement sound policies and regulations that promote and permit private sector development is key to achieving economic development. This was proven by a strong positive association between the regulatory quality index and GDP per capita growth in Zimbabwe. The Pearson correlation coefficient of the regulatory quality index and GDP per capita growth was 0.71 and statistically significant at 1 per cent. The implementation of policy instruments facilitates access to and equitable sharing of the benefits of the financial and natural resources, which is key for the development process.

The coefficient of the rule of law indicates a strong positive association with GDP per capita growth with a value of 0.77, statistically significant at 1 per cent. Respect for rule of law enhances the economic development process in Zimbabwe. The respect of property rights is not only important for economic development but, more crucially, is a market economy's key cornerstone. Once property rights and rule of law are infringed, the economy will not perform efficiently. The lack of protected property rights in the agricultural sector in Zimbabwe causes a loss of investor trust and the disappearance of equity finance and entrepreneurial knowledge, which are the most important ingredients for economic development.

The above correlation analytics reveals a positive correlation between institutional governance and economic development in Zimbabwe. This implies that the variables for economic development and institutional governance move in the same direction. Therefore, the causality link running from institutional governance to economic development moves systematically, that is to say, improvements in the quality of institutional governance are expected to enhance economic development. The correlation analytic outcomes concur with the study outcome by Lee (2018) in which improving institutional governance in developing nations will remove unethical practices that promote the unfair distribution of national resources to maximise social welfare. Okebukola (2014) concurs with the correlation analytic outcome of this study. In addition, the study outcome concurs with the Neoliberal development thoughts theory, on the aspect that the role of government in enforcing property rights and law and order in addressing institutional governance facilitates free markets. Also, the study outcome is in line with Kaufman's theory of governance in that improving institutional governance is necessary for the nation to achieve sustainable economic development. Thus, if Zimbabwe had forged its functions on these theories, the current negative economic effects would not have occurred.

Policy Recommendations and Conclusion

Policy Recommendations

The results, in general, suggest that institutional governance is positively correlated with economic development. Therefore, policies that can substantially enhance the quality of institutional governance should be advocated with the hope that sustainable economic development can be achieved. Given that the results show that the voice and accountability index positively influences economic development, it is of utmost importance that the government prioritise citizen participation in the formulation of national development policies that affect their lives. This can be done through the Ministry of Finance and Economic Development by increasing its level of engagement with the public in the process of policy formulation and budgeting. This will facilitate the restoration of public confidence in the effectiveness of the national policies.

In addition, regulatory quality positively correlates with economic development, therefore it is of utmost importance that government institutions formulate and implement sound policies and regulations that promote and permit private sector development. This can be done by allowing institutions to be independent and, immediately response by the Ministries to curb illicit economic operations and macro-stabilisation institutions should implement sound economic policies.

Furthermore, to enhance political stability and the rule of law Parliament should have sufficient power to hold all state organs and government institutions accountable and to enforce democratic principles in all state organs so that they adhere to the rule of law and promote good governance.

Conclusion

The study undertook an analysis of the correlation between institutional governance and economic development in Zimbabwe, covering the period 1996 to 2019. The study employed a Pearson correlation analysis. Two tests for correlation analysis were carried out on the variables using the scatterplots to determine whether the linearity relationship assumption between institutional governance indexes and GDP per capita growth and the homoscedasticity assumption holds. Both assumptions for linearity relationship and homoscedasticity were satisfied.

Descriptive statistics show that Zimbabwe is characterised by weak institutional governance as indicated by the negative mean values for rule of law, regulatory quality, voice and accountability, and political stability. Although the nation is characterised by weak institutional governance, it has experienced periods of positive economic growth, as indicated by a positive average mean value for GDP per capita growth, but it has failed to sustain this.

The results of the correlation analysis shows that rule of law, regulatory quality, voice and accountability and political stability were statistically significant at a 1 per cent level of significance. These variables were positively correlated with the GDP per capita growth, an appropriate measure of economic development in Zimbabwe. The study provides empirical evidence that institutional governance is key to economic development in Zimbabwe. The study makes recommendations for institutional reforms to aid in economic recovery.

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