

Single Salary Table (TSU) and the Bretton Wood Institutions: Economic Reforms or Economic (In)Dependence - An Analysis from the Mozambican Perspective

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ABSTRACT

It is the influence and effective role of Britten Woods institutions in supporting developing economies, such as Mozambique, that this article focuses on. Through qualitative research, using the technique of bibliographical review of books, articles, dissertations and some, the internet on official Government websites and public websites, at first, it was possible to infer those two institutions created under the Bretton Woods agreements, namely the International Monetary Fund (IMF) and World Bank (WB) became subordinate to American policy. But later the article noted that the IMF has enormous power, and they are actively using it to reshape market rules in their own favor, lastly, to balance their (in)dependence in financing wage policy, Mozambique must evaluate the possibility of considering a new world (monetary) order centered on commodity-based currencies.

Keywords: Single Salary Scale, Britteen Woods, Economic reforms.

INTRODUCTION

The achievement of any state's intentions is implicitly linked (Korten, 1999) to the availability of financing, whether from internal, external, or other sources.

However, the various economic crises caused, for example, by the First World War (WW1) (1914 to 1918) and later by the Second World War (WW1) (1939 to 1945), brought extremely difficult economic challenges, especially in the WW1, namely the reception of dominant economies such as the United States of America (USA) and Great Britain. It is in this context that several attempts were made to find structural solutions, one of which was the creation of several global economic institutions, namely the Bretten Woods institutions—the IMF and the WB, whose premises are presented in the chapter explaining their genesis. Further on, it presents the possible paths that Mozambique should follow to balance economic (in)dependence in order to define its priorities with effective sovereignty.

This research uses a qualitative methodology, utilizing a bibliographic review of books, articles, dissertations, and other studies. Documentary research was also conducted online on official government and public websites.

PROBLEM

The existence of the Bretton Woods institutions (WB and IMF) arose to address the economic difficulties that occurred in the post-IWG period, primarily due to concerns from the US and Great Britain. However, over time, the US's influence over these institutions gained more prominence, driven by the significant investments it made, primarily in defense, weapons, and economic recovery programs for several countries (as the largest contributor), placing them under its subordination (Simone, 2011).

However, no Southern African country participated in the Bretton Woods meeting, as there is limited literature on the subject, which may indicate a lack of guidelines that could strategically outline their interests regarding methodologies for accessing financing for African countries, particularly Southern Africa. Therefore, the salary policies developed in Mozambique have always depended on the budget of partners (especially the WB and the IMF). For example, for the State Budgets (OE) from 2007 to 2022, around 25% (average value) had external financing as a source, with around 40% coming from the aforementioned institutions, as shown in the table below:

Table 1: External financing to the State Budget as a percentage in the period between 2017 and 2022

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
47,40%	44,00%	0,00%	38,10%	33,60%	29,70%	31,50%	31,20%	22,80%	22,90%	20,30%	18,00%	13,90%	21,20%	12,90%	19,80%

Source: Prepared by the author. Data from the General State Accounts from 2007 to 2022

Given the above, the question that may arise is: to what extent can the implementation of financial reforms stemming from the Bretton Woods institutions benefit Mozambique in the long term?

GENESIS OF BRETTON WOODS

In Ikenberry's (1991) view, the Bretton Woods agreements, negotiated largely between Great Britain and the United States and signed by forty-four nations in 1944, were remarkable in several ways. First, they represented an unprecedented experiment in international rule-making and institution-building—rules for postwar monetary and financial relations. Second, the Bretton Woods agreements were the decisive step in the historic reopening of the world economy. An agreement was reached, at least in principle, that the world economy could abandon regional currencies and trading groupings in favor of a liberal multilateral system. Third, Bretton Woods created an entirely new type of open system—something the capitalist world had never seen before.

The Anglo-American agreements established sophisticated rules that attempted to reconcile openness and trade expansion with national governments' commitments to full employment and economic stabilization. At its core, the Bretton Woods agreement was an unprecedented experiment in the construction of international economic constitutions. Almost half a century later, as a significant group of former communist states sought to join the liberal world economy, many of them conducted an experiment to gain guidance (Ikenberry, 1991).

The genesis of Bretton Woods can be understood as closely related to the need to adopt a new geoeconomic approach, in which the socialist countries involved had to adopt new ways of participating

in the market, or risk self-exclusion with the advent of production and finding a closed market for their products, especially in the post-WWII era

It took place at the United Nations (UN) where the Monetary and Financial Conference was held in Bretton Woods, New Hampshire, from July 1 to 22, 1944. Its objectives were to create formal rules and institutions to regulate the international monetary system, enabling the overcoming of the obstacles imposed by the old systems—the gold standard and currency devaluations—to international trade. It was understood that it was necessary to define common rules of conduct for countries to achieve macroeconomic stability and overcome obstacles to international trade (Silvana Aline Soares Simone, 2011; Kurt Schuler and Mark Bernkopf, 2014).

A notable aspect, as Schuler & Bernkopf (2014) state, is that no southern African country attended [probably due to its political status at the time—colonialism].

However, Ikenberry (1991) clarified that, to begin with, the British and US governments maintained markedly different views during the initial negotiations on postwar trade and monetary relations. The most important differences were those between American State Department officials, who wanted to rebuild an open trading system, and British wartime cabinet officials, who wanted to ensure full employment and economic stability, thus envisioning the continuation of the system of imperial preferences and bilateral trade. One vision was of a multilateral, non-discriminatory trading system; the other, though not fully articulated, was of preferential economic groupings.

Now, the postwar divergences in outlining strategic guidelines for the global economy were antagonistic, with some emphasis on the less multifaceted approach of the United States. This raises the question of whether the United States always had an excessive preoccupation with being the center of global economic development and direction. Probably not, and/or yes, depending on the context and analytical perspective, but the fact remains that the postwar global economy eliminated these differences and brought its governments to agreement.

Broadly speaking, the postwar agreements reflect American interests and its overwhelming postwar position. If one is trying to explain the fact that the postwar system was "open" rather than "closed," the

Structural variables are likely appropriate. The distribution of power and interests within and between the US, Great Britain, and continental Europe set the broad limits on the shape of the postwar international economic order. Why did an American administration with a State Department that championed *laissez-faire* and free trade end up supporting a system more concerned with safeguarding welfare capitalism? Second, how would a transatlantic coalition supporting the Anglo-American movement cobble together its settlement? The alternative to the postwar settlement may not have been simply another trade and monetary order, but may have resulted in stalemate and disorder—this, after all, was the experience of the last attempt at a postwar settlement after the IGWT. The Bretton Woods Agreement may have failed or followed the path of the Treaty of Versailles, a well-intentioned international agreement that fell victim to divergent national interests. How was the agreement reached amid divergent and conflicting national conflicts and bureaucratic positions? What was the “glue” that held together the Anglo-American coalition – and the post-war settlement? (Ikenberry, 1991).

The answers to the questions above will help to better understand the role played by Bretton Woods when we delve deeper into the action institutions created, namely the IMF and the WB, aspects to be addressed in the next point.

BRETTON WOOD, THE EMERGENCE OF THE WORLD BANK AND THE INTERNATIONAL MONETARY FUND

According to David C. Korten (1999), the 1994 Grantmakers Association of America Environmental Convention, held at the Mount Washington Hotel in New Hampshire, marked the fiftieth anniversary of the famous Bretton Woods conference that created the World Bank, the IMF, and, shortly thereafter, the General Agreement on Tariffs and Trade (GATT). Therefore, it presupposed the creation of a Bank for Reconstruction and Development and a United Nations Stabilization Fund, which would be the embryonic seeds of the World Bank and the International Monetary Fund (Simone, 2011).

However, the creation of these institutions was graphically designed taking into account the division of the world into three consumption classes, as proposed by Korten (1999): superconsumers, sustainers, and marginal consumers. Overconsumers are the 20% of the world's population who consume approximately 80% of the world's resources—those whose lives are organized around cars, airplanes, meat-based diets, and wasteful packaging. The marginal 20% of the world's population also live in absolute deprivation. If we turn to income measurements instead of consumption, the numbers are even starker. The United Nations Development Programme (UNDP) 1992 Human Development Report presents the champagne flute as a graphic metaphor for a world of extreme economic injustice. The champagne flute's bowl represents the abundance enjoyed by the 20 percent of the world's population—people who live in the world's richest countries and receive 82.7 percent of global income. At the bottom of the stem, where the sediment settles, we find the world's poorest 20 percent of people, who barely survive on 1.4 percent of total income. The combined incomes of the richest 20 percent are almost sixty times greater than those of the poorest 20%. Moreover, this gap has doubled since 1950, when the richest 20% enjoyed only thirty times the income of the poorest 20%.

And the gap continues to grow. In fact, these figures underestimate true inequality in the world because they are based on national averages rather than actual individual incomes. If we take into account the very rich people living in poor countries and the very poor people living in rich countries, the incomes of the world's richest 20% are approximately 150 times greater than those of the poorest 20% (Korten, 1999).

However, Korten's perspective, presenting numerical data on the inequalities arising even within the context of the Bretton Woods discussions, reveals the ongoing and recurring disparity in the results of social policies (including wage policies) geared toward benefiting a smaller group to the detriment of the labor force that could generate income to improve their living standards. This unobservable fact can be measured by Simone's (2011) argument, when she states that the Stabilization Fund, mentioned above, would be equipped with a collection of national currencies, which would be internationally accepted and serve as the means of payment for foreign transactions. Initially, the creation of international liquidity would be governed by the monetary policies of the countries issuing the internationally accepted currency. States' participation would be limited to their contribution, which, theoretically, would give an advantage to the United States and other countries that contributed more.

Meanwhile, the US's supremacy and its impositions remain, thanks to its greater contribution to the IMF and WB budgets, which it can use to dictate rules and impose its conditions on participating countries. Therefore, the effective role of the Bretton Woods institutions may embody a "merely Americanist" dynamic.

THE DOMINANT ROLE OF THE BRITTEN WOODS INSTITUTIONS

It is worth noting that the forums within which business and government elites shape the world and policies of the Western world were not limited to Bretton Woods. In May 1954, a powerful group of North

American and European leaders also began meeting as an unofficial, low-profile group without recognized membership. Known simply as Bilderberg, the group played a significant role in advancing the European Union and shaping consensus among the leaders of the Atlantic nations on key issues facing transnational systems dominated by Western systems, whose participants included heads of state and other politicians (Korten, 1999). For the same reason, understanding that corporations wield enormous power and have been actively reshaping market rules in their own favor, such as those of the US, is coherent with the way the market operates, whose influence is felt, as an important outcome of the Conference was achieved: the confirmation of the US dollar as the new international currency [observed to this day] and the establishment of a monetary exchange rate regime based on fixed rates. This new standard constituted one of the pillars of the construction of the economic hegemony of the The United States, therefore, as Hobsbawn (1999, p. 269, cited in Simone, 2011) states, subordinated the new institutions to its policies, even though the Fund's resources were initially intended to eliminate the disruptive effects of exchange rate depreciation and allow countries to borrow to finance temporary deficits. Furthermore, multicurrency practices, under which countries had separate exchange rates applicable to separate goods for export and import, were to be eliminated in the interest of freeing the world market (Kindleberger, 1951).

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It can be understood that the creation of the Bretton Woods institutions was/is ultimately intended to respond to US interests, underpinned by the confirmation that the US dollar would be the new international currency, a fact observed to this day.

In this context, Barry Eichengreen (2004) states that the current international monetary and financial system, like the rebirth of Bretton Woods, today, as it was 40 years ago, is composed of a core and a periphery. The core has the exorbitant privilege of issuing the currency used as international reserves and a tendency to live beyond its means. The periphery, which still has a long way to go to catch up with the core, is committed to export-led growth based on maintaining an undervalued exchange rate, the corollary of which is its massive accumulation of low-yielding international reserves issued and denominated in the currency of the core country. With the expansion of globalization, there is a new periphery, emerging markets in Asia and Latin America, but the same old core, the United States, with the same tendency to live beyond its means. The main difference between now and then, besides the names of the actors, is the existence of a third bloc, Europe, which has neither the margin for recovery nor the possibility of recovery as the periphery (the African continent may be in the same situation or even worse).

Therefore, Eichengreen's explanation clearly demonstrates the dominance and the need for this dominance to prevail, by imposing the Bretton Woods institutions and its desires, as can be seen in Simone's (2011) assertion that the amount of dollars originating from the US was directed to financing military bases, aid programs, overseas investments by US companies, and loans to foreign banks. The mechanism responsible for the Bretton Woods system was the chronic US balance of payments deficits, which were the means it used to expand the international money supply. The two institutions created under the Bretton Woods agreements, the IMF and the WB, became subordinate to US policy.

It can be inferred that, given the biased approaches of the central core, the IMF and WB programs may not be achieving the overall results initially envisioned, which were primarily based on improving the economy of the countries involved, the sustainability of their debts, and the sustainability of the wage bill.

Therefore, as Charles P. Kindleberger (1951) argued, through the unfair test of maximum expectations, the Fund and the Bank clearly failed.

It is important to note that when they began their activities in 1946, the WB and the IMF had the United States as their pivot, which played the role of providing the majority of funding for both institutions. They wanted to ensure that decision-making power remained in their hands. Voting rights were thus distributed in such a way as to grant greater power to the American executive director, even giving him veto power. The entire structure that was emerging increasingly contributed to the growth of American power. In this sense, the mission of Bretton Woods was, above all, to create an international environment conducive to the emergence of the USA as the driving force behind global recovery [a role it has played to this day] (Moffit, 1984, p.16 cited in Simone (2011).

Additionally, Michael P. Dooley, David Folkerts-Landau, and Peter Garber (2003) argued that most other developing countries, especially recently decolonized states, flirted with socialism or import substitution systems that isolated them from the center. This strategy was inhospitable to trade and the import of foreign capital in the long run. It promoted local production of goods that could not compete globally and, therefore, built an inefficient capital stock that would ultimately have little global value. As in communist countries, when these countries opened themselves to the world and to trade and capital flows, they discovered that their accumulated capital was only good for disposal. In other words, they were in the same real position of capital poverty as post-war European countries.

The previous context led Mozambique to abandon the socialist model and open it to the free market economy (Hercinia Chena Azarias Wasse, 2010). From this phase onwards, several reforms were implemented, such as the Economic Rehabilitation Program (PRE), the Absolute Poverty Reduction Action Plan (PARPA), including various salary reform programs.

WAGE REFORM IN MOZAMBIQUE

For governments to play the necessary role of balancing market and community interests, government power must be equal to market power. If markets are national, then there must be a strong national government. As market boundaries expand beyond the nation-state through economic globalization, the concentration of market power inevitably moves beyond the government's reach (Fagner Filipe Silva Batista, 2014). Therefore, this was one of the most important consequences of the WB and IMF adjustment programs.

Based on this assumption, the government's wage reform had different phases. However, for this article, the phases between 2007 and 2015 and those of 2021, 2022, and 2023 will be the ones that deserve the most attention, as they are periods of considerable prominence and are heavily influenced by the available literature. Because between 2007 and 2015 with the approval of the General Strategy for Salary Reform, presented by António Francisco (Moz-UTRESP_Salary Policy Reform, Public Service, Mozambique 02.08.07) presented relevant points to highlight, on the one hand, the questions regarding (i) Which of the scenarios could represent the Government's option after several possibilities presented? (ii) What should be done to ensure an updated system of control and management of the workforce? (iv) Does the Government agree with the experts' suggestion that, instead of trying to correct the current career system, it opt for more controllable and gradual paths, such as the proposal for two new careers? (v) Is it possible to create an attractive package for integrating surplus employees into activities outside the public sector? (vi) Does the Government agree that the Civil Service salary change should be separated from the mobility incentive system, with a view to making the latter more aggressive, flexible, and effective? (vii) What complementary actions should be considered to overcome non-salary impediments in the districts? (viii) Does the Framework of the New Salary Policy in the Public Sector Reform allow us to understand the need for change? (ix) Why a salary reform?

On the other hand, the implementation of better citizen services and viable budget management are linked to long-term, sustainable human resource management. It is noteworthy that salary policy is not a matter of diagnosis, but rather of defining, first and foremost, the mission of salary reform and the strategic vision to be adopted, or the image to be achieved, how, and with what resources, within the framework of public sector reform.

Meanwhile, the mission defined at the time was to implement salary reform to ensure that, between 2007 and 2015, the Mozambican Public Administration would consolidate itself as a dynamic actor in economic and social development, through politically coherent and technically harmonized mechanisms within a financially viable and sustainable framework in the long term. It was a vision that aimed to simultaneously contribute to improving public services to citizens and the aspirations of employees, by enhancing the effectiveness, efficiency, and equity of the Mozambican State.

However, [the definitions of financing sources have always been dependent on external factors, particularly external financiers such as the IMF and the World Bank]. Therefore, in order to assess the objectives of wage policy, it is important to consider that even countries that have successfully implemented a rational model (Tanzania and Uganda) have taken into account the political environment that made this possible, as well as the sustainability risks of the wage system and public reforms. A proper assessment of the political environment is crucial for success, particularly the nature of the political system, social forces, and relevant centers of power (Francisco, 2007).

Meanwhile, at the end of the previous strategy period, after assessing weaknesses and addressing current contextual challenges, a new salary policy was launched. According to the Ministry of Economy and Finance (MEF) (2022), it aims to value, attract, and retain the best civil servants and eliminate salary discrepancies between civil servants and agents. It was launched during the celebrations of International Civil Service Day, marked on June 23, under the motto: "Strengthening the resilience of the African Public Administration to support and facilitate the fulfillment of Africa's nutritional needs during and after the COVID-19 pandemic." The MEF (2022) also added that with the reform, each civil servant or agent will receive what they deserve based on their commitment and merit in performing their duties. Furthermore, professional development will depend not only on length of service and academic level, but also on expertise.

Still according to the MEF (2022), citing the intervention of the President of the Republic (PR), he added in the following terms: *Today we proceeded to launch the State Salary Reform, called the Single Salary Table, (TSU) approved by Law number 05/2022, of February 14, which (i) defines the rules and criteria for the remuneration of public servants, therefore, in order to live up to the objectives and intentions put forward, they lead to a current remuneration framework characterized by the existence of diverse legislation (108 differentiated salary tables), which gives rise to salary discrepancies between employees and State agents with similar professional requirements. The new table reduces salary levels from 63 to 21. A substantial reduction also occurs in relation to subsidies," said the director, adding as another problem that the reform addresses the proliferation of salary statutes, which are approved in a discriminatory manner, which often causes employees to move into careers where salaries are high, thus increasing the difference.*

Therefore, it is clear that the intentions to improve wages are fostered by a comprehensive political environment, starting at the top. The gap in its implementation through the Social Solidarity Fund (TSU) lies in the sources of financing. Often, some interventions shed light on the matter, such as the speech by the Governor of the Bank of Mozambique, Rogério Zandamela (in his lecture at the Polytechnic University-Higher School of Studies and Business on September 6, 2023), when he stated that: *"The country should not have embarked on major reforms without first securing financing. The reforms underway in the country are IMF requirements, including the Social Solidarity Fund (TSU). It is important*

to remember that the Social Solidarity Fund (TSU) is part of a set of reforms that the IMF required to return to direct support for the State Budget." therefore, despite the government's intention to list potential benefits such as (i) stability and professionalization of Public Administration; (ii) better management of the State's human, financial and asset resources; (iii) balance between the different professional careers in Public Administration; (iv) greater appreciation of professional careers and knowledge; (v) improved quality in the provision of public services; (vi) greater competitiveness and commitment of employees; (vii) greater commitment to the pursuit of know-how by public servants; (viii) transparency in the processes of appointing employees to positions of Management, Leadership and Trust. (ix) (MEF, 2022), without IMF financing nothing will be successful.

From the above facts, it is clear that the Social Solidarity Tax (TSU) within the framework of the salary reform is an IMF imposition to perpetuate economic dependence, as is also conveyed by the IMF itself when, through its resident representative in Mozambique, Alexis Mayer, stated that the government's choice of the Social Solidarity Tax (TSU), in addition to facilitating the mobility of civil servants between institutions, will improve the distribution of the wage bill. "We have seen that the idea, the concept of the salary reform of simplifying the reform and making it more effective, facilitating the mobility of civil servants between institutions, and also having clear guidance and classification criteria, is very sensible. This actually allows for an increase in the effectiveness of the wage bill and, in the long term, contains this dynamic," (Rádio Moçambique, Published: 11/07/2022, 11:22 PM)

However, paradoxically, the same IMF states that the increase in public spending resulting from the implementation of the Social Solidarity Tax (TSU) prevented Mozambique from achieving the The IMF set a fiscal performance target for 2022. Failure to do so jeopardized the financing of the second part of the three-year agreement under the extended credit facility program, which allows for the disbursement of USD 60.6 million (CIP, 2023).

In addition to the increased expenditure caused by the implementation of the Social Solidarity Tax (TSU), the delay in public debt repayment by a public company also contributed to the failure to meet the IMF targets. Furthermore, due to the failure to meet the targets, the Government of Mozambique had to submit a request to the IMF Executive Board to be exempted from meeting these two performance indicators: wage reduction and compliance with the public debt repayment schedule.

Therefore, on the one hand, the IMF supports the government's decision to implement the Social Solidarity Tax (TSU), but on the other, it threatens to jeopardize its implementation due to failure to comply with requirements.

However, given this scenario, without specifying funding sources, and given the high costs, the Center for Public Integrity (CIP, 2022) advocated that, as a way to reduce the negative impact of the Social Solidarity Tax (TSU), the Mozambican government should proceed as follows: 1) The Administrative Court, as the body responsible for overseeing government activities, should conduct audits of the frameworks implemented as well as of potential improper payments made under the Social Solidarity Tax (TSU). 2) The Ministry of Economy and Finance should provide greater interaction with the sectors and analysis of the main concerns; assess the impact of the Social Solidarity Tax to date and publish reports; and present the results of the work carried out by the commission of inquiry established by the government to address the inconsistencies in the Social Solidarity Tax (TSU). 3) The Assembly of the Republic, as the legislative and oversight body of the government, should be more dynamic and proactive in analyzing the Social Solidarity Tax implementation process, request reports from the executive branch, and increase oversight to identify instances of illegality.

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However, when analyzing the fulfillment of the TSU's stated purposes, according to the CIP (2023: 7), its objectives were not achieved, as can be seen from the statement that "the TSU was created with one of its main objectives: to reduce wage inequalities within the public sector. A comparative analysis of the Old Salary Table (TSA) and the TSU shows that the disparity between the minimum wage of the lowest category and the minimum wage of the highest category (specialist) increased with the implementation of the TSU. Under the TSA, the difference between the lowest and highest salaries was 20,193.00 MT. With the TSU, this difference increased to 52,000.00 MT, an increase of approximately 158%. This shows that the TSU has exacerbated existing inequalities within the public sector."

Furthermore (no), the statements made by the Minister of Economy and Finance, shared in Parliament in 2023, by the Minister of Economy and Finance, Max Tonela, according to which *the implementation of the Single Salary Table increased the financial burden on salaries, absorbing 59% of revenues in 2010 to 70% in 2021. This is what the Minister of Economy and Finance says (...) all State employees had a salary increase, within the scope of the TSU*, acknowledged that the figures are above the regional average and what is recommended for prudent public revenue management. Therefore, it is urgent to reverse this unsustainable trend, which effectively demonstrates the difficulty of ensuring increased budgetary values without external support. It is worth asking: what medium- and long-term alternatives can Mozambique have to face the Bretton Woods institutions? The restructuring of the Bretton Woods institutions has been discussed, as Zoltan Pozsar (2022) argues that the existence of Bretton Woods III, considered a new (monetary) world order centered on commodity-based currencies in the East that will likely weaken the Eurodollar system and also contribute to inflationary forces in the West, could be a boon to developing countries. Commodities are the collateral, they are the money, and this crisis is linked to the growing attraction of external money over domestic money. Bretton Woods III was built with domestic money, and its foundations crumbled when the Group of 7 most industrialized countries in the world (G7) confiscated Russia's foreign exchange reserves.

The beautiful paradox of linear rates (what you trade and what I write about) is that you need to think linearly to find relative value most of the time, but you need to think nonlinearly to recognize and survive regime shifts. We are currently seeing a regime shift unfolding in funding markets (which, as always, will pass), and a radical shift in inflation dynamics and foreign exchange reserve management practices Pozsar (2022).

FINAL CONSIDERATIONS

An approach that might be the most appropriate for conceptualizing or defining the lines of action on matters related to the Bretton Woods institutions proves challenging, since, although there is some literature on the subject, it happens that issues of an identical economic and financial nature can give rise to ignorant interpretations. It was in this context that the relevant literature related to the intervention of institutions such as the IMF and WB in "third world" economies was assessed, specifically the potential support for Mozambique's wage policy.

concluded that to a large extent, corporations (IMF, WB) have enormous power and they are actively using it to reshape market rules in their own favor and they are using it to ensure the circulation of the dollar as the dominant currency as a result of imposing implicit interests. Another notable conclusion concerns the fact that the two institutions created under the Bretton Woods agreements, the IMF and the World Bank, have become subordinate to American policy.

Finally, to balance its (in)dependence in financing wage policy, Mozambique must evaluate the possibility of considering a new global (monetary) order centered on commodity-based currencies. Furthermore, it must adequately assess the political environment, as this is crucial for success. This includes the nature of the political system, social forces, and relevant centers of power. Wage policy is not a matter of diagnosis, but rather of defining, first and foremost, the mission of wage reform and the strategic vision to be adopted, or the image to be achieved, how, and with what resources, within the framework of public sector reform.

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