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**Practice guide: A Combined  
Approach to Political Economy and  
Power Analysis  
Discussion Note Prepared for the  
Swiss Development Cooperation**

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# Practice guide: A Combined Approach to Political Economy and Power Analysis Discussion Note Prepared for the Swiss Development Cooperation

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## Summary

The purpose of political economy and power analyses is to explain power relations and political dynamics in the formulation, adoption and implementation of development initiatives. Despite having different backgrounds and methodologies, both frameworks share the common objective of unpacking the visible, invisible and hidden relationships between key actors involved in producing (or blocking) meaningful changes.

The practice paper offers a simple step by step guide to help development practitioners identify the critical actors and institutions needed to facilitate or block new policies:

- A stakeholder analysis to understand the motivations, interests and strategies of key development actors
- An understanding of the formal rules and informal practices that shape their behaviour
- An analysis of the formal and informal mechanisms they use to ensure cooperation over time.
- A discussion of the theories of change involved and the existing or alternative narratives justifying development interventions.

This practice guide uses several examples and testimonies from SDC project assessments, as well as experiences obtained from practical PEPA workshops.

**Keywords:** Political Economy Analysis, Power Analysis, Stakeholder Mapping, PowerCube, Institutions.

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# Introduction

## 1. Background and motivation

This practice guide brings together two complementary frameworks for understanding power and its effects on relations between key development actors. The guiding premise is that development interventions are bound to affect, and be affected by, existing power relations between domestic and international, government and non-government actors. It is increasingly accepted among development cooperation agencies that a practical knowledge and systematic awareness of existing power relations and political dynamics are key to inform cooperation strategies, identify entry points in programme planning, and anticipate problems and pitfalls in implementation.

The purpose of this practice guide is to offer development practitioners, sector experts as well as donors and funders, simple concepts and tools to understand and navigate through the complex politics of development interventions. The guide combines the insights and methodologies of **political economy and power analysis** (here what we are calling “PEPA”) to better understand the array of key actors and their interests, and the enabling and constraining structures and context in which their actions take place including the visible and underlying norms and discourses, and the formal and informal motivations leading to cooperation or contestation.

The guide hopes to offer useful and practical advice to development practitioners whether they need to commission or conduct PEPA themselves or just need to read and use such reports with a critical eye. Although the guide focuses on PEPA at the general level, the actual analysis could be applied to conduct country level assessments or sector specific analysis, to conduct programme evaluations or to support and troubleshoot program implementation. However, we think it would be most effective when used to contribute to the formulation of cooperation programmes, inform investment decisions, and help to the development of country strategies.

This practice guide was developed in the context of the IDS-DLGN cooperation, with a specific mandate to stimulate SDC thinking and practices around development programming. The guide combines different disciplinary and methodological traditions of researchers at IDS, and it reflects the practical experiences of conducting political economy and power analyses with several development actors and in dozens of countries around the globe. We hope this piece of work will contribute to context analysis, strategy development, and evaluation and learning in the realm of democracy, decentralization and local governance.

## 2. Concepts and Frameworks: power and political economy analysis

A diverse range of concepts and methodologies for understanding power and political economy are currently used by development actors around the world, including donor agencies, INGOs, civil society organisations and social movements. Interest in these approaches has grown in the past decade as development actors have recognised the effects power relations can have on

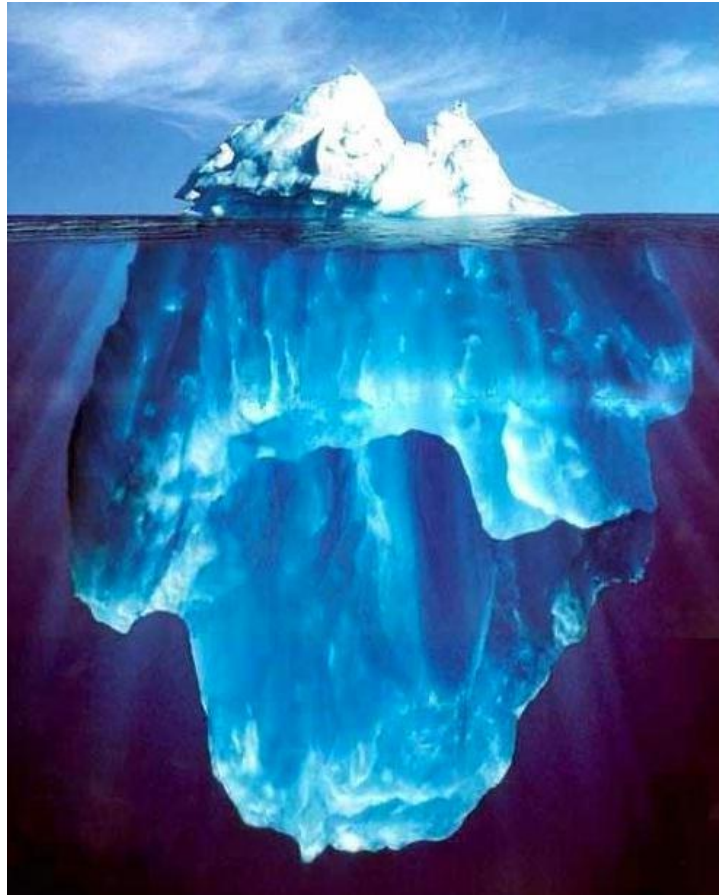
their policies and programmes, and the benefits of undertaking more comprehensive and nuanced context analyses. Civil society and social movement actors have long used methods of problem analysis and power analysis in developing strategies of social change and political engagement, but here too there has been an intensification of interest in recent years.

## **2.1 Understanding power above and below the waterline**

Approaches to power and political economy analysis reflect different epistemological and disciplinary groundings, and vary according to the purposes and contexts in which they are used. As 'Power' has been famously described as an 'essentially contested' concept (Lukes 1974, 2005), it is no surprise that these approaches are all over the map. Recent reviews have compared the main approaches used by donors and identified their similarities, differences, strengths and weaknesses (see e.g. Dahl-Ostergaard, Unsworth et al. 2005; Haider and Rao 2010; Desai 2011). These donor approaches tend to fall into two very broad categories, 'power analysis' and 'political economy analysis', which offer distinctive but also complementary ways of understanding how power operates. Our aim here is to identify and integrate the best of both approaches.

Simply put, political economy analysis tends to understand political actions and strategies through the lenses of economic institutionalism, with a main focus on key actors, their interests, and what enables or hinders their cooperation. Structures, norms and "rules of the game" are also considered, both formal and informal, but with emphasis on those that are visible or explicit. In contrast, power analysis comes from critical social theory, anthropology, political sociology and feminist theory, and is used to explain socialised and internalised norms and behaviour and to explore the links between agency and structure. Yet both frameworks share the common objective of unpacking the visible, hidden and invisible dimensions of relationships between key actors involved in producing (or blocking) meaningful development changes.

The image of an iceberg is a useful analogy for what these two broad traditions offer, and where they overlap and complement one another. Political economy tends to focus on actors, structures and processes that are visible and "above the waterline", as well as what may lie half-hidden under the surface such as informal norms, structures and relationships. Power analysis is concerned with less visible social norms, beliefs and structures "below the water line", as well as half-hidden patterns near the surface that shape actors' behaviour and relationships. By combining these perspectives, we can gain a more complete and systemic view of how power operates across the spectrum of these different levels.



## 2.2 What is political economy analysis?

Political economy is broadly defined as a “methodology of economics applied to the analysis of political behaviour and institutions” (Weingast and Wittman 2006). This broad definition includes both a set concepts and frameworks that looks at the intersection between economics and politics as a unique field of study (Barnett, Hinich and Schofield 1993), but also as a methodology that uses economic institutionalism as well as historical and institutional analysis to understand political dynamics (Alt and Shepsle 1990; North 1990).

The contemporary use of political economy approaches (PEA) could be traced back to the 1950s when political scientists systematically use instruments of economic analysis to better understand political cooperation dilemmas, the competition for electoral votes, the distribution of scarce resources, the advancement of political careers, and the formation of coalitions to cite a few examples (Downs 1957, Arrow 1951, Riker 1962, Ostrom 1990, Mayhew 1974). After the 1990s, the next generation of PEAs significantly revolutionized the understanding of political dynamics especially to understand legislative politics, budget politics, electoral dynamics, the bureaucracy, the judiciary, fiscal and monetary policies, international relations, ethnic conflict, decentralization, democratization, etc. (Barnett et al. 1993, Weingast and Wittman 2006).

Political economy analysis permeated the thinking and practice of many bilateral and multilateral development agencies as early as the 1990s (cite WB’s “institutions matter” report). Several agencies including DFID, GIZ, USAID, parts of the UN followed suit in subsequent years with



different tools and instruments to understand “Poverty and Social Impact Analysis”, “Problem-Driven Governance and Political Economy Analysis”, “drivers of change” or “political settlements” (Booth, D. et al. 2005, 2006; Heymans and Pycroft 2005; McLeod 2005; Steinhilper forthcoming; Thornton and Cox 2005; Unsworth 2008). Although the detail and methodology of different assessments has varied over time and across institutions, the primary focus of PE approaches is on actors, networks, institutions and their competing interests. Furthermore, PE analysis can incorporate varying levels of analysis – macro (country context), meso (policy implementation) and micro (policy impact)’ (Haider and Rao 2010: 4); and be prepared with different audiences in mind, including rigorous academic assessments, country practice guides and rapid assessments (Reich and Balarajan 2012).

### **2.2.1 Common features of political economy analysis**

A complete survey of the common elements and methodologies that define political economy analysis will go beyond the mandate of this brief summary. However, some of the underlying features include:

**Institutions matter.** There is an explicit recognition that norms and structures matter to shape individual behaviour and indirectly development (policy) outcomes (North 1990). Institutions are taken as given “rules of the game” that set out the context, motivations and sanctions in which strategic individuals make choices. While early versions of PEA focused on *given* formal governance and economic structures, contemporary approaches consider the presence of:

- a. Both formal and *informal* institutions embedded social and historical contexts that shape behaviour (Helmke and Levitsky 2006).
- b. Institutions tend to reproduce power asymmetries, as they reflect the preferences and interests of influential actors (Moe 2005).
- c. Institutions change over time (...) (Levitsky and Murillo 2009).

**Individuals matter.** For the most part, PEA tend to focus on individuals or agents as the main unit of analysis (i.e. mayors, presidents, bureaucrats, citizens). An underlying premise is that political behaviour tends to reflect *for the most part*, the best interests of such individuals, given their legal, economic and social constraints. While these premises are reflected in most PEA, there are some important revisions to keep in mind:

- a. The *best interest* of individuals does not only include material benefits or rewards. The search for the common good or even altruistic behaviour can be modelled as furthering the best interest of an individual
- b. The notion of *best interest* will change with context and over time; for example, individuals tend to have different attitudes towards taking risks when they are relatively wealthier than when they are poorer (Bernstein 1996)
- c. Actors are not always individuals but sometimes they represent a collection of like-minded individuals with similar interests (ie. a political party or an association of municipalities).

**Commitment matters.** Political economy analyses pay special attention to understanding the motivations of individuals to cooperate (or not) over time. A critical part of reinforcing commitment is the role of “third party enforcers”, to help cement agreements, legitimize decisions, and uphold (enforce) agreements (Stein and Tommasi 2005).

- a. These commitment devices can take the form of actors, rules or “currencies” (i.e. money, prestige, material goods)

- b. These enforcers could be reflected in a formal institution (e.g. the judiciary or a Supreme Court) or an “informal” institution (e.g. a council of tribal chiefs).

### **2.2.2 Advantages and limitations of political economy analysis**

The main **advantage** of using PEA in a development setting is that it seeks to understand the behaviour of key actors not in a moral, normative or ideal fashion but rather in terms of **strategic responses to existing norms** and structures. For example, the act of paying a bribe in exchange for a service may be a survival response in the culture of corruption and deficient government services. Another advantage is the explicit recognition of the intersecting space between the **formal rules of the game and the informal practices** of actors on the ground. The PEA has two additional analytical advantages. First, it makes an explicit effort to break down the **policy process into different stages** (formulation, approval, implementation, monitoring) and seeks to explain differences across these. Secondly, the PEA could offer a useful framework to **explore change over time**; for example addressing the question of what makes institutions change?

Finally, a proper PEA offers an opportunity to document processes with significant quantitative and qualitative information and to triangulate responses to increase the credibility and validity of findings.

There are some **limitations** of PEA that need to be taken into account. First, a political economy analysis will be of limited use unless there is an articulation of a specific **model of change** associated to the expected development initiative. In practice, it would be difficult to identify who the key actors, norms and power dynamics are unless there is an ex ante discussion of why and how should change take place. For example, ‘Why should politicians care about child malnutrition?’ ‘Who are local politicians accountable to?’ ‘Why-and when- do people mobilize to demand regime change?’ Are some guiding questions that could help identifying the assumed models of change in a given development initiative.

A second limitation is that PEAs require a **significant degree of background work** and adaptation to the specific context if the analysis is to produce useful insights into the relevant actors, norms and dynamics. Usually sector-specific PEAs can yield important information about the politics behind a concrete development initiative, but this would in turn need to be informed by a national level analysis of political dynamics. For example, a PEA of water management can look at the relevant actors and networks around the local provision of safe and clean water, but it will need to be complemented or informed by the dynamics and motivations to deliver public services of the main political parties at the national level.

In addition to the significant time of analysis and level of expertise, a proper PEA **needs updating to reflect changing factors in the development context**. The validity and relevance of a given PEA could be challenged by regular changes at the domestic or international level. In anticipation of permanent change, a good PEA will need to make its assumptions explicit and development practitioners will need to adjust the recommendations of PEA according to new developments. For example, a PEA describing the main issues, stakeholders and motivations towards the accountable provision of services by municipal associations may change if the leadership of these associations changes; in this case, *the motivations and key issues of the president of the association may change*, but the imperative for improved service provision, the overall political motivations and the available resources will remain the same.

## 2.3 What is power analysis?

Power analysis (PA) is a general term used to describe the approaches used by development and social change actors to better understand the ways in which different dimensions of power act to reinforce poverty and marginalisation and to identify actors, entry points and positive forms of power that can be mobilised in favour of desired changes. Power analysis has multidisciplinary roots, drawing broadly on the fields of social theory, politics, political sociology, anthropology and feminist theory. It complements the strong actor-orientation of PEA by giving greater attention to the role of socialised and structural dimensions of power, how these may enable and constrain actors, and how they change.

The Swedish International Development Cooperation Agency (Sida) and the UK Department for International Development (DFID, particularly with its 'Drivers of Change' approach) have both applied power analysis as 'flexible, broad, macro-level approaches that look at actors, relationships, structures and institutions at formal and informal levels. They seek to determine how power is distributed and exercised and what factors are likely to "drive" or impede poverty reduction' (Haider and Rao 2010: 4). Power analysis has been used by these agencies primarily for context analysis, such as in developing a country strategy or designing a programme or sector strategy, but also in mid-term reviews, evaluations and learning processes. Many INGOs and CSOs use similar multi-dimensional approaches to analyse both actors and structures, formal and informal manifestations of power, and to integrate political analysis with socio-cultural and structural understandings of power.

The IDS Power, Participation and Social Change (PPSC) team has been documenting and innovating with various methods of power analysis over the past decade through its work with Sida (e.g. Pettit 2013 forthcoming), SDC (this paper), DFID and a number of international NGOs and civil society organisations. In the UK this work has been developed into practical methodological guidelines for use by grassroots organisations (Hunjan and Pettit 2011) (Pettit 2012).

### 2.3.1 Common features of power analysis

A singular concept or framework is unlikely to reveal the full complexity of power in any given context. Power Analysis draws on a range of concepts and frameworks, including (but not limited to) the 'powercube' framework which integrates an analysis of different kinds of political spaces, levels and forms of power (Gaventa 2006 and see [www.powercube.net](http://www.powercube.net)). A core feature of the powercube, often used separately in power analysis, is Gaventa's and VeneKlasen and Miller's notion of 'visible', 'hidden' and 'invisible' power, which builds on Lukes' three dimensions of power (Lukes 1974, 2005). This influential framework is also relevant in PEA, and is explained in Section 3 below. In PA, the third dimension of 'invisible power' as hegemonic knowledge is often expanded using other theories of socialised and internalised norms and behaviours (e.g. Foucault, Bourdieu, etc; see [www.powercube.net](http://www.powercube.net) for details).

Concepts from gender analysis, such as 'power over, to, with and within' (Rowlands 1997; VeneKlasen and Miller 2002), and the notion of public, private and intimate domains of power have been successfully blended with the powercube framework. Power is often understood as '**power over**', experienced in the form of authority, control or domination. Actors with 'power over' are seen as 'powerful' while those they control are not. 'Power over' can be exercised in many ways. The most obvious is brute domination, where a person or institution controls or constrains what another is able to do. But power can also be exercised by constraining what

others think they can do or even imagine as possible. 'Power over' extends beyond physical or verbal forms of domination to affecting the ways in which people view themselves and their rights and capabilities.

Gramsci's concept of '**hegemony**' describes how people are persuaded to do things that are against their own best interests. They come to accept the claims of elites that the pursuit of their own interests coincides with a general interest. Ideals and norms are 'hegemonic' if they hold people in their sway, remain unquestioned and come to be viewed as 'common sense'. For example, the idea that women cannot do certain jobs because of physical inadequacies or that women make better parents than men has been hegemonic at certain points in history, and in certain contexts. '**Power over**' is the most commonly identified form of 'negative power' between actors, and is often what people mean when they talk about power. But there are also positive 'expressions of power' or agency:

- '**Power to**' is about being able to act, and is very similar to the idea of 'agency'. Power to can begin with the awareness that it is possible to act, and can grow in the process of taking action and realising that one can effect change, as well as through developing skills and capacities.
- '**Power with**' describes collective action or agency, and includes both the psychological and physical power that comes from being united. 'Power with' is often used to describe how those faced with overt or covert domination can act to address their situation: from joining together with others, to building shared understandings to planning and taking collective action.
- '**Power within**' (sometimes called '**power from within**') describes the sense of confidence, dignity and self-esteem that comes from gaining awareness of one's situation and realising the possibility to do something about it. 'Power within' (described in different ways) is a core idea in gender analysis, popular education, psychology and many approaches to empowerment.

These '**expressions of power**' or agency are reminders that power can be used positively as well as negatively, by the disempowered as well as the powerful. They encourage us to think about power as something that can be galvanised to create strategies and pursue opportunities for change. The concepts are often used together: people need 'power within' in order to act, and 'power to' to act collectively; to 'power with' of shared understanding and action can also strengthen self-esteem and agency (Veneklasen and Miller 2002).

### **2.3.2 Advantages and limitations of power analysis**

**Advantages.** Learning about power, and analysing context and interventions with a power lens can help development actors develop sensitivities and competencies that enable them to act in ways that will shift these relations and to empower marginalised people. Power analysis is used to deepen contextual and structural understandings of the national and regional situations in which an organisation works, as well as the global actors and forces that influence this local context. Programme staff and partners can use power analysis to anticipate responses and prevent their programmes from being blocked, thrown off course or co-opted by powerful interests. The methods can be used to identify drivers of pro-poor change, find new entry points for intervention, secure previously untapped sources of support and build strategic alliances with social movements or elites acting as 'agents' of people who are poor or vulnerable.

Power analysis can also identify possible perverse consequences, as when poverty reduction or post-conflict reconstruction programmes empower wealthy people or warlord factions, rather than people living in poverty. Power analysis can be a means of building the knowledge and competencies needed by staff and partners to work effectively within complex, unequal and fast-changing environments. Power analysis can also help those working in development to reflect on their own positions as political actors, both personally and institutionally, and to become more aware of how to handle the power dynamics of their relationships. This dimension is often missing from context analysis.

**Limitations.** Power analysis does require a certain level of understanding of and ability to apply key concepts of structure and agency, which typically reach beyond the quick identification of actors, their interests and networks. These frameworks can require some time and practice to use, and if staff or consultants are not familiar with them, they may be used in more superficial and limited ways. The emphasis on sociological and ideological context and structure can also divert attention away from the practical analysis of actors, their interests and relationships – “losing sight of the trees for the wood”. For this reason we find it practical to emphasise the complementarity between different approaches.

### 3. The combined Political Economy and Power Analysis (PEPA)

Power and political economy analysis both seek to explain how some individuals or groups control others, how consent to such control is secured and maintained, and what enables or prevents actors from cooperating with one another. An *agency* perspective sees power as something that people and institutions can hold, wield, lose and gain, usually through political or military alliances or contestations. It is concerned with the interests and motivations of actors, and drives their ways of relating to one another. A *structure* perspective sees power as the social and cultural norms and beliefs that are unconsciously internalised and that shape, often invisibly, people’s thoughts and actions. Power is embedded in all relationships, institutions and systems of knowledge, and is part of the way our societies and cultures work. These understandings of power often form the basis of a theory of society, which looks not only at actors and relationships but at how social norms and structures are created, reproduced and transformed.

A useful entry point for combining the analysis of power in political decision-making and democratic participation is to look at three ‘dimensions’ or ‘faces’ of power: **‘visible’, ‘hidden’ and ‘invisible’** power (Lukes 1974, 2005, Gaventa 2006, VeneKlasen and Miller 2002). The typology moves from the **visible power** of formal decision making processes, to the **hidden power** of organised biases and agenda-setting behind the scenes, to the **invisible power** of forces that shape people’s consciousness and felt needs.

- **Visible power:** Visible power describes the formal rules, structures, authorities, institutions and procedures of political decision making. It also describes how those in positions of power use such procedures and structures to maintain control.
- **Hidden power:** Powerful actors also maintain influence by controlling who gets to the decision-making table and what gets on the agenda. These dynamics operate on many

levels to exclude and devalue the concerns and representation of less powerful groups, including the ‘mobilisation of bias’ and ‘non-decision making’.

- **Invisible power:** Probably the most insidious, invisible power shapes the psychological and ideological boundaries of participation. Significant problems and issues are not only kept from the decision-making table, but also from the minds and consciousness of those affected. By influencing how individuals think about their place in the world, this level of power shapes people’s beliefs, sense of self and acceptance of the status quo and even of inferiority. Processes of socialisation, culture and ideology perpetuate exclusion and inequality by defining what is normal, acceptable and safe.

In practice, the three types of power will overlap. However, it is important to combine the visible and hidden or informal dimensions of power with the underlying cultural and social norms and practices in order to identify how development changes take place. The following table offers a systematic guide to compare how the political economy and power analysis frameworks can better understand the different dimensions of power.

**Table 1. A Three-way comparison of political economy and power analysis**

	<b>Political Economy</b>	<b>←      →</b>	<b>Power Analysis</b>
<b>Main dimensions of power</b>	Visible	Hidden	Invisible
<b>The role of institutions /rules of the game</b>	For the most part, institutions are taken as given or they are hard to change in the short run	Emphasis on informal institutions, often resilient to change	Focus on “structuration” – interplay between conscious agency and internalisation of norms
<b>Examples of institutions</b>	Formal government and NG institutions (mayors, cabinets, NGOs); existing norms and regulations	Informal institutions (traditional governance structures, militias)	Social institutions (gender norms, ethnic identity etc.) and networks (kinship, political solidarity)
<b>The role of individuals</b>	Individual, rational action.	Combine individual and collective actions	Focus on individual and collective consciousness (shaped by different factors)
<b>Cooperation and contestation</b>	Collective action is the result of individual motivations	Collective action results from individual motivations and social norms	Collective action results from social and cultural norms
<b>Sanctions and enforcement</b>	Formal (legal) ways to legitimize agreements (contracts) or sanction defections	Informal sanctions outside formal legal channels	Fear of exclusion or loss of identity; internalised social norms
<b>How they explain change over time? (key drivers of change)</b>	Types of actors, preferences and strategies change but institutional change is much slower (“Change from above”?)	Greater trust in agency to change power relations. (“Change from below”?)	Changes in critical awareness and sense of empowerment leading to growth in agency (“Change from within”?)
<b>Example: how to ensure effective service delivery from local governments?</b>	What are the legal, political, and financial resources allocated to local governments?	Who performs local government functions <i>in practice</i> ? Are they effective and legitimate?	Who has not been served by local governments or not taken part in the delivery of services?
<b>Sample recommendations</b>	Influence policymaking through political	strengthen and empower organisations,	Raise consciousness to transform the way

<b>emerging from analysis</b>	advocacy and seeking access to formal decision-making	build collective leadership, raise the visibility of issues, mobilize new voices	people perceive themselves and those around them
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### 3.1 The common features of political economy and power analysis

In this section, we disaggregate the key elements of the political economy and power analysis. We consider four key elements shaping power relations:

- The formal and visible structures, norms and “rules of the game”
- The informal and invisible structures, beliefs and narratives
- The actors, interests and strategies
- The processes of cooperation and contestation

For each element of analysis we describe what aspects are considered by political economy or power analysis, and suggest some guiding questions to further explore complexity in an applied setting.

### 3.2 Structures, institutions and rules of the game

Formal power can be thought of as the visible, recognised structures of power that are part of the way in which societies work: institutions that mediate the relationship between those with legitimate authority and those who are subject to that authority, the laws and rules that define what is acceptable and what is not acceptable, and how those who break laws and flout norms are treated. There are several decades of work around institutional analysis looking at a) “how institutions work”, b) the expected behavioural effects and resulting outcomes, and c) sources of endogenous change (who shapes those institutions in the first place?). Over the past two decades, there is renewed attention at the less visible or legally recognised ways through which norms, rules and behaviour are regulated, sometimes through informal, illegal or clandestine forms of coercion. Taken together, this set of institutions form part of “the rules of the game”, or the set of clearly defined norms and rules that are accepted, communicated and enforced through formal and informal channels.

The notion of “the rules of the game” closely defines the arenas or spaces in which power and political dynamics take place. Conversely, it could be said that power relations in different arenas are shaped by different rules of the game. A *powercube* framework has been developed to analyse the inclusiveness of different spaces of public deliberation and decision-making (Gaventa 2006).<sup>1</sup> According to the framework, decision making can take place in *closed*, *invited* or *claimed* spaces. Spaces are *closed* when they limit the opportunities for inclusion outside established procedures (ie. *council member meetings include members previously elected for that role but not others*). Spaces are *invited* when citizens can permeate decision-making bodies to voice their concerns (ie. *public consultations*). Finally, spaces are *created* or *claimed* when actors create alternative arenas for engagement and action (ie. *street protests*). By looking at different arenas and the rules that shape them, the analysis can identify ‘political opportunity structures’ or entry points to effectively influence decision making.

Key questions:

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<sup>1</sup> See also [www.powercube.net](http://www.powercube.net).

- What are the formal existing institutions (legal frameworks, norms, regulations) defining the existing rules of the game?
  - Are these rules stable over time or predictable?
  - Are they legitimized or widely accepted?
  - Are they effectively applied? If not, why?
  
- What are the existing practices that define how the game is actually played?
  - Do these rules seek to expand, complement, or contradict the existing formal rules of the game?
  - Are these rules stable over time or predictable?
  - Are they legitimized or widely accepted?
  - Are they effectively applied? If not, why?
  
- Who participated in drafting the rules of the game? At what point in time were these rules decided?
  - Do the rules represent the views, values or interests of a particular group?

### 3.3 Invisible norms, discourses and narratives

Informal power can be thought of as the socialised norms, discourses and cultural practices that are part of our everyday lives. Informal power relations are internalised through socialisation from young age, starting with acceptance of inequality in roles, for instance, between father and mother and older and younger family members. These informal power relations are often taken for granted as normal, or natural. Because deliberate strategies of coercion or domination are not required, informal power is sometimes also referred to as “invisible” power. The distinction between formal and informal power is useful in drawing attention to the fact that changes in formal and visible structures or strategies of dominations are necessary, but not sufficient to transform societies and make them more equitable. Laws may precede and indeed hasten social change, but to be effective they need to be accompanied by efforts to change internalised norms, attitudes and values.

Much social theory focuses on these less visible and culturally embedded forms of power to explain how social norms, hierarchies and patterns of behaviour are unconsciously reproduced and resistant to change. Some focus on the *deliberate strategies and actions* of powerful actors to manipulate the consciousness and felt needs of less powerful actors. Others would explain this not as a result of conscious ‘agency’ or even of deterministic ‘structures’, but as a kind of continuous interplay between the two – where power is defined as the norms, discourses and behaviour that are socialised and internalised by all actors.

Key questions:

- What are the predominant identities?
  - How are these identities shaped and reproduced by social and cultural norms?
  - How do they influence political and judicial structures and processes?
  - How do people’s self-perceptions of their identities either reinforce or challenge prevailing social and cultural norms?
  - How do these identities shape different values or discourses?



- How are different narratives built into common development discourses?
  - Do these discourses contribute to reinforcing social hierarchies or exclusion?
  - How do these narratives build on beliefs, norms and cultural practices legitimize and reinforce material power structures?
  - Are these narratives used to advance reforms or legitimise the status quo?

### 3.4 Actors, interests and strategies

Both political economy and power analyses recognise the role of agency in producing policy changes, and the fact that these actors are bound or limited by existing formal or informal power relations. The focus on actors seeks to identify if the relevant players have the capacity to produce meaningful development changes. Strictly speaking however, it is important to distinguish who are the critical or *veto* players without whom policy changes could not take place, and the other players who are important *but not decisive* for producing changes. A second important distinction is that the relevant *veto* players are not always visible or fully mobilised that are nevertheless present in the development process. Finally, critical actors tend to be identified with individuals or organisations (presidents, mayors, municipalities, NGOs). However in practice, it is relevant to disaggregate *who the critical actors are*, and whether it is safe to assume that a collective body (i.e. municipality) is represented by a single actor (i.e. the mayor) or there is greater complexity within (i.e. a diverse group of municipal council members).

Once the key development actors have been identified, the next step is to establish what are their powers, roles and responsibilities. Again, their role may already be defined by the formal and legal institutions or structures (i.e. a mayor), or by traditional norms (a council chief). Yet this description should be different from analysing the actual motivations and interests to fulfil their expected roles, independent of their formal obligations (i.e. a mayor may be directly accountable to his/her party leaders, rather than the will of the voters).

In sum, some of the relevant questions to keep in mind when analysing actors and interests are:

- Who are the main actors involved?
  - Who is decisive to produce development changes?
  - Who is present but not decisive?
  - Who is decisive but not present or (not yet) mobilised?
- What are the prerogatives, attributions, responsibilities of these actors?
  - Who established these roles?
- What are the motivations of these actors to fulfil their responsibilities?
  - What are their preferences, interests, strategies?
  - What do they *really do in practice*?

### 3.5 Cooperation and contestation

The question of what makes actors cooperate with one another or not, is probably one of the most decisive pieces of the analysis to understand what kind of development changes can take place. Yet an answer to this question cannot be fully articulated until there is clarity on the formal and informal rules, and the interests and motivations of actors. Over time, political science has invested heavily understanding *the logic of collective action*. Simply put, joint or cooperative

action is likely to take place when: a) there are fewer individuals (who can keep track of one another's actions), b) individuals have converging interests along the *same* dimension or issue, c) individuals tend to share longer time horizons, and d) there are credible enforcement mechanisms to ensure cooperation. By contrast, it follows that larger groups of individuals with diverse interests or backgrounds, who have short-term interests and mistrust one another are unlikely to produce cooperation.

Needless to say, not all forms of cooperation are formalised, long term or ideological. It is often the case that temporary alliances (or alignments of interests) take place around specific agreements *at one given point in time*. It is also the case that different clusters of actors can form *rotating or changing* coalitions. These are all valid forms of cooperation, they are unlikely to lead to sustained or even continuous development changes over time.

Some of the relevant questions to keep in mind when analysing actors and interests are:

- What are the actors' **motivations to cooperate** with one another?
  - Is it duty, tradition, self-interest?
  - Is it short term or long term interest?
- What makes cooperation possible?
  - Is it formal agreements, informal pacts or material exchanges?
  - Do existing institutions facilitate cooperation?
- How do actors **ensure** cooperation?
  - What happens if/when actors abandon their agreements?
    - (a) Are there any explicit rules, formal agreements or informal pacts to **ensure cooperation**?

## 4. Identifying a Theory of Change

We argue that a combined PEPA will be more effective at identifying who the decisive actors, rules and underlying dynamics are, if there is a clear and explicit understanding of a) the goals or objectives of a specific development initiative, and b) the causal factors that are most conducive to achieving that goal. Recent studies and systematic reviews of the development literature, especially around transparency and accountability initiatives, have found that there is little or in-depth analysis of what “meaningful change” looks like in this development field (McGee and Gaventa 2011). A related concern is the lack of a “theory based” approach to project development and evaluation that explains “the implicit assumptions, logic and mechanisms behind complex development interventions (...) contribut[ing] to a better understanding of the causal/impact chains’ (O’Neil et al. 2007, McGee and Gaventa 2011, White 2009). This section addresses both issues.

### 4.1 Identifying the notion of “success”

The use of PEPA is likely to yield accurate policy recommendations if there is a clear and practical definition of the expected outcome of development initiative. If we take for example the existing development initiatives around accountability and transparency, it becomes clear that a simple definition of “success” is obscured by the confusion of whether transparency and

accountability are ‘means to an end’ or ‘ends’ in themselves (Mejía Acosta 2011; McGee and Gaventa 2011). In the first case, existing development interventions could be more explicit about what the expected impact of “accountability” is supposed to achieve, namely improved service delivery or increased citizen participation. But if “improved citizen participation” appears as an expected outcome, it would be useful to theorise and explain key questions such as “which citizens it refers to”, whether they were “active prior to the creation of the mechanism”, “where they get their information”, “how they act upon it”, “on which issues they mobilise”, and “whether they are well-behaved or antagonistic toward state institutions”, to cite a few (McGee and Gaventa 2011). An in-depth understanding of what constitutes a “successful” development initiative is a key step for identifying the sequence of factors leading to that goal.

Sometimes, development initiatives are correct in pursuing a higher-end and explicit long-term development goal, but failed to make explicit the immediate short-term changes needed to achieve longer-term impact. Even in these cases, an explicit discussion of the proximate or intermediate objectives would be useful to identify and operational notion of “meaningful change”, as well as the sequence of necessary steps leading to it.

Key questions:

- What is the programme’s understanding of **meaningful change**?
  - Is this a short term change or long term challenge?
  - What is an attainable change in the short run and how is this measurable?

## 4.2 How does change happen?

A key feature of PEPA is that it offers a systematic way for understanding the key stakeholders, norms, discourses and power dynamics contributing to (or continuously blocking) the attainment of meaningful change. Assuming there is a clearly defined notion of meaningful change such as the improvement in the delivery of public services, the specialized literature tends to assume a causal connection that begins with citizens’ awareness (i.e. to improved information), towards articulating citizens’ voice (i.e. through formal and informal institutions), and increasing the responsiveness of service providers (i.e. establishing clear sanctions when public servants fail to do their job) (Joshi 2011: 6). While the causal link between accountability and improved service delivery may be intuitive to development practitioners, “this chain of causation is seldom explicitly examined” in existing development initiatives aimed at increasing transparency and amplifying voice (McGee and Gaventa 2011).

A first step towards identifying how change happens would entail an identification of the key decisive actors or veto players (whose consent is needed to adopt new policy changes), what are the commonly shared interests and motivations, and the existing institutions, norms and arenas that facilitate these changes (Tsebelis 2001). In this context, identifying the relevant “drivers of change” and the corresponding coalitions for change constitute key steps to understanding how can meaningful changes take place.

But identifying an expected -even if preliminary- “theory of change”, could also be useful to understand why change does not happen or why changes are systematically blocked and by whom. Rarely in development, and in public policy in general, policy changes take place in a linear, incremental way. More often, PEPA can be used to explain why development changes have not taken place or why the motivations of actors do not change over time. Depending on the case, key actors would have incentives to block reforms if these go against their vested

interests. In practical terms, a systematic stakeholder mapping of drivers and blockers, enablers and spoilers, would allow the identification of “bottlenecks” in the reform process, that is, critical situations or arenas where there is no visible agreement and a policy stalemate ensues; another example is the presence of “glass ceilings” or stages in the reform process beyond which any meaningful change is no longer possible due to the presence of vested interests.

In sum, we argue that existing development initiatives for the most part, are not underpinned by a clear articulation of exactly what outcome or impact is sought, or of how the actions and inputs contemplated are expected to generate that outcome or impact (McGee and Gaventa 2011). The following guiding questions seek to address that gap and help practitioners to identify key elements in the process of change.

Key questions:

- When and how is *change likely to happen* (or not)?
  - Who are the *critical actors* needed to produce ***meaningful changes***?
  - Are there any actors not present or that could be mobilised more effectively?
  - What are the possible coalitions of change? What holds these coalitions together?
  - What are the arenas, norms and structures enabling (or blocking change)?
  - What are the “bottlenecks” to reform? What are the glass ceilings?

### 4.3 Entry points for cooperation

If properly done, a PEPA framework would help development practitioners to identify the national level and sector specific context in which proposed interventions are likely to work. All things equal, the analysis should also help identify the decisive actors for producing meaningful change as well as those blocking it, to articulate more clearly what the possible coalitions for reform are. But perhaps most important of all, the PEPA framework would offer an analytical map of the sector or domain to inform the discussion (amongst development actors) of where lie the key entry points for a successful cooperation and where are the perceived risks.

A useful consideration in this regard for example, is to distinguish whether the same actors play different roles and have different entry points in the policy process to facilitate or block meaningful change. Taking for example the role of municipal mayors in participatory budgeting, it is often assumed that local authorities can greatly benefit from enhancing citizens participation in budget formulation. However, a broader discussion of relevant actors and dynamics throughout the budget process will show that mayors lack the technical competences to demand scarce government funds from the central government, including the Executive and the Ministry of Finance. In this example, any cooperation funding to support participatory budgeting will be incomplete unless the motivations, capabilities and political alignments of mayors vis-à-vis the central government is taken into account.

Some guiding questions from the PEPA framework include:

- What would a “successful” SDC contribution look like?
  - Who are the key visible actors that can maximise SDC initiatives?
  - Who the key actors that have not yet been mobilised or could be better funded?
- Where and when are the opportunities for reform?

- At which point in the policy process can meaningful change take place?
- Is the SDC office well-prepared to support meaningful change (financially, technically, politically)?

## 5. Ways forward for expanding a PEPA framework within the IDS-DLGN mandate

The combined political economy and power analysis is a first effort to combine different analytical and methodological traditions to better understand political and power dynamics facilitating or blocking development interventions. There are several ways in which this work can be and will be strengthened in the near future.

- **Conceptually**, we need to further refine and combine the different categories to understand the extent to which different development narratives can be developed and embedded around particular interventions to boost or hinder particular development discourses.
- **Empirically**, we need to further develop survey, interview and other measuring instruments to adequately capture, in quantitative and qualitative terms, the different actors, interests, institutions and change coalitions. We will continue to develop practical tools and frameworks for applying these concepts in cooperation processes (many do exist and are being tested with SDC and other organisations).
- **Practically**, we will continue to develop training and capacity development resources and sessions to teach and validate these approaches working closely with SDC country offices and DLGN implementing partners around the world. Further involvement could include programme-specific accompaniment, analysis, assessments and practical capacity development workshops with staff and partners.

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