



## TOOL 1: STAKEHOLDER ANALYSIS

The stakeholder analysis allows us to identify and analyse the different parties that can make or break a reform programme in a specific context.

### 1. Background: Why stakeholder analysis?

A Stakeholder Analysis helps to identify actors relevant to the reform programme and to get to know their perceptions, interests and influence on policy.

Cooperation programmes face different realities. Each party involved has a **different perception and perspective**. Persons act upon their world, and change it. When changing it, they are in turn changed by the consequences of their action. In the course of action, they invent an environment that is either conducive or hostile to them; they seek to legitimize their economic and social advantage, they admire or demonise events and other actors.

Actors<sup>1</sup> have different interests and are affected by a (policy) reform in different ways. Due to their different interests and relationships, they adopt different positions towards the reform objectives. A development cooperation project or a policy reform structures the constellation of actors by focusing on the specific issues at stake. It offers new opportunities, opens up access to new knowledge and creates incentives to intentionally, pursue balanced, socially just and peaceful development, as well as other often unintended and undeclared objectives.

Development cooperation projects are **joint ventures**<sup>2</sup> of actors with different interests, more or less organized and able to voice their interest. Reforms are negotiated, planned, implemented and steered by a large number of actors. The actors form a mobile system of mutual relationships and social and economic dependencies. They act on the basis of the roles and expectations ascribed to them, their influence and their resources, and adopt a supportive or a suppressive attitude toward a policy reform. In view of a proposed reform, they take a stand – opposing, neutral or in favour of the reform. They may become losers or winners. In a nutshell, a stakeholder analysis makes us more sensitive to different perceptions and expectations, power relations and exclusion.

During the course of cooperation, relations, power, influence, access to resources and cultural orientations are **changing**. Their action strategies are determined not only by interests, cultural orientations and the knowledge which they possess, but also by how they experience and interpret their relationships with other actors, and whether they are able to influence and shape the reform at stake. Aspects that can be precisely measured and quantified form only one part of the reality of the participating actors. This reality also includes powerful desires and interests, world views and inner drives. This powerful, purely psychological part of the actors' motivation can only be explored through interpersonal encounter and through continuous personal exchange with the actors.

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<sup>1</sup> The notion of *actor* is used to refer to all collective public and private groups within a society which are linked by their respective shared needs and values, and act publicly as organised groups. The term “stakeholder” is applied to those actors who hold a vested interest in a project or a reform.

<sup>2</sup> The term *joint venture* covers various forms of cooperation between actors: exchange of information, coordination, strategic alliances, working groups, networks and co-productions. These organisational arrangements take into account the diversity of the actors as well as their potentials.



Policy reforms lead to **shifts in power**. Social change processes always involve changes in the roles of and relationships among the actors, as well as political, economic and social change and gender specific shifts in power relations. Reform programmes are an intervention into existing social structures and processes, and these interventions change individual actors, their access to resources, their mutual relationships, and the social relationships, cultural orientations and institutions that are key to their behaviour.

A profound understanding of the actors and their interests, goals and relationships is therefore absolutely crucial for planning and steering these reforms. This knowledge is also needed to prevent projects from serving **particular interests** of individual actors, or even exacerbating potentially violent conflicts. Constructively influencing social change calls for conflict-sensitive management. The Do-no-Harm principle, a leading approach for conflict prevention<sup>3</sup>, is particularly sensitive to whether projects are likely to help resolve, or may inadvertently polarise, a conflict situation. From a management perspective, however, the actors' different interests, tensions and conflicts do indeed constitute a relevant area of work for the strategic development, planning and steering of development cooperation programmes and policy reforms.

Stakeholder analysis is a **basic planning and management tool** that contributes to project design and policy reform by helping to identify and analyse the stakeholders involved and their interrelations. Stakeholder analysis is the backbone of a cooperation strategy: it shapes a solid base for understanding the political economy of reforms and helps to evidence who are the real beneficiaries of a specific reform. It sets the domain of people, groups and organizations (including donors) whose interests and influence on policy should be taken into account when conducting the impact analysis for a particular policy. The basic output is the identification and description of actors that a policy is explicitly designed to help, as well as those whose involvement – or at least assent – is required to make policy work. The identification process disaggregates these actors in terms of socio-economic and political characteristics.

**Stakeholder analysis is a must.** You want to know the interest groups, organisations and persons affected: they may help you or block your way. The analysis should be used as an integrated tool along the Programme cycle; it should be reviewed and repeated because the best-fit set of actors to work with can and will change according to the dynamics of the project and the policy reform. However, every situation is different: browse this paper to get some ideas for answers in your context. Contact the PED Network to get further references and if you want to share experience, at [www.sdcpoliticaconomy.ch](http://www.sdcpoliticaconomy.ch)

**The PED Basic Tools can be used both as a tool for internal SDC reflection and a common reflection tools with the intended beneficiaries of a reform and other actors.** The issue of participation in the reflection process is obviously a core issue that has to be addressed from the on-set. Given the complexities and specificities of the environments in which SDC operates, the Tools do not specifically name the various stakeholders that would exist in these settings, such as reform beneficiaries, political actors, other donors and international organizations. You should determine which participant mix you wish; keep in mind that particularly with poor and disadvantaged beneficiaries, this might be an important step towards an own capacity to voice opinions and arguments (i.e. a combination of an advocacy and an empowerment strategy).

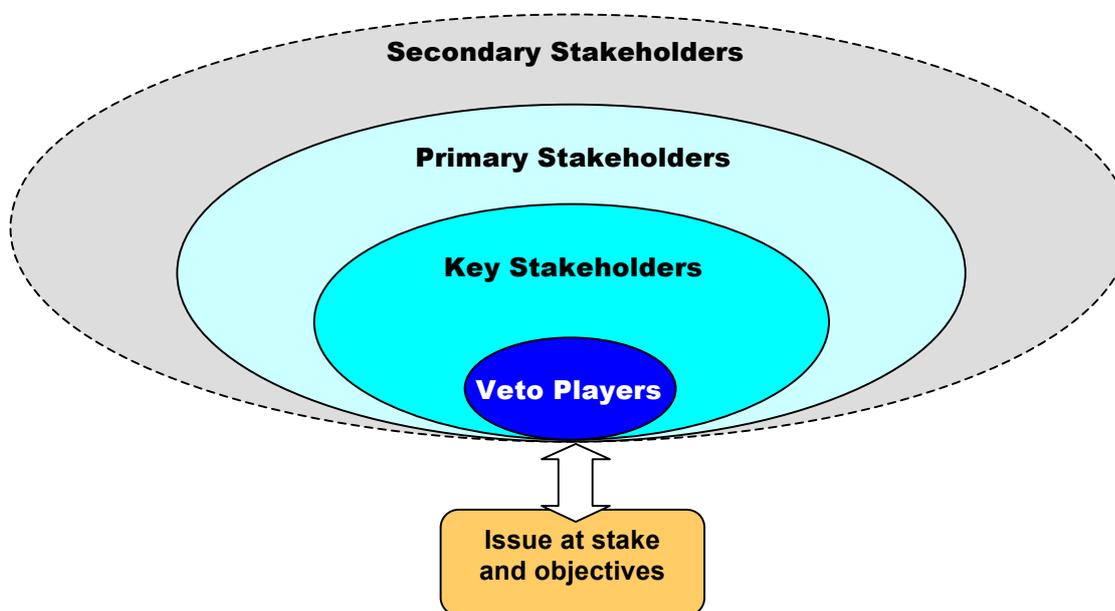
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<sup>3</sup> The overarching Do-no-Harm principle distinguishes two groups of governmental and non-governmental actors in this context: connectors and dividers. Cooperation can take place with both groups. But it must meet the minimum requirement that the connecting elements be strengthened and the dividing elements reduced.

## 2. Who are the stakeholders?

Every cooperation programme interacts with different stakeholders that form the social and economic programme environment. Various actors are either directly involved with or are indirectly influencing the programme or policy reform through their position or their specific resources. Actors who hold at least a potential stake<sup>4</sup> in a project or reform and its change objective<sup>5</sup> are usually termed *stakeholders*. The concerned actors wish to protect these interests and avoid losing them at all cost. The material resources, social position and knowledge of these stakeholders make them particularly potent, which enables them to wield significant influence over the design, planning and implementation of the reform project.

The term *primary stakeholders* is usually applied to those actors who are directly affected by the project, either as designated project beneficiaries, or because they stand to gain – or lose – power, economic resources and privilege, or because they are negatively affected by the project in some other way, for instance if they have to be resettled.



*Secondary stakeholders* are actors whose involvement in the programme is only indirect or temporary, as is the case – for instance – with intermediary service organisations. Actors – rich and poor, men and women, young and older people - who are able to use their voice, skills, knowledge or position of power to significantly exercise influence on a reform are termed *key stakeholders*. Key stakeholders are those actors without whose support and participation the targeted results of a programme normally cannot be achieved, or who may even be able to veto the programme, in which case they are termed *veto players*.

<sup>4</sup> The general issues at stake are usually closely related to a particular sector or theme such as watershed management, public financial management or participatory budget planning.

<sup>5</sup> The core issues at stake are circumscribed and defined by the “change objective”, which is a target to be achieved in the medium term that is interpreted and judged differently by different actors.

The stronger and more influential an actor is, the more this actor will tend to see himself or herself as the sole actor, or may seek to speak on behalf of, or exclude, other actors. In the process of negotiating the issues at stake, actors not only position themselves through their resources and power or by competing with other actors, but also reveal their interest in influencing the participation of other actors. Shaping participation is part of the negotiation game.

### 3. How to do it?

#### 3.1 Focus: No rocket science. Everybody can do it. Everybody should do it.

To become aware of the different actors likely to have an influence on the issue at stake, you can map out the relevant actors (both organisations as well as key persons) and identify the different kinds of stakeholders and their inter-relations. Interdependent stakeholders shape a so-called policy network.<sup>6</sup>

**Stakeholder mapping** is the best-fit tool for a stakeholder analysis. The mapping provides an overview of the stakeholder landscape. It visualizes people and organisations likely to have an influence on the planned reform. It maps out the relevant stakeholders and identifies the different kinds of stakeholders as well as their interrelations. This helps us

- to get valuable information that can be used for strategic programme planning
- to identify relevant stakeholders
- to get important hints about which actors we do not have enough information on or that have not been considered by the proposed reform so far
- to get important hints about the actors not analyzed enough or that have not been considered so far (blind spots)
- to understand which actors are not involved, i.e. excluded from the benefits of the reform
- to see potential cooperation partners that are disadvantaged, excluded, marginalised and discriminated and therefore need to be empowered
- to draw basic conclusions about relations and alliances as well as power imbalances and potential conflicts among the various players
- to make first assumptions and formulate impact hypothesis about the influence certain actors have on the proposed reform
- to produce valuable information on how to shape participation in policy negotiation and public debate on reforms

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<sup>6</sup> The notion of *policy networks* is key to the management of reforms. Most theories on politics and reforms rely on the concept of policy networks as a decision-making mode on new polities, politics and policies. The concept draws the attention to the importance of interested actors that shape a political negotiation process leading to agreements on institutions, rules, regulations and common standards. It stems from the working hypothesis that new policies emerge from a negotiation process that is shaped and influenced by different stakeholders and relies on three basic assumptions: (1) Political reforms are a structured and dynamic fabric of interaction among different, but interdependent stakeholders with different background, perceptions, power resources and interests. (2) Policy networks embrace various public and private corporate actors (public authorities, associations, interest groups, social movements, enterprises, political parties, local authorities, parliaments, etc.). These actors are interdependent, but autonomous. They are autonomous in the sense that they can play out their interests in the policy negotiation process through power, influence and alliances. They are interdependent, because they cannot achieve their own goals on their own, but depend on the perception, viewpoints, power, willingness and influence of other stakeholders. (3) Policy networks are created and shaped by the stakeholders themselves, who are bound by their interest to influence the negotiation process, e.g. by structuring the agenda, regulating participation or access to new knowledge. They develop a more or less horizontal structure, and their basic steering mechanism is the negotiation process.

Stakeholder analysis is a prerequisite for result-oriented cooperation. While stakeholder maps can be established out for any type of reform, they are particularly helpful for structural and sector policy reforms. Basic stakeholder analysis should precede the reform design and should be consistently deepened as reform elements are finalized.

A stakeholder map is produced by identifying and visualising the relevant actors and their relationships. It allows first conclusions and hypotheses to be formulated concerning the respective influence of the various actors on the issues at stake in the programme, and concerning relationships and mutual dependencies. The map sheds light on alliances and problematic relationships. Discussion of the stakeholder map can be used to help formulate strategic options and actor-specific hypotheses.

The stakeholder map usually also exposes information gaps and participation deficits (blank spots). It points out the actors and the relationships between actors we know too little or nothing at all about, where we need to obtain further information, and which actors we must involve in the project. The stakeholder map also corrects premature assumptions concerning individual actors and the relationships between them. Seen in the context of other actors, supposedly important actors become less significant and apparently insignificant actors move centre stage.

### 3.2 How to proceed: 7 steps that boost your reform project

#### STEP 1: Define the scope of the mapping

- Form a small, well-performing and interdisciplinary **working group**
- To prepare an accurate stakeholder map be aware of the three entry tasks:



##### **Be clear about the issue of the mapping**

To limit the number of actors appearing on the map, the mapping should be based on a clearly defined issue.

→ Guiding question: What is the issue at stake and what is the change objective?



##### **Define time and periodicity**

Actors build a dynamic and interdependent network of relations that can evolve quickly. Hence, the moment actor's relations are analysed does matter.

→ Guiding question: When do we draw up the stakeholder map, and when does it need to be updated?



##### **Take into account different perspectives and perceptions**

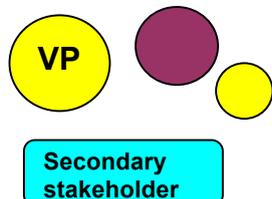
Each actor has his/her own perspective and perception, thus each actor acts upon his own mental map of the other actors and makes assumptions about their behaviour. A stakeholder map reflects only the perspective of the ones drawing up the map.

→ Guiding question: Whom do we wish to involve in drawing up the stakeholder map? Which stakeholder maps shall we compare with each other?

## STEP 2: Identify the relevant actors and set up their basic profile

First of all, it is necessary to identify and list all the actors relevant to the programme or to the proposed policy reform.

Graphic elements:



Key and primary stakeholders are represented by circles, secondary stakeholders by rectangles. The bigger the circle, the bigger the influence of the actor in the issue at stake. Circles with the letters VP stand for veto players, meaning that these stakeholders may have the power resources to seriously hinder or block the proposed reform.

To get a detailed overview of the different actors, we can draw up profiles of all relevant actors, applying the method of the 4 A's:

- Actor:** What is the actor's name, what is his function?
- Agenda:** What is the actor's mandate, what is his mission?
- Arena:** In what field is the actor active, where is he present?
- Alliances:** With which other actors is the actor allied, how is he interconnected?

Answering these questions allows us to make a first statement regarding the relative importance of certain actors for the programme. Alliances between actors become visible and we get a first indication of the dynamics of the stakeholder landscape.

<b>Actor</b> Name, function	<b>Agenda</b> Mandate / mission, strategic objectives	<b>Arena</b> Field of action, outreach	<b>Alliances</b> Relations with other actors according to ABCD <sup>7</sup>
Actor 1			
Actor 2			
Actor 3			
Actor n			

<sup>7</sup> A: Institutionalised relation, B: Regular exchange of information, C: Coordinated activities, D: Co-production using joint resources.

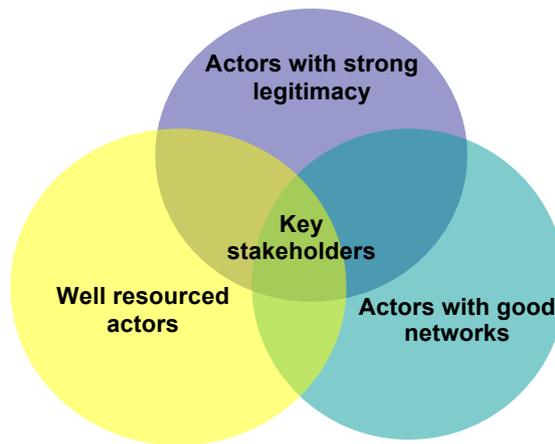
### STEP 3: Identify key stakeholders

The listed actors should then each be assigned to one of three groups, namely key stakeholders, primary stakeholders and secondary stakeholders. To narrow down the number of key stakeholders further, it is helpful to differentiate between **three core attributes or features** that are crucial for holding a key position regarding the issue at stake:

**(A) Legitimacy:** Institutional position of the key stakeholder, ascribed or acquired rights that are – for instance – underpinned by the law, the institutional mandate and public approval, loyalty of other social groups, and are considered legitimate. This also includes key stakeholders without whose explicit approval the proposed reform would be inconceivable. These veto players can create key impetus and scope, or can obstruct the reform.

**(B) Resources:** Knowledge, expertise, skills and material resources that enable the key stakeholder to significantly influence the issues at stake and the change objective, or to steer and control access to these resources. This is also linked to the question of whether the key stakeholder disposes of the necessary resources.

**(C) Networks:** Number and strength of relationships with other actors who are obligated to, or are dependent on, the key stakeholder. Key stakeholders are usually well-connected, i.e. they have a large number of institutionally formalised and of informal relationships with other actors. Key stakeholders therefore wield significant influence on the participation of other actors, structuring some decisions as to whether certain actors will be included or excluded.



You may also use the following table to identify and characterize key stakeholders.

	<b>Legitimacy</b> Does the actor hold an influential institutional position with strong legitimacy?	<b>Resources</b> Does the actor dispose of specific material and immaterial resources that allow him to shape the issue at stake?	<b>Network</b> Is the actor well interconnected with other influential actors?	Key stakeholder, <b>yes or no?</b>
Potential key stakeholders				
<b>Actor x</b>	<input checked="" type="checkbox"/>			Needs to be clarified

<b>Actor y</b>		☑	☑	YES
<b>Actor z</b>	☑	☑	☑	YES

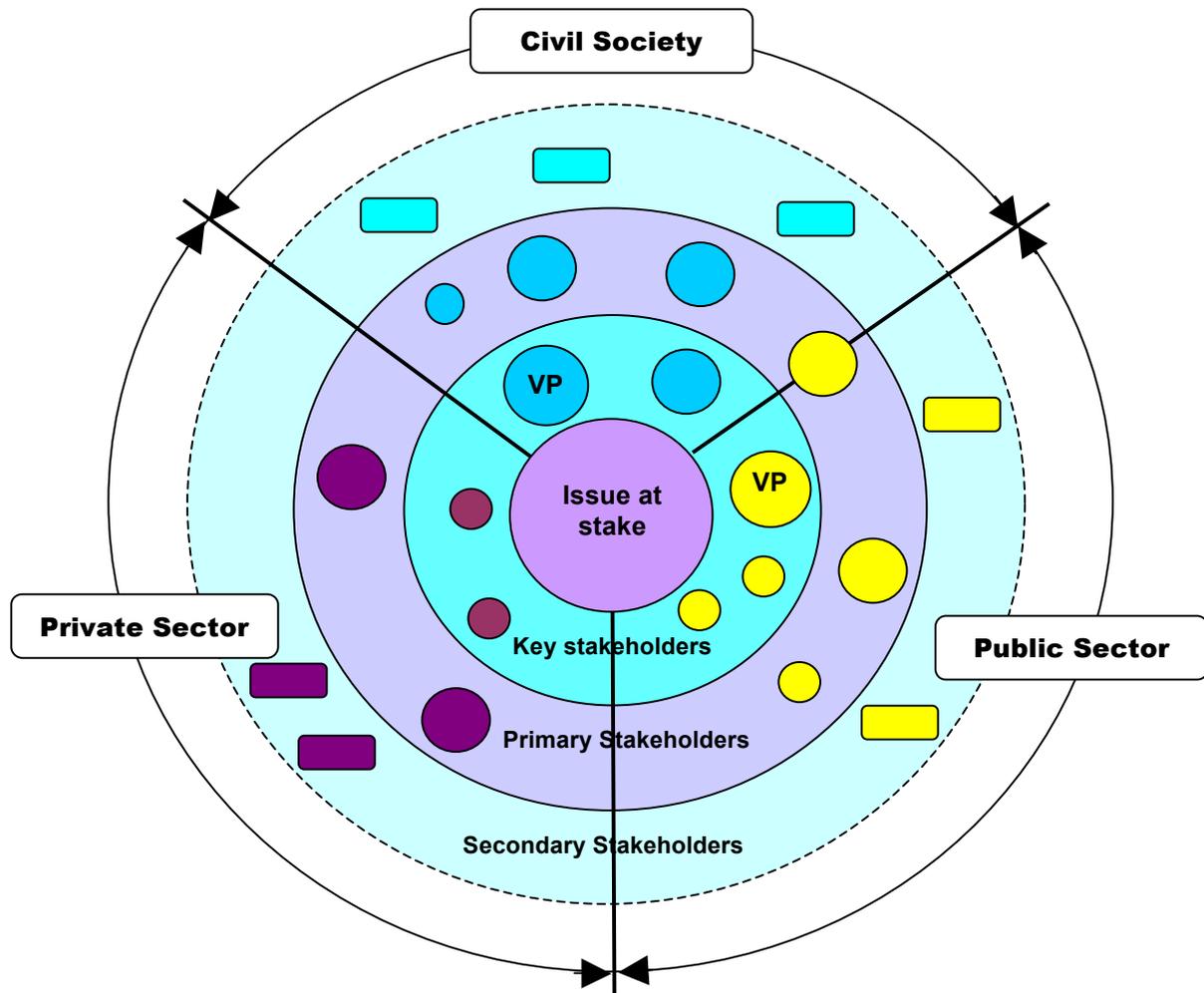
The interests of the key stakeholders are usually not entirely congruent with the proposed reform or with the change objective. This is only natural, bearing in mind the fact that a proposed reform is of an innovative nature. Any change will also generate responses of reserve and resistance. The actors notice the dissonance between their interests and the proposed change objective at the latest when they are called upon to depart from familiar paths and learn new approaches. This can create tacit or explicit resistance in various forms: reserve, sceptical aloofness, objection or openly organised resistance against the targeted changes.

Actors can only learn from resistance if that resistance is made explicit, so that it can be addressed. The possible motives for resistance are manifold, and are closely linked to the change management process. Actors' self-interest and fears (e.g., of losing power) are reinforced by values that have long remained stable or by the mistrust of other actors. Unclear or poorly transparent information concerning the project also reinforces resistance. If the resistance remains based on (tacit) assumptions or speculation, because it cannot be expressed or is not taken seriously, then it will also increase. And what begins as verbal assent may, in the course of the project, turn into reserve or even resistance.

To prevent a desired reform project from being vetoed, it is necessary to understand the interests of the actors. Once the perspective of the key stakeholders is understood, it is possible to alleviate feelings of uncertainty and address the resistance early on, so as to create a negotiation-oriented open climate for the desired reforms. The varying degrees of congruence with the change objective affect the project, and wherever possible should be taken into account early on in the selection of strategic options.

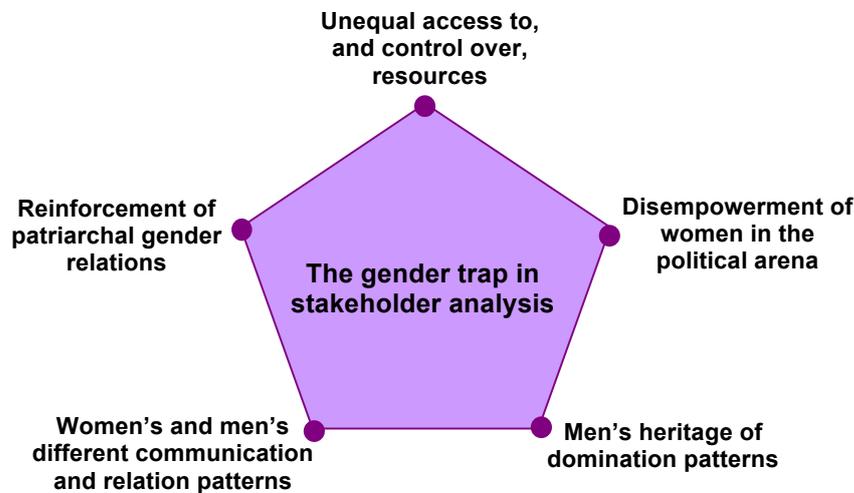
#### STEP 4: Put in the stakeholders

To create the stakeholder map that will yield useful information, it is important to include all important key actors, without overloading the graphic with too many cards. Use cards in different colours (*metaplan technique*) and place them according to their basic characteristic to civil society, private or public sector.



## STEP 5: Be aware of the gender trap in stakeholder analysis

First, check the following five assumptions:



It is common sense that every reform programme should be carried out in a gender-sensitive way. Thus, we have to ensure that the specific needs and interests of women and men are considered in the stakeholder analysis. A gender-sensitive stakeholder analysis takes into account the following issues:

- **Unequal access to, and control over, resources**  
Access to, and control over, resources<sup>8</sup> largely depends on the existing distribution of economic and political power and is defined according to various exclusion criteria. One of these exclusion criteria is gender: the rights of access to resources, voice and informed participation often discriminate against women.
- **Disempowerment of women in the political arena**  
The denial of access to, and control over, resources form a barrier that may especially hinder women from participating in the social, political and commercial life of their community. This exclusion prevents women from participating in informal and formal policy negotiations. Political participation of women can contribute significantly to the maintenance and promotion of social welfare, equality, peace and security. Without an explicit gender focus, cooperation programmes may fail to gain from women's contributions – both formal and informal – to the development of their societies.
- **Men's heritage of domination patterns**  
Due to education and over-arching value systems, men may be bound to attitudes and behavioural patterns that lead to domination and violence against women and men. In specific circumstances these patterns are even reinforced by the gender dynamics and expectations of women.
- **Women's and men's different communication and relation patterns**  
Research evidence indicates that women and men communicate and shape social relationship in different ways in a given cultural context. Cooperation programmes tend to

<sup>8</sup> The term *resources* refers to both material and non-material resources. Material ones are financial resources and surpluses or access to basic services; non-material are recognition, negotiation capacity, opportunities, voice, participation and rights, among others.

ignore such differences because of time pressure, and by standardizing their procedures and aligning them to “international principles of cooperation” that impede gender-sensitive ways of doing things.

- **Reinforcement of patriarchal gender relations** through cooperation programmes  
As a matter of fact, the common pattern of policy reforms is dominated by patriarchal gender relations, even when declarations and gender mainstreaming efforts advise a different way of thinking. Up to now, only a few women occupy executive positions in national and international institutions that are engaged in policy reforms. Gender inequalities are also reflected by using the women and female children work force at low price and not recognizing their unpaid care work. The most common and strong expression of patriarchal gender relations is the ignorance or denial of women as victims of violence and exclusion.

Second, complete and differentiate the stakeholder map by using the following guiding questions<sup>9</sup>:

- How do we find out about the stakeholder’s position considering gender issues?
- Do we have a clear picture about the experience in gender issues of the stakeholders involved in the reform programme?
- Can we make the gender issue visible by differentiating between men and women?
- Do we take into account the cultural heritage of gender profiles?
- Do we spot specific stakeholders that are hindered from participating in the social, commercial and political life of their communities and in public debate?
- To what extent are the stakeholders able to address gender issues in a comprehensive way that incorporates men and women equally into policy making?
- How would the stakeholder map look if we draw the actors in regard to their gender-sensitivity?
- Do we spot stakeholders that are particularly opposed to / open to gender issues?

## **STEP 6: Visualise the relationships between stakeholders**

The stakeholder map helps us to analyse the relations between different stakeholders. Such relations can take the form of alliances and enduring cooperation; they can also indicate tension and conflict. Knowing who is in relation with whom prevents the future cooperation from unintentionally fuelling existing conflicts by favouring one side over the other. Identifying coalitions or alliances between stakeholders gives us indications about already existing ties that can be built upon.

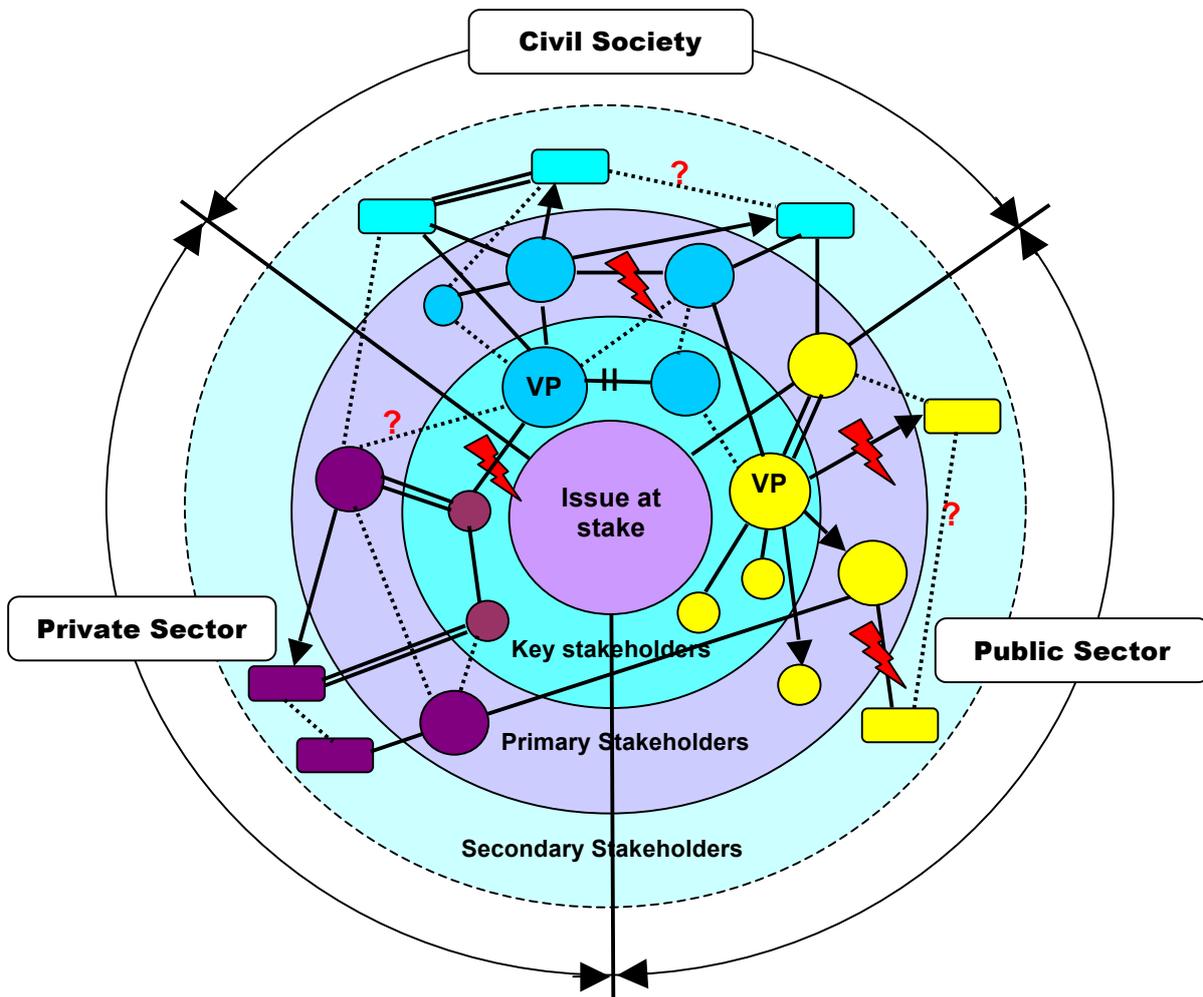
Finally, to make things clearer, the various graphic elements can be arranged so that the stakeholder map is easy to read. The stakeholder map might – for instance – look like one of the two examples shown in the graphics below.

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<sup>9</sup> Further guiding gender questions dealing with the reform process and impact are to be found in the PED Basic Tools 2 and 3.

Graphic elements:

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 Solid lines symbolise close relationships in terms of information exchange, frequency of contact, overlap of interests, coordination, and mutual trust.
  
- 
 Dotted lines symbolise weak or informal relationships. The question mark is added where the nature of the relationship is not yet clear.
  
- 
 Double lines symbolise coalitions, alliances and strong cooperation that are formalised contractually or institutionally.
  
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 Arrows symbolise the direction of dominant relationships. This may also apply to solid, dotted or double lines.
  
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 Lines crossed by a bolt of lightning symbolise relationships marked by tension, conflicting interests or other forms of conflict.
  
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 Cross lines symbolise relationships that have been interrupted, damaged or broken.



## **STEP 7: Share and discuss the stakeholder map with different stakeholders**

In a next step, a joint discussion of the stakeholder map as captured by the graphic above can

- help identify commonalities between the stakeholders, for instance stakeholders of the central government administration who in a decentralisation process would see themselves as standing to lose legitimacy and influence.
- open space for further strategic options of reforms.
- enable planners to address and work through the conflict of objectives with the key stakeholders early on. In the case of a decentralisation process this could mean, for instance, broadening their mandate to include new tasks of regulation, supervision and support of municipalities.
- anticipate possible tensions and conflicts among stakeholders in a timely manner.
- build up and strengthen compliance with change objectives and as well as the commitment of the stakeholders.

When sharing and discussing a stakeholder map, be aware that stakeholders construct their own social reality on the basis of their own life experience, expectations and perspectives. Policy reform cannot assume that they are dealing with objectively verifiable problems. The various actors see and interpret these situations differently. Planning and implementation must therefore take into account the different perspectives and interests of the participating actors. Furthermore, the specific discourse on problems and deficits often obscures our vision for potentials. Joint ventures are based on identifying potentials as well as opportunities to change things. To engage with the potentials and change dynamics of the actors, projects need to create scope for dialogue and negotiation. This perspective enables us to perceive and understand the various discourses of the stakeholders and to address – together with those – the issues that are important to them. These discourses reflect their knowledge of the issues, their willingness to change, the cultural orientations, prevailing norms, preferences and power relations. The discourses consolidate their identity, and at the same time differentiate them from other actors. They remind us that reality is perceived and shaped through actor-specific semantics.