

Political Economy Analysis

Tactical Tool

Description: The tool draws on the World Bank’s [Problem-driven Governance and Political Economy Analysis](#), with additional insights from tools already being used in WaterAid and other NGOs for analysing micro-level issues.

The focus is on specific issues and changes, and the specific tactics that can be used to achieve these changes. Its aim is to build on WaterAid’s knowledge of the broader political economy environment and increase our understanding of the politics and relationships which govern how change happens within individual issues.

Facilitation guidance:

When would you use it: In response to the emergence of specific challenges or opportunities, when designing/reviewing specific interventions or programmes because it helps to answer the question of what tactics WaterAid can use to achieve our strategic objectives. The tool complements the WaterAid Country Strategy and Sector Strategy Tools, and could draw from any previous analysis at these levels. It could also be used after ‘Everyday PEA’ has demonstrated the need for more in-depth analysis.

What you will need: Handouts (page 3); flip chart paper; markers pens (x 3 colours); post-it notes or pieces of card (x 3 colours).

Timing: Ideally, a half-day workshop. At a minimum, two hours will be required – if attempting to complete in 2 hours, consider answering the Section 1 and 2 in advance and use the workshop time for detailed analysis (in Sections 3-5). Make sure you leave at least 15 minutes for Section 6 (“What next?”).

General guidance: Encourage people to think analytically about how change happens. The ‘core questions’ in each section outline the topics and concepts that need to be discussed; the ‘discussion points’ will prompt people to think about analytical concepts such as incentives, interests, and ideas. However, the discussion points are not intended to be definitive, rather suggestions to guide your analysis. Throughout, encourage people to try and draw links between the sections (i.e. how do country characteristics link to power relations, etc). Before beginning the workshop, decide how the analysis will be documented (detailed report, briefing note, etc), and who will be responsible for this.

Knowledge gaps: It is likely that there will be some questions that the group will struggle to answer. Minimise this risk by planning in advance to ensure you have a good range of knowledge and experience in the workshop (including external guests, if appropriate). Throughout the workshop, encourage people to be honest about what they don’t know. Challenge people on facts and assumptions, and keep a clear list of where more information is required. Encourage people to think about how they can find this information (e.g. is there someone we can speak to, or a publication we can read?).

1. What is the issue we want to change?

Define the issue and the change we want to bring about.

- The purpose of this section is to define the issue and the change we'd like to bring about. In some cases, this will be obvious from the outset, in which case, not much time will be required for this section.
- In other cases, the issue may be more complicated; in which case, spending time discussing precisely what will be analysed in section 2-5 will be beneficial. In these cases, the 'Five Whys' technique could be used to provide more clarity.

2. What is the situation now?

Describe the political economy features.

- The purpose of this section is to set the scene and describe the key features of the sector which will be analysed in more depth in sections 3-5.
- Create two tables as follows, dividing the features into 'actors' and 'factors', and complete the description columns with the most important (f)actors:

Description of actors	Analysis
e.g. Ministry of Finance	
e.g. Service providers	

- The core questions and discussion points for this section provide a guide as to what should be included here.
- This section could be prepared in advance of the workshop to allow time for more in-depth analysis in subsequent sections. If prepared in advance, this section should be used to check if anything important has been missed.
- Make sure you include WaterAid as an actor!

3. Why are things this way?

Analyse the most important political economy features.

- The purpose of this section is to analyse the features identified in Section 2 (actors and factors). If you have identified a long list of features, select the most important 10-15 features to focus on (ensuring that you have enough time for a detailed analysis of each).
- Following the core questions, and drawing on the discussion points, complete the Analysis column for both actors and factors:

Description of Actors	Analysis
e.g. Ministry of Finance	e.g. Priority given to fostering economic growth in urban areas.
e.g. Service providers	e.g. Dominant political ideology promotes private sector service provision

4. What does this mean for our desired change?

Map the political economy features around the change we want to bring about.

- The purpose of this section is to create a visual 'map' of the political economy features and identify the key relationships between them.
- Using flip chart paper, a large wall or desk space, and cards/post-it notes, follow the steps (a) to (d) to create a 'political economy map' of the issue. The map should be centred on the change we want to bring about (e.g. a national monitoring system involving senior officials from all ministries).
- Identifying the relationships between features is an important part of this process. Three types of relationship have been suggested; 'working relationship', 'power over', and 'influence over'. This shouldn't be seen as a definitive list, and more types of relationship could be added if required (e.g. you could also use solid lines for official/formal relationships and dotted lines for informal/personal relationships).

- Don't only map the relationships between actors. It's also important to examine the relationship between different factors (e.g. do country characteristics have influence over ways of working?) and between factors and actors (e.g. do ways of thinking influence over actors' interests? And do other actors have power over ways of thinking?).

5. Where can we go now?

Analyse the political economy map and plot a route towards change.

- The purpose of this section is to analyse the relationships described in section 4, and to use this analysis to better understand how we can work tactically to make change happen.
- While the analysis in section 3 treats features individually, the analysis in this section should focus on relationships and linkages between features, considering issues such as relative power, influence, coalitions and networks.
- Using the PEA Map as a visual aid, work through questions (a) to (e) and draw on the discussion points to analyse the most important relationships.
- Following this, move onto question (f) to discuss how WaterAid could work more tactically and interact with these relationships; taking advantage of positive relationships or minimising the impact of negative relationships.
- Try to identify different entry points and pathways of change, and discuss the pros and cons of each tactical approach.

6. What next?

In this final section, encourage people to reflect on the exercise and agree next steps. Ask the following questions:

- What have people found useful? Have any obvious lessons been learned?
- Have any of our original assumptions or ideas about how change happens been challenged? If so, will this have any implications for the way we work or the way we frame issues and advocate for change?
- What are the most important knowledge gaps? How can we find the information needed? Who will be responsible for this, and by when?
- Which other tools may be helpful to plot a more detailed path forward (e.g. sector strengthening tools, human rights based approach tools, inequalities checklist)? Who will be responsible for organising this?
- Based on lessons learned from the analysis, are there any small steps that can be made in the short term to improve our tactical approach? Who will be responsible for this, and by when?
- Are there any long-term implications for our tactical approach, or for our broader strategy? Who will be responsible for taking forward the lessons learned from the analysis?
- How will the analysis be documented, and who will be responsible for this?

1. What is the issue we want to change?
 Define the issue and the change we want to bring about.

2. What is the situation now?
 Describe the relevant political economy features:

- Main actors
- Legislation and policy
- Foundational features
- Ways of working
- Ways of thinking

Tactical PEA

3. Why are things this way?
 Analyse the most important political economy features:

- Interests
- Power
- Constraints
- Historical legacies
- Ideas
- Inequalities
- Drivers of change

4. What does this mean for our desired change?
 Map the political economy features around the change we want to bring about:

The diagram consists of three concentric circles. The innermost circle is labeled 'CHANGE OBJECTIVE'. The middle ring is labeled 'DIRECT INFLUENCE'. The outermost ring is labeled 'INDIRECT INFLUENCE'. To the right of these circles is a legend for 'FEATURES' and 'RELATIONSHIPS'. The 'FEATURES' legend has three colored boxes: green for 'POSITIVE', yellow for 'UNSURE', and red for 'NEGATIVE'. The 'RELATIONSHIPS' legend has three arrows: a grey double-headed arrow for 'WORKING RELATIONSHIP', a red arrow pointing right for 'HAS POWER OVER', and a green arrow pointing left for 'HAS INFLUENCE OVER'.

5. Where can we go now?
 Analyse the political economy map and plot a route towards change:

- The nature of relationships
- Decision makers
- Coalitions
- Power relations
- Making change happen

Core questions and discussion points

1. What is the issue we want to change?

Define the issue and the change we want to bring about.

- a) What is the **specific issue** to be addressed?
- b) If there are a number of **related issues** to be addressed, can they be clearly distinguished?
- c) What are the **outcomes** (either positive or negative) that the issue is connected with (e.g. persistently poor sector outcomes, repeated failure to adopt reforms, emergence of 'islands of success')?
- d) What **change** do we want to bring about? Is our change objective SMART (specific, measurable, achievable, relevant, and time-bound)?

The 'Five Whys'

This technique asks you to identify an initial problem and then answer "why is this a problem?" five times. This helps go beyond the issues that are immediately apparent to work out the root causes and identify effective entry points for WaterAid.

E.g. if the initial issue is: "There has been persistently poor performance in the rural water sector".

1. Why? Infrastructure is inadequate.
2. Why? Local government lacks funding.
3. Why? Local government has low levels of financial absorption.
4. Why? Lack of human resources in public financial management.
5. Why? Budgets skewed towards capital Spending and allocations for recurrent spending are too low.

2. What is the situation now?

Describe the relevant political economy features.

- a) Who are the **main actors** involved? What are their respective roles and responsibilities? Are there any 'unusual suspects' from outside the sector (Ministry of Finance, president, private sector)?
- b) What **legislation and policy** influence the issue?
- c) Do any **country characteristics** play an important role in the sector, and how?
- d) What **formal ways of working** influence the issue?
- e) What **informal ways of working** influence the issue?
- f) Which **ways of thinking** influence the issue, and how?

Discussion points:

- **Actors:** consider government, service providers, service users, private sector, civil society, social movements, NGOs, donors.
- **Legislation and policy:** consider sector-specific as well as other relevant national legislation or policy (e.g. budget policy).
- **Country characteristics:** long-term country-level factors (e.g. geography, climate, social structures, political systems, economic features, etc).
- **Formal ways of working:** consider decision making processes, sector financing, appointment of officials etc.
- **Informal ways of working:** how things work in practice (e.g. deference to authority, patronage, influence of civil society, etc).
- **Ways of thinking:** consider dominant ideologies (e.g. market vs. state-led approaches), national/international discourse, cultural beliefs, religion, etc. Do different actors frame issues in different ways?

3. Why are things this way?

Analyse the most important political economy features.

- What are the main short- and long-term **interests** of each actor?
- How much **power** does each actor have?
- What are the **constraints** faced by each actor? How do they influence the issue?
- How do **historical legacies** shape the issue (e.g. previous legislation or reform initiatives)?
- Why do certain **ideas** have more influence than others? Whose interests do dominant ideas serve?
- Are there any important **inequalities** related to the issue?
- What are the main **drivers of change**? How has the issue been evolving?

Discussion points:

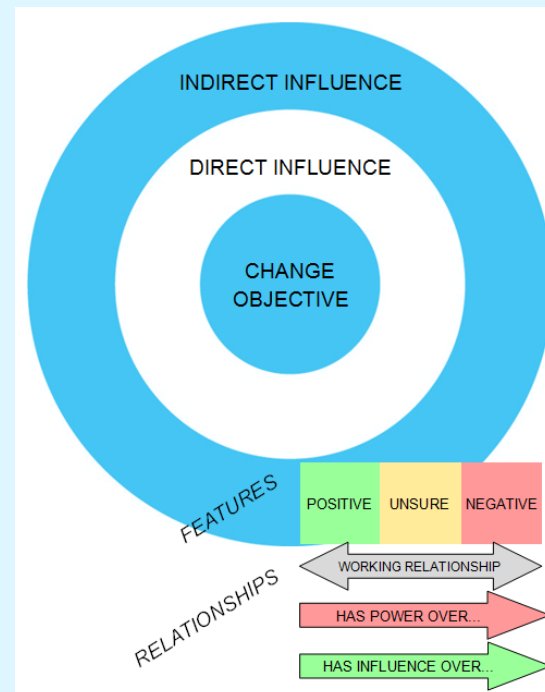
- **Interests:** party politics, securing funding, career development, meeting targets, making profit, formal accountability mechanisms etc.
- **Power:** is power 'visible' (formal decision making processes, financial); 'hidden' (informal ways of working); or 'invisible' (norms and beliefs).
- **Constraints:** Is actors' behaviour shaped by financial or organisational limitations, formal laws or policies, informal expectations (e.g. patronage networks), or embedded social norms (e.g. views around social hierarchy)?
- **Ideas:** who has the power to shape ideas? Which ways of thinking promote or constrain potential for change?
- **Inequalities:** are any social groups (e.g. ethnicities, gender) or geographic areas excluded from services, or impacted by the issue in different ways?
- **Drivers of change:** is the issue dynamic? Which features have driven recent change? Or, why have things remained static?

4. What does this mean for our desired change?

Map the political economy features around the change we want to bring about.

- From the discussion in Section 2 and 3, identify the **most important features** of the sectors political economy.
- Discuss whether each feature has a **positive or negative** impact on the change we want to bring about. Write the positive features on a green card, negative features on red, and use yellow for those who could be positive or negative.
- Position** the features around the change objective; those with direct influence in the inner ring and those with indirect influence in the outer ring.
- Identify the **key relationships** between features; draw arrows between the cards to show working relationships, power relationships, and lines of influence. These arrows should be colour-coded to highlight the nature of different relationships (see diagram opposite).

PEA Map



5. Where can we go now?

Analyse the PEA Map and plot a route towards change.

- a) What is the nature of relationships between the **key actors**?
- b) What is the nature of relationships between actors and **key factors** (e.g. legislation and policy, country characteristics, ways of working, and ways of thinking)?
- c) Who are the key **decision makers**? What influences their decisions?
- d) Are there any existing, or potential, policy **coalitions**?
- e) How do **power relationships** influence actors' ability to bring about change?
- f) How can we sharpen our tactics to help **make change happen** and achieve universal access?
 - i. What needs to change?
 - ii. Who has the power to bring about change?
 - iii. What tactics can we use to most effectively influence the change process?
 - iv. Who are the main winners and losers from change? Who is likely to oppose change? What are the risks of different tactics?

Discussion points:

- **Key actors:** is the basis for the relationship historical, financial, or pragmatic? What are the implications of this? Are key relationships conducted through official channels or personal connections?
- **Key factors:** how do these relationships influence actors' interests? Do they create constraints? Are there conflicts between competing ideas and interests? Would changing our messaging or framing of issues help ease this conflict?
- **Decision makers:** who are they influenced by? Who are they accountable to? What or who shapes their interests and ideas?
- **Coalitions:** how are organisations and institutions working together for change? Is there potential for greater engagement?
- **Power:** is power exercised through official channels or personal relationships? Does this encourage or inhibit positive change?
- **Making change happen:** to what extent do the ideas and interests of key actors align with WaterAid's? Do we have the ability to influence them directly? Are there avenues to work through other partners to achieve greater influence? Are there any obvious entry points or windows of opportunity? How do our own capacity and positioning influence tactical choices?