HOW POLITICS AND ECONOMICS INTERSECT

A simple guide to conducting political economy and context analysis
PREFACE

As defined by the Organisation for Economic Co-operation and Development (OECD), political economy analysis (PEA) is ‘concerned with the interaction of political and economic processes in a society: the distribution of power and wealth between different groups and individuals, and the processes that create, sustain and transform these relationships over time’.

PEA is increasingly viewed as an essential tool for understanding the complex human and institutional relationships that can spell the difference between success and failure in international development programmes. Various donors are using their own frameworks, which – while labelled differently – mostly focus around commonalities of analysis of stakeholder interests, formal and informal institutions (the ‘rules of the game’), and development processes.

The intention of this guide is to provide practical guidance on how to undertake PEA at Oxfam in order to inform operations and programming. It is based on the experience of working with Oxfam Myanmar (and heavily features this experience), and also draws on work done in Viet Nam. It looks at how PEA could be used to address two areas: 1) ‘How can citizens/civil society get engaged with local planning and budgeting processes?’ and 2) ‘How will the economic opening up of Myanmar affect small-scale farmers?’

However, the guide is relevant to Oxfam’s work across other countries and contexts more generally. Given the rapidly changing contexts that Oxfam operates in, this guide looks at PEA as a dynamic process to allow for ongoing analysis and monitoring.

The audience for this framework is Oxfam staff. While some, without doubt, will have had experience with PEA – formally or through the practice of everyday work – this guide does not assume prior PEA experience. A glossary of terms is included with the intention of clarifying terminology.

The guide is structured as follows. After a brief introduction, several building blocks of PEA are presented which are then examined in detail, namely careful preparation of the PEA, analysis and diagnostics, translating the analysis into operationally relevant recommendations, and ongoing monitoring of the political economy. Annex 1 gives some practical examples of PEA in the field.
FOREWORD

This guide comes out of attempts by Oxfam staff in Myanmar to get to grips with a rapidly changing context where power is shifting and many aspects of politics and governance, including of the economy, are in a state of flux. How can you keep up to date and make sensible choices for your programme under such circumstances? We invited consultancy firm Oxford Policy Management, which had already worked with the Viet Nam team on PEA, to support Oxfam staff to use some of the tools commonly employed for political economy analysis (PEA) to investigate some of the questions they most wanted to explore. We decided to document the process so that it could be shared with others: this document is the result.

The macro level of PEA, which requires skills in high-level economic analysis, with a particular focus on the statistics and trends in macro-economic and political trends, is probably best left to specialists. In most contexts where Oxfam works, such analysis will already be available, either easily or through developing constructive relationships with other actors. In the case of Myanmar, a good study done by another organisation was available to Oxfam. This meant that the big picture was known to us, insofar as data was available. Our own analysis was therefore able to focus on more specific issues that would take us closer to well-informed programming choices, drawing on the higher-level analysis as context. If high-level analysis is available, then the kind of PEA that Oxfam needs to undertake to inform its work is not such a mysterious or daunting process, but involves unpacking the power dynamics of a range of players. It does, however, need to have sufficient time and effort allocated to it. Some of the methods are already familiar to many Oxfam staff in the form of various context and power analysis tools; what has perhaps been lacking is their systematic, connected, and robust application.

Stakeholder analysis, for example, is a well-known tool. For PEA, however, this needs to go beyond the rather superficial approach often used (and which is good enough for some purposes) to really delve into detail, particularly in terms of understanding different actors’ incentives and motivations. The people doing the analysis need to be open to acknowledging what they do not know, and willing to recognise when further investigation and data gathering are required.

The data required to inform PEA may or may not be immediately available. In the case of Myanmar, national statistics are scanty and unreliable. Oxfam cannot expect to compensate for the absence of a reliable national data system. However, much can be gathered from strategic informal interviews with key informants (such as academic experts, knowledgeable journalists, government officials, etc.), and a quick mapping of the networks that staff and partners are able to access can reveal significant useful sources of information. A deliberate strategy of interviews (however informal) may be required, but a lot can be gathered by proactively drawing on collective knowledge and contacts, including those of support staff, in this process. Between them, staff also monitor many different data sources. A short exercise in Myanmar quickly filled a flipchart with names of journals, websites, news and information sources, etc., with an assessment of their reliability, frequency, and accessibility. Staff regularly monitoring their Facebook and Twitter accounts also provide information – less reliable but nonetheless useful – in a fast-changing environment. One key need is to create channels for such information to be shared and evaluated. For instance, in Myanmar this was done both informally in conversations and in weekly staff meetings.

A choice to be made is whether to undertake PEA with existing staff resources or whether to bring in consultants. This involves the usual trade-off between speed and learning. Some kind of mix may well be appropriate, but it is crucial for staff to maintain a detailed engagement with both the process and its findings if the ensuing programme decision-making is to be most appropriate and if learning is to be held within the team and not lost to external actors at the end of the exercise.

In the Myanmar PEA exercise, with the time we had available we made use of stakeholder analysis and process tracing (both of these feature in this guide). We worked in two groups, using the tools in different ways and sequencing them differently according to the needs of the focus question. Clearly, PEA is a flexible process. There are other tools that could be added to build a fuller picture, depending on the issue, context,
and needs. For example, social network analysis\(^1\) could be useful, and various approaches to power analysis can be layered in. The critical insights appear to emerge at the point when the outputs of different tools are overlaid, and when patterns begin to become clear.

How to fill in the gaps in data and knowledge? In Myanmar, it was clear that there were areas where we did not have sufficient data to analyse, such as who might influence the shape of a particular new area of legislation. What was useful was to identify these areas and think about who we would need to talk to in order to find out. In the Myanmar context, the gaps mainly required finding ways to access informal data sources and working out who could find ways of accessing such data. In more fragile and opaque contexts, the networking capacities of staff and also, perhaps, partners become vital. It is unclear how far we actively recruit with these kinds of skills in mind.

How to monitor the changing context? Towards the end of our PEA work in Myanmar, we explored the issue of how to monitor the constantly changing context and keep the PEA updated. It is essential to use diverse sources and to be careful to triangulate the data,\(^2\) especially where informal sources are relied upon, so that the analysis does not rely on single, unverified sources or on opinions that may not be shared by others. Double- or triple-checking data through different methods or from different sources increases the robustness of the analysis. Regular revisiting of the same sources with the same questions can highlight any shifts in the context.

**Issues to consider**

**Accompaniment:** It is not easy to undertake a PEA of a context in which you are embedded. Having someone outside the context working to support you through the process is recommended. It is unlikely that many of our staff will feel confident in this area of analysis, as few of them have been recruited for their analytical skills. But with good support for process, the steps are not difficult. We should consider linking staff with mentors/coaches – in time, these can be people who have already done PEA in a programme elsewhere in Oxfam.

**Diversity in the PEA team,** in terms of perspectives, networks, knowledge, and skill sets, will also add depth and robustness to the process and minimise unintended bias. This could happen, for example, if all team members were male (or female), or from a dominant ethnic group, or in any group where there is a strong shared view of how things are/should be that might not be brought into question because members are unaware of norms or common frames of reference.

**Level of analysis:** PEA is not just the macro analysis but can be sectoral, and can and should be applied at every level, local and sub-national as well as national, regional, and global. Countrywide PEA will inform high-level programme strategy and should be part of all country strategy processes. It is also useful to inform programme and project design, and can certainly shed light on how the different levels could and should inter-relate and connect.

**What to sub-contract and what to do ourselves:** This will inevitably vary, and often we will be pragmatic. From the Myanmar experience, however, I would encourage Oxfam to resist the apparently easier route of simply contracting consultants. Our staff need to embed the learning into their thought processes, and programming needs to emerge from the analysis. This is much harder if others do most of the information gathering and analysis. Perhaps the ideal scenario is some kind of joint exercise. If we invest in skilling up some accompaniers, the ‘external’ element could easily come from within our own regional teams.

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GLOSSARY OF KEY政治ECONOMY TERMS

Institutions: The rules, norms, and conventions governing human interaction. Institutions may be formal in the sense of having constitutional rules, codified laws, and bureaucratic rulebooks or informal in the sense of social and cultural norms. Political economy analysis pays particular attention to the informal norms that underpin social hierarchies, create and perpetuate power structures (visible, hidden, and invisible), and generate reciprocal obligations. In settings where formal institutions are weakly embedded and enforced, informal norms often explain how things really get done.

Rent, rent-seeking, and corruption: Rent refers to income generated by privileged access to a resource or politically created monopoly rather than productive activity in a competitive market. Some political systems revolve around the creation and allocation of such incomes – hence ‘rent-seeking’. While often linked with rent-seeking and often mentioned in the same sentence, corruption is slightly different. Simply defined as ‘abuse of public office for private gain’, it often involves bribes, theft of state assets, or the diversion of state revenues.

Processes refer to the dynamic combination of purposes, rules, actions, resources, incentives, and behaviours leading to outcomes that usually can only be imperfectly predicted or controlled.

Programming: In this document we refer to programming in a broad sense, as including all Oxfam activities undertaken by a country or regional office, whether humanitarian programming, advocacy and communications programming, or longer-term developmental programming. This is in line with Oxfam GB’s One Programme Approach, which combines emergency response, long-term development, and campaigning interventions to achieve lasting change in the lives of women and men living in poverty.

A stakeholder is an individual, community, group, or organisation with an interest in the outcome of an intervention or policy, either as a result of being affected by it positively or negatively, or by being able to influence it positively or negatively.

A key informant is an individual with an in-depth knowledge of a particular issue who can be consulted to probe, confirm, or refute findings that emerge from other analysis and methods. They may be stakeholders in a particular issue or topic (i.e. not necessarily neutral), but may also be more objective and neutral (e.g. perhaps an academic).
# LIST OF ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>DFID</td>
<td>Department for International Development</td>
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<tr>
<td>FGD</td>
<td>Focus group discussion</td>
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<td>GSDRC</td>
<td>Governance and Social Development Resource Centre</td>
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<tr>
<td>INGO</td>
<td>International non-governmental organisation</td>
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<tr>
<td>M&amp;E</td>
<td>Monitoring and evaluation</td>
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<tr>
<td>NGO</td>
<td>Non-governmental organisation</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<td>OPM</td>
<td>Oxford Policy Management</td>
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<td>PEA</td>
<td>Political economy analysis</td>
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<tr>
<td>PSIA</td>
<td>Poverty and Social Impact Analysis</td>
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<td>QAS</td>
<td>Qualitative Assessment Scorecard</td>
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<td>SSM</td>
<td>Small-scale mining</td>
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<td>VEAP</td>
<td>Viet Nam Empowerment and Accountability Programme</td>
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1. BRIEF INTRODUCTION TO POLITICAL ECONOMY ANALYSIS

Political economy analysis (PEA) is not necessarily about politicians and manifestos, or endorsing or suggesting a particular political arrangement. Rather, PEA is concerned with the interaction of and relationships between political and economic processes in a society: the distribution of power and wealth between different groups and individuals and the processes that create, sustain, and transform these relationships over time. PEA encompasses other analysis frameworks, such as power analysis, but is wider, putting this into a context of interaction between political and economic processes, actors, and institutions.

The rise in the use of PEA is closely linked to the move away from normative views on ‘good governance’ or best practice models towards more context-specific ‘best fit’ approaches. PEA therefore has the potential to ‘inject greater realism into practice through more open discussion of power, political culture, ethnic divisions, corruption, capacity and incentives, sources of opposition and indifference, and so on’ (Copestake and Williams, 2012). This type of analysis helps to base decisions about the scope, scale, and focus of a programme ‘on a thorough analysis of the issues keeping men and women in poverty’ and an understanding of what could be done to address these issues (Oxfam GB’s Programme Framework, p.24), not just from a technical perspective but through a deeper understanding of power, relationships, and institutions. This can feed into the development of theories of change, with both clearly outlined and realistic assumptions and an understanding of potential risks.

There has been a rapid expansion in the use of various tools and approaches by donors and development agencies in the broad field of political economy and governance. It is useful to divide them into different levels and uses of analysis:

- Macro-level country analysis: provides analysis to the generic country context, the political developments, and overall political economy environment, e.g. DFID’s Drivers of Change analysis;
- Sector-level analysis: identifies specific barriers and opportunities within particular sectors, e.g. health, trade, sanitation;
- Problem-driven analysis: taking a specific ‘problem’ as starting point, this is geared to understanding specific issues or blockages in relationship to a programme, project, or policy issue, e.g. through the World Bank’s problem-driven PEA framework.

It is important to note that sector-level and problem-driven analysis should not be seen as alternatives to the macro-level analysis, but rather as approaches providing a ‘close-up lens’ that looks at issues in more detail.

The potential of PEA studies is equally their single greatest challenge: i.e. turning analysis into action. Many, particularly earlier, PEA studies had a tendency to be generic in scope, use overly abstract language, and merely identify the risks and constraints to action without identifying the corresponding opportunities. This limited their use in practical developmental programming and policy-making. More recent approaches have focused increasingly on practical and operational implications regarding policy dialogue, disseminating evidence, timing and tailoring programmes and/or policy reforms, or influencing public debate through communications. Following through on the diagnostic analysis and feeding it into improved programming are crucial for Oxfam.
2. BUILDING BLOCKS OF PEA

While not a strictly linear process, PEA can usefully be divided up into several different stages, or building blocks, which fit together to support an operationally relevant PEA (see Figure 1).

**Figure 1: Building blocks for using PEA in Oxfam programming**

- **Preparing the analysis**
  - Agreeing the PEA purpose and main question(s)
  - Understanding who is driving the PEA process
  - Ensuring the timing of the PEA is appropriate
  - Audience and dissemination
  - Identifying and agreeing partners
  - Designing the methodology

- **Analysis**
  - **Foundational factors**
  - **Institutional and stakeholder analysis**

- **Operational implications**
  - WHAT... is the political economy context and situation? (analysis)
  - SO WHAT... does this mean for what Oxfam wants to achieve? (reflection)
  - NOW WHAT... does Oxfam need to do to address the implications of the analysis? (programme decision making and action)

- **Follow-up and on-going analysis**
  - Deciding the nature and frequency of the update.
  - Using a Qualitative Assessment Scorecard (QAS) tool to score, describe and explain change against specific political economy areas or indicators.
A thorough preparation of the analysis (e.g. discussing the purpose and subsequently phrasing the key question that the analysis will focus on, identifying the audience, and choosing an appropriate methodology) is crucial. This can range from a detailed discussion during a single day (e.g. a team workshop) to a longer process of looking at the country strategy, narrowing it down to a couple of priority areas, and then the identification of specific questions (see Box 1).

Subsequently, most PEAs proceed to the core of the ‘diagnostic analysis’ by analysing formal and informal institutions as well as stakeholder positions, power, relationships, and incentives. Based on this analysis, the PEA will need to provide feasible recommendations and operational implications that can feed into Oxfam’s programming and work.

Experience has shown that often not enough attention is paid to following up on the initial analysis and that, without this attention, even a high-quality PEA risks being no more than interesting reading for a limited audience. This is particularly the case for the type of practical programming that Oxfam undertakes (whether long-term development, humanitarian, or advocacy programming), and so ongoing analysis and monitoring of implementation are crucial ingredients of making sure that the findings and recommendations of the PEA become an integral part of Oxfam’s work on a continuing basis.

The solid arrows in Figure 1 represent the dynamic nature of the PEA, which provides the basis for continuous updating. This ongoing analysis may take different forms and may be done for different purposes. For example, monitoring implementation of a programme may lead to adjustments of recommendations, changing stakeholder positions may result in the need to update the analysis, or shifting government priorities could lead to a bigger shift in the country strategy and new PEAs may need to be undertaken to scope Oxfam’s involvement in new strategic areas.

However, what appears to be a logical step-by-step sequence is in practice often a rather more messy process. Initial findings from the analysis may require further tailoring or rephrasing of the main question and objectives, or formulating recommendations may lead to new questions that can only be answered through further analysis (represented by the dotted arrows in Figure 1).
3. PREPARING THE ANALYSIS

Addressing the following areas and questions will help to prepare the analysis. Remember that this is not a linear process, and that when thinking about these issues you may need to go back to rethink other areas. It is an iterative process.3

The amount of time needed for preparation will depend on a number of factors, including for instance the reason for deciding to conduct a PEA in the first place. For example, if the need for a PEA comes from team members already working on a particular area (e.g. a livelihoods programme focused on improving and securing women’s livelihoods in rural areas) who have through their work developed a general idea of an issue they need to understand better, then preparing for the analysis might involve just limited time to go through the following questions in a systematic manner and clarify areas that are not fully clear or agreed. Alternatively, if the reason is more forward-looking and focused on identifying key issues for an advocacy strategy in an area where not much is already known, or where things are changing fast, then the process may take longer and may need more initial inputs from a wider group of people (e.g. not just from the advocacy team but from other programme teams).

Agreeing the PEA purpose and main question(s)

As with most studies, agreeing the objective and main question(s) is the natural starting point for a PEA and a major determinant of its success.

Thinking carefully about the objective and purpose of the PEA and what you want to use it for will ensure that the exercise is relevant and useful. PEAs are typically used to increase staff knowledge and appreciation of country context, to inform certain programme decisions, or support risk management and scenario planning.

Given the overall objectives of the PEA, a more specific question needs to be defined in order to help guide and focus the analysis. This should clearly relate to the objective of the PEA, but you should be wary of questions that are too generic or wide – they may not be helpful in meeting the objectives in a focused way.

Questions might be at a macro level (e.g. in a particular country, what are the driving forces that support or hinder the space for broad-based coalitions to debate, generate evidence, influence equitable policy-making, and monitor its implementation?) or at a micro level (e.g. how can women’s rights be supported within households and communities?). Questions might also be sector- or issue-specific and encompass all levels what are the constraints on increased women’s participation in urban planning processes?) or more general but also at all levels (e.g. how can household registration be improved to increase access to services?).

Box 1 presents some insights from the Myanmar Oxfam programme on deciding the main questions to focus on.
Box 1: Insights from Myanmar – agreeing the purpose and revisiting the questions

The Oxfam Myanmar country team went through a participatory and multi-step process to identify areas and specific questions for the PEA. Starting with a range of areas relevant to the programme (ranging from the changing face of the private sector to the effect of recent reforms on women and changes in the citizen/State relationship), the country office identified two PEA topics through a team meeting:

Question 1: How can citizens/civil society get engaged with local planning and budgeting processes?

Question 2: How will the economic opening up of Myanmar affect small-scale farmers?

After various discussions and an initial listing of stakeholders for Question 2, which resulted in a very large number of stakeholders, often with rather generic interests, the PEA team decided to revisit the question and narrow its focus. The original question was split into smaller thematic components and the following three options for a more focused PEA were drawn up:

Option 1: How can we influence the economic opening up process?

Option 2: How can land rights be secured for small-scale farmers?

Option 3: How can small-scale farmers take advantage of opening markets?

Option 1 aims to identify likely scenarios based on Oxfam’s understanding of stakeholders’ positions and influence and seeks to understand who is making the decisions around the opening-up process and who is able to influence it. Overall, this guiding question would lead to an understanding of who to engage with and who not, and how – very much policy- and advocacy-focused.

Option 2 takes the current high-profile problem of land-grabbing as a starting point (and is therefore very much ‘problem-focused’). It may link to specific elements of the opening-up process but is very focused compared with the generic Option 1. It has a strong rights-based and poverty focus.

Option 3 has a strong livelihoods focus and its overall objective would be around identifying opportunities for farmers and how to support them through programming.

After an internal discussion, the team decided to choose Option 1, as this macro question provides a useful starting point for any additional analysis at a later stage and a better understanding of entry points for Oxfam to influence wider policy.

Understanding who is driving the PEA process

PEAs have proved most influential when they closely involve senior management figures in the organisation. In Oxfam these might be country directors or associate country directors, for instance, but could also be people with more sectoral or policy backgrounds (e.g. gender advisors, livelihoods programme managers, humanitarian WASH advisors, or advocacy programme managers, etc).

Considering these points, it may be useful to think through the following questions when preparing for the PEA:

- Who is the main driver of the PEA? Is it being driven from above, and if so is there sufficient buy-in from staff? (A top-driven PEA could lead to findings not being internalised in everyday work by staff.) Or is it being driven by a particular individual or team, and if so is there sufficient buy-in from the top, e.g. head of office (which could result in findings not being taken into account in country programming decisions)?

- Will this affect the process of undertaking the PEA, and if so how? Will there be any negative implications that need addressing as a result of ownership?
Is there a need to widen ownership of the process? If so, how might this be done in a way that is meaningful (as opposed to tokenistic)?

**Ensuring that the timing of the PEA is appropriate**

Experience has shown that, while PEAs are most likely to be successful and most useful if they are linked to a specific process or activity, operational relevance can be lost if decisions regarding programming or strategy have already been taken and cannot be influenced by the findings of the PEA. However, even if this is the case, it may not necessarily mean not undertaking the PEA at all, but rather having a different focus, e.g. on partnership strategies for implementation.

Some key questions to think about in terms of timing are:

- When will the PEA be undertaken? Is this the right time to undertake the PEA in order to be most useful? Note: this links back to the purpose of the PEA (e.g. programming, advocacy, etc).
- How will this timing ensure that the PEA can feed into processes for internal programming, country strategies, etc.?
- How will this timing ensure that the PEA can feed into external policy, programming, or strategy development processes (e.g. government or donor processes)?

Based on the answers to these questions, it might be useful to adjust the timing to ensure that it best fits with appropriate programming or policy cycles or, if the timing cannot be altered, to adjust the focus to ensure that its relevance remains high.

**Identifying the audience and appropriate dissemination approaches**

Being clear about the audience from the start will avoid unnecessary confusion later on and will inform appropriate dissemination strategies. The key decision regarding whether a PEA is for internal use only or to be distributed more widely is often linked to the trade-off between openness and transparency on the one hand and the sensitivity of the analysis on the other. In most cases it will depend on the political environment, the specific context, and the overall purpose.

There is no right or wrong approach, and there is often a middle way which might be useful in some situations (e.g. disseminating key findings only), but it is important to think about the implications of this decision early on so that approaches to the PEA take this into account. Some questions to focus on include:

- Who will read the analysis and findings, and how does this affect what can be said and what cannot be said? How sensitive are the issue and the analysis for particular audiences?
- If the PEA is made more widely available, what is the dissemination strategy? Will this ensure that it reaches the intended audience? What is the best format for presenting the outputs and analysis (e.g. a briefing note, or a full report)? What resources are available to do this? How might it be distributed more widely, if appropriate?

**Identifying and agreeing partners**

PEAs can be undertaken as independent ventures or in collaboration with partners (e.g. local partners, other INGOs, or local or national government). Joint analysis can add value by helping to develop a shared understanding of the opportunities and constraints in the political economy (either generally or around
particular issues) and to provide a basis for joint action. Moreover, as PEAs become increasingly popular, undertaking joint analyses may also serve a purpose in helping coordination between different partners.

- Is the PEA undertaken as an Oxfam-only exercise or in collaboration with others? Is this the most appropriate approach given the topic and purpose? Should government and national partners be involved?

- If undertaken with others, who will be involved – national partners, donors, other (national/international) NGOs, government (local or national)? To what extent will different partners be involved? What are the implications of this?

- What kind of collaboration is proposed? For example, a joint analysis is very different from an analysis that is simply shared with others and has very different implications (e.g. the former probably means joint funding, with associated expectations).

- How might this affect the transparency, rigour, and quality of the analysis? Are there any actions that need to be taken to address any risks?

One important aspect is the question of national or local government involvement. Though very rare, some joint PEAs have been published. There may be important trade-offs between the involvement of a wider range of actors, the sensitivity of the analysis and how it is presented, and the quality or rigour of the analysis.

**Take a step back:** At this stage in the process, it is probably a good moment to pause and reassess the purpose and overall question of the PEA in the light of decisions made on timing, audience, dissemination, and partners.

- Does the overall question need to change?
- Are there any risks identified that need to be addressed (e.g. is the question too sensitive to be addressed in the way envisaged)?
- Does the question need to be adjusted to include other partners’ needs?
- Are the PEA’s purpose and overall question clear to all those involved so far?

### Designing the methodology

The overall methodology for gathering data will depend to a great extent on the purpose and questions identified. There are a series of steps in terms of thinking through methodological design, and the following questions may be useful:

- What sort of data will be needed?
- What data is readily available, what is the quality of that data, and where are data gaps?
- What data collection methods are most appropriate to fill these gaps?

**What sort of data will be needed?**

The overall question of the PEA should be the driving factor in the decision about what data is needed. In many cases, the audience will also play a role in determining the type of data (e.g. do we need numbers to have higher credibility with some key audiences, or will more qualitative data have equal credibility?). Even different internal Oxfam audiences may place different value on different types of data.

Most PEAs require an analysis of less tangible areas around institutions (formal and informal), processes,
interests, power, etc. and therefore require more qualitative and/or contextual information to understand
these. Data on formal institutions (e.g. codified laws, constitutional rules) can often be found in written form and reviewed relatively easily. Some data on informal institutions (e.g. social and cultural norms) and stakeholder relations, interests, and behaviours may also be available in secondary literature (e.g. academic studies, NGO or donor reports, etc.). However, much of this data will also be highly contextual and will exist in the form of different perceptions and views from various individuals and/or groups.

This contextual and qualitative data can often be usefully combined with quantitative information (depending on the PEA focus, this might include World Bank governance indicators, Transparency International’s Corruption Perception Index, the Gender-related Development Index (GDI), or household survey data on a number of more sectoral indicators relevant to the question, etc.). These can be used to shows trends or changes over time as well as disparities (e.g. between women and men, or between different locations) at particular points in time, which can often then be explained through the more qualitative data described above.

**Identifying data gaps and assessing data quality**

Before rushing ahead and collecting new data, it is always worth doing a stock-take on what data already exists. This could include (but is not limited to) published reports, government surveys, routine administrative data (e.g. on budgeting, service delivery, human resource management), journal articles, national and international newspaper articles, blogs, and unpublished reports (that can, for example, be obtained from donors or partner organisations).

Assessing the quality of the available data, while important, is not always easy. There are various indicators to assess the quality of individual studies (e.g. journal rankings provide an indication of the standard of peer review to which a publication has been subjected, or information on the frequency with which a study or academic has been cited). However, not all well-designed and robustly applied research is to be found in peer-reviewed journals and not all studies in peer-reviewed journals are of high quality. Journal rankings do not always include publications from Southern academic organisations or online journals. In assessing the body of evidence, you should look at the quality of the studies but also take into account the number of studies, the context, and the consistency of the findings (a note of caution on the latter: PEA is seldom about one single truth, and different studies highlighting different aspects are not necessarily a sign of weak evidence).

The stock-take will naturally lead to the identification of data gaps: it will include areas where there is no information readily available, topics where information is out of date, and areas where the quality of the data is insufficient.
Box 2: Insights from Myanmar – available evidence

In Myanmar, the country office had a large number of PEA studies and relevant information available already, much of which was shared by partners.

In order to scope the available literature on the topic, ‘How can we influence the economic opening-up process?’, a rapid Internet research was undertaken to get a feel for the level of information available and to select key texts.

In addition to Google, the team used Google Scholar (which searches scholarly literature across many disciplines and sources, including theses, books, abstracts, and articles) and visited selected Internet pages that they thought might have relevant information, including those of the World Bank, www.worldbank.org, the Asian Development Bank, www.adb.org, the International Crisis Group, www.crisisgroup.org, and the Financial Times, www.ft.com.

In addition, Oxfam staff in Myanmar identified reports that had been shared by other donors and partners – many of which included more relevant and up-to-date information than the publications available on the web.

Specific attention was paid to reducing bias. This was achieved by purposely selecting a mixture of academic papers, research from universities, blogs, newspaper articles, publications from different players (such as INGOs and international financial institutions and donors), and from different regions. Moreover, a record was kept of which pages were searched and what search terms were used. As the environment in Myanmar is rapidly changing, publications that were more than one year old were not taken into account.

Issues to consider in data collection methods

Entire books have been written about data collection methods. This section does not attempt to give an overview of available options, but lists a few questions that may need to be considered when deciding on the approach.

**Timeline and resources:** The time available to collect and analyse data is an important consideration in what methods to select. Similarly, the available budget will inevitably influence the choice of methods. Opting for a large-scale data collection could result in missing important windows of opportunity and could also involve resource requirements that may be unrealistic or unnecessary.

**The importance of contextual data:** In most cases, PEA studies need contextual data which explains why certain things happen the way they do, what incentives drive decisions, or how certain institutions work. This makes it well suited for qualitative research, which can be supplemented with quantitative data as needed (as outlined above). Literature reviews, key informant interviews, and focus group discussions are frequently applied.
Box 3: Who do we talk to?

Selecting key informants and sampling for focus group discussions (FGDs) are important considerations in designing the research. Key informants with different positions and perspectives bring their own sets of interpretive biases and analysis. There is no single absolute truth in PEA, and difference (rather than standardisation) is usually actively sought. However, trustworthiness in interpretation can nonetheless be strengthened by cross-checking – or triangulating – the views and analysis of different key informants and focus groups. It is important to remember that these include people we might not normally talk to, in order to ensure that multiple and different perspectives are gathered.

An initial brief stakeholder analysis can be useful in the selection of key informants and focus groups. In Myanmar, the team sat down and came up with a list of relevant stakeholders, who were grouped according to various categories, including civil society, government stakeholders, private sector, community members, etc. This provided a basis for selecting key informants by making sure that all these different categories were adequately covered.

Once a range of key informants has been identified, a ‘snowball sampling’ process often works well, in which initial key informants identify other interviewees connected to the sector or topic of interest. Moreover, introductions by other key informants (or well-linked national Oxfam staff) can open doors.

In many cases Oxfam national staff will have a wide network of contacts, which can be mapped out. Comparing this against the stakeholder mapping described above will help to show where access to key informants and focus groups will be relatively easy, and where links to particular key informants and people are fewer and more effort will be needed to gain access.

While it is important to have a range of staff contribute to this network list in order to reduce bias as far as possible, it is also important to remember that Oxfam staff may come predominantly from a particular social group or may maintain links with largely the same networks and ‘types’ of people. Oxfam staff members, like everyone else, also have their own biases, which need to be recognised. For the PEA analysis to be good and useful, it also needs to draw on the views and perceptions of those who may disagree with our own perceptions and views, and special attention may need to be given to ensuring that they are included.

Participation: A PEA can also be designed as a wider consultation, which may justify more comprehensive data collection. This could mean talking to traditionally excluded groups or particular ‘interest groups’, e.g. traders or women. As outlined in Box 3, it is important to ensure the participation of those who might not normally be talked to, either because they are traditionally excluded and marginalised or because they might hold different views and values from those of Oxfam and its staff and are therefore not normally invited to participate.

Gender and social characteristics: Consider to what extent gender and social characteristics should inform sampling of FGD participants and key informants. For example, do women and men feel comfortable discussing the PEA issue together, so that this would have no effect on the data gathered or on the analysis, or should separate discussions be held with women and men to ensure that better information is obtained? Will data be richer if FGDs include participants from different social backgrounds, economic groups, ages, family status, or ethnic origins?

Disaggregation: Decide to what extent data should be disaggregated by gender or other criteria (e.g. social and ethnic group, etc.) and what this implies for time, methods, and budget. This will depend to some degree on the focus of the PEA and the question, but it might also not be completely clear until the data gathering has started — e.g. the level and/or type of disaggregation may need to be adjusted once a stakeholder analysis has been done.

Triangulating data: Make sure that whatever methods are chosen, they will allow for triangulation. For example, data from key informants can confirm (or refute) secondary data, or vice versa. However, it is important to remember that triangulation is not just about confirming a single ‘truth’ — gaining multiple
perspectives (either through the same or different methods) is also important in PEA to help provide a fuller, more balanced, and nuanced analysis overall.

**Case studies:** Some PEAs include case studies which either focus on a sub-aspect of a sector or feature an example from a specific geographical region or of a particular stakeholder group. Case studies can provide more detailed insights by taking a specific example and analysis of stakeholder interests in a given situation, and can help make findings less abstract (e.g. instead of just high-level quantitative data, or a broad description of a process, a case study can help to understand in more depth what this means in reality).

**Identifying what skills and expertise are needed**

Once the key question(s) and methodology have been decided by going through the questions above, the specific skills and expertise needed to undertake the PEA can be determined.

In many cases, external consultants are contracted by organisations to undertake PEAs. A key question therefore is whether the PEA can or will be undertaken within Oxfam alone or whether it needs external support to be brought in. While externals are often able to bring in specific expertise, and possibly an outsider’s view, they may not be familiar with the details of internal Oxfam objectives and requirements. Externals therefore cannot completely take the place of close involvement by Oxfam staff. The people who end up undertaking the PEA often get the most learning out of it: even if they write a detailed report, there will always be knowledge, information, or analysis that remains in their heads and is not on paper. For Oxfam, this is a disadvantage of using externals alone. The positive effects of internalising the analysis as it is done are a key benefit of involving Oxfam staff and can help to support active use of the analysis in programme design and delivery.

In addition to the issue of staff availability, the following pointers can help guide decisions regarding to what extent external expertise needs to be contracted.

**Combining skills:** PEAs need a combination of skills and expertise. These typically include knowledge of PEA concepts and methodologies, understanding of relevant processes, generic sectoral expertise, and knowledge of a specific country’s sector and national politics. The appropriate mix will depend on the PEA focus and questions. Teams do not need to be too big, but ensuring that they are multi-disciplinary is important and contributes to reducing bias and to achieving a deeper, more balanced analysis.

**PEA experts:** PEA experts are clearly crucial. They need to understand the basic concepts and be able to apply them across different topics. However, typically they can have very different points of view and different ways of undertaking PEAs depending on their background, e.g. social development or governance, political science, economics, public finance, etc. While this brings us back to the point of reducing bias by trying to form multi-disciplinary teams, the topic of the PEA (and also the audience) may also influence the decision on which background or ‘angle’ may best be suited in a specific context.

**Sector experts:** Ideally, a sector expert will provide a good understanding of the sector’s technicalities but will also appreciate sector-specific processes (e.g. how decisions are being made, why, and by whom, etc). They should also have knowledge of and access to key sector stakeholders, which enables the team to conduct interviews with important players. National sectoral experts are often better placed than internationals to have this in-depth knowledge and access. However, experience has also shown that national sector experts can have varying degrees of awareness of PEA-related issues and that additional national expertise in social or political science can bring added value to the analysis.
**Box 4: Factors determining PEA team composition**

PEA teams typically consist of 2–4 core members. Ideally teams will combine national and international members. Factors that determine team size include:

**PEA expertise**: PEA teams benefit from including a team member with specific experience in undertaking such analyses, ideally in a range of different contexts (e.g. in different countries and on different topics). Ideally he/she will also have an understanding of the specific sector or topic.

**Sector expertise**: PEA teams have different needs for sector-specific knowledge depending on the topic (and PEA experts also have different types of sector knowledge). Highly technical PEs may benefit from a team member with international sector knowledge (for possible international comparison and learning lessons from other countries). It is also useful to consider whether the sectoral expertise needed is very ‘technical’ or more ‘institutional’.

**National and international expertise**: Ideally national team members will combine sector knowledge with PEA expertise – but in highly technical PEs the two may be hard to combine. In some cases, a national political scientist can provide some support to a sector specialist. Additionally, some PEs may require an understanding of global and international aspects of the topic, which may be very relevant to and/or influence the local political economy situation, which an international expert can offer.

**The extent to which the PEA includes primary data collection**: If the PEA involves substantial primary data collection, e.g. through undertaking FGDs and interviews with a range of different stakeholders, the team may benefit from the addition of one or more national researchers, who can support the sampling, logistics, and facilitation of the FGDs and interviews.

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**Box 5: Insights from Myanmar – combining skills**

The Myanmar country PEA team is a good example of how various different actors can work well together to conduct a PEA.

The Oxfam country office leadership was closely involved in all stages of the process, showing that the PEA had support ‘from the top’ and would be an integral part of making programme decisions.

Oxfam staff members with diverse backgrounds (e.g. livelihoods, programme management, advocacy, and, to a lesser extent, humanitarian response) were involved, and this made sure that the analysis was relevant to all aspects of Oxfam Myanmar’s work.

A large number of national staff members were key to the process, adding their in-depth country knowledge and ensuring that the team asked the right questions.

A team of two external international consultants provided training and facilitated the discussion, at times questioning assumptions and highlighting data gaps and possible bias.

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**Time to reflect**: Coming to the end of the preparation process, it will be important to reflect on the decisions made (on methodology, partners, contracting external consultants, etc.) and to see if this adds up to a consistent strategy to undertake a PEA.

- Pay specific attention to feasibility (e.g. do resources match requirements?).
- Check if the initial objective and overarching questions can be addressed and answered after all other decisions are taken.
- Make sure that the objective is driving the methodology, and not vice versa.
4. ANALYSIS AND DIAGNOSTICS

After this careful preparation process, the team can move on to the data collection, collation, and analysis – the diagnostic core of the PEA.

Depending on the subject of the PEA, the analysis can start either with analysing foundational factors – the overall issues and processes that are relevant at sector or country level and which provide the context for any stakeholder interaction – or with a stakeholder analysis or process mapping of a specific issue or ‘problem’.

**Box 6: Different starting points of PEAs in Myanmar**

In Myanmar two selected PEA topics called for different starting points for the analysis. The topic ‘How can we influence the economic opening-up process?’ was by definition concerned with decision-making at the macro level. It was therefore a natural starting point to look more closely at the foundational factors that shape different actors’ interests. One very specific and important foundational factor was the rapidly changing policy environment, where new legislation is drafted with incredible speed, often by rather junior civil servants (in contrast with a slower consultative decision-making process that would allow for plenty of opportunities and time to influence outcomes).

The other topic, ‘How can citizens/civil society get engaged with local planning and budgeting processes?’, is by contrast, interested in a much more specific issue or ‘problem’. The team therefore started with drawing out the processes of how local planning decisions are made specifically. While the process map did bring out more generic foundational factors (e.g. a political and historical legacy which left people inexperienced in speaking out freely and getting engaged in local decision-making, and reluctant to do so), the focus was much more on these specific processes, including the roles of different stakeholders.

As the example in Box 6 shows, far from being completely separate parts of the analysis, the foundational factors and the stakeholders and processes related to the topic are linked to and informed by one other. For example, analysing the foundational factors may show that rent-seeking is an important factor in the regulatory processes in the sector. This means that it shapes the way that different stakeholders behave overall, either in ways that maintain and benefit from rent-seeking or in ways that seek to overcome it or get around the limitations it causes them. This general finding can subsequently inform more specific analysis, e.g. mapping a specific process such as acquiring a mining licence: in addition to looking at how the mining licence process is formally organised, which levels of administration are involved, and what they do, it would be important to go beyond this to look at which points of the formal process are influenced by different stakeholders and what their interests are in influencing it, how things work less formally and in practice, and why, etc. This would then inform the overall institutional analysis.

**Understanding foundational factors**

Understanding foundational factors within the wider governance context of the sector or country is an important step. Foundational factors are the more general issues and processes that provide the background to the political and/or socio-economic characteristics and context of a sector or a country. It is within this context that institutions are formed and stakeholders interact with each other.

Depending on the topic or issue, looking at foundational factors can involve understanding:

- Broader decision-making processes and environments (e.g. how policy is initiated, designed, and implemented, either generally or within a particular sector);
• Technical processes (e.g. what are the practicalities of budget processes or service delivery at local level);

• Less tangible issues, such as social exclusion, gender equality, or the historical legacy of a sector (e.g. failed reform attempts or a political culture influenced by years of autocratic rule).

Data on foundational factors can often be found in existing literature. Moreover, national Oxfam staff, national consultants, or international experts who are familiar with a country and/or sector context will have a lot of knowledge that needs to be included systematically in any analysis.

The questions in the following sections are designed as a starting point for looking at foundational factors in a number of key areas. They can also help provide a basis for a more in-depth stakeholder and institutional analysis. While the data collection, collation, and analysis progress, new questions will emerge. It is important that the methods of data collection are able to accommodate this flexibility. We provide some examples of how previous PEAs in different countries have brought out specific foundational factors.

**Power relations and governance**

While power relations can be analysed as part of a detailed stakeholder analysis of a very specific topic, general power relations at the sector or country level provide important political economy insights. Questions to help understand these issues could include:

• Who are the key actors and stakeholders from government (at different levels), civil society, and the private sector?

• What are the formal/informal roles and mandates of different actors and stakeholders? How do these affect policy-making, programming, and/or humanitarian processes generally, and in particular regarding the focus sector and issue?

It is important to remember that none of these categories is homogenous. Within government, there will be actors with different levels, types, and forms of power. The same is true within civil society, the private sector, and communities (a key issue, for instance, is that women and men will have different levels of power within all these categories). The different levels, types, and forms of power that particular groups or individuals have will contribute to how agendas, conflicts, agreements, and disagreements within and across these categories are played out. The PEA needs to highlight these different power relations.

**Example:** In Indonesia, an analysis of the political economy of sanitation investment showed that there were different levels and types of interest, influence, and power even within each of the five main government ministries with a responsibility for sanitation. Understanding this was necessary to identify sector champions to work with and to understand what support to provide them with, as even those with interest and commitment faced challenges within their own ministries. Understanding these different levels of interest in urban sanitation investment and power enabled an appropriate advocacy strategy to be developed, which targeted individual stakeholders in different ways: for instance, by focusing on the director level within the Ministry of Health and the National Development Planning Agency (BAPPENAS) rather than on ministers.6
Box 7: Understanding power

Power lies at the heart of whether change can occur or not. Oxfam understands power as the ability to cause or prevent an action or to make things happen, together with the discretion to act or not to act. Oxfam’s work is based on the understanding that unequal power relations are one of the main drivers of inequality, poverty, and suffering. Oxfam aims to transform power relations, so that poor women and men have greater influence over the policies, structures, and social norms that affect their lives.

There are many different types of power, including political, delegated, ascribed, financial, charismatic, influence, expertise, coercion, and traditional.

Power can be also acted out in different spaces (closed, invited, created), occur at different levels (individual, household, national), and can take different forms:

- Visible: observable decision-making mechanisms, institutionalised in formal and recognisable rules, laws, structures, and procedures;
- Hidden: shaping or influencing the political agenda behind the scenes without legitimacy;
- Invisible: norms and beliefs, socialisation, ideologies that shape how we understand our society.

Source: Oxfam, Power Analysis Framework (draft)

Partnerships and coalitions

Stakeholders, groups, or individuals frequently organise themselves at the sector level or around specific issues, and thus become partners. These partnerships can take different forms and serve different purposes, which may be important to understand. Questions to ask could include:

- How do different partners organise themselves? Who is driving the process? Is this ad hoc or more long-term?
- Are coalitions a broad representation of society or do they tend to exclude certain groups?

**Example:** In Viet Nam, an analysis was undertaken of the driving forces that support or hinder the space for broad-based coalitions to debate, generate evidence, influence equitable policy-making, and monitor its implementation. It showed that the connections between different forms of civil society groups – and even between similar groups working on the same issues – are often weak or non-existent. Most NGOs lack a constituency or representative function for vulnerable groups in society; without this, they risk becoming elite interest groups. Meanwhile, community-based forms of civil society that do have a large constituency base lack connections, opportunities, and capacities for advocacy. Civil society also inherits both strengths and weaknesses from the prevailing political culture, which includes illiberal aspects that hinder coalition building. There is ‘bureaucratic competition’ and fragmentation amongst NGOs, universities, religious groups, etc. There are tendencies for strong individual patrons to monopolise discussions; when differences arise, organisations and networks often split into competing factions. Both NGOs and associations and the ruling authorities are therefore influenced by some of the same political norms.7

Financing

Understanding how the sector/policy is financed often sheds light on the relative influence of different stakeholders and the incentives governing their behaviour. Questions could include:

- Are there any public/private partnerships? What are the roles? Do user fees exist? To what extent is the sector/policy financed by citizens’ taxes or donor/lender support?
- Who are the key formal and informal players influencing budget allocations?
Example: In Senegal, an organisational mapping of the budget process for sanitation investments identified key decision and political economy entry points during the budget process, including the President's ability to influence the budget process far beyond his constitutional role or the importance of line ministries' capacity to present a sound and well-constructed budget proposal to the Ministry of Finance.  

National/sub-national relationships

Analysing what decisions are made at national or local level will provide an overall understanding of stakeholder influence as well as decision-making processes. Questions could include:

- What is the institutional relationship between national and sub-national governments?
- Are sub-national governments accountable to the national level or to the local electorate?
- Do these relationships vary according to sector (e.g. education, forestry, health, etc.)?
- What is the balance between central/local authorities in the provision and financing of services?

Example: A PEA of sanitation investments in Indonesia showed how rapid decentralisation gave greater administrative independence to local governments and moved financial resources and responsibility for the provision of many public services (including water and sanitation) directly to the district level. However, the effects of the lack of clear responsibilities at national level (at least five ministries shared responsibility for policy in the sector) were compounded by a lack of clarity over the roles of different levels of local government (provincial and district) and of different institutions within local governments.

Laws and regulations

If the PEA is concerned with a specific sector, understanding what laws and regulations formally govern the sector and how/why they are implemented, or not, is important. Many countries, while having a good track record on designing and enacting legislation, struggle with its implementation. This failure in implementation is often understood and communicated as a general capacity constraint (which is in many cases a valid argument). However, PEA can help understand the underlying issues behind policy implementation challenges (including capacity constraints). Questions could include:

- What relevant laws and regulations exist?
- How and by whom is legislative reform initiated?
- Once in place, are laws being implemented? If not, what are the reasons (i.e. who is blocking it and why? what do they stand to lose? how big a role is corruption playing in this)?

Example: In Viet Nam, the ruling Communist Party has traded control of society for resources: foreign investment, international standing, and its own survival. This seemed to be going well, but now there are perceptions that the (central) State can no longer implement laws and policies effectively. Power has gradually shifted away from the Party towards the implementing agencies of government, and from the centre towards the provincial and local levels, who may selectively implement (or ignore) laws and policies to fit with their own needs and personal/factional interests. In other areas, the State has essentially ceded legal authority to citizens themselves (e.g. in the traffic management of Hanoi).
Historical legacy

Historical legacy, while part of the past, influences stakeholder behaviours in the present. Analysing historical trajectories is important, for instance, in helping to understand how a country’s institutions came about and how they are maintained. History can also include powerful factors that shape people’s current attitudes and can often take a long time to change. Questions could include:

• Are there any previous historical events, issues, or factors (policies, programmes, reform initiatives) that influence current stakeholder perceptions?

• How does a country's political and historical background influence how stakeholders interact with one another?

**Example:** Preliminary insights from Myanmar show a great reluctance on the part of many citizens to engage with the State, e.g. in terms of actively trying to influence decision-making. Before independence in 1948, Myanmar was under British rule for many decades and then, following a coup in 1962, remained a one-party, military-led state for around 50 years. This historical lack of democratic tradition, plus the history of repression (e.g. through imprisonment of political opponents, violent suppression of anti-government demonstrations, periods of martial law) has left people inexperienced and lacking confidence in terms of using more recently available channels to voice opinions or concerns.

In Viet Nam similar issues are seen, with the capacity of coalitions of actors constrained by the historical and current political environment, limiting their experience in working together as a collaborative unit. Some negative side-effects of the formally socialist system have turned people off co-operation, while market reforms stress individualism and material accumulation. An echo of this effect is seen in the difficulty faced by projects seeking to support farmers’ co-operatives or community forest management: anything that looks or sounds like a subsidised co-operative is instantly viewed with suspicion by many citizens. Such attitudes are built up over many years and these historical legacies can take a long time to change.11

Ideologies, religion, culture, and values

Similarly, ideologies, religion, culture, and values play an important part in how societies function. They also influence relationships and behaviours of different individuals and groups. Questions could include:

• What are the dominant ideologies, religions, culture, and values that shape views and debates?

• How have they shaped decision-making and political processes?

• Do they represent a few or the majority?

**Example:** A study of Brazil’s political economy dynamics in urban sanitation investment found that the pluralism that characterises the country’s political system forces national policy-making to respond to competing, ideologically based pressures from pro-municipal **municipalistas**, pro-state utility **estadualistas**, and pro-private sector **privatistas**. These advocates mobilise support for their own ideologies across different levels of government and from different parts of political society, civil society, and the private sector, and can form tactical alliances around points of ideological convergence.12

In another example, despite rapid material changes in Vietnamese society in recent decades, human relationships, alliances, and networks remain core aspects of the underlying political culture. There is also a cultural respect for hierarchy. If one knows (some of) the right people, one can get a lot of things done in Vietnamese politics and society outside of the written rules and established institutions. It is not only who you know that is crucial to getting things done, but the fact that some relationships are structured and linked to
power. These relationships need to be used wisely to achieve public (and personal) purposes, while avoiding entanglements in the negative side of patron/client obligations.¹³

Information and public debate

Information provision and public debate are important aspects of influencing accountability relationships between the state and citizens. Questions could include:

- What are the formal and informal flows of information? How is the public debate informed? What role does the media play?

- Who participates, how, and to what extent in social media (including e.g. Facebook, Twitter)? What are the obstacles for different groups of people to access social media (e.g. government restrictions, Internet penetration)?

- What is the level of technology (e.g. access to the Internet)? Is technology used by certain groups against others? How?

**Example:** A multi-country PEA study found that sanitation service provision is rarely the subject of public debate. Considered as a private matter in some countries, the disposal of faeces does not naturally lend itself to political campaigning and is often crowded out by more high-profile discussions on water or public health, and the lack of or insufficient sanitation provision often gets little attention in the media. In many cases this has resulted in little or no attention being given to sanitation by political parties or governments. Operational implications varied across countries, but in each one a decision had to be taken on how to balance different types of programming activities (e.g. should the focus be on raising public awareness and interest, or on implementing community-level programmes, or on influencing key decision-makers?).¹⁴

Corruption and rent-seeking

Corruption and rent-seeking are topics frequently featured in PEAs. It is important to understand the underlying incentives driving these behaviours. Questions could include:

- Is there significant corruption and rent-seeking? Is this specific to the sector? How is it organised?

- What incentives drive and allow this? Who benefits most from it?

**Example:** Uganda’s presidential system has been described as ‘extreme case of the neopatrimonial big man syndrome’.¹⁵ It depends on the generation and distribution of substantial patronage resources (rents), which exercise a major influence on presidential policy decisions and determine the priorities and instruments used. For this reason, policies are preferred (other things being equal) if they help to generate resources and otherwise create opportunities for patronage. Public sector appointments are used as an instrument of patronage, notably for the purpose of rewarding individuals and the regions or ethnic factions that they represent for their continued loyalty to the regime.

Global drivers

If attention is not paid to global drivers and regional/international stakeholders, important elements of the political economy can be missed out, even when the question is focused on national or sub-national issues. Questions could include:

- Are there any conflicts, migration flows, important trade links with neighbouring countries or globally? Are these legal or illegal, and how are they controlled?

- What resources (e.g. oil, minerals, water, land, etc.) does the country have and how do these affect its
economic and political positioning internationally and domestically?
• What leverage do international agencies (including aid agencies) have and how does this relate to the governance of the country (e.g. the extent of aid dependency, the extent to which government can resist international or outside pressure)?

• How are the country’s international interests influenced by its own domestic economic and political interests?

**Example:** A stakeholder analysis as part of a PEA on hydropower in a small landlocked South Asian country identified a neighbouring country as a key stakeholder in relation to investments in the sector. Not taking into account those strong interests and influence from outside the country would have missed out a crucial piece in the complex picture of relationships and incentives in the country’s hydropower sector.\(^\text{16}\)

In another example from Indonesia, a PEA identified a number of potential bottlenecks in agreeing loans from international lenders. For example, some international institutions wanted to see physical copies of agreements between national and local governments regarding the on-lending or on-granting of funds. The ministry of finance resisted this, viewing these arrangements as being primarily internal and sovereign matters that were not the business of international lenders. One high-level government key informant explained that this had caused tensions with the international lender during the negotiations of previous loans: ‘They insist, we just say no. It’s our decision. This is our business.’\(^\text{17}\)

**Time to reflect:** Understanding these foundational factors provides an understanding of the macro-level political economy factors that might affect a particular sector or issue. These might easily be missed or downplayed if they are not looked at explicitly.

Understanding these factors can also help provide both a background and a focus for subsequent and more in-depth stakeholder and institutional analysis.

## Undertaking in-depth stakeholder and institutional analysis

Stakeholder and institutional analysis are important parts of most PEAs. In the following sections, we provide brief guidelines on how stakeholder and institutional analysis can be undertaken, and provide some illustrations in Annex 1.

### Stakeholder analysis

Stakeholder analysis aims to identify stakeholders’ characteristics, their interests and motivations, and the nature and degree of their influence on existing or future issues, policies, reforms, interventions, or programme decisions.

A PEA needs to help understand the reasons behind good or poor outcomes in the question area and therefore needs to go beyond a simple identification and/or categorisation of stakeholders and actors. We need to understand the institutional, political, and governance arrangements and capabilities that shape stakeholders’ relationships and behaviour.

As a first step, a list can be drawn up of relevant stakeholders. These can be organised into specific categories, e.g. government (national and sub-national), private sector, semi-private actors, civil society, community members, NGOs (national and international), or global actors. Keeping these main broad categories in mind as the list is drawn up will help ensure that all are covered appropriately. There might also be other relevant categories or sub-categories that would be useful for particular issues or sectors (e.g. illegal actors, media).
It is important to break down stakeholders sufficiently in order to understand potentially different and competing interests and influences within broader stakeholder groups. It is important that the analysis unpacks broad terms such as ‘government’, ‘civil society’, ‘community’, or ‘private sector’ and identifies relevant actors (individuals as well as groups or organisations) within these. Breaking down stakeholders helps move the analysis beyond the superficial to an in-depth and nuanced understanding of interests and influence.

This also means that gender and social analysis should form an integral part of each stakeholder analysis in order to help break down broad categories of stakeholders more appropriately. For example, rather than assume that coffee farmers all have the same interests in a particular issue, and the same level of power and influence, the analysis needs to look more deeply at the different stakes or interests and levels of influence of female farmers versus male farmers (and how these may be created and/or maintained by gender and social norms). Likewise, older female recipients of social protection support may have very different interests and influence compared with younger female recipients, and both may be very different from those of male recipients.

Moreover, the stakeholder analysis should also include Oxfam itself as a stakeholder and recognise that it has its own interests and influence, which are part of the political economy. This will help to understand Oxfam’s comparative advantage and influence in particular situations, how its interests relate to others (and who might support and oppose them), and how it can best get involved or partner with others.

It is easy (and often quick) to undertake an initial stakeholder analysis. The challenge, but at the same time an important feature, of PEA is to go further and understand details about incentives, motivations, and reasons behind the influence of some actors. Some of this will go back to the analysis of foundational factors, which may influence stakeholder behaviour or highlight formal and informal institutions (e.g. the role of gender in determining levels of influence).

Table 1 below is a useful template, but is just one example how to present a stakeholder analysis. The standard headings are often just ‘influence’ and ‘interest’, but others have been added here and can also be useful.

**Table 1: Stakeholder mapping template**

<table>
<thead>
<tr>
<th>Stakeholder categories</th>
<th>Relevant stakeholders</th>
<th>Characteristics (social, geographical, organisational)</th>
<th>Influence (power to facilitate or impede reform)</th>
<th>Importance (degree of priority needs and interests)</th>
<th>Interest (from commitment to status quo to openness to change)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</table>

Source: adapted from Holland (2007)

As an illustration, using the two main dimensions (influence and interest) and just a few stakeholders from within a national government, Table 2 shows the level of detail required in order to start going beyond a superficial analysis of broad groupings (e.g. by breaking down ‘national government’ into different ministries, agencies, and bodies, etc.) to understand possible differences within these. It is interesting to note that even here less formal national government stakeholders are included, such as the Ministerial Wives’ Association, which can have a significant (but informal and hidden) influence. It is also interesting to see that, for particular ministries, the analysis starts to look at different interests and influence of different actors within them – i.e. it is not assumed that a ministry is homogenous or that there are no competing and conflicting interests within it.
Table 2: Mapping of national-level government stakeholders as part of a PEA on sanitation investment in a South-East Asian country

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Interest</th>
<th>Influence</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>National-level government</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ministry of National Development Planning (MoNDP)</td>
<td>As a ministry, MoNDP could be seen as driving forward the city sanitation road map. However, this misses internal differences of interest between mid-level bureaucrats and the minister. Some mid- to high-level staff (e.g. at director and sub-director level) have a high level of interest in urban sanitation, recognising the urgent issues that need addressing, but they still have difficulty influencing the minister, who has a lower interest and could to some degree be regarded as blocking a sanitation focus, due to other priorities. As the minister has greater influence over MoNDP’s policy line and the President, overall the ministry’s interest could still be categorised as low to medium, but increasing.</td>
<td>At national level, the priority is to first discuss issues with technical/sector ministries before making proposals to the President. After the period of reform and transition from dictatorship to democracy, MoNDP’s role is not as powerful as it was during the era of dictatorship, compared with the technical ministries. MoNDP also lost influence in the era of early decentralisation, although it is now coming back in terms of influence. Local governments are increasingly recognising issues of low capacity so are now more willing to ask for assistance from MoNDP than in the period immediately following decentralisation.</td>
</tr>
<tr>
<td>Ministry of Public Works (MoPW)</td>
<td>Interest in big infrastructure projects, rather than smaller infrastructure projects implemented through community-based modalities. This is its historical focus, but also could be related to the rent-seeking opportunities that these larger infrastructure projects have offered in the past. Interest in and commitment to sanitation only go as high as director-general level, with the minister neither prioritising nor blocking sanitation investments but prioritising the traditional infrastructure focus (e.g. roads).</td>
<td>MoPW has a high degree of influence on what infrastructure to prioritise. The only institutions that can block its priorities are the President and the House of Representatives. However, these stakeholders would only block MoPW if the public strongly supported or opposed an infrastructure project or construction plan (especially when opposed).</td>
</tr>
<tr>
<td>Ministry of Finance (MoF)</td>
<td>Restructuring system to be responsive to needs of urban sanitation investment, but overall interest is neutral to low. MoF could be viewed as more neutral because it is not its concern either to promote or block budget allocations to urban sanitation (budget allocations are the concern of technical ministries, MoNDP, and the President). However, it has concerns regarding allocation of funds to local governments because of issues surrounding the unpaid debts of local/regional state-owned water companies that received loan funding in the past (e.g. from the World Bank or Asian Development Bank). This burden is now on the national government, which it considers to be partly due to local government attitudes. It also has an interest in terms of concern that there is no financial return on investment in sanitation, perhaps linked to the ability to repay loans. MoF was pushed to be a member of the Sanitation Working Group, rather than actively seeking membership.</td>
<td>Finance departments dealing with local lending/grants regard themselves only as the ‘cashier’. They view the technical ministries and MoNDP as having most influence, with MoF dealing only with administrative matters. However, MoF can reject proposals from local government levels if they do not match with the list of project activities to be funded by technical ministries and MoNDP. If a local government does not show the financial capacity to manage and repay a loan, including previous loans, MoF would not approve a loan agreement between it and the national government. Additionally, MoF has a high level of influence in negotiating funding agreements with international institutions, with the ability to slow or block progress of loans. In some cases this could be due to an objection to perceived interference by international lenders in the internal on-lending or on-granting arrangements between national and local governments.</td>
</tr>
<tr>
<td>Ministry of Health (MoH)</td>
<td>Lower interest in urban sanitation, higher interest in rural sanitation. Main interest is in public health promotion rather than infrastructure investments. Even for rural sanitation, interest levels are mediocre. The environmental health directorate does not receive a large budget within MoH. MoH achieved a ministerial decree on community-based total sanitation largely because the method being applied does not involve subsidies.</td>
<td>In terms of infrastructure investment, MoH has less influence than other ministries. This is not necessarily limited by national policy but more by traditional role divisions between MoPW and MoH. However, in terms of putting sanitation on the national agenda, MoH’s level of influence could be very strong if it could effectively use evidence on health economics in relation to the sanitation issue.</td>
</tr>
<tr>
<td>Stakeholder</td>
<td>Interest</td>
<td>Influence</td>
</tr>
<tr>
<td>------------------------------------------------</td>
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</tr>
<tr>
<td>Ministry of Home Affairs (MoHA)</td>
<td>Mid-level officers realise the importance of urban sanitation and the necessity of working with MoPW. Some higher interest at director-general level (within some directorates) but unable to persuade minister of need to focus on preventive rather than curative action, which would make working on sanitation with other ministries easier if it was possible.</td>
<td>High degree of influence over local governments, especially compared with other central government ministries. Historically, MoHA has the closest relationship with local government, since they work together on budget allocation. Politically, MoHA has also had a high level of influence over local government. For instance, new governors need a formal decree from MoHA to be officially elected and inaugurated.</td>
</tr>
<tr>
<td>National legislators</td>
<td>Medium level of interest in sanitation issues, demonstrated by including sanitation in its ministerial decree on guiding specific budget allocations.</td>
<td>High level of influence on budget allocations – legislators can approve or reject budget proposals – and on funding sources (e.g. borrowing from international lenders vs. loans).</td>
</tr>
<tr>
<td>Sanitation Working Group</td>
<td>Generally low interest in sanitation; it is not high on the public’s or electorate’s agenda so there is no benefit (in terms of votes or public support) in advocating for this issue. It is easy to get a verbal commitment to sanitation but in the policy-making process (budgeting), sanitation investment still gets low prioritisation. This reflects a situation where most legislators are not necessarily opposed to proposals on sanitation, but it is not something they are keen to push either. Some legislators are interested, but say that they cannot give more support without clear targets and goals.</td>
<td>Medium to low influence. Sanitation Working Group comprises people in the second or third echelons within ministries, who may not have significant influence at ministerial level. It is also seen as an informal institution with limited power to enforce decisions.</td>
</tr>
<tr>
<td>Ministerial Wives’ Association</td>
<td>High interest in acceleration of sanitation development.</td>
<td>Very strong influence on ministerial-level interest in issues, which needs to be understood from a cultural perspective. In terms of policy, the First Lady and ministers’ wives may not formally be able to influence ministers or the President. However, in the local culture of the dominant capital region, where power is held not only through formal positions but also through informal channels (outside formal structures), the position of the First Lady is very powerful. The potential of informal influence over ministerial priorities has been recognised and some advocacy efforts have been made in this area.</td>
</tr>
</tbody>
</table>

Source: unpublished analysis by authors and OPM consultants
One way to ensure that the stakeholder analysis goes beyond the superficial is to also map stakeholders onto a matrix (see Figure 2 and Annex 1 for some examples). A stakeholder interest or power matrix typically maps two variables that describe a stakeholder’s interests in and influence/power over a particular issue, ‘problem’, or policy. These are the two standard variables but, if useful, a third dimension could also be added by using different-sized circles for each stakeholder (e.g. to represent a stakeholder’s importance).

The position of each stakeholder on the map conveys important information (how supportive and influential a particular stakeholder is) and can show a more nuanced positioning than in Table 2 (e.g. slight differences can be seen more easily when shown graphically rather than described simply in text, although the positioning and differences also need to be explained).

The process of placing each stakeholder can be done by the team conducting the PEA, based on their analysis of the data they have gathered. It can also be done with the help of selected key informants, or as part of a focus group discussion, and the two can be compared. When done in a more participatory manner, it is the process and discussion around placing each stakeholder that can produce the most interesting insights – i.e. understanding why particular stakeholders are positioned where they are relative to each other, and what that means in terms of how change occurs or can occur.

Even when done by the team alone, the process of placing stakeholders helps deepen the analysis beyond simple mapping – it encourages the team to think about why they are placing each stakeholder in a particular place and relative to others, and to justify this internally. This may even lead to a revision of the mapping and initial analysis.

The following questions are useful starting points in order to guide a discussion:

- What is the interest of each stakeholder in the issue, and what is it based on? Why does a specific stakeholder have a particular interest in the issue?
- What is the formal and/or informal basis of power and influence of a specific actor?
- Why does a specific stakeholder have significant, or little, influence over the issue? How does this compare with other actors?
Institutional analysis and process mapping

Institutions are the formal and informal ‘rules of the game’ and are crucial to understanding how sectors work, what motivates actors, and how an organisation like Oxfam can best get involved. While influencing institutions is surely part of Oxfam’s mandate (e.g. working to improve gender equality), some institutions in some instances do probably need to be taken as given, in which case understanding the institutions will help Oxfam to manoeuvre around them as needed.

If an analysis of foundational factors and stakeholders has already been undertaken, this will have brought up a range of formal and informal institutions already. For example, the stakeholder analysis may have shown that the wide-ranging influence of the president is rooted in the traditions of a patrimonial society, or that the limited voice of female farmers goes back to an overall lack of gender equality based on culturally determined social norms.

A useful tool to provide more depth to the institutional analysis, while at the same time understanding certain processes, can be a process map. Process mapping illustrates the network of flows of decision-making, resources, or information. It is a comprehensive flow diagram that can be used to identify bottlenecks and constraints and to analyse opportunities for changing processes to make them more efficient and effective. In PEA, process mapping can help understand how both formal and informal institutions affect the implementation or functioning of different processes, showing how processes are intended to work but also how they actually work in practice (e.g. as a result of institutional pressures and/or support). Process mapping is a very flexible tool and can be used to map a diverse range of processes, such as the budget process, acquiring planning permission, obtaining a driver’s licence, or informal flows of money in specific organisations.
Steps in process mapping

The following steps (adapted from Holland, 2007) outline a general approach to mapping an existing process (the ‘as is’ process). It can be adapted to suit the particular PEA objectives and questions, and the local context.

First, it is important to be clear about the process (or processes) to be mapped. It should clearly be directly related to the PEA objectives, focus, and questions but might have been identified beforehand (particularly if the process is a central focus of the PEA) or through the analysis of foundational factors or stakeholders (i.e. it might have arisen as an important process to understand more about during the ongoing analysis).

Once the process has been identified, it is important to define the objectives of the mapping more clearly too. Objectives could include, for example, understanding how the budget process works in a decentralised context; identifying opportunities for process improvement; identifying and resolving blockages or restrictions; understanding and reducing risks; or identifying entry points for engagement. Again, this will relate to the overall objective of the PEA and its focus and questions. Being clear about these will help ensure that the right level of detail is known. This could range from broad organisational levels to the fine details of a work process.

Once the objectives are clear, the starting and end points of the process can be defined (essentially the ‘boundaries’). This helps to avoid the process map moving beyond what is needed. Move through from the start point, identifying key steps or activities in the process as you go.

The data or information needed to complete a process map can come from three main sources: self-generation by teams or individuals, interviews and FGDs, and observation. In practice, this will depend on the process itself and on the PEA objectives and questions, but most information will probably come from the first two sources. In some cases, a review of manuals or policies and procedures will also help, particularly in identifying the formal process as it is meant to be.

Individual interviews with people directly and indirectly involved in the process will provide useful information for creating the map. Group interviews with a number of people (a sample or all) involved in the process can also increase the participation of different stakeholders in the actual mapping. When interviewing people involved in the process, ensure that they understand the objectives of the mapping and how it will be used.

It might also be necessary and beneficial to ask questions of people involved in the process about their experiences with it (such as problems they have experienced), areas they think can be improved, how the process might vary, if and how the process is done differently by different people, any steps they perceive to be unnecessary, and so forth. These responses will help identify areas of the process that might need improvement. Involve as many process stakeholders in the analysis as possible to get a wide range of perspectives. It is important to understand why a process is not operating as intended if improvements are to be made.

Process maps can use different symbols to show what occurs in the process. This can help in understanding what particular people do, or what particular activities are, for instance. However, it is sensible to keep the number of symbols as small as possible to prevent confusion. Process maps can become very complex very quickly. Develop rough drafts and revise them often as the map develops. Sticky notes or cards can also be useful when developing the map – stick the notes on a large sheet of paper or whiteboard and move them around (or throw them away) as the map develops.

Use concise sentences for each step in the process to show what is happening, where it is happening, when it is happening, who is doing it, how long it is taking, how it is being done, and why it is being done. This information will come from the sources discussed above. However, if there is missing information, then systematically asking these questions can also help show any knowledge gaps, which can then be filled by gathering further information from relevant people or sources.

Good analysis is key for a process map to be useful. Depending on the PEA objectives and focus questions, the following questions will help in developing and analysing the map:
• What are the main steps and/or activities in the process? Who designed these steps/activities and who is implementing them? Who else is involved in each step/activity?

• Which areas of the process are working as intended, and which are not? What are the repercussions? Why are they not working as intended? (This might bring in a range of information related to foundational factors and stakeholder analysis.)

• Are there any wide separations of decision-making from process implementation?

• Is there shared responsibility for steps among several people?

• Are there excessive control points (e.g. many layers of approval), and what implications does this have? Who controls the process and what are their interests?

• What value does each activity or step add?

• Who benefits (e.g. which stakeholders)?

• Could any steps be combined, run in parallel rather than serially, completed faster, or eliminated? Why aren’t they?

• What linkages are there between different steps?

Taking into account this analysis, the map can be adjusted to incorporate any new information. This can be done on an iterative basis as needed, but it is useful to document any alterations fully so that it is clear who made the changes and when they were made.

Figure 3 provides an example of a process map of a small-scale mining (SSM) licence application procedure in a West African country. It was undertaken as part of a Poverty and Social Impact Analysis (PSIA) of a policy reform process related to the small-scale and artisanal mining sector. The map outlines the formal process but also some of the institutional factors that constrain the effective implementation of the process and its ability to deliver its intended purpose and outcome. It is interesting to note that these are not always technical issues or on the side of the process implementers, but are also related to capacity (e.g. financial and educational) of the process users, their feelings of distance and hopelessness, and their lack of knowledge, information, and influence. All these are key issues related to the political economy surrounding small-scale mining in this country.

Further examples of process maps are provided in Annex 1.
**Time to reflect**: It is important to remember that the analysis of foundational factors and the stakeholders and institutional analyses are not viewed as distinct separate steps, but as 'building blocks' that contribute to a full, in-depth, and nuanced understanding of the political economy. Each feeds into the other to help develop this understanding.

Remember to think through how information from one type of analysis is relevant to or might influence another.

Data needs and triangulating data for stakeholder and institutional analysis

The initial or first draft of a stakeholder mapping or process mapping exercise can often be easily undertaken based on existing literature and the team's national and international staff knowledge. However, it will be important subsequently to ensure that inputs are obtained from a range of key informants or stakeholders (who should be carefully selected – see Box 3), either as individual interviewees or FGD participants.

There is also an opportunity to involve partners in this process; the extent and nature of the involvement may depend on the partner organisation. For example, a local NGO partner could play a key role in the process mapping itself, while local or national government could be involved through key informant interviews or as part of a review (and consultation) process of the draft mapping (or vice versa). As discussed in Section 3, there are trade-offs between the involvement of a wider range of actors in the analysis, the sensitivity, presentation, and dissemination of results, and the quality and/or rigour of the analysis.

Getting inputs from others will not only allow information to be double-checked and data to be triangulated, but will also ensure that our own bias is minimised as far as possible.
Figure 3: Process map of a small scale mining licensing procedure

SSM applicant completes 10 copies SSM Application Form
SSM applicant prepares site plans of mining area
SSM applicant completes EIA

Low literacy levels
Applicant submits paperwork to MINCOM district centre
Financial cost of application
Applicant submits EIA to the EPA
Distance travelled + travel costs

Sense of distance and hopelessness
MINCOM district centre produces field inspection report
Lack of education + bureaucratic ‘know how’

MINCOM district centre submits paperwork District CEO for approval

MINCOM district centre submits approval to MINCOM in capital
EPA submits approval to the MINCOM in capital
Long delay with EIA appraisal

MINCOM appraises proposal and forwards recommendation to the Minister responsible for Mines
Long periods of waiting without information leads to drop out/reversion to illegal mining

Minister signs an agreement between the applicant and the Government

Applicant takes the signed agreement (license) to the Chief Inspector of Mines to obtain an operating license

Applicant can now start mining
SSM licenses are subject to renewal after three or five years depending on the size of the concession

Source: Unpublished report by authors and OPM consultants.
5. BRINGING THE ANALYSIS TOGETHER: OPERATIONAL IMPLICATIONS

The findings from a PEA can be presented in different ways, depending on the audience and their needs. In some cases, this might be a very lengthy and detailed report, using academic language; in other cases, short summary papers might be the most appropriate format.

In terms of ensuring usefulness for Oxfam country programme teams, the format for pulling the analysis together and presenting it will vary according to their specific needs and preferences. For instance, internally, different programme teams might want simple notes that are quick and easy to read and give an overview of the analysis and findings relevant to their particular team. Programme and country managers might need more information in the form of short reports or policy briefs that give more than the basics and enable them to engage more substantively with external actors and policy-makers.

However, generally, having a broad analytical framework from the start, built around the key focus areas and questions to be addressed in the PEA (see Section 0), will help keep the recording and presentation of analysis focused and will help avoid going off in interesting, but possibly non-useful, directions (although this should not prevent useful but unanticipated or unplanned analysis being included).

Once the analysis has been compiled, in order for it to be useful, decisions need to be made based upon what it shows. In any programme development process, decisions about the scope, scale, and focus of a programme should be based on a thorough analysis of the issues that are keeping women and men in poverty and an understanding of what could be done to address these issues (Oxfam GB Programme Framework). Figure 4 outlines a number of iterative steps, which are useful as a guide in moving from analyses of various types through to making programme-related decisions.

Figure 4: An iterative process of programme identification

- Analysing the context to identify an overall geographic, thematic or strategic programme focus.
- Exploring the problems to build a more in-depth understanding of the underlying causes of immediate effect of poverty in the focus area.
- Researching specific issues to inform your thinking about what Oxfam and others could do to address poverty in the focus area.
- Selecting partners with whom Oxfam can work to increase the reach, relevance and sustainability of its programmes.
- Defining the programme impact to specify what ultimate change you want to see.

Source: Oxfam GB Programme Framework.
The PEA is one type of analysis that can be done to feed into this understanding, and basing programming decisions upon it will follow the usual process adopted within country offices. The PEA process outlined above helps address the first three areas shown in Figure 4 and should then, as with other analysis done within country offices and programme teams, feed into the last two. In Figure 5 we suggest a simple process and some questions that can be used to help think about what the PEA findings mean in terms of developing operationally relevant recommendations for different types of programming, whether for specific advocacy, development, or humanitarian programmes, or for wider country-level or regional programmes. These are designed to help move from analysis to operations.
Figure 5: Moving from political economy analysis to action

<table>
<thead>
<tr>
<th>WHAT is the political economy context and situation?</th>
</tr>
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<tbody>
<tr>
<td>• What are the key conclusions of the analysis regarding the original question and focus?</td>
</tr>
<tr>
<td>• How have these changed over time? Are they continuing to change now?</td>
</tr>
<tr>
<td>• In particular, what are the main findings that relate to different groups of vulnerable, marginalised, and/or poor women and men in different contexts?</td>
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<tr>
<th>Analysis</th>
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<tr>
<th>SO WHAT does this mean for what Oxfam wants to achieve?</th>
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<tbody>
<tr>
<td>• What are the implications of these main findings and trends/changes, particularly for the poorest or for marginalised groups?</td>
</tr>
<tr>
<td>• What are the priorities that need addressing? How do these findings relate to current country strategies and programmes?</td>
</tr>
<tr>
<td>• Has the PEA identified any issues that reduce the likelihood of achieving Oxfam’s aims? Or would facilitate them?</td>
</tr>
<tr>
<td>• Do any areas need ongoing monitoring in the future, and if so how often (e.g. if the situation is changing rapidly)?</td>
</tr>
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</table>

| Reflection |

<table>
<thead>
<tr>
<th>NOW WHAT does Oxfam need to do to address the implications of the analysis?</th>
</tr>
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<tbody>
<tr>
<td>• How do the things that need doing fit with the Oxfam programme focus?</td>
</tr>
<tr>
<td>• What should Oxfam’s priorities be, based on what is realistic and feasible within the political economy and within Oxfam’s means? Where can Oxfam add most value and achieve most change, within its resources?</td>
</tr>
<tr>
<td>• What areas of Oxfam’s ongoing programmes need reconsidering in light of the analysis and reflection?</td>
</tr>
<tr>
<td>• What new actions need to be taken to address the findings? How will these fit with current, ongoing programming?</td>
</tr>
<tr>
<td>• At what stage is the Oxfam programming cycle, and are there opportunities to take advantage of or constraints to be addressed?</td>
</tr>
<tr>
<td>• Which teams or individuals can lead on implementing any changes to current programming or developing new programmes?</td>
</tr>
<tr>
<td>• What resources are needed for this and are they available?</td>
</tr>
<tr>
<td>• How realistic are any decisions that are being taken? Are there political economy factors that will hinder or support what has been decided, and do decisions need reviewing? Are there ‘good enough’ options that might be more realistic and achievable?</td>
</tr>
</tbody>
</table>

| Programme decision-making and action |

Source: Based on ‘What; So what; Now what’ questions (see Strachan, 2001).

Working through the first two areas also helps contribute to the development of a theory of change upon which the programme or projects can be based. This will include the outcomes that Oxfam wants to achieve, the impact it wants to contribute to, and the assumptions that these are based on. Once these are clearer, working through the questions in the third area can help develop the strategies and programme design needed to achieve them.

Many of the countries in which Oxfam works are fragile, unstable, or in conflict. The context may be changing rapidly in these situations, or have the potential to change fast. Undertaking a PEA in these situations can
help to understand the underlying political and economic drivers of conflict, and the relative power, exclusion, and vulnerability of different groups that contribute to fragile, unstable, and/or conflict situations. Depending on the PEA objectives and questions, this can ‘identify shifting coalitions that contribute to or prevent state collapse, the nature and sources of state capacity, authority and legitimacy, and how and why rent seeking and patrimonial political systems can either contribute to, or undermine, state stability’ (GSDRC, 2013). Understanding these issues can help identify possible future scenarios, which can then be used to plan and prepare, based on an understanding of the political economy (e.g. planning possible humanitarian interventions in particular areas likely to see increased conflict, or possibly scaling down other programme areas which may be at risk).
6. ONGOING MONITORING AND ANALYSIS OF THE POLITICAL ECONOMY

No political economy is ever completely static. And in some contexts it may change extremely rapidly, or continuously, or both. This highlights the need to return to the initial analysis and to monitor or assess relevant changes in the political economy over time. This could be done on a regular or ad hoc basis, depending on the context.

The decision as to when further analysis should be undertaken, or when the original analysis should be updated, depends on a number of factors, for instance:

- The likely rate of change in the political economy;
- Whether specific events have occurred, or are likely to occur, that will affect the political economy;
- The original purpose of the analysis; and,
- The main aim of the ongoing analysis.

For Oxfam offices, there may be three key reasons for conducting ongoing PEA:

- Monitoring implementation of any action resulting from or based on the PEA;
- Updating analysis to feed into future programme design and implementation cycles;
- Risk management and scenario planning.

All are related, and below we propose a basic approach that can be adapted for use for any of these, depending on which is the primary purpose of the analysis.

Programme managers are responsible for setting up systems to learn what is/is not working towards achieving the programme’s goals, incorporating this learning into programme design, and then using it to build organisational knowledge (see Oxfam GB Programme Framework). Whatever the purpose of the PEA, agreeing a follow-up process will ensure that attention is not simply turned elsewhere once an initial analysis is completed. Agreeing a follow-up process involves deciding who will be involved, timing (and ensuring that it is appropriately scheduled), responsibilities (and how they are communicated), and how to feed back the ongoing analysis into programme development and implementation.

A tool for conducting ongoing analysis of the political economy

This approach to monitoring and ongoing analysis of the political economy uses a Qualitative Assessment Scorecard (QAS) tool to score, describe, and explain change against specific political economy areas or indicators.

A QAS is generally used by organisations to understand their influence and to test their assumptions about the best way to intervene and improve their interventions. This approach can be used in a process that involves specific Oxfam teams (programmatic or management) only, or also partners, wider programme stakeholders, or any combination of these. It is particularly appropriate when used to measure changes in processes and qualitative relations. It is also most effective when integrated with an ongoing process of reflection and learning.
The first step in using the QAS is therefore to identify specific elements from the initial analysis and to develop questions, or indicators, that will be important to monitor and assess on an ongoing basis. The initial PEA then effectively becomes a baseline against which to assess change in particular areas and then feed back findings into programme and strategy development. This could be used not only to assess general changes in the political economy, along with risks and different possible scenarios, but also (if appropriate for M&E purposes) to assess the contribution of Oxfam’s work to these changes. Below we look at how the tool might be applied in both these ways.

**General ongoing monitoring and analysis of the political economy**

The QAS can be adapted for a more general role in ongoing monitoring and analysis of the broad political economy or for monitoring specific areas of importance within it. This can be done both to feed this information into programme decision-making processes and implementation cycles and to understand potential scenarios and risks and to plan/prepare for them.

In this case, it is particular changes in the political economy that are being scored and assessed, so the scoring system can be adapted slightly. As outlined above, the process needs to start with selecting the particular PEA issues or elements that it is important to monitor. This should be based on the identification of key issues within the original analysis.

These can then be phrased as positive statements, which are scored. For instance, if a key issue in the political economy is that rent-seeking behaviour creates entry barriers and restrictions on domestic competition in a range of sectors, this could be phrased as:

- Rent-seeking behaviour has diminished and there are fewer entry barriers and restrictions to domestic competition.

This could also be made specific to a particular sector if appropriate and useful.

As another example, if a general issue is that there is a lack of commitment amongst key policy-makers and implementers to address gender issues and discrimination against women, this could be phrased as:

- There is an observable public commitment among policy-makers to endorsing gender equality and/or tackling gender issues.

Turning these into positive statements enables them to be scored as follows: 1 = strongly disagree; 2 = disagree; 3 = agree; 4 = strongly agree. The four-point scoring system forces analysts to ‘come off the fence’ one way or the other. Under each broader area, 2–3 more specific questions (or statements) can then also be developed and scored.

The scoring is done through a group discussion, with the reasons and justification for the scores being provided in a qualitative narrative. The participants could be Oxfam staff generally or a particular team, or a specific group identified to be responsible for this ongoing analysis. This might depend on the context and focus issue for the PEA. Alternatively, it could also include external stakeholders in the focus issue, or programme stakeholders and Oxfam partners.

Evidence will have been gathered on these areas in the initial PEA, and an initial scoring will provide a baseline. Subsequent data gathering and analysis can take place at regular (or irregular) intervals determined by factors such as the issue and the pace of possible change (e.g. every six months). Data does not have to be limited just to that collected at particular points in time – important information and data may also arise on an ongoing basis, and this needs to feed into the analysis as well.

Those involved will meet to reflect on emerging evidence since the last analysis regarding the selected issue or statement. They will discuss this evidence and attribute a score again. This may be the same as or different from the previous score. It is extremely important to then record the reasons behind this score together with the evidence it is based on. If it has changed, then reasons for this change should be given. If
there is any disagreement or further qualification, this should be carefully noted. It is important to stress that the emphasis should be on the qualitative and analytical narrative explaining the score.

In the example below, we suggest that the explanatory narrative can be based around three key questions:

- What is/was the situation and what has changed?
- What has contributed to this change?
- Are there any existing or new risks and how can they be addressed?

This scoring and analysis will provide both quantitative (i.e. the score) and qualitative longitudinal data regarding particular areas of the political economy, but with the emphasis being on the qualitative narrative underpinning and justifying the scores (rather than the scores themselves). Any changes in the context can also be noted and fed into other analysis (e.g. of risks) and programming cycles.

Recording this information in a common format (see Table 3) also provides a written record of the political economy changes over time, which can be used to inform new staff. This QAS example shows the types of phrasing that could be used, depending on the identification of issues. These questions could be very different, however, depending on the context and what needs to be monitored more regularly.

## Table 3: Ongoing PEA monitoring through Qualitative Assessment Scorecard checklist

<table>
<thead>
<tr>
<th>Score 1–4</th>
<th>1 = strongly disagree; 2 = disagree; 3 = agree; 4 = strongly agree</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rent-seeking behaviour has diminished and there are fewer entry barriers and restrictions to domestic competition.</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• <strong>Indicator:</strong> The policy-making process related to trade and domestic competition is open and transparent.</td>
<td>[score]</td>
<td></td>
</tr>
<tr>
<td>• <strong>Evidence:</strong> Policy documents, data on relevant policy processes, key informant interviews, and media content analysis.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• <strong>Indicator:</strong> There is increased public awareness and debate on political lobbying regarding domestic trade and competition.</td>
<td>[score]</td>
<td></td>
</tr>
<tr>
<td>• <strong>Evidence:</strong> Public attitude data (attitude surveys, FGDs, key informant interviews, public comments on online reporting, social media traffic) and media content analysis.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• <strong>Indicator:</strong> There is increased entry and domestic competition (within particular sectors).</td>
<td></td>
<td>[score]</td>
</tr>
<tr>
<td>• <strong>Evidence:</strong> Domestic trade and competition data, key informant interviews, market monitoring.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Explanatory narrative</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• What is/was the situation and what has changed?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• What has contributed to this change?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Are there any existing or new risks and how can they be addressed?</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>There is an observable public commitment among policy-makers to endorsing gender equality and/or tackling gender issues.</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• <strong>Indicator:</strong> Policy-makers at all levels frequently mention gender equality in public statements, demonstrating a commitment to tackling gender issues.</td>
<td>[score]</td>
<td></td>
</tr>
<tr>
<td>• <strong>Evidence:</strong> Analysis of policy documents and legislation, key informant interviews, and media content monitoring.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• <strong>Indicator:</strong> Policy implementation is progressive in its likely impact on women’s well-being and gender equality.</td>
<td>[score]</td>
<td></td>
</tr>
<tr>
<td>• <strong>Evidence:</strong> Key informant interviews, FGDs, analysis of (potential) policy impact evaluations.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Indicator:</strong> Citizens (women and men) perceive that policy implementation secures their equal entitlements to resources and/or services.</td>
<td>[score]</td>
<td></td>
</tr>
<tr>
<td>• <strong>Evidence:</strong> Perception and attitude surveys, FGDs.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Explanatory narrative

- What is/was the situation and what has changed?
- What has contributed to this change?
- Are there any existing or new risks and how can they be addressed?

This ongoing analysis should be undertaken on a regular basis, with the frequency depending on the context itself: i.e. if the political economy issues are changing quickly and unpredictably, more frequent analysis should be done.

Monitoring and evaluating specific Oxfam interventions

In this section, we suggest how the QAS can be used to monitor and evaluate political economy issues related to Oxfam’s work and interventions, and to assess Oxfam’s contribution to these changes. The use of a QAS for monitoring, evaluating, and learning is based on the twin principles of evidence-based learning from change (both positive and negative) and of openness to changing course. While much of the process and principles are the same as for general ongoing monitoring, it is different from the above in that it identifies specific indicators (as opposed to more general issues) within the political economy that are related to the expected outcomes and impacts of the work that Oxfam is undertaking.

In Myanmar, for example, one of the PEA questions was focused on increasing the engagement of citizens and civil society with local planning and budgeting processes. If Oxfam designed and implemented a project to address these areas, based on its understanding of the political economy around this issue, it would be important to monitor if, and importantly how, the objectives are being achieved over time. It is important to look not just at what Oxfam has done (e.g. activities and outputs), but also at what has changed as a result the outcomes and impact).

Important outcome areas or indicators that might be identified in this example include:

- Whether citizens (including those traditionally marginalised) are provided with or are asking for information on local planning and budgeting processes;
- The range of civil society actors engaging with local planning and budgeting processes and how effective they are;
- The level of influence of women in local planning and budgeting processes.

These are all issues related to the political economy of citizen participation that might be relevant to monitor on an ongoing basis and might be seen as key outcome indicators. Some can be looked at quantitatively to some degree (e.g. the range of stakeholders), but all require some form of qualitative data to understand the outcomes, which the QAS helps to provide in a systematic manner. As these are very much at the outcome level, focusing on 2–3 indicators would be appropriate (monitoring of outputs and activities, etc., can be done using alternative tools).

As with the general monitoring outlined in the previous section, these are turned into positive statements that are then ‘scored’ using a four-point scale. For example, whether citizens (including those traditionally marginalised) are provided with or are asking for information on local planning and budgeting processes could be phrased as:

- Citizens (including traditionally marginalised groups, e.g. certain ethnic groups, women, etc.) are regularly demanding information from local authorities on local planning processes.

The scoring is done through a group discussion, with the reasons and justification for the score being provided in a qualitative narrative. The discussion and analysis, however, will need to have a particular focus on Oxfam’s contribution to achieving that change. For example, if the scoring and discussion indicate that
women are increasingly engaged in local planning processes, the narrative will need to explain why this is happening and how Oxfam has contributed to it. At this level, it is important to remember that there may be many factors outside of Oxfam’s control which also contribute to change in the political economy area, and these should be recognised too.

For the monitoring of Oxfam programmes or projects, the participants could be Oxfam staff generally or a particular team responsible for M&E or for the specific programme itself. This might depend on the context and focus issue of the PEA, but ideally could include a mixture of all three. This would help ensure a balance of general political economy knowledge with in-depth programme knowledge, plus more ‘independent’ M&E staff who could help facilitate the process and perform a ‘challenge’ function to ensure that the analysis is kept ‘honest’.

Alternatively, it could also include external stakeholders in the focus issue, or programme stakeholders, Oxfam partners, and/or possibly community groups as well. The decision on who to involve will depend on a number of factors (e.g. type of programme, purpose of M&E, who the reporting is for, etc.), but all those involved will need to be carefully briefed on the purpose of the QAS and on the process.

Evidence will have been gathered on these areas in the initial PEA, and that initial scoring will provide a baseline. Subsequent data gathering and analysis can take place at regular (or irregular) intervals determined by factors such as the issue and the pace of possible change (e.g. every six months).

Those involved will meet to reflect on emerging evidence since the last analysis regarding the selected issue or indicator. They will discuss this evidence and attribute a score again. This may be the same as or different from the previous score. It is important then to record the reasons behind this score together with the evidence it is based on. If it has changed, then reasons for this change should be given. If there is any disagreement or further qualification, this should be carefully noted.

This scoring and analysis will provide both quantitative and qualitative longitudinal data regarding particular indictors (which can be linked to a logframe). Any changes in the context can also be noted, together with an analysis of Oxfam’s contribution to this change and any learning points that need addressing. It is important that this process is based on critical self-reflection and that learning from both success and failure is seen positively. The scores themselves are in a way secondary to the qualitative explanatory discussion and justification of the scores in the narrative.

The example below shows what a QAS scorecard might look like. It adds to and adapts one used in the M&E of DFID’s Viet Nam Empowerment and Accountability Programme (VEAP), which is managed by Oxfam.
Table 4: QAS for monitoring and evaluating Oxfam’s work and its contribution to change in the political economy

<table>
<thead>
<tr>
<th>Oxfam Myanmar’s citizen engagement project QAS</th>
<th>Score</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Score each indicator 1–4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 = strongly disagree; 2 = disagree; 3 = agree; 4 = strongly agree</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Engagement of citizens and civil society with local planning and budgeting processes</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• <strong>Indicator</strong>: Citizens (including traditionally marginalised groups, e.g. certain ethnic groups, women, etc.) are regularly demanding information from local authorities on local planning processes.</td>
<td></td>
<td>[score]</td>
</tr>
<tr>
<td>• <strong>Evidence</strong>: Qualitative analysis based on staff knowledge from informal networks, key informant interviews with local-level officials and stakeholders, focus groups with citizens in Oxfam programme areas, etc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• <strong>Indicator</strong>: A broad range of civil society actors is effectively engaging in the budgeting process.</td>
<td></td>
<td>[score]</td>
</tr>
<tr>
<td>• <strong>Evidence</strong>: Qualitative analysis based on staff knowledge from informal networks, key informant interviews with local-level officials and stakeholders, focus groups with civil society actors, interviews with partners.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• <strong>Indicator</strong>: The level of influence of women in local planning and budgeting processes.</td>
<td></td>
<td>[score]</td>
</tr>
<tr>
<td>• <strong>Evidence</strong>: Qualitative analysis based on staff knowledge from informal networks, key informant interviews with local-level officials and stakeholders, focus groups with citizens in Oxfam programme areas, etc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Explanatory narrative</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• What is the situation and what has changed (positively or negatively)?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• How has Oxfam contributed to change (positive or negative) generally and for each of the more specific indicators?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• What are the key lessons and learning, and what are the next steps?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
FURTHER READING

Conceptualising PEA


Tools and approaches


Case studies and applied PEA


A more detailed annotated bibliography can be found on the website of the Governance and Social Development Resource Centre (GSDRC): http://www.gsdrc.org/go/topic-guides/political-economy-analysis

Other references


Oxfam, Power Analysis Framework (for further information on this internal resource, please email policyandpractice@oxfam.org.uk).

Oxfam GB Programme Framework (for further information on this internal resource, please email policyandpractice@oxfam.org.uk).

ANNEX 1: EXAMPLES OF STAKEHOLDER MAPPING AND INSTITUTIONAL ANALYSIS

STAKEHOLDER ANALYSIS

Power/interest matrix, rural sanitation investment, Maharashtra, India

As part of a multi-country study to analyse the political economy of sanitation investment, a case study was undertaken on rural sanitation in Maharashtra, India. The stakeholder analysis (see figure below) mapped stakeholders according to their level of interest (on the horizontal x-axis) and influence (on the vertical y-axis). This shows high levels of support for rural sanitation investment among powerful state and district officials. In Maharashtra, stakeholder positions on sanitation investment have shifted over time to the point where there is now no significant stakeholder opposition to rural sanitation investment (illustrated by the blank cells B and D). The analysis showed that this shift was a result of increasing awareness amongst state and district officials of the potential political returns (e.g. votes and support) of sanitation investment.
Figure 6: Power/interest matrix, rural sanitation investment, Maharashtra, India

Government and state agencies

National
1. Ministry of Rural Development
   (A: Support + high influence)
2. Department of Drinking Water Supply (DDWS)
   (A: Support + high influence)
3. The Rajiv Gandhi National Drinking Water Mission (A: Support + high influence)

State level
4. State Minister for Drinking Water Supply and Sanitation (A: Support + high influence)
5. State Water and Sanitation Mission (headed by Chief Secretary of State) (A: Ability to influence high but neutral interest)

District level
7. Zilla Panchayat (A: Support + high influence; influence could be varied depending on the individual capacity of the Sarpanch)
8. District Water and Sanitation Management Committee (DWSMC) (A: Support + high influence)
9. District Core Team/TSC Cell (A: Support + high influence; however, influence will be more towards neutral because of relatively little decision-making power)
10. Officials of District level units of the departments of Education (District Education Officer), Health (Chief Medical Officer), Women and Child Development (Chief District Project Officer-Integrated Child Development Schemes); (C: support and influence both more towards neutral, as these have no authority over funds)
11. District heads of ongoing water supply projects of Jaljewaraj KWW/ Mahalaj (A: Support + influence)
12. MPs and MLAs (A: Support + influence)

Block level
14. Block Development Officer (C: support and influence both more neutral)
15. Officials of various government departments/agencies like education, health and women and child development (C: support and influence more neutral)

Village level
16. Gram Panchayat; Sarpanch and elected ward members (A: Support + influence)
17. WWSMC members (A: Support + influence)
18. School Management Committee (PTA) (C: Support and influence more neutral)

19. Gram Panchayat Secretary (A: Support + influence)
20. Other GP level functionaries like ANM, Anganwadi Worker (C: Support and influence more towards neutral)

Private sector
21. Rural Sanitary Marts (community based product sale centres) (C: High support + low influence)
22. Sanitary product suppliers (C: support and influence more towards neutral)
23. Local Misions (C: support and influence more towards neutral)

Donors
24. World Bank (Jaljewaraj Program) (A: Support + high influence)
25. WSP (A: Support + high influence)
26. UNICEF (A: Support + high influence)

Civil society
27. NGOs (capacity building/KRC) (C: High support + low influence)
28. Consultants** (as Key Resource Centres) (C: High support + low influence)
29. Media (C: Significant support + influence)
30. Village residents (C: Neutral or supportive with low influence)

Notes: In other states the nodal agency could be the Rural Development Department, The Panchayat Raj Department, or the Public Health Engineering Department. **Technical consultants could go under the private sector category as profit-making stakeholders.

Source: Garbarino and Holland with Brook, Caplan, and Shankland (2011).
Aggregate scoring of stakeholder positions on energy policy options

As part of a PEA (unpublished) on energy policy options in a South Asian country, a stakeholder analysis was undertaken that involved quantitative scoring of stakeholder interest and influence by key informants and stakeholders themselves. During the PEA two policy options were analysed, specifically in regards to support and opposition to their implementation.

While the scores were not used to compare the likelihood of one policy option obtaining sufficient political backing compared with the other, they were an extremely useful tool for facilitating discussions. Questions such as ‘Why has one stakeholder more interest in the selected policy than the other?’ led to a better understanding of particular interests and incentives and of the formal and informal institutions affecting these (therefore combining the stakeholder analysis with institutional analysis).

During the fieldwork, key informants were presented with an empty stakeholder matrix and were asked to place each stakeholder on the map; during the analysis, the positions on the map were translated into quantitative scores using a standard scale. The graphical presentation of the aggregate mappings (see figure below) places stakeholders identified as influential by key informants on a matrix. Each stakeholder’s position is determined by their interest in the specified policy (x-axis) and by their ability to influence its implementation (y-axis). Therefore, stakeholders positioned in quadrants at the top right have high influence and are supportive, while stakeholders positioned in quadrants at the bottom right share the support but have less ability to influence implementation. Stakeholders opposing the policy are situated at the left of the matrix (with varying influence on the y-axis), and the four quadrants in the centre of the matrix allow for a more neutral position (in terms of interest).

![Figure 7: Aggregate scoring of stakeholder positions on energy policy options](image-url)

Source: Authors’ unpublished report.
INSTITUTIONAL ANALYSIS

Organisational mapping of the budget process for urban sanitation in Senegal

As part of a multi-country study on the political economy of pro-poor sanitation sector investments, the Senegal case study explored political economy factors that explained the increased investment in urban sanitation in the capital Dakar.

An organisational mapping, undertaken during the fieldwork, identified key decision and political economy entry points during the budget process, including the President’s ability to influence the budget process and the importance of line ministries’ capacity to present a sound budget proposal to the Ministry of Finance (MoF). The figure below summarises this analysis and is divided into three parts: the formal rules of the budget process (in the centre), key points of decision-making (on the left), and a description of the informal processes (on the right).

Figure 8: Organisational mapping of the budget process for urban sanitation in Senegal

Key points of decision-making and PE entry points

- MoF publishes budget envelopes
- Budget proposal and preparation in Ministry’s Sanitation Department
- Submission of department budgets
- ‘Ministère de l’Urbanisme, de l’Habitat, de l’Hydraulique Urbaine et de ‘Assainissement’ prepares budget proposal
- Submission of ministry budgets to MoF
- MoF validates proposal according to sector policy and makes adjustments (usually cuts)
- Prime Minister and Council of Ministers
- Parliamentary approval process

Informal process

- Budget envelopes are not published by MoF and line ministries make proposal ‘into the blue’
- President influences all stages of the budget process
- De-facto no changes at Parliament-level

Source: Garbarino and Holland with Brock, Caplan, and Shankland (2011).
Process map of Chad cotton sector reform

The process map (see figure 9) was undertaken as part of a poverty and social impact analysis (PSIA) that set out to analyse the distributional impacts of the proposed policy reform to privatise and liberalise the cotton sector in Chad. The objective of the organisational mapping was to gain an overview of the formal and informal institutional framework and organisational practices within which the policy reform would take place.

Through mapping the movement of critical resources (e.g. information, inputs, money, and cotton) in the production chain, the organisational mapping process helped to identify major constraints for development, such as a lack of private markets for the resources and production inputs of cotton; a lack of transport, market, and communications infrastructure; organisational inefficiencies that were spread throughout the vertical structure of the industry; and the limited bargaining power of farmers’ organisations and their representatives.

The data used for the analysis was collected through an iterative process of semi-structured and open-ended interviews with key informants and focus groups.

Figure 9: Process map of Chad cotton reform sector

Budget decisions and resource flows for sanitation investment in Brazil

As part of a multi-country political economy study of sanitation investment (as frequently cited), the Brazil case study analysed the national-level political economy dynamics of urban sanitation investment over the lifetime of the country's Water and Sanitation Sector Modernisation Project.

The study showed that there is a significant gap between the amounts earmarked for sanitation investment in Congressional budgets and the amounts actually released by the national treasury, with political as well as financial criteria governing the ultimate decisions on disbursements. Most sector investment has historically derived from federal government loans, with strict technical and financial viability criteria that limit uptake to the larger and better-run state utilities. The inclusion of sanitation in the Growth Acceleration Programme has, however, significantly increased the availability of grant finance for investment by smaller and more heavily indebted utilities in poorer states and municipalities. Figure 10 graphically represents the mix of loans and grants with different institutional and political pathways to decisions and disbursements. (Where relevant, sites or moments of political input to decision-making are noted alongside the official technical and financial decision pathways.)
**Figure 10: Budget decisions and resource flows for sanitation investment in Brazil**

**Public sector financing flow**
From federal to state/municipal levels

1. Grants
   Parliamentary earmarks

   - President’s office
     - Gives instructions to release or retain the money based on political negotiations
   - Releases or retains the money based on budget/cashflow criteria

   - PAC Management Committee
     - Decisions based on economic/financial criteria
   - CAIXA

   - PAC call for proposals
     - Decisions based on political negotiations

   - Second selection based on regional distributive concerns
   - Selects projects based on technical criteria

   - Mayor/Governor

   - National Budget
     - CAIXA

   - Ministry of Finance
     - Ministry of
   - Deputy/Senator

   - CAIXA

   - Mayor/Governor

**Public sector financing flow**
From federal or IFI to state/municipal levels

1. Loans
   PAC call for proposals (national or regional scope)

   - Mayor/Governor/State Company
     - Selects projects based on technical criteria
   - Second selection based on regional distributive concerns
   - Checks levels of indebtedness
   - Treasury
   - PAC Management Committee
     - CAIXA
   - BNDES
     - Ministry of Cities
     - Second selection based on regional distributive concerns
   - Selects projects based on technical criteria
   - Ministry of Cities

**IFI lending**

- IFI
  - Fed. Gov program
  - CAIXA
  - Mayors/Governors
  - Consultation letter
  - Mayor/Governor/State Company
  - COFEX (Finance Ministry)
  - Senate
  - Treasury

Notes: CAIXA = Caixa Econômica Federal (Federal Savings Bank); BNDES = Banco Nacional de Desenvolvimento Econômico e Social (National Bank for Economic and Social Development); COFEX = Comissao de Financiamentos Externos (Brazil’s federal government external financing commission).
Source: Garbarino and Holland with Brook, Caplan, and Shankland (2011).
NOTES

1 For definitions and tools, see http://www.ktoolkit.org/Social+Network+Analysis
2 By combining multiple observers, theories, methods, and empirical materials, researchers can hope to overcome the weakness or intrinsic biases and the problems that come from single method, single-observer and single-theory studies’ (Wikipedia on triangulation).
3 This section relies heavily on the process information outlined in DFID’s ‘Political Economy Analysis How To Note’. http://www.qsdrc.org/docs/open/PO58.pdf
5 See the glossary for a definition of rent-seeking.
6 Unpublished analysis by authors and OPM consultants.
7 Oxfam and OPM (2012).
8 Garbarino and Holland with Brook, Caplan, and Shankland (2011).
9 Unpublished analysis by authors and OPM consultants.
10 Oxfam and OPM (2012).
11 Ibid.
12 Garbarino and Holland with Brook, Caplan, and Shankland (2011).
13 Oxfam and OPM (2012).
14 Garbarino and Holland with Brook, Caplan, and Shankland (2011).
16 Authors’ unpublished report.
17 Garbarino and Holland with Brook, Caplan, and Shankland (2011).
18 Importance in this case means the priority given to satisfying or addressing the needs and interests of a particular stakeholder from Oxfam’s perspective.
19 This draws on OPM’s work on the approach and monitoring, evaluation and learning framework for DFID’s Vietnam Empowerment and Accountability Programme, which is managed by Oxfam GB.
20 Another approach is outcome mapping.
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