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### ***Donors, Development Agencies and the use of Political Economic Analysis: Getting to grips with the politics of development?***

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## **Abstract**

This paper examines the take up of Political Economic Analysis (PEA) tools and approaches by development agencies. It charts the emergence of PEA, reviews the embryonic literature on this phenomenon and asks whether this approach assists donors and development agencies to comprehend politics and the impact of politics on the effectiveness of their programmes. There are distinct limits to what PEA can achieve in terms of development agencies fully engaging with politics due to their own political-economy and institutional constraints. The real impact of close to a decade of increasing numbers of PEAs remains unknown. In conclusion we propose further research which will examine the effects of PEA approaches on development agencies and on the governments and societies which have been subject to PEAs and the resultant changes in development agencies policies and practices.

## **Keywords**

Political Economic Analysis, Donors, Development Agencies, Development Partners, Politics, Aid Effectiveness; Literature Review

## **Introduction: Development is political**

In recent years bilateral donors and multilateral development agencies (hence forward both are termed development agencies) have taken what Hout refers to as a 'political turn' becoming much more overtly concerned with politics, moving on from the more apolitical view of governance which dominated development thinking in the 1990s (Hout, 2012). One outcome of this political turn has been the uptake of forms of political analysis or political economy analysis by some development agencies as a component of their formal processes for formulating policy and/or choosing investments. The terms 'political analysis' and 'political economy analysis' are used interchangeably by many development agencies, however, the latter seems to be in more common usage in these agencies. The tendency to opt for the term Political Economy Analysis is perhaps due to its more technical tone, which is seen as more palatable to many stakeholders in development agencies (including taxpayers) and sounding less threatening to sovereignty from the perspective of recipient states. Here we have opted to use this more widespread term Political Economy Analysis (PEA) to encompass all of these types of approach.

Obviously PEA conducted by academics and others has a long and diverse history. Political analysis has also been conducted by embassy staff and foreign offices for centuries. This paper, however, only engages with the recent formalised activities of development agencies labelled PEA rather than this broader vein of analyses. It is this new range of tools and approaches for analysing political elements devised by development agencies that we examine here as PEA.

The impression that PEA being undertaken by development agencies is something completely 'new' needs to be treated with caution. Agencies have always conducted political analyses but, until relatively recently, these were not usually made public (sometimes they were actively covert) and were usually *ad hoc*. Since the end of the Cold War it has been possible to criticise the governance of countries receiving aid due to the removal of the fear that this would result in them 'running to Moscow' (Ivanov, 2007, p. 31). Therefore it has been possible to be more transparent about the need for and nature of political analysis and the methods by which such analyses are undertaken have advanced from the 'gentleman's club' approach (a private discussion with a knowledgeable person in a London Club, a *Grand Ecole* or a Yale common room) to more systematic approaches.

While publicly acknowledging the need for, and practice of, political analysis has advantages it also presents problems for development agencies. Admitting to rich country taxpayers that political factors significantly influence the outcomes of aid budgets, and that aid programming is not purely a technical exercise with high predictability of results, is something that most Ministers of International Development are keen to avoid. Maintaining public support for foreign aid commonly requires gross simplifications about the processes involved and commitments to 'ensuring 100 pence of value for every pound spent'. Sound-bites about, 'zero tolerance of corruption', often substitute for honest discussions about the effective management of corruption (e.g. '40% of the resources in our food for work aid programme are stolen but the 60% that gets delivered makes this a viable programme) – at least in public. Nevertheless, development agencies and donors have increasingly over the last ten years started to be more systematic in their approach to how they understand the political contexts in which they work and a raft of PEA systems and tools have been developed.

There is a narrow focus to this paper in some senses as it focuses on development agencies political economic analysis tools (what is referred to in the paper as PEA) rather than broader debates about development policy around politics, governance and institutions and the key move towards best fit and good governance which the PEA trend has closely intersected with.<sup>1</sup> This is not that these elements are unimportant but just the result of the limitations of time and space. The literature on PEA is somewhat in its infancy as donors and development agencies have only been utilising these approaches relatively recently. Much of (although by no means all of)<sup>2</sup> the literature is made up of working papers, evaluations and other elements of the grey literature. The type of literature and its thinness reflects the relatively recent emergence of PEA but also the absence of sustained academic research on the practice.<sup>3</sup> Much of the literature consists of thoughtful reflections of those who have been involved in PEA, or overviews of the general trend, rather than independent researchers who have conducted rigorous research on the PEA experience.

In this paper we survey the emerging literature on these PEA tools by aid donors and international development agencies. There is clearly more necessary primary research on PEA to be done but as a grounding for this work, here we draw solely on the existing literature engaging broadly with the secondary literature on donors' PEA approaches. We seek to give an overview of the 'state-of-the-art' and explain why the application of political analysis has evolved in the way it has. We analyse the factors and processes that make it so difficult for development agencies to effectively incorporate political analysis into aid policies and programmes and broader international development strategies as well as the limitations that political analyses have in providing the type of answers that development agencies can use. In the conclusion we summarise what is known about making PEAs undertaken by donors and development agencies more effective and seek to deepen understanding of the potential roles, forms and limitations of political analysis.

### **How has political economic analysis evolved?**

The active sidelining of politics has been present in the discipline and practice of development for some time. In the 1950s and 1960s it led to the evolution of the academic sub-discipline and the operational sub-profession of 'development administration'. Development goals were not being achieved because 'the primary obstacles to development are administrative rather than economic' (Stone, 1965, p.53). From a development administration perspective politics was an obstacle to development – if governments would just let modern managers implement policies and projects then all would be well. Once a 'lack of political will' was overcome then public sector professionals would be able to apply their technical skills to development policy formulation and policy implementation in a non-political context that would achieve rapid progress. While such high modernism was typical of this era it '... was a US-led movement with funds and personnel for its study and practice coming largely from US sources... [and]... it was also perceived by the US government... as an integral element of the Cold War' (Turner and Hulme, 1997, p.12).

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<sup>1</sup> Please see other papers covering these issues on ESIDs website – [www.effective-states.org](http://www.effective-states.org)

<sup>2</sup> Unsworth 2009 and Williams and Copestake 2011 would be some of the exceptions here.

<sup>3</sup> Recent work by Hout 2012 is an exception here

This technicist approach hid the political calculations which lay behind aid policies and projects, during the Cold War era (and since). Much foreign aid given to governments at this time had geopolitical aims alongside and sometimes outside of their development ones. Bilateral aid for President Mobutu in Zaire (from the US and many others) continued long after it was evident that he was murdering anyone who voiced political opposition and that much, perhaps most, of the aid was being siphoned off to foreign bank accounts and luxury assets and goods (Easterly, 2006). The UK government gave aid to President Banda in Malawi, and organised for his state visit to the UK, in full knowledge of the political prisoners in his jails and of his transferring of public assets to his own companies. From the back rooms of the Élysée Palace French presidents transferred 'sackloads' of francs to despots across the Francophonie. All of this, and more, was done as it was judged politically that 'the national interest' (political, diplomatic or commercial) would be served by pretending that such aid was solely about development. Foreign aid was utilised to ensure that strategic allies did not develop military or trade links with the USSR or China, vote against First World initiatives at the UN or seize the assets of Western corporations. In this context it is perhaps no surprise that development administration failed to deliver on its promises (Schaffer, 1969; Siffin, 1976)

The dominant narrative around this failure and around prospects for development sought a technical explanation. Rather than publicly examining the political economy of aid, academic and policy debates asked whether development management (based on business management rather than public administration) was what was required? However, at the same time as these very non-political technical concerns were centre stage; back stage (to greater or lesser extent and to varying degrees of formality) political economic analyses were carried out and discussed by development agency staff. For example, staff in the UK's Overseas Development Administration in Nairobi received detailed briefing notes on 'tribalism' in Kenya and its role in maintaining President Moi in power (Hulme's personal experience). Whilst, in Bangladesh aid donors covertly discussed which NGOs were politically 'OK' and avoided funding radical or Islamic NGOs (Hulme's personal experience). Political analysis was, therefore, not absent but it was not overt and nor was it systematic.

At the end of the 1980s at the tail-end of a global recession and as the Cold War was ending, a sea change occurred and the term 'governance' – referring to how a state is administered – emerged in development thinking. The advent of a high level of concern with bad governance, mismanagement and corruption at this point was in part due to the fact that western states felt that they could now be more critical of states without the danger of them 'running to Moscow' (Ivanov, 2007). The collapse of the Berlin Wall and the end of the Cold War meant that issues could be broached which had been off the agenda during the Cold War. In addition, for the IMF and World Bank, corruption provided an explanation of the failures of the economic policies they had encouraged and/or imposed in the 1980s to turn round developing economies (Smouts, 1998). The absence of growth, the argument ran, was not due to the economic policies of structural adjustment but due to the corruption and mismanagement of the recipient states (Ivanov, 2007, p.31; see also Manzo, 2003, p.443)

The emergence of the term 'governance' is frequently credited to the World Bank (De Sousa *et al.*, 2009) The fairly technical approach that the good governance agenda took reflects the caution within the World Bank about the use of this controversial term 'governance' considering the non-political position of the World Bank enshrined in its charter. There was debate within the Bank in the late 1980s and very early 1990s

around the position which the organisation could hold in relation to governance, which resulted in a memorandum from Hugh Scott the Bank's general counsel (World Bank, 1992, p.3). The memorandum defined what the Bank could and could not involve itself in concluding 'that governance may, however, be relevant to the Bank's work if it is addressed in terms of having good order and discipline in the management of a country's resources.' (World Bank, 1992, p.5). The technical tone of the World Bank's good governance interventions are therefore not very surprising, given the way the Bank decided it had to approach governance (Hewitt de Alcántara, 1998: 107); even if it can be criticised as depoliticizing (Doornbos, 2003; Abrahamsen, 2000).

The ambiguity of exactly what governance is created the image that good governance was largely a technical matter but it also confused discussions – with different actors having different ideas about the degree to which initiatives to improve governance were about public management (ie little political content) or directly about domestic politics in aid recipient countries. The term, however, had the advantage of letting donors discuss political change in developing countries without calling this 'politics'. As the 1990s progressed this mutated into good governance and the approach came to see civil society (as well as the state and the market) as central to social and political reform. It was both assumed and hoped that a strong civil society would provide the right conditions for good government to emerge and thrive (Ahluwalia, 2001, p. 77). This focus opened up new modes of assistance which were directed through NGOs and other civil society organisations increasing sharply the funding available and resulting in the massive expansion of this sector (Hearn, 2007; Manji and O'Coill, 2002; Hulme and Edwards, 1997; Gary, 1996). Working with and through civil society, particularly NGOs, was attractive for development actors as it implied empowerment and provided a possible way to pursue development whilst eschewing engagement with the state which was in many contexts seen as part of the problem rather than the solution (Howell and Pearce, 2001, p.1). Whilst good governance was then an approach to government which saw politics as important, it also saw politics as highly problematic. .

In many senses the state remained seen as the problem and the focus on the bad governance of states, seen as a barrier to development, an emphasis on the state or at least on reforming the state continued alongside this focus on civil society.<sup>4</sup> The broad solution proposed was a state which implemented and respected the rule of law, practiced rule-based administration, and was accountable and transparent - in short, one which followed the tenants of good governance (Smouts 1998). DFID's Drivers of Change approach, one of the earliest attempts at a formalised PEA tool, aims to achieve pro-poor outcomes through political and institutional changes which map closely onto these tenets of good governance; centering on rules-based institutions, accountability and transparency (DFID, 2003, p. 5). The emergence of more formalised PEA mechanisms, in contrast to the informal or country office specific attempts that had gone before, were therefore closely intertwined with the emergence of a concern with good governance. In many senses PEAs examine what is wrong with the forms which politics have taken, as well as what are the opportunities to improve them and to steer politics to be the 'right' kind of politics. This right kind of politics was understood in the case of the early PEAs in the light of the good governance agenda. This is not surprising as PEA

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<sup>4</sup> This state focus is often discussed as emerging around the 1997 World Bank *World Development Report: The State in a Changing World* which was seen as indicating that the neo-liberal ideal of a 'minimal state' had been abandoned.

tools tend to reflect the current thinking of the agency that develops them (Slotin *et al.*, 2010).

Also intertwined with the emergence of PEA approaches is the rise of a concern with conflict in development circles in the mid 1990s in response to what were term the 'New Wars', in the developing world after the end of the Cold War (Duffield, 2001). This increased engagement with conflict, highlighted for development agencies that their activities could do harm and in the mid 1990s conflict assessment tools emerged as an attempt to 'do no harm', through a better understanding of the dynamics of the conflicts in which they were working (Slotin *et al.*, 2010). PEA was in many ways a logical expansion of this acknowledgement of the need to more fully understand the political and economic dynamics of contexts in which development agencies were engaged, although with a much broader remit in terms of their usage. Conflict analyses are then closely related to PEA, (although they are not included specifically within the purview of this paper (SIDA, 2006, p.21).

Whilst PEA approaches emerged in the context of good governance they have also been part of the context of the shift in development thinking from best practice to best fit (Booth, 2011). Governance is now understood in a broader more context-driven manner, Merilee Grindle's idea of 'good enough governance' helped shift development agencies from the ambitious pursuit of 'good governance' and PEA is seen to offer useful tools in light of the new emphasis on the significance of informal as well as formal institutions (Grindle, 2007). They are therefore currently an increasing, if evolving, feature of many key development agencies policy and practice.

### **Political analysis in practice**

Over the last ten years development agencies have come to see politics as central to development – although many had been making this point for sometime (Duncan and Williams, 2010, p. 5). As part of this acknowledgement of the centrality of politics to development overall and to the performance of specific development programmes or initiatives, development agencies have undertaken and developed tools to undertake PEA. PEAs have become so much part of the culture of some development agencies that they are often called 'PEAs' in the knowledge that this is routine tool. The UK's Department for International Development (DFID) has been at the forefront of employing PEAs as part of its Drivers of Change approach (Williams and Copestake, 2011, p.4). But there are a number of other approaches or 'tools' for conducting these analyses which have been developed by different development agencies.

This is not an exhaustive list but some of the most prominent PEA frameworks are (in alphabetic order):

- Country Governance Analysis – DFID
- Drivers of Change Analysis – DFID
- The Political Economy of Policy Reform (PEPR)– World Bank
- Power Analysis – SIDA
- Problem Driven Governance and Political Economy Framework (PGPE) - World Bank

- Power and Change Analysis (part of the broader Strategic Governance and Corruption Assessment- SGACA) - Dutch Foreign Ministry
- Poverty and Social Impact Analysis (PSIA)– World Bank
- Democracy and Governance Strategic Assessment Frameworks - USAID

There was much the cross fertilisation involved and the development of many of these approaches consciously drew on and learnt from the experience of other agencies (Haider and Rao 2010). The emergence of a range of different approaches to PEA, which vary in the content of what they analyse and the frameworks within which they place it, reflects in part the institutional imperatives of these organisations to develop their 'own' approach. But, perhaps more pertinently, variance grows out of the divergent requirements of the various agencies and different branches of large agencies that commission them. This tailoring of PEA is logical in that it ensures that the PEAs undertaken are more useful for development agencies. However, it can also mean that evaluations of the political and economic landscape remain closely bound to the needs and preferences of those commissioning the analyses, which places its own bounds on them.

Additionally, these tools focus their analysis on different levels; identified by Holland in the sourcebook as the Macro, Meso and Micro (Holland, 2006). The Macro level, examines the country context and/or the reform context (*ibid* p.103); the Meso level examines stakeholders and institutions in its focus on policy implementation (*ibid* p.159) and the Micro level addresses the impact of policy reform. Whilst Holland's distinction is useful, one of the most frequent categorisations of PEAs is a threefold divide between; country level, sectoral level and problem focused analyses (Duncan and Williams, 2010, cf. Williams and Copestake, 2011). Country level analyses include for example DFID's Drivers of Change; sectoral level analyses are growing in prevalence (for a high quality example see Booth and Golooba-Mutebi's analysis of the road sector in Uganda (Booth and Golooba-Mutebi, 2009)); problem-focused analyses have been pioneered by the World Bank in their Problem Driven Governance and Political Economy Framework (Hout, 2012; DFID, 2009, p.8; Moen and Eriksen, 2010, p.8-9).

There is a recent trend away from country level studies toward sectoral studies and problem-based analyses in part because these are seen to offer more operational relevance for PEA than country level studies (Wild and Foresti, 2011a, p.19; Schakel *et al.*, 2010, p.47; Beuran *et al.*, 2011, p. 11, 14). Three approaches which could be seen to fit in this group are all World Bank initiatives - Poverty and Social Impact Analysis (PSIA), Problem Driven Governance and Political Economy Analysis (PGPE) and Political Economy of Policy Reform (PEPR) mentioned above. PSIA focuses specifically on the impacts of policy interventions and aims to examine the outcomes of the reform both for groups that benefited and those who were adversely affected (Haider and Rao, 2010, p.25). This approach is very narrowly focused on the impact of a particular reform, which can bring some benefits in terms of immediate lessons learnt for that process. PGPE is similarly focused on the activities of the World Bank's own teams and enabling them to grapple with the underlying political economic issues which are affecting a particular problem (Haider and Rao, 2010, p.32). PEPR focuses on understanding the politics of specific sectors identifying key stakeholders and how to productively engage with them (Williams and Copestake, 2011, p.5). The Dutch SGACA and others can be used for both country level and sectoral analysis (Haider and Roa, 2010, p. 5).

Whilst these PEA frameworks are used in different ways there are commonalities across them. Duncan and Williams (2010, pp.5-6) have identified some of these cross-cutting elements. The similarities emerge in part out of their common central strand which is that all of these approaches take politics seriously and view it as central to development. One trend within PEA approaches is a focus on institutions and coalitions both in a formal and informal sense as the key vectors through which lasting change can occur (Duncan and Williams, 2010; DFID, 2009). SIDA's Power Analysis and DFID's Drivers of Change, both have a particular focus on actors and institutions. Both of them, along with the Dutch Foreign Ministry's SGACA, focus on both formal and informal aspects of governance (Haider and Rao, 2010). These approaches tend to be country focused – although many of them can also be applied to the sub-national level: as has been the case in the Drivers of Change analyses undertaken on Nigeria where the political economy of different federal states was seen to offer different opportunities and constraints for reform (Duncan and Williams, 2010, p.10). PEAs can also be used to examine specific sectors and the World Bank's Political Economy of Policy Reform (PEPR) framework is particularly designed to focus on sector level concerns (Williams and Copestake, 2011, p.5).

Most PEA approaches examine the structural elements of the context and how these shape the space for action of key stakeholders (Williams and Copestake, 2011, p.7). The good practice guidance for utilising PEA approaches emphasises that PEAs should not be seen as one off pieces of work but rather need to be seen as an ongoing process of engagement with the political landscape of the country/sectors concerned (Schakel *et al.*, 2010, p.48). They should also be clearly focused in terms of what the purpose of the PEA is and who will utilise it (Williams and Copestake 2011).

PEAs are therefore becoming more widely and commonly employed by development agencies. They are used in a variety of ways and to many different ends. PEAs are however constrained in the focus of their analyses by factors which shape not only PEAs but also the engagement of development agencies with the politics of development more generally. These, limitations, centre on operational requirements (such as spending planned aid budgets on time and in three-year project cycles) and the general shift to more narrowly focused analyses reflects a concern with ensuring the operational relevance of these exercises. They are also usually focussed on the political landscape of the recipient country and less concerned with the politics which shape their own context. The constraining factors of PEA reflect broader confines of the tricky terrain of the relationship of development as a practice to politics - these are explored in the following sections.

### **How to do a PEA? The lessons learnt about process**

The procedure and process of conducting a PEA is fraught with a number of difficulties widely discussed in the literature on PEA, which has tended to be evaluations of precisely such issues to offer guidance for doing PEA better. Many of these assessments of the PEA process highlight similar issues and prescribe comparable 'best practice' solutions (see for example, Moen and Eriksen, 2010, p.21; DFID, 2009). The commonalities across these different evaluations of PEAs centre on five elements of best practice:

- Expertise
- Ownership
- Purpose
- Timing
- Partner government involvement

The levels of expertise required to produce a top quality and credible PEA are very high. Consultants need to have a strong grasp of political theory, a detailed and up-to-date understanding of the local context as well as a thorough knowledge of the organisational structures and reporting requirements of development agencies. Therefore, development agencies commonly find that when they choose to commission PEA to outside consultants they are competing for the same handful of specialists. Many assessments of PEA are clear that whilst local consultants, locally-based development agency staff and other consultants can successfully undertake PEAs their level of local knowledge needs to be high for these to be successful (Dahl-Østergaard *et al.*, 2005, p.22; DFID, 2009, p.21). Furthermore there are distinct advantages to local researchers undertaking the PEA, as it builds local capacity for evaluation and discussion (SIDA, 2006, p.20). They also need to be suitably skilled and experienced as they will need to produce robust research findings (DFID, 2009). Leftwich's thorough review of DFID's Drivers of Change initiative highlighted the variability of the rigour of the analyses and the substance of the approach even within one scheme (Leftwich, 2006).

As well as concerns about the knowledge and skills of those undertaking PEAs, there are other concerns about who is involved in the process and the relationship between those undertaking the PEA, those who have commissioned it and those who will utilise its findings. Many 'how to' publications emphasise the importance of a sense of ownership by all involved (Poole, 2011). The internal dynamics of development agencies with divisions between head and country offices and the frequent involvement of external consultants in this process can result in key staff not fully buying into the process. Both senior management and field staff with vital expertise and experience need to feel engaged and have a sense of ownership over the PEA process, especially at the beginning and end, for the best results (SIDA, 2006; DFID 2009; Beuran *et al.*, 2011). This creation of ownership can be assisted by getting other aspects 'right' such as a clear purpose and the right timing.

A clear definition of the purpose of a PEA is seen as vital for the success of the process, as it ensures that the outputs are clearly focused and also facilitates the 'buy in' of staff (SIDA, 2006, p.20). As discussed below there is sometimes a disconnect between the expectations of PEAs and what they can achieve: a good clear definition of the purpose of the PEA assists in reducing over-expectations. Part of this clarity about the purpose of the PEA is identifying the audience for the PEA, and incorporating them and their concerns into the process (Dahl-Østergaard *et al.*, 2005, p.23; DFID, 2009; p.20). The initial DFID Drivers of Change studies were seen by many DFID field staff to be useful at a contextual level but to have little direct relevance to programme planning. These reflections have led many development agencies and those who have conducted evaluations of PEA to judge that the sharper the focus the better the outcome, hence the emergence of a preference for sectoral or problem-based approaches with a narrower focus.

In line with this DFID's guidance states that a PEA exercise 'is likely to be most useful if it is clearly connected to a specific process or activity, (DFID, 2009; p.20). This advice to connect the undertaking of a PEA with other processes means that the timing of the PEA is also significant so that it can feed in at points which fit programme and project planning timetables. PEAs can be used to inform the design of a project but they have to be undertaken early enough for this to be feasible (Poole, 2011). It is therefore useful to consider what planning processes and decision points the PEA would endeavour to influence before it is commissioned. These tight timetables can mean that first choice consultants cannot always be brought in and so 'second teams' are assembled and are pressured to produce reports beyond their expertise (Hulme's observations).

Aid recipient government's sensitivities over the assessment which the development agency is making of their political structures, institutions and relationships are an important factor in the consideration of how far analyses can be disseminated. The availability of PEA reports thus varies greatly based on the perceptions of the sensitivities around their findings. For example, at the World Bank some PEA reports are classed as 'deliberative documents' and are thus not publically available. Some PEA approaches try to work closely with the government of the country which the analysis is concerned with: DFID highlights that there are tradeoffs involved in working closely with the government. Gains are made around openness, transparency and building relationships with the government concerned (DFID, 2009; Dahl-Østergaard *et al.*, 2005). But equally the sensitivity of the information can undermine development agency-government relationships, if openly discussed. PEAs will often produce information that recipient governments will reject and that will damage development partner relationships, for example, when a PEA states that many ministers are taking bribes (everyone may know this but no donor/IDA can say it in public and expect to maintain constructive relations with a government). Open knowledge of agencies support can also be damaging in terms of undermining local credibility of movements or alerting opposing forces.<sup>5</sup> DFID's advise is that the level of engagement with governments around PEA should be taken on a case-by-case basis (DFID, 2009, p. 22).

One of the key lessons to emerge out of the discussions about how best to conduct a PEA, is that it is often not the recommendations of the analysis as such which are important but the organisational cultural shifts that accompany it. Dynamic engagement of development agency staff around politics may well be one of the most positive outcomes of the last decade of evolving PEA approaches. Many of the reports on PEA highlight that the internal agency cultural shift as being one of the most important elements for the success of PEAs (AusAID, 2010, p. 16), and also one of the most significant outcomes of this approach. The process is in many ways seen to be as important as the final product (SIDA, 2006). That this cultural shift within agencies has been seen as the most valuable outcome has led some to argue that perhaps it would be beneficial to move from reports and tools towards a more organic engaged culture of analysis (Slotin *et al.*, 2010, p.19; Williams and Copestake, 2011).

This raises the question of whether the production of reports by specialist consultants, which are used to inform donor/IDA negotiations, is entirely the wrong modality. Might there be a better alternative, such as donor/IDA staff in the field directly deepening their understanding of the political economy of development in 'their country', be more

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<sup>5</sup> The authors know of at least one example where the commissioning of a PEA alerted bureaucrats opposing a policy reform and helped to strengthen a blocking coalition – PEA's can also inform those who oppose progressive policy change.

effective? Might it be that PEA knowledge is best gained and applied within the development partner, not by consultants' reports but by its staff developing relationships with key actors (ministers, senior civil servants, business leaders) and national analysts (think tanks, academics, media) that they can apply to their own thinking and negotiating?

Although of course the consultants' outsider view may also be clearer and have different advantages. The recognition of the importance of dynamism goes some way towards shifting development agencies approach from 'mechanistic intervention' towards 'organic intervention', yet as Williams and Copestake (2011) highlight for this to fully take place, '...requires [a] more explicit discussion of the politics of who conducts a PEA, for whom and how. In short, and somewhat ironically the political implications of PEA often remain inadequately conceptualised'. The following sections explore the political contexts in which development agencies operate and the impacts that these have for them to fully take on PEA and/or overtly undertake more political interventions.

### **The challenges of engaging with development as politics: Things which cannot be said and things which cannot be done**

'To many interested observers outside the development community, the proposition that development challenges are fundamentally political seems obvious' (Unsworth, 2008, p.4).

There are a number of disconnects in the way in which the political nature of development is presented and understood. There are in short some things which cannot or at least are not said or which can be said as a general point but which cannot be implemented in specific cases. These disconnects arise due to a number of interrelated factors: there are constraints which arise out of the institutional incentives of development agencies (Wild and Foresti, 2011b, p.10). Connected to these is the imperative to receive backing for development activities from governments, voters and contributors.<sup>6</sup> There is also the issue of what can and cannot be said within the context of retaining and building the necessary partnerships with the state concerned (Chhotray and Hulme, 2009, p. 41). Finally, the legitimacy of development interventions often hangs on the perception of them as somehow politically neutral, technical, but highly beneficial interventions. These elements of, and limitations to, the ways in which development agencies can engage with politics place constraints on what PEA can achieve, many of these issues being much broader than any set of analyses can be expected to deal with.

#### *Domestic Political Concerns: Accountability to 'home' politicians, voters and taxpayers*

Whilst bilateral donors present foreign aid as being allocated to achieve developmental goals it is also often programmed to achieve goals which are essentially about domestic political gains, foreign policy and commercial interests (Lancaster, 2007). As discussed earlier, this was clearly the case in many instances during the Cold War with substantial

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<sup>6</sup> A classic illustration concerns anti-malarial bed nets. These are presented to donor country voters as 'more aid... more bed nets... fewer child deaths'. The more complex discussions about whether to use NGOs or Ministries of Health for delivery, are local bureaucrats or elites selling the 'free' bed nets', etc., are avoided in public discussion.

allocations of aid to despots, dictators and invidious regimes to keep them pro-Western and it continues through to today (for example, the continuing support offered to Pakistan because of its geo-political significance despite its failure to use aid effectively). Foreign aid flows to the Middle East and North Africa region can be better explained in terms of geo-politics than country need and/or aid effectiveness (Harrigan, 2011; Harrigan *et al.*, 2006). There can also be more ephemeral domestic political gains for politicians in donor countries, where politicians themselves are relieved by the absence of overt politics and feel that they are able just to 'do good' (see Gallagher, 2009). Sometimes strong commitment to international development can also be an election boon for political parties in donor countries. Despite the complicated interlinked set of political goals, for many bilateral development agencies political analysis is usually framed as something to be applied to recipients but not to donors nor to recipient-donor relations. This is in part due to the challenges that this analysis may raise but is also about the fact that the 'problem' politics which need to be addressed is usually viewed to lie in recipient countries.

There are political drivers which constrain donors' actions that operate not within the regions and states on which PEAs are usually conducted but in the states and societies from which donors receive their support and remit. The impact of the political context of the donor country on methods of engagement with development and political analysis is highlighted by Chhotray and Hulme (2009) in their comparison of the US Millennium Challenge Account and the British Drivers of Change. The influence of the political landscape of donor countries is important as it shapes what development interventions take place and what 'evidence' the development sector is able to act on. While the empirical record reveals that there is not a simple and positive relationship between democracy and development (Moore, 1994) the pretence that all good things come together (economic growth, poverty reduction, zero-corruption, zero-violence and democracy) informs most OECD country aid policies. The evidence that governments can be non-democratic and deliver growth and poverty reduction (e.g. China) or can shift from authoritarianism to democracy and not deliver development (e.g. Malawi) is inconvenient and so is often ignored. We may live in an era of evidence-based aid policies but democratic ideology trumps evidence much of the time.

The politics of donors' actions, rather than the politics of the 'receiving state', is more difficult for donors to engage with because of how they understand their role and, perhaps just as importantly, how their role is understood by 'the public' and by politicians. Gallagher (2009) highlights that in the UK under the Blair government Africa was idealised in particular ways. Tony Blair differentiated his approach to Africa from 'difficult politics', as Africa was seen as an area in which the activities undertaken could be seen to be 'good' rather than 'political' (Gallagher, 2009, p.436). This idealisation can be seen to be present in a broad section of politicians and 'the public' whom both desire and assume that development interventions are apolitically 'good'. This imagery of development requires an optimistic story to be told to the taxpayer (Unsworth, 2009, p.890). Ambitious rhetoric of transformative change and simple but clear messages of possible change are important to pull in political support in the country from which the donor / development agency hails. They are also important in reinforcing the imaginary of development intervention as an apolitical good. It is in part this belief in the good of development, in part resting in its neutral/apolitical status, which means analyses which highlight the political nature of a development intervention often are (or are assumed to be) criticisms of that practice.

This is not to say that an engagement with development which takes certain moral and political stances is bad (in fact it is inevitable). Rather it is that the discussion about the political decisions and consequences involved in development interventions is framed in a discourse which too often sees development as mechanical in terms of examining the evidence (diagnosing the problem), and devising the *right* strategies. A technical managerial expert approach then acts to depoliticise actions in such a way that development agencies are less at risk of being accused of intervention in another countries affairs (Duncan and Williams, 2010, p.17). This seeming blindness to certain pieces of evidence emerges, in part, out of the need to 'sell' development interventions to home audiences (governments and publics) which creates an institutional and political necessity for a simple narrative which allows optimistic action to be undertaken (Unsworth, 2009; Duncan and Williams, 2010). In other words, whilst development interventions are in many senses political interventions, in that they are frequently about reshaping social and economic behaviours and outcomes, their very legitimacy rests on the perception of their neutrality and their simple 'common sense'.

This raises significant challenges for development agencies to be able to act in ways which overtly engage with what are seen as political concerns as this both makes the story complex and morally grey and undermines their expert neutrality. A disconnect can then often emerge between what development agency staff and western politicians *know* and what they can say in public, as admitting that the answers do not come easily to hand is seen as confessing no good can be done. This can result in a public rhetoric which is at odds with 'in house' knowledge and the conveying of the nuanced understanding possessed by these agencies in broad emotive brush strokes. There is generally a tacit acceptance of this divergence, although some scholars and practitioners argue that this imperative for a simple narrative should be challenged and contend that scholars and practitioners should become better at communicating these complexities to a wider public (Wild and Foresti, 2011a, p.21). There is also a divergence between what can be said in general about politics and what can be engaged with in the specific. Highlighting the political nature of development at the general level is therefore, less challenging than acting in ways which act in line with certain political interests and against others operationally. Thus, there enters a disconnection between 'the rhetoric about politics and the mainstream operational agenda.' (Unsworth, 2009, p.884).

#### *How Politics is Conceived: The difficulty of utilising the problem as a solution*

Why do those 'doing' development struggle to address their own political nature directly? Part of the problem is that politics is often viewed as an obstacle to achieving development rather than integral to development (Unsworth, 2009, p.888). It is often seen as a force which scuppers perfectly well thought out development projects or programmes which could/would have been implemented successfully if political factors had not intervened. Within the good governance discussions the rhetoric seems to be about getting politics 'out of the way' in terms of functioning in such a way that it doesn't interfere too much with the implementation of the good ends - so that the technical approaches can be implemented smoothly rather than about engaging fully with politics. There is a constant drive for solutions to be found and the highlighting of the political nature of development problems are ironically often accompanied by calls for technical solutions to these difficulties - hence good governance. Which in one neat move highlights the political nature of development and swiftly subsumes it back within the

more comfortable realm of technical interventions, just governance focused ones. So whilst it is acknowledged that politics matters, solutions are often frequently couched as technical, in part, because they have to be palatable to donors, recipients and to the sources of finance for these endeavours – i.e. tax payers or donation givers.

PEA approaches have in part been about development agencies moving beyond this to try and grapple with politics rather than merely view it as the force which undoes their hard work (Williams and Copestake, 2011, p.9). To an extent the perspective has recently shifted away from politics as purely a problem, with PEAs encouraging the examination of opportunities for future positive change as well as possible problems with, or threats to, possible development interventions. PEAs embody an acceptance of the reality of the political economic relations and structures of a recipient country shape the landscape in such a way that opens up the potential for certain kinds of successful interventions but forecloses others. PEAs thus assist to establish what political and economic structures are present within a recipient state. They also move away to an extent from an approach which centres on trying to move countries towards the adoption of institutional forms and practices familiar from the west, concentrating on what is lacking towards a more pragmatic approach examining what is present and what can be 'worked with' (Duncan and Williams, 2010, p.5).

This more pragmatic approach concentrating on the feasibility of interventions is in some ways very welcome, in terms of development agencies getting to grips with the limitations of their interventions (Dahl-Østergaard *et al.*, 2005). Politics is, in our understanding, about much more than feasibility, yet it is in danger of becoming used in such a manner within a development context as illustrated in recent work by Ohno and Ohno,

'Here, the politics of development refers broadly to what *can be done* under the political landscape of the country as well as the administrative capacity of the government, whereas the economics of development refers to what *should be done* in terms of policy content to move the economy to higher level given its initial conditions.' (Ohno and Ohno, 2012, p.225).

Whilst Ohno and Ohno are not writing on PEA this understanding of the role of politics as feasibility - what can be done - does seem dominant in much of the PEA literature. This is not surprising given PEAs' link to concerns with aid effectiveness (AusAID, 2010, p.1). In contrast to this understanding of politics, we suggest that politics has always been about the contestation and the negotiation of what '*should be done*' and what is done. In PEAs the concern is particularly for the politics of resources and how resources are used and distributed. Evaluations of the current political and economic structures and relationships which govern the use and distribution of resources are therefore important for understanding possible opportunities and threats for development agencies. However, this does not constitute a full engagement with the politics of development but rather a narrowing of a political gaze to focus only on feasibility and capacity. This trend has been part of a broader move towards 'good enough governance' and 'best fit', which has involved an abandonment as unworkable prescriptions for wide ranging governance reforms that produce 'best practice' and replacing them with a more pragmatic shift towards making the gains that are possible or feasible (Hout, 2012, p.415-16; cf. Grindle, 2007; and Booth, 2011). In addition, as the quote from Ohno and Ohno demonstrates, this concern with feasibility rests on an assumption that there are some answers to what *should be done* that development

agencies have but merely struggle to implement falling back again on the assumption of politics as 'scuppering' force.

*The Allure of the Technical: The need for answers and action*

James Ferguson's *The Anti-Politics Machine: 'Development,' Depoliticization and Bureaucratic Power in Lesotho* was first published in the early 1990s and some academics and practitioners regard its observations as outdated due to the attention that has been paid subsequently to the role of politics in development – embodied by PEA (comments made at a conference to Routley). It is true, as is highlighted above, that in recent years many donors and others have started to see politics as a vital element of getting development right. The advent of PEA has been precisely about development agencies undertaking to engage with politics and use political analysis to inform their planning and practice. There is a tension, however, which means that whilst development agencies may have come a long way in terms of the attention paid to politics since 1990, they struggle to avoid a number of the pitfalls highlighted within the book. This is not through ignorance of the significance of politics or out of 'bad practice' rather it is about the inherent and in many senses organisationally necessary dynamics of how development agencies do their jobs (Hout, 2012). In this section we highlight why this technical approach is the default and why it is difficult for development agencies to move away from. In many ways it rests on the imperatives of donors, which require an 'actionable strategy' (Chhotray and Hulme, 2009, p.45).

Bilateral donors and multi-lateral agencies want in many senses this 'political' uncertainty to be removed from the decisions they have to make. They, in many senses laudably, want to 'know' that what they are doing is the 'right' thing to do – they would like them to be made knowable, or technical or what Edkins calls technologization (Edkins, 2000). The anti-politics machine is for Ferguson the 'suspension of politics from even the most sensitive political operations' – the rendering of them as technical matters (Ferguson, 1994, p.256). Technical, in terms that they are lessons that are broadly applicable or which claim to understand something as a system that can thus be changed or manipulated through this knowledge, something where the outcomes are knowable. The technocratic approach is in many senses about de-contextualisation, considering events as a type of event, to which a set of technical tools or approaches can be, applied (Edkins, 2000). There are significant institutional drivers for solutions to be broadly applicable rather than overtly specific (Wild and Foresti, 2011b, p.10).

Politics as feasibility (discussed above) lends itself to technical approaches in which PEAs can become part of the assessment of the most appropriate techniques to employ. These are not necessarily elements that are thought of as 'technical' within the development world but rather they are the ways in which development agencies as bureaucratic managerial organisations comprised of experts desire to be able to manage politics. This is not to deny PEAs are in many senses a shift away from a focus solely on the formal institutional apparatus to the informal power relationships, this in many senses has been one of their major contributions (Hout, 2012). Rather, it is to highlight how PEAs try to convert the messy knowledge of these informal processes into a comprehensible factor that can be incorporated into their development delivery systems.

The institutional context is a vital element in how knowledge is selectively drawn upon and 'development knowledge must meet operational requirements' (Tamas, 2007, p.904; cf. Ferguson, 1994, p.67). The broader implications of this operational focus are

however for Ferguson more problematic. He points out that those who produced the picture of Lesotho that he argues is so flawed not because those producing the documents were ignorant of these excluded elements (such as the migrant labour basis of the Lesotho economy) but that 'they would find their analyses quickly dismissed and discarded as useless, *as indeed they would be*' (Ferguson, 1994, p.68 our emphasis). The documents which informed the World Bank project in Lesotho were designed precisely to do that task. There is an operational imperative which the authors were aware of and very sensibly tailored their report towards.

'An academic analysis is of no use to a 'development' agency unless it provides a place for the agency to plug itself in, unless it provides a charter for the sort of intervention that the agency is set up to do' (Ferguson, 1994, p.68-9).

It is not an ignorance of politics that leads to Ferguson discussing the institutions and practices of development as an 'anti-politics machine', rather than the fact that they are unable to engage/manage these kinds of knowledge. This has two implications for PEA: the first is the ways in which PEA approaches and outputs come to be shaped by these requirements;

'Despite the attempt to discuss governance in politically sophisticated terms, many DOC [Drivers of Change] studies offer a highly instrumental and technical reading of socio-politics in terms of structures of incentives to manipulate. This reflects the underlying imperative for DFID to find an actionable strategy within the messy world of domestic politics.' (Chhotray and Hulme, 2009, p.45).

The second is that PEAs have often been seen as useless for development agencies which are unable to apply their findings and develop policies out of them. This has led, Hout argues, to both DFID's Drivers of Change approach and Dutch Strategic Governance and Corruption Analysis falling out of favour (Hout, 2012). The irony is then that Ferguson's book has been seen as part of a critique of development agencies inability to 'get to grips with politics' to which PEA was in part a response. Yet, it has resulted in the production of the types of analyses that Ferguson said would be useless to development agencies and agencies have indeed seen them as useless - unless they have been able to provide a place for the agency to 'plug itself in' (Ferguson, 1994, p.69). This is not to say that there has been no shift at all since 1994. There has been a notable willingness to innovate a desire not only to require analyses that constitute a charter for interventions that the agencies are already set up to do, as Ferguson argued, but also to explore interventions that they *could* do. (One of the most frequently cited examples of this innovation is the roads project in Uganda that emerged out of the PEA conducted by Booth and Golooba-Mutebi, 2009). However, this is necessarily limited by the technical expert nature of development agencies, which still require PEA analyses to provide some way in which they can 'plug themselves in', even if they are now open to more innovative ones.

What development agencies have done and do has always been highly political, but development agencies continue to see themselves as experts not as political actors (even when they consider themselves politically savvy) (Hout, 2012). There are strong reasons for this and this is something PEA cannot and perhaps was never expected to resolve. Nevertheless, it is a key constraint on the purchase of these analyses within development agencies.

## **The Value of PEA: Expectations and outcomes**

Where does this leave political analysis undertaken by and for donors? There is an ever present danger that the shift to political analysis will slip back into a technical frame and the analyses conducted will tailor themselves to the operational imperatives of the donors. This would combat the frequent failure of PEA for donors, in terms of its lack of policy outcomes (DFID, 2009, p.10; Wild and Foresti, 2011a, p.vii; Williams and Copestake, 2011, p.10). Reflecting the desire of most development agencies is for political analysis to provide answers, preferably which can be applied in a number of circumstances. In part it is this which has led to the emergence of a more sectoral/problem-based approach to PEAs, as these are seen to result in more practical and useful information about possible interventions (Wild and Foresti, 2011a, p.19, Schakel *et al.*, 2010, p.47). For example Del McCluskey (2011) argues that they have been significant in assisting in the identification of opportunities for action around sanitation in the Philippines.<sup>7 8</sup>

This provision of answers is in danger, however, of re-rendering the interventions technical rather than political - providing options that remove the responsibility for, or at least feel like they justify, decisions. This would undermine many of the gains from the shift to political analysis, as it would make them into another procedural part of the process of report writing or planning. As such they would lose their potential to highlight key elements which donors may not be able to 'do' anything about but which provide essential contextualising elements: in other words, the kind of factors which PEAs could capture but other forms of donor's analysis would miss. In short there is a real dilemma for development agencies wishing to produce PEAs: if you produce, or commission, general political analysis it may have little practical policy relevance. However, if you tailor political analysis or leave elements of politics to one side then you run the risk of producing an image of the issues and context that is skewed and perhaps provides 'problems for solutions', rather than grappling with messy, contingent, politics.

One of the key strengths of PEA, however, is precisely that it does highlight that development is a political not a purely technical process. Whilst PEA may not avoid the pitfalls of turning political issues into technical ones it does not mean that PEA does not have value or that it has had no impact. Political analyses often signal a shift towards incremental progress and a more limited vision of what can be achieved often highlighting the need to partner with and negotiate with key agents within the domestic political context. Examples of how and where PEA has been useful frequently cite the most valuable outcome being the ability to focus energy where progress can be achieved and moving away from areas where there is little prospect of progress (DFID 2009, pp.15-19). The outcomes of DFID Drivers of Change analyses have thus often been to focus on a narrower number of policy areas in which the analysis indicates their influence can be greater (see. Ng'ethe *et al.*, 2004). The examples given by DFID also underline a shift in relationships that emphasise working to influence local coalitions and groups in order to achieve positive change (DFID, 2009). PEAs undertaken in Nigeria

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<sup>7</sup> In the case examined by McCluskey the story ends with the identification of these possible opportunities. As will be discussed in the conclusion, more research needs to be done on whether the possible strategies identified by PEA processes are successful in achieving the desired ends.

<sup>8</sup> Recent interviews conducted by ESID with IDA governance advisors in Africa, as part of the research emerging out of this review, also talk of PEA moving away from 'blocking' programmes to them helping planners analyse programme risks much more effectively.

and Bangladesh have led to considering a broader range of opportunities to effect progressive change in part through engagement with a more diverse set of organisations (Duncan and Williams, 2010, pp.13-14, cf. Menocal, 2011, p.9). There has been a widening of the types of entry points and activities undertaken to achieve change, often involving supporting emerging coalitions for change (Duncan and Williams, 2010, p.14). As well as a welcome acknowledgement that changes may take place over a longer time scale (Wild and Foresti, 2011b, p.11). Despite the difficulties, reflective work analysing agencies own incentives and drivers and the impacts that these have have emerged (Ostrom *et al.*, 2001)

This identification of what can and what cannot be realistically achieved has been seen to be one of the key contributions of PEA (Williams and Copestake, 2011, p.2; Schakel *et al.*, 2010, p. 43, Duncan and Williams, 2010, p.14). Political analyses can often reveal 'how little is really known about how to promote progressive and sustainable change, and often highlights the limits of donor intervention' (Dahl-Østergaard *et al.*, 2005, p.25). This limitation to interventions and highlighting of the unknown (rather than the provision of actionable knowledge) which is often the outcome of PEAs is very challenging to donors as it goes against the grain of development agencies' culture and their institutional imperatives; 'The whole institutional ethos of development agencies is one of experts bringing solutions.' (Unsworth, 2009, p.890).

PEAs may therefore be problematic not only because their recommendations are imprecise and un-programmatically targeted (accusations often levelled at them) but also because they conflict with the pressures placed on donors. Accountability to taxpayers 'at home' means that donors struggle to fully implement the measures which PEA seems to highlight as necessary in terms of embracing a longer timeframe and working politically with political actors (Schakel *et al.*, 2010, p.47). These difficulties are in part about institutional structures wherein the need for results and accountability work against long-term interventions where the results may not be evident for some time (Beuran *et al.*, 2011, p.14). In addition these structures often separate staff from beneficiaries by a range of intermediaries who have incentives to frame the information they pass on in a particular, often positive way (Wild and Foresti, 2011a, p.10). As well as from the short periods which staff are in post overseas which mitigates against them acquiring in-depth country knowledge (Ibid cf. Wild and Foresti 2011a, p20). The future possibilities which emerge out of PEAs are often seen to be gloomier and offer an unwelcome antidote to donor optimism (Schakel *et al.*, 2010, p.48). The hurdles to implementing PEA outputs are therefore not only about researchers delineating the operational consequences of their findings but also about the fact that '...some of the most significant messages are ideologically challenging or otherwise difficult to apply' (Wild and Foresti, 2011b, p.10).

In essence, there needs to be in essence an acceptance that neither political analyses, nor anything else, can provide technical answers to political issues, but that these are things which necessarily involve contingency. There is also a need to manage expectations of what PEA is for and can achieve. As Alina Rocha Menocal puts it,

'PEA is a tool of analysis... it is not a magic bullet and cannot provide quick fixes or ready-made answers to what are complex development problems.'  
(Menocal, 2011, pp.7-8)

There has been some disenchantment with PEAs as they are perceived to have not achieved fully their promise of addressing governance weakness (Schakel *et al.*, 2010, p.42). This does not mean that political analysis is worthless, far from it. Development

professionals will continue to make decisions which rely heavily on their judgement and the more informed they are when they make them the better. One of the key benefits attributed to the PEAs which have been undertaken is the skilling and informing of new staff (Schakel *et al.*, 2010; Beuran *et al.*, 2011): although, the knowledge gathered will not remove the uncertainty from these decisions. The most valuable element of political analysis is perhaps that development professionals come to be aware that they are undertaking a political rather than a technical project and that the uncertainty cannot be removed. The question often asked of academics by development actors is 'What do I do on Monday in the office?' That question we think remains un-answerable but David Booth's suggested attitudinal change involving 'more humility and willingness to understand and respond flexibly', may assist in the process of development practitioners making decisions which rely on their judgement rather than the application of a technical solution (Booth, 2011, p.21). As Wild and Foresti argue organisational cultures can be altered<sup>9</sup> and changing these so that 'staffers are incentivised to understand country contexts and adopt more nuanced approaches – would be a first step' (Wild and Foresti, 2011a, p.22).

## **Conclusion**

It is now possible even *de rigueur* for development agencies to acknowledge that 'politics matters'. However, getting to grips with the fact that development *is politics* is more difficult for development agencies. Agencies still often understand their interventions in technical terms rather than the political actions they undoubtedly are. This can result in a rather narrow understanding of politics as feasibility. Politics as contestation is left out of agencies discourse as their very survival is predicated on them as institutions which do or at least attempt 'the right thing'. As Hughes and Hutchison put it:

'The donor literature retains these weak conceptions of politics precisely *because* they permit avoidance of the full implications of political analysis: namely the need to take sides politically in order to promote poverty reduction goals' (Hughes and Hutchison, 2012, p.30).

Moreover, even the goals are not neutral ground in practice even as they are easy to have as aspirations in the abstract - a phenomenon Abrahamsen discusses as seductiveness in relation to good governance (Abrahamsen, 2000). Development is beset by decisions which do not have 'correct' answers. Development involves acting across and within the tensions between, for example, environmental sustainability, economic growth and the livelihoods of the poorest, all of which are abstractly 'good' aims but which in practice perpetually conflict rather than being susceptible to the 'win-win' solutions demanded of development agencies. Thus, development actions taken are in practice highly contested, laden with value judgements, interests and ideology, they are in short political. The decisions involved in these actions are political precisely because they are decisions which have to be taken, but to which there is no 'right' answer – they are undecidable decisions - decisions where the outcome can never fully be known.

PEAs are far from un-useful exercises although their focus is undoubtedly constrained. At present donors/IDAs perceive them as being about the political economy of a

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<sup>9</sup> To an extent anyway.

recipient country and not about the political economy of the donor country and/or dominant political forces underpinning the operations of an IDA (Chhotray and Hulme, 2009). From a donor perspective, PEAs are about 'their politics' and not 'our' politics. But can a PEA genuinely assess the political context of a country without assessing the political economy of what development agencies and the political constituencies by whom they are mandated have been doing/are doing (c.f. Williams and Copestake, 2011)?

This does not mean that PEAs cannot deepen donor/IDA understanding of the political context of their activities and there are some concrete examples in the literature where these approaches have been useful and changed agencies' practice. There are, however, obstacles to the effective application of such knowledge. In particular, it is unclear how agencies can incorporate the long timeframes associated with progressive political change when their planning processes demand predictability and short timeframes (3 to 5 years).

Whilst there are some examples of PEAs having impact on policy and practice it is evident that research on PEA approaches is in its infancy as is to be expected of a new phenomenon. This means that relatively little is known about the performance of PEA (ie., whether the use of PEA tools has directly improved policy selection in the short or medium term). Whilst there are arguments and observations to be made about the limitations of PEAs in terms of the forms politics which they are able to analyse, much work needs to be done about what the effects of these activities have been in terms not only of changed policy and practice but changed outcomes. Whilst there is some information on the effects on development agencies, there is a dearth of evidence about the impact of PEA inspired policy and practice. Thus, a clear priority emerges for future ESID research. ***ESID needs to undertake a review of PEA inspired practices and policies and assess what is known about the results that have been achieved.*** Initially this will mean a study of a small number of agencies (probably DFID and the World Bank as they have conducted PEAs with a variety of tools over the last ten years) using available materials and interviewing key stakeholders about what was achieved and why. If successful, this initial work may lead to the commissioning of country case studies examining exactly what PEA was done in a country and gathering information on the impacts of such work.

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