AN ANALYTICAL FRAMEWORK FOR UNDERSTANDING THE POLITICAL ECONOMY OF SECTORS AND POLICY ARENAS

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1. OVERVIEW AND OUTLINE

Overview

This analytical framework provides a practical tool to guide DFID country office teams in designing and conducting analyses of the political economy of specific sectors and policy arenas. Political economy uses methods from economics, sociology and political science to understand how a country or a specific programme is managed and performs, and to understand the relationships between economic processes, political policies, and social institutions.

The framework aims specifically:

(a) To facilitate deeper understanding of 'local' sector/policy arenas and to provide 'broad' political explanations for ***how*** and ***why*** sectors differ within one national context;
(b) To offer more focused explanations for variations across and within sectors, including (i) how organisations - and the people who comprise them - function within different institutional contexts and (ii) how these interactions affect policymaking, policy implementation and policy outcomes;
(c) To facilitate independent analysis (of specific sectors), comparative analyses (across sectors) and a basis for analysing relations between the national and sub-national levels within the sector.
(d) To provide 'pointers' on how staff may use the analysis to reassess issues such as the appropriateness of certain interventions; policy content and timing; and whether there are new, even unconventional, spaces for engagement.
(e) To encourage staff to reflect, critically, on their own roles in the policy process.

Deep sector/policy analysis offers strategic advantages:

- It facilitates a better understanding of entry points, including how staff might utilise them:
    - Sector/policy analysis can help staff to better identify those issues that have local political traction, that are consistent with the DFID agenda and which the country office could support. It also helps staff to identify the tools that are most suitable to the context and which would, potentially, be the most effective for initiating change;
    - Sector/policy analysis allows staff to understand existing and potential barriers to the changes that the country office is striving to support, and to formulate optimal strategies.
- It helps staff to design appropriate incentives, which can have maximum impact on poverty and development outcomes.

Background to Framework

This framework for sector/policy analysis supports DFID's Drivers of Change approach. There has been growing recognition that effective development programmes must be grounded in an understanding of the economic, social, political and institutional factors that drive, or block, change within a specific country or region and that this requires thinking more strategically about change, and how to use aid effectively in support of change processes that will lead to better, and more sustained, outcomes for the poor. Consequently, the Drivers of Change approach was designed to help DFID and other

donors to gain a better understanding of how change occurs in the countries they work in, and how they can best support processes that are likely to benefit the poor.

The approach directs attention to the underlying and longer-term factors that affect the political and institutional environment for reform in different countries, as well as factors that more directly affect the incentives and capacity for change that are likely to benefit the poor. It requires that donors conduct sound contextual analysis and that they adopt a longer-term perspective, while at the same time looking for short and medium-term opportunities to support strategic change. Early Drivers of Change studies comprised broad, basic country studies. However, increasingly, country offices are seeking to conduct deeper analysis into specific themes or sectors.

The Scope of the Sectoral Framework

- The framework is ***not*** designed to promote a particular political or institutional objective. Rather, it is concerned, solely, with helping sector staff to better understand the contexts within which they work, and to use this knowledge to decide on important next steps (See (d) above). The framework does not, and cannot, define what these next steps ought to be.

- The framework is designed to have broad appeal and use; that is, to ***all*** sector staff. Consequently, there is emphasis on flexibility and simplicity. It does not, for example, prioritise some of the specific issues and concerns that may occupy 'governance' or 'social development' advisers, health or education sector specialists, one country expert or another. The framework reminds staff of issues that they need to consider in conducting political analyses of a sector and suggests how they might 'sequence' their analysis. As they conduct their own studies, it is expected that staff will prioritise or re-prioritise issues that they consider significant, given their contexts.

- The framework is not a prescriptive document: the suggested questions represent guides rather than blueprints. Similarly, the framework is not exhaustive. It suggests certain lines of thought, with the expectation that staff will supplement and modify as needed.

Outline

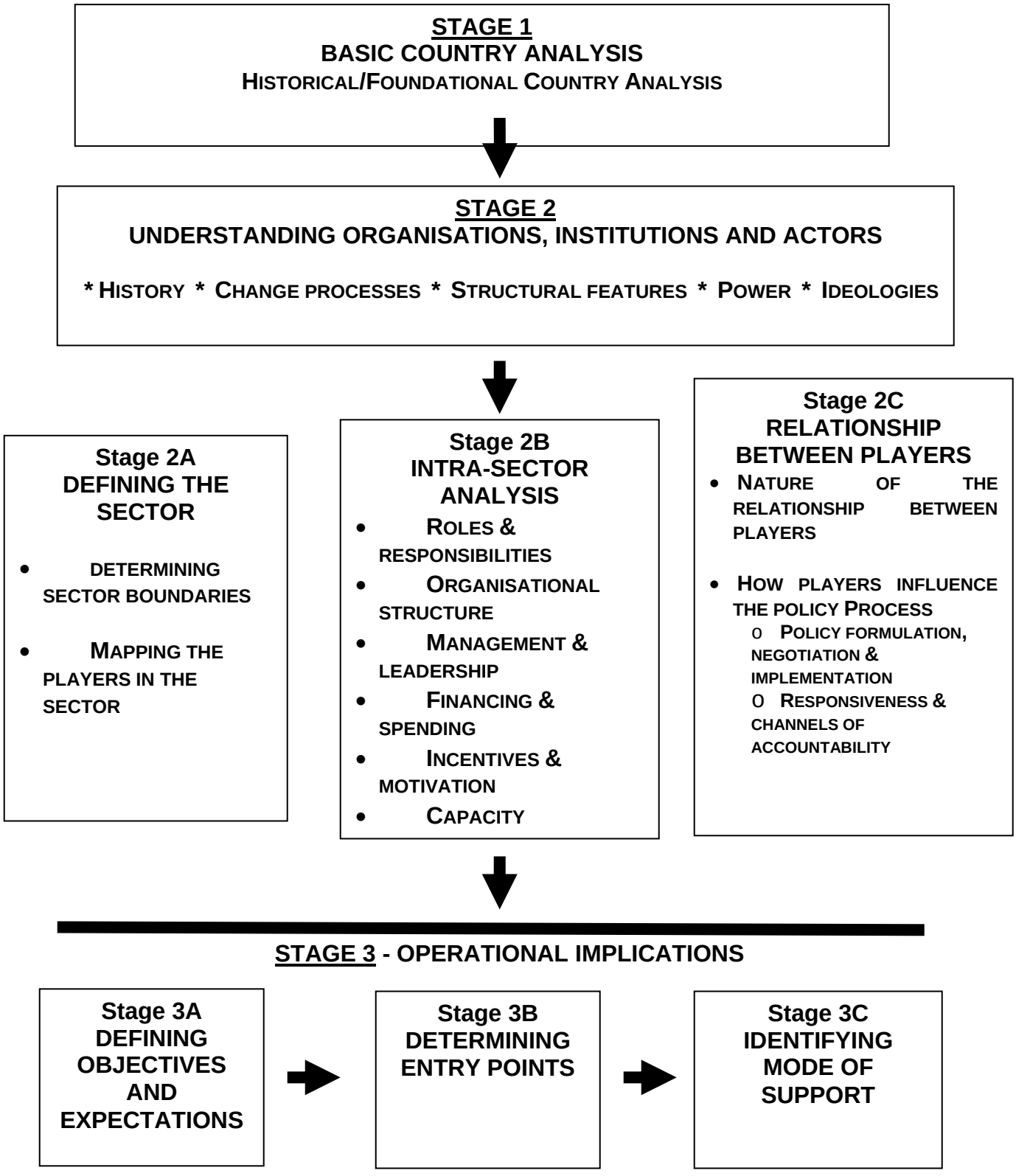
The framework is presented in three main parts. The following (second) section suggests guidelines for political analysis, drawing on a range of literature and previous work within and across sectors. The section recommends - and is itself divided into - three main stages of analysis: broad/foundational country study; an incisive investigation of organisations, institutions and actors; and operational implications. Section Three discusses some methodological considerations.

2 THE ANALYTICAL FRAMEWORK

The analytical process proposed in the framework broadly follows the three stages outlined in Figure 2.1 below. However, these should not be regarded as linear or discrete stages. As the analysis proceeds, staff will find it necessary to revisit, reassess and reinterpret earlier information. Additionally, some issues (such as mapping the players in

the sector or understanding how players influence the policy process) are best regarded as continuous activities.

Figure 2.1: Stages in Political Analysis



STAGE 1 – BASIC COUNTRY ANALYSIS

Much work has been done to help donors understand political systems, particularly to understand how different characteristics might influence policy. Moore's (2001) guide to assessing political systems (Types of Political Systems: A Practical Framework for DFID Staff) (See Textbox 2.1) and the Oxford Policy Management (2003) framework, were developed as part of the Nigeria Drivers of Change analysis, and provide useful starting points. Several DFID country offices have used the Moore and OPM models to guide initial broad country analyses; however, these are not mandatory methodologies and there is benefit in developing more specific tools for different objectives.

Mick Moore recommends three levels of analysis for mapping political systems: 'foundational' issues; institutionalisation; and government capacity and accountability

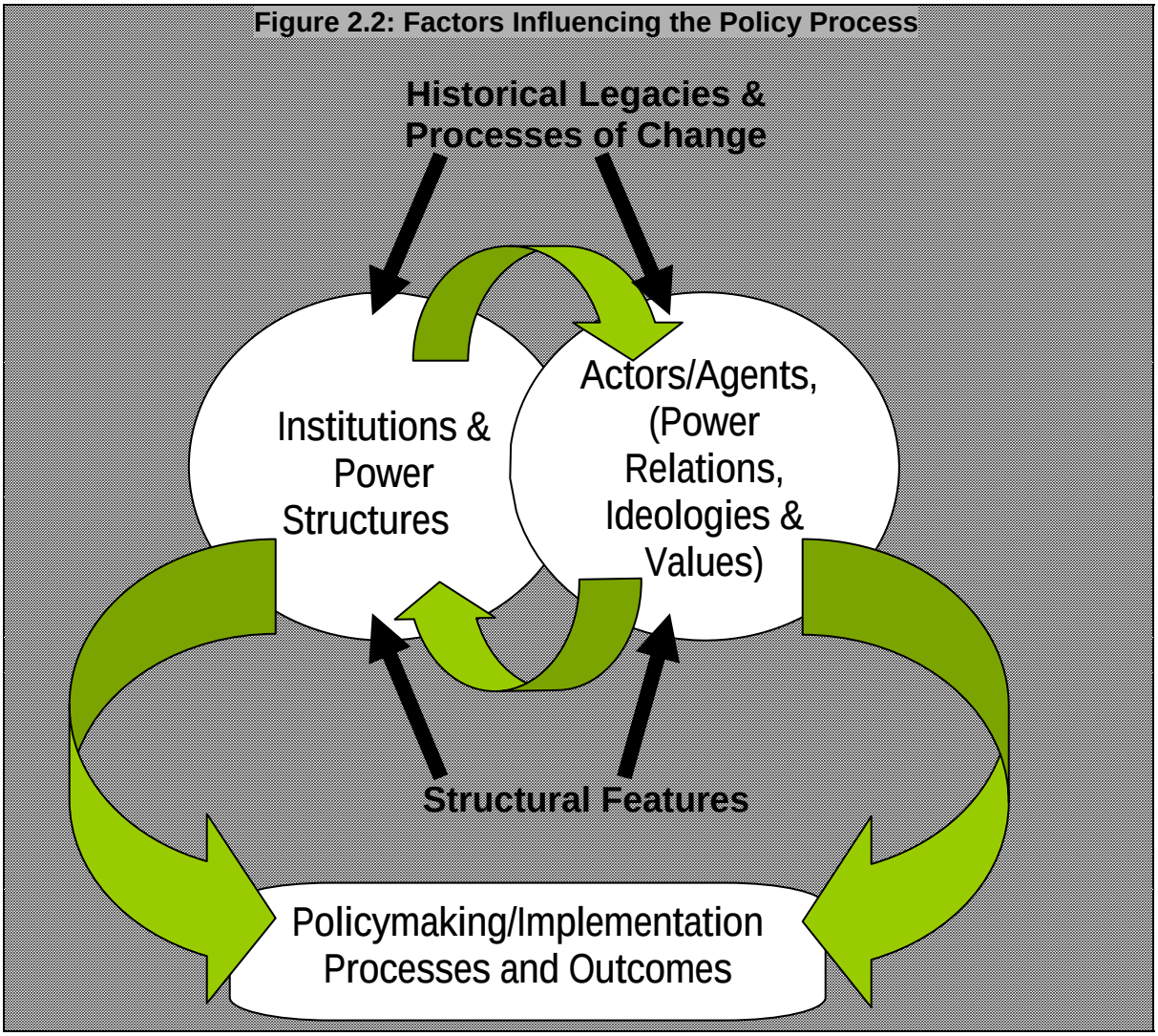
Textbox 2.1: Summary of Mick Moore's Framework for Analysing Types of Political Systems

FRAMEWORK FOR BASIC COUNTRY ANALYSIS	
	SELECTION OF CORE QUESTIONS
FOUNDATIONAL ISSUES:	
Territoriality and Geo-strategic Position	Does government control the territory? Do the justice and police systems function widely? Is the government able to levy taxes widely? How well does the government control its borders?
Resource Dependence	What are the main sources of income? To what extent is the government dependent on taxpayers?
Social Structure	What is the social composition (such as proletariat, middle class, ethnic groupings, influential public bureaucracy)?
Constitutionality	Does the government observe the law/constitution?
MEDIUM-TERM ISSUES: INSTITUTIONALISATION	How well institutionalized are the government apparatus, policymaking processess, political parties and civil society organisations? Is political competition 'civic' and open to a broad segment of people? How is power distributed across institutions, including the military, legislature, judiciary, public enterprises, the mass media, civil and uncivil society and religious organisations.
SHORT TERM ISSUES: GOVERNMENT CAPACITY AND ACCOUNTABILITY	Does government exercise authority over the bureaucracy, military, raising public revenue, and policymaking? Is government accountable to citizens and to different parts of the state apparatus?

The Moore framework emphasizes the importance of institutions for 'pro-poor' political change. Its premise is that it is in institutionalized and competitive, as opposed to patron-based, personalistic and less regularized, systems that people have the best prospects to have their interests heard, considered and represented. The OPM framework goes beyond differentiating political systems. In order to understand why political systems function the way they do, it analyses the inter-relations between institutions, 'agents' and structural factors (such as natural resource endowments; geographic and climatic factors; demographic patterns and changes; ethnic composition; the skills base; technologies; levels of economic development; structures of production, distribution and exchange; distribution of income and wealth).

This framework for sector and policy analysis starts with a broad/foundational country study. This first stage of the analysis is essential for situating the more specific sector studies properly in context. Figure 2.2 depicts the framework. Though it draws on Moore and OPM, this framework concentrates on how historical legacies, processes of change and structural features influence the relations between institutions and actors and, in turn, the policymaking and implementation process.

Figure 2.2: Factors Influencing the Policy Process



The Role of History: Historical legacies can have a strong and lasting effect on institutions, power structures and relations, ideologies and perceptions. Therefore, staff should explore the role of historical legacies, including perceptions of their legitimacy, assessments of their durability and the likely consequences for policy. Historical explanations may be rooted in a variety of variables, including ethnicity, religion, political and other allegiances, cultural norms; geographical differences; demographic patterns; and levels of development. Importantly, staff should resist pre-conceived notions of the role of history; history can have both positive and negative implications for change.

Institutions: Institutions help to define the standards and rules of operation and are crucial for analysis. Much of the literature presents a clear distinction between formal (rules and procedures) and informal (norms) institutions. However, while this may be analytically useful, the divisions are rarely that stark in practice. For example, patron-clientelist networks may be an important part of formal procedures and, as Textbox 2.2 demonstrates, formal rules and procedures can legitimise 'informal' norms that discriminate against particular groups.

Textbox 2.2 Historical Legacies and Power Relations in Ceres, South Africa

Du Toit's (2003) study of the chronic poor in Ceres, South Africa provides a good example of how historical legacies and power relations can persist despite institutional change. Ceres is located in the Western Cape of South Africa and is one of the centres for the deciduous fruit export industry. The author explains that slavery shaped social relations in the Cape and continues to have a lasting influence both on the elite group of farm owners and on the workers who depend on farm employment for survival. In the 18th century, the rural landowning class built and solidified its power through coercion, and through what DuToit describes as 'a discourse of mastery'. This discourse substantiated white right to rule and own and, conversely, black inferiority and destined servility. By seeking membership and visibility in local government and prominent white political parties, the elite solidified economic and political power, thereby entrenching their positions and reducing the space for contestation. The elite also secured power through other, more subtle, means, including controlling local agro-food and credit institutions, and using informal networks and family ties. This created a local landed elite with a subtle, but clearly marked, internal hierarchy dominated by the wealthy 'old money" of the descendants of the very first white settlers. This local elite made effective use of the opportunities and institutions created by Apartheid and its associated agricultural policies and, in particular, 'the institutional apparatus of regulated agriculture.' The history of slavery had lasting consequences on the black workers as well. Institutions and practices were paternalistic in nature and this bred a culture of dependence and servitude. Since 1994, the ANC government has attempted to reverse the regulations that protected white ownership and control. Following a neo-liberal framework, it deregulated the markets but regulated employment conditions, introducing the Agricultural Labour Act (1993), the Basic Conditions of Employment Act, the Labour Relations Act of 1995, the Extension of Tenure Security Act (1997), the Employment Equity Act (1998) and the Skills Development Act (1998) (DuToit, 2003:12). These measures have had mixed consequences. The white elites have lost political power and have had to face new economic risks, as protective regulations were discontinued. Conditions for skilled and permanent workers have improved and a few individuals have benefited from 'empowerment' initiatives. However, white workers have responded by shedding labour, increasing the proportion of temporary workers and reducing provisions such as housing. These seasonal/temporary workers subsist in conditions of chronic poverty. Despite labour regulations, market relationships are 'characterized by highly unequal power relationships'. Du Toit discovered that despite the institutional and political changes, the white elite has reorganized (one prominent family has replaced another) and still has a firm hold on economic power: The coming into power of a black majority government in South Africa has not signaled the end of white hegemony in the Ceres district or elsewhere in the rural Western Cape. (Source: J. Moncrieffe, Power Relations, Inequality and Poverty: A Concept Paper for the World Bank, 2004)

Processes of Change: Understanding the nature and dynamics of change and the direction of trends is important for placing a 'snap-shot' view -which a single analytical process can provide - in its proper context (see Textbox 2.3). Situating the analysis within an appreciation of the different temporal scales on which change takes place helps to give an understanding of whether events are the results of short-term fluctuations, crises or a small part of a longer term change, which may be directional or non-linear.

Textbox 2.3 Understanding Change: timing and crises

By expanding an analytical perspective to a variety of time scales, it is possible to examine periods of slow and fast change, covering both pro-poor and anti-poor policy regimes, within a given state. In some cases, policy directions result in dramatic but fragile changes, while in others -such as in Vietnam- there has been a two-stage change process (redistribution and state investment in human development followed by liberalisation-induced economic growth).

Periods that can be described as crisis points, in which the state faced economic and political threats, can also be viewed as important opportunities for policy change. For example, a crisis that threatens the survival of the regime can lead to beneficial reforms. In Indonesia, political crisis has provided an important opportunity to increase the voice of the poor. In other cases, such events may result in political instability and fragile changes. (Rosser, 2004)

Structural Features: Structural features help to define how institutions and actors operate. For example:

(i) *Demographic patterns and changes* - such as population growth, migration and urbanisation - can influence sector priorities, policy processes and outcomes. Resources may be concentrated in areas where there is most demand, and demand may vary with factors such as age or gender.

(ii) *Social identities and allegiances* - such as of ethnicity and religion - can help to shape perceptions and may influence how actors perceive and pursue objectives;

(iii) *The level of development* - including the level of infrastructure, technologies and markets - helps to determine the 'boundaries' within which the sector performs. Factors as diverse as organisational capacity, financial capacity, perceptions, ideologies, power structures and relations may reflect the country's economic, political and social status;

(iv) *The distribution of natural resources and climatic variation* help to define the boundaries within which actors and institutions operate. For example, where there are abundant natural resources and, as a consequence, substantial revenue raising powers, institutions and actors may be able to exercise more autonomy than those in areas that are dependent on redistribution from central tax revenues (see Textbox 2.4).

Textbox 2.4 The Geography of the Resource Base in Cambodia and Indonesia: political implications

The remoteness of many forest areas in Cambodia and Indonesia results in poor linkages with central administration and more direct contact with weakly regulated logging concessionaires and the military. In most cases it is only the frontline state administrators of the forestry administration that local people come into contact with. This results in a situation where the forest sector is an important regional constituency, often de-linked from the national level, but heavily influencing the direction which policy adaptations take (Shanks et al. 2004; Hughes and Conway, 2003).

Power and Interest Analysis: Power has an important role in policymaking and implementation. It is also important for explaining outcomes. Textboxes 2.2 (above) and 2.5 (below) provide examples of the link between power and policy.

Power is not only manifested in the overt manner described in Textbox 2.5; it can have a variety of features:

- `Power can be overt and coercive. The more powerful can use their positions to compel others to act in ways they would prefer not to.
- Power can be hidden and coercive. The more powerful can operate effectively from behind-the-scenes, influencing agendas and discourses. Further, coercive power can be embedded in formal and informal institutions, remaining hidden but effective.
- People may also use power in non-conflictual and non-coercive ways, building agreements in order to achieve desired outcomes.
- Power can be hidden and non-coercive. For example, power relations can be upheld unintentionally and even unconsciously, such as where groups both accept disadvantageous hierarchical arrangements and actively defend and uphold them' (Moncrieffe [2004a), Power Relations, Inequality and Poverty).

Power/political analysis is not content with how things appear on the surface. For example, we recognise that beneath the veneer of transparency, actors - including donors - may engage in deals to appease the more powerful. Behind-the-scenes political analysis is crucial for understanding how sectors and policymaking arenas *actually* function.

Textbox 2.5 Power Relations and Policy-making in Uganda

In Uganda, there has not been a zero-sum game between donors, the political directorate and core departments (principally the Ministry of Finance). The President is powerful, and though he is constrained by financial accountability to the donors, he has leverage to advance his own/his party's interests. The President also has substantial control over the Ministries, though there is some space for contestation. Uganda is well-favoured among the donors, who have developed 'partnership arrangements' with selected departments. Similarly, civil society groups are carefully selected and groomed, by both government and donor agencies, though with differing underlying motives and potentially conflicting outcomes. The donor approach to building civil society reflects the conventionally narrow perspective, which has a restricted conception of the political and concentrates on crafting, through substantial funding, a dynamic and visible (often always urban) sector, while ignoring the 'uncivil' and avoiding the unknown. It also reflects the Movement's policy, which entails allowing partial civil freedoms and minimising political contestation. Meanwhile, the less technical, less visible and less political organizations, including some with the closest connections to the poor, are excluded.

The balance of power at this macro level has allowed the most influential donors to establish and pursue certain economic priorities. These have, in cases, been tempered by government intervention or from contestation from other donors and 'civil society' groups. Poverty language is all-inclusive but poverty policies have concentrated on the progressive poor. Chronic poor groups and the destitute are marginalized. 'Opposition' MPs argue that the political system precludes satisfactory representation of the poor. The Movement - though now divided on this issue - believes that a party system would be more injurious to the poor, as it would capitalize on historical divisions (Moncrieffe, 2004b: Uganda's Political Economy).

There is ample evidence that historical legacies are affecting decentralisation and participation programmes, which did not adopt a sufficiently politicised approach. At all levels, there are substructures that sustain inequalities, discrimination, and norms and values that are inconsistent with ideals of fair access and equitable participation.
Source: J. Moncrieffe, Power Relations, Inequality and Poverty, 2004: 36

Ideologies and Values: The ideologies and values that people hold, influence and can even determine how they act. Ideologies and values can diverge widely within and across sector, and these variations can be significant for policy (see Textbox 2.6).

Textbox 2.6 Ideological Legacies and Policy Consequences: Vietnam

It is clear that ideological (socialist) legacies have helped to shape the trajectory of Vietnam's liberalisation. The communist government has been broadly pro-poor, seeking to legitimise itself in terms of its ability to produce economic growth and improve living standards. Since reunification in 1976, Vietnam has experienced unusually stable and coherent political leadership. However, over the last decade and a half, an ideological dichotomy has emerged between the introduction of an open economic management system and the conservative political system. This has resulted in structural tensions in the application and delivery of policies. In the debate over poverty, important questions have been raised about how to combine growth with equity; how to balance target-led approaches with broader equity-oriented policy solutions; and how to combine policies for growth with policies designed to address new forms of vulnerability that have arisen from liberalisation. What stated ideology means in terms of impact is another matter. In the early 1980s, Vietnamese party leaders were explicitly focused on policies that they *thought* were good for the poor; however, these policies failed to respond to the actual desires of the poor as ideological dogmatism and poor institutional channels prevented leaders from hearing and understanding popular discontent. Therefore, some would argue that Vietnam has improved both in effectiveness and responsiveness since the liberalisation of the economy, despite the decline in the explicit ideological priority assigned to the poor and to equality.

The foundational analysis should give staff a broad appreciation for historical legacies and change processes; structural features and their influence; key actors and their roles; formal and informal institutions, including the relationships between actors and institutions; the significance of ideologies, values and power relationships; key characteristics of the policymaking process and of sectors. Textbox 2.7 suggests a checklist for the foundational analysis and includes a brief selection of questions.

Textbox 2.7: Basic Historical/Foundational Country Information

FOUNDATIONAL ISSUES	See Moore Framework, Textbox 2.1 above and add questions such as: How do structural factors (such as natural resource endowments; geographic and climatic factors; demographic patterns and changes; ethnic composition; the skills base; technologies; levels of economic development; structures of production, distribution and exchange; distribution of income and wealth) affect (a) the varying types and quality of institutions (formal and informal); (b) the compositon and influence of key actors at national and sub-national levels?
INSTITUTIONALISATION	See Moore Framework, Textbox 2.1 and add questions such as: How do informal norms influence the types of formal institutions that exist in different areas? How has the relationship between informal and formal norms affected policy?
POWER BALANCE AND RELATIONS	See Moore Framework, Textbox 2.1 and add questions such as: How is power balanced between players - including international actors - and what are the policy consequences? How far are ordinary people able to influence government/policymaking channels and through what avenues? How do political traditions and practices vary by region, why, and with what consequences for power relations and policy?
IDEOLOGIES, VALUES, PERCEPTIONS	How do political ideologies affect the dominant narratives and ways of approaching public policy at both national and sub-national levels? What policy networks exist? What impact do they have on shaping perceptions of the poor?
CHARACTERISTICS OF THE POLICYMAKING PROCESS:	What are the rules that govern policymaking institutions? How well accepted are these rules? How do policymakers arrive at their decisions? How much latitude do horizontal state institutions and provincial/local governments have in making and shaping policy? Does latitude in policymaking and policy implementation vary by region/sector/provincial or local government? What are the reasons for these variations? How have levels of influence changed over time, and why?
SECTOR CHARACTERISTICS	What are the roles of the differing sectors? How important is each sector in national policy? How much influence do different sectors have in government and what is the historical basis for the differences? What have been the main policy trajectories within the sector? How have sector roles and levels of influence changed over time, and why? What have been the consequences for policymaking and implementation?

STAGE 2 - UNDERSTANDING ORGANISATIONS, INSTITUTIONS AND ACTORS

Stage 2 of the analysis focuses, much more closely, on understanding how institutions and actors interact and how their interactions influence policymaking and implementation processes. Building on the foundational stage, staff can examine institution-actor relationships through the lens of historical legacies, processes of change, structural factors, power relations and ideologies, values and perceptions.

This stage of the analysis should explain 'why' things are the way they are:

- Why are there differences across sectors?
- Why do organisations prioritise some policies over others?
- Why do different actors support or resist certain policy recommendations?

STAGE 2A - DEFINING THE SECTOR

One of the first objectives is to define the scope and boundaries of the sector. This is important because 'sectors' are not discrete entities. There are a range of actors and institutions - national, sub-national and international - that may influence policy processes and outcomes. Some sectors may have broader scope or boundaries than others. In addition, the scope and boundaries of the sector in one country are likely to differ from those in another country since boundaries are determined by variables as diverse as domestic policy priorities, international interest and influence, and local and national alliances.

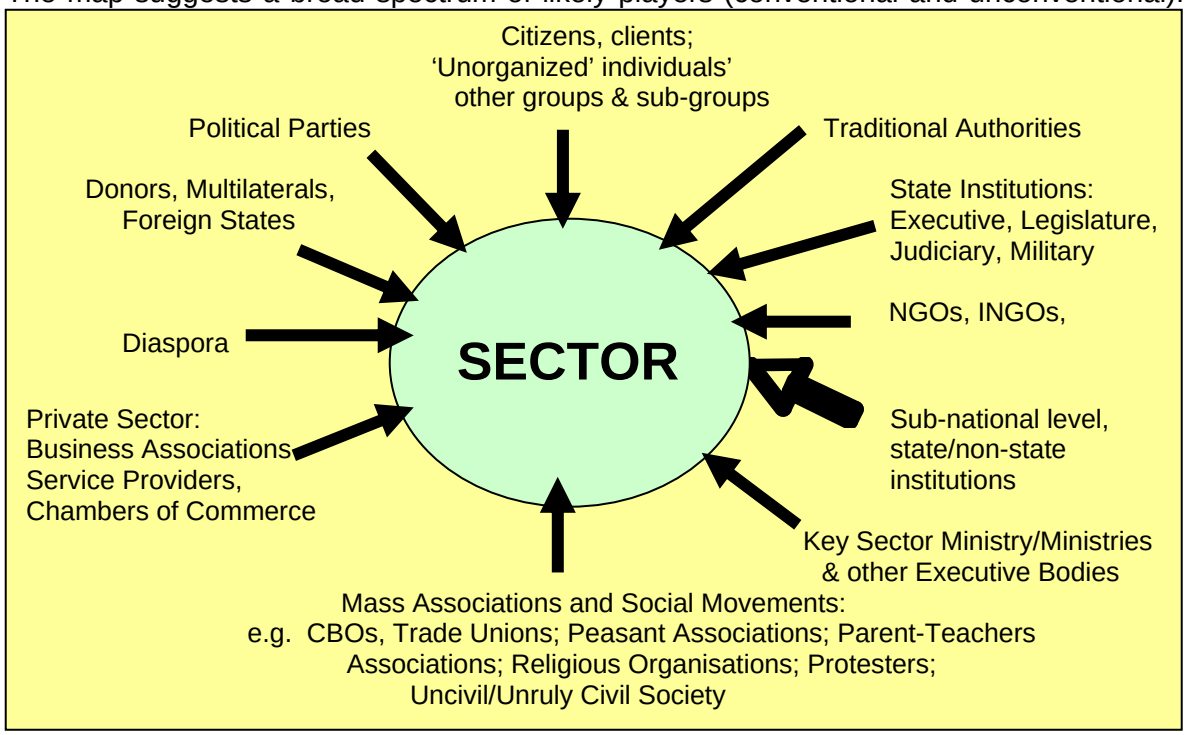
DFID staff are already familiar with mapping key players through methods such as stakeholder analysis. This framework encourages staff to go beyond the visible key players that stakeholder assessments tend to emphasise in order to analyse 'hidden relationships' and include actors who have, traditionally, received little attention. The framework suggests that these 'less prominent' relationships and actors may or can have more influence on policy than donors currently ascribe to them. Staff should aim to broaden and deepen their mapping of players beyond analyses of (a) institutions and actors at the national/centre levels to those at sub-national levels; (b) formal ministries to less organised structures; (c) arrangements and institutions that are considered 'acceptable or desirable' to those that may be less acceptable/desirable but 'legitimate' and/or influential in different contexts; (d) the known/familiar to the unknown. (See discussion in Textbox 3.1 below) Only this deeper and 'messier' approach to political analysis can reveal the real and potential blocks to policy as well as the new, unconventional but possibly effective opportunities and avenues for engagement.

Figure 2.3 provides a basic map of actors and institutions that may influence policy within a sector. It is not a comprehensive map; neither is it meant to suggest that all these players may be pertinent to all types and aspects of policymaking. First, the ***actual*** players in a sector may not reflect the range of organisations and actors described in the map. Much depends on factors such as the nature of the political system, including whether or not political parties are institutionalised; the level of control over mass associations; the (under) development of the private sector. Second, the players that may be significant for policymaking and implementation will vary depending on factors such as

historical and structural legacies with the country; special sector characteristics; the issue under consideration; and the stage of policymaking or implementation. For example, as Textbox 2.1 (above) suggests, in countries such as Uganda, where there is a tradition of strong presidential leadership, the political leader is an important player in many aspects of policymaking. Similarly, as Uganda is highly aid dependent, donors are influential, though to varying extents and in different areas. In less aid-dependent countries or in countries with less dominant authorities at the centre, the balance of power and consequences for policymaking are likely to differ, even considerably. Similarly, the map of relevant players will differ depending on the structure of government and the weight given to different parts of this structure. Thus, federal level institutions are more critical in some countries as opposed to others. Depending on the issue, some actors may/may not have a stake in policymaking and implementation. Further, players that may be relevant at various stages of policymaking may have less relevance during implementation.

Figure 2.3. Basic Map of Likely Players in a Sector

The map suggests a broad spectrum of likely players (conventional and unconventional).



Staff should expand and select as appropriate. They should also be aware that unlike stakeholder assessments, which are often restricted to project or policy inception, identifying players and relationships is best approached as a continuous rather than discrete preliminary phase of the analysis. Some important relationships may only emerge as the research proceeds.

Textbox 2.8 The Limits of 'Civil Society'

It is customary to include 'civil society' as an actor/stakeholder in sector policies and to define it as a group of viable and civic organisations that have the important role of working within the system to actively hold policymakers to account. In many of the most aid-dependent developing countries, donors and governments have had a strong role in creating this 'ideal' civil society. However, many political analysts emphasise that this sterile view often excludes a range of actors that may also have a stake in policies or that could provide 'unconventional' spaces for engagement, such as traditional chiefs and workers' unions. Additionally, there are distinctly 'uncivil'/'unruly civil' society groups that may have some influence in policy processes; behind-the-scenes political analysis should identify these.

STAGE 2B: INTRA-SECTOR ANALYSIS

Stage 1 suggests that among the factors that influence 'how' and 'why' things happen' within the sector are historical and structural legacies, the type and quality of the institutional framework, ideologies and perceptions, power distribution and power relations, leadership, capacity, the quality of management, interests and incentives. All these may vary and conflict within and across sectors, and between national and sub-national levels. For example, though there may be a state ideology that supports pro-poor policymaking, this may conflict with the dominant ideology within the forestry sector, particularly one that has its base of support within the landed elite. Consequently, forestry institutions may have low levels of accountability and responsiveness to the poor, as shown in the case study of Madhya Pradesh (Textbox 2.9 below). However, within any sector, ideologies and perceptions are likely to differ; therefore,; incisive and disaggregated analysis may reveal a variety of contending positions. These contending positions and differences in attitudes to the poor may mean that spaces for pro-poor dialogue and alliances may exist in one sub-department but not in another. The ability to translate these alliances into effective action is likely to depend on the power structure and power relations within the ministry/department and between sub-departments and stakeholders external to the ministry. ***Deep intra-sector analysis is crucial for identifying actual, and potential, blocks and entry points as well as for designing appropriate incentives*.**

Intra-sector analysis builds on findings from the broad foundational studies (See Textbox 2.7) and the mapping of players described in Stage 2A. As described in Textbox 2.7, foundational studies should have provided sound 'background' information on historical and structural features; levels of institutionalisation and the formal and informal norms that exist in different areas; power balance and relations, such as across differing levels of government; ideologies, values and perceptions, including how these influence dominant policy narratives; key characteristics of the policymaking process; and specific sector characteristics. Against this background, this stage of the analysis should deepen understanding of the actors/players within the sector.

Textbox 2.9: Contending Influences on Policy at the National and Sub-National Levels: Madhya Pradesh

Madhya Pradesh is well recognised as one of the Indian states that has adopted political decentralisation and that has been somewhat successful at devolving powers and resources to Panchayati Raj institutions and Gram Sabhas. Furthermore, Madhya Pradesh has improved social service provision through its rights based Education Guarantee and Healthy Life Services Guarantee schemes. Joshi (2003) notes that state leadership, particularly the highly personalised direction of its Chief Minister, Digvijay Singh, is central to these achievements.

Party Context: Prior to 1993, the Congress Party (CP) remained fairly dominant in politics. However, between 1993 and 2003, the BJP increased its presence, particularly through grass-roots campaigning. Therefore, policymaking now takes place within a highly politicised context; all policies are subject to scrutiny. Unlike the BJP, the Congress Party is not grass-roots based. In MP, the CP still comprises maharajas, landlords and large traders; these groups are involved in factional struggles. Chief Minister Digvijay Singh was selected to lead the party, as he was considered most amenable to the differing factions. However, this political fragmentation and competition has resulted in the escalation of caste and religion based politics.

Political-bureaucratic relations: The bureaucracy has wide-ranging powers and has used these to undermine the powers of those elected at the Gram Sabha and Panchayati Raj levels. The bureaucracy still dominates planning and implementation.

Civil society: Civil society is small and relatively weak, though associations are more prevalent in some regions than others. Few civil society organisations claim to speak on behalf of the poor. Some of the more influential NGOs were started by senior civil servants, who maintain close associations with the political machinery.

Leadership: The Chief Minister has a highly personalized leadership style, in which he draws on a range of opinions rather than advice from a select group. Though initially tentative, he had since pursued innovative pro-poor policies. In order to maintain the bureaucracy's support, he has engaged a group of young bureaucrats and given them the opportunities and space to innovate. However, he has also avoided the line ministries, through strengthening district administration and has attempted to circumvent incompetent frontline workers, through employing para-professionals and user groups at the grassroots.

Sector Differences and Policy Consequences: Joshi's comparison of the land, forestry and health sectors shows how different historical legacies and power relations affect current reforms. MP's highly unequal land distribution patterns are rooted in the state's feudal history. Approximately 37% of the population consists of marginal farmers; 22 % comprise small farmers; only 12.6% of scheduled castes own some land, amounting to about 8.1% of the total landholdings in the state; of the scheduled tribes, 24.7% own land, which represents 25.2% of the total landholdings in the state. Prior to the formation of the MP state, efforts to redress the situation had limited effect, since many of those expected to implement the reforms were senior bureaucrats, who were themselves among the landed elite. Except for the Ekta Parishad, which had managed to maintain contacts with the state, the majority of civil society groups were unable to penetrate political space and advance their demands for land reform. In 1998, when the Dalit-based party became the third largest, the CP felt compelled to act, as it feared Dalit alliance with the BJP. Therefore, Dalit employees' unions were recognised and some Dalits were given key posts. In 2002, the Chief Minister initiated his land reform programme under Dalit oversight. Because land is a highly political issue, the Chief Minister has had to consult more widely than he has with health or education reforms. Despite this, the landed elite has attempted to undermine the reforms. Similarly, the BJP has consistently opposed them. Joshi discovered that outcomes varied depending on the district, local bureaucracy, the commitment of the District Collector and land availability. In health, by contrast, it was management more than political factors that determined outcomes. (Joshi, 2003: The politics of pro-poor policy in Madhya Pradesh)

Stage 2A emphasises that these 'actors' may include an array of organisations or entities (both loose and structured) and 'un-organised' individuals located at national, supra-national and sub-national levels. Textbox 2.10 approaches intra-sector political analysis, using the same core themes identified in Figure 2.2: structural and historical legacies; change processes and their consequences; power balance and relations; and ideologies, values and perceptions. The Textbox highlights how these 'themes' or 'lens' can be used to shed light on how different sector organisations (loose and more structured; supra-national, national and sub-national) function. It focuses on some of the key areas that staff are encouraged to include in their first level surveys: roles, mandates and responsibilities; organisational structure; management, leadership and composition; financing and spending; incentives and motivation; and capacity.

Textbox 2.10: Intra-sectoral Analysis of Organisations in a Sector: Selected Issues (refer to Annex 1 for details)

	Roles, Mandates, Responsibilities	Organisational Structure	Management, Leadership, Composition	Financing and Spending	Incentives and Motivation	Capacity
Basic Questions	Official and unofficial roles/mandate of the organisation	Structure: central to local and horizontally; Power of different levels	Key actors (prominent and hidden) Basis for membership in different parts of organisation	Local/central financial balance; Degree of self-financing	Career progression opportunities; Level and distribution of remuneration	Variations in skills and resources; Adequacy of information base.
Historical Legacies	Effect of history on function and role	Basis for organisational structure that exists	Historical basis for management and leadership structure that exists; Implications for change	Influence of past priorities and financial and spending patterns	Legacy of past entry and career progression procedures	Historical reasons and implications of variations in capacity
Structural Factors	Effect of structural factors on power relations, ideologies and policy priorities	Can organisation respond to different demands and contexts?	The main factions (political, ethnic etc) and policy implications; How structural factors affect composition and power balances.	Effect of structural factors on financing and spending patterns	Effect of structural factors on incentives; Prospects for change?	Effect of structural factors on capacity and skills levels and implications for policy and change
Change Processes	Changes in roles, responsibilities, and political discourse; Opportunities and blocks these present.	Changes in organisational structure; Opportunities and blocks these present	Changes in management and composition of the organisation; Opportunities and blocks these present	Changes in sources of finance and spending; Opportunities and blocks these present	Changes in incentives and association of these changes with broader processes	Changes in capacity and prospects for the future
Power Relations	Relationship between the mandate of the organisation and power dynamics	Balance of power across the organisation; Pockets of resistance and support	Degree to which power is vested in certain individuals or quarters; Inclusion/ exclusion of different groups	Effect of funding source on policy.; How do different constituencies seek to influence policy	Benefits and losses from changes in the incentive structure	Power of the organisation to define and implement policy
Ideologies, Values, Perceptions	Predominant values, ideologies, perceptions re key sector issues and degree to which these affect policy	Variations in ideology across the sector and effect on organisational structure	Values of key individuals (prominent and less visible) and effect on support or resistance to policy	Effect of values on spending priorities	Degree of transparency of recruitment. Main groups who benefit from the incentive system	Relationship between values and emphasis on capacity building; Implications for change

It is important to note the following:

(1) The suggested selection of key issues in Textbox 2.10 and Annex 1 (along the horizontal axis) ***does not*** attempt to capture the total range of issues that staff may wish to analyse. Rather, the Textbox and the Annex are meant to demonstrate the usefulness of analysing these issues through the 'lens' noted.

(2) Textbox 2.10 and Annex 1 focus, in large part, on 'organisational' analysis. This does not equate an organisation with a sector. Again, the emphasis is on the 'principle' of deepening intra-sector analysis through a particular - political - lens. The same lens should also be applied to studying less-organised interests. For example, in assessing the roles that different groups of citizens play in the policy process, staff can glean much useful information from studying how structural and historical legacies; change processes; power balance and relations; and ideologies, values and perceptions have influenced different actors: groups and subgroups of women, different occupational groups etc. With this information, staff will then better understand why people engage the way they do; the blocks to change and the possibilities for change; what incentives are appropriate or inappropriate etc.

(3) Textbox 2.10 and Annex 1 present examples of the type of intra-sector analysis that needs to be conducted across different levels (such as donor, national and sub-national level organisations). The aim is to identify variations and synergies across, and within, the sector. Such incisive analysis can, for example, help to reveal the differences and similarities across donors within a sector, the roots of these similarities and differences, and the policy implications. This information is important for Stage 3, when staff will focus on identifying how and with whom they can form productive alliances and on what issues.

(4) Intra-sector political analysis should help staff to think in different ways about some of the pressing issues that they grapple with. This stage of the analysis can be scaled or targeted so as to obtain 'initial' answers. A social development adviser who is concerned with empowering differing groups and subgroups of women would learn from the political understanding described in point (2) above. Similarly, a governance advisor who is seeking to understand and address financial accountability within a sector would gain from deeper understanding of the history, politics, power, ideology that are behind differing finance and spending mechanisms and processes. However, 'issue analyses' conducted as this stage would not provide comprehensive accounts. Analyses of the relationships within and across sectors (as described in Stage 2c) are likely to provide deeper and more complete explanations.

STAGE 2C – RELATIONS BETWEEN PLAYERS: How they influence policy

The suggested issues for investigation in Textbox 2.11 below (and corresponding questions in Annex 2) build on the above analysis. They enable the researcher to examine how relations across organisations within, and external to, the sector and between organisations and different stakeholders/actors and institutions influence sector performance. It should be noted that the analysis applies to actors at the supranational, national and sub-national levels.

Textbox 2.11. Nature of the Relationship Between Players – Suggested Framework (see Annex 2 for details)

Relationships between Players	Key Issues for Analysis
Relationships across Sectors	• Nature of relationships with other organisations in the sector (such as collaborative or hostile) and in what areas • Historical basis for relationships • Other reasons for relationship (e.g. financial) and implications • Expectations and perceptions of each player by other players and reasons for differences • Power balance in these relationships and whether and how this affects the ability of different players to articulate demands • How and why relationships have changed over time • How existing alliances affect policy processes • Blocks to and new avenues for collaboration; potential niches for engagement across organisations and sectors
Relationships with State Institutions, Customary or Traditional authorities (at both national and sub-national levels)	
Relationships with Political Parties, Leaders and socio-political organisations (at both national and sub-national levels)	
Relationships with supra-national organisations such as Donors, INGOs and Foreign interests.	
Relationships with academia, research institutes and think-tanks (at both national and sub-national levels)	
Relationships with the Media (at both national and sub-national levels)	
Relationships with the Private Sector (at both national and sub-national levels)	
Relationships with Mass Movements and Collective Action: NGOs and CBOs (at both national and sub-national levels)	
Relationships with 'Unorganised' Citizens and different categories of the poor	

Textboxes 2.11 and Annex 2 focus on relationships:

- Across sectors
- With state institutions, customary or traditional authorities
- With political parties, leaders and socio-political organisations
- With supra-national organisations such as donors, INGOs and foreign interests.
- With academia, research institutes and think-tanks
- With the media
- With the private sector
- With mass movements and collective action: NGOs and CBOs
- With 'unorganised' citizens and different categories of the poor

For each player the questions aim to unearth the nature of the relationships, the expectations and perceptions of each player by other players and the reasons for these differences as well as the way in which the nature of power relations affects the ability of different players to articulate demands. The key subjects and related questions should reveal varying, and possibly contending, interests; the challenges of multiple obligations and expectations; power structures/relations and its consequences; and potential niches for engagement across organisations and sectors

Textbox 2.12 (below) uses the same political 'lens' applied in Stage 1 to explore the differing roles of different players in the policy process. Here the suggested approach is to explore the issues through two main themes: (a) the processes of policy formulation, negotiation and implementation and (b) channels of responsiveness and accountability.

Textbox 2.12: How Players Influence the Policy-making Process: basic issues for analysis (See Annex 3 for details)

	Policymaking; formulation, negotiation and Implementation	**Responsiveness and channels of accountability**
Basic Issues	The formal and informal rules for policy making and implementation	Formal accountability mechanisms Methods for communicating policy Level of freedom of expression within the organisation
Historical legacies	Historical basis for rules that exist and their implications	Understandings of expectations of the state and accountability
Structural factors	The way in which the policy process is affected by structural factors	The effect of structural factors on ability of citizens to make demands or consultations to be carried out
Change processes	Trends in policymaking and reasons The role of crises and non-linear change	Reactions to policy change Flexibility of the policy process to adapt to change
Power relations	The effect of power relations on the policy process The distortion of policy in implementation	The accessibility of accountability mechanisms
Ideologies, values and perceptions	Conflicts and correspondence in ideologies and values The (mis)match between rhetoric and policy outcomes	Nature of state society relations How actors, including less active or prominent associations express their views

STAGE 3 – OPERATIONAL IMPLICATIONS

STAGE 3A - DEFINING OBJECTIVES AND EXPECTATIONS

Political analysis should help staff to candidly re-assess their objectives, both explicit and implicit, and should include an assessment of DFID's own role in the sector, the pressures it encounters from government, alliances with other donors and with domestic partners.

Political analysis should be preceded by honest discussion of intervention thresholds, DFID's own mandate and legitimacy to engage in political processes and the reality of barriers to opposition;

- What, given donor understanding of the context, and their level of/scope for influence, and the role of other donors, should be the priorities for working in the sector?
- What objectives are feasible in the period available?

Do certain DFID goals conflict with norms, values, expectations and processes within, and across, the sectors?

- Are there differing interpretations of what is meant by 'accountability'?
- Are ethnic allegiances or obligations to other interests prioritized over accountability to all the poor?
- How entrenched are these positions?
- Are they regarded as 'legitimate' and by whom?
- What does this mean for what we do?

Given our understanding of the differing interests, ideologies, power structures and incentives within and across the sector;

- How can we gain maximum leverage?
- Can we refine our objectives to better suit particular institutions or actors?
- What are the costs and benefits of this disaggregated approach?

STAGE 3B - DETERMINING ENTRY POINTS

Once the objectives and expectations have been determined, the framework should help staff respond to the following sets of questions. The responses to these questions will, in turn, help staff to (re) define entry points:

a. What institutions are there? Which of these are most strategic? Which are most accessible? Is there a trade-off between being more strategic and being more accessible? How do these differences influence the staging and timing of the intervention?

b. Who are the key individuals? How influential are they? To what extent do their perceptions, ideologies reflect/correspond with DFID objectives? Does the option of working with sector leaders exist? For example, are there smaller but more receptive players? What are the political implications for DFID of supporting these individuals? How sustainable is such an approach?

a. Are there unconventional or previously unidentified groups and partners? How legitimate are these groups? Are they politically and culturally acceptable? Is it

feasible to work with these groups? Are they accessible? What are the risks and benefits for both DFID and the group?

b. What are the key constraints faced by different categories of the poor in this sector? (For example, production and marketing, property rights, political rights; access to public services; access to security in terms of property rights) How does an understanding of the constraints, incentives and capabilities help us to define which institutions, organisations and actors would be most effective in tackling particular problems?

c. Where are there conflicts in ideology and objectives across DFID partners? What are the political implications for DFID, given short and long-term objectives? What new niches, partners (NGOS, donors, CSOs) does the analysis reveal? Are there avenues for working through one partner to influence another? What are the likely political costs and benefits?

STAGE 3C - IDENTIFYING MODE OF SUPPORT

Political analysis can help staff to understand the implications of different kinds of support and to redefine *how* they engage. For example, a study of incentives, personalities, power and institutional dynamics can help donors to determine whether it is/is not appropriate to adopt a 'hands-off' versus interventionist approach.

- How much leverage does DFID realistically have, given the power balance within and across the sectors? Where is it critical to consult, when and how?

Further, a deeper understanding of the variations across and within sectors can highlight areas where different modes of intervention are required or possible. Differential modes of support, even within the same sector, may also be instrumental in maximizing leverage.

Political analysis can be useful for defining strategy.

- What are the short and long term political costs of working with certain donors?
- Where will DFID gain or lose support depending on its alliances?
- Where is direct budget support vis a vis sector support advantageous or disadvantageous?

Furthermore, political analysis can help to make the policymaking and implementation processes more effective. It can provide sobering lessons on feasibility and help staff time and stage policies more effectively.

3. METHODOLOGICAL CONSIDERATIONS

There are a number of factors that should guide decisions on depth, form and methodology of the political analysis. These include constraints of funding, time and available expertise. Textbox 3.1 below outlines the types of questions that could inform the design of the methodology and decisions regarding the scope of the exercise. The textbox shows that one of the first requirements is to determine the nature of the interest in the political analysis. This, and therefore, the most appropriate methods and scope, will vary depending on whether a country programme is comprised largely of budget support, which is likely to require that researchers focus upon a different (and probably higher) level of political analysis (such as the implications of electoral cycles and the fundamentals of budgetary and political accountability systems). In a country in which most DFID resources are allocated to sectors or provinces the analysis will need to focus more on the details, such as geographical variation and internal sector dynamics.

Textbox 3.1 Considerations that will guide the decisions on depth, form and methodology of the political analysis

Issue	Options
What is the intended use and objective of the research?	• Inform CAP/ review of sectoral or geographical areas for support/ Inform budget support decisions/ design of sector programme or project/ inform choice of sub-national (e.g. provincial) focus
Subject matter	• National or sub-national? Comprehensive or selected sectors?
Budget available	• From country programme, regional office, London Regional Policy Unit, other parts of DFID?/ From other in-country or regional partners?
Time available	• "Quick-and-dirty" / extensive?
Composition of research team – what is feasible and what is desirable	• Institutional position: DFID (country office, regional office, regional policy unit; bring in other HQ staff e.g. Policy Division?); recruited in-country (consultant, NGO, academic); recruited internationally • Number of researchers: one? Many? • Disciplinary background, sectoral, country and language knowledge • Nationality, gender and country of residence of research team members: balance between national and expatriate, men and women • "Embeddedness" of national researchers: include those associated with particular political parties or party-affiliated NGOs? (advantages – political access - weighed against disadvantages – potential bias, and rejection of findings by government) • Involve other donors, international NGOs, national NGOs, social movements, academic or research institutes?
Position and objective of DFID within the country	• Relative strength and ear of key national policy makers • Relative strength and role vis a vis other donors • Issues of sensitivity not to be explicitly addresses e.g. thresholds within which the work is being carried out and the areas of political sensitivity which donors should not get involved with
Partnership approach or confidential analysis	• Research design discussed with national or international partners? • Inclusion of donor, NGO or partner government staff on research team? • Disclosure: is analysis shared with national partners, or confidential? If the former, how serious is the risk of self-censorship? If the latter case, how easy is it to conduct the research?

Textbox 3.2 provides some pointers towards key data sources for political analysis and methods. In doing so, it raises some questions about the realities of the way in which one considers the depth, form and method that the analysis should take. The minimum data set required relies to a large degree on the judgement of the analyst in the given context and the questions which are being asked.

Textbox 3.2 Data sources and methods for data analysis

Data sources	Methods
• Key informants: government (national / local), business, NGO / CSO, etc. • Knowledge and experience of the national and international DFID & FCO staff • Official sector documents: strategies, legislation, regulations and reports • Organisational strategies and mission doucments and organograms • GDP, tax revenue and budget figures Existing country-specific academic research (including but not confined to politics, sociology, economics, anthropology): note that often key resources/ researchers often located outside country but there are often less accessible academic literatures within the country • Media – analytical and popular, state-controlled and independent; national languages and English press; radio and TV as well as the written press; internet discussions • Records of political debate: if publicly available • Descriptive accounts and / or records of policy process	• Brainstorming / workshop within office. This could include key partners and informants • Desk reviews of existing analyses • Primary research with key informants: including key national players, media organisations, a range of staff in the organisation, including leaders, street level bureaucrats, other donors. The inevitable contradictions in the views of these informants can offer some of the richest political insights. • Focus groups with different sectors of society and interest groups at different levels • Primary research with poor citizens (public opinion or political values survey; opportunities to integrate with PPAs) • Attention to the design of methods for accessing groups not traditionally covered by development research e.g. urban elite, adolescents, private sector – all of which may have a disproportionate influence on how policy is made • Sub-national research: with attention to the basis of the sampling (e.g. coast c.f. inland, urban c.f. rural; or of provinces including DFID programmes c.f. others). Provincial, district and village level interviews and visits • Data collection techniques could include: key informant interviews – semi-structured and open ended, document analysis, institutional anaysis and mapping, stakeholder analysis, mind maps, actor-network analysis, policy mapping and ranking, visioning, power analysis, historical timelines, venn diagrams, social maps, visioning, preference ranking, strategy flow diagrams, and cause effect diagrams.

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ANNEX 1 Intra-sectoral Analysis of Organisations in a Sector: Selected Questions (Textbox 3.3, Contd.)

	Roles, Mandates, Responsibilities	Organisational Structure	Management, Leadership, Composition	Financing & Spending	Incentives & Motivation	Capacity
BASIC QUESTIONS	What is the official status, the role & the mandate of the organisation (explicit & inexplicit?	How is the organisation structured: central to the local level? How much control (stated & real) do local levels have over (a) budget allocation; (b) agenda setting or (c) regulation, & why? What is the horizontal structure of the organisation (departments & key committees)?	Who are the key actors (prominent & hidden)? What is the basis for membership within the organisation (formal & informal) & what levels of 'accessibility' are there to becoming a member?	What is the balance between financing from the central/sub-national levels & from cost-recovery/revenue collection? How transparent, effective & legitimate are the systems of revenue capture? What is the level of dependence on external aid or funding? To what extent is the organisation financed through rents from natural resources? What are the main patterns of (and reasons for) spending & levels of taxation?	What are the opportunities for career progression & what are the main factors that affect this? What is the level & distribution of remuneration & salaries for staff in the organisation? What are the systems & standards for recruitment (official & unofficial)? Are there non-monetary methods for motivating staff? How effective are these?	How do resource, capacity & skill levels vary across the organisation (including among managers & leaders), & with what consequences? Does the nature of the sector affect the capacity for implementation? What degree & type of training/experience do the members of the organisations have in terms of subject area & theoretical base? How adequate is the information base for evidence- based policy-making? To what extent is research linked into policy?
Historical Legacies	How did this organisation function in the past? How much influence do past roles & responsibilities have on current mandate (official & unofficial)? To what extent (and how) did it operate in the interests of the poor? How do these legacies affect the poor?	What is the historical basis for the organisational structure that exists? Do legacies of previous systems remain? How are they manifested, & with what consequences?	What is the historical basis for the leadership & management structure that exists? How does 'history' explain who the key actors are & the composition of the organisation (formal & informal)? How influential are these historical legacies & in what parts of the organisation? What are the varying implications for policy?	How was the organisation financed in the past? What were the previous taxation methods & spending priorities? What were the consequences for the poor? Do these past methods & priorities influence current policies? If so, where & how?	What were the official/unofficial bases for entry & career progression in the past? Do legacies of these previous systems remain & with what consequences?	What are the historical reasons for the variations in resource & capacity levels? How lasting are these legacies, & what are the implications for change?

Structural Factors	How do factors such as level of development, social composition of the area/organisation, geography, resource base etc. affect (a) the boundaries that the organisation sets itself & (b) how it perceives its mandate? How do these structural factors affect (a) power relations (b) dominant ideologies & values & (c) the priority (unofficial & official) that is given to the poor?	How effectively does the structure of the organisation reflect, & respond to, different geographical demands & contexts; varying levels of development; & differing ethnic, political religious constituencies?	What are the main political/ethnic religious (etc) factions within the organisation & what are the implications for policymaking & policy implementation? How do factors such as level of development / concentration of resources affect (a) the composition of the organisation, (b) the power balance? How durable are the structural factors & what are the implications for change?	To what extent do structural factors such as the level of economic development, demographic patterns, geography & the natural resource base, influence the methods of financing & the choice of spending priorities? What are the prospects for change?	To what extent do structural factors such as the level of economic development influence the types & quality of incentives, & systems for motivating staff? What are the prospects for change?	How do structural factors such as level of development & spatial variation affect capacity & skill levels & what are the implications for policy & for donor roles?
Change Processes	Have there been changes in roles, mandate/responsibilities (a) of the organisation (b) of key players? How has reform evolved in the sector? What have been the main changes in political discourse? What were the reasons for those changes & how effective were they? What are the prospects for change, in what direction, & with what consequences?	How has the organisational structure changed over time, & why? What do these transitions suggest for the sustainability & effectiveness of the current system?	How have the leadership/management structure & composition of the organisation changed over time? How have periods of crises affected these changes? What, given the organisation & political context, are the prospects for medium/ long-term change?	How have the sources of financing, methods of taxation & spending priorities changed over time, & why? How have these changes affected different categories of the poor? How do current spending patterns, methods of taxation & financing fit in with broader change processes, & what are the implications for their sustainability & effectiveness? How much budget certainty is there?	How have the methods for providing incentives & motivating staff changed over time? How do current systems fit in with broader change processes, & what are the implications for their sustainability & effectiveness?	How have resource & capacity levels changed over time, & in whose interests? What are the prospects for change in different parts of the organisation, & in what directions? Do the possible changes offer new spaces for engagement?

Power Relations	To what extent do the organisations' explicit & implicit objectives reflect & affect the nature & source of its power (e.g. through revenue raising, patronage opportunities, or as a controller of the resource)?	How is power balanced in different parts of the organisation, & why? Who has gained & lost by changes in the organisational structure? To what extent do those who have gained & lost support/resist (a) change (b) the organisation's objectives? Has the organisation appeased the losers, & with what consequences?	To what extent do those in 'formal' positions of authority exercise power? To what extent do prominent & less visible actors & stakeholders influence those in leadership positions, & how? To what extent is power vested in personalities, & with what consequences? How are different groups included, excluded ,or adversely incorporated into different parts of the organisation, & with what policy consequences?	How does the level of dependence on external aid/rents from natural resources etc affect the organisation's capacity in policy-making & implementation & agenda setting? What effect do various sources of revenue have on policy-making & on accountability & responsiveness to the poor? Who have gained & lost from changes in methods of taxation & spending priorities? Who controls public procurement? How do these differing constituencies seek to influence policy, & with what consequences?	Who has benefited & lost from changes in entry requirements & the incentive structure? What are the implications for support & resistance to the organisation's objectives?	To what degree does this organisation have the power to define & implement policy? How strong is political capacity: for example in the ability to negotiate between social interest groups & to organise & mobilise support? What is the source of this capacity? Are these 'sources' considered legitimate, & by whom? How do the varying perceptions explain & predict resistance or support?

Ideologies, Values, Perceptions	What are the predominant values, ideologies, narratives & perceptions in the organisation regarding key sectoral issues & objectives? What are the sources of these narratives? Who holds/defends them? Are these ideologies consistent or inconsistent with the prevailing political ideologies? How do varying ideological positions affect official/unofficial views of the organisations' roles/mandate?	How do ideologies, values & perceptions affect the design of organisational structure? For example, do the prevailing ideologies support a consensual organisation structure or one with a strong central direction? How ingrained are these ideologies & values, & amongst whom? To what extent have they affected change processes? To what extent do ideologies differ across the organisation & sector & what openings/blocks do these provide?	How do ideologies values & perceptions influence the criteria (official & unofficial) for leadership & management within the organisation? How do ideologies & values influence who the key actors are & the composition of the organisation? How do differing ideological positions explain & predict pockets of resistance or support for (a) management & leadership, (b) policy?	How do the prevailing ideologies, values & perceptions influence spending priorities, taxation methods & other sources of financing? What are the consequences for differing categories of the poor?	Are systems for recruitment & progression regarded as transparent? Which are the main groups or factions who are seen to benefit from the incentive systems, & why? How do these perceptions explain & predict pockets of resistance & support within the organisation?	How do ideologies, values & perceptions explain (a) the priority that is given to evidence-based policy making, (b) the emphasis research & training, (c) how political capacity is defined, (d) how capacity is exercised, by whom & for what purposes? What are the policy implications?

ANNEX 2 Nature of the Relationship Between Players – Suggested Questions (Textbox 3.5 Contd.)

Relationships between and across Sectors	What are the various (competing and other) jurisdictions within & across, the sectors? What are the sources of any competing claims? What are the different influences over, & interaction with, the sector ministries? What are the historical, structural, ideological or other reasons for this? How do these relationships influence (a) its mandate/responsibilities; (b) the mandate/responsibilities of the other sectors? What is the attitude of different players to other sectors: symbiotic or hostile, & over what issues? How have relationships across sectors changed over time, & why? How do policy changes in other sectors affect this sector? Where are there blocks to collaboration & possibilities for alliances? What, given known trends, are the likely policy consequences?
Relationships with State Institutions, Customary or Traditional authorities	How does this ministry relate to the Ministry of Finance/ Ministry of Planning & Investment/ Central government/ the Military? What is its relative power in these relationships? How does this influence its mandate/responsibilities? What expectations of the state are there, & what is the basis for these expectations? How much influence do customary authorities have, & with what policy consequences?
Relationship with Political Parties, Leaders & Socio-political organisations	What are the main political links of the organisations in the sector & what are the historical reasons for these links? What is the profile of sector issues in politics & election agendas? What are the dominant political ideologies & their sources? To what extent do these influence sector policies? To what extent are sectoral issues associated with patronage/identity/ leaders' political projects (such as modernisation, national security, PRSPs etc) & what are the consequences? How accessible are political structures? To what extent do differing organisations within the sector influence the political sphere? What is the nature of their influence:for example as source of financing, as electoral constituency; personal advantage to politicians; as opinion formers, as threats to governability or legitimacy,and what does this mean for the organisation or the sector?
Relationship with Donors, INGOs & Foreign interests.	What is the degree of harmonisation & policy consensus (for example the existence of SWAPs amongst donors)? Where are there areas of discord, & why? What is the nature of the links between donors & the (a) sector, (b) differing organisations within the sector? How much influence (financial, ideological, technical, managerial) do various donors & foreign interests have within & across sectors, & why? How has the focus/agendas of donors, INGOs & foreign interests changed over time? What have been the consequences for the sector? Is there a tension between government & donor perceptions of poverty?
Relationship with academia, research institutes & think-tanks	Who are the main consultants used (research institutes, academia etc)? What are their party-political (and other) links or key personal relationships? What source of funding do these institutes receive (government, donor or private sector) & how does this affect their position? To what degree are policy recommendations based on evidence?

Relationship with the Media	What is the attitude of the media & popular culture to sectoral issues? How much influence does the media have? To what extent does the media act in the interests of political leaders, other constituencies? How has the media's role changed over time, & with what consequences for the poor? To what extent does/can the media demand accountability from the sector? What, given known trends, is the media's likely role in the medium & long-term?
Relationship with the Private Sector	What are the main links between this sector & the private sector? What are the main party political relationships & interests in the private sector? What is the degree of regulation & competition within the sector, both in terms of markets & service providers? What is the character & the value of the industry? Where are the main markets located, & what implications does this have for understanding the sector?
Relationship with Mass Movements & Collective Action: NGOs & CBOs	What are the main interest lobbies? What are the main common interest alliances that occur: e.g. rural rich & rural poor allied against urban bias? How regionally specific are various sub-groups of the organisation or movement? What notions of 'deserving' & 'undeserving' poor are there & what are the reasons for certain attitudes & ideologies? How do these notions affect different categories of the poor? (For example, are some categories excluded from mass movements/collective action? Is there stratification with the movements?)
Relationship with 'Unorganised' Citizens & different categories of the poor	To what degree are the poor able to engage in collective action & to form coalitions? Do sectoral issues feature as foci of public protest, mobilisation or everyday resistance? What are the differing perceptions of poverty? Are these consistent/inconsistent among key groups & individuals, such as leaders, service providers? What are the implications for (a) policy & (b) differing groups & subgroups of the poor?

ANNEX 3: How Players Influence the Policy-making Process – Suggested Questions (Textbox 3.6 contd.)

	Policymaking; formulation, negotiation & Implementation	Responsiveness & channels of accountability
BASIC ISSUES	- The formal & informal rules for policymaking & implementation. For example How are the organisation's objectives defined? How are legislation & regulations made? What are the budgeting process & procedures [committees & vertical consultation;]; -The policy networks within, & across, sectors; -What is the influence of leadership, management on the content & direction of policy. - What is the influence of dominant or prominent personalities -The effect that the nature of these mechanisms has The degree to which outcomes are shaped through implementation	-Formal (vertical & horizontal) mechanisms for accountability (a) within the sector; (b) for sector objectives & responsibilities. -Methods of evaluation, consultation, participation & inclusion & the way in which citizens are involved in policy monitoring (referendum, opinion surveys). The accessibility of these methods. External accountability mechanisms (political, parliamentary, fiscal, administrative). -The constituency to whom is the organisation accountable. The powers that other actors have to scrutinise this organisation. - Methods for communicating policy & the degree of information flow, upwards & downwards flow (e.g. publication of policies & rights, use of ethnic languages & accessibility of this information). -The level of freedom of expression in the organisation, including whether or not issues widely discussed in the media
Historical	-Historical legacies & basis for the rules & procedures that exist: implications for policymaking & implementation	-Culture-specific understandings or expectations of the state -Differing understandings/standards for accountability -The degree to which accountability mechanisms focus on accountability to the elite
Structural	-The way in which the policy process is affected or determined by structural factors such as the nature of the market & dominant methods of production -Regional variations in attitudes to policy	-The way in which structural factors such as the level of development or the skills base affect the ability of citizens to make demands on the state -The level of capacity of lower levels to carry out consultation
Change Responsive	-Reasons for shifts in trends in policymaking processes, & implications for policy. -Key elements & phases of the policy cycle -Policy disruptions & the role of crises e.g. adverse macro-economic situations, natural disasters	-The emergence of new & significant movements, parties or factions - Reactions to policy change -The role of protest & other unpredictable events in policy negotiation - The flexibility & the ability of the policy process to react to unforeseen events & adapt to change

Power Relations	-Key actors (prominent & hidden) in policymaking & implementation; type & level of influence -How these actors (including different groups within & across the sector) exert influence, & and what are the policy consequences -How power relations influence policy negotiation processes. -How policy is distorted or renegotiated during implementation. -The role of street level bureaucracies & the extent to which policy is renegotiated by everyday forms of resistance	-Key relationships & how these multiple obligations How do relationships (including levels of accountability & responsiveness) differ depending on the sector/service provider & the category of citizen/client -The extent to which political accountability (at both national & sector levels) is based on patronage or on expectations of universal, predictable & contestable rights? - Extent to which, & through which channels, differing categories of the poor influence policymaking & implementation? (Note that it is important to disaggregate among the poor in order to assess who is benefiting, why different forms of poverty persist, exclusions/adverse terms of incorporation?) -The accessibility of appeal processes. -The spaces that exist for contestation & negotiation.
Ideologies, Values, Perceptions	-Where, within & across the sectors, are there conflicts & correspondence in ideologies & values: policy consequences & implications. -The main influences on policy formulation & the predominant values, narratives & perceptions in the organisation regarding key sectoral issues & objectives. The source of these narratives. -The (mis) match between policy rhetoric & policy content & outcomes. -How external agencies influence ideas & perceptions of poverty; How ideas differ across donor & development agencies, & with what consequences.	-Nature of state-society relations, including degree to which different groups perceive themselves as grateful recipients of state services or as having a rightful claim on the state. -Views, ideologies & perceptions among the less active/prominent associations, uncivil & unruly civil society groups, opposition groups; How these groups express their views & consequences for policymaking & policy implementation -How the more influential groups (including the behind-the scenes players) within the sector view the poor; how these key actors express & defend their views

ANNEX 4 Checklist of questions to provide feed-back from the users of the framework

The aim of this short questionnaire is to provide the authors of the framework with concrete examples of how different sector staff have used the framework and the ways in which it has helped advisers to interpret situations and contexts. The information gained from this questionnaire will be used to refine the document the boxes throughout the text to make them more relevant and usable.

1. Background and methodological considerations[1]

1. What was the intended use and objective of the research?
2. What sector or policy issue was the framework applied to, and at what level (national or sub-national etc.)?
3. Who initiated the analysis?
4. What were the main unanswered questions prior to carrying out this exercise?

5. How long did the process take?
6. How many were in the team? Briefly describe their background and training.
7. What were the main data sources?
8. What were the main methods used (e.g. secondary sources, field work, interviews etc.?)
9. What was the cost of undertaking the analysis?
10. How and to what extent did you plan the exercise?

2. The framework

Stage 1: Basic country analysis

11. How much of the information suggested by Box 2.7 was already available?
12. Were previous Driver of Change analyses, or other useful background analyses available for your country and/or sector. Please describe.
13. What were the main constraints you faced in developing the background picture suggested by Box 2.7?

[1] Please refer to Box 3.1 for more details on these questions.

Stage 2A: Defining the sector

14. How useful was Figure 3.1 in helping to define the boundaries of interest?
15. How useful were the suggested categories?
16. How would you modify this figure?
17. What tools or visual exercises (if any) did you use to assist you with this stage (see Box 3.1)?

Stage 2B and 2C: Intra-sectoral analysis and the relationship between players

18. What data sources did you use for these stages?
19. How useful were the categories suggested across the 'X' axis of Box 3.3? How would you modify them?
20. How did staff decide what issues to include or exclude?
21. What questions would you add?
22. What tools or visual exercises did you use to assist you with these stages?

Stage 3

23. At what point did you address the issues in this stage – during the planning of the exercise: continuously, at the end, or not at all?
24. What tools or methods did you use to address these questions?
25. How useful were the questions raised in this stage?
26. What modifications would you suggest?

Overview

27. What are the main gaps which you felt are missing in the framework?
28. What rough percentage of the time used did you spend on each of the three stages?
29. Did you follow the stages sequentially or find yourself returning to a previous stage to update the information?
30. How were the final results of the exercise presented? Did the framework provide adequate guidance on this?

3. Impact of the exercise

31. What impact has the exercise had on a) the political understanding of staff b) decisions on future activities? Please provide details.
32. How has the framework help in identifying new niches and potential blocks?
33. Is the framework useful for short-term analyses?