

Political Economy Analysis: NIMD Uganda Experience

Kizito Tenthani

Outline of the Presentation

- Objectives of the Presentation
- Meaning of PEA
- Key Features of PEA
- Elements of PEA
- NIMD's Experience

Objectives

- How did NIMD – Uganda Prepare its PEA
- How NIMD Uganda used its PEA

What is PEA?

- Broadly defined as the study of both politics and economics particularly the interaction between the two with particular emphasis on how they influence policy decisions.
 - **Politics:** contestation and bargaining between interest groups with competing claims over rights and resources (who gets what...)
 - **Economics:** generate, consumption and transfer of wealth (scarce resource).
- Political economy analysis strives to look beyond the surface.
- It looks at incentives, interests, relationships, distribution and contestation of power.

PEA Key Features: Our Lessons

- **Context for development matters**
 - Reforms or development interventions are more likely to succeed if they are designed based on knowledge and understanding of the local context
 - ***Grasping the constraints and opportunities created by the political environment is critical because it is not simply a question of what to do but how to do it***
- **Project success requires collective action**
 - Development depends on solving collective action problems which require different interest groups to find ways of cooperating to produce positive sum outcomes, and deliver public benefits
 - Thus development entails building and sustaining relationships between and among stakeholders who often have sharp differences in commitment, capacity and outlook
 - Failure of projects or interventions is often a result of failure of interest groups to cooperate around common goals but also failure of designers to appreciate the interests of different groups.

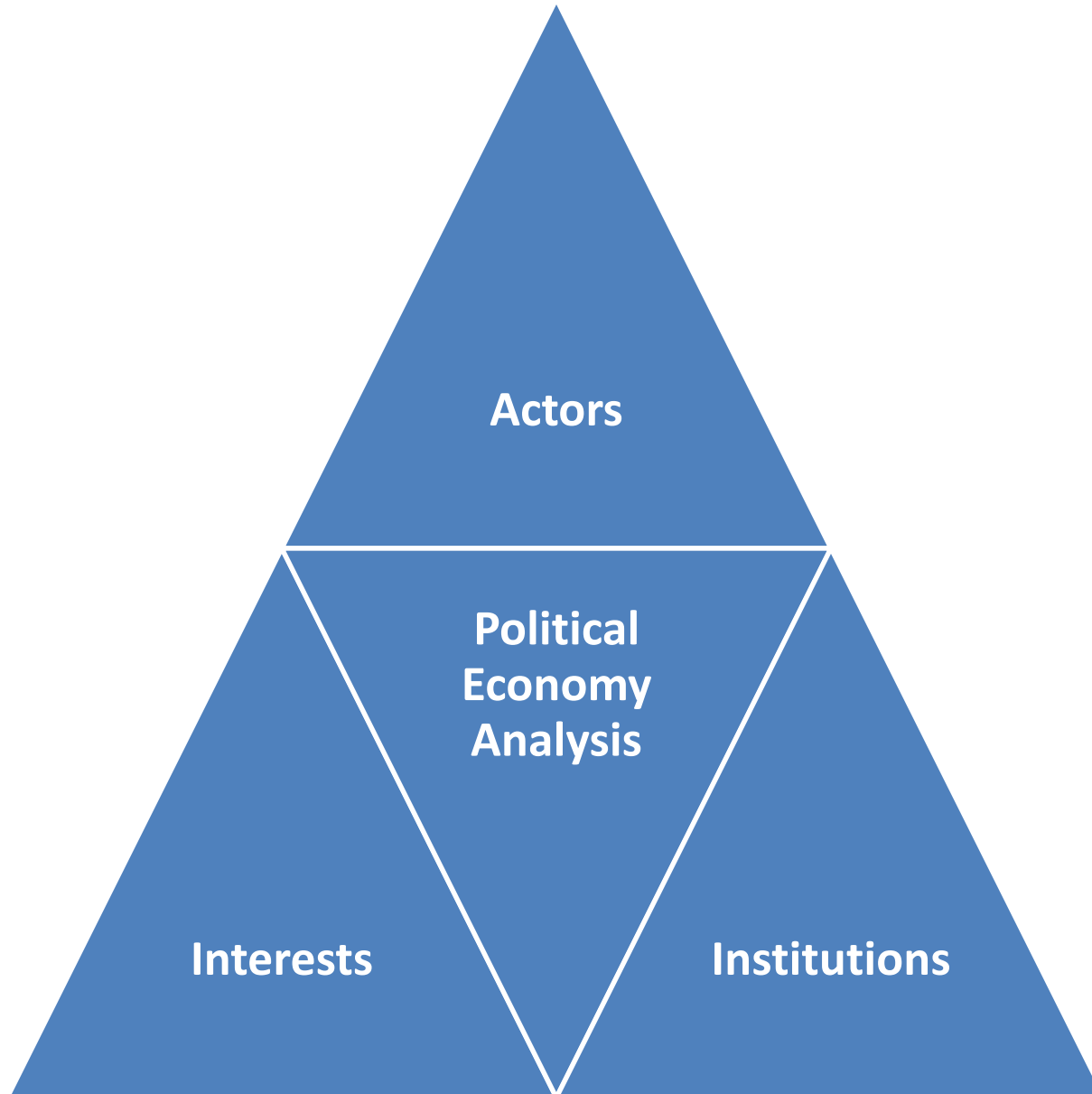
PEA Key Features: Our Lessons

- ***Coalitions are very important for transformative and sustainable change***
 - Coalitions are imperative because development practice / project success requires working with others who often have radically different interests and priorities.
 - Need to understanding who holds power in society as the basis for forging coalitions and alliances.
 - Need identify ***allies and opponents***, how to mobilize the former and how to win the latter around

PEA Key Features: Our Lessons

- *Development is not a technical exercise but a political one*
 - Sustainable development, growth and poverty reduction cannot be achieved without capable and accountable governance which is largely dependent on getting the right kind of politics
 - Development interventions have often not fared very well because development is essentially treated as a wholly rational and technocratic process
 - *.....driven by the assumption that development interventions can mostly rely on universal, dependable 'best practice' formulae*
 - PEA's implication is that the conception of development interventions based on definitive analysis of problems and how to solve them *must move towards more iterative cycles of experimentation, discovery, dialogue and adaptive learning*
 - PEA helps to acknowledge that development practice is a process of interaction and discovery

Key Elements of PEA



Elements of PEA: Actors

- Relevant individuals and organisations, their motivations (whether financial, political, personal, ideological etc.)
- The types of relationships and balance of power between them

Elements of PEA: Institutions

- Institutions are best understood as the rules of the game which shape human behavior in economic, social and political life
- Institutions can either be formal or informal
- PEA is particularly concerned with understanding the complex mix of formal and informal institutions that shape the behaviour of groups and individuals, and the relationship between them
 - Permits to get beneath the formal structures to reveal the underlying interests, incentives and institutions that enable or frustrate change
 - Underscores the need to know what is going behind the façade which helps to fully discern the opportunities, incentives and obstacles to pro-poor change in a given country

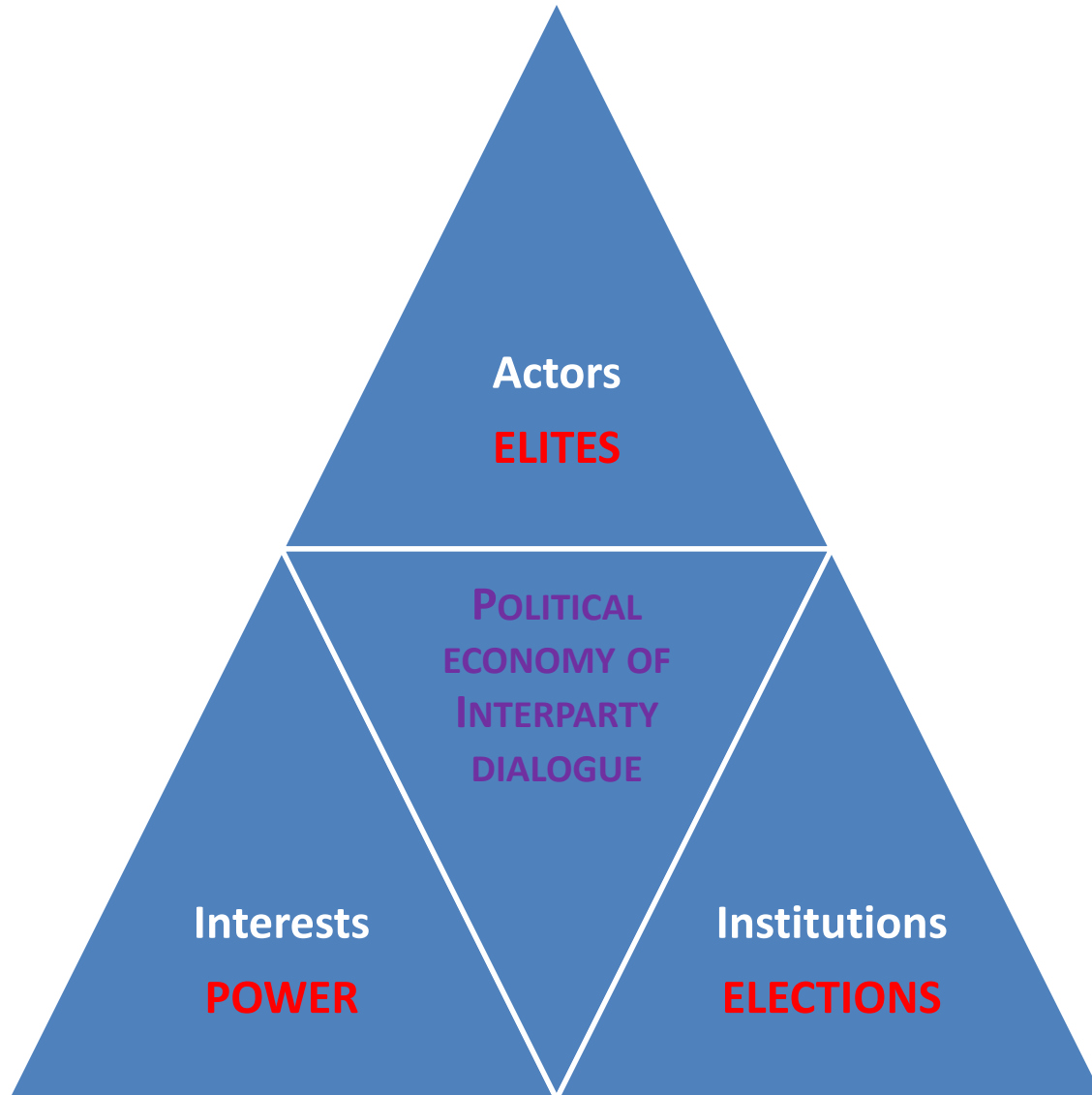
Elements of PEA: Interests

- The interests and incentives facing different groups in society (and particularly political elites), and how these generate particular policy outcomes that may encourage or hinder development or implementation of a development project.

Mapping out the potential for Interparty Dialogue: Our PEA Experience

- We were able to identify the political, economic and social processes that either promote or block dialogue change as well as the role of institutions, power and the underlying context for policy processes
- It helped us to understand what drives political behaviour, how this shapes decisions some players make in relation to interparty dialogue.
- We were able to identify underlying interests as and who would be the main winners and losers, and how this has implications on how far they support interparty dialogue.
- Contributes to better results by identifying where the main opportunities and barriers for reform exist and how stakeholders can use their programming and influencing tools to promote positive change.
- Ultimately we have been able to design an informed intervention.

Political Economy of Interparty Dialogue



Political Economy of Interparty Dialogue

- Need to promote interparty dialogue alongside intra party dialogue.
- Expanding the scope of IPD beyond politically charged issues (low hanging fruits, confidence building, incremental changes).
- Bottom up approach: more traction for IPD from the local level than higher levels.
- Embracing the importance of networking.
- Broaden the meaning of dialogue.

PEA Conclusion

- *PEA does not necessarily mean that you do a whole lot of different things. It simply means that there are lot of things that you are already doing that have to be done differently*

THANKS