

# THINKING AND WORKING POLITICALLY THROUGH APPLIED POLITICAL ECONOMY ANALYSIS (PEA)

## Glossary of Key Terms

TERM	DEFINITION
<b>Accountability</b>	<p>“[T]he systems, procedures, and mechanisms that ensure that public officials and institutions perform their stated duties and uphold their responsibilities to the public while imposing restraints on their power and authority and providing for redress or sanction when these duties and responsibilities are not met.”</p> <p>(USAID, <a href="#">USAID Strategy on Democracy, Human Rights and Governance</a>, June 2013)</p>
<b>Actors/ Stakeholders</b>	<p>Individuals and groups who have a stake or stand to benefit or lose out from potential changes or policy reform. These can be domestic as well as international and include, for example, the executive, parliament and members of parliament, the military, political parties, women’s groups, private sector organizations, the media, religious actors, international development actors, multinational corporations, organized crime networks, etc. These groups are rarely homogeneous themselves so it is important to disaggregate them.</p> <p>(Unsworth, S. and Conflict Research Unit, “<a href="#">Framework for Strategic Governance And Corruption Analysis: Designing Strategic Responses Towards Good Governance</a>,” 2007)</p>
<b>Clientelism</b>	<p>A political or social system based on the relation of client to patron with the client providing political or financial support to a patron (as in the form of votes) in exchange for some special privilege or benefit.</p> <p>(<a href="https://www.merriam-webster.com/dictionary/clientelism">https://www.merriam-webster.com/dictionary/clientelism</a>)</p>
<b>Dynamics</b>	<p>As understood in the USAID Applied PEA Framework, dynamics refer to the ways in which the analytical components of the framework (foundational factors, rules of the game, here and now) interact: how do they affect each other, and how do they influence/shape prospects for change? For more detail, see the guide.</p>
<b>Foundational Factors</b>	<p>These are deeply embedded, longer-term national, subnational and international socio-economic and power structures (or “structural factors,” as they are often referred to) that shape the nature and quality of a given political system, sector or problem, and why it works or looks the way it does. These features or characteristics change slowly over time and are often beyond the immediate control of actors. Examples include geography, demography, climate, etc.</p> <p>(Unsworth and CRU, 2007)</p>

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<b>Governance</b>	<p>“[T]he exercise of economic, political and administrative authority to manage a country’s affairs at all levels. Governance involves the process and capacity to formulate, implement and enforce public policies and deliver services.”</p> <p><i>(USAID, 2013, citing United Nations Development Program definition)</i></p>
<b>Here and Now</b>	<p>Refers to how current events and circumstances influence the objectives and behavior of key actors /stakeholders, and how they respond to opportunities for or impediments to change. This could include leadership changes, scandals, or natural disasters.</p> <p><i>(Unsworth and CRU, 2007)</i></p>
<b>Incentives</b>	<p>The rewards and punishments that are perceived by individuals in relation to their actions and those of others. These can be both material (e.g., payment) and non-material (votes, recognition, etc.) in nature.</p> <p><i>(Unsworth and CRU, 2007)</i></p>
<b>Institutions</b>	<p>The rules of the game (both formal and informal) that shape and influence human behavior in economic, social and political life.</p> <p><b>Formal institutions</b> refer to clearly defined (written) laws, rules, and regulations. These may include constitutions and access to information laws.</p> <p><b>Informal institutions</b>, on the other hand, refer to <i>unwritten</i> rules, norms, expectations, and processes. Examples include hiring based on patronage or nepotism, corruption, gift giving, and religious beliefs. These institutions are understood by those who operate within them, but frequently can be difficult for outsiders to fully understand or appreciate.</p> <p>In everyday parlance, institutions also tend to be used to mean <b>organizations</b>. These two terms are closely related, but for the purposes of political economy analysis, it is useful to keep them distinct. While institutions embody the rules of the game, organizations (e.g. political parties, ministries, civil society, business and/or professional organizations, trade unions, women’s coalitions, etc.) aggregate and articulate interests. They are therefore the critical political links between citizens and the decision-making organs of the state, and in this way they help forge, maintain, implement and change institutions.</p> <p><i>(Leftwich, A. and K. Sen, <a href="#">Beyond Institutions</a>, 2010)</i></p>
<b>Historical Legacies</b>	<p>Key trends, events and processes in the past, such as colonialism and civil war, which have relevance for the present and define the parameters of the kinds of changes that are possible or options that are available.</p> <p><i>(Unsworth and CRU, 2007)</i></p>
<b>Nation-Building</b>	<p>The construction of a shared sense of identity and common destiny, usually to overcome ethnic, sectarian or communal differences, strengthen social cohesion, and/or counter alternative sources of loyalty.</p> <p><i>(Rocha Menocal, A. “State Building for Peace: a new paradigm for international engagement in post-conflict fragile states?” <a href="#">Third World Quarterly</a>, 32 (10), 2011)</i></p>

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<b>Neo-Patrimonialism</b>	<p>Tends to occur when formal and informal institutions diverge, or informal rules undermine formal ones.</p> <p>An example is:</p> <ul style="list-style-type: none"> <li>● Distribution of resources according to personal connections, not widely identified needs and/or budget plans <ul style="list-style-type: none"> <li>○ Corruption occurs, but it is channeled and distributed in ways that are accepted by at least some pockets of the population.</li> </ul> </li> </ul> <p><i>(Booth, D., <a href="#">Development as a Collective Action Problem</a>, 2012)</i></p>
<b>Patronage</b>	<p>It occurs where one actor (a patron) uses authority to direct favors (including appointments and resources) to others in exchange for political support. An example might include an MP ensuring school equipment to areas or constituencies which supported him/her.</p> <p><i>(Booth, D., 2012)</i></p>
<b>Political Settlement</b>	<p>The expression of a common understanding, usually forged among elites, about how political power is to be organized and exercised, and how the nature of the relationship between state and society is to be articulated.</p> <p><i>(Rocha Menocal, 2011)</i></p>
<b>Politics</b>	<p>The processes of conflict, negotiation and cooperation between different interest groups that determines the use, production and distribution of resources — or “who gets what, when and how.”</p> <p><i>(Leftwich, A. and K. Sen, 2010)</i></p>
<b>Rents</b>	<p>Rents refer to the extraction of an unearned economic benefit by manipulating the social or political environment in which economic activities occur, rather than by creating new wealth. Examples of rents include spending money on lobbying for government subsidies, imposing regulations on competitors, and limiting access to lucrative occupations, as by medieval guilds or modern state certifications and licensures. Rents are also closely related to corruption, as in, for instance, bureaucrats who solicit and extract a "bribe" or "rent" for applying their discretionary authority for awarding legitimate or illegitimate benefits to clients.</p> <p><i>(Krueger, A., “The Political Economy of the Rent-Seeking Society,” American Economic Review. 64 (3), 1974)</i></p>
<b>Rules of the Game</b>	<p>Formal and informal institutions (rules and norms) that shape the quality of governance and influence actors’ behavior and their incentives, relationships, power dynamics, capacity for collective action, and the extent to which public and private actors behave and interact in ways that are widely known and accepted.</p> <p><i>(Unsworth and CRU, 2007)</i></p>
<b>State</b>	<p>The principal unit for exercising public authority in defined territories in modern times, based on the monopoly of the legitimate use of physical force within a given territory.</p> <p><i>(Call, CT., “Beyond the ‘failed state’: Toward conceptual alternatives,” European Journal of International Relations, 2010)</i></p>

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<b>State Authority</b>	The extent to which a state controls its territory and national law and/or faces an organized challenge to its monopoly of violence. <i>(Call, CT., 2010)</i>
<b>State Capacity</b>	The ability of states to apply and implement policy choices within the territorial boundaries they claim to govern. This ability implies, most fundamentally, the competence of states to control their borders and enact law and order, to enforce contracts and collect taxes, to incorporate and mobilize non-state actors, to regulate social and economic activities sufficiently to increase collective gains and avoid massive negative externalities, and to provide citizens across the whole territory with basic life chances and public services. <i>(Call, CT, 2010)</i>
<b>State-Society Relations</b>	The political, economic, social and cultural processes that underpin the linkages between state and society.
<b>State Legitimacy</b>	“The normative belief of a political community that a rule or institution ought to be obeyed”; and occurs when ‘key political elites and the public accept the rules regulating the exercise of power and the distribution of wealth as proper and binding.” <i>(Rocha Menocal, A., 2011)</i>

