Connecting the Dots:
Systems Practice & Political Economy Analysis
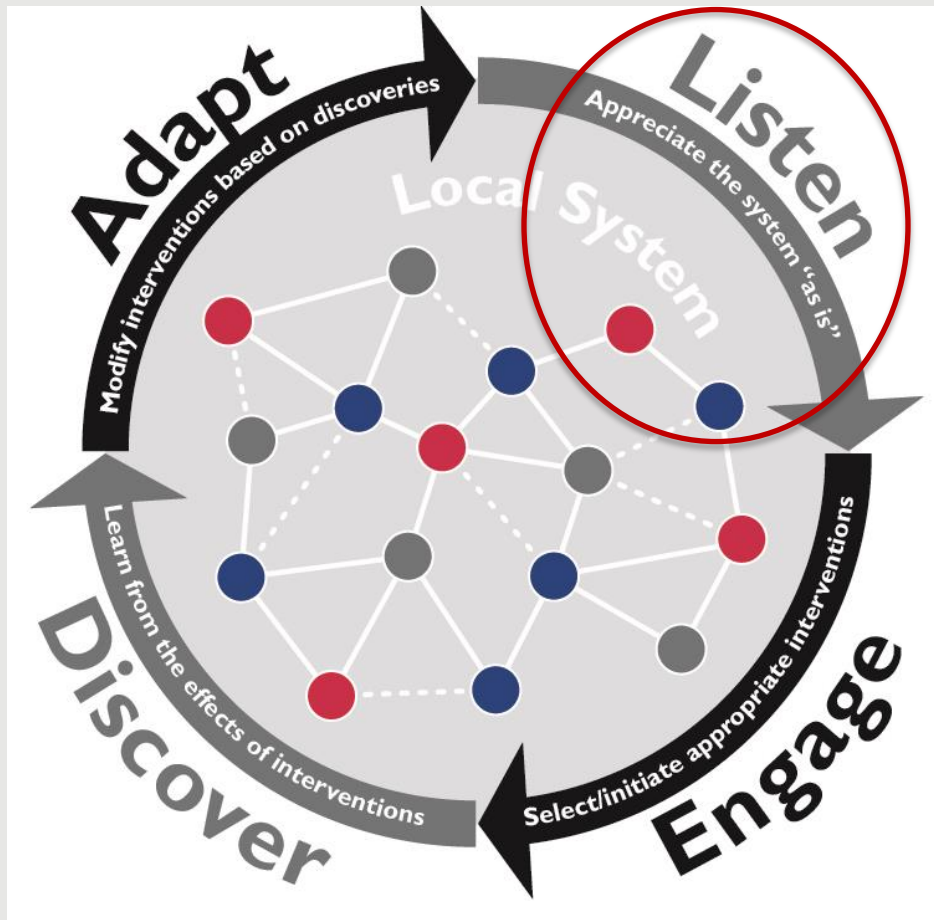
Tjip Walker & David Jacobstein

Local Systems Community
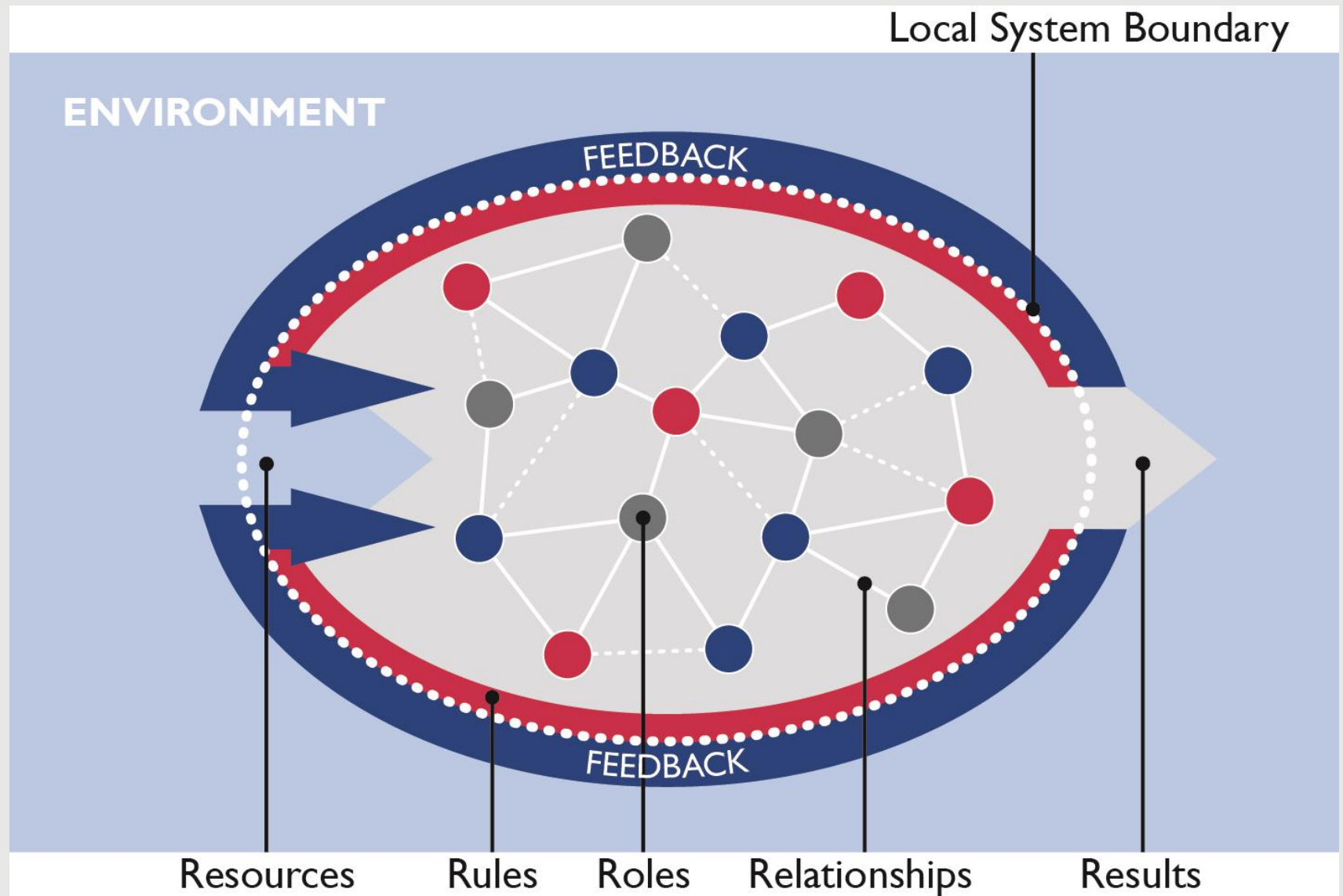March 9, 2017

Systems practice

1. Seek out local perspectives

2. Identify and bound the local system "as it is"

3. Develop an understanding of the system's dynamics

Imagine a system . . .

A Local System

Local System Boundary

ENVIRONMENT

FEEDBACK

FEEDBACK

Resources   Rules   Roles   Relationships   Results

The 5-Rs

→ [Target] **Result**	The specific outcome sought
→ **Roles**	The functions that actors take on
→ **Relationships**	The interconnections between actors in the system
→ **Rules**	Regulations, policies, norms that structure the system
→ **Resources**	Inputs into the system—financial, human, physical

Understanding a Local System

Element	Illustrative Information Sources
Results	- Technical studies - Opinion surveys - Customer/client satisfaction surveys
Roles	- Gender analysis - Social Network Analysis - Organizational Performance Index - PFMRAF Stage 1 and 2 - Technical capacity analyses
Relationships	- Social Network Analysis - Value chain/market analysis - Causal loop diagrams
Rules	**Political Economy Analysis** - PFMRAF Stage 1
Resources	**Political Economy Analysis** - Economic growth forecasts - Market studies - Customer/client satisfaction surveys

Ongoing analysis

The 5Rs help to identify what we should **listen** for, where we should **engage**, what we should **discover** and what interventions we may need to **adapt**.
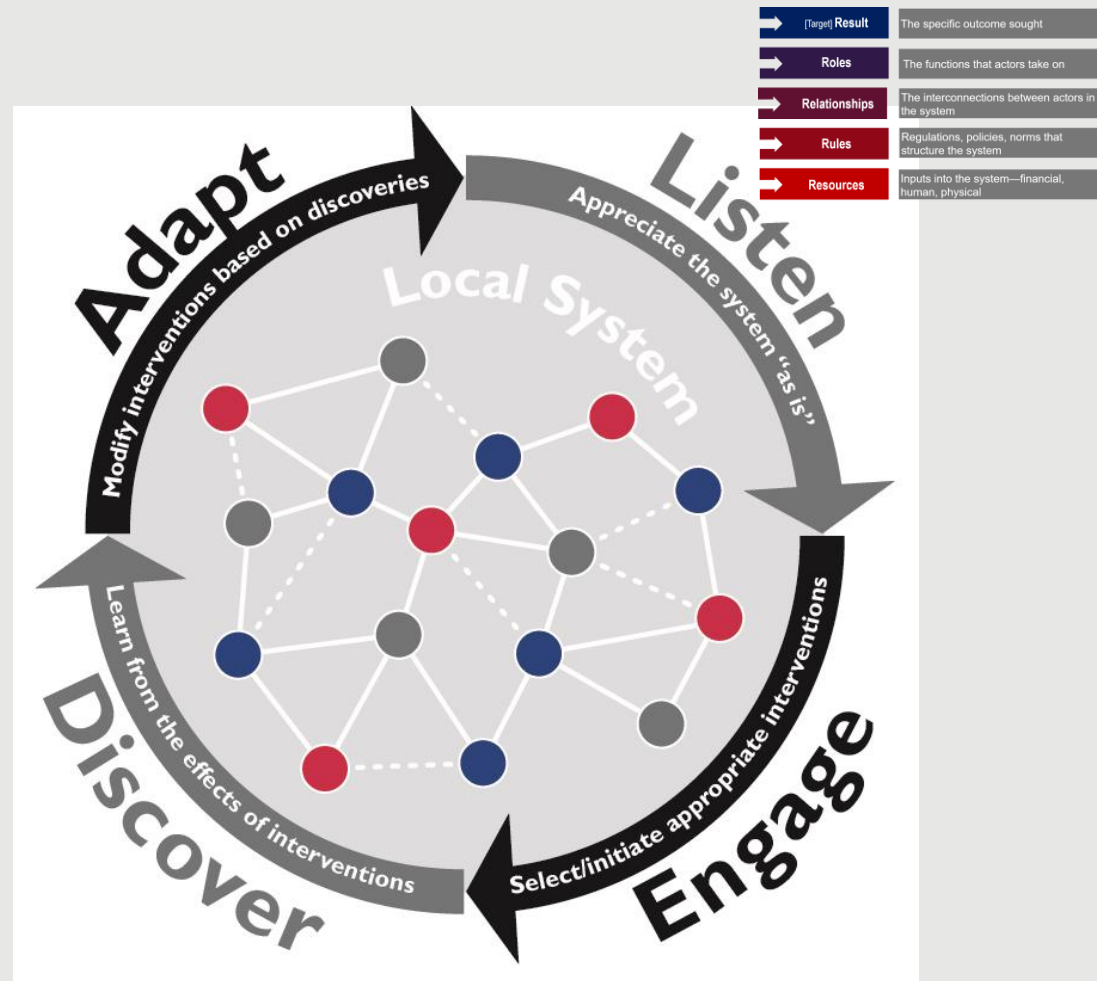
WHAT IS APPLIED POLITICAL ECONOMY ANALYSIS?

What drives behavior?

POLITICAL

SOCIAL/
CULTURAL

BEHAVIOR

ECONOMIC

PERSONAL
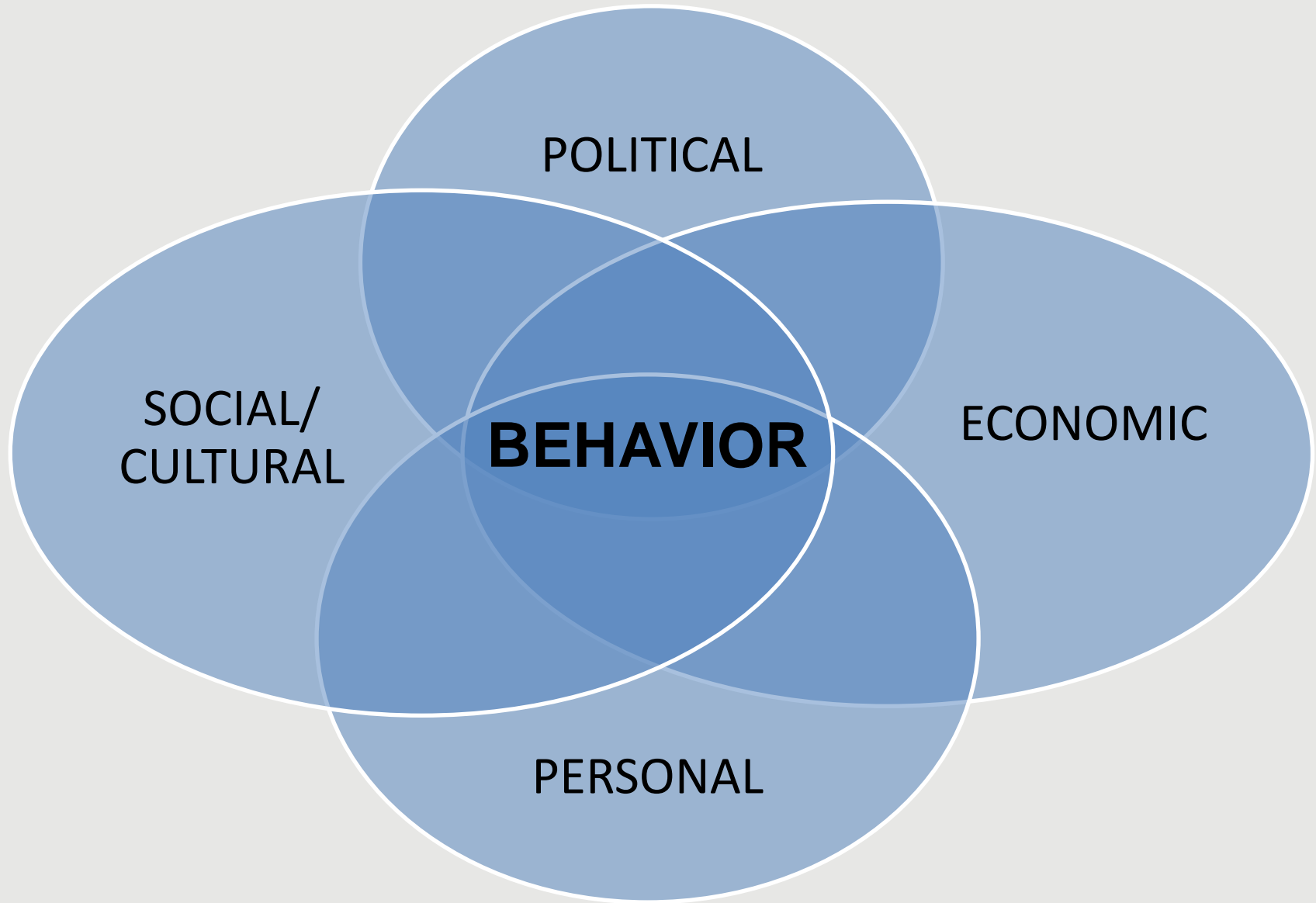
Most PEAs will seek to identify:

- Who has an interest in preserving the status quo? (spoiler)

- Who has an interest in change, reform, etc.? (champion)

- WHY? (key question)

USAID applied PEA framework

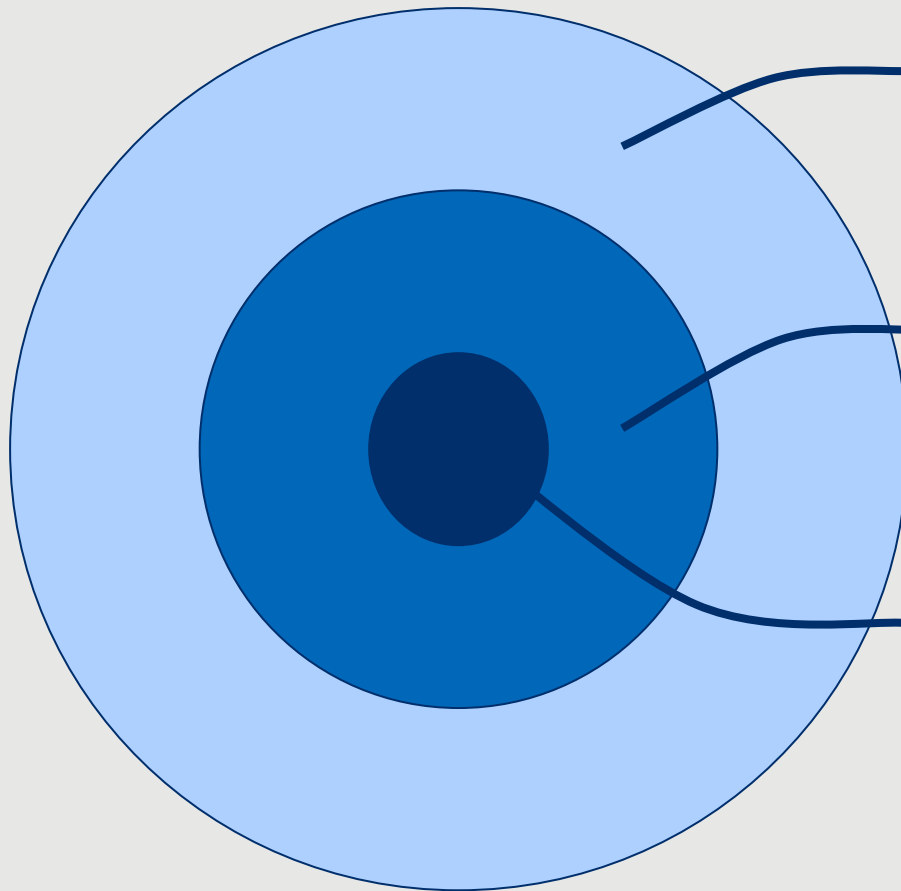|	
Foundation al Factors	Geography, history, society, economy, politics
Rules of the Game	Formal rules, informal norms and institutions
Here and Now	Impact of current events
Dynamics	Dynamics between factors and prospects for change

Levels of PEA

- **Country Level** General sensitization to country context

- **Sector Level** Identification of sector barriers and opportunities

- **Problem/Issue Level** Illuminates specific policy or programmatic issue/problem

A complement to technical analysis

Technical Analysis

| What are the technical and capacity constraints of reforming X? | Design and implement technical interventions | New X is institutionalized, delivers benefits |

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Technically Sound, Politically Savvy Programming

Political Economy Analysis

| Who wins and loses from the current system and WHY? | Situate proposed reform within broader institutional context | Explicitly map risks and assumptions | Design and implement politically savvy interventions |

Tanzania PEA
Hunting concessions allocation process

■ To inform PROTECT contract's workplan

Question:
Why does the hunting concession process operate as it does?

What are the implications for reform to promote more effective sustainable natural resource management?

Tanzania PEA
Key findings

- Culture of patronage weakens supply of and demand for public goods

- Vague official process to allocate hunting blocks; in practice, marred by secrecy and conflicts of interest

- Political shifts offer potential window of opportunity

- Financial and public relations pressure may increase hunting operators' willingness to reform

# PACT-lead political economy analysis PEPFAR implementation in Namibia

- PACT implementing PEPFAR programming in Namibia

    - PEA conducted at mid-term

- The Problem

    - Continued threat of HIV infection, particularly in poor communities

    - Limited elite attention to the issue

    - Extreme disparities in service Delivery

Credit: WHO Media Center

PACT PEA in Namibia
Findings
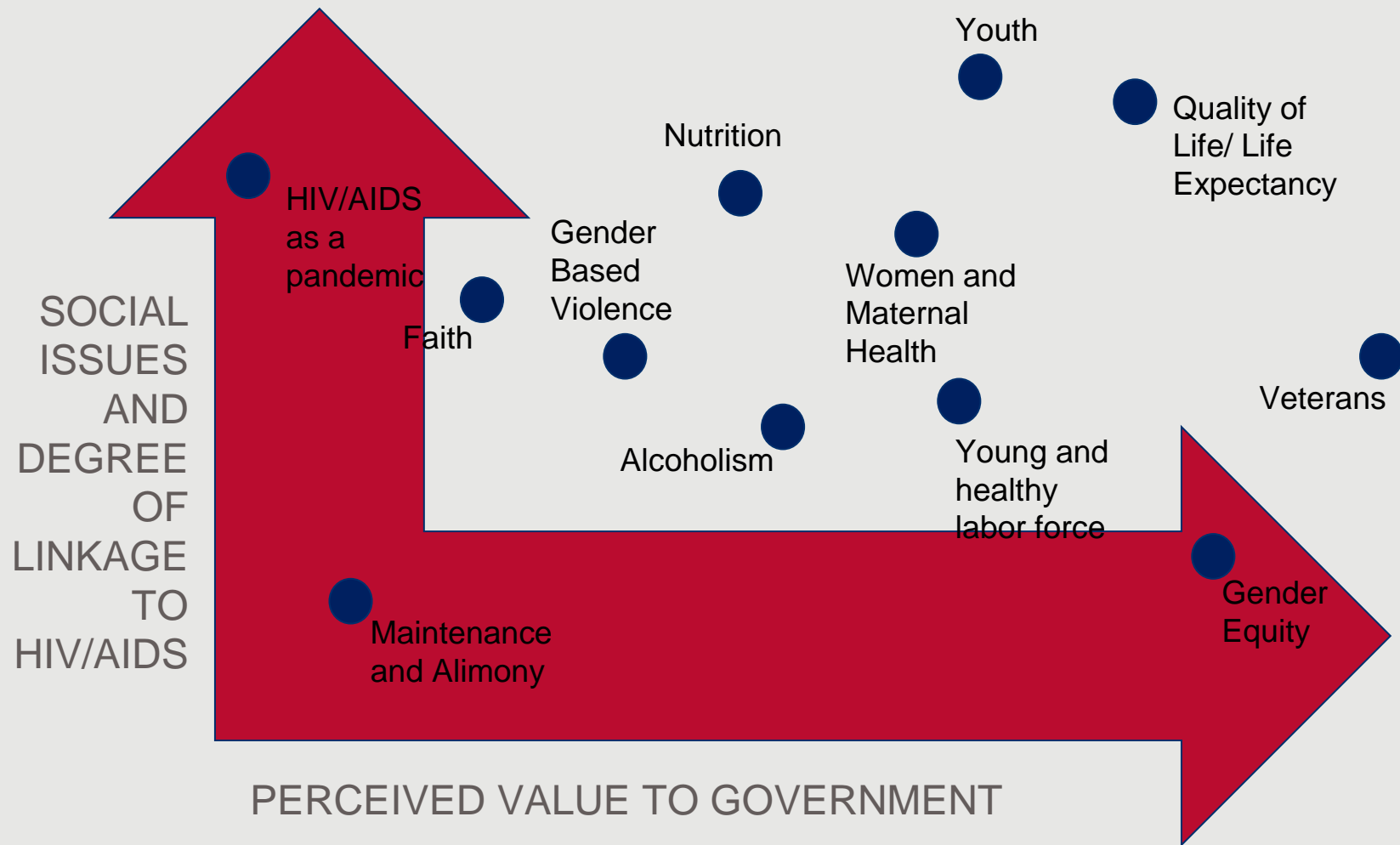
Leveraging political economy

	System Snapshot
What . . .	. . .is the nature of the system?
Who . . .	. . . is part of the system?
Why . . .	. . . is the system configured the way it is?

Appreciating the environment

Nestedness

Operational
(Local System)

Governance

Constitutional

ENVIRONMENT

Local System Boundary

FEEDBACK

FEEDBACK

Resources   Rules   Roles   Relationships   Results
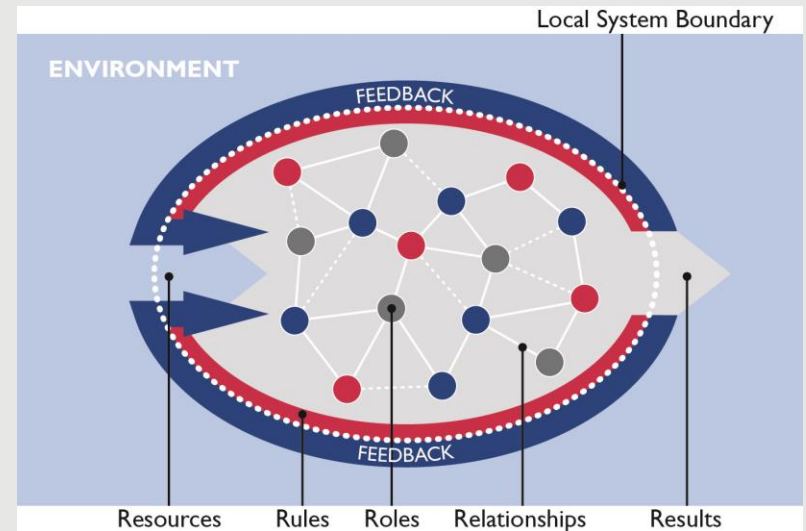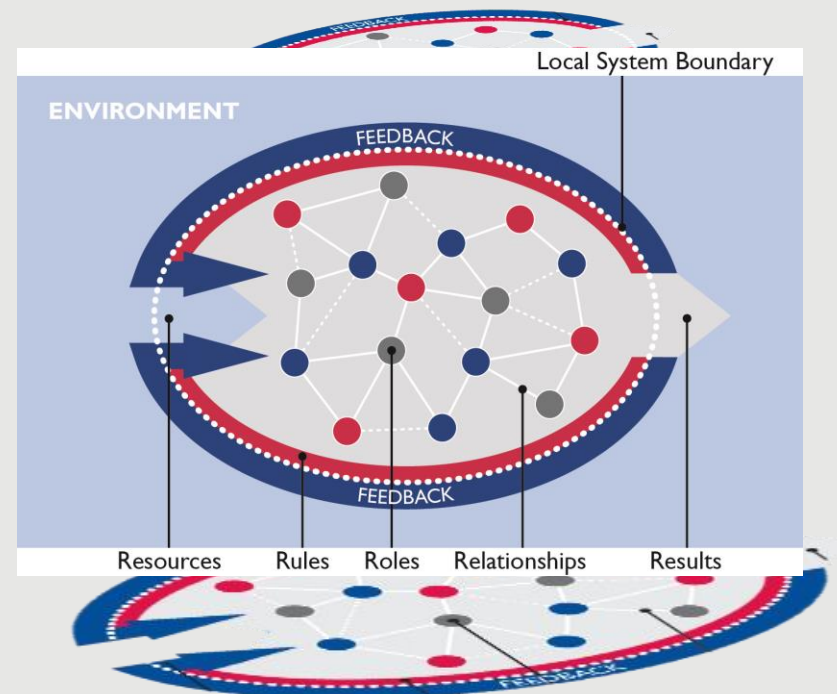
Leveraging political economy

	System Snapshot	**System Dynamics**
What . . .	. . .is the nature of the system?	. . .is the potential for systems change?
Who . . .	. . . is part of the system?	. . . are the advocates for change and who are the opponents? And how can interventions support advocates and neutralize opponents?
Why . . .	. . . is the system configured the way it is?	. . . has the system changed in the past? And how can we leverage those dynamics?

Leveraging systems analysis in TWP/PEA

	PEA
What . . .	**. . . are the useful rules of the game to explore?**
Who . . .	**. . . can shed more light on incentives and connections?**
How . . .	**. . . have prior reform efforts translated to systems changes?**

Leveraging systems analysis in TWP/PEA

	PEA	TWP
What . . .	. . . are powerful/sticky reforms to pursue?	. . . indirect effects is our work having?
Who . . .	. . . can shed more light on incentives and connections?	. . . are untapped coalition or change agents? And who can strengthen advocates or coopt potential spoilers?
How . . .	. . . have prior reform efforts translated to systems changes?	. . . are dynamics changing system actors? And how can we anticipate critical junctures?