Paper Title:

Barriers to Political Analysis in Aid Bureaucracies: From Principle to Practice in DFID and the World Bank

Authors:

Pablo Yanguas (corresponding)

David Hulme

Acknowledgments: Research for this article was conducted as part of a project at the Effective States and Inclusive Development Research Centre (ESID), which is a research program consortium funded by the United Kingdom Department for International Development at the University of Manchester. ESID is an autonomous research center: the decision to fund this project and the budget allocated were determined by the ESID management team without any interference from the United Kingdom Department for International Development.

Paper Abstract: Politics has become a central concern in development discourse, and yet the use of political analysis as a means for greater aid effectiveness remains limited and contested within development agencies. This article uses qualitative data from two governance "leaders" – the United Kingdom Department for International Development and the World Bank – to analyze the administrative hurdles facing the institutionalization of political analysis in aid bureaucracies. We find that programming, management, and training practices across headquarters and country offices remain largely untouched by a political analysis agenda which suffers from its identification with a small cross-national network of governance professionals.

Keywords: foreign aid; aid effectiveness; political economy analysis; DFID; United Kingdom; World Bank.

Highlights:

- Political-economy analysis (PEA) is yet to be institutionalized in aid agencies.
- We look at practice in two most likely cases: DFID and the World Bank.
- PEA and political engagement tend to be ad hoc and personality-dependent.
- Disbursement incentives and professional cultures remain key barriers.
- PEA needs a framing strategy that takes it beyond the governance silo.

1. Introduction

Foreign aid agencies have begun to confront the dilemmas of how politics shapes development interventions and outcomes. While in academia the politics of aid and development is a mature research agenda (Callaghy & Ravenhill, 1993; Nelson, 1996; van de Walle, 2001; Bräutigam & Knack, 2004; Hyden, 2008; Wright & Winters, 2010; Booth, 2011, 2012; Hickey, 2013; Hudson & Leftwich, 2014), in practitioner circles the incorporation of political goals and methods into policy practice is at best an "almost revolution" (Carothers & de Gramont, 2013). Governance, corruption, and institutions have entered the rhetoric and – to some extent - strategies of major multilateral and bilateral agencies (e.g. DFID, 2009a; UNDP, 2002; World Bank, 2012), but the question remains whether a change in discourse can have an actual impact in operations. Over the last 15 years various forms of political or political-economy analysis (PEA)[1] have been developed across OECD donors with the objective of supplying an analytical framework for aid effectiveness (Dahl-Østergaard, Unsworth, Robinson, & Jensen, 2005; OECD, 2009). From a PEA perspective, the vanquishing of pro-developmental political forces by anti-developmental ones is among the chief reasons for the recurrent failure of aid-sponsored reform initiatives, a diagnosis that forces donors to think politically and perhaps even act politically (Rocha Menocal, 2014; Routley & Hulme, 2013; Yanguas, 2012). But can aid bureaucracies actually incorporate the principles of political analysis into their practice? Are the messy demands of political analysis reconcilable with underlying disbursement incentives and entrenched professional cultures? Does the introduction of more politically-smart methods have lasting repercussions beyond the very people who advocate them?

In this article we focus on two aid organizations - the United Kingdom Department for International Development (DFID) and the World Bank - which are widely regarded by the political-economy analysis community as first-movers or leaders, intellectually as well as operationally. Both these donors have spent the better part of the last decade grappling with the challenges of governance and trying to process – in fits and starts, with more or less success – what its lessons are for day-to-day development practice. There is no agreed upon benchmark for such "success"; indeed, for many PEA proponents, simply getting non-governance specialists to talk about politics is a triumph in itself. However, in terms of organizational sociology we have to conceptualize success as institutionalization, with such indicators as the introduction of new mandatory procedures, the internalization of new ideas by organizational management, or the (re)design of professional competence frameworks. To that end, we delve into the organizational dynamics of each donor, using internal documentation and interview data on their aid operations across headquarters and three country offices[2]. As PEA leaders, both DFID and the World Bank are "most likely cases" for new ideas about political analysis influencing practice, while retaining the distinctiveness of bilateral and multilateral aid contexts. Their experiences cannot be generalized to every single aid donor in the world, but ongoing exchanges, cross-pollination, and isomorphism in the organizational field of development assistance mean that more donors are likely to follow where DFID and the World Bank tread; moreover, the emerging epistemic community proposing PEA is likely to encounter similar obstacles and challenges elsewhere as they do in these two organizations, even heightened. Therefore, while the evidence from these two cases is insufficient to establish a rigorous generalization, it can in fact supply rigorous pointers in terms of research and policy implications.

The practice of the World Bank and DFID headquarters and offices demonstrates that the principles of political analysis are far from institutionalized in their actual operations. Despite different political environments – multilateral and bilateral – and very different lending instruments and goals, the incorporation of PEA into both donors' operations exhibits three similar patterns. First: whatever frameworks for political analysis have been produced internally have remained peripheral to core operational guidelines, leading to a practice of occasional, ad hoc, and non-mandatory analytical work superimposed on conventional planning, implementation and evaluation models. Second: whatever informal systems for political engagement have been tried arose from the discretion of individual country and project management personnel, and thus remained idiosyncratic and personality-based products. Third: despite over a decade's worth of refinement and dissemination, PEA strategies and methodologies have been largely ignored outside the governance profession. Underlying these patterns of negligible impact on operational guidelines, over-reliance on personality, and a certain professional parochialism, is the deeper corporate incentive to disburse aid funds as quickly and efficiently as possible, for which political analysis is still seen as an obstacle. These comparative findings lead us to conclude that the task of getting aid bureaucracies to think politically for the ultimate goal of aid effectiveness has to be considered first as a contentious process of organizational change, one in which the powerful inertia of the aid business can severely curtail the aspirations of a small network of motivated analysts and practitioners.

2. Political analysis in aid bureaucracies

A number of OECD donors have developed analytical frameworks for identifying and processing governance challenges. The labels and buzzwords vary: power analysis, corruption and governance assessments, drivers of change, and so on (OECD, 2009). But the basic aim of all these forms of political or political-economy analysis (PEA) is to improve rates of project success through better diagnostics of reform challenges and operating environments. Its promise is one of aid effectiveness.

Much of the conversation about PEA has so far involved the very researchers and practitioners who proselytize it: a loose network of professionals spanning bilateral donors like the UK Department for International Development (DFID) or the Netherlands aid agency, multilaterals like the World Bank and UNDP, think tanks like the Overseas Development Institute, and private companies like Oxford Policy Management or The Policy Practice[3]. Political-economy analysis remains an insider's game, the realm of governance advisers and consultants. Unsurprisingly, the dominant questions in the nascent PEA literature address the issues deemed most pressing by its foremost practitioners: what are the best frameworks, who should be involved in applying them, how can they identify solutions instead of just problems, and whether is it possible to think and speak politically in development contexts which often reward discretion over honesty (Routley & Hulme, 2013).

While debates so far have dealt with political analysis as a principle - discussing what its substance and form should be - perhaps the more fundamental question is one of practice, specifically whether it can be reconciled with the current context of development policy. Among its achivements, the political analysis community can count introducing a more nuanced understanding of institutions, a more open and realistic debate about the nature of power in development, and a more systematic approach to development policy analysis; however all these innovations have rarely been translated into actual change in aid practices, due to an overly macro-political and academic focus as much as to the inherent sensitivity of talking openly about political contention (Copestake & Williams, 2014). The impact of political analyses varies at different levels, and even when they present clear practical implications they have to face strong intellectual barriers against the open integration of "politics" in development assistance debates and policies (Unsworth, 2009). Weak institutional memory and a reluctance to politicize donor-recipient relations may have curtailed the impacts of whatever successful PEAs have been conducted (Duncan & Williams, 2012).There are often tensions around public communications and unrealistic expectations about aid effectiveness, which clash with the intrinsic pragmatism and incrementalism of political analysis (Wild & Foresti, 2011). Lastly, the continued search for operational relevance in terms of "results" may have actually diluted the quality of analysis in a self-defeating transition from "process" to "product," further compounding the challenge of translating policy into practice (Fisher & Marquette, 2014).

The process of data collection for this article revealed very clearly that so far it has been individuals – acting alone or as a network – who have been pushing for PEA. We are tempted to call these proponents an "emerging epistemic community": a transnational coalition of policy-makers and experts (both academics and consultants) seeking to advance a new set of policy ideas through the combination of research findings and principled frames (Haas, 1992). However, the ultimate impact of PEA depends on the ability of this epistemic community to transform aid bureaucracies, for whom change on the scale demanded by governance analysis may be a great challenge – perhaps too great to handle. The fundamental question of political analysis – at this stage at least – is not so much whether its application can lead to better aid and thus improved development outcomes, but whether it can be institutionalized within aid organizations subject to institutional constraints and cultural inertia. And this requires "unpacking" the administrative constraints inherent to aid bureaucracies.

The study of donors as development organizations with their own technical cultures and operational quirks has flourished in recent years. To some extent this is due to the development of more reliable indicators for aid operations and practices at country and project level, covering such themes as transparency, selectivity, or compliance with "best practices" enshrined in the Paris Declaration (Easterly & Williamson, 2011; Ghosh & Kharas, 2011; Gulrajani, 2014; Kilby, 2011; Knack, Rogers, & Eubank, 2011). There has also been a renewed emphasis on assistance modalities, donor-recipient relations, and issues of co-ordination and harmonization (Swedlund, 2013; Winters & Martinez, 2015; Yanguas, 2012, 2014). And some researchers have delved into messy bureaucratic entrails - where only consultants used to tread - in order to better understand how donor priorities translate into actual practices (Lebovic, 2014; Sjöstedt, 2013; Vestergaard & Wade, 2013). We too are interested in analyzing donors' internal behavior, but with a focus on policy change: to that end we require a basic analytical framework for understanding how new ideas interact with existing bureaucratic structures.

Like most bureaucracies, donor agencies are usually slow to change, due to the weight of accumulated common knowledge and cognitive short-cuts informing how a development organization should work (e.g. Thompson, 1967; Zucker, 1987; Scott, 2008). There is a lot of institutional isomorphism (DiMaggio & Powell, 1983) in the organizational field of aid, with donors internally replicating "what works" or at least "seems to work" for their peers (Andrews, 2013). Even if donors tend to consider the political conditions of recipients when determining instruments or allocation across sectors (Winters & Martinez, 2015), the traditional separation of development and politics has been a powerful schema for aid organizations, internalized and institutionalized through the segregation of governance and non-governance professionals or even the complete delegation of governance issues to ministries of foreign affairs (Hout, 2012). Mainstream debates about development are still fundamentally apolitical (Unsworth, 2009). And the institutional environment of aid organizations, which is generally risk-averse and hungry for results, only reinforces the dominant cognitive model of development as a technical task (Copestake & Williams, 2014; Ferguson, 1990). Operating under this kind of "automatic cognition", aid agencies are prone to continue doing what they do best; formal organizational change proves hard when confronterd with environmental pressures, evolving professional cultures, and the replication of ostensibly successful models (Babb, 2003; Lebovic, 2014; March & Olsen, 1984). In contrast, what the aspiring epistemic community of political analysis is attempting to do is jolting aid agencies out of cognitive inertia by proposing a process of "deliberate cognition", through which donors can "override programmed modes of thought to think critically and reflexively" (DiMaggio, 1997, p. 271); taking the practice of development organizations beyond "passive conformity" through a process of "proactive manipulation" (Oliver, 1991).

Ideas can re-shape public policy, and epistemic communities can be a vessel for cognitive diffusion and change. But in the process they will be subject to institutional filters, environmental pressures, and demands for congruence with organizational cultures and sub-cultures (Campbell, 2002; Scott, 2008). For PEA to fundamentally alter how donor organizations function and behave, it has to deploy a persuasive discourse able to overcome a number of policy, political and administrative hurdles (Schmidt, 2008). First, the internalization of a new cognitive idea has to establish its policy viability, which in the case of political analysis may be warranted, given the overwhelming academic consensus and relative practitioner consensus on the centrality of governance and politics more generally to development processes. Much effort within the PEA community is currently directed towards developing a body of evidence which can persuade policy-makers of policy viability, even if the compilation of cases risks a bias towards self-serving "success stories" and rigorous evaluation across the board is near impossible due to attribution challenges (for instance, see Fritz, Levy, & Ort, 2014). Political analysis also has to secure some sort of political viability, and in this case the institutional environment in which donors operate may prove a mixed blessing: on the one hand principals – tax-payers and politicians – seem to crave effectiveness, which is exactly what PEA promises to deliver; on the other hand, they also crave – perhaps even more intensely – efficiency and value for money, which are basically antithetical to pursuing politically-smart aid in all its implications (Copestake & Williams, 2014; Gulrajani, 2014; Henson & Lindstrom, 2013; Martens, 2005)[4].

For our purposes, however, the most interesting challenge is that of achieving administrative viability, by which we mean congruence with - or transformation of - the dominant organizational practices and cultures in aid agencies. Even if it makes sense scientifically, and even if it garners enough political support, political-economy analysis might ultimately fail due to the reluctance of aid professionals to adopt new processes and changed incentives. Specifically, for each aid donor dabbling in PEA we pose three questions of institutionalization:

- Has it led to changes in organization-wide planning and implementation procedures?
- Has it affected the culture of organizational management at the level of country offices?

- Has it significantly modified the substance and dynamics of organizational expertise?

3. The rise of political analysis in DFID and the World Bank

The UK Department for International Development and the World Bank are "most likely cases" (George & Bennett, 2004; J. S. Levy, 2008) in the study of the institutionalization of political analysis in donor agencies: not only do some of the most active proponents of PEA work within these organizations (sometimes having switched from one to the other), but relatively significant resources have been invested into political analysis by both donors, resulting in the development of policies, best practices, and professional frameworks. In that sense either case qualifies as a "crucial" or "pathway case" that can help us elucidate the causal mechanisms whereby a relevant factor affects an outcome of interest (Gerring, 2007) - in this context the causal factor being a new idea about development policy and the outcome the actual practice of aid organizations.

The fact that the PEA agenda has emerged and been sustained financially and intellectually within both DFID and the World Bank leads us to assume a modicum of political viability. They are not interchangeable cases, however: the UK agency faces an often paradoxical political environment of strong policy autonomy coupled with perceived public demands for efficiency (Gulrajani, 2014; Henson & Lindstrom, 2013); whereas World Bank lending operations are subject to the scrutiny and political sanctioning of multiple stakeholders, chief among them the main Western industrialized democracies (Humphrey & Michaelowa, 2013; Vestergaard & Wade, 2013). Therefore we conceive DFID and the World Bank as two different types of most likely cases, respectively among bilaterals and multilaterals. The fact that there has been considerable cross-pollination between them further justifies their study in tandem.

(a) DFID

It should not be surprising for the UK Department for International Development to have become a PEA leader among bilateral donors. Shortly after the previous Overseas Development Administration was extracted from the Foreign Office and given full departmental status in 1997, the first White Paper on International Development released by DFID highlighted "good governance, corruption, and the rule of law" as one of the key challenges to be tackled by UK development assistance (DFID, 1997). To that effect the agency would need a way to identify and assess the quality of government, the sources of corruption, and generally the politics surrounding development in the countries where it operated. Thus emerged the "drivers of change" (DoC) approach, which in some ways launched political-economy analysis in its current form. The objective of DoC country studies was to understand "the underlying political system and the mechanics of pro-poor change," and in particular "the role of institutions – both formal and informal" in enabling or hampering such change (DFID, 2004, 2005b). In the early 2000s more than 20 drivers-of-change studies were conducted by DFID country offices with the help of scholars and consultants.

Despite the flurry of analytical activity in those first few years - involving many country offices, academic experts, and think tanks like ODI - by 2005 there was an apparent lack of examples in which DoC analyses had actually changed DFID programming: most studies focused on "what [was] already known", and few made any practical suggestions about "levers of change" through which a donor could seek to alter the structure of political incentives in a recipient country (DFID, 2005a). The drivers-of-change approach was deemed to be too focused on historical structures and institutional inevitabilities, and not enough on political action and policy change (Leftwich, 2007). To that end, a more operationally-oriented framework was developed, the Country Governance Analysis, which became mandatory for all country offices preparing country assistance plans (DFID, 2007); however, those analyses too failed to scratch the drivers-of-change itch, which was about applicability and operational relevance. Eventually an effort was made to rescue political analysis from this lackluster cul-de-sac by developing a new framework under the somewhat vague moniker of political economy analysis. A 2009 "How to Note" remains to this day the clearest and most coherent formulation of the promise of political economy analysis for DFID, advocating the use of PEA – the study of interest and incentives, formal and informal institutions, values and ideas – in country planning, choice of aid modalities and partners, project and program design, and more broadly informing dialogue and engagement with development partners (DFID, 2009b).

(b) World Bank

Despite an explicit prohibition in its Articles of Agreement from "interfering" in the political affairs of a member state, by the late 2000s the World Bank had also become an important player in the governance debates now plaguing development policy. The role of politics-by-other-name can be traced back to the 1997 *World Development Report*, which was heavily influenced by the theories of Douglass North and new institutionalist political economy (World Bank, 1997). In 1999 the Bank began conducting "institutional and governance reviews" in selected countries: "analytical reports that focus[ed] on the functioning of key public institutions" and studied "the feasibility of reform recommendations with a rigorous assessment of political realities and constraints to reform" (Manning & Bureš, 2001, p. 1). Although their scope, execution, and impact varied widely, these reviews cemented the role of governance analysis in the Bank's work, even though the first guidelines produced for political-economy work in the agency's operations actually came from social development specialists instead of governance ones (Social Development Department, 2007, 2008).

The current wave of political analysis at the World Bank is rooted in the adoption in 2007 of a group-wide Governance and Anti-Corruption Strategy, which was updated in 2012 (World Bank, 2012). Among the objectives that the Bank set for itself through this Strategy was more and higher-quality diagnostic work in the areas of governance and corruption as part of a drive to "mainstream" governance across its operations. In this task, the Bank secured the assistance of a small group of like-minded donors (DFID[5], Netherlands, and Norway) who in 2008 established a multi-donor trust fund for a Governance Partnership Facility (GPF) (GPF Secretariat, 2008, p. 1; see Sridhar & Woods, 2013 for a critique of this kind of trust fund). With this financial support, in 2009 the World Bank released its own approach to "problem-driven political economy analysis," intended to provide guidelines for analytical work at all levels of programming, from country strategy all the way down to project design and implementation (Fritz, Kaiser, & Levy, 2009). A further "How to Note" was released in 2011 outlining a "menu" of analytical options for country managers and task team leaders, crafted for them by a "PEA Community of Practice" spanning public sector specialists, social development specialists, and researchers at the World Bank Institute (Poole, 2011)[6]. Five years after the problem-driven approach was developed, the PEA community released a volume of case studies seeking to demonstrate impact across a range of client countries (Fritz et al., 2014).[7]

By 2014 political analysis seemed to have made considerable inroads into both DFID and the World Bank, even if both donors have become governance "leaders" in very different ways – DFID through an internal political imperative, the Bank through a DFID-funded intellectual effort. In principle at least, political-economy analysis seemed to have achieved policy and political viability. But had it secured administrative viability?

4. Administrative barriers to institutionalization

In the previous section we established that governance has become sufficiently established as one of the strategic principles guiding DFID and World Bank aid, with guidelines for political analysis of one kind or another supplementing the broader rhetoric about the centrality of politics. This ideational evolution took place largely within the confines of headquarters, where dedicated teams of governance advisers and specialists operating more or less autonomously were able to sway corporate policy at least to the point of paying lip service to politics. But in order to really determine whether political analysis has affected practice in any significant manner we have to delve deeper into both aid bureaucracies. Using primary and secondary qualitative data from headquarters as well as three country offices per donor, in this section we track the administrative barriers to PEA institutionalization at the level of programming, management and professional communities.[8]

(a) Programming

As of 2013 DFID country offices faced no corporate requirement to conduct any kind of political analysis as part of country planning[9], the mandate to conduct country governance assessments having been dropped with the introduction of the "Operational Plan" framework for all DFID departments, including country offices.[10] After the 2009 change of government in the United Kingdom and subsequent ministerial and policy changes, the operational plan model did was not intended to present a coherent strategy so much as establish value-for-money (VfM) in DFID operations. According to some practitioners, the operational plans for country offices constitute less cohesive strategies than a series of discrete proposals, each with a separate set of achievements and indicators, animated by an emphasis on evidence rather than political understanding. DFID's own interpretation of value-for-money calls for a nuanced and mature understanding of outcomes, theories of change and risks (DFID, 2011b), but the drive to evaluate alternative interventions on the basis of evidence represents a particular challenge for governance operations (DFID, 2011a).[11] The recent introduction of "Country Anti-Corruption Strategies" after a recommendation by the Independent Commission on Aid Impact (ICAI, 2011) can be read less as an invitation to politically informed programming than as a desire to increase VfM.

In terms of the World Bank's country planning, the chief instrument is the "Country Assistance Strategy" or – more recently – "Country Partnership Strategy", which establishes the Bank's lending priorities for a period of time. The strategy provides an assessment of country context, which includes a brief treatment of the political context; however, there is no formal requirement to conduct country- or sector-level political economy analysis as part of this planning process. For the most part, World Bank country offices have remained focused on "fiduciary risk at the level of individual investment lending transactions" to the detriment of more comprehensive identification of systemic risk factors (World Bank, 2012, p. 47). That being said, the Bank-wide Governance and Anti-Corruption Strategy (GAC) sought to incorporate governance concerns in the Bank's dialogue with recipient governments, sharing analysis and expertise in order to ensure that political risk-assessment and mitigation guidelines were country-specific (OPCS, 2009, pp. 3–4). The first window of funding of the Governance Partnership Facility was precisely intended to create strong incentives for GAC strategies in countries, including technical assistance and analytical and advisory work for country offices (GPF Secretariat, 2008, p. 8)[12]. And indeed, despite the lack of political analysis in country strategy requirements, some country offices have used GPF funding to conduct studies on governance issues at the sector level (GPF Secretariat, 2012, pp. 93, 118–19).

At the level of project and program design, the auditing imperative in DFID has found expression in the "Business Case" model of project preparation and assessment[13]. The chief objective of a business case is to demonstrate a project's value for money; in that sense, it can be seen as an expanded procurement document in which project advisers justify their proposed expenditures of aid money. According to the 2012 "How to Note" on business case preparation (DFID, 2012), project leads are encouraged to consider all risks and opportunities during the scoping stage, including those related to "political economy." All risks appropriate to the intervention are supposed to be weighed as part of the appraisal process, including "economic, social, political, institutional, environment, fragility and conflict, fraud, corruption, and climate change risks and opportunities" (DFID, 2012, p. 24). However, the stated requirements of the appraisal case only envision dedicated sections for those transversal issues that are considered DFID organizational priorities: climate change and environment, social impact appraisal, and fragile and conflict-affected countries. A political-economy appraisal can be attached to a business case, but more as an annex than a programming requirement, which means that project leads have no real incentive to conduct PEA during the scoping stage, and that the quality assurance process is unlikely to consider the further analysis of issues that are not already covered by the business case[14].

Somewhat similarly, World Bank programming is dominated by incentives to disburse rapidly and in a cost-effective manner. Although the lengthy and convoluted project preparation process has greater scope than DFID's for careful analysis of governance risks, its actual programming requirements are heavily biased against conducting and implementing any kind of political analysis.[15] Despite the stated aims of the 2007 Governance and Anti-Corruption Strategy, there is no formal programming requirement to conduct governance studies. Project preparation guidelines for investment financing make no mention of PEA as a potential source of background information, and requirements of institutional appraisal refer to the capacity of local implementing agencies, not the governance or political context (OPSPQ, 2013c). The "Project Appraisal Document", which is the central assessment step in project preparation, does begin with a section on strategic context, but this is not intended to be longer than two or three pages, and it is supposed to convey country context, capacity constraints, sectoral and institutional context, and links between the project and higher-level objectives (OPSPQ, 2013b). In fact, project appraisal documents themselves do not contain a section on political or institutional assessment (OPSPQ, 2013b)[16]. Governance and corruption do feature in the attached "Operational Risk Assessment Framework," but they can easily get lost in it given the number of boxes to tick and the likely prioritization of managerial risks; indeed, for some specialists risk assessment box-ticking can become a way to get politics out of the way. In any case, the framework can only assess risks after project identification, so it is unlikely to lead to the identification of alternative entry points or counterparts, as political-informed projects are supposed to do.

Overall, a review of country- and project-level programming guidelines at World Bank and DFID reveals a major disconnect between the organization-wide language and aspirations of governance strategies and PEA frameworks and the day-to-day requirements that aid practitioners face. Despite the emerging epistemic community's best efforts, the introduction and refinement of political analysis has had little impact on business as usual: a non-mandatory layer of work with which neither DFID nor World Bank staff are actually expected to comply. In the brief history of PEA in aid bureaucracies, the rapid turn-over in frameworks and proponents stands in full contrast to the slow and incremental pace of actual organizational evolution: risk assessment, value-for-money calculations, and conventional design practices – in their various cosmetic iterations – have been largely impervious to the claims and hopes of political analysis. This places a greater burden on individual managers and specialists as PEA entrepreneurs within their organizations.

(b) Management

In DFID the country "Head of Office" is the chief responsible for operational management, and as such is likely to have an enormous impact on analytical activities at the country, sector and project levels. A head of office approves operational plans, the "Fiduciary Risk Assessment" for countries with development lending, the office's anti-corruption strategy, and country governance assessments before they are sent out for peer review (DFID, 2007, 2010, 2013a). Heads of office also have a say in deciding whether any business case is sent to the agency's Quality Assurance Unit for review (DFID, 2012). No wonder one of the key lessons learned from the Drivers of Change exercise was to involve heads of office at all stages of the analytical process, in order to ensure that implications were made operational (DFID, 2005b). It is also up to the head of office to request additional governance advisers (given a limited pool of advisers within DFID, not all offices may have even a single governance expert on staff). Our field research in several country offices reveals a pattern of improvisation and informal processes closely linked to specific individuals: a politically-minded head of office can set up systems to ensure that all operations take politics into account, but there is no requirement for managers to institutionalize any such system.

For the World Bank, the most important planning and programming decisions at the country level are made by the "Country Management Units" (CMUs), which are responsible for the preparation of country strategies as well as the approval and coordination of any governance or PEA-related activity. Above all, CMUs are responsible for country risk assessments, which are uniformly applied to all projects in the country portfolio (OPSPQ, 2013a). Some CMUs have decided to set up "Governance and Anti-Corruption Committees" within their offices, which are supposed to mainstream governance by vetoing projects at the conceptual stage. Other country teams have gone so far as to issue their own guidelines on identifying governance risks and formulating governance and accountability action plans (OPCS, 2009, p. 18). During project identification it is the "Country Director" together with the appropriate "Sector Manager" who select the leader for a project's task team, as well as determine the participation of governance and public sector specialists in any team. Sector managers have the additional responsibility of advising project staff and ensuring that they have the requisite expertise, as well as signing off on annual risk assessment updates (OPSPQ, 2013c, p. 11). Together, the CMU is responsible for managing the incentives of project teams: if they do not support an analytical outlook, risk-taking and innovation, political analysis is highly unlikely to take root in a country office (OPCS, 2009, p. 19). On the ground, having an engaged country director ensures that political economy analysis has impact on projects; conversely, a lukewarm – or, worse still, hostile – country director vastly decreases the chances of producing any analytical work touching on politics. The track record of World Bank country offices illustrates these extremes, in some cases even both of them in a short span of time as activist country directors are replaced by less "political" ones.

At the project level, In DFID the "Lead Adviser" on a project has the final say on the development and eventual presentation of the business case, including the strategic and appraisal cases encompassing the brunt of risk identification and mitigation measures. It is project leads who have to make the case for value-for-money for a given intervention (DFID, 2011a, 2011b), and who face the strongest personal incentives to ensure that a project progresses to the disbursement stage. According to our informants, whenever governance advisers have played a prominent role in advising or participating in project management besides their issue area, it has often been due to experienced individuals who earn the trust and respect of lead advisers working in other sectors.

In the World Bank the most important person in the project management cycle is the "Task Team Leader" (TTL), who has overall responsibility for the project from inception to completion. Selected on the basis of experience and professional expertise, the TTL determines the early identification of risks and project objectives, decides whether to build any political analysis into the project identification or preparation phases, and is free to request the ad hoc advice of thematic expert networks within the Bank (OPSPQ, 2013c). Overall, the TTL is also responsible for mainstreaming governance and anti-corruption issues and concerns at the project level (OPCS, 2009, p. 18). Given the relative discretion of TTLs, their personal valuation of political economy analysis and their willingness to include public sector specialists in their teams - or at least request their advice – often has an enormous impact on the institutionalization of PEA at the project management level. But perhaps the single most important factor affecting the adoption of political analysis in World Bank operations is what one practitioner called the "overwhelming pressure to get money out of the door," the fact that "task teams are paid to ensure that the money is disbursed." And in the process of ensuring disbursement a task team leader cannot solve all problems: usually there is concern only for the "20 percent of recommendations that ensures 80 percent of results". Our interviews showed that there are simply no clear rewards for knowledge production, just for publishing reports and getting projects approved quickly, which does not ensure effectiveness over the long term.

Predictably, the role of individuals in pushing for greater political engagement in DFID and World Bank country offices seems to have been ad hoc, idiosyncratic, and personality-based. Our interviews reveal a relatively large degree of flexibility for politically-minded practitioners to innovate and establish temporary processes and systems on top of and around corporate guidelines and organizational accountability. Actual PEA reveals itself in day-to-day practice as less of the science the epistemic community envisioned and more of an art: when it comes to rely on people, the politics of one's own organization are as relevant as that of the local context for operations, and so it is natural that political analysis will predominate in country offices whose managers and governance advisers are more entrepreneurial and less risk-averse. However, flexibility and an over-reliance on personality is also the Achilles' heel of political analysis in aid agencies, as relatively quick staff turn-over rates constantly undermine the institutionalization of whatever innovations are introduced. PEA is used by governance-minded professionals, but it is not yet a core feature of the governance profession, much less the other advisory and specialist cadres within DFID and the World Bank.

(c) Organizational culture

The aspiring PEA epistemic community within DFID is a small network of governance advisers working in the headquarters or in specific country offices. Intellectually, Drivers of Change and the current PEA framework were gestated within the Policy Division, which is tasked with providing "the best policy options to help DFID focus its efforts on building economic, social and political institutions that provide the environment for sustained growth and poverty reduction" (DFID, 2013b, p. 3). The Division has housed the successive teams issuing guidelines and "how to notes" regarding political analysis over the last decade. In professional terms, PEA has come to be identified with the cadre of governance advisers, whose mandatory technical competency is precisely "governance, political and institutional analysis." This encompasses the "ability to apply political and institutional analysis and use this to influence strategic planning and programming decisions," which in turn includes knowledge and experience with drivers of change, country governance analyses, anti-corruption assessments, and "the key features of political economy analysis and the main PEA frameworks and tools" (DFID, 2013c). However, this does not mean that PEA has become fully institutionalized in the governance profession outside competency frameworks: for instance, the 2011-2015 "Operational Plan for the Governance, Open Societies and Anti-Corruption Department" makes no mention whatsoever of political-economy analysis (DFID, 2013d).

Early on, a review of DFID's Drivers of Change found that the main users of those studies were the very country offices that commissioned them and the DoC analytical team within the Policy Division, whereas other adviser cadres and departments were much less familiar with the approach (Dahl-Østergaard et al., 2005, p. 11).[17] This would not be surprising for DFID economists, who as a cadre are organizationally separated from governance advisers. But even all the other professional cadres which dwell under the same roof of the Policy Division have to comply with drastically different competency frameworks and report to separate heads of profession. This divide between advisory cadres can be felt in the country offices, even if the actual patterns of interaction between governance and non-governance advisers vary. In headquarters, the dedicated effort to extend political-analysis training beyond governance seems to have made some progress: for instance, only a quarter of the 300 DFID advisers who have undergone PEA training come from the governance cadre (Robinson, 2013). Indeed political thinking and – to some extent – basic PEA considerations seem to have entered into the DFID "psyche" and "DNA." But our informants revealed outstanding questions about what this state of mind actually entails or how it can improve operations. From the standpoint of professional expertise and programming requirements, political-economy analysis can be perceived as just another layer on top of all the mandatory assessments that project leads have to go through, one serving the professional needs of governance advisers.

At the World Bank, political analysis has been promoted by intellectual entrepreneurs within the Governance and Public Sector Management cluster, which is part of the Poverty Reduction and Economic Management Network (PREM); but its actual operational implementation has been led by regional sector managers and specific country management units. The fact that the Bank does not have a governance cadre akin to DFID's has meant that, without a clear set of best practices to follow, regional sector managers and CMUs were free to experiment with governance and political analyses as they saw fit, usually depending on the personalities involved and without any kind of strict quality control. The Governance Partnership Facility multi-donor trust fund enabled the creation in 2009 of a "PEA Community of Practice," with about 75 core participants and 300 members across professional networks and regions. Although not a very formal instrument, the Community has sought to centralize knowledge management, providing ad hoc assistance with terms of reference and consultants to country teams, and disseminating some of the guidelines developed in Washington. Indeed, the GPF is deemed to have been extremely helpful for the governance agenda, not least due to its ability to finance governance staff positions in a context of Bank-wide budgetary constraints and a conscious decision not to recruit governance specialists for country offices (GPF Secretariat, 2012).

But political analysis is much less known and employed outside the governance and public sector professions, despite the original intent to use the institutional and governance reviews of the early 2000s as learning tools for all World Bank staff (Dahl-Østergaard et al., 2005, pp. 10–11). The Governance Partnership Facility did serve as a catalyst for a group of some 200 innovative staff - from sector managers to task team leaders – who were given funding to experiment with new governance approaches; and yet public sector specialists remain the majority of active participants within the PEA Community of Practice[18]. In a sense, all World Bank operational staff know what is going on, and to that extent our research reveals a sort of "tacit political economy analysis" going on at all times. But, inevitably, the analytical content of what the Bank calls economic and sector work (ESW) is "uneven" and has been little affected by the Governance and Anti-Corruption Strategy: "ESW seldom discussed political incentives to implement governance reforms, sector programs, or development projects"; it discussed stakeholders, but "rarely analyzed their preferences, degree of mobilization, access to rents, and ability to veto reforms"… "Institutional and capacity weaknesses were among the most commonly mentioned constraints, although their underlying causes were often not diagnosed" (World Bank, 2011, pp. 82, 84). Such limitations were compounded by a widespread perception among staff that PEA was "optional and only undertaken with additional resources" (World Bank, 2012, p. 58). Indeed, the 2012 Strategy found that "only 63 percent of staff are fully familiar with the GAC strategy," noting that most were committed to governance issues, but did not feel they had "the skills needed to identify and mitigate risks at the sector and project level, or to supervise high-risk projects" (World Bank, 2012, p. 56). It is worth wondering to what extent this failure in "mainstreaming" governance may be due to the Bank-wide Governance and Anti-Corruption Strategy itself being a professional instrument of the governance and public sector management community[19].

An aid system split into relatively autonomous professions presents a major challenge to any intellectual agenda seeking to influence how the entire field thinks and acts. The governance cadre and the public sector profession were created for the purposes of governance and public sector programming, and inevitably political-economy analysis tends to be seen as a tool developed specifically for the needs of that programming area – other professions take care of health, infrastructure, or agriculture, not politics. And so what seems painfully obvious to PEA proponents – that politics is intrinsic to any aid intervention – has an air of self-promoting intrusion for everyone else. Thus far the PEA epistemic community has failed to develop a powerful narrative for overcoming professional isolation, and as a result its proponents often end up preaching to the converted: governance workshops attended by governance practitioners where participants complain about the absence of non-governance specialists.

5. Conclusion

The aid community has spent the last two decades getting to grips with the challenge of politics. And while it seems that on a strategic level institutions and governance are now inescapable components of development discourse, the practice of two "leaders" like the World Bank and the UK Department for International Development demonstrate that the principles of political analysis are far from institutionalized in actual aid operations. Despite different political environments – multilateral and bilateral – and very different lending instruments and goals, the administrative viability of PEA in both donors is equally reliant on the discretion of country and project staff, due to a general lack of institutionalization into operational guidelines. This challenge is compounded by the lack of awareness about political analysis outside the governance professions, from which the emerging epistemic community almost exclusively arises. In contrast to social impact assessment frameworks, which have entered DFID and Bank due diligence procedures and programming, PEA remains a nebulous field of expertise, a way of thinking more akin to political intelligence than anything that can be operationalized. As such, it remains closely identified with the professions of public sector specialist and governance adviser, which means economists and sector specialists have little incentive to pay it any attention. Our study of two "most-likely" cases for the success of PEA lead us to a number of research and policy implications which could find applicability within DFID and the World Bank as well as across the range of donor organizations where the emerging epistemic community of political analysis is already at work.

In terms of research implications, this article only highlights some of the mechanisms whereby new ideas about politically informed development assistance become institutionalized. We have chosen to focus empirically on programming requirements, management practices, and professional cultures; analytically, we have focused on two leaders, one bilateral and one multilateral. This is just the beginning of an incipient academic investigation into a field dominated by donor and consultant reports, and as such there is a wealth of options for potential replicability and expansion of the research agenda. Methodologically, one can change the level of analysis to specific country portfolios or even individual projects (our own ongoing work points in that direction); one can also alter the selection to compare outcome variation at different steps of the diffusion chain: for instance, why PEA proponents have been more successful in northern European bilaterals than southern European ones, or why are regional development banks less likely to engage in political-economy analysis than the World Bank. Analytically, one could supplement our focus on ideas and administrative change with network analyses of PEA diffusion across aid organizations; another rich vein of research could emerge from the systematic study of PEA's policy viability, establishing the mean effects of different approaches, organizational structures, and political environments across a middle or large number of cases. The time is ripe for taking donor political analysis out of the gray literature and into greater analytical rigor.

In terms of policy implications, the cases of DFID and the World Bank make us wonder whether one of the reasons for the lack of familiarity with political analysis outside public sector and governance professional networks can be found in the puzzling reluctance of its advocates to put forth a clear model for carrying out PEA as part of operational work.[20] There is some concern that formalization may actually hinder the kind of constant informal analysis that advocates seek: as a result of this "laissez faire" mentality, however, political analysis is not a consistent policy. Even "governance" itself remains a contested term detached from any concrete results framework, a lack of definition which has muddled priorities and hampered dissemination among non-public sector specialists (World Bank, 2012, pp. 28–29). This leads to conflict and confusion between governance broadly understood and political analysis as a nuanced understanding of risk, with the former enjoying at least lip service donors, while the latter remains tied to a specific professional community. The challenge is not one of developing a single, unequivocal model or toolkit that can be dropped into any development problem, but that of positing a single, unequivocal logic – analytical or discursive – which can compete with the powerful assumptions and intellectual common ground of the economics profession. Even then, perhaps the greatest hurdle is the continued identification of political analysis with the governance silo. This is a dilemma that PEA proponents themselves discuss in workshops and private conversation, but one that is often overshadowed by a defensive attitude when dealing with other aid professionals. What our comparison of DFID and the World Bank shows is that overcoming the administrative barriers to political analysis requires some degree of bureaucratic advocacy which persuades political principals and managers of the operational viability of thinking politically, especially when facing such powerful professional and corporate incentives as steady disbursement and value-for-money.

There are several ongoing attempts to produce a new persuasive frame for politically-informed programming. Some of the most senior figures within the DFID consultant "ecosystem" have formulated a plea for "Politically smart, locally led development" (Booth & Unsworth, 2014), compiling case stories illustrating the need for donors to take context seriously and empower local partners as a way to maximize the effectiveness of their interventions. Attention to political context is also inherent in a similar emerging agenda built around the idea of "Working with the Grain" (B. Levy, 2014), which relinquishes best practices and ideal models for pragmatic interventions and dedicated efforts to expand the reform space. Finally, a small but energetic group of practitioners and scholars has released a manifesto about "Doing Development Differently" (Andrews, Foresti, & Wild, 2014), arguing that iterative design, flexibility in implementation, and attention to context are the key to better development outcomes. All three agendas in a way supersede the original discourse of PEA by subsuming its core lessons and couching it in the language of "effectiveness" and "results". This kind of norm "grafting" (Price, 1997) is likely to at least take PEA further than it has reached so far, and may even herald the beginning of a – somewhat disjointed – transnational advocacy network targeting the aid business (Keck, 1998). However, none of them offers a solution to the operational dilemmas identified in this article: how to overcome administrative barriers which hinder significantly the diffusion and institutionalization of new ideas about aid.

The cases of DFID and the World Bank do not hold the secret for the successful integration of political analysis into development practice. If anything, they represent the most advanced examples of institutionalization thus far - they could very easily be considered the envy of PEA proponents working in other agencies. What our analysis of these two “pathway cases” reveals, however, is that the translation of new policy ideas into actual aid practice is a challenge of organizational change. And the emerging epistemic community of political analysis would do well to adapt its discourse and framing strategies to at least minimize the continuing clash with incompatible administrative structures. This is likely to entail at least two things: first, distilling the essence of political analysis into accessible toolkits that can be easily grafted onto extant operational guidelines and requirements; second, releasing PEA from the protective cocoon of the governance profession, in such a way that it ceases to be “what governance people do” and becomes instead a constitutive part of aid effectiveness. Only by overcoming such administrative barriers will the “almost revolution” be finally realized.

REFERENCES

Andrews, M. (2013). *The Limits of Institutional Reform in Development: Changing Rules for Realistic Solutions*. Cambridge, Mas.: Cambridge University Press.

Andrews, M., Foresti, M., & Wild, L. (2014). *The DDD Manifesto. Available at: http://buildingstatecapability.com/the-ddd-manifesto/.* Harvard and London: ODI and Building State Capability Program.

Babb, S. (2003). The IMF in sociological perspective: A tale of organizational slippage. *Studies in Comparative International Development*, *38*(2), 3–27.

Booth, D. (2011). Aid, Institutions and Governance: What Have We Learned? *Development Policy Review*, *29*(Supplement), s5–s26.

Booth, D. (2012). Aid Effectiveness: Bringing Country Ownership (and Politics) Back In. *Conflict, Security & Development*, *12*(5), 537–558.

Booth, D., & Unsworth, S. (2014). *Politically smart, locally led development - Discussion paper*. London: ODI.

Bräutigam, D., & Knack, S. (2004). Foreign Aid, Institutions, and Governance in Sub-Saharan Africa. *Economic Development and Cultural Change*, *52*(2), 255–285.

Callaghy, T. M., & Ravenhill, J. (Eds.). (1993). *Hemmed in: Responses to Africa's Economic Decline*. New York: Columbia University Press.

Campbell, J. L. (2002). Ideas, Politics, and Public Policy. *Annual Review of Sociology*, *28*(1), 21–38.

Carothers, T., & de Gramont, D. (2013). *Development Aid Confronts Politics: The Almost Revolution*. Washington, D.C.: Carnegie Endowment for International Peace.

Copestake, J., & Williams, R. (2014). Political-Economy Analysis, Aid Effectiveness and the Art of Development Management. *Development Policy Review*, *32*(1), 133–153.

Dahl-Østergaard, T., Unsworth, S., Robinson, M., & Jensen, R. I. (2005). *Lessons learned on the use of Power and Drivers of Change Analyses in development co-operation*. Paris: OECD.

DFID. (1997). *Eliminating World Poverty: A Challenge for the 21st Century*. London: DFID.

DFID. (2004). *Drivers of Change Public Information Note*. London: DfID.

DFID. (2005a). *Briefing: Using Drivers of Change to improve aid effectiveness. A DFID practice paper*. London: DfID.

DFID. (2005b). *How to note: Lessons learned - planning and undertaking a Drivers of Change study. A DFID practice paper*. London: DfID.

DFID. (2007). *How to note: Country Governance Analysis. A DFID practice paper*. London: DfID.

DFID. (2009a). *Eliminating World Poverty: Building our Common Future*. London: DFID.

DFID. (2009b). *Political Economy Analysis How To Note*. London: DfID.

DFID. (2010). *How to note: Operational Plans*. London: DfID.

DFID. (2011a). *Briefing Note: Indicators and VFM in Governance Programming*. London: DfID.

DFID. (2011b). *DFID's Approach to Value for Money (VfM)*. London: DfID.

DFID. (2012). *How to note: Writing a Business Case*. London: DfID.

DFID. (2013a). *Blue Book*. London: DfID.

DFID. (2013b). *DFID Policy Cabinet: Operational Plan 2011-2015*. London: DFID.

DFID. (2013c). *Governance Adviser Technical Competencies*. London: DfID.

DFID. (2013d). *Governance, Open Societies & Anti-Corruption Department: Operational Plan 2011-2015*. London: DfID.

DiMaggio, P. (1997). Culture and Cognition. *Annual Review of Sociology*, *23*, 263–287.

DiMaggio, P., & Powell, W. W. (1983). The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields. *American Sociological Review*, *48*(2), 147–160.

Duncan, A., & Williams, G. (2012). Making Development Assistance More Effective Through Using Political-economy Analysis: What Has Been Done and What Have We Learned? *Development Policy Review*, *30*(2), 133–148.

Easterly, W., & Williamson, C. R. (2011). Rhetoric versus Reality: The Best and Worst of Aid Agency Practices. *World Development*, *39*(11), 1930–1949.

Ferguson, J. (1990). *The Anti-politics Machine: 'Development,' Depoliticization, and Bureaucratic Power in Lesotho*. U of Minnesota Press.

Fisher, J., & Marquette, H. (2014). *Donors Doing Political Economy Analysis™: From Process to Product (and back again?)* (No. 24). Birmingham: Developmental Leadership Program.

Fritz, V., Kaiser, K., & Levy, B. (2009). *Problem-Driven Governance and Political Economy Analysis: Good Practice Framework*. Washington, D.C.: World Bank.

Fritz, V., Levy, B., & Ort, R. (Eds.). (2014). *Problem-Driven Political Economy Analysis: The World Bank's Experience*. Washington, D.C.: The World Bank.

George, A. L., & Bennett, A. (2004). *Case studies and theory development in the social sciences*. London: MIT.

Gerring, J. (2007). Is There a (Viable) Crucial-Case Method? *Comparative Political Studies*, *40*(3), 231–253.

Ghosh, A., & Kharas, H. (2011). The Money Trail: Ranking Donor Transparency in Foreign Aid. *World Development*, *39*(11), 1918–1929.

GPF Secretariat. (2008). *Governance Partnership Facility: Program Document (P111816)*. Washington, D.C.: World Bank.

GPF Secretariat. (2012). *Governance Partnership Facility: 2012 Annual Report*. Washington, D.C.: World Bank.

Gulrajani, N. (2014). Organising for Donor Effectiveness: An Analytical Framework for Improving Aid Effectiveness. *Development Policy Review*, *32*(1), 89–112.

Haas, P. M. (1992). Introduction: Epistemic Communities and International Policy Coordination. *International Organization*, *46*(01), 1–35.

Henson, S., & Lindstrom, J. (2013). 'A Mile Wide and an Inch Deep'? Understanding Public Support for Aid: The Case of the United Kingdom. *World Development*, *42*, 67–75.

Hickey, S. (2013). Beyond the Poverty Agenda? Insights from the New Politics of Development in Uganda. *World Development*, *43*, 194–206.

Hout, W. (2012). The Anti-Politics of Development: donor agencies and the political economy of governance. *Third World Quarterly*, *33*(3), 405–422.

Hudson, D., & Leftwich, A. (2014). *From Political Economy to Political Analysis* (No. 25). Birmingham: Developmental Leadership Program.

Humphrey, C., & Michaelowa, K. (2013). Shopping for Development: Multilateral Lending, Shareholder Composition and Borrower Preferences. *World Development*, *44*, 142–155.

Hyden, G. (2008). After the Paris Declaration: Taking on the Issue of Power. *Development Policy Review*, *26*(3), 259–274.

ICAI. (2011). *The Department for International Development's Approach to Anti-Corruption*. London: Independent Commission on Aid Impact.

Keck, M. E. (1998). *Activists Beyond Borders: Advocacy Networks in International Politics*. Ithaca, N.Y: Cornell University Press.

Kilby, C. (2011). What Determines the Size of Aid Projects? *World Development*, *39*(11), 1981–1994.

Knack, S., Rogers, F. H., & Eubank, N. (2011). Aid Quality and Donor Rankings. *World Development*, *39*(11), 1907–1917.

Lebovic, J. H. (2014). The Millennium Challenge Corporation: Organizational Constraints on US Foreign Aid, 2004–11. *World Development*, *58*, 116–129.

Leftwich, A. (2007). *From Drivers of Change to the Politics of Development: refining the Analytical Framework to understand the politics of the places where we work. Note of Guidance for DFID Offices*. London: DfID.

Levy, B. (2014). *Working with the Grain: Integrating Governance and Growth in Development Strategies*. Oxford ; New York: Oxford University Press.

Levy, J. S. (2008). Case Studies: Types, Designs, and Logics of Inference. *Conflict Management and Peace Science*, *25*(1), 1–18.

Manning, N., & Bureš, L. (2001). *Institutional and Governance Reviews*. Washington, D.C.: The World Bank.

March, J. G., & Olsen, J. P. (1984). The new institutionalism: organizational factors in political life. *The American Political Science Review*, *78*(3), 734–749.

Martens, B. (2005). Why Do Aid Agencies Exist? *Development Policy Review*, *23*(6), 643–663.

Nelson, J. M. (1996). Promoting Policy Reforms: The Twilight of Conditionality? *World Development*, *24*(9), 1551–1559.

OECD. (2009). Donor Approaches to Governance Assessments: 2009 Sourcebook.

Oliver, C. (1991). Strategic Responses to Institutional Processes. *The Academy of Management Review*, *16*(1), 145–179.

OPCS. (2009). *Dealing with Governance and Corruption Risks in Project Lending*. Washington, D.C.: World Bank.

OPSPQ. (2013a). *Investment Project Financing: Operational Risk Assessment Framework Guidance Note*. Washington, D.C.: World Bank.

OPSPQ. (2013b). *Investment Project Financing: Preparing the Project Appraisal Document (PAD)*. Washington, D.C.: World Bank.

OPSPQ. (2013c). *Investment Project Financing: Project Preparation Guidance Note*. Washington, D.C.: World Bank.

Poole, A. (2011). *How-to Note: Political Economy Assessments at Sector and Project Levels*. Washington, D.C.: World Bank.

Price, R. (1997). Moral Norms in World Politics. *Pacifica Review*, *9*(1), 45–72.

Robinson, M. (2013, November 15). *Governance, Politics and Aid: Lessons from DfID. Presentation at the 'Making Politics Practical II' Workshop*. University of Birmingham.

Rocha Menocal, A. (2014). *Getting real about politics: From thinking politically to working differently*. London: ODI.

Routley, L., & Hulme, D. (2013). *Donors, Development Agencies and the use of Political Economic Analysis: Getting to grips with the politics of development?* (No. 19). Manchester: Effective States and Inclusive Development Research Centre.

Schmidt, V. A. (2008). Discursive Institutionalism: The Explanatory Power of Ideas and Discourse. *Annual Review of Political Science*, *11*(1), 303–326.

Scott, W. R. (2008). *Institutions and Organizations: Ideas and Interests* (3rd ed.). London: SAGE.

Sjöstedt, M. (2013). Aid Effectiveness and the Paris Declaration: A Mismatch Between Ownership and Results-Based Management? *Public Administration and Development*, *33*(2), 143–155.

Social Development Department. (2007). *Tools for Institutional, Political, and Social Analysis of Policy Reform: A Sourcebook for Development Practitioners*. Washington, D.C.: World Bank.

Social Development Department. (2008). *The Political Economy of Policy Reform: Issues and Implications for Policy Dialogue and Development Operations*. Washington, D.C.: World Bank.

Sridhar, D., & Woods, N. (2013). Trojan Multilateralism: Global Cooperation in Health. *Global Policy*, *4*(4), 325–335.

Swedlund, H. J. (2013). From Donorship to Ownership? Budget Support and Donor Influence in Rwanda and Tanzania. *Public Administration and Development*, *33*(5), 357–370.

Thompson, J. D. (1967). *Organizations in Action: Social Science Bases of Administrative Theory*. London: McGraw-Hill. Retrieved from http://catalogue.library.manchester.ac.uk/items/19143

UNDP. (2002). *Human Development Report 2002: Deepening Democracy in a Fragmented World*. Oxford and New York: Oxford University Press.

Unsworth, S. (2009). What's politics got to do with it?: Why donors find it so hard to come to terms with politics, and why this matters. *Journal of International Development*, *21*(6), 883–894.

Van de Walle, N. (2001). *African Economies and the Politics of Permanent Crisis, 1979-1999*. Cambridge: Cambridge University Press.

Vestergaard, J., & Wade, R. H. (2013). Protecting Power: How Western States Retain The Dominant Voice in The World Bank's Governance. *World Development*, *46*, 153–164.

Wild, L., & Foresti, M. (2011). Putting Politics into Practice: Aiming for more politically informed aid programming. *Developing Alternatives*, *14*(1), 18–23.

Winters, M. S., & Martinez, G. (2015). The Role of Governance in Determining Foreign Aid Flow Composition. *World Development*, *66*, 516–531.

World Bank. (1997). *World Development Report 1997: The State in a Changing World*. Washington, D.C.: World Bank.

World Bank. (2011). *World Bank Country-Level Engagement on Governance and Anticorruption: An Evaluation of the 2007 Strategy and Implementation Plan*. Washington, D.C.: World Bank.

World Bank. (2012). *Strengthening Governance: Tackling Corruption. The World Bank Group's Updated Strategy and Implementation Plan*. Washington, D.C.: World Bank.

Wright, J., & Winters, M. (2010). The Politics of Effective Foreign Aid. *Annual Review of Political Science*, *13*, 61–80.

Yanguas, P. (2012). *The Anatomy Of State-Building Assistance: Aid Promises And Donor Politics In War-Torn Africa*. Ph.D. Dissertation. Ithaca, NY: Cornell University.

Yanguas, P. (2014). Leader, Protester, Enabler, Spoiler: Aid Strategies and Donor Politics in Institutional Assistance. *Development Policy Review*, *32*(3), 299–312.

Zucker, L. G. (1987). Institutional Theories of Organization. *Annual Review of Sociology*, *13*, 443–464.

NOTES

[1] Throughout this article we use "political analysis," "political-economy analysis," and "PEA" interchangeably.

[2] Over 80 interviews were conducted between 2012 and 2014 with aid professionals and PEA experts in London, Washington, Accra, Kampala and Dhaka. A detailed list of anonymized informants can be provided by the authors upon request.

[3] We conceptualize the PEA transnational network of governance and public sector advisers, former practitioners, consultants and academics as an "aspiring" or "emerging" epistemic community, "a network of professionals with recognized expertise and competence in a particular domain and an authoritative claim to policy-relevant knowledge within that domain or issue-area" (Haas, 1992, p. 3).

[4] It is worth pointing out that DFID's fixation on results may have more to do with political discourse than with actual public opinion, as shown by recent research into public support for foreign aid in the United Kingdom (Henson & Lindstrom, 2013).

[5] This means that a significant portion of the World Bank's own analytical work is in fact funded by DFID, even in countries were DFID offices themselves carry out little or no political analysis of their own.

[6] The PEA Community of Practice was also funded through the Governance Partnership Facility.

[7] Much of the funding behind PEA work comes from the Governance Partnership Facility, which between 2008 and 2012 made 102 grants totalling $82.2 million (the overall project portfolio affected by GPF grants is calculated at $22 billion); 39 of those financed political economy analyses, which are considered the most significant form of GPF influence over Bank activities (GPF Secretariat, 2012).

[8] It is worth noting that in 2014 the World Bank had undergone a process of organizational restructuring into "global practices" with potentially major implications for day-to-day practice; likewise, that same year an internal review process within DFID produced a series of "smart rules" aiming to correct some of the operational dynamics discussed in this article. However, none of our informants as of mid-2014 ventured any predictions as to whether these innovations would lead to any significant changes in operations. Therefore the empirical claims in this article can be considered fully valid until early 2014, and hopefully they can also serve as a baseline for whatever changes in organizational behaviour occur in the ensuing years.

[9] This was despite the earlier advances when Drivers of Change studies had become "routine" in the country planning process (Dahl-Østergaard, Unsworth, Robinson, & Jensen, 2005)

[10] A 2010 "How to Note" clearly stated that country offices were expected to use existing analyses as part of country planning, but "they [we]re not automatically required to complete new analysis documents" (DFID, 2010, pp. 5–6). How much a country governance analysis influences the operational plan depends on the personal influence of particular governance advisers; and even then there is a tendency for other advisers to assume that it only applies to governance work

[11] Already in the mid-2000s there was "a sense of growing tension" among DFID staff between careful analysis and "the pressure to increase spending, especially in Africa, and to pursue short term interventions to achieve the Millennium Development Goals" (Dahl-Østergaard et al., 2005, p. 17).

[12] Expected window-one outputs were "CGA-like Business Plans addressing governance constraints to development," which would then open up the programming portfolio to PEA-informed sector and project approaches (GPF Secretariat, 2008, pp. 27–28).

[13] Based on a template adopted by the UK Treasury, a business case comprises five different assessments or "cases": strategic case, appraisal case, commercial case, financial case, management case.

[14] According to the DFID "Blue Book," quality assurance is mandatory only for business cases which are "politically sensitive, novel or contentious interventions and/or investments over [£]40 million" (DFID, 2013a). This means that speedy approval of projects is likely to be hampered by any careful consideration of political economy issues, which almost inevitably identify the politically sensitive nature of most change processes or call for novel and probably contentious interventions.

[15] The three stages during which analytical work can shape investment project financing are identification, preparation and appraisal. The Project Concept Note outlines the basic contours of the project: objectives, risks, scenarios and timetables; it sets the stage for the project preparation phase, during which the World Bank safeguard policies can be triggered, depending on the anticipated environmental and social impacts of an intervention. But it is the project appraisal phase which requires a comprehensive analysis of viability: the Project Appraisal Document, which contains a full assessment of operational risks, is then submitted to the Board of Executive Directors for consideration and approval.

[16] The Appraisal summary contains a subsection on economic and financial appraisal, technical, financial management, procurement, social (including the Bank's safeguards), environment (including safeguards), and other safeguard policies.

[17] DFID's system of professional cadres separates advisers into vertically organised competency frameworks: as of 2013, these included conflict, humanitarian, economics, education, climate and environment, governance, health, infrastructure, livelihoods, private sector development, social development, statistics, and evaluation.

[18] GPF has been clearly dominated by public sector and governance specialists at the PREM anchor and across the different regions, chiefly Sub-Saharan Africa (GPF Secretariat, 2012). To begin with, the GPF Secretariat itself is housed within the Bank's public sector cluster, with its governing council co-chaired by the PREM vice-president (GPF Secretariat, 2008, p. 12). The bulk of GPF grants have been managed by PREM and particularly GPSM units: between 2008 and 2011, PREM received 47 out of 94 grants, amounting to almost half of the $65 million allocated (World Bank, 2011, p. 42).

[19] The 2012 updated strategy claimed that "a majority of staff also now see some form of attention to political economy analysis as essential for development effectiveness," when in fact those surveyed had come exclusively from the public sector profession (World Bank, 2012, p. 18).

[20] At DFID, the Drivers of Change team considered a single blueprint "inappropriate," opting instead for "a structured set of questions" (DFID, 2004). Similarly, the 2009 PEA "How to Note" refrained from presenting a single approach, instead presenting it as a way of thinking which could apply to each and every level of planning and programming (DFID, 2009b). At the World Bank, institutional and governance reviews were never consistently designed or executed (Dahl-Østergaard et al., 2005), and the 2009 problem-driven PEA framework failed to remedy such inconsistency by choosing to offer "a menu of options," rather than "prescribe one particular way of doing things" (Fritz, Kaiser, & Levy, 2009, p. 2); in our interviews some members of the Community of Practice pointed out that PEA should not be standardized but serve instead as "a big tent."