Putting political economy to use in aid policies[1]

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1. The rise of political economy analysis for development assistance

Political economy analysis has been a favourite instrument among donors of development aid since roughly the turn of the century. Donors have emphasised the usefulness of such forms of analysis because they realised that their focus on the formal aspects of the social and political organisation of countries had caused them to overlook important elements of the "political economy" of these countries.[2] As a result, political and governance reform programmes, which had become part and parcel of the agenda of development under the post-Washington consensus, turned out to be much less effective than anticipated.

The call for donor agencies to "look behind the façade"[3] of formal institutions in developing countries has thus come as part of the aid effectiveness agenda. It was argued that the effectiveness of development assistance policies would be enhanced if the realities of social and political power structures in developing countries were mapped and fed into the design of governance reforms targeting those countries. A more or less tacit assumption was that political economy analysis would enable donors to identify potential pockets of resistance to the reforms that they were advocating – hence improving the chances of getting reforms accepted.[4]

Examples of political economy approaches adopted by donors include the Drivers of Change approach developed by the UK's Department for International Development in the early 2000s, the Strategic Governance and Corruption Analysis adopted by the Dutch Ministry of Foreign Affairs in 2007, and the World Bank's approach to the political economy of policy reform and its problem-driven governance and political economy analysis, presented in 2008-09. The Demand for Good Governance programme, implemented under the aegis of the World Bank, with active participation of Australia's aid agency, AusAID, has attempted to implement insights from political economy analysis in development policy.

A key element of most or all of the approaches to political economy analysis appears to be their identification of different "layers" of analysis: beneath the daily events in every political system, there are the institutional arrangements (the "rules of the game") that impact on day-to-day politics by influencing the policy options that politicians have. Even more fundamental are so-called "structural" elements, which relate to the history of the country under discussion, its natural resource endowment, and the power distribution across social groups. Improving the understanding of the rules of the game, and more fundamentally the structural features of developing countries, is believed to be the key contribution made by political economy analysis.[5]

2. The problem with political economy analysis

The political economy approaches that were adopted by development agencies demonstrate various weaknesses.[6] First, problems exist in the design and application of the instruments adopted by several aid agencies. Second, difficulties arise in translating the lessons of political economy analyses into concrete policies of reform. Third, the core assumptions of most political economy analysis actually work against the correct identification of potential reform coalitions in the developing countries being targeted by the aid agencies. These three weaknesses are discussed below.

The political economy of donor agencies

The first major problem with the implementation of political economy analysis in recent years is related to the way in which such analysis is embedded within the instruments available to donor agencies. Essentially, this problem calls for a political economy analysis of the donors themselves, as the interests *of* and conflicts *within* donor governments need to be understood to see why the implications of political economy analysis are not likely to be followed to their logical conclusions.

Donor agencies need to be perceived as creatures with special features within the realm of government. In the words of William Easterly, donor agencies are in the business of "moving money" (Easterly, 2002). As a result of their mandate, staff incentives in the aid agencies are significantly related to the disbursement of funds allocated to them for development projects and programmes. The everyday practice of donor agencies forces them to be more concerned with the implications of their "logical frameworks" than with the environment they work in. For donors, "doing development" is, first and foremost, implementing programmes and projects

The perceived need to spend money – increasingly through so-called budget support modalities, which are felt to be most in line with the objectives of the Paris Declaration, such as alignment and ownership[7] – can easily come into conflict with the conclusions derived from political economy analysis. Recent controversies over budget support arrangements to regimes engaged in foreign military operations (such as Rwanda) or found to be practising corruption (such as Uganda) illustrate how government agencies may feel the impact of conflicting policy principles.

Apart from the bureaucratic tensions between pressure to spend and accountability requirements, donor agencies are subject to greater influence due to the role they play in their national political environments. Development assistance policies need to be understood as part of the foreign-policy framework of their governments. Hence, decisions on how and where to allocate aid are part of the foreign-policy equation. Foreign policy is generally understood as an instrument to further a country's strategic and commercial interests, and development assistance can only escape from the foreign-policy parameters to a limited extent, as much research on the impact of donor interests, recipient needs and normative ideas on aid allocation has shown.[8] It is not surprising that decisions on development assistance are often guided at least as much, if not more, by donors' perceived geostrategic and economic interests as they are by their desire to "do good" in the countries of the global South.[9] Moreover, the relatively lowly position of development agencies in the pecking order of policy making reduces their leverage in budget negotiations *vis-à-vis* other government departments – such as credit-insurance agencies – which have a much easier job in justifying their activities in terms of the national interest.

Likewise, the relative weakness of development agencies can be observed in the application of political conditionalities related, among other things, to human rights norms. One example is the short-lived freezing of the UK's aid disbursement to Rwanda over allegations that the Kagame government has been involved in the civil war in the Democratic Republic of Congo. Although the evidence about Rwanda's involvement was very stark – prompting Germany, Sweden and the Netherlands to maintain their aid freeze – the UK's Secretary of State for International Development indicated after barely one month that there was sufficient proof that Rwanda had "engaged constructively with the peace process" and that resumption of the GBP 16 million in budget support to the country was therefore justified (Blair, 2012).

The political economy of donor-recipient relations

The second factor affecting the relevance of political economy analyses is the dynamics inherent in donor-recipient relations. This relationship, which has been defined by many as one of dependence, has a major impact on the ability of donors to influence the course of reforms in developing countries.

Dependence has been assumed too easily to imply a complete acquiescence by recipient governments to the policy objectives of the donors. Such an interpretation of donor-recipient relationships neglects the tools that recipient governments possess to serve their own interests, however. The powerful instruments available to recipient governments were clearest during the Cold War, when allegiance to one of the superpowers brought advantages in terms of foreign aid allocations. Yet even after the end of the Cold War, recipient governments have retained important means to look after their own interests. Apart from the obvious strategic interest of the West in particular natural resources – now more and more subject to competition with emerging economies such as China – recipient governments have played the card of "the politics of the mirror". In the rather cynical words of Chabal and Daloz, which seem to have mileage in relation not just to Africa but to regimes across the developing world more broadly:

> This consists essentially in addressing the foreign 'other' – in this case, potential aid donors – in the language that is most congenial and, crucially, most easily reinforces the belief that they (outsiders) understand what Africa needs. Thus it was that Africans conspired to support the colonial notion that they were all divided into discrete and identifiable 'tribes' and, later, convinced their colonial masters that they intended to run the politics of their newly independent countries on the principles of multi-party parliamentary systems. Thus it was too that some African leaders became overnight the proponents of scientific socialism or adhered wholeheartedly to the proposals for development projects which came their way. (Chabal and Daloz, 1999: p. 117)

Dependence regularly leads to the assumption that governance reform can be used to neutralise vested interests by installing technocratic, "apolitical" rule. Thus, market-oriented precepts of public sector reform, performance-based financing and results-based accountability – which are all related, in one way or another, to New Public Management, or what Cooke and Dar, among others, have called the "new Development Management" (Cooke and Dar, 2008; Gulrajani, 2011) – are used to legitimise governance reform as a condition of development assistance. In many cases, however, donor agencies and reform-resistant power holders end up being "strange bedfellows".[10] Reform programmes that seem to comply with the demands issued by donors may be relatively easily hijacked by special interest groups, which appear to be playing along with the donors but are mainly motivated by their own interests. The way in which the later "oligarchs" benefited from privatisation policies in Russia in the 1990s is probably the starkest example of how reform programmes are seized to serve the interests of particular elites. Similar examples – possibly less extreme but very likely equally devastating – can be found in the implementation of development programmes, such as in the World Bank's Demand for Good Governance Programme in Cambodia and participatory budgeting programmes in Mataram, Indonesia.[11]

The political economy of reform coalitions

The third major problem concerning donors' political economy analysis relates to the nature of reform and the driving forces behind the establishment of reform coalitions in developing countries. Here, one of the most important issues concerns the assumption that development can be defined in terms of "public goods" characteristics. The assumption seems to be that Pareto-optimal solutions can be found in development strategies if donors, in co-operation with recipient governments, apply the correct technical instruments to bring about development. Poverty reduction, as the main target of contemporary development polices, can thus be perceived as non-exclusive and non-rivalrous – and thus subsumed under the public goods framework – since it actually makes everyone better off.[12]

The understanding of development in terms of a public-goods logic is essentially apolitical, since it fails to recognise that easy, Pareto-optimal outcomes are not so obvious. Development is, rather, a process that is inevitably conflict ridden. The main reason for dissenting with the optimistic assessment of donor agencies is that development presupposes the existence of a particular institutional order which benefits some social-economic groups more than others. The spreading of the fruits of development more generally – that is, to groups which have traditionally been marginalised and disenfranchised – would essentially imply a restructuring of this institutional order. Groups that have traditionally benefited from the existing social, economic and political institutions will perceive change as inimical to their interests, and thus will attempt to ward off reform. The restructuring of the institutional order is an inherently political process – understood in the classical Lasswellian sense of the process that determines who gets what, when and how[13] – and cannot, therefore, be seen as a merely technical undertaking, which produces easy efficiency-optimising solutions.

The main flaw of mainstream political economy analysis, which is intimately connected to the apolitical understanding of development, is that the political process can be understood in liberal/pluralist terms. The pluralist theory of politics, which sees the political process as an essentially benign struggle for power among groups, is insufficient to understand the difficulty that the marginalised and disenfranchised experience trying to get access to the political arena in the first place. As a result of the pluralist bias, conventional political economy approaches assume that governance reform can be achieved by engaging with enlightened technocrats, who can be won over to the side of the well-intended donors by promises of development assistance.

One example of an approach to governance reform for development purposes is the Developmental Leadership Program (DLP), which was established in July 2009 and is funded by the Australian government with the help of other donor agencies.[14] The DLP has chosen an explicitly political starting point for its approach to governance reform,[15] but is clearly buying in to the pluralist assumptions underlying much of today's political economy analysis. As Leftwich and Hogg argue in a background paper for the programme, the main challenges for achieving economic growth and social development in developing countries are defined as "collective action problems. If these problems are to be resolved, enough leaders, elites and reform agents – often with different initial interests and coming from different sectors – have to work collectively and co-operatively" (Leftwich and Hogg, 2007: p. 5). In their view, many developing countries lack leaders with "wider 'national' goals". Yet, they argue that:

> where enough leaders and elites are able to generate positive "synergies" within and between the interests, organisations and institutions of both the state and the private sector, on the basis of shared social purposes, they are able to form "developmental", "growth" or "reform" coalitions, capable of devising or reforming institutions which promote economic growth and social development across a range of sectors and challenges. (Leftwich and Hogg, 2007)

In a similar vein, the World Bank's Demand for Good Governance demonstrates a similarly pluralist orientation. The focus of this programme is not so much on elites, but rather on the impact of civil society as a mechanism to hold governments accountable and achieve better development outcomes. As the World Bank's website describes the aims of the programme:

> "Demand for Good Governance" (DFGG) refers to the ability of citizens, civil society organisations and other non state actors to hold the state accountable and make it responsive to their needs. DFGG encompasses initiatives that focus on citizens as the ultimate stakeholders and include activities relating to information disclosure, demystification and dissemination; beneficiary/user participation and consultation; complaints handling; and independent and/or participatory monitoring. … DFGG aims to strengthen the capacity of NGOs, the media, local communities, and the private sector to hold authorities accountable for better development results. DFGG activities include development approaches that focus on citizens as the ultimate stakeholders for better governance. DFGG mechanisms can be initiated and supported by the state, citizens or both but very often they are demand-driven and operate from the bottom-up. (World Bank, 2014)

In contrast to the political economy approach sketched above, the rest of this paper is informed by a structural political economy perspective, which rejects the conflict-free conception of development. This perspective understands development as a permanent process of institutional restructuring, with the aim of achieving resource redistribution. This process, which requires particular elites to give up certain privileges in favour of the poor, involves conflict. If development agencies seriously take up the reform of institutions as an objective, they will need to get enmeshed in the political struggles that result from the expected opposition of (parts of) the elite that do not wish to give up their privileges.

3. Structural political economy and the politics of (structural) reform

The structural political economy perspective advocated here calls for a reorientation of the approach to governance reform. Nowhere is the implication of this clearer than in the approach to the politics of reform and the identification of reform coalitions. The approach does not start from the assumed objectives of particular elites, as in the Developmental Leadership Program, or from the possible counterweights that can be organised through civil society action, as in the Demand for Good Governance programme. Rather, the starting point of the structural political economy perspective is the identification of sets of elites in relation to their position in the national structure of power. The assumption is that a useful way to determine power positions is by relating these to some sort of material basis – be it their ownership of capital, their access to natural resources or their command of the strong arms of the state. Existing governance arrangements work in the interests of the dominant power holders, while subordinate groups (the poor, indigenous and other minority groups, in many cases also women) are marginalised and generally fail to get access to the formal decision-making structures.

If governance reform is the purpose, then clearly reformers are the natural focus of any analysis. Several types of reformers can be distinguished, as well as several forms of alliances between donor agencies and reformers. A major distinction is that between *dedicated* and *tactical* reformers. Dedicated reformers are those groups, whether power holders or the marginalised sectors of society, with a genuine interest in reform. Among those reformers there are *idealists*, who believe in long-term goals of social change, and *pragmatists*, who have similar long-term aims, but also consider the importance of achieving short-term improvements, even if that would require them to compromise on some of the longer-term objectives. Tactical reformers are in essence *opportunists*, who see that the forming of alliances with donors can bring them greater advantages than the support of the ruling groups. The long-term objectives of these opportunists are not so much a radical transformation of the existing social, economic and political order, but they have a short-term interest in some of the advantages that the alliance with the donors may offer them, either in terms of resources, political exposure or prestige.

The types of alliances depend on the nature of reform-oriented groups. Very likely, the likelihood of success of reforms sponsored by donors is influenced by the type of alliance that can be forged with reform-oriented groups, as well as by the weight that such groups can assemble for reform. The relation among types of reformers, types of alliances and likely outcomes is given schematically in Table 1.

Table 1. **The politics of reform alliances**

Types of reformers	Types of alliance	Likely outcome
Idealists: interested in reform that advances long-term social change.	Form dedicated alliances only with ideologically like-minded actors; likely to reject tactical alliances.	Success to be expected only where they are able to cause social revolution (e.g. Khomeini-type "mobilisation of the masses").
Pragmatists: interested in long-term social change but also in short-term gains.	Form both dedicated and tactical alliances.	Success dependent on mobilisation of anti-regime forces. Likely to lead to intra-regime struggle for power, and possibly political instability (e.g. democratisation in developing countries).
Opportunists: commitment is contingent and tactical, as interests are short term and self-interested, and long-term goals are unrelated to reform agendas.	Form tactical alliances.	Change of rulers and rules rather than change of regime and constitution (e.g. Arab Spring in Egypt and Tunisia). Defection likely if reform is no longer seen as useful. Opportunities for improving the situation of marginalised groups

The main implication of this approach is that outside forces are dependent on domestic alliances if they wish to influence the direction of any reform process. For donor agencies, this implies that they will need to take sides if they are truly interested in making an impact on governance reform. Thus, they need a strategic assessment of the power of pro-reform alliances, as well as of anti-reform opposition alliances.

Given that different types of reformers are likely to engage in different strategies for governance reform, the options for donor agencies that wish to support reform-oriented groups can be ranged on a continuum. At one end of the continuum is supporting idealist reformers in a declaratory way and providing financial support for those reformers to organise. While such an approach will enable donors to keep their hands clean, Table 1 also indicates that the likelihood of such a strategy bringing about reforms is rather slim. At the other end of the continuum is the situation where donors are required to dirty their hands by siding with opportunist elites that have been occupying roles in oppressive or highly corrupt regimes. Given the role of these opportunists in the national balance of power, the likelihood of achieving results is arguably greater, yet such a strategy may be resisted because of the impact on the reputation of those donor governments from siding with representatives of regimes that are considered objectionable by their domestic constituencies. Case studies presented elsewhere illustrate that, in attempting to duck the issue, donors often end up failing to produce any concrete positive reforms for the poor and marginalised at all (Hutchison et al., 2014: Chapters 5-7).

The argument may be illustrated by focusing on the possible approach of donor agencies to the promotion of democratisation processes. Democratisation, understood as the increasing influence of greater parts of the population on decision making, is likely to be resisted by the elites in control of an autocratic regime. These ruling elites, who control the main power resources (such as economic assets or control of security forces), will feel threatened in their power position as a result of the demands for greater influence by marginalised groups, particularly if the latter constitute the vast majority of the population. The role of the middle classes in most developing countries is still likely to be limited, though growing as a result of greater economic dynamism over the past decade. As a result, the potential for change resulting from mobilising the middle classes can be assumed to be relatively small.

A structural political economy analysis may offer tools to help uncover the dynamics involved in such a democratisation process. The typology of reformers sketched above may help identify several other groups besides the reform-resisting ruling powers. Groups pressuring for democratisation because of ideological convictions belong to our category of idealists. They support fundamental, long-term democratic reforms and greater respect for political rights, aimed at providing more opportunities to the poor and marginalised for influencing the outcome of political processes. The pragmatists are those groups in favour of democratising the polity, but which also value the introduction of short-term improvements in the life of the poorer parts of the population, brought about, for instance, through the adoption of certain redistributive social policies. Pragmatist reformers would be willing to support alliances that aim to get social policies adopted, where they consider these as the best approach in the given situation. The opportunists are those parts of the ruling class who have an interest in removing the clique that is in control of the state, but are not fundamentally concerned about democratising the political system. They may support reform, for instance the introduction of social policies or limited democracy, in order to weaken the grip on power of the incumbent autocrats.

Donor agencies interested in contributing to democratic reforms should aim to build alliances with those groups that are most likely to produce the desired outcome. Given the general weakness of the idealist reformers, supporting pro-democracy idealist groups may be morally comforting, but will often turn out to be politically ineffective. A different approach may, therefore, be required to install change in the political system of the developing country concerned. Building an alliance with both reform-minded pragmatists and opportunists may turn out to be the only way to create some sort of pro-poor political reform – even though such change may fall short of the original aims of democratisation. In the end, donors may have to get their hands dirty providing support to the opportunist elites, whose main objective is to replace the incumbents in power, in order to improve the plight of the poorest segments in a developing country. The balance of power between the pragmatists and opportunists will ultimately determine the extent of the reforms; external donor agencies will be able to exert only partial influence on the exact outcome of the reform process, and will need to acquiesce in their fairly limited role.

4. Putting political economy to use or the road to nowhere?

Does structural political economy leave us without any hope for governance reform in developing countries? While the approach outlined above does certainly give rise to a fair degree of scepticism, there is probably no need to be entirely negative about the leverage of donor agencies and see political economy approaches as no more than a purely academic exercise.

The first lesson that can be learnt from a serious engagement with political economy analysis is that development should not be understood rather naïvely as a process that will bring about improvement in the lives of all parts of a population over a relatively short time span. Although it is tempting to think about development in largely positive terms, everyone involved in the aid industry should recognise that development is a conflictual process of reordering economic and social relations. As such, development is not a conflict-free public good, but is inevitably political in nature.

For example, among the presently developed countries, many people would be convinced of the benefits that development has brought in terms of the level of wealth, health and education. This should certainly not be denied, but the plight of "underclasses" in those same societies indicates that the fruits of development do not automatically "trickle down" to all individuals, and that exclusion mechanisms are still very powerful even in the most developed countries. The "discovery" of the urban underclass of New Orleans after Hurricane Katrina hit the southern United States in 2005 brought home to many that not all US citizens had shared in the benefits of economic growth. Likewise, repeated reports on undocumented migrants in European countries indicate the presence of an underclass even in inclusive welfare states.[16] These examples illustrate the persistently political nature of development at all levels of economic progress.

The awareness that development must be conceived in outright political terms necessitates the adoption of a political economy perspective which zooms in on the resources and instruments that people have, or lack, to obtain a fairer share of social wealth. Such an analysis emphasises the various dimensions of governance reform that can be laid out. Using the frequently applied distinction between the "here and now", the "rules of the game" and the "structural factors" that various donor instruments for political economy analysis use, some lessons for those attempting to reform governance in developing countries can be drawn.

The nature and extent of governance reform differs across the various political economy layers. At the level of the "here and now", reform relates to a change of leadership. The "rules of the game" relate to a deeper layer of countries' political economy, and here governance reform would imply changes in the constitutional order. At the most fundamental political economy layer, where the "structural factors" are located, reform would address such issues as the distribution of resources, inequality and the adverse treatment and discrimination of parts of the population. Moving from the here and now towards these structural factors, the social impact of governance reform becomes more profound and obtains a more clearly political dimension (in the sense that it has an impact on "who gets what, when and how?") – thus, the deeper the political economy layer, the more conflict governance reforms are likely to cause.

In these terms, the conclusion is that some donor agencies, despite their rhetorical commitment, generally shy away from getting involved in deeper governance reform processes. The main reasons for their difficulty in engaging with politics derive from their own incentive structure and their development-oriented outlook. These donor agencies are likely to use political economy analysis mainly at the rhetorical level, and will use the knowledge it generates primarily for preparing their staff working in aid-recipient countries. For them, political economy analysis will not have a great impact on their policies with regard to their partner countries. In the terms of the title of this section, such donor agencies find themselves on the road to nowhere.

If donor agencies are serious about the need for governance reform and wish to engage with the political marginalisation of the poor in developing countries, they may want to proceed on the road laid out by political economy analysis, and actively apply the insights derived from it. The concrete use of political economy analysis has the capacity to make aid more effective as well as more directly beneficial to the poor. In many cases pro-poor policies require a critical attitude towards the ruling elite in developing countries, as their approaches tend to be quite harmful to the cause of poor and marginalised segments of the population.

A structural political economy approach would guide donors searching for reformers who are able and willing to engage seriously with pro-poor policies. Idealist reformers are probably the easiest to identify, but they are also the least influential among reform-oriented groups. Idealists will be found in certain civil-society organisations, and empowering such organisations may be a first strategy that donor agencies can adopt. Their activities would very likely be twofold. First, some civil-society groups could engage in advocacy for the cause of the poor and marginalised. The objective of supporting such groups would be to enhance awareness among the wider population of the living conditions and limited access of the poor to the political system, in order to influence policy making in the longer run. In the second place, civil-society organisations could be recruited for the implementation of programmes and project aimed at the poorest parts of society.

Structural political economy analysis can also provide development agencies with a better understanding of the location and the nature of opportunist groups, as well as the way to win them for the cause of pro-poor governance reform. Such opportunists may be tempted to engage in tactical alliances with donors if their short-term interests run parallel with those of the aid agencies. Such a situation may exist when a specific part of the elite notice that their engagement with the pro-poor policies of the donors will enhance their own political power base among the poor. This could be true, for instance, for elites originating from a region of a developing country where many of the poor are concentrated. Donors need to be aware of the tactical nature of alliances with opportunist reformers, and of the risk that the opportunist elites may rather easily shift allegiance away from the donor agencies if the alliance is no longer considered to be beneficial to them.

The relative ineffectiveness of dedicated alliances with idealists and the expected volatility of tactical alliances with opportunists indicate that building alliances with so-called pragmatist reformers is preferable. Unlike idealists, pragmatists are not only interested in fundamental reforms, but also in piecemeal changes in what they feel is the right direction. In contrast with the opportunists, their engagement with donors is not just tactical and self-serving. Pragmatists are very likely the prime mover for governance reform in developing countries. Political economy analysis may help identify pragmatist groups in or associated with the elite who are supportive of the pro-poor governance reforms supported by donor agencies. As the pragmatists' agenda may conflict with the interests of other parts of the elite, who are primarily interested in maintaining the status quo and their own position in power, the engagement of donor agencies with the pragmatists may result in a struggle for power within the regime and, at least in the short run, increased political instability.

The outcome of such a political struggle within a regime is not certain, and depends on the political resources that pro- and anti-reform groups manage to mobilise. It is likely that donor agencies will come to be seen as part of the political struggle as they take sides with pragmatists pushing for governance reform. Committed donors, who see the battle against forms of patronage, nepotism and corruption as inherent to development, will need to be prepared to support the cause of the reform-oriented pragmatists and risk a deterioration of relations with those at the helm. They may come under attack from their own domestic constituencies that wish to maintain "good relations" with specific foreign regimes for strategic or commercial reasons. The need to navigate in rough waters both at home and abroad obviously requires that donor agencies can think and act politically, and persevere in their chosen strategies. The tendency of these agencies to minimise risks, as well as their relatively low place in the pecking order of foreign-policy making, are not the best ingredients for the assertive pursuit of development strategies. For the reasons sketched in this paper, most of the aid industry seems to be on a road to nowhere as far as political economy analysis is concerned, but hopefully some will be able to change course and put such analysis to good use.

Notes

1. This paper is based on and draws from the joint work undertaken by Wil Hout, Caroline Hughes, Jane Hutchison and Richard Robison as part of the project Achieving Sustainable Demand for Governance: Addressing Political Dimensions of Change, which was supported by the Australian Development Research Awards (ADRA). The paper reflects the ideas published in: Jane Hutchison, Wil Hout, Caroline Hughes and Richard Robison, *Political Economy and the Aid Industry in Asia*, Basingstoke: Palgrave Macmillan, 2014.
2. Cf. Copestake and Williams (2014).
3. This term is used in, among others, Harth and Waltmans (2007).
4. This approach comes out very clearly in Fritz et al. (2009).
5. For instance Warrener (2004) and Unsworth and CRU (2007).
6. See Hutchison et al. (2014: pp. 13-73) for a more elaborate discussion of these weaknesses.
7. Cf. Molenaers (2012).
8. See for example Clist (2011).
9. For example Lancaster (2007), Van der Veen (2011).
10. Cf. Robison (2009).
11. These cases are analysed in depth in Hutchison et al. (2014), pp. 84-93, 114-125 and 139-145.
12. This seems to be the implication of the United Nations Development Programme's work on global public goods, though this conclusion remains largely implicit (Kapstein, 1999).

13. See Lasswell (1951). The first sentence of Lasswell's work is: "The study of politics is the study of influence and the influential".

14. See "About the Developmental Leadership Program", DLP website, www.dlprog.org/about-us.php (accessed 29 October 2014).

15. The DLP defines politics as "all the activities of conflict, negotiation and co-operation which occur when people with different interests, ideas, power and influence have not only to shape and abide by common institutions, but also to take decisions about how resources are to be used and distributed and about how power is to be gained and used" (Leftwich and Hogg, 2011: p. 2).

16. For example PICUM (2010).

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