



Asia Research Centre
— Murdoch University —

Political Economy and the Aid Industry in Asia

Working more politically

- Drivers of Change (DFID)
- Strategic Governance and Corruption Analysis (The Netherlands)
- Power Analysis (SIDA)
- Problem-Driven Analysis (World Bank)
- Demand For Good Governance Governance (AusAID)

ADRA colleagues

Prof Richard Robison, Murdoch

Prof Wil Hout, IISS

Prof Caroline Hughes, Murdoch/Bradford

Dr Aris Arif Mundayat, Gadjra Mada

Dr Ian Wilson, Murdoch

Southeast Asian case studies

- World Bank Demand for Good Governance program, Cambodia
- ADB slum eradication in Metro Manila, the Philippines
- Participatory budgeting in Mataram, Indonesia
- Informal sector regularisation in Jakarta, Indonesia.

Misunderstanding politics

- Development is a public good, essentially uncontested and objectively known
- Opposition is misunderstood: assumed to be self-interested and malleable, with the right incentives
- Partnerships are key vehicles of inclusion and considered more robust than they are.

Developmental Leadership Program (DLP)

“Collective action problems are those ‘social dilemmas’ that arise almost everywhere when the *rational* pursuit of narrow, individual or sectional interests results in collective *irrationality*.” (Leftwich 2012)

Collective action problems “*require institutional solutions* ... (a set of rules) ... to restrain in some degree [the] immediate and short-term pursuit of self-interest so that they would all be better off in the medium term” (Leftwich 2012)

- *'Developmental leaders'* – who 'reach beyond their immediate interests to a wider encompassing interest' (Leftwich and Hogg 2007)
- And *coalitions* - 'individuals, groups or organizations that come together to achieve social, political and economic goals they would not be able to achieve on their own' (Leftwich, 2012)

Structural political economy

- Development is a process of contested structural change leading new sources of wealth and power.
- Contestations are material and ideological.
- Donor projects are interventions in ongoing political debates and struggles over the emerging social order.
- Outcomes are determined by the relative strength of social forces.

Operationalising SPE

- Start with how donor programs intervene in domestic political debates and struggles.
- Acknowledging the contested nature of proposed reforms.
- How do relevant actors conceive of and pursue their interests in these struggles?

Analysing reformers and their alliances

Reformers	Interests	Alliances formed
Idealists (rare or marginal)	long term social transformation	dedicated
Pragmatists (possibly well-organised and quite active, but have limited room to manoeuvre)	long term social transformation and short term gains	dedicated and tactical
Opportunists (more numerous and potentially influential but risky as partners)	short term gains	tactical

Non-reformers

Wreckers

Dedicated opponents

Recalcitrants

Tactical opponents: their interests are not directly threatened by the reform, but see a tactical advantage in non-participation

Obstructors

Not necessarily opposed, but whose activities make the reform difficult

Tactical alliances

Coalitions for Change in the Philippines

Booth (2014) *Aiding Institutional Reform In Developing Countries: Lessons from the Philippines on what works, what doesn't and why*, The Asia Foundation and ODI



Working politically

- Taking sides in existing, ongoing conflicts - and invariably compromises to achieve concrete improvements
- Taking a principled stand on human rights to protect poor people's political space.