

Institution: The University of Manchester		
Unit of Assessment: 22a (Development Studies)		
Title of case study: Using Political Analysis to Make Development Policy More Effective in Delivering Inclusive Growth and Poverty Reduction		
Period when the underpinning research was undertaken: 2011 – 2019		
Details of staff conducting the underpinning research from the submitting unit:		
Name(s):	Role(s) (e.g. job title):	Period(s) employed by submitting HEI:
Sam Hickey	Professor	2001 – present
Kunal Sen	Professor	2006 – present
David Hulme	Professor	1985 – present
Tom Lavers	Senior Lecturer	2016 – present
Antonio Savoia	Senior Lecturer	2007 – present
Pritish Behuria	Research Fellow	2017 – present
Pablo Yanguas	Research Associate	2013 – 2018
Period when the claimed impact occurred: 2013 – 2020		
Is this case study continued from a case study submitted in 2014? No		
1. Summary of the impact		
<p>University of Manchester research has directly influenced the thinking, strategies and programming of leading international development actors. Our work on the politics of development has ensured that key development agencies now have a more specific and research-based understanding of what drives the commitment of political elites and of governments' capacity to deliver development. This work catalysed DFID and other actors to launch a new wave of programmes that are worth over GBP270,000,000 and reach over 1,000,000 people. These interventions are promoting inclusive economic growth and poverty reduction, helping to create thousands of jobs, improved health and education systems and reduce poverty in developing countries.</p>		
2. Underpinning research		
<p>Research undertaken by the Effective States and Inclusive Development Research Centre (ESID) within the University of Manchester's Global Development Institute (GDI) generates answers to the question: <i>'What kinds of politics can help to secure inclusive development and how can these be promoted?'</i> The research identifies how governments become capable and political elites become committed to delivering development across multiple policy domains, including economic growth, social protection, human development, natural resource governance, gender equity and public sector reform.</p> <p>When ESID was established in 2011, the idea that politics mattered had become mainstream within development theory and practice, with a small but growing community promoting the idea of 'thinking and working politically'. However, there was little agreement about which specific forms of politics shaped which forms of development, how this puzzle should be understood in conceptual terms, or how policy and practice should change as a result of such understanding. ESID constituted the first major international research programme to propose and test new political theories of development and to reformulate them into frameworks capable of delivering both analytically rigorous and strategically relevant insights. It concentrated in particular on (a) reformulating 'political settlements analysis', with a stronger focus on ideas and international actors; and (b) introducing a new level of analysis to explore the politics of particular 'policy domains' (e.g. growth, social protection). The resulting 'power domains' framework was then applied through a rigorous comparative research design across 26 countries. Some of ESID's key findings are that:</p> <ul style="list-style-type: none"> • The capacity of states and commitment of political elites to deliver development is shaped by the interaction of two domains of power: the 'political settlement' (which refers to the underlying configuration of power), and specific 'policy domains' [1,2]. • Different types of political settlement offer significantly different routes towards achieving inclusive development [1,3,4]. • Structural transformation is critical to achieving both poverty reduction and positive synergies between governance and growth. Trajectories of economic growth, and whether they lead to transformation, are shaped by the nature of informal <i>deals</i> not <i>rules</i>. 		

Understanding the links between political settlements and the deals that shape the economic domain can help generate new approaches to promoting growth, including direct efforts to support manufacturers [1,5].

- International efforts to promote social protection and gender equity succeed when aligned with the dominant ideas and incentives within particular political settlements [4].
- The quality of service delivery is shaped by how national and local political settlements interact with domain-level governance arrangements (e.g. in health and education) [3].
- Political economy analysis must be institutionalised within development agencies to help them generate more relevant and feasible responses within different types of political settlement and policy domain [6].

ESID has generated a large number of significant and accessible academic publications that showcase these findings, including 11 books (9 open access, 6 with Oxford University Press), >60 peer-reviewed journal articles and >150 working papers. It has produced >30 policy briefings and delivered an active programme of uptake activities with both international and national policy actors, involving some 150 policy seminars, workshops and conferences, as well as wider engagement through blogs, social media, pod/videocasts and newspaper pieces.

3. References to the research

1. Pritchett, L., Sen, K. and Werker, E. (2018). *Deals and Development: The Political Dynamics of Growth Episodes*. Oxford University Press. DOI: [10.1093/oso/9780198801641.001.0001](https://doi.org/10.1093/oso/9780198801641.001.0001)
2. Golooba-Mutebi, F. and Hickey, S. (2013). 'The Politics of Development in Uganda'. *ESID Working Paper 20*. Manchester: ESID.
3. Hickey, S. and Hossain, N. (2019) *The Politics of Education in Developing Countries*. Oxford: Oxford University Press.
4. Lavers, T. and Hickey, S. (2016). 'Conceptualising the politics of social protection'. *International Journal of Social Welfare* 25, 388–398. DOI: [10.1111/ijsw.12210](https://doi.org/10.1111/ijsw.12210)
5. Behuria, P. and T. Goodfellow. (2019). 'Leapfrogging manufacturing? Rwanda's attempt to build a services-led 'Developmental State''. *European Journal of Development Research* 31: 581-603. DOI: [10.1057/s41287-018-0169-9](https://doi.org/10.1057/s41287-018-0169-9)
6. Yanguas, P. (2018). *Why We Lie About Aid*. London: Zed.

4. Details of the impact

ESID has significantly improved the extent to which international development agencies grasp the ways in which politics shapes development, and directly steered them towards designing and implementing more contextually relevant and politically feasible interventions to promote inclusive development. Until recently, and by their own admission, major development agencies like the World Bank and the UK's Department for International Development (DFID, now FCDO) were wasting large sums of development aid in pursuit of promoting technocratic and Westernised policy ideas that had little traction in developing countries and sometimes made matters worse. ESID research has had three key impacts:

(a) Transforming how DFID understands and promotes economic development. DFID is one of the largest and most influential international development agencies. It has an annual budget of GBP13,400,000,000 and programmes in all of the world's poorest countries, with a strong focus on promoting economic development and poverty reduction.

In 2012, ESID research director Kunal Sen combined his new theory on the political dynamics of growth with related work by Lant Pritchett (Harvard). This led to an influential ESID working paper on 'deals' in 2012 that underpinned a programme of research in 10 countries, the results of which were later published in 2018 [1]. ESID circulated the paper to governance advisors working within DFID, one of whom invited Sen, Pritchett and others to deliver a series of talks at major DFID learning events, workshops and seminars [A].

Senior officials within DFID report that the ESID 'deals' framework transformed the way in which it promotes economic growth in developing countries [A]. ESID's deals framework has become institutionalised within DFID's first ever Economic Development Strategy (2017) – its highest-level statement on growth – and in the 'inclusive growth diagnostic' that is used to directly inform DFID's work at country level. Going further, ESID thinking has directly inspired

DFID's first-generation of governance-informed growth programmes.

A key example is the GBP100,000,000 Invest Africa Programme (2017–21), which aims to encourage GBP1,000,000,000 of additional Foreign Direct Investment (FDI) into African manufacturing sectors to help kick-start the economic transformation required for sustained poverty reduction. This programme was strongly informed by ESID's work on the dangers of imposing Western-based regulatory approaches on developing countries; instead ESID proposed channelling investments to the types of firm able to both promote structural transformation and improve the governance environment [A]. ESID's deals framework *"definitely impacted the evidence [DFID] used for the business case for Manufacturing Africa"* [A], a GBP22,500,000 part of Invest Africa that aims to create 90,000 new jobs by 2027. The 2019–20 annual review suggests that it is on track to do so, having already supported 40 FDI investments against a target of 29 [B]. ESID research [1] has directly shaped new growth and governance programmes in Ethiopia, Malawi, Nepal, Palestine, Tanzania and Uganda, and the GBP8,000,000 Governance in Action programme in Kyrgyzstan (which has so far formed seven new coalitions to facilitate governance solutions to unblocking constraints to growth, including legislative change to enable textile businesses to access more markets [C]).

ESID's impact on the promotion of inclusive growth in Africa extends to other policy actors. It was described as of *"incredible value to the Africa programme of the Tony Blair Institute [TBI] for Global Change"* [D]. TBI's Africa Advisor states that the deals framework has guided its efforts since 2016 to support 15 African governments in delivering inclusive economic growth with an annual budget of approximately USD16,000,000: *"This work has influenced the establishment of new economic enterprises in countries like Togo (in business process outsourcing which attracted its first 3 investors, worth USD4,400,000 and 1,000 jobs and juice processing 1 investor at USD3,300,000 and 500 targeted jobs); the facilitation of Liberia SME processors of oil palm (USD500,000 investment supporting 1,000 farmers); new investments in car manufacturing in Ghana (involving a USD15,000,000 investment) and in Ethiopia's efforts to establish an FDI-based pharmaceutical sector (7 deals closed in 2019 and 2020 amounting to USD332,000,000 and estimated to create 4,500 direct jobs)"* [D]. These interventions show how ESID research has enabled DFID and others to support reforms that are feasible within each country's political settlement, and offer an informed starting point for promoting the process of inclusive growth and structural transformation required for sustained poverty reduction.

(b) Catalysing politically informed programming within DFID's country-level operations.

ESID's impact on DFID's country-level operations goes beyond inclusive growth to encompass new approaches to the promotion of better governance and social provisioning. It has had particularly strong impacts in Rwanda and Uganda, in part because ESID researchers discussed their research priorities with in-country DFID officials before embarking on the research and maintained a high-level of engagement with both offices throughout. ESID researchers have produced at least 40 publications reporting on its work pertaining to these countries, offered multiple in-country seminars to DFID staff and been invited to undertake advisory projects and offer advice directly to senior governance advisors and heads of office, all via the ESID 'power domains' framework of analysis. As shown below, these efforts have directly shaped DFID's strategic and programming operations in both countries in ways that have ensured that its approach to promoting inclusive development is now more relevant and politically feasible.

Uganda: After ESID researchers Hickey and Golooba-Mutebi produced an ESID working paper on the politics of development in Uganda in 2013 [2], they were commissioned by DFID-Uganda in 2016 to conduct a major diagnostic study to help guide its strategic review process. This 'horizon scan' report was presented to the most senior diplomatic and development officials in Kampala and became integral to DFID's strategic thinking: *"The [2016] report fed into our bilateral aid review and was a great start to that work"* [E]. According to DFID's Governance Advisor in Uganda:

"We relied on this to inform our design process and content for the multi-donor Democratic Governance Facility [DGF] at the time [supported with GBP12,600,000 by DFID between 2012 and 2017], and to determine realistically what we could or could

not achieve programmatically and in our advocacy engagements and policy dialogues.... It also helped to strengthen DGF II scenario-planning and risk management to help the programme to be more resilient and adaptive. The report directly influenced the flexible and adaptive approach to programming within our major anti-corruption programme.... It was central and relevant to our analysis for the Country Development Diagnostic in 2018” [E].

A further political economy analysis undertaken by ESID researchers reshaped the approach of DFID and other donors to working in Uganda’s most marginalised region: it “*completely shaped our initial design for a new development programme in Karamoja*” [E], namely the Karamoja Nutrition Programme which was worth GBP28,793,116 and targeted at improving governance and poverty reduction for 450,000 people in the region. Hickey’s presentation of the Karamoja report in Kampala (October 2018) had: “*a huge impact on us and USAID and Irish Aid [the other major donors to the region]. It changed the discussion about Karamoja. Helped us to think about how to work better in an area of protracted crisis*”, including in terms of how to strengthen health systems [E]. The business case for the Karamoja Nutrition Programme cites Hickey et al.’s Karamoja report as a vital contribution to the programme design process; official evaluations show that the programme has directly enhanced health governance and nutrition outcomes in Karamoja, establishing multi-sectoral committees for nutrition in all districts, raising the cure rate from acute malnutrition and significantly reducing the rates of wasting and stunting in children under five [F].

ESID research has also directly shaped government policy in Uganda. ESID researchers Hickey and Matovu were invited to present ESID findings to the Annual Budget Conference in Kampala in January 2014, after they had worked with colleagues from Harvard to produce briefing papers on growth and governance in Uganda and facilitate a training workshop for government officials in December 2012. This this led directly to a focus on structural transformation within the government’s 2014–2015 Annual Budget and to an emphasis on both transformation and government implementation capacity in the subsequent National Development Plan 2015–2020 [G].

Rwanda: DFID’s Senior Governance Advisor in Rwanda testifies that ESID research has had a powerful impact on how DFID has promoted improved levels of governance and poverty reduction in the country [G]. ESID’s impact has occurred through the same pathways identified above for Uganda, namely the production of rigorous, policy-engaged research [e.g. 3,4] that is shared directly and iteratively with policy makers. ESID research, particularly its research on public sector reform and growth [5], has clearly shaped DFID-Rwanda’s overall strategic direction and its specific programmatic interventions. In the words of a DFID-Rwanda advisor, this body of work “*very much influenced our strategic thinking and 5 year planning in 2016*” [H]. It has also significantly changed DFID’s work on public financial management in particular, leading to a new focus on performance management through a GBP20,100,000 project on local public financial management and revenue collection in Rwanda [H].

ESID’s work on how politics was undermining the quality of primary education in Rwanda [3] has also been influential, directly shaping the development of DFID’s GBP9,600,000 Learning for All programme (2015–21). The programme aims to achieve more equitable access to education, reduced drop-out rates and improved learning outcomes, with the primary beneficiaries being children and young people. By 2019 the programme had already supported almost three million learners and trained over 75,000 teachers, well exceeding the initial target of 25,000. A former DFID advisor on education in Rwanda discusses how ESID’s findings directly shaped their approach:

“By having an in-depth understanding of the political economy of primary education, we could ensure that our investments were targeted at the right areas, and in line with the incentive structure of the Government. An example of this is the need for the programme to target quality, and work at the local level, which was highlighted in the paper [3]; as well as the disconnect between the education responsibilities of the local education officers, and their reporting lines through the Ministry of Local Government – this led us to task our suppliers to develop solutions to support the officers to ensure their education support was prioritised, while at the same time we worked with the

Ministry to try to ensure there were clear lines of accountability and cascading of any changes” [H].

There are also multiple citations of ESID’s work in Rwanda’s most influential policy document, *Future Drivers of Growth in Rwanda: Innovation, Integration, Agglomeration and Competition* (co-authored by the World Bank and Government of Rwanda), which lays out the government’s strategy for reaching upper-middle-income status and virtually eliminating extreme poverty by 2035 [H]. In both Rwanda and Uganda, ESID reports are used to induct new staff, helping to attune them to the political realities of their new working context.

(c) Embedding political analysis within international development strategies and policies. ESID research [1,3] was incorporated into successive World Bank *World Development Reports* (WDR), on *Governance* in 2017 and on *Education* in 2018, which have gone on to influence World Bank initiatives in many countries [I,J]. ESID research on the political economy of social protection [4] has been particularly influential: it provided the basis for a new World Bank report on Social Safety Nets in Africa [K] and for the strategic approaches of UNICEF and World Food Programme via invited keynote presentations by Hickey. According to one leading governance advisor: *“I used [ESID’s] work consistently during my years at the World Bank and in my current role with the Australian Department of Foreign Affairs and Trade [DFAT]. In several areas, ESID has been leading global development thinking rather than just translating that thinking into practice” [L].* Within DFAT, the deals approach directly informed the diagnostic tool that provides the methodology for country diagnostics, and ESID *“research in thematic areas like education, natural resources, health and social protection has also been extremely valuable in presenting accessible and operationally relevant material that we have disseminated to sectoral staff” [L].* In addition to the specific impacts on DFID noted above, ESID work [6] directly shaped DFID’s New Position paper on Governance (2018) and DFID’s political economy analysis (PEA) training for advisors via the ‘Informal beginner’s guide to PEA’.

As such, ESID has played an important role in ensuring that international development policy and practice has become increasingly well-informed by political economy analysis in ways that have led to more relevant and feasible operational approaches to promoting inclusive growth and poverty reduction. This has been achieved as part of a wider movement to promote the importance of ‘thinking and working politically, an epistemic community that ESID has made distinctive contributions to and which it helps to convene; this was evidenced by ESID’s major international conference in 2019, which attracted the key thought leaders and 200 delegates from the relevant academic and policy communities.

5. Sources to corroborate the impact

- A. Combined testimonies from senior strategic advisors at DFID HQ. Signed by the former Head of Strategy Unit and of the Growth and Resilience Department (March 2020)
- B. DFID Invest Africa Programme Annual Review 2019-20 (<https://bit.ly/2NZRyU6>)
- C. DFID Governance in Kyrgyzstan Programme Annual Review 2019-20 (<https://bit.ly/3pTljU2>)
- D. Statement from Africa Advisor, Tony Blair Institute for Global Change (October 2020)
- E. Combined testimonies from DFID-Uganda Advisory Staff. Signed by Senior Governance Advisor for DFID, Uganda Office (February 2020)
- F. DFID Karamoja Nutrition Programme documents: (1) Business Case and (2) Annual Review 2019 (<https://bit.ly/2NH2C8X>)
- G. Statement from the Director of Budgets, Ministry of Finance, Planning and Economic Development, Government of Uganda (March 2021)
- H. Combined testimonies and email from DFID-Rwanda Advisory Staff. Signed by Senior Governance Advisor, FCDO Nigeria (formerly of DFID Rwanda) (January – February 2021)
- I. Statement from co-author of the World Bank’s WDR 2017 on Governance (April 2020)
- J. World Development Report: Learning to Realise Education’s Promise. World Bank, 2018 (<http://bit.ly/3pRI2Rj>) (Cites the work and advice of ESID researchers)
- K. Beegle et al. (eds) Realising the Potential of Social Safety Nets in Africa. World Bank, 2018 (<https://bit.ly/3r0YdME>) (Ch.3 based on ESID’s work)
- L. Statement from Senior Governance Advisor at Australia’s Dept. for Foreign Aid and Trade (November 2020)