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# Using Political Economy Analysis to improve the enabling environment for agricultural market systems



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## **How thinking and working politically (TWP) through the use of applied political economy analysis (PEA) can help market systems practitioners.**

The 2019 Market Systems Symposium held in April in Cape Town, South Africa provided the 'inspiration, capacity building and connections' for practitioners to improve market systems development practice. Adding a key perspective to the discussion, the Feed the Future Enabling Environment for Food Security project shared how thinking and working politically (TWP) through the use of applied political economy analysis (PEA) can help market systems development practitioners analyse and unlock political barriers that stymie economic opportunities for the poor, who often operate in the informal sector.

While USAID's TWP/PEA framework comes from the Cross-Sectoral Program team at the Democracy, Human Rights and Governance Center, other sectors often use the approach. Whether applied to health, education, environment, or economic growth, the PEA framework and the TWP mindset are useful for unpacking questions of who has - or who lacks - the political will to pass, implement and sustain a reform agenda. The approach achieves this by unpacking political barriers and identifying opportunities necessary to align incentives of key decision-makers in the political system that could then nudge the market system to become competitive, inclusive and resilient.

Similar to market systems thinking, PEA/TWP evolved from [USAID's Local Systems framework](#), which describes the agency's efforts to adopt a systems thinking

approach to development programming. Building on this framework, USAID released updated guidance, titled [Thinking and Working Politically Through an Applied Politically Economy Analysis](#), which incorporates [USAID's Collaborating, Learning, and Adapting \(CLA\)](#) methodology to systematise working politically.

Concurrently, USAID's Bureau for Food Security has also adopted a systems approach to sustaining investments in agriculture markets. The Global Food Security Strategy, for example, is rooted in evidence from early Feed the Future programmes to allow for more flexibility in USAID agriculture programming and to appreciate the [importance of market systems](#).

The debate at the symposium about how to develop an inclusive and resilient market systems framework revealed that the value addition of PEA/TWP is deeper political analysis of the explicit and implicit incentives and barriers to shaping a more conducive enabling environment. TWP/PEA provides in-depth political analysis where locally driven opportunities for reform could emerge and where obstacles to reform need to be addressed.

The TWP/PEA approach helps ensure that political factors are included in the calculus of a development solution. For example, PEA can help target the types of changes that may be possible when a new political class comes to power on an anti-corruption platform in a political system historically grounded in patronage. It achieves this by investigating the formal and informal rules of the game, analysing the processes of elite bargaining through a focus on the interests of different societal groups.

Applied PEA can offer insights leading to recommendations about how to influence key decision-makers, thereby facilitating the change necessary to foster a more conducive enabling environment for market systems to thrive.

*This post appeared first on [marketlinks.org](#)*

Earlier installments of the Enabling Environment for Food Security (EEFS) blog series:

- > [This June, Marketlinks is highlighting Political Economy Analysis \(PEA\)](#)
- > [EEFS' Enabling Environment and Market Systems Series Roundup!](#)
- > [How Thinking and Working Politically Through Applied Political Economy Analysis is Critical to Market Systems](#)
- > [Political Economy Analysis Sheds Light on Farmer Behavior in Northern Haiti](#)