

Tool Name: Stakeholder Analysis

What is it?	Stakeholder analysis is a systematic methodology that uses qualitative data to determine the interests and influence of different groups in relation to a reform.	
What can it be used for?	While stakeholder analysis can be carried out for any type of reform, it is particularly amenable to structural and sectoral reforms. Basic stakeholder analysis should precede reform design and should be consistently deepened as reform elements are finalized.	
What does it tell you?	Stakeholder analysis assesses: (i) the extent to which reform may provoke political or social action; (ii) the level of ownership among different groups; (iii) differences in perception of the reform among different ethnic, religious or linguistic groups. Stakeholder analysis can be expanded into fuller political economy analysis that identifies affected groups and looks at: (i) their position vis-à-vis policy; (ii) their influence on government; (iii) the likelihood of their participation in coalitions to support change; (iv) strategies for overcoming opposition such as compensating losers or delaying implementation.	
Complementary tools:	<ul style="list-style-type: none"> • Normally used in conjunction with social impact analysis. • Stakeholder analysis identifies groups to consider as categories for analysis. It is useful for the design of household surveys, microeconomic modeling and micro-macro linked models. 	
Key Elements:	Stakeholder analysis is iterative, and usually proceeds through the following sources of data to reach final conclusions: (i) background information on constraints to effective government policy-making; (ii) key informant interviews that identify specific stakeholders relevant to the sustainability of policy reform. Participants should be drawn from a diverse groups of interests in order to limit bias; (iii) verification of assumptions about stakeholder influence and interest through survey work and quantitative analysis of secondary data	
Requirements	Data/information:	Stakeholder interests are seldom explicitly spelled out in existing sources. The main sources of information are: (i) key informant interviews; (ii) secondary material such as newspaper articles, and social science research.
	Time:	In cases where key informant interviews are already being carried out as part of other qualitative analysis, preparing an analytical piece on stakeholders can take as little as one additional staff week of effort. In cases where there is no significant qualitative work planned, a thorough exercise would likely involve a trip to the field and two to three staff weeks of effort. Analysis that is meant to predict the positions of key stakeholders in different reform scenarios is not a one-off piece of work and should grow out of the findings of other analytic work. Ensuring a complete and updated picture may require that specialists carry out the work over several calendar months.
	Skills:	Sociological or anthropological training is helpful, as is a background in political science. Local knowledge, including contacts with local experts, is crucial. Those carrying out the analysis must also thoroughly understand the reform and the recent history in the sector.
	Supporting software:	N/A
	Financial cost:	When combined with other qualitative work, the incremental cost of stakeholder analysis can be as low as US\$10,000. When no qualitative work is planned, costs can be up to US\$25,000.
Limitations:	Stakeholder analysis relies on qualitative data and perceptions and preferences. The absence of statistical representative places greater onus on careful selection of respondents and interpretation of data.	
References and applications:	<ul style="list-style-type: none"> • Bianchi and Kossoudji. (2001). • Brinkerhoff and Crosby (2002). • World Bank (2002e), Annex VII on Guyana. 	