

# POLITICAL ECONOMY ANALYSIS (PEA) METHODOLOGY

## I. Overview

This document is designed to support the implementation of the PEA processes within the “Protection, Inclusion, and Empowerment” Activity in Armenia. It provides an overview of the methodology to be finalized and then followed throughout the PEA processes.

## 2. Design, Core Research Questions, and Approach

This in-depth PEA of the social protection system in Armenia will represent an attempt at a comprehensive analysis with the employment of qualitative research design, which will include a political-economic overview of the social protection system, a GESI analysis within the PEA framework, power and stakeholder mapping, and a behavioral analysis of different actors and their interactions with each other. Six core research questions covering the above-mentioned aspects are developed as of the following;

- **Core Research Question 1 (Knowledge Question):** *How does the social protection system function across Armenia, and why it functions in that way?*
- **Core Research Question 2 (Knowledge Question):** *What factors impact the experience of marginalized, vulnerable, and displaced populations with Armenian citizenship, with the delivery of social services in Armenia and why?*
- **Core Research Question 3 (Knowledge Question):** *What patterns of inclusion and exclusion emerged in the sector of social protection over time (in terms of gender, class, ethnicity, geography, religion, age, ability, etc.)?*
- **Core Research Question 4 (Operational Question):** *How are activity components positioned with respect to the implications of the political economy analysis of the social protection sector and identified opportunities and constraints?*
- **Core Research Question 5 (Operational Question):** *What are appropriate paths to action to promote changes conforming to the desired outcomes of the Activity?*
- **Core Research Question 6 (Operational Question):** *How do findings from the PEA’s behavioral analysis component validate or invalidate the program’s assumptions under the ToC and what are the implications for the program design and implementation with the use of the Behavior Change Wheel? How do judgments reflected in the pathways of change influence intervention functions and the policy categories framed in the Behavior Change Wheel?*

The following research methods will be used to address the aim of the PEA process, including

- Desk review to synthesize existing evidence and areas of consensus in the field of social protection and inclusion in the form of a brief inception report. This will be carried out in advance to provide background knowledge to the PEA team members, inform the design of an interview guide, properly scope the fieldwork, outline the required resources, as well as identify knowledgeable persons for engaging in interviews. (Inception report on desk research to be submitted by the DI HO and finalized by the DI Armenia’s MEL Team)

- Field work with the coverage of visits to the capital city Yerevan and all regions across Armenia to hear a wider range of views on the topic of interest (to be carried by the outsourced experts of the hired research firm and the DI Armenia’s MEL team as internal experts)
- Individual interviews with key informants
- Focus group discussions (FGDs)
- Some quantitative data to inform the baseline indicators of the Activity, when appropriate
- Power mapping software/guide to map the network of stakeholders and visualize findings

The use of the above-mentioned research methods will result in a four-stage methodological approach to answer the research questions

1) Desk research to determine existing evidence and identify knowledge and gaps

- Literature review of relevant academic papers, government, donor, or NGO reports, PEA-related materials developed by recognized experts and prominent development organizations, and other media sources.
- Use of personal relationships with counterparts in other agencies to identify unpublished resources, which can be shared internally for the benefit of the Activity implementation.
- Synthesize information on the foundational factors, rules of the game, the “here and now,” and dynamics for supporting and/or blocking economic and political reform.
- Identify under-researched areas and consider them in the design of the Interview Guide
- Identify key stakeholders to consult and develop the sampling frames for data collection.

2) Conduct field research to address identified knowledge gaps through individual interviews, focus group discussions, and observations.

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- Assess the predominant motivations and behaviors of key stakeholders.
- Conduct power mapping of stakeholders
- Determine the predominant behaviors in the sector

3) Synthesize opportunities, constraints, and challenges for the development objectives within the Activity.

4) Analyze the judgment implications on the intervention functions and policy categories.

The PEA will be undertaken as a planned, focused, and in-depth activity, which is the type of approach to be used in this research. The overall approach will be based on thinking and working politically while carrying out an in-depth PEA. The following principles will be followed in an attempt to keep this approach in line with “best practice” implementation, including

- Developing in-depth knowledge of the environment in which Activity interventions will take place, as well as the various forces or factors that would have a significant influence on it
- Acknowledging that development objectives are invariably politically complex, in which multiple contending actors seek to assert their incentives and preferences
- To support shared positive outcomes based on shared interests and coalition building, the PEA will cover a wide variety of stakeholders

- Considering sustainability aspects while achieving development objectives within the Activity, even in cases when immediate delivery of technical solutions or immediate outputs may affect due to some compromises
- Taking a more active role in policy discussions and in assisting to bring about changes in domestic processes
- Acknowledging the importance of identifying and focusing on starting points to support reform efforts, even if the goals seem difficult or unlikely to be achieved.

### 3. Conceptual Approach

#### 3.1. Conceptual approach to address Research Questions 1 to 4: In-depth PEA

Following the PEA framework, the focus is on five areas, including the foundational factors, rules of the game, the here and now, power dynamics, as well as implications. The following core research questions will be addressed under this section, including:

**Core Research Question 1 (Knowledge Question):** *How does the social protection system function across Armenia, and why it functions in that way?*

**Core Research Question 2 (Knowledge Question):** *What factors impact the experience of marginalized, vulnerable, and displaced populations with Armenian citizenship, with the delivery of social services in Armenia and why?*

**Core Research Question 3 (Knowledge Question):** *What patterns of inclusion and exclusion emerged in the sector of social protection over time (in terms of gender, class, ethnicity, geography, religion, age, ability, etc.)?*

**Core Research Question 4 (Operational Question):** *How are activity components positioned with respect to the implications of the political economy analysis of the social protection sector and identified opportunities and constraints?*

##### 3.1.1. Foundations/Structures (Foundational factors)

This area focuses on long-term factors that do not change rapidly, such as history, demographic change, etc., but are important for the PEA to explore how they have impacted the field of social protection/inclusion over time. The key foundational factors the PEA analysis addresses are:

- Events and circumstances of the past that have shaped the present landscape of social protection/inclusion sector;
- Political, social, economic, and cultural context in which the social protection sector functions;
- Actors and institutions that organize and regulate the operation, interaction and transformation of the sector;
- Constraints and challenges to the development of social protection/inclusion sector.

##### 3.1.2. Formal and Informal Processes and Rules (Rules of the Game)

This section investigates laws, norms, and values that shape specific patterns of behavior in society in the field of social protection/inclusion. This level of analysis focuses on structures and norms of

power, such as those established by the government or the private sector, and how they impact policymaking and implementation. It also examines the quality of governance, the difference between official laws and regulations, and how the government and private sector actually operate in practice.

The following key rules of the game:

- Which informal norms and cultural/social traditions have influence? Are they changing?
- How do they affect power distribution, social justice and equity, economic processes, service delivery, governance, etc.?
- How do formal institutions interact with informal entities?
- Are the political executive and powerful actors constrained by the formal law and/or by informal norms?
- To whom are powerful actors accountable, and how and why? What role has civil society and the media?
- How do international drivers influence domestic politics?

### **3.1.3. Actors/Stakeholders (Here and Now)**

This section examines individuals, organizations, or certain groups that are sources of influence or have been excluded to try to understand their behaviors and actions and determine if they would be interested in participating in the social protection/inclusion sector reforms. It would provide an overview of the recent events impacting rules, norms, and decision-making, with respective constraints and opportunities to be considered in the Activity design. The following aspects will be looked at, including

- The distribution of power among stakeholders of the field
- Dominant ideologies and beliefs inherent in the sector
- Development processes and progress

### **3.1.4. Dynamics**

This section explores dynamics with a focus on:

- Which factors are changing and why? How likely are they to impact development and reform?
- Are key actors emerging or disappearing? Are their relationships changing? How and why? Are changes linked to the economy, politics, or other factors? What is the likely outcome of these changes?
- Are reform champions, development entrepreneurs, or coalitions identified for reform efforts? What are their interests and motivations?

### **3.1.5. Operational Implications**

This section focuses on the dynamics of political and economic environment of the social protection/inclusion sector shaping the opportunities, constraints, and challenges for the development objectives of the Activity. Acting on the emerging insights and operational implications of the PEA would inform the Theory of Change within the Activity on what is feasible, the relevance of activities being or to be implemented, the set of assumptions grounding interventions, the

measurement of progress and risks, as well implications for effective progress delivery. As a result, the findings of PEA should ensure a deeper understanding of the following aspect, including

- Are current Activity objectives, partners, approaches, indicators and expected outcomes suitable and reasonable given the findings of the local political economy?
- What is the role and influence of DI in a local context? Given this, how is DI positioned to respond to identified opportunities and constraints?
- Who are the influential actors and interest groups involved in the sector of social protection/inclusion, and what interests, preferences, and beliefs do they have which would affect their involvement?
- How is power distributed among different actors along with actors excluded from power and resources, and why and how?
- What practical constraints restrict and shape the use of that power?
- What are the formal and informal norms that shape behavior and influence decisions (such as discriminatory attitude toward different populations of interest)
- How do these factors impact incentives and the ability to achieve desired changes in the sector?
- How and why does change really happen? What are the combinations of actors, incentives, processes and capacity that lead to shifts in outcomes?

### 3.1.6. Thinking and Working Politically

Thinking and working politically suggests adopting a more open-minded approach to how desired development changes occur that are contextualized and adapted to local realities. Efforts in achieving development objectives within the Activity should be adaptive and iterative to test the validity of assumptions in the frame of the Theory of Change and appropriately address issues related to the existing Activity design as part of adaptation and learning. This is why the type of approach using the PEA as a continuous, real-time and ongoing part of a team's work would be undertaken. It would allow regularly revisiting the Theory of Change throughout the Activity cycle with continuous reflection on whether, how, and why change is occurring as we hypothesized (process component). As well as the process component, continuous PEA approach would allow monitoring indicators showing how to recognize success at each step in the pathways of change (product component).

## 3.2. Conceptual approach to address Research Question 3: GESI Analysis

The PEA will deliver inclusive, gender-sensitive analysis with the use of participatory approaches: The following research question will be addressed

**Core Research Question 3 (Knowledge Question):** *What patterns of inclusion and exclusion emerged in the sector of social protection over time (in terms of gender, class, ethnicity, geography, religion, age, ability, etc.)?*

Supporting questions to be considered

- How do the foundational factors affect marginalized, vulnerable, and displaced populations with Armenian citizenship?

- How do the shared understandings and norms affect marginalized, vulnerable, and displaced populations with Armenian citizenship? Do laws and regulations give equal rights to women and men? How common is the practice of excluding women from decision-making?
- How do power dynamics affect marginalized, vulnerable, and displaced populations with Armenian citizenship? How do power inequalities influence gender dynamics?
- How do the interests and influences of key actors affect marginalized, vulnerable, and displaced populations with Armenian citizenship?
- What are realistic inclusive change pathways? Under which scenarios and how might excluded marginalized, vulnerable, and displaced populations with Armenian citizenship gain more influence in the sector of interest?
- How could diplomatic dialogue and development objectives of the Activity be used to support gender-inclusive politics and power structures, while avoiding reinforcing exclusionary processes.

### 3.3. Conceptual to Address Research Question 3: Power Mapping

There are tools (Policy Maker and Network mapping tool) for power mapping for which the methodology to be still developed.

### 3.4. Conceptual Approach to Address Research Questions 5 and 6: Social and Behavioral Change

The following two core research questions will be addressed in the frame of Social and Behavioral Change with the below-provided conceptual approach, including;

<b>Core Research Questions</b>	<b>Supporting Questions to Core Research Questions</b>	<b>Sources used to develop questions</b>
<p><b>Core Research Question 5:</b> What are appropriate paths to action to promote changes conforming to the desired outcomes of the Activity?</p>	<ul style="list-style-type: none"> <li>• What changes are already occurring in the sector of social protection/inclusion for addressing identified issues, challenges, constrains, and opportunities?</li> <li>• What potential changes may have positive and negative consequences?</li> <li>• What long-term, gradual trends/emergent changes encourage or discourage proposed changes within the Activity's Theory of Change?</li> <li>• What changes have already occurred in the sector of social protection/inclusion that offer insights into local processes of change?</li> </ul>	<ul style="list-style-type: none"> <li>• Questions developed on prior research</li> </ul>
<p><b>Core Research Question 6:</b> How do judgments reflected in the pathways of change influence</p>	<ul style="list-style-type: none"> <li>• What difficulties arise during the practical application of the Behavior Change Wheel?</li> </ul>	<ul style="list-style-type: none"> <li>• Questions developed on prior research</li> <li>• The use of APEASE</li> </ul>

<i>intervention functions and the policy categories framed in the Behavior Change Wheel?</i>		<i>criteria will be carried out with the use of the guide developed by Michie et al. 2011.</i>
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The development of pathways of change will be an important building block within an overall Theory of Change. Once these pathways are developed, the PEA core team can develop judgments on the interventions presented within the Theory of Change, aiming to prevent the approach from jumping straight to pre-existing solutions as well as achieving the desired changes as a result of integrated activities. At the same time, the judgment implications on the intervention functions and policy categories will be looked at through the APEASE criteria, as an important building block within the Behavior Change Wheel. The discussions on the development of the pathways of change will be guided by the APEASE criteria provided in Michie et al. 2014.

### Setting and Sample

The methodology must, at a minimum, include 230 individual in-depth interviews and 120 focus group discussions, covering:

#	Respondents	In-depth interviews (#)	FGDs (#)
1.	Government officials at the national level, including the Ministry of Labor and Social Affairs, other governmental ministries and agencies related to the social protection	50	30
2.	Government officials at the regional level	50	30
3.	Development partners and civil society experts	40	20
4.	Experts from academia, journalism, and think tanks	20	-
5.	Lawyers and legal experts	20	-
6.	Politicians	10	-
7.	Community-based organizations operating locally	20	10
8.	Leaders from the marginalized, vulnerable, and displaced groups the Activity is interested in	20	-
9.	Members from the marginalized, vulnerable, and displaced groups the Activity is interested in	-	30

### Identification of GESI Stakeholders

The identification of vulnerable and marginalized groups will be carried out with reference to secondary data sources, particularly

- People with disabilities (the Agate Center; Ministry of Labor and Social Affairs)
- LGBTIQ+ individuals (Pink Armenia; Ministry of Labor and Social Affairs)
- Ethnic minorities (Ministry of Labor and Social Affairs)
- Religious minorities (Ministry of Labor and Social Affairs)
- Victims of trafficking in persons (Democracy Today; Ministry of Labor and Social Affairs)



- Victims of GBV (the Sexual Assault Crisis Center for Victims; Ministry of Labor and Social Affairs)
- Victims of forced labor (Ministry of Labor and Social Affairs)
- Vulnerable children (Ministry of Labor and Social Affairs)
- Vulnerable women (Ministry of Labor and Social Affairs)

## **Study Procedure**

The following steps will be undertaken to ensure the successful implementation of the PEA processes, including

- Purpose definition of the specific PEA - the PEA team will develop the agreed core research questions to pursue a deeper understanding of the social protection and inclusion context in Armenia and to inform the Activity design for later implementation.
- Preparation of a Detailed Statement of Work reflecting this purpose, the questions to be addressed, the methodology, the roles of team members, and the skill sets required to guide identification and recruitment of team members, whether internal or external.
- Hiring a research company and finalizing the PEA team composition.
- Conducting a pre-PEA training workshop – the PEA team and key knowledgeable stakeholders will participate in a three-day training workshop prior to initiating fieldwork to become familiarized with the research methodology, finalize interview guide(s), develop plans for fieldwork, research (team logistics) and data management, identify informants to interview and field sites to visit.
- To be finalized.

## **Data collection**

This will be a countrywide assessment in which we will collect data in Yerevan and the 10 marzes (regions) that make up the country. The methods of data collection and the type of evidence to be used will consist of desk studies of secondary evidence and key informant interviews, focus groups, and site visits in the field.

The interview Guide for the PEA is under development and will be submitted shortly.

As the PEA process has been built into ongoing activity in Armenia, it will be undertaken using a hybrid approach with a blend of internal and external team members. A PEA team will be formed for an in-depth analysis with the engagement of the outsourced research firm and the internal team members, the DI's MEL team. This will be done given the importance of the commitment to mission ownership of the PEA process, which will assume a higher degree of leadership at the outset of fieldwork to be reflected in the initial scoping workshop and participation in the research team.

Other methods of data collection and analysis will complement the desk research to ensure a comprehensive and nuanced understanding of the political economy dynamics and implications for the development interventions within the Activity, such as through the coverage of perspectives and experiences of marginalized, vulnerable, and displaced populations, whose views may not be identified in academic or grey literature.



**Ethical considerations**

The PEA processes will be conducted with ethical approval and support given by the Ministry of Social Labor and Affairs, as well as by other governmental ministries and agencies in relevance to the PEA. Research ethics will be followed throughout the PEA processes, meaning informed prior consent will be obtained from all respondents, the confidentiality will be maintained.