THINK PIECE:
Unlocking the Power of Reformers to Achieve Better Progress on Extractives Governance

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KEY POINTS

- For governance reforms in the extractive industries to translate from paper to practice, government officials charged with making key decisions and undertaking action to implement them must have both an interest in advancing this agenda and the requisite power to do so.
- Focusing on supporting "reformers"—those officials with a genuine commitment to reform—is a way of trying to start on auspicious footing by targeting those with an existing interest in seeing good governance of extractive industries take root.
- However, to realize the potential of reformers to drive and sustain relevant policy and institutional change, the incentive and power dynamics that can impede these actors must be better understood and more effectively addressed.
- Two key political obstacles reformers often report confronting are pressure from powerful elites with competing preferences (exercised through official channels as well as through personal and professional threats or coercion) and indifference or resistance among bureaucrats who lack incentives to undertake meaningful reforms.
- Reformers, and those seeking to support them, can take various approaches to addressing these power and interest (mis)alignments and improve the prospects of making meaningful progress.
- From navigating political realities to changing the balance of power to changing the balance of incentives, reformers should be supported in taking the lead on identifying and undertaking the politically smart strategy for their own context.

The "reformer" dilemma: When good intentions meet difficult political realities

This project arose out of conversations over the past few years between CCSI staff and high-level officials in extractive industry (EI) ministries in Africa, the Caucasus, and Latin America. After describing the need for an array of genuine reforms in the governance of their respective countries' energy and mining sectors, these officials expressed their frustration at the resistance they encountered from within their own government when pushing for reform. These pressures come from above and below.

Interference and pressure from political and economic elites. On the one hand, the officials explained, they have been confronted from above by powerful political and economic actors opposed to the reforms in question, likely because they were benefiting in some way from the status quo. It is not uncommon for political figures to directly benefit from extractive industries (EI) projects or to receive political support from the economic elites deriving benefits from the sector (who, in return, may receive favors from political figures). These powerful actors can undermine the prospects for advancing reforms directly through political interference, e.g., issuing orders to avoid certain policies and practices. They can also indirectly weaken support for reforms by creating disincentives—through personal and professional threats—for those who would try to push ahead with them. Therefore, elites with interests opposed to the reform agenda can use their power to restrict or disincentivize action by would-be reformers.[1]

Bureaucratic indifference or resistance. Reform-minded government officials also routinely reported encountering indifference or resistance from bureaucrats, who are often the chief actors responsible for implementing reform commitments. Some bureaucrats resist simply because changes in policy or practice complicate their jobs without major disincentives for failing to undertake reforms or benefits for succeeding in doing so. Others may resist as they have an interest in maintaining the status quo from which they are benefitting in some way.[2]

In both types of situations, the reform-sympathetic officials reported feeling significantly constrained to use their positions to bring about meaningful progress on governance and development outcomes in the extractive sectors of their countries. They perceived themselves to be isolated and stuck, fearing potentially dire professional or personal consequences—e.g., harassment or threats to themselves and their families, loss of their jobs, mandates, or departmental budgets—for pressing forward with reforms against political headwinds. They expressed concern that even if adopted on paper, reforms might go unimplemented due to the resistance, and sometimes inertia, of those charged with putting them into action and the continued pressure from opposing elites. In the face of bureaucratic inertia and hostility from vested interests, they wondered if anything could be done to support them in breathing more life and impact into their reformist intentions.

We heard similar versions of this story from would-be "reformers"—various government officials possessing a genuine interest in advancing good governance of extractive industries (GEI)—in other countries and regions. Over and over, we heard from these well-intentioned actors that they faced the same dilemma of power and interests being stacked against their prospects of meaningfully advancing a good governance agenda. In light of their experiences, we set out to explore the question: **what can global actors and "reformers" do to help translate their good intentions into good practice in the face of unfavorable political realities?**

This think piece is intended to provide an approach to systematically thinking through how to be more sensitive to (1) the challenges facing reformers in their respective countries in trying to undertake interventions that make meaningful progress towards intended goals in improving the governance of EI (GEI), and (2) the alignments of power and incentives needed to bring about meaningful and lasting reforms. In doing so, we hope to provide insights into what can be done to (a) more opportunistically navigate the political constraints and opportunities facing reformers, (b) amplify the power of reformers, and (c) shift the interests and incentives of those who are already in powerful positions to persuade them to support reforms in practice.

Why reformers?

This brief takes as a starting assumption that in order for reforms to be impactful, there must be actors who are not only *willing* to help drive their emergence and effective implementation but *have the power to do so*. For positive changes to be anything more than superficial or fleeting, these actors must have the influence and the will to make a sustained and durable commitment to these reforms.[3] By betting on "reformers" (described variously as "change agents," "champions for change," and "development or political entrepreneurs"[4]), the intention is to pick an auspicious starting point: those who already have an interest in the reform agenda. The trick is then to help them bring power and interest alignments into better service of their reform goals. Because reformers can play an essential role in shepherding reforms forward, thinking through ways to clear their paths and bolster their effectiveness presents a promising approach to making more meaningful progress. The literature is scarce on this topic. While a recent report by Guerzovich et al. commissioned by the Open Society Foundations explores a range of technical, political, and other contextual factors that can impact the effectiveness of anti-corruption reformers,[5] in this think piece we focus on some of the key political contextual factors that can confront would-be GEI reformers and potential ways of addressing these.

Box 1:
Challenges of Identifying and Targeting Reformers

Officials with a sincere interest in reforms may not always be immediately visible to outsiders (or even insiders): even actors genuinely committed to reform may be constrained from making their commitments public. In Ghana, for instance, public officials swear a secrecy oath, which may prevent them from airing troubling dynamics publicly.[6] Reformers may also be constrained by hard-to-discern intra-party dynamics and leadership or be relatively powerless to resist enforcing problematic policies dictated to them by superiors, which may again obscure their underlying sympathies to good governance. Another thing to keep in mind when trying to identify reformers is that their views will not necessarily be consistent across issues or constant over time; personal or contextual factors may drive them to positions that are more conservative or, alternatively, even more reformist at different times or on different issues. Strong local partners with insights into the political landscape are therefore vital in making these assessments.

Understanding the political challenges and opportunities facing reformers

Before considering *how* to address the political challenges (and opportunities) that reformers confront, it is important to invest in identifying *what/who* needs to be addressed and possible openings and obstacles to doing so. As noted by a long-time IFI expert participant in a recent convening held for this research project, deep local knowledge is crucial for improving the prospects of impact of any GEI interventions, including those focused on reformers. An important aspect of this would be a diagnostic assessment of local context through regular political economy analysis (PEA).[7] While such analyses vary in length, methodology, and scope, a simple PEA entails mapping key stakeholders, their relative power, the interests or incentives driving their respective decisions in a given policy or practical area, and the main channels through which they exercise their influence over relevant processes or outcomes. In essence, a PEA involves answering questions such as:

- ***Who would need to do what*** *to bring about progress toward your desired outcomes or ultimate goals? What is the likelihood of this occurring?*
- *Who are the* ***key players*** *with regard to a given issue (e.g., specific government officials within relevant ministries, regulators, investors, project partners, influential individuals, etc.)? Beyond these actors, are there* ***others who might have a strong interest*** *in this specific issue?*
- *Who has* ***power*** *(formal authority, informal influence, or both) over the fate of a particular area of policy or practice? Among the key players, who has power over whom?*
- *What are the* ***priorities and interests*** *of the key players? Who seems to have a genuine interest (reformer) in reform and why? Are they benefitting from status quo governance conditions that might be affected by the adoption and implementation of the good governance policy or practice being pursued?*
- *How do these priorities and interests* ***align with a given good practice/policy*** *or change agenda? (In other words, who might* ***"win" or "lose"*** *as the result of success in achieving your objectives?) What do these (mis) alignments tell us about* ***potential allies and opponents*** *to the goals being pursued?*
- *Are there specific* ***contextual or systemic factors that influence the outcomes*** *you care about (including political, cultural, social, or historical considerations)?*
- *Where powerful actors do not perceive an interest in supporting an aspect of good governance of EI, what are the* ***prospects of change*** *in the desired direction?* ***Who would have to do what for this change to occur****? How? And why might they want to do this?*

The answers to such questions—assessed on an on-going basis—can provide a roadmap both to identify potential obstacles on the political landscape and strategize possible ways of addressing them, making adjustments over time as needed to maximize impact.

Addressing the political challenges facing extractives governance reformers

Because of the particular challenges associated with EI—those qualities that make them particularly prone to rent-seeking, clientelism, corruption, and various other well-chronicled social, political, and economic ills associated with the "resource curse"[8]—alignments of power and interests conducive to good governance outcomes can be difficult to come by. Powerful actors benefitting from the status quo abound and often exert considerable influence over how the sector is governed, making prospects of real reforms that may destabilize their personal gains unlikely. Under these circumstances, those championing the adoption and implementation of sector reforms can face an uphill battle, though not an impossible one. While there is no set formula, we propose a menu of options for helping reformers address unfavorable power and interest dynamics that undermine their ability to advance progress on reforms. These options are based on an aggregation of ideas from the broader literature on political economy–informed development approaches as well as CCSI's interviews with past and present reformers. They are organized around three basic approaches:

- *navigating the status quo* more opportunistically;
- *changing the balance of power* to strengthen the position of those more supportive of reform agendas; and
- *changing the interests and incentives* driving powerful actors.

Options from across these groupings can be taken separately or in tandem depending on the constraints and opportunities that a given reformer faces at a particular moment and on the availability of resources on which they can draw to advance a specific reform. By providing inspiration and practical ideas for tackling political challenges, our hope is to improve the prospects of reformers being able to drive meaningful changes in policy and practice to improve GEI.

1. Navigating the status quo more opportunistically

In *Working with the Grain*, Brian Levy calls on development practitioners working on good governance to begin by "seeing things as they are" in a given context and then working to maximize feasible gains within that understanding.[9] In essence, this means accepting current political realities as fairly fixed, at least in the near term, and focusing on how to get the most progress possible by opportunistically *navigating* these constraints. "Feasibility" and "actionability" are the guiding principles of this approach, which can be operationalized in a number of ways.[10]

Recalibrate goals and expectations. One approach to navigating political realities might entail reformers and their supporters recalibrating their goals to better match their near- and mid-term prospects of progress. This may at times mean trading off a focus on transformational goals for more incremental ones in the short term, e.g. "doing no harm" where "doing good" in the near term seems unlikely. When the political environment appears too inhospitable to advance major changes in good governance, reformers can try to build momentum through incremental progress, developing ideas and undertaking groundwork that might ultimately graduate or accumulate into the desired reform. Fostering durable policy and institutional changes can, for instance, require persuading others in government and society to bring about significant shifts in mindset, which in turn requires empirical evidence that supports the reform's rationale. Collecting such evidence and establishing causal connections that lead to meaningful outcomes can take years of research and policy dialogue; these are incremental steps to build the eventual case for reform (which would then need to be conveyed in a strategic and persuasive way).[11]

Strategically frame reforms to meet the powerful at their interests. Another avenue that reformers might pursue in trying to opportunistically make progress is (re)framing the reforms they wish to advance to better align with what the most powerful actors in the area in question will support or, at the very least, tolerate. These might include actors who either hold sufficient individual capacity to sway political outcomes or control an organization relevant to the GEI field that is equipped with the power to implement reforms. While these actors may not be "reform-minded" in the general sense, some of their interests might align with global or local GEI reform agendas, and they might therefore be willing to pursue (or just allow) specific changes that are the most desirable or palatable to them.[12]

The Curbing Corruption approach to anti-corruption offers an explicit example of a pathway for this—gathering together a group of powerful actors within a particular sector to discuss what aspects of corruption they are willing to see tackled and focusing anti-corruption activities on those.[13] A more implicit approach would be to identify major interests of political and economic elites through PEA and to then craft reform activities in ways that resonate with these interests or do not overtly clash with them. In Mexico, a bill legislating commitments under the Indigenous and Tribal Peoples Convention (ILO 169) in the context of the Hydrocarbon and Electricity Laws failed several times in parliament. It passed only after the reform proponent managed to frame the reform as increasing revenue to the state (by assuaging communities that would otherwise disrupt energy operations), contributing to its passage with support across party lines.[14] "Bundling" specific GEI reforms in packages with other, low-controversy measures may also be another way for reformers to use strategic framing or packaging to make some progress within their political constraints.[15]

Look for and seize windows of opportunity. Another option for supporting reformers in more effectively navigating their political realities is to help them recognize and act on "windows of opportunity" (henceforth, "windows"). These are moments during which there is an acute shift of interests and incentives among powerful actors, creating finite openings to support major changes in policy and practice.[16] Windows—explored thoroughly in Guerzovich et al. (2020)—are very context-specific, time-bound, and are often the convergence of some array of social, historical, cultural, economic, political, or environmental forces.[17] As such, they are difficult to plan for or induce, but it is possible to prepare the groundwork to capitalize on them when they do appear (see Box on Georgia).[18]

Box 2:
Capitalizing on a Sudden Opening of a Window of Opportunity - Georgia

In Georgia, a collective consensus across camp lines and parties emerged from a long series of public hearings, streamed live, held by the Environmental Protection and Natural Resources Committee of the Parliament on the importance of monitoring the environmental impacts of mines. In these hearings, relevant ministries, companies, and civil society were invited on numerous occasions to contribute to the debate in a context where environmental impacts were discussed at an unprecedented level of transparency. It is noteworthy that the process was made transparent as the parliamentary committee created a working group composed of multi-sectoral representatives, including CSOs, and they were provided with the opportunity to reflect on particular cases as well as overall sector challenges. By convening these meetings, the parliamentary committee created a window to drum up popular attention to and support for monitoring environmental impacts, changing the balance of incentives for those who had been trying to minimize these issues via hollow, populist arguments related to job creation and fiscal revenues.[19]

The following are some possible window scenarios pertaining to EI:

Elections. Both the run-up to and period immediately following elections can precipitate scrutiny and action to push through progress on a wide range of reforms. Political campaigns can provide an opportunity for opposition candidates to seek to highlight problems with the existing regime and the need to reform its policies or practices in specific ways. Incumbents can use the run-up to an election to propose or pass popular reforms in the hope of firming up support. Election results can then create opportunities for newly elected officials to establish their agendas or for incumbents potentially to respond to electoral shifts. For instance, in Zambia, in the 2006 elections and subsequent by-elections, the Movement for Multiparty Democracy (MMD) was reelected to run the government but lost all popularity in the Copperbelt and Lusaka, accused of selling the country to the international private interests. Given its growing unpopularity, in 2008, the MMD decided to change the fiscal regime and make it more onerous on the mining industry. Thus, a government that always defended the interests of foreign private mining firms unexpectedly changed its perception of the mining industry based in part on its election performance.[20] For a reformer pushing for fairer fiscal terms for the country, the post-2006 elections provided the political window to advance the agenda. Similarly, major legislative moments, e.g., the period of proposals and debate around new extractives sector legislation (a new mining code or petroleum law), can also represent a specific opportunity for reformers to make meaningful progress.

In the specific case of EI, certain additional types of windows are likely to emerge and present political conditions conducive to advancing sector-related reforms.

Commodity price drops. EI are well-known for their price volatility.[21] When prices fall, the resulting budget shortfalls and economic dislocations can trigger more scrutiny of extractives income, with less tolerance for corruption and mismanagement. Budget shortfalls can also catalyze openings for, e.g., reforming fuel subsidies while broader economic malaise can theoretically generate higher demands for social safety nets.[22] Commodity price drops may also potentially spur economic diversification, long viewed as an important step in breaking free of some of the main challenges of the resource curse.[23] As one or more of these conditions emerge, they create potential opportunities to build on public attention and demands to undertake reforms in direct response.

Corruption scandals. EI, particularly oil and gas, can provide the perfect storm for enabling corruption: high-rent sectors; key decisions concentrated in the hands of a few officials, who potentially can derive personal gains from this role; a dearth of effective accountability mechanisms to hold these actors in check; and a history of opacity around sector decisions and activities.[24] When these conditions converge in less democratic settings, opportunities for corruption increase.[25] Indeed, Transparency International regards EI as being among the most corrupt sectors in the world.[26] While much of this corruption goes undetected or unpunished, oil and mining corruption scandals can at times generate widespread outrage and a period of heightened demand for greater transparency and accountability.[27]

Environmental disasters. Oil, gas, and mining projects can be hugely damaging to surrounding air, water, soil, and vegetation.[28] From vast oil sector contamination of the Niger Delta[29] to epically catastrophic incidents like the Deepwater Horizon spill in the Gulf of Mexico[30] and major mine tailings dam failures,[31] including the collapse of Samarco's Fundão and Vale's Brumadinho mine tailings dams in Brazil,[32] evidence abounds of the potential environmental havoc that EI projects can wreak. When such disasters occur, they tend to precipitate investigations and a slew of new regulations.[33] These windows emerging from outrage and attention to environmental risks can create opportunities to advance a deeper and more comprehensive set of reforms around mitigation and management of environmental risks than might otherwise be politically feasible.[34]

To these traditional windows of opportunities mentioned above, we can also add those related to growing awareness and action around the climate crisis. The emerging worldwide climate change agenda and the disastrous climate change impacts have the potential to create openings for reforms framed around addressing these issues. Related windows of reforms likely have been re-opened in various ways in every country depending on the perception of risks and opportunities involved in the energy transition.

For the potential of windows to be realized, reformers must be adequately prepared and resourced to act upon them in a time-sensitive way.[35] The trick is to try to lock in as much progress as possible before the window closes and those incentives underlying greater support for the reform agenda dissipate.

2. Increasing the relative power of reformers

In addition to accepting and working to strategically navigate the status quo, there are potential avenues for trying to change power and interest dynamics that thwart the progress of reformers. Attempts to tip the balance of power in favor of reformers can be undertaken by building strength in numbers. As Halloran and Flores note, "[e]ven where progressive decision makers seek to make positive changes, they will likely face obstacles from those whose interests are being challenged, and thus need support from other pro-reform actors."[36] Successful reforms are rarely the work of individual actors but rather the result of multiple actors and organizations coalescing, even temporarily or through loose connections, around a potential reform program to achieve objectives that they could not achieve on their own.[37] Thus, when powerful political and economic elites can undercut reform agendas—by formally blocking their progress or informally putting pressure on reformers—reformers can try to amplify their own power and impact by forming strategic coalitions with others who have a shared interest in a particular reform.[38]

Combining their influence, resources, expertise, and comparative advantages should allow coalition participants to collectively wield greater clout in support of a specific policy or practice than they would have if acting on their own. The balance of power should shift accordingly: as the strength of the coalition grows, the relative dominance of the opposition decreases.[39] Such strategic coalitions can be durable or temporary (lasting as long as needed to achieve a particular goal), with broad substantive coverage or focused on a particular policy or outcome.[40] They can also involve a range of possible allies working together within host countries and beyond through formal or informal mechanisms. Global actors can play a role in contributing to such coalitions through strategic convenings or creating mechanisms to foster connections. Let us consider a few examples of types of coalition configurations.

Horizontal coalitions within government. Within governments, those working to advance a particular reform might bolster their power by seeking sympathetic allies across different parts of government beyond their own ministries or agencies. Such collaborations or "clusters of reformers" can draw on combined areas of expertise, authority, and networks of the various participants to advance their respective mandates or goals. They can also help dilute responsibility and prevent specific reformers from being targeted for threats or retribution.

In a Western Africa country, the maritime agency was an unexpected political ally to the Board of the National Oil Company in pushing through petroleum law reforms—seeking to improve the design and marketability of bid rounds—despite having little obvious institutional overlap with petroleum. The agency's mandate over offshore construction gave them some clout to help catalyze a reform process around petroleum laws.[41] In a Caribbean country, while the Minister of Energy wanted to push his own government to agree to disclose the tax filings of international oil companies, his bureaucratic staff at the ministry were opposed to this idea for various reasons. These reasons included inertia within the government and fear of possible legal backlash in a system of convoluted and little-understood laws governing civil service. To address the latter disincentive to reform, the minister reached out to the government's senior counsel, who helped them garner the support of the bureaucrats by explaining the legality of the move and assuaging their fears on that issue. This first step enabled the country to eventually become compliant with the Extractive Industries Transparency Initiative (EITI) standard.[42]

Horizontal coalitions may also rely on relatively apolitical groups within the government, i.e., those that have developed a reputation for independence and integrity over the years and throughout political cycles. A case in point comes from The Gambia, where a strategic collaboration with the Central Bank allowed the Ministry of Finance and Economic Affairs to undertake a series of internal reforms as well as crucial policy adjustments to save the country from a macroeconomic crisis and implement painful but necessary public financial management reforms. This collaboration and the ensuing reforms helped bolster the institutional strength and insulation of the ministry from political interference.[43]

Vertical coalitions within host countries. Another way of harnessing the power of collaboration behind reformers is by building coalitions involving actors beyond the government based on points of shared interests among diverse actors in a particular reform area. Through vertical coalitions, government officials can connect with other actors in their countries beyond the central government—from civil society, relevant technical experts, private sector, local government officials, social leaders, cultural figures and groups, religious or spiritual leaders,[44] traditional leaders, media, academia, etc. Again, the purpose would be to try to broaden awareness and build and widen support behind a particular policy or practical reform.

The more support a reform has from various strategically-placed actors, the greater a reformer's power to implement their priorities will be and the higher the costs of opposing them.[45] In the Philippines, for example, a range of stakeholders united to reform the powerful tobacco industry by pushing for a 'sin tax' on cigarettes and alcohol.[46] Partners included reform champions from within various branches of government, including the executive and the national legislature; media figures; doctors and others from health-related organizations; civil society activists, academics, and non-governmental organizations (NGOs); and advocacy groups. It also included allies of convenience whose interests overlapped: British American Tobacco (BAT) and the San Miguel Corporation, "which openly sought to 'reform' a tiered tax classification scheme which inhibited the entry of [their] products into a market monopolized by others."[47] The legislation secured billions of pesos in new tax revenue for the government and helped build investor confidence in the Philippines.[48] The process of building the coalition also helped to "strengthen the political capacities, knowledge, and connections among a network of 'reform entrepreneurs' within the administration, in Congress, and in civil society."[49] In another example, multi-stakeholder coalitions connecting government officials with non-governmental actors in Nigeria were able to help bring about legislative reforms related to climate change and to the rights of those with disabilities.[50]

Transnational coalitions. Finally, some reformers have indicated the potential value of linking up with actors outside their country. One version of this might involve *counterparts from other countries* with experience in extractives governance issues and activities. Indeed, many interviewees have mentioned the potential value of being part of such a *global network of reformers* that would allow them to benefit from the experiences, knowledge, and strategies of counterparts confronting analogous extractives governance challenges in their own countries. To our knowledge, such a network has yet to be created.

Transnational coalitions might also involve actors from *international financial institutions (IFIs), international media, or international non-governmental organizations (INGOs),* whose *support, expertise, leverage and resources* might help increase the influence and impact of reformers, even if only in a narrow realm or around a specific policy or practice. Such global actors can act to enhance the **reputational credibility, opportunities to exercise voice, access to resources and relevant information available to reformers.** They can do this through formal and informal actions, from inclusion and spotlighting of reformers in global meetings or national convenings to providing access to useful information to which reformers might otherwise not have access. IFIs' and INGOs' recommendations can also help bolster the positions of reformers by providing greater evidence or credibility for the need or value of a particular reform, which might provide added ammunition for winning over otherwise reluctant government officials. IFI or investor requirements can further strengthen the cause of reformers by coupling their efforts with the leverage of external financial players whose money is often sought by national elites, although IFI representatives providing input for this project cautioned not to overestimate the extent of their influence.

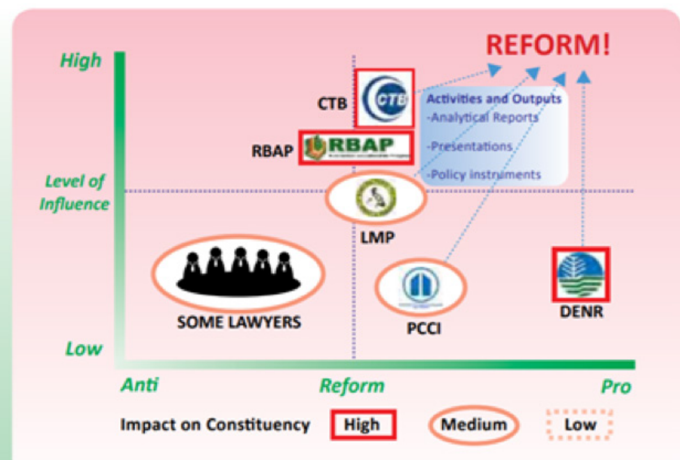
In Sierra Leone, a tactical alliance between local reformers and external partners including IFIs and a major bilateral donor was able to thwart government interference and attempts to limit the power and autonomy of the National Minerals Agency.[51] Another example from Sierra Leone involved an INGO, the Natural Resource Governance Institute convening "all stakeholders for the Natural Resource Benchmarking study that paved the way for the acceptance of key provisions of the new Minerals Policy adopted by the Government. The exercise involved a consultative process considered neutral and not related to Government policy directly. The evidence gathered and the recommendations made were endorsed by all, making it easier to push the reforms in the new Minerals Policy."[52]

In a recent example of a transnational coalition supporting extractives governance reforms, civil society organizations working with the Office of the Special Prosecutor in Ghana engaged international allies for specific strategic purposes to try to halt progress on a problematic gold royalties investment scheme (known as the Agyapa Royalties deal) being pushed through by the Ministry of Finance and the President. Transparency International, the Tax Justice Network, and Natural Resource Governance Institute all conducted analyses and raised concerns around the terms of the scheme (corruption risks, valuation issues, etc.) and the process of its development (behind closed doors and involving potential conflicts of interest).[53] In doing so, they raised global attention to the deal among the media, multi-stakeholder initiatives like the EITI Secretariat, and IFIs. These international contributions of expert analysis and pressure, alongside national-level activities, contributed to the coalition being able to temporarily halt progress on the Agyapa deal and bringing greater scrutiny and attention to its terms and beneficiaries.[54]

Putting strategic coalitions in practice. While there is no formula or fixed guidance for successful coalitions, expert participants in a workshop focused on coalitions for development suggested such coalitions share certain qualities: "agreement around a common goal and on the rules of the game, a coalition size as small as possible to achieve its goals, clear understanding among members of their role and interest in the coalition, and the inclusion of members who can fill different roles (e.g. leaders, connectors, gatekeepers, enablers, change champions and links to key players outside the coalition)."[55] Successful coalitions also benefit from "mechanisms for dealing with distrust and inequality among members, credible and enforceable commitments, sufficient planning to anticipate strategic opportunities balanced with the flexibility to adapt to unexpected events, and learning through evaluation."[56] We consider two of these factors in greater detail.

Vetting and selecting coalition participants. In seeking to create cross-cutting coalitions at any level, reformers need to make strategic decisions about who to include and exclude in hopes of having the best chance of achieving the intended impacts of the coalition. This requires mapping the interests of potential members (as explained above) and their respective levels and areas of influence and exploring different ways to bring together a constellation of hitherto disconnected actors with a common interest on which the reformer can build. This information can then provide the basis for determining whose participation is most likely to contribute to the effective attainment of a reformer's desired outcomes around a particular policy or practice. One result may be excluding potential participants who might hold views that are incompatible with those of the main drivers of the coalition. Another result might be focusing on including only those who can wield considerable influence or bring strategic resources or relationships to the table. PEAs can help with these decisions, pinpointing the motivations, interests, and influence of different key stakeholders.

In the Philippines, the Asia Foundation used such a process in assembling a reform coalition that sought to pass a law, the Residential Free Patent (RFP) Law, to make property rights titling free instead of the then-current system requiring landowners to bid at a high cost for obtaining the land title. The coalition team did a stakeholder analysis of "who cares, who can be made to care, who has the political capital, and how to get them to spend it on this reform."[57] They ended up zeroing in on two private sector actors, the Rural Bankers Association of Philippines (RBAP) and the Chamber of Thrift Banks (CTB), as these actors had the highest interest in pursuing the reform, given that the "dearth of titled properties constrained secure collateral-based lending to homeowners and small businessmen."[58] The coalition also involved the Department for Environmental and Natural Resources and the League of Municipalities of the Philippines (see figure below for overview of coalition assessment and selection).



Caption: RBAP: Rural Bankers Association of Philippines, CTB: Chamber of Thrift Banks, LMP: League of Municipalities of the Philippines, PCCI: Philippine Chamber of Commerce and Industry; DENR: Department of Environment and Natural Resources
Source: Asia Foundation[59]

Last, as mentioned above, exclusion might also be part of the vetting and selection process. If some participants are too radical or prone to co-optation by the opposition, they can potentially compromise the coalition's integrity and goals. In one of the coalitions for reforms discussed with reformers it was decided to exclude organizations funded by foreign donors from the coalition as they were seen as coming with their own perceived biases. It was also decided to exclude those afraid of being compromised by sitting at the table with other actors (i.e., the government and private sector).

Mitigating coalition risks. Once decisions have been made around whom to include in coalitions, the coalition should take steps to mitigate any associations that might compromise the goals or legitimacy of the coalition. International coalition members can create risks, which are the focus of the mitigation strategies discussed here. Though a potentially important source of resources or expertise, their association with a coalition raises the prospects of accusations of foreign meddling, undermining the work of the coalition. In some settings, international actors, including IFIs such as the World Bank or the International Monetary Fund, might be associated with or dismissed as primarily serving the interests of multinational corporations. Being linked with these multinational corporations (whose home countries are often in developed countries) may be seen as extending the legacies of a fraught colonial past rather than serving the interests of the host country. As a result, association with them might not help make the reform more popular and might even prove counterproductive in enhancing credibility.[60]

International actors and their national partners have adopted a few strategies to mitigate this problem.

Removing international branding: Cognizant of such potentially problematic associations, the Foreign, Commonwealth, and Development Office (FCDO) of the United Kingdom—formerly the Department for International Development (DFID)—has at times deliberately sought to address this type of risk to local partners by minimizing its branding and ownership of projects, e.g., in programs in Nepal and Nigeria, to allow local partners and grantees greater prospects of success.[61]

Neutralizing the appearance of bias toward any one stakeholder through broad public engagement: The technical assistance of external advisors is likely to become a source of contention if only available to one stakeholder. In West Africa, a petroleum reform proponent made sure to mobilize external advisors to widely sensitize and inform the general public on the needs and benefits of a petroleum sector reform. The reform could have been derailed if the technical knowledge was perceived as being kept in the hands of only the national oil company and petroleum ministry while leaving all the others, including legislators, without technical knowledge to share effective oversight of the domestic oil industry. More equitably distributing the knowledge and resources of global actors and institutions helped to win political battles.[62]

Intervening as a learning actor or convenor rather than a driver of solutions: Transnational coalitions can also be buttressed by having international actors create opportunities for dialogue and engagement across a wide spectrum of stakeholders, thereby again avoiding the appearance of external interference on behalf of one actor and also providing an opportunity for coalition-formation. In Cambodia, the Asia Foundation wanted to encourage a municipality to reform the problematic solid waste management systems in the capital city. To gain trust in its advice, the project team decided to run pilots showcasing how to improve the situation and involved all partners, including the company that failed in the management of solid waste in the city. The objective was to show that "the Foundation was not perceived as coming in with all the answers, but rather learning alongside their counterparts."[63] This process also enabled the Foundation to identify allies within all channels—including academia and the media, and above all, the company and the local and central government. As a result, "being politically and technically informed was then translated into being politically active—leveraging acquired knowledge to influence and shape the reform agenda."[64] To the extent that reformers can activate external allies to function in this way, they might prove valuable partners in fostering broader engagement around reforms. Another illustration was raised by IFI interviewees observing, from their experience, the usefulness of enabling coalition formations through the simple provision of administrative or organizational capacity for convening.

3. Changing the interests of the powerful to better align with progress on reforms

For any given reform, there can be specific actors whose active support or passive acquiescence is needed to clear the way for progress. Once those who need to be won over have been identified, it is important to understand the primary interests and incentives driving their choices and actions, i.e., what they care about. Then, reformers can use this information to consider whether/how they or their allies might strategically influence these through a combination of incentives and disincentives—carrots and sticks—to increase the support for meaningful reforms. While the specific constellation of levers and actors to be deployed to try to change the balance of incentives or interests will be context-specific, we include a few illustrative examples here.

Incentivizing support for reformers. Depending on the nature of the ruling party and on the motivations of key actors (including reputation sensitivity), external actors such as IFIs and donors have a number of channels open to them to incentivize elites to pursue and support effective and impactful reforms.[65] Possible avenues for tipping incentives in favor of reform include:

Persuasion and political bargaining – Perhaps the most classic methods for winning over political support are through one-on-one persuasive and political bargaining in which government officials swap support for each other's priority areas. Although these might not always be effective in situations of asymmetric power, they are nonetheless worth considering as strategies that reformers themselves might be able to deploy to incentivize the support or change the interests of others.

Creating financial or professional benefits for reformers – One way to expand the ranks of reformers might be to create milestones for meaningful progress and tying some sort of institutional or personal benefits for reaching them. Performance-based rewards could be integrated into remuneration or professional advancement prospects for bureaucrats. Prizes or awards might be another way to incentivize people to support reformist agendas. The Ibrahim Prize for Achievement in African Leadership awards US$ 5 million to "African executive leaders who, under challenging circumstances, have developed their countries and strengthened democracy and human rights for the shared benefit of their people, paving the way for sustainable and equitable prosperity."[66] While the prize is awarded infrequently and only to leaders with an established and long-standing commitment to good governance and peaceful political turnover, similar models could be designed and expanded to reward policy-makers other than executives based on achievements in advancing particular reforms.

Bestowing reputational benefits on reformers – Reputational benefits may also incentivize the ranks of reformers to swell. Accountability Lab's Integrity Icon[67] work, for instance, inverted the traditional "naming and shaming" approach to rooting out corruption and poor governance, instead "'naming and faming' honest government officials" to lend credibility and visibility to their efforts.[68] A similar approach might be undertaken at the global level. For some, recognition in international fora, ceremonies, or events can act as motivation to engage with the reform agenda.

Public officials could also be subjected to a ranking system comparable to the Ibrahim Index of African Governance (IIAG), which monitors governance performance in African countries and measures them against certain thresholds and their peers.[69] Finally, the media can be harnessed as a tool to highlight successful reformers, thereby creating reputational benefits for them. Positive media coverage and commentary have also contributed to land reforms in the Philippines by emboldening a government official driving reforms to expand coverage of a land titling initiative.[70] However, depending on the risks potential reformers face at home, exposing reformers in these ways may invite personal or political retribution from opponents. The pros and cons of exposing and celebrating reformers, therefore, should be weighed carefully with sensitivity to potential risks of spotlighting individuals. Care should be also taken to avoid granting reputational benefits to governments only implementing 'zombie' reforms.[71] Several reformers we interviewed reminded us of the weight of home countries and how their way to celebrate or punish behaviors impact the dynamic of political camps in-country and the chance for reformers to succeed: "Orthodox policies of punishing the entire country for the ills of a few who capture the state merely play into the hands of spoilers. At the same time, there is nothing more painful for champions than to see known spoilers—human rights perpetrators, corrupt officials, and compromised administrators—all being feted by home country leaders."[72]

Insulating reformers from financial and political manipulation – Even before the issue of advancing substantive reforms can be broached, there are a series of process-related steps that can improve the incentives for reform. For instance, misaligned financial incentives in the public sector can often divert competent and reform-minded individuals from public service because they can do better in the private sector. A reform-oriented ministry struggling to attract the best and brightest—who can help do the supporting work to pass the reform or bring political weight to the reform—needs reliable funding to increase the offered salaries, but this means it is potentially subject to political capture and bargaining with the ministry of finance. Mechanisms to ensure financial independence and stability of reform-minded ministries or ministers can improve their prospects of retaining their independence and attracting would-be reformers. Trinidad and Tobago's Petroleum Regulations stipulate a "Petroleum Impost," a mandatory fee imposed on petroleum companies.[73] This fee ensures that the Ministry of Energy is always fully funded independent of the Ministry of Finance and state budgets. It can therefore pay the requisite salaries to ensure competent personnel; more importantly, it enables the ministry not to have to politically compromise on reforms to secure funding.[74] The link between economic and political dependence is also illustrated in countries where the ruling party has been in longstanding dominance. Where deeply embedded patronage systems exist, those whose livelihoods depend on the state often feel unable to speak out against the government for fear of losing their jobs or destroying their political careers. Enabling the economic independence of these livelihoods is a political way to grow the supporters of the reformers.[75]

Mobilizing the private sector to create demand for governance reforms or specific standards or requirements – With growing appreciation of the importance of social license to operate among EI companies and ESG(Environmental, Social, Governance) requests coming from shareholders, reputable publicly listed companies might play a more supportive role in advancing GEI reforms going forward. When the private sector is an important economic actor, government officials might perceive a greater interest in supporting a reform request coming from them than from other public or civil society actors. According to our interviews, the desire to attract the investments of large international EI companies can serve to incentivize reform when these companies require certain standards be met and good practices be undertaken that the host government might not otherwise undertake, at least with regard to their particular investments. It of course depends on the country, the history of the extractive sector in this country, and its receptiveness to the private sector's influence in policy-making. The example above on reforming land titling in the Philippines by leveraging two bank-related bodies (see Section 2) illustrates such a possibility. In another example, from West Africa mentioned above (see Section 2), the international oil companies supported the state-owned company in its request to modernize the legal framework.

Creating disincentives for opposing or undermining reforms. Another general approach to addressing unfavorable interest alignments that might face reformers is to create costs for not undertaking or for failing to implement reforms.

Imposing reputational costs – Government officials can impose costs on others in their ranks by exposing bad governance practices when appropriate whistle-blowing mechanisms are in place. Another option is to harness civil society and the media to change interest calculations by reporting on reform opposition and spotlighting failures through classic 'naming and shaming' of individuals or groups responsible for implementing specific reforms. The unique capacity of media outlets to report stories in ways that clearly connect the impact of governance failures on citizens' lives to the actions of specific actors can lead to political mobilization and instigate bottom-up pressure on policy-makers. Such pressure can act as a disincentive for opposing or undermining reforms among democratically-elected politicians whose power depends on popular support. In Paraguay, there have already been five bills to create a Ministry of Energy to fix inefficiencies of the sector (the sector functions with a vice ministry of energy with no associated administrative capacity to carry out the oversight role of a ministry). The public sees these bills as merely creating another system of patronage. One reason for this misperception is that the media has never been mobilized to explain the link between multiple daily power outages and the lack of a strong Ministry of Energy, to connect bad outcomes with the absence of reforms.[76] Media engagement can also help sustain the attention of those in power to a particular problem that they might otherwise wish to avoid, by persistently highlighting the issue and thereby creating costs for ignoring necessary reforms.[77] In other words, politicians can remain intentionally uninformed about a reform necessity unless they are forced to change by the prospects of negative personal or professional consequences brought on by the media.

Isolating reform opponents – As noted above, the more supporters a reform has, the higher the perceived benefits and the lower the perceived costs of supporting the reform will be; thus, the costs of opposing it will be higher.[78] Supporting the formation of strategic coalitions of like-minded reformers, as discussed above, may provide reformers with the means to put pressure on those opposed to a particular reform to abandon their opposition as they feel more and more isolated or stigmatized.

Box 3:
Summary of the Strategies

NAVIGATING political realities (working more opportunistically within existing political conditions)

A. Recalibrating goals and expectations
B. (Re)framing reforms to meet the powerful at their interests
C. Looking for or seizing windows of opportunity
   - Elections
   - Commodity price drops
   - Corruption scandals
   - Environmental disasters

CHANGING the balance of power

A. Horizontal intra-governmental coalitions
B. Vertical coalitions across a range of actors in host country
C. Transnational coalitions
   - Global networks of reformers (sharing knowledge and experience and building 'political courage')
   - Coalitions involving INGOs and IFIs

CHANGING the balance of incentives (for joining reformers)

A. Incentivizing support for reformers
   - Persuasion and political bargaining
   - Creating financial incentives – initiatives like the Mo Ibrahim Prize
   - Creating reputational incentives – highlighting integrity or otherwise bestowing reputational benefits on those supporting reforms (integrity-focused activities, international recognition)
   - Insulating reformers from financial and political manipulation
   - Mobilizing private sector and surge in ESG requirements

B. Disincentivizing those opposing reformers
   - Imposing reputational costs ('naming and shaming')
   - Isolating reform opponents or imposing political costs for opposing reforms

Conclusion

When it comes to improving the governance of extractive industries—sectors long associated with an array of social, economic, political, and environmental ills—many powerful actors within governments seem to lack interest or incentives to undertake and implement effective reforms or may even have strong interests in maintaining the status quo and actively opposing reforms. Yet, even the most reform-hostile governments are not homogeneous, nor are their ranks uniformly opposed to positive change. The challenge for those with a strong interest in reforms in hostile political situations, i.e., where powerful interests stack the odds against progress, is to figure out how to maximize their impact. While by no means a simple task, there are ways for reformers and their allies to try to improve their chances of success.

In this brief, we have laid out a variety of approaches and strategies to provide inspiration for reformers and their allies to more strategically engage with their specific political contexts in hopes of improving outcomes and their ultimate impact on GEI. This range of options can be drawn on as appropriate in response to the specific constraints, opportunities, and priorities at play. Ultimately, reformers need to assume a central role in identifying their needs and the strategies that make the most sense for them.

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Endnotes

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