Module 8: Stakeholder Analysis

Importance and application of stakeholder analysis

A stakeholder can be defined in many ways. A stakeholder is basically a person with an interest or concern in something; any group or individual who can affect, or is affected by, the achievement of a project’s purpose; or in the context of IWRM, natural resource users and managers. More specifically, stakeholders are any relevant person, group or organization with an interest in the issue, either because they are going to be affected by the subject or because they have influence, knowledge and experience with the subject.

Stakeholder analysis can be defined as a process of systematically gathering and analyzing qualitative information for understanding a system by identifying the key actors or stakeholders in the system, and assessing their respective interest in that system.

Stakeholder analysis also refers to a range of tools for the identification and description of stakeholders on the basis of their attributes, interrelationships, interests and knowledge related to a given issue or resource, and ability to affect the policy process (through power and/or leadership).

Stakeholder analysis can be performed: (i) empirically, to discover existing patterns of interaction; (ii) analytically, to improve interventions; (iii) as a management tool in policy-making; and (iv) as a tool to identify/predict conflict.

Multiple perceptions of stakeholders

Stakeholder analysis is an important process in understanding the contexts and complexities in IWRM. IWRM can be also seen from multi-stakeholder and multi-
resource perspectives in situations where competing water uses exist. Thus IWRM can be defined as follows:

Integrated Water Resources Management is a comprehensive multi-resource process, involving all stakeholders in the watershed or basin, who together as a group, cooperatively work toward identifying the resource issues and concerns, as well as develop and implement a water resources management plan with solutions that are environmentally, socially and economically sustainable.

In this process an understanding of the co-existence of multiple perceptions and realities of different stakeholders will help analyze the situation and develop sustainable solutions. Whether a certain phenomenon will be called a problem depends mainly on emotions and curiosity, views and standards, history and tradition, and political power.

**Stakeholder relations and roles in decision making**

Stakeholders play important roles in the decision making process. Therefore an understanding of the inter-relationship among stakeholders, and multiple roles of stakeholders in the same situation, and their varying roles in different contexts is important.

**Stakeholder mapping and diagramming**

All stakeholders have power, whether it is the formal power invested in a position of authority or it is social power of being able to persuade others to support or oppose the change. Those with higher power are likely to be the most useful supporters or most dangerous opponents - thus power analysis helps prioritize the focus on stakeholders. Stakeholder mapping is an important tool for understanding this power relation and dynamics. This mapping can be presented in a tabular form as follows for further analysis.
Stakeholder diagramming is an important tool for understanding the stakeholder dynamics by identifying them as: Actors, such as Decision makers, Users, Implementers/Executives, and Experts/Suppliers; and by the degree of their Involvement as: Co-operating/co-working (active involvement), Co-thinking (consultation), and Co-knowing (information supply). The diagram can be presented as follows:

**Steps in stakeholder analysis**

The analysis can be broken down into several Stages in a planning/decision-making process:
A ‘Stage’ is a topic of analysis in the form of a question (e.g. ‘Why is the Mokesh beel polluted? What are the forcing functions?’). Answer to the question should refer to a stakeholder ‘who can answer’, and identify the stakeholder’s role and degree of involvement in the process. The role and involvement of the stakeholder may differ from stage to stage.

**Steps in stakeholder analysis**

The following steps can be followed for a stakeholder analysis:

1) Define the stage of the process in the form of a question.
2) Brainstorm to identify as many persons, groups and perspectives linked to the selected stage (need a Stakeholder Workshop with a Session Chairman, or use appropriate PRA tools).
3) Check whether perspectives can be split up into sub-units.
4) Allocate a concrete name to every stakeholder.
5) Check the results (completeness), verify/validate in field.
6) Define the degree of involvement of each actor (Stakeholder Diagram).
7) Place the stakeholders at the right positions on the diagram.
8) Check if there are no big gaps on the diagram.
9) Use the results (for further planning/management decisions).
10) The brainstorming session/further application of PRA tools can be continued to identify relationships between stakeholders, their interests and motives and factors that influence the process.
In this process the following things are important:

- To do the right things (bringing different disciplines together, bringing stakeholders in, etc.)
- To do the things rightly (reviewing the process – identify relevant and not-so-relevant steps, suggestions for improvement to be unbiased, etc.)
- Different perspectives of reality among disciplines, stakeholders, etc.
- Appropriateness of the PRA tools being used
- Interview techniques – contextual and procedural issues
- Usefulness and compilation of ‘secondary’ data
- Feedback to stakeholders for validation

**Stakeholder analysis through role play**

The process of stakeholder analysis can be demonstrated through a role play in a stakeholder workshop where representatives of all important stakeholders will interact. It is useful to provide the students/trainees with a reader and introduce the context before the role play.

**Suggested Reading:**

1. Ramírez, R., “Stakeholder analysis and conflict management”.
3. *Kaliakoir Reader*.
4. *Bakhal Reader*. 