NGI101x - 2.5C - Actor analysis step 1 and 2

We have just discussed why making an actor or stakeholder analysis may be important. Now we are going to do an actor analysis. There are six basic steps.

We will go through these steps one by one and we will illustrate each step with an example from practice, which we call: 'Wind at Sea', with the Netherlands national government as problem owner and wanting to stimulate the generation of "green" wind energy at sea.

We will first take the first three steps and then I will treat the next three.

We take the problem formulation of the client as point of departure. We then make an inventory of the actors involved, map their formal relations and then make an inventory of their interests, objectives and perceptions. We try to find out about their interdependencies: what are their resources and salience and finally we think about and list the implications for problem formulation and for the client. We will first take step 1.

In our first step we take the problem formulation of the client as point of departure. What do we have here?

The Problem owner is the Ministry of Economic Affairs as they are responsible for the national energy policy. What is the problem of cleft? Well, there is insufficient capacity installed at sea and we won't make the target.

What causes the problem? Well, generating wind energy is relatively expensive and the production is intermittent (dependent on weather conditions). So the dilemma or problem is: Economic Affairs wants more off-shore power generation without impeding security of the Dutch energy supply and affordability.

Well the first step was quite straightforward; we now come to the 2nd step: making an inventory of actors. Here we use the basic modeling techniques taught in the Principles of Policy Analysis course; don't worry I will lead you through the steps quickly and if you really don't know, you find these basic analytical modeling techniques explained in Chapter 3 of the book and on our open course ware pages.

The basic method for making an inventory of actors is by using your preliminary causal diagram or systems diagram and by asking two questions: (1) Which actors can actually influence important factors in my system? And (2) Who has an interest in the problem and/or is affected by the possible solutions? So these are two I's: Influence and Interest!

So we start from the Ministry of Economic Affairs. What are its objectives? As we just learned, they want more off-shore power generation without impeding security of the Dutch energy supply and affordability. So here at the right we put 'percentage off-shore power generation', and affordability which we translate into 'costs of energy provision', and thirdly 'security of supply'. At the left we put their means: 'subsidies' and 'granting licenses' . Both means positively influence the 'number of new wind farms' and the licenses will also

positively influence the size of the wind parks; 'number' and 'size' influence the 'installed capacity at sea' and the 'investment cost'. The 'installed capacity' on its turn influences the objectives 'percentage off-shore generation', and the 'investment cost' influence the 'cost of energy provision'. This is a nice basis which we will detail a little bit further. The investment costs are an important factor, so let's take a look there. At sea the water depth is a very important cost factor. What else at the cost side? Well transport costs of the generated energy are important and these are influences by the distance between the wind farm and the connection point at land. Costs are also influences by scale; the bigger the project the more scale advantages. What about the capacity; capacity is not only determined by the number and size of the wind farms but also by the wind itself: the 'average wind speed at location' There is one criterion left: security of energy supply. Wind does not always blow, so there needs to be a dynamic balance between supply and demand of energy. What factors determine this balance? Storage capacity and the number of international connections might be the factors here.

Now we can ask our two questions: Influence and Interest Which actors can actually influence important factors in my system? And who has an interest in the problem and/or is affected by the possible solutions

We just ended with the balance on the net; clearly the network administrator 'Tennet' is responsible here, and the EU determines the number of international connections while the energy companies; the power generators and R&D agencies do research after energy storage. The energy companies are the main investors in wind power generation and finally the Ministry of Infrastructure and Environment is responsible for planning at sea and thus determines the location, thus water depth and distance to shore.

So we covered the INFLUENCE part, now we turn to the INTEREST part; we ask the question: "who holds an interest in the project and/or who will be affected by the project"; or to be more precise: "who holds an interest in any of the factors in our system?" When looking at the means it are the investors: the energy companies and project developers who hold an interest in speeding up the permits and getting subsidies for the project. We discover new parties! There are other users of the North sea; fisherman with their boats and their organizations, the off shore oil industry, shipping companies and harbor authorities who all worry about shipping lanes and freedom of access, so they have a stake in the number of wind parks, their location and size. And we see a number of familiar faces too: The EU and its international connections; Tennet, the network administrator with stakes in security of delivery and transport cost; the energy companies worrying about costs and the Ministry of Infrastructure and Environment worrying about the percentage of wind in our energy mix.

We have now seen how you can use INFLUENCE and INTEREST as tools to identify actors involved in an issue. But of course there are other ways too and sometimes these are easier or faster or they may lead you to actors or groups you otherwise might have missed. Some important other methods are:

Look at the formal positions in a decision making process; who has a role in formal decision making? We will come back to this in step 3. Reputation is an other one; you ask people 'who else is important'; who are the focal organizations? This is often called 'snowballing'; by asking around more and more people stick to your snowball.

Social participation; who are active in this field or society? And who are the vocal people; the opinion leaders? Demographic characteristics may also be a good criterion; are all social groups represented; do we have the elderly, the youngsters, the first nation people and the immigrants? Just to give you an impression of what a good use of the presented actor identification techniques may lead to, we now show you the long list of actors we created for our wind energy case. We listed only 44 of them but believe me there are many more....

Now that we have been able to identify everyone involved in a problem or policy issue, what shall we do? Do we need to take along everyone in our inquiries or can we make a smart selection to reduce our workload without impeding the quality of our analysis. Think back to the dispersed pollution example I showed you; there were over 80 parties involved; you cannot take along all 80, you have to come up with a trick to make it manageable. Well there are a couple of rules of thumb.

The first is that you should realize that the problem owner is an actor too and there may be more powerful parties involved than your problem owner.

How to make a short list? Well you can reduce the number of actors in you analysis if only you keep the balance with the level you have chosen in your problem analysis/systems model, and there should be a balance between the different interests and positions, for instance you have five environmental ngo's all wanting more or less the same, or three Ministries trying to reach the same objective although for different reasons you combine them; you call them 'joint ngo's or joint Ministries. Be pragmatic; ten is enough if only you cover the whole spectrum of concerns and issues. And then remember any analysis is an iterative process; yo learn along the way so you can always add to or remove actors form your list.

There are practical methods to help you reduce your long list; the trick is called stakeholder analysis and at this stage we use it in a very rough and unscientific way, namely mostly based on your own common sense. What we suggest you to do at this stage is to use a so-called power/interest grid; a matrix with two axes which allows you to order your actors. And you recognize our two I's here: Influence and Interest!

The axes of the grid are power at the bottom with the high end to the right, and interest to the left with high interest on top. These two axes we use to form four quadrants and now we start positioning the actors on our long list according to our estimation of their relative power and their relative interest. Do you remember the colorful map on diffuse pollution? It held four of these grids!

When we have ordered our actors in the grid we consider the parties on the top right as 'Players' they are the ones we think they are holding important means and are having interest in the subject; those are the parties that should be taken along! The ones on the bottom left are considered crowd; they have neither interest in the subject, nor means so we can ignore them. The top left are labeled 'subjects' They may be interested or affected but have low power so we leave them out for now, if needed we can take them on board later, and finally at the bottom right we have the context setter; these actors might be important; they have important means that you might need to solve the issue but they are not very interested yet; if the latter changes or you expect that it might change in the near future you should definitely have them on board an take them along in your analysis.

Now we know whom to take along in our analysis by making our shortlist, we have to note down our first results. A practical way to do this is by filling out a simple table and by jotting down in the columns the values, perceptions, resources the actors we selected for further inquiry have and the networks they are operating in.

This is no longer a quick and dirty thing!

For information on the shortlisted actors you have to do research. Desk research to start with, but maybe also by interviewing people. Nowadays you start by exploring the website of the agency, company or ngo you want to know more about; you track their mission statements to find out about values, perceptions and maybe their means and objectives in this specific issue, You check with whom they cooperate in all kind of projects, you download relevant documents and reports and analyze them; you learn about the players in your game!

There is one last issue about making an inventory of actors that we need to discuss: how to go about with composed actors. Take the Ministry of Infrastructure AND Environment in our 'Wind at sea' example; It is big organization with many different departments if only the cleft between the infrastructure guys, the ones who love concrete and tarmac and the environment guys, who like trees and fresh air. In such cases you have to check if the Ministry is speaking with one voice or if different departments have their own voice. Beware it seems typical for government organizations but the same does happen in the private sector, Think back of the Brent Spar example where Shell Germany and Shell Netherlands confronted with a consumer boycott started opposing the decision by Shell UK to dump the Brent Spar. But it might also work the other way around; the energy producers for instance rather than being individual companies like Vatenfal or Essent or Eneco, have so much in common that they can be seen as one actor: EnergieNed.

Your rule is: select the highest possible organizational level, without losing relevant information (see above), or including irrelevant goals. And the other rule is: don't use categories like the consumers or the private sector, in that case you need a spokesperson or organization representing such a category.