To the memory of my grandma
**LIST OF ILLUSTRATIONS**

**Acronyms and Abbreviations**

<table>
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<th>Description</th>
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<tbody>
<tr>
<td>AVRL</td>
<td>Aqua Vitens Rand Limited</td>
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<tr>
<td>CAG</td>
<td>Consumer Association of Ghana</td>
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<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>CONIWAS</td>
<td>Coalition of Non Governmental Organisations in Water and Sanitations</td>
</tr>
<tr>
<td>CWSA</td>
<td>Community Water and Sanitation agency</td>
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<tr>
<td>Danida</td>
<td>Danish International Development Agency</td>
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<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>GAMA</td>
<td>Greater Accra Metropolitan Area</td>
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<tr>
<td>GLONEDHO</td>
<td>Global Neighbourhood Health Care and Development</td>
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<tr>
<td>GTUC</td>
<td>Ghana Trade Union Corporation</td>
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<td>GWCL</td>
<td>Ghana Water Company Limited</td>
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<td>IFI's</td>
<td>International Financing Institutions</td>
</tr>
<tr>
<td>ISODEC</td>
<td>Integrated Social Development Centre</td>
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<tr>
<td>KTH</td>
<td>Kungliga Teknsika Högskolan</td>
</tr>
<tr>
<td>Lema</td>
<td>Suez Lyonnaise Dex Eaux-Montgomery Watson Arabtech-Jardaneh (LEMA)</td>
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<tr>
<td>MDG</td>
<td>Millennium Development Goal</td>
</tr>
<tr>
<td>NCAP-Water</td>
<td>National Coalition Against Privatisation of Water</td>
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<td>NGOs</td>
<td>Non Governmental Organisations</td>
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<td>NIE</td>
<td>New Institutional Economics</td>
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<td>PMU</td>
<td>Project Management Unit</td>
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<td>PPP</td>
<td>Public Private Partnership</td>
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<td>PSI</td>
<td>Public Service International</td>
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<tr>
<td>PURC</td>
<td>Public Utility Regulatory Commission</td>
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<tr>
<td>PUWU</td>
<td>The Public Utility Workers Union</td>
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<tr>
<td>RCN</td>
<td>Resources Centre Network</td>
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<td>RQs</td>
<td>Research Questions</td>
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<tr>
<td>SPSS</td>
<td>Statistical Package for the Social Sciences</td>
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<tr>
<td>TPP</td>
<td>Tripartite Partnership</td>
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<tr>
<td>TREND</td>
<td>Training Research and Networking for Development</td>
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<tr>
<td>TUC</td>
<td>Trade Union Congress</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
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<td>WAJ</td>
<td>Water Authority of Jordan</td>
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<td>WB</td>
<td>World Bank</td>
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<tr>
<td>WRC</td>
<td>Water Resource Commission</td>
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<td>WSMP</td>
<td>Water and Sanitation Monitoring Platform</td>
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ACKNOWLEDGMENTS

As I reach the end of this long journey, the time has come to acknowledge all the people who made the writing of this dissertation possible. Getting financial approval for my study took more than the time needed to conduct the study itself. This dissertation would never have materialised without the financial support of the Swedish Development Agency (SIDA). Thank you. I am also sincerely grateful to the many individuals, colleagues, friends and relatives whose generous help, support and encouragement has provided me with such vital assistance.

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LIST OF PAPERS
This thesis integrates the following scientific papers:


III. Suleiman, L. "Civil Society: A Revived Mantra in the Development Discourse". Accepted for publication in *Water Policy*, September 14, 2009

IV. Suleiman, L. "A Policy Framework for Governing Water Services". Submitted to *Water International* for publication. The paper is also accepted for presentation at the Singapore International Water Week (29 June - 1 July, 2010)

ABSTRACT

The constraints experienced by water utilities in developing countries, with regard to the universal provision of access to water and improved water services, have been defined by international policymakers as "a crisis of governance". This study departs from the theoretical perspectives on governance and aspires to accumulate knowledge and advance understanding on how the performance of water utilities can be enhanced.

The thesis comprises five papers and the cover essay. Four of the papers address case studies and one is a theoretically based paper, while all five papers are supported by reviews from the literature relevant to the topic of each paper. The thesis uses insights from literature reviews mapping relevant scientific theories and concepts in the areas of mainly governance, deliberative policymaking and communicative planning, social capital, civil society and institutional theoretical perspectives.

The study integrates different research methods and explores theoretical perspectives on governance to examine the governance aspects of water utilities in the transition phase from public to private management and operation. The study investigates whether the governance structure that involves the private sector in the form of Public Private Partnership (PPP) of water utility has produced "good governance" and enhanced water governance in two cases, the Lema Water Company in Amman, Jordan and the Ghana Water Company Limited (GWCL) in Accra, Ghana. The analysis highlights evidence of governance deficiency. Accordingly, the thesis argues against the policy design that assumes that simply transferring the management and operation of water utility to private operators would resolve the problems of water utilities and enhance water governance.

The analyses and the conclusions reached in the papers, together with a review of the literature on New Institutional Economics theory that knits together all the theories that are utilised in the papers, offer insights in the understanding of aspects of water governance. The insights suggest that policymakers need to better understand how institutions at different levels impact the overall performance of a water utility. The performance of the water utility cannot be detached from the wider institutional setting or reduced to simply changing the operator. What has been disregarded from the calculus of international policymakers, the thesis mainly argues, is the institutional perspective. The study concludes that actors' performances are affected primarily by their institutional settings. The constraints of water utilities to provide a better performance and good governance processes reside in different kinds of institutional settings.

To address this, the thesis develops a generic institutional framework within which water governance aspects can be assessed at different institutional levels, from the higher level of politics to that of the individual level. According to this perspective, the study views governance process as "the interaction between actors from the spheres of a society within specific sets of formal and informal institutions in a social setting that produces certain political, economic and social outcomes". It defines good governance as "the legitimacy given by the wider public to institutions in a social setting and the coherency of formal and informal institutions to produce socially effective outcomes for the collective public".

The developed generic institutional framework is used to more thoroughly analyse the two cases integrated in the study. This approach to assessment of water governance provides an explanation for why the water utilities were not able to meet their
performance goals and enriches our understanding of water governance processes. It also modestly maps the main problematic institutional areas that in each case constrained aspects of good water governance.

In practical terms, this thesis emphasises that policymakers have to map and identify the institutional factors constraining the overall performance of a water utility, at all levels. The thesis also urges policymakers to be cautious regarding which formulated policies are seen as solutions. Policymakers should restrain themselves from experimenting with policy when they are not sure that certain outcomes are likely to be produced by adopting a particular policy. In the long run, inappropriate policies may negatively affect local institutional settings and are likely to undermine the capacity of local governance.

**Key words:** Water governance, public private partnership, civil society, new institutional economics, Accra, Amman
1. **INTRODUCTORY CHAPTER**

The introductory chapter presents the background of the research problem and introduces the aim, objectives and research questions that were formulated during the earlier stages of this research. The chapter also describes the structure of the thesis and the research approach regarding how the study was to be conducted.

1.1 **Background to the Study**

A lack of basic water and sanitation services manifests in a catastrophic way globally. Nearly 10 million people globally die each year of various water-borne and related diseases, compared to the estimated number of human lives lost annually due to AIDS (3-4 million) or traffic accidents (1 million) (Hukka et al., 2007).

During the last two decades, there has been growing concern to improve water supply services by governments in developing countries, where an estimated 1.1 billion people worldwide still lack access to clean drinking water. This concern has pushed governments to embark upon radical water sector reforms, within a policy framework of commercialisation and the commencement of privatisation programs. The reform policies and water sector restructuring programs have been triggered by three main factors. *Firstly* and generally speaking, the collapse of the communist camp has underpinned its counterpart and its economic ideas regarding free market liberation, deregulation, commercialisation and privatisation (Leftwich, 1993). *Secondly*, the shift towards private operator responsibility for the water supply provision was driven by the Thatcherism liberation policies that have prevailed since the late 80’s (Ward, 1997). Inspired by the British experience of water reform policies in the year 1989, many governments in developing countries followed that example in the early 90’s. *Thirdly*, the aims of improving water services have also been driven by the Millennium Development Goals (MDGs) set by the United Nations (UN) to comply with water supply coverage targets. Targets adopted by the UN in September 2000 aim, by the year 2015, to halve the figure of 1.1 billion people who lack access to improved water supply. More than a third of those without access to improved drinking water are located in sub-Saharan Africa. The evidence so far indicates that these targets are rather ambitious, relatively speaking, in terms of achieving progress on the ground.

These are not however the only driving forces for the commencement of privatisation programs. Other factors fed into the process and stimulated the shift towards private sector participation. The inability of these governments to mobilize their own resources and the culture of dependency by their decision makers, on financing from donors as well as consultancy and technical expertise, is another factor (Hydén et al., 2004). Another important factor is the imposed conditionality of the International Financing Institutions (IFI’s), which lend resources to governments that need aid, but also impose their own ideological stance that gives privilege to the private sector. Whereas empirical evidence shows that public water monopoly can be as efficient as or even more efficient than a regulated public monopoly (*Paper IV*). According to donors’ mindsets, the private sector is generally viewed as being more efficient and superior to the public sector and as being able to compensate for what the latter failed to achieve (*Paper IV*).

---

1 Water services include water conveyance, treatment, delivery to households and revenue collection. Often however water and sewerage services are integrated together and can be classified in terms of water acquisition, treatment, and delivery, wastewater disposal, collection, conveyance, treatment and ultimate disposal (Hukka & Karlo, 2003).
Over 90% of water supply systems worldwide are run by public actors including donor-based countries where the private sector is only involved through service contracts (Katko et al., 2009). However, the World Bank (WB) and other lending financial organisations have started to promote unexamined ideologically-based polices integrating privatisation programs in the water sector (Hukka et al., 2007; Katko et al., 2009). The overriding reform policies of water utilities have integrated an international private sector in different contractual forms of privatisation. According to management contracts, the private sector is entitled to manage and operate the water supply systems. In lease or concession contracts, the private operator should also invest in water supply projects.

However, these utilities have fallen short of providing universal access to water, let alone improved water services. Driven by their own rationalities, lending institutions have not been able to estimate how far-reaching their free market economic policies have been. Scholars from New Institutional Economics (NEI) should not be surprised by such outcomes. For decades, Douglas North, Oliver E. Williamson and Elinor Ostrom, to name only a few, have warned against the application of privatisation without a thorough examination of the institutional setting in each case. According to NEI thinking, neoclassical theory does not adequately explain why organisations perform well or not, and asserts that institutions matter in the overall performance of organisations. This is particularly crucial in the water monopoly sector (Williamson, 2000). Philosophical breakthroughs by the research community have not been taken on board by international policymakers and have been utterly overlooked. Therefore, the implementation stages of water reform policies that rely on commercialisation and privatisation have often failed and been challenged by significant opposition and public protests, hostility, violence and social conflict (Castro, 2006, 2008). Reform policies and privatisation programs neither examined institutional factors nor paid attention to the incorporation of a genuinely public perspective into planning and decision-making processes. This is because IFI’s such as the WB and development agencies have been restrained from touching upon political issues to challenging power structures and to building up legitimate institutions (Anyormi, 2007; Gustafsson & Koku, 2007; Leftwich, 1993).

Following the negative experiences of many water privatisation programs, the success of the water privatisation experience in the provision of universal water services is being widely refuted. This has led the international development agencies and donors’ organisations to redefine the problem and to conclude that the water crisis in developing countries is not related to the sector per se but is a crisis of governance. The second edition of the UN World Water Development Report shows the water crisis is largely a crisis of governing systems that "determine who gets what water, when and how, and decides who has the right to water and related services" (United Nations, 2006).

In the governance model, policy reforms of water utilities continue to advocate the involvement of the private sector, but repackaged in the form of partnership with the public sector. Reform polices have adopted the new brand name of Public Private Partnership (PPP). Such an approach to policymaking is assumed to enhance the governance capacity of a water utility² to manage the water supply and to improve services. Within the framework of governance, the main focus of the study is to analyse the water supply governance processes that endow the private sector with the responsibility of the management and operation of water supply systems, in order to improve water services. This is done in the two case studies conducted in Amman and Accra.

² Water Utility is the water provider that distributes drinking water to users through a network of pipes.
In principle, the governance approach to policymaking integrates public, private and civil actors. Presumably the approach is aimed at articulating the interests of different groups and communicating rationality to reach a common understanding on an issue under discussion. This is what is likely to increase the governance capacity of a society to collectively manage its public affairs. This study departs from this philosophical idea of governance as an approach to policymaking. The analysis of the reform policy to integrate the private sector in the management and operation of the water utilities is based on the concept of governance and guided by a carefully researched strategy that will highlight the governance aspects of the process and the expected outcomes.

1.2 Research Aim and Objectives
As previously mentioned, the research was designed to study the governance aspects of the water reform policy of water utilities, involving the private sector in the management and operation of the water supply in the case studies carried out in Amman and Accra. Privatisation in this study is defined to embrace all forms of private sector participation except the outright form that transfers the ownership of a water utility to the private sector.

Basically the overall aim of this study is to advance the understanding of governance aspects of urban water supply and to contribute to building of a theory of effective water governance arrangements to enhance water supply services. More specifically, the objective is to examine whether PPP as an advocated reform policy has enhanced water supply governance. Within the outlined aim and objective, the study examined the following research questions (RQs):

1. What are the underlying driving forces that initiated the shift in water utility management and the introduction of PPP to the supply of water? This question is examined and responded to in Papers (I) & (II).

2. How are these changes in the management of the water supply perceived by the actors representing the different interest groups (stakeholders): public water authorities, private water operators, donor agencies, trade unions, households, politicians and civil society groups, including nongovernmental organisations (NGOs)? This question is examined and responded to in Papers (I) & (II).

3. How do civil actors react to, and how do they influence, reform policies and PPP solutions? Do civil actors have the strength to enhance water governance? This question is examined and responded to in Papers (II), (III) & (V).

4. How do stakeholders envisage water governance arrangements that would enhance the performance of water utility and the improvement of water supply services? This question is examined and responded to in Paper (IV).

The incorporation of these RQs into the research agenda is assumed to achieve the aim of the overall study. The analysis is expected to advance understanding of the governance aspects of water utilities to provide water services and to define the basis for a policy framework for governing water services.

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1 Participants are allowed to take part in the deliberative decision-making on the basis of the “stakes” they hold with respect to the issues these forms of governance attempt to address.
1.3 Thesis Structure

The thesis is composed of the five papers and the cover essay, "Kappa", which integrates all the papers together by using an institutional perspective. Papers I and II are co-authored, while Papers III, IV and V are single authored. The fieldwork in paper I was carried out by the researcher. The idea of this paper was jointly formulated by the researcher and Lisa Van well but the paper was written by researcher and reviewed by all of the authors of the paper. Paper II was entirely written by the researcher but carefully reviewed by Professor Göran Cars.

Figure 1 describes how the thesis is structured. RQs were responded to in different papers according to the scientific issue being addressed and the topic of each paper. The analyses and conclusions of all the papers provide a basis for the understanding of what governance is about in general, but more specifically aspects of water governance, as well as levels and arrangements. Equipped with this basis of understanding, the candidate has found that the literature on the NIE is very relevant to our comprehension of how the governance of water supply can be enhanced. Accordingly, a generic theoretical framework on how to understand governance processes is developed in the theoretical chapter (4). The framework is used to carry out a more thorough analysis and to test the empirical findings in later stages of the conducted fieldwork in the two cases of the Amman water utility in Jordan, managed by the Lema Water Company which is a consortium of international and local firms, Suez Lyonnaise Dex Eaux-Montgomery Watson Arabtech-Jardaneh (LEMA), and the Aqua Vitens Rand Ltd. (AVRL) in Ghana, which is a consortium of two international publicly-owned utility companies in Holland and South Africa, respectively, managing the GWCL in Accra. This research strategy complies with the objective and overall aim of the study.

1.4 Thesis Composition

Chapter 2 explores the research strategy followed by a discussion on the research methods used in this study. It also focuses on detailed descriptions of the qualitative research techniques used in the case study of GWCL in Accra, how they were applied and when they were carried out.

Chapter 3 discusses the theoretical perspectives on governance as a plain concept, as a concept of “good governance” and discusses governance in relation to democracy and planning. In chapter 4, the study attempts to develop a theoretical framework to analyse governance that recognises the full political dimension of governance as a process (interactions of actors) and outcomes (decisions). This perspective on how to assess governance is based on an institutional analysis perspective. Thus the study develops a generic institutional framework to advance our understanding of governance processes. This chapter ends with the thesis’s own definitions of governance and good governance.

Chapter 5 briefly outlines the papers that make up the thesis and discusses governance aspects of water supply. In this chapter, the aim, the principle theoretical premises and the scientific issues of each paper are presented, as well as the main empirical findings and the main conclusions reached in each paper. Within the developed theoretical framework based on institutional perspective, chapter 6 comprehensively analyses the empirical findings of the later stages of conducted fieldwork that followed the writing of the papers. The analyses correspond to how governance is conceptualised in chapter 4 but also support the main arguments and conclusions of the papers. Chapter 7 presents the main conclusions of the thesis while chapter 8 suggests some ideas for further research.
Research Questions (RQs)

Tested in papers I, II, IV, and V

Main conclusions of the papers

Paper (I): There is still a lack of ‘good’ water governance in terms of the six principles criteria as openness and transparency; inclusiveness and communicativeness; coherent and integrated policy; equitability; accountability; and efficiency (The case of Amman Water Utility Lema, Field work 2002)

Paper (II): The involvement of the private sector per se is not the solution due to lack of appropriate institutions to deal with the water utility constraints. It is also misleading to leapfrog from government to governance and assume it can work in an inappropriate institutional settings (The case of Accra, GWCL, Field work 2005, 2006)

Paper (III): Contrary to made assumptions about the inclusion of civil society to promote democratic performance and contribute to “good governance”, in the sense of pluralism, accountability and transparency, the inclusion of civil groups in the governance process of the water utility led to a hostile and undemocratic process and weak indicators of “good governance” (The case of Accra, GWCL, Field work 2006)

Paper IV: Key principles in a policy framework that is likely to enhance the performance of water utility are to:
- Recognize the rights of citizens to municipal water and a governmental commitment to fulfil these rights effectively;
- A publicly-owned and autonomous utility that bases its strategy on the integration of water services and non-profit cost recovery principles,
- The maintenance of public accountability and public scrutiny
- The private sector can be integrated in terms of services contracts. (The case of Accra, GWCL, Field work 2006)

Paper V: The assumed substantial role of civil society in the new policy agenda of “good governance” promoted by bilateral and multilateral agencies in which civil society is often represented by NGOs to enhance development and promote democracy are not evident. These NGOs are unlikely to have the strength to either promote development or foster democracy.

Cover Essay

Aim
To advance understanding of water governance aspects to enhance water supply services

Objective
Examine whether public private partnership has enhanced water supply governance

Analytical framework to assess governance
The conclusions and the analysis carried out in the papers together with literature on institutions constitutes the basis to build up an understanding on governance and to develop a generic theoretical framework to assess water supply governance discussed in the theoretical chapter.

Results & Discussion
The developed framework was used to analyze the results of the fieldwork carried out in Amman, 2006 and the results of the field work carried out in Ghana, 2009

Final conclusions & direction on further research areas.

Figure 1: Thesis structure
2. RESEARCH STRATEGY AND METHODOLOGY

The thesis knits together three lines of research approach to comply with the formulated RQs, objective and the overall aim of the study: reviews of the literature, case studies, and theoretical development using institutional analysis and theory to understand water supply governance. Table 1 presents the content of the thesis and the research approach.

Table 1: Thesis content and research approach of each paper

<table>
<thead>
<tr>
<th>Paper</th>
<th>Literature Review</th>
<th>Case Study</th>
<th>Theory Development</th>
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<tr>
<td>Paper I: Governance of the Amman Water Utility.</td>
<td>x</td>
<td>x</td>
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<tr>
<td>Paper II: Water Supply Governance in Accra: 'Authentic' or 'Symbolic'?</td>
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<tr>
<td>Paper III: Civil Society: A Revived Mantra in the Development Discourse</td>
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<tr>
<td>Paper IV: A Policy Framework for Governing Water Services</td>
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<td>x</td>
</tr>
<tr>
<td>Paper V: Civil Society in the Making: Can NGOs Contribute to Development and Democracy?</td>
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<tr>
<td>Cover Essay: Governance of Urban Water Supply in Transition</td>
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</tbody>
</table>

Case studies constitute the skeleton of the study that together with reviews of the literature allow for the development of theory. (Yin, 1994) argues that case studies are well suited to handle qualitative research when the research focuses on contemporary phenomenon within a real-life context. Whereas one may argue that case studies seem a poor basis for generalisation or that case studies are arbitrary and subjective, Stake (1995) supports the view that the case study is a sufficient research approach to advance understanding about a certain phenomenon in a specific social context, or how the phenomenon varies across cases. Thus case studies were conceived as being appropriate to use in order to examine the governance aspects of water sector reform policy for improvement of water services. The study integrates two case studies in the context of the developing countries (Figure 2). The LEMA water company was given the task of managing and operating the Amman Water and Wastewater Services for the Water Authority of Jordan (WAJ). The AVRL in Ghana was given the task of managing and operating the GWCL in Accra.

The intention of this study is not to make a concrete comparison between the two cases, but rather to make a soft comparison of aspects of the study whenever possible, without reducing the wider picture. The argument here is that while trying to find common ground for comparison, this is likely to reduce the context and the analysis of particular aspects on which the comparison between the two cases rests. This study attempts to present the wider context as well as the particulars in which the water utility of each case is embedded, thus restricting the comparison of similarities and differences between the two cases.

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4 An earlier version of this paper was presented at the IWA International Conference on Water Economics, Statistics, and Finance Rethymno, Greece, 8-10 July 2005 and included in the Conference proceedings as a full paper.

2.1 On the Choice of the Case Studies

The case study of Amman was not deliberately included in the design of the research proposal when applying for research finance to the Swedish International Development Agency, SIDA. Rather, it was carried out as a master study project that examined the privatisation program of the Amman Water Utility and assessed policy changes. The Amman case study culminated in a published scientific paper (1) and addressed relevant issues to “good governance” criteria as conceptualized by the development literature and emphasised in the paper. According to the WB’s perspective on what is “good governance”, the paper analysed the six principles for good water governance as being: openness and transparency; inclusiveness and communicativeness; a coherent and integrated policy; equitability; accountability; and efficiency. It was therefore decided that this case study was to be included in the study. From this case, it became more interesting to gain knowledge in this specific subject about the governance of water utilities, on which the research proposal for the SIDA was based. The idea therefore came to integrate the work done on this case. Writing the paper was followed up by interviews that were carried out in Amman during the conducting of the doctoral research project. The data from these interviews is taken up and analyzed within the whole study of water utilities governance, to scrutinise for similarities and difference between the two cases and to assist in deriving final conclusions.

Instrumental

The Ghana Water Company Limited (GWCL) is the main case study of the dissertation. The choice on the GWCL as a case study was initially based on the collaboration agreement that is already in place between the University of Ghana and the Royal Institute of Technology, KTH. The preliminary findings of the pilot study—which was financed by a planning grant approved by SIDA and carried out in early 2005—showed that it is an interesting case study on the subject. Throughout the pilot study, interviews with stakeholders were carried out. The informal discussion, guided by a number of formulated open-ended questions, allowed a good picture to emerge of the context of the case and the concerned groups and their interests.

http://www.world-atlas.us/
Unlike the Amman case, the GWCL was expected to deepen understanding on the governance process of water sector reform. In Jordan, the decision on the management contract for the Amman Water Utility was made via a top-down approach. The Ministry decided with the WB to award the management contract to the private operator and that, more or less, constituted the end of the story.

The case study of GWCL has a different story. The people of Ghana had been fighting for, and were experiencing, the early days of democracy. Moreover, the case of GWCL constituted an example that was expected to enrich knowledge on issues related to water governance because of its dynamics, the length of the decision-making process and the plethora of actors involved and their different standing positions. The GWCL case did not merely utilise a top-down approach, as happened in the case of Jordan. In Ghana, the policy of entitling the private sector with the responsibility of water supply was strongly opposed by civil groups. A broad coalition of individuals and civic organisations, religious bodies, community organisations, academics, farmers, the Trade Unions Congress (TUC) with the exception of the Public Utility Workers Union (PUWU) of GWCL, and Non-Governmental Organisations (NGOs) emerged to form and promote the Ghana National Coalition Against the Privatisation of Water ‘NCAP-Water’. The Integrated Social Development Centre (ISODEC), a not-for-profit organisation, was at the forefront of NCAP-Water.

Intensive fieldwork followed the pilot study in February 2005 and was carried out in two points of time. The first round of fieldwork studies was carried out in the later part of 2006. The fieldwork integrated qualitative (interviews) and quantitative (survey) research techniques, which are discussed later, to capture the wide range of stakeholders’ perceptions on the study aspects that correspond to the formulated RQs. The fieldwork culminated in two scientific papers that were accepted for publication (Paper II and III) and one manuscript (IV) that is under review for publication. A second and final round of fieldwork was carried out three years later in October 2009, which included interviews and focus group discussion (focus stakeholder discussion). The methods that were used are discussed later. The data collected in this fieldwork was used for the analysis in this dissertation.

2.2 Methodology

The fieldwork comprised different research techniques and took place at different times. Empirical data was used in writing different papers developed through the thesis, as Table 2 shows. It is worth noting that the main fieldwork that was used in writing Paper I, the Lema case study, took place before the official commencement of the doctoral study. The research methods used in this case are described in the paper. Thus this section describes only the research techniques used in the Accra case study.
Table 2: Fieldwork stages and research techniques

<table>
<thead>
<tr>
<th>Research method(s)</th>
<th>Fieldwork Applied in the case study of Ghana Water Company limited (GWCL)</th>
<th>The empirical data are used in writing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interviews &amp; Survey study</td>
<td>July, 2002</td>
<td>Paper I</td>
</tr>
<tr>
<td>Interviews (Pilot Study in Accra)</td>
<td>February, 2005</td>
<td>Paper II</td>
</tr>
<tr>
<td>Interviews &amp; Focus stakeholders discussion (Accra)</td>
<td>October, 2009, Accra</td>
<td>Cover essay &quot;Kappa&quot;</td>
</tr>
</tbody>
</table>

2.1.1 Literature Reviews

Relevant excerpts from the literature were reviewed to explore prevailing theories pertaining to governance aspects. The study attempts to understand governance aspects of water supply at different levels and from different theoretical perspectives, in order to see the whole picture with regard to water governance issues. Through the time period in which the study and the writing of the various scientific papers took place, certain theories which appear to have relevance with regard to interpreting the research findings have evolved. Chapters 3 and 4 discuss more on these theories and their relevance to governance aspects.

A diverse array of reviews from the literature was used to analyse different governance aspects such as the criteria for good governance (Paper I), the conduct of the policymaking process itself on the privatisation of water supply services (Paper II), the role and attributes of civil society, represented by NGOs involved, as an actor in policymaking (Papers III and V) and governance arrangements that can be developed to enhance the governance of water utility and improve water services (Paper IV). Examples from the literature that were referred to are listed in each of these papers. Therefore reviews from the literature regarding governance and deliberative policymaking, communicative planning, institutional analysis, path dependency of social processes, water sector reform policies, civil society and social capital are deemed relevant to understanding of what governance is about and to provide a thorough analysis on governance issues.

2.1.2 Study Interviews

Interviews with an identified set of actors representing different interests groups took place during three periods of time: February 2005, October-November 2006 and finally October 2009. The interest groups were defined based on three sources of information: literature, initial personal contacts and the fieldwork studies. More details on how the interest groups ("stakeholders") were defined are discussed later.
Before starting the pilot study in February 2005, literature reviews were very helpful in deciding who the main actors were in the governance reform process involving the private sector in the water supply. In addition, Associate Professor Jan-Erik Gustafsson, through his work and collaboration with the University of Ghana, has been very familiar with the case study and provided valuable input and contacts at the start of the process.

The Pilot Study Interviews

The pilot study was conducted in February, 2005. One of the objectives of the study was to identify actors with an interest at stake in the revision of water utility policies. The Project Management Unit (PMU), regarded as being responsible for assisting the Government of Ghana in the reform of its urban water sector and the coordination of consultation forums to meet with representatives from various interest groups, was the first to be approached. Based on consultations with the PMU, an initial list of interest groups evolved, from which representatives from these groups were interviewed (Figure 3). Whenever the email address of an interviewee was available, an email message was sent to him or her to introduce the researcher and her research project, before calling that person to arrange for an interview. This usually worked more professionally and time-efficiently and allowed for the development of a good atmosphere where the interviewee did not feel that he or she was being hijacked into doing the interview later on.

During this explorative study, the interviews were less formal. At that early stage, the plan was to introduce the research project to actors involved in the reform governance process. But the interviews were also carried out to gather initial input on the various issues, addressing them through pre-structured and open-ended type questions, in order to open the discussion and dialogue. These issues were gathered through consulting reviews in the literature, which were discussed at KTH before going to Ghana for the pilot study. The issues of concern were formulated around the driving forces of the whole process of water sector reform, perceptions of interest groups on why the shift in water supply management from public to private sector management happens, how the process of privatisation has taken place and on why a coalition of civil groups has emerged to fight against the privatisation program.

Figure 3: Actors interviewed during the pilot study, 2005

The sizes of the slices have no specific indication to power issues.
The interviews were recorded in writing while the interviewees were answering the questions and discussing the topics. Later, a soft copy of the written text of each interview was submitted by mail to the interviewee for review and validation. In some instances, an interviewee wanted to remove a statement he or she had made, so as not to be quoted. When the text of the interview was not submitted and validated, a reminder followed, urging the interviewee to review the text and make comments. However, it was only in a few instances that interviewees did review their text and submit it back.

**Extended Study Interviews**

*Identification of Interest groups (stakeholders).* The interviewing process continued during the period from October to November 2006 and was based on the previously developed list of interest groups. The list of stakeholders propagated and a "snowball sample" (Denscombe, 2003) emerged to include other representatives from the same groups, as well as to include new interest groups. The list of interviewees was also extended to include those actors who were regarded as “should be involved” and not only those who “had been involved”. For example, politicians at the different governance levels were not identified as interest groups by the coordinators of the consultation forums. However, it was perceived that politicians, being elected by citizens under their jurisdictional areas, have a stake in the process and allegedly hold some power to influence the outcome of the process. The coordinators of the consultation forums also did not pay much attention to incorporating the academia. The role of the academia as a stakeholder is crucial for two main reasons. The first is that higher education and research centres are producers of knowledge and have a significant potential role to play in problem solving. The second is that academia has a great influence on citizens' perceptions through different means such as the media and learning processes. Therefore it was deemed important to capture the perceptions of this group. Figure 1 in *Paper III* shows the evolved list of stakeholders identified in the study for interviews. This list included: the private operator AVRL, public water bodies (Water Directorate, GWCL, Community Water and Sanitation Agency GWSA, Water Resource Commission WRC), Donor agencies (WB, Danish International Development Agency Danida), Public Utility Regulatory Commission (PURC), Assembly members, NCAP-Water (TUC, ISODEC), Consumers Association of Ghana (CAG), International NGOs (WaterAid, Water Vision) and the academia.

Interviews were carried out with key informants representing the identified interest groups, with the aim of capturing a multitude of stakeholders' views in relation to the governance of the water utility in Accra by GWCL. The interviews were face-to-face, carried out in a friendly atmosphere and integrated in a pre-structured questionnaire of open-ended questions, in order to open certain points for a dialogue on specific issues and main concerns. The questions in this stage of the fieldwork were focused on capturing the respondents' perceptions on: 1) the driving forces of the water governance reform process and the shift to involve the private sector 2) which interest groups were involved and who represented citizens 3) the performance and constraints of water utility 4) the perceived solutions to the inefficiency of the water supply 5) how the process was conducted and what kind of environment enveloped the consultation meetings 6) the process outcomes, and finally 7) future expectations on the utility performance by the private operator.

Despite these common themes, the questionnaire for each interest group was designed slightly differently, to fit the role of each specific group. Before starting the interviewing
process and meeting with actors in the process, a checklist of questions around the study themes was formulated for interviews with GWCL and/or other public water institutions. This constituted the original list from which other lists of questions were developed for all the other interest groups, to comply with the position and interests of each interest group. For instance, a questionnaire for the private operator cannot be exactly the same as for the NCAP-Water. Therefore, in some instances, a new question can be added; another omitted, or modified or supplemented to questions in the original list.

In some of the interviews, not all of the questions could be addressed in the time arranged for the interview. Thus in such cases, another appointment was arranged for completing the interview. Whenever an arranged meeting did not work well, another appointment was scheduled. Despite inconveniences related to time and difficulties in adhering punctually to arranged starting times, one has to say that, contrary to the Jordanian case, considerable difficulties were not noticed regarding appointments, even with staff in higher job positions.

Most often in the interview, the researcher took the position of a person from the media wanting information on a certain issue. The researcher was not necessarily silent, but kept herself neutral to allow the interviewee to open up with what he or she wanted to say. But in a few instances, however, the researcher took the position of an investigator. For instance, in an interview with a representative from the TUC, it was mentioned that the CAG sided with the NCAP-Water and that they had changed their position, implying that some sort of corruption had taken place. In the interview with the president of the CAG, he was asked why the association changed its position from being against the privatisation, as claimed by the TUC, though this question was not included in the original check list. In an attempt to defend the position of the association, the president of the CAG touched upon very interesting data related to the supply of water tankers, a business which the TUC seemed to have involved itself. That piece of information uncovered the conflict of interest within that interest group. It became evident that while the TUC was supposedly fighting against water privatisation and commercialisation, the union was itself actually involved in the water business.

In each interview, a tape-recorder was used and questions were addressed in order to let the interviewee elaborate on what she or he wanted to say. In some instances, the interviewee wanted to elaborate on an issue without being quoted. On these occasions, the recording was stopped. Whenever appropriate, the interviewee was asked the reasons for his or her stated opinions. Some interviewees reflected a superficial reasoning of a specific problem, although having a certain level of knowledge about the issue under discussion was deemed crucial for the study. For example, when a question on the constraints of the Ghana water utility to improve water supply services was addressed, the answers usually given were the same conventional reasons that apply to most of the cases. Reasons of inefficiency, bureaucracy, and lack of investment finance are reported by scholars and researchers in the literature that discusses this issue in the developing countries. Thus it was conceived as being necessary to ask why the utility has been inefficient, in order to reflect on the particular and contextual factors, and also to trace back to the root causes of the utility constraints, in order to improve water services.

Each interview was recorded and then transcribed. The same procedure that was applied in the pilot study interviews was also followed here. A copy of the transcription was sent
by email to the interviewee to review and validate the text. Again, in only a few cases did the interviewees respond to the email.

The total number of interviewees in the case of Accra was twenty-five, indicated as personal communication in the bibliography list of the written papers. Whenever needed, more than one interview was carried out with the same person. For certain interest groups that were deemed to have a more significant role in the water governance process such as public water institutions, NCAP-Water, and donors, at least two persons were interviewed. In most of the interviews, the key person representing an interest group was interviewed.

**Follow-up Study Interviews**

Another round of interviews was carried out in the last study visit to Ghana in October 2009. The study visit was not planned for the purpose of conducting interviews with individual actors representing the different interest groups. Rather, it was designed to carry out a focus stakeholder discussion, integrating the different actors that represented all the stakeholders. Before the visit, the practical feasibility of the idea was discussed with the executive secretary of the Coalition of NGOs in Water and Sanitation (CONIWAS) in Accra, who affirmed that the idea of this focus group discussion could be realised. However, individual interviews during this stage of the fieldwork were carried out as an alternative plan, in case the planned group discussion did not work out, for any reason. At this stage, contacts with actors were established and the interviews were conducted with actors from the corporate planning department, GWCL; the private operator, AVRL; civil society such as CONIWAS, Water Aid, Grassroots Africa; PURC; PUWU at the Ghana TUC; and Watson Network, representing the media covering water issues. Interviews with actors from donor agencies could not be carried out. However, their views on the water governance of the private operator on behalf of the GWCL was captured during the Ministerial and Development Partners' Roundtable session integrated in the first Ghana Water Forum from 20-22 October, 2009 (GWF, 2009). The same manner of conducting the interviews was applied. Tape-recorded interviews were then transcribed, but this time the transcribed texts were not submitted for validation. The interviews that were conducted at this stage followed the writing of all the papers making up this thesis. Thus the empirical work of this stage is integrated in the analyses in the cover essay.

**2.1.3 Focus Group Discussion**

As previously explained, the main purpose for the last stage of the fieldwork conducted in October 2009 was to arrange for a focus stakeholders discussion in order to capture their views on water governance aspects through an interactive dialogue. The researcher was not sure that the realisation of such an idea was actually possible. Thus the idea was discussed before embarking on the trip, through phone calls and internet communication with the executive secretary of CONIWAS, who affirmed that such a discussion could be arranged. Assisted by CONIWAS staff, a list of invited actors representing all the stakeholders in the governance of water supply was drawn up in the first few days of the study (Appendix 2). There was also a concern that the invited actors would not be inclined to participate in the focus group discussion if their perception was that it was organised by a doctoral student. Thus it was decided that the invitation would be extended to all the actors on behalf of CONIWAS, mentioning in the invitation that both CONIWAS and the student would be using the outcomes of the policy dialogue and discussion for either professional or academic purposes. However, the issues to be discussed were determined according to the concerns of this study. All the letters of
invitation were delivered by hand to the relevant organisations. The delivery of the letters was sometimes followed by a reminder phone call to the invited persons, but other invited actors were reminded through messages delivered through direct contacts at the Ghana Water Forum (20-22 October, 2009) by the CONIWAS secretary, Vida Kanyoke, and by the doctoral student. The focus stakeholders’ discussion took place in Accra, October 23, 2009, at the Conference Room of the Training Research and Networking for Development (TREND) in Accra. Despite all the efforts that were put into the arrangements, not all of the invited actors participated in the planned discussion, for different reasons (Appendix 2). However, actors from the AVRL, civil society organisations, WRC, the PUWU and the TUC were present (Figure 4). Actors from donor agencies, Accra Metropolitan Assembly or Parliamentary Select Committee, GWCL, the government and the PURC did not participate. However as previously mentioned, the views of most of them were captured through interviews that were carried out in earlier stages of the fieldwork. Therefore the views of the diverse array of stakeholders were captured successfully, either through the interviews or group discussions.

![Focus stakeholders discussion at TREND facilities, October 2009](image)

**Figure 4: Focus stakeholders discussion at TREND facilities, October 2009**

### 2.1.4 Survey Study

A survey was carried out in November 2006 to gather the perceptions of urban dwellers on the water reform policy process involving the private sector. This survey considered the household as a unit of the analysis and was designed to capture the perceptions of the households in the urban areas of Accra, where the case study took place. The survey integrated twenty one questions that were not necessarily applicable to all of the respondents.

The questionnaire was structured to capture public perceptions on diverse issues such as:

- The constraints of the water utility and reasons to shift to the private sector,
- Public awareness on decisions being made and the contracting process,
- Public representations or inclusion in the process of consultation regarding the privatisation of water services,
- Opportunities and limitations of the private sector for making improvements,
- The decision-making process and expectations regarding the performance of the contracted private operator,
- What they consider as the basis for water services tariffs,
- What kind of working partnership models and governance arrangements are likely to improve the water supply?
Other questions asking for personal data about the respondent and the household were also included, such as gender, income, occupation, etc. (Questions: 1-10). However, it was realised later when doing the survey that some of the questions were inappropriate and badly structured. For instance, questions 14 and 17 (b) require respondents to be knowledgeable enough to be able to reflect on a higher level of governance than they had knowledge about. Thus the data collected on these two specific questions was not very useful. Another example of an inappropriate question within the Ghanaian context was the question about income and affordability. The researcher was told by the fieldwork assistants in this survey that respondents could not be expected to answer these questions truthfully, due to their fear that water authorities would demand higher taxes or more money for water service if respondents were to indicate their real incomes.

Within the time limits available to conduct the survey, the researcher was supported by two fieldwork assistants with some experience of this kind of work. One of them was a master-level student at the Department of Geography and Resources Development, Accra. The second assistant was a graduate student from the same department who was working on similar issues of surveys for qualitative statistical analysis. Because of time and resource limitations, the researcher was not able to adequately test the questionnaire on the ground, but only by interviewing a few people. But before doing the survey, the questions were reviewed and discussed by the fieldwork team and any necessary editing or clarification was made to the final questionnaire. General principles regarding the best way to approach the respondents to conduct the survey were also discussed. The concern was that some of the respondents might not fully understand questions that were more appropriate to a respondent with a different educational level. In such situations where the question might be misunderstood, it is likely that the real perceptions of respondents would not be captured. Thus we had to find a balance between using the same procedure to approach different respondents and administer the questionnaire while making sure that respondents correctly understood all the questions. The importance of making certain that the respondents understood all the questions was stressed. Sometimes it would be necessary to repeat or explain a question, but not in such a way that would influence or imply any particular answer. Personal experience showed that this posed a real challenge at times.

The questionnaire was self-administered by the student and the fieldwork assistants. Gender factors had been deemed important. Therefore, as the head of the household, women were targeted for the survey in equal proportion, if not more than, men. Each respondent was asked to choose one answer or, in some questions, to rank possible answers according to what the respondent perceived as being the most important. What is meant by self-administered questionnaire is that the administrator, whether the researcher or her fieldwork assistants, in a face-to-face situation with the respondent, addresses the structured questions, in order and one by one, by reading each question and clicking on the answers of the respondent. It was almost impossible to consider posting the questionnaire to a random sample selected, for example, by computer or based on national statistics and addresses. That would have taken an interminably long period, even if it was achievable, which is unlikely.

**The Choice on Residential Urban Areas for the Survey**

As it was deemed impracticable for the survey to cover all the urban areas in Accra, certain tradeoffs between available resources and geographic coverage were inescapable. Thus, it was necessary to decide on a representative sample for the urban areas in Accra.
Two main issues were considered important regarding the decision about which urban residential areas were to be covered by the survey: 1) urban areas with water stress and inadequate water supply and 2) areas comprised of urban dwellers with a range of different socio-economic status. This is what was thought to make a difference in the perceptions of the households. The decision on a representative sample for the urban areas in Accra was approached systematically in a three-step process.

In the first step, the report "State of Environmental Health" of GAMA\(^8\) (Songsore et al., 2001) was scrutinised before heading off to carry out the field work in 2006. This report provides indicators on the environmental health status of residential areas in GAMA. One of the indicators on environmental hazards examined in this report is associated with water supply and found to be useful to the study. The report provides a map\(^9\) of the geographic location of environmental hazards due to inadequate water supply and water stress, and reaches conclusions regarding the variables that explain the different levels of water stress in urban areas. According to the report, the socio-economic status of people in urban areas and the period or the age of physical development in the area contributes to inadequate water supply and water stress. The map classifies the residential areas into levels from 1, representing the least environmental burden area, to 5, representing the most severe environmental burden. From this map, it was possible to decide on areas with different levels of water stress. From another map in the same report, it was possible to correlate each of these areas with population density and socio-economic status. As a result of the integration of the two maps, a list of high, moderate and low water stressed areas was produced for the different population densities and socio-economic levels that constituted potential target areas for the survey.

In the second step, before starting the survey, this drawn up list was discussed with Professor Jacob Songsore\(^10\) from the Department of Geography and Resources Development of the University of Ghana, to be sure that the approach used in the compilation of the list had the appropriate focus.

In the third step, this discussion was taken further and staff from the GWCL were consulted, including both the director of the project management unit, Daniel Bampoh (31/10/2006), and the Accra regional chief manager, Frederick Christian Lokko (1/11/2006), from which a list of potential areas was compiled (Appendix 4). Due to logistical factors and time and resource limits, this list was reduced to include six main categories of residential areas that were to be included in the survey, as shown in Table 3.

### Table 3: Residential areas that were targeted for the survey

<table>
<thead>
<tr>
<th>Socio-economic Class</th>
<th>Areas of relatively good conditions of water supply</th>
<th>Areas of relatively poor conditions of water supply</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>Roman Ridge</td>
<td>Airport Residential Area</td>
</tr>
<tr>
<td>Middle</td>
<td>Dansoman Estates</td>
<td>Adenta</td>
</tr>
<tr>
<td>Low</td>
<td>Bukum, James Town and Chorkor</td>
<td>Nima</td>
</tr>
</tbody>
</table>

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\(^8\) GAMA is the abbreviation for Greater Accra Metropolitan Area and the report is an outcome of a long-term collaboration over a period of 10 years between the Department of Geography and Resource Development in Ghana, the Stockholm Environment Institute and the Royal Institute of Technology.

\(^9\) Figure 4.1

\(^10\) He is also one of the main authors of the report "State of Environmental Health of GAMA\(^10\), Ghana 2001"
Except for the areas that represent the low socio-economic class and good water supply category, twenty households were approached by one of the survey administrators in each of the surveyed areas. Bukum, James Town and Chorkor, are small neighbouring communities and it was easier to collect data from 30 households. In each part of the fieldwork, surveyors distributed themselves to cover the area geographically. Households were approached randomly, but the possibility of conducting an interview also depended on the presence of the household head and his or her cooperation. The head of the household, woman or man, was kindly asked to provide assistance and respond to the questionnaire after a brief introductory statement was given about the project and about how valuable his or her input would be to the study. This was not always a rewarding experience for the field workers. Not all of the people approached were cooperative and some were even rude. In other instances, when the person appeared to be sceptical about being interviewed, the field worker showed their personal school card to the person, to show that the field work was part of bona fide research, and to lend a sense of seriousness to the potential interview. In such cases, this approach helped a lot.

In total, 130 questionnaires were collected. Questions were coded and responses were treated by Statistical Package for the Social Sciences software program (SPSS) for quantitative analysis of frequencies of responses or the interdependency of some tested variables.
3. Governance: Theoretical Perspectives

There is no one clear over-arching theory that explains what governance is about. There are different interpretations of what "governance" refers to, according to the context and the political ideologies of policymakers (Hydén et al., 2004). Thus a universal analytical framework within which governance can be assessed is still lacking. Traditionally, governance has been equated with what governments do, with the machinery of the state (Healey, 1997). In principle, governance in a newly defined perspective is a concept involving mutually interdependent actors from the state apparatus, private sector and civil society in deliberative policymaking process (Cars et al., 2002). The concept of governance widens the circle of traditional actors in policymaking to include not only government officials, but also civil society and private actors. As a concept, governance also extends beyond actors and articulates informal and formal institutions such as laws and regulations, as well as values and norms that mediate behaviour (Williamson, 2000).

The argument brought by advocates of deliberative policymaking is that genuine deliberation and communicating rationality among different actors about a specific problem is likely to increase the group’s problem-solving capacity in the management of collective affairs (Connelly & Richardson, 2008; Dryzek, 2000; Hajer & Wagenaar, 2003). Governance is seen as “we all, in some way, have the knowledge in managing collective affairs” (Healey, 1997: 210). The deliberative approach through communicative rationality is called for in addition to traditional instrumental rationality that is no longer solely adequate in dealing with dynamic social change and environmental uncertainty (Dryzek, 2000).

3.1 Why the Shift from Government to Governance?

This new mode of policymaking as a concept of governance has its origins in the western context, despite its developmental relevance to other societies in the modern world (Leftwich, 1993). The origin of joint-thinking and communicative rationality in planning may be traced back to the 1970’s and the 1980’s (Head & Alford, 2008). Planning scholars argue that policy and planning framework based on scientific expertise could not solve the many difficult problems of the modern era, which could only be understood in terms of highly diverse values, beliefs and cultural heterogeneity (Friedmann, 2005; Head & Alford, 2008; Rittel, 1972; Skaburskis, 2008). Within the planning field, these problems of ill-defined character are referred to as “wicked problems” (Rittel, 1972). Thus recommendations for participatory and dialogue-based approaches have received support (Rittel, 1972; Rittel & Webber, 1973).

Along the same reasoning, Mouffe (2005) argues that social scientists who support the notion of a "post-structural" society, such as Ulrich Beck and Anthony Giddens, have significantly contributed to the establishment of the model of participatory politics, which she referred to as the post-political. According to these premises, modern society is facing different sources of risk and uncertainty and has to cope with growing individualisation and the disappearance of collective identity. The argument here is that advanced societies are undergoing a dynamic social change that poses new challenges, and that they cannot rely on traditional institutions to deal with the socio-economic and political risks facing them today (Hajer & Wagenaar, 2003; Mouffe, 2005). Therefore party politics are no longer perceived as fully representing the interests and values of citizens, and states are being pushed to go beyond the traditional political sphere and become more open-minded regarding interaction with citizens through cooperative dialogue, with the aim of increasing the society’s problem-solving capacity (Hajer & Wagenaar, 2003). Thus a new model of politics was envisaged, one which integrates
different actors from the state, market and civil society (Mouffe, 2005). It is argued that this mode of governance should not replace a legitimate, democratically elected and authoritative state. Government and governance, in western countries, work together as complements but not as substitutes for one another. Hajer & Wagenaar (2003) argue that traditional institutional policymaking should be used together with the new, non-traditional governance arrangement, a combination from which solutions to persistent problems can emerge.

According to deliberative policymaking advocates, other diverse factors have contributed to the shift in the conduct of policymaking and the rise of the concept of governance (Connelly & Richardson, 2008; Dryzek, 2000; Hajer & Wagenaar, 2003; Hendriks et al., 2007). The shift to governance is due to the erosion of state power and legitimacy, and the fragmentation of government due to the domination of the ideology of liberalism during the age of globalisation, following the collapse of communist ideology. Jessica Matthews in Van Rooy (1998:25) indicates that “the end of the cold war has brought no mere adjustment among states, but a novel redistribution of power among states, market and civil society”. Another argument for shifting to governance is that in this current era, business holds a privileged position, at the expense of social and ecological interests. The claim here is that states have a large stake in economic life, and are incapable of being independent and able to represent the pluralistic interests and values of citizens (Comaroff & Comaroff, 1999). Thus the shift to governance also implies the rise of social economy over political economy. According to deliberative policymaking advocates, the ecological crisis and the high level of uncertainty characterising modern societies are not the least important factors driving the shift to governance. In conclusion, to face challenges and surmount emerging social and ecological problems, coordination efforts to increase the governance capacity of a society render it imperative to stimulate a shift from government to governance in the area of policymaking.

3.2 What Is Good Governance?
Governance in political terms as perceived in the western context is linked to citizens’ representation and inclusion in deliberative policymaking process. Leftwich (1993) defined three main and clear positions or levels of governance ranging from the most to least inclusive: at the level of regime, at the level of policymaking and thirdly, at the level of administration (Table 4).

At the most inclusive level, governance refers to a system of political and socioeconomic relations, and good governance means a democratic capitalist system supervised by a minimal state, which is also part of the wider governance (Leftwich, 1993). This mode of decision-making is carried out in formal or informal stakeholder-based associations that resonate in practice to small public spheres dealing with social, economic and environmental issues (Swyngedouw, 2005). Participants are allowed to take part in deliberative decision-making on the basis of the “stakes” they hold with respect to the issues these forms of governance attempt to address (Swyngedouw, 2005). Because there are no formal rules or arrangements regarding how these sub-public spheres are organized, this form of governance structure is described as loosely structure and can thus be thought of as a type of regime (Leftwich, 1993; Sydow, 2004).

At the middle level of citizen inclusiveness, governance has a more explicit political dimension and refers to a legitimate and authoritative state that is derived from a democratic mandate and built on the traditional liberal notion of a clear separation of
legislative, executive and judicial powers (Leftwich, 1993). This position of governance is referred to as a representative democracy in which legitimized power is vested in hierarchically structured state forms that are based on the political institutions of vetoing and representation (Dryzek, 2000; Swyngedouw, 2005; Williamson, 2000).

At the end of the spectrum, good governance is narrowly viewed as being a managerial and public administration issue and good governance refers to good public management. This line of thinking discharges the notion of governance from its political substance and deals with it in apolitical terms under a minimal role of institutional, legal and political conditions (Amin, 2006; Hydén et al., 2004; Leftwich, 1993). This is the position of the WB regarding the meaning of the term good governance (Hydén et al., 2004; Leftwich, 1993). According to Leftwich (1993), the WB position views good governance as the efficient, open, accountable and audited public service authority existing within a legal framework and independent judicial system, and being able to design and implement appropriate policies. This framework is used to assess governance in the Amman case (Paper I). The WB’s interpretation restrains the notion of governance from getting too close to touching upon political issues, and deals with governance as represented by the performance indicators of efficiency, openness and accountability (Hydén et al., 2004; Leftwich, 1993).

As argued by many scholars, the Bank’s official mandate prevents it from dealing with politics (Anyormi, 2007; Gustafsson & Koku, 2007; Leftwich, 1993). At the abstract level, the WB recognizes the political dimension of governance and has defined governance as the form of political regime and "manner in which power is exercised in the management of a country’s economic and social resources for development" (Hydén et al., 2004; Leftwich, 1993). At the level of policy, the Bank’s latest governance and anti-corruption strategy, governance is defined as: "...the manner in which public officials and institutions acquire and exercise the authority to shape public policy and provide public goods and services" (Leftwich, 1993). But on other occasions, the WB defines governance in a reduced form as “the capacity of governments to design, formulate and implement policies and discharge functions”.

Table 4: Three levels of governance

<table>
<thead>
<tr>
<th>Governance at the</th>
<th>Good governance</th>
<th>Link to the Thesis</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Regime/country level</strong></td>
<td>A democratic capitalist system supervised by a minimal state which is also part of the wider governance</td>
<td>Constitutes the framework for the analysis in Papers II, III and V</td>
</tr>
<tr>
<td><strong>Government level</strong></td>
<td>A legitimate and authoritative state that is derived from a democratic mandate based on the political institutions of vetoing and representation</td>
<td>Constitutes the framework for the analysis in Paper IV and the cover essay</td>
</tr>
<tr>
<td><strong>Administrative level</strong></td>
<td>An efficient, open, accountable and audited public service authority within a legal framework and independent judicial system</td>
<td>Constitutes the framework for the analysis in Paper I</td>
</tr>
</tbody>
</table>
According to Hydén et al. (2004), international organisations and bilateral development agencies have failed to create a clear conceptualisation of governance as politics, or as policymaking or administration, a conceptualisation that is important in assessing governance, and without which the concept of governance loses its substance. They have used the concept as an outline to allow these agencies to support and finance particular activities for economic, administrative and micro-political reforms aimed at steering societies in desired directions (Hydén et al., 2004: 2; Leftwich, 1993).

Based on western experience, international development agencies have, however; tried to reach an agreement on what good governance means. Six principles for “good” water governance, whether of the public sphere, private sector, or a mixture of approaches, have been conceptualised by Rogers & Hall (2003) as: openness and transparency; inclusiveness and communicativeness; having a coherent and integrated policy; equitability; accountability; and efficiency (CEC, 2001). These measures were used in Paper 1 for compiling the analysis of the good governance aspects of the Lema Water Company that operated the Amman water utility.

3.3 Governance and Democracy

In governance processes, public, private and civil actors representing different interests are engaged in deliberative modes of policymaking to communicate rationality and build consensus (Friedmann, 2005). As previously discussed, the concept of governance is wider than that of government and traditional policymaking institutions. The deliberative policymaking assumes, in principle, higher inclusiveness of citizens, distribution of power and plurality of interests. It is argued that governance in this sense changes the terrain of democracy itself. Governance according to Dryzek (2000) makes democracy more legitimate. Deliberative democracy, according to him, entitles all individuals who are subject to collective decision to engage in authentic deliberation and communicative rationality, in order to reach a consensual decision that is only accepted if it is justified and convincing. Rationality according to this idea is defined as consensus on an issue based on wide participation and inclusiveness. Issues of legitimacy and representation however are questioned. The argument brought by critical thought is that governance arrangements that are based on informal and ad hoc principles of stakeholders are not necessarily guided by norms or clear rules. Both Stoker (1998) and Swyngedouw (2005) question the issues of the governance structure of representation and participation, the poor internalized accountability that is assumed within the sub-public spheres and consequently the legitimacy of democracy itself.

It is worth highlighting other sources of criticism to the liberal model of deliberative democracy that is based on philosophical ideas of the consensual approach in policymaking. Barber (1998, 2004) and Mouffe (2005) address, more or less, the same critical views on the consensual approach and the claims to democracy. But seemingly they diverge on their position on what is likely to constitute more legitimate democracy. Both criticize the liberal deliberative model of policymaking that is based on consensus. The argument brought by them is that the containment of power and the pacification of conflicts through the establishment of small scale public spheres, where conflicts of interest could be resolved through public dialogue, is based on false theoretical premises and a false understanding of democracy. Moreover, both urge us to pay attention to the possible dangers of this mode of politics. When politics are not made within a legitimate democratic approach, they argue, other more oppressive and extremist political ideologies will step in.
Barber's (1998, 2004) theoretical accounts in the area of democracy lies in favour of deliberation, but as a continuous active deliberation process at the level of the wider national public sphere. Barber (1998: 39) describes democratic citizens in terms of being active, responsible, engaged members of groups and communities that, while having different values and conflicting interests, are nevertheless devoted to arbitrating those differences by exploring common ground.

Mouffe's (2005) vision regarding legitimate democracy is in line with a diversification of political parties, which are expressed by adversarial political identities with which all citizens are able to identify themselves. Her main message is that we should resist the call by post-political theorists who advocate democracy as good governance, as well as deliberative democracy and partisan-free democracy. Those theorists, she claims, have a false understanding of democracy because they negate the conflictual nature of politics in their understanding of democratic politics. Thus she argues for pluralistic democracy mechanisms which are able to legitimise conflict and challenge power through a process of the disarticulation of existing practices and the creation of new discourses and institutions.

3.4 Planning: The Operative Side of Governance

Healey (2008) links planning with governance and defines planning as "a governance practice that has evolved to address the difficulties created by the complex collocation of activities and their relations and their impacts across space–time". Huxley (2002) also envisions planning as a "governmentality" – comprised of practices and strategies that shape the behaviour and identities within a given space and territory for the management of the population.

The study discusses two theoretical perspectives regarding planning that are deemed relevant to understanding governance processes: planning for public policy, to resolve the so called "wicked" problem, and planning for deliberative policymaking. The following discussion explains why the two perspectives are of specific importance to the thesis. The first illustrates on which basis policy solutions to a problem should be designed. This perspective is overlooked by international policymakers such as the WB. The second perspective is discussed to address concerns on the deliberative approach to policymaking and raises some questions: Where planning is not functioning in a real, practical sense, is it feasible to implement practices of deliberative policymaking? When actors lack the communicative norms that are required by the deliberative mode of making policies, is it likely that conflicts will surface and the process become hostile (as happened in the case discussed in Paper II)? Then, where are the competent or the empowered planners that can manage the course of communication and resolve conflicts or analyse and challenge power?

3.4.1 Planning to Resolve “Wicked” Problems for Public Policy

Rittel & Webber (1973) convey a clear message on the dilemmas in the planning field. Planners deal with open social systems and thus most major planning problems for public and social policy are inherently wicked (Head & Alford, 2008; Rittel, 1972; Rittel & Webber, 1973; Skaburskis, 2008). These problems are not only complex problems but their openness makes them indefinable. According to Rittel’s description, "wicked problems" refer to societal problems that are not easily demarcated and that rely upon elusive political judgment for resolution, but not as a solution. Such problems are called "wicked" in a meaning akin to that of "malignant", "vicious", "tricky" or "aggressive".
Rittel, (1972) and Rittel & Webber (1973) describe how planners should resolve wicked problems. In order to define the course of action and an appropriate policy, planners should gain more understanding about the problem by tracing it back to its sources.

In doing so, planners are expected to be able to reach the root causes of the problem and define the locus of difficulty that will explain the state of affairs. Demarcation of the problem is interconnected with the process of finding its possible solutions. Once the problem is properly understood, a host of conceivable solutions that are based on reasoning and political judgement can emerge simultaneously. The conceivable alternative solutions will, in their turn, accordingly produce different outcomes. Rittel & Webber (1973) describe ten attributes that distinguish wicked problems from that of technical, engineering-like or even problems that can be tackled through traditional system analysis approach. The most important of these attributes to this study are:

- Wicked problems are ill-defined, entangled and their boundaries are not easy to delineate. One cannot understand the solution without knowing the context;
- Judgments about the badness or goodness of the alternative solution is likely to differ widely according to group interests, values and ideologies;
- Any implemented solution will generate waves of consequences over an extended-unbounded period of time. These consequences are irreversible and cannot be undone. Undesired repercussions are themselves wicked problems. Thus there is no opportunity to learn by trial and error, as every trial counts and solutions cannot be experiments.
- Despite the seeming similarities of wicked problems, every wicked problem is unique and consequently every solution is unique. Moreover, the particulars of a problem may override its commonalities to similar problems.
- Every wicked problem can be a symptom of another problem at a higher level. The higher the level at which the problem is formulated, the more general and difficult it becomes to do something about it.
- Processes of planning should be as inclusive as possible, in order to better capture the “world view” regarding potential solutions, and to implement the solution that stands out as the most reasonable and least refuted solution, in the sense of collective acceptance and legitimacy.

These attributes and their explanations for planning that deals with wicked problems are to be emphasised in later sections, to highlight the root causes that explain the inefficiency of water utilities.

**3.4.2 Planning as Deliberative Policymaking**

Two schools attempt to describe what planning is in relation to governance as a post-political concept: the Habermasians and Foucaultians. The two theoretical claims have different positions regarding their views on power in the communicative approach in planning (Flyvbjerg & Richardson, 2002; Kulynych, 1997). Power is described as an influence exercised on a decision making process for the interest of the influential actors (Flyvbjerg, 1998). Both schools recognise power as a key factor in planning and agree that the more power that exists, the less rationality there is, but they frame power within different perspectives. The Habermasians focus on politics based on communicative action in a deliberative public sphere in which individuals and interest groups have influence over the political system. The Foucaultians are more aligned to micro-politics of resistance and the struggle to be free from domination and oppression.
The Habermasian School of Planning

Inspired by Habermasian ideas of communicative rationality, the theoretical accounts of this school interpret communicative planning as “a strategy-making to build strategic consensus, mutual and common understanding through inclusionary argumentation” (Healey, 1997). The process assumes objective and disciplinary discourse in which equal, competent, and autonomous deliberators are open to preferences and can be persuaded through communicative discourse and rationality. See for example among others Connelly & Richardson, 2008; Dryzek, 2000; Hajer & Wagenaar, 2003; Healey, 1997; Hendriks et al., 2007; and Innes & Booher, 2003. Most of the proponents of the consensus building approach assume that objective subjects are open to the other’s preferences and persuasion. According to them, consensus is not a subjective abstract, but a common understanding based on the collective interpretation of committed stakeholders in an inclusionary argumentation process (Healey, 1997). Planning, according to this school, is about managing the course of communication and is theorized in terms of reaching consensus, with planners taking on the role of facilitators and mediators (Friedmann, 2005).

The Habermasians recognize power but disregard its influence in planning. In this view, power is depicted as negative and as a distorting factor that hinders rational debate. This school of thought regards communicative rationality as having the ability to erode power and reach a common understanding of what is right and what is true in planning. Planning, according to this view, is about identifying the embedded forces in our ideas and thinking, and therefore is open to social change, in order to achieve greater social justice and sustainable materialisation of the outcomes (Healey, 2000).

The Foucaultian School of Planning

Basing its arguments on the thinking of Foucault, the second school argues that Foucault’s interpretation of the way policies are made is more relevant to planning in practice (Flyvbjerg, 1998; Flyvbjerg & Richardson, 2002; Yiftachel & Huxley, 2000). Foucaultian analysis embraces the centrality of power and his thoughts are widely accredited with the politics of coercion and oppression, in situations where power operates. For Foucault, the individual is seen only as an effect of power. Flyvbjerg (1998), who is critical of communicative planning, argues that rationality is always confronted by power, and that consensus is an output of power dynamics. Planning here is about the identification and challenging of power sources and the planner is an analyst of the dynamics of power relations. According to this school, the communicative rationality approach fails to capture the importance of recognising the power deferential in planning. Such recognition would allow for an analysis of power structure and thus would challenge oppression and coercion and create an agency for social and political change (Flyvbjerg & Richardson, 2002).

Planning in the Real-Life Context

But does planning in the real-life context necessarily imply outcomes of consensus or resistance to domination? Deliberative policies are neither characterised by genuine consensus or by resistance and struggle (Dryzek, 2000). Mouffe (2005) poses harsh criticism of the post-political ideas regarding building consensus and claims that they are based on mistaken premises. Politics, according to Mouffe (2005), is about making decisions and not much about deliberations. The values and the social and background differences of the deliberators, she argues, will create conflicts. The deliberative approach denies power differentials and negates conflicts that may not be comprised or sublimated in the communicative approach of policymaking.
In the less-than democratic, or oppressive, context, to view planning in terms of resistance to dominant power, in order to bring about change, is likely to be incompatible with the functions of planning in the first place. As Friedmann (2005) writes, in such contexts planning does not function, due to inappropriate planning structures and the lack of resources. Examples from the study show that in these instances, planning may exist in form only, but not in function.

The Habermasian premises of communicative action are also inappropriate in socio-political systems of hierarchy, where there are divisions based on race and gender norms. Divided by religious, ethnic or cultural differences, as well as social and economic inequalities, societies lose their common basis for values, ideas and commonly-shared interests. Thus not even compromise, let alone reaching consensus between conflicted interests, is likely to be the probable outcome in these instances. The diverse interests are too far apart to be accommodated. Such a context is not prepared to deal with deliberation processes in policymaking. But, even when this does take place, such as in the case study of urban water in Accra, it is possible that the process may be subjected to intolerable tensions that may rise to the level of hostility and conflict, as the analysis shows in Paper II.

Kulynych (1997) criticizes both of these theoretical stands regarding planning theory. According to her, power can be legitimate. She questions: How can we interpret the traditional assumptions regarding the present political power in the formal apparatus of the state in a way that may be legitimate and desirable? Should it be resisted? At certain times, covered or impeded power in enlightened leadership is deemed to be desirable and needed for political change and social transformation. She also comments on the Habermasian understanding of communicative rationality in planning, which informs a course of action when power seeks innovative outcomes. The case study of Flyvbjerg (1998) shows that when planning seeks change in the direction of innovative outcomes, consensual politics are not, in practice, compatible. Also Kulynych (1997) notices, “It is the non-rational aspects of deliberation that carry the potential for innovation”.

It would appear that rationality itself is under question. Flyvbjerg (2001) refutes the idea that rationality has a scientific basis and argues that there is nothing that can really be conceived of as “rationality”. Flyvbjerg (2001) asserts that “the study of social phenomena is not, never has been and probably never can be scientific in the conventional sense of the word ‘science’, that is, in its epistemic meaning. It is therefore not meaningful to speak of ‘theory’ in the study of social phenomena, at least in the sense that ‘theory’ is used in the natural sciences.” (Flyvbjerg 2001:25). Similarly Rittel & Webber (1973) and Barber (2004) refute the idea of political truth and rationality in policymaking. They affirm that social science has been unable to come up with solutions that would contribute to socially better decisions. According to them, the search for scientific bases for confronting problems of social policy is bound to fail. The best political decision, according to Rittel & Webber (1973), is the one that can withstand numerous attempts at refutation. The best policy decisions made are based on political judgments and reasoning that may be the opposite of the consensual approach, that do not negate the antagonism dimension of politics, and that offer legitimate channels for mediating values and interests (Mouffe, 2005).

Planning deals with different sectors, contingences, and uncertainties (Kulynych, 1997). It operates in diverse socio-economic and political contexts, cultures, and on different
scales. Such complexity implies opportunities and constraints as well as inescapable tradeoffs and compromises, to reach what may be regarded as the best course of action for a society within a specific context. As Friedmann (2005) remarks, planning is not a “blueprint”, and explains why there is practically no consensus regarding planning theory.
4. A THEORETICAL FRAMEWORK TO ASSESS GOVERNANCE

A "world view" on what governance is about has driven the study across a diverse map of concepts, theories and subparts of theories to explain governance as a concept, as a process of policymaking, as a context and as outcomes. It was not within the scope of this study to investigate each theory or subparts of each theory deeply. Rather, the scope allowed the study to only touch upon different theoretical accounts that taken together are relevant and useful with regard to the aim, questions and analysis of the research.

When issues of representation and the inclusion of citizens in the process of policymaking and the legitimacy of outcomes are being investigated, governance can be analysed more closely through theories about democracy and political institutions. In this respect, analysis of governance processes requires a recognition of the full political dimension of the concept. As Hydén et al. (2004) explains, we need to link governance to rules that guide the process at the higher level. But when the purpose is to analyse the process of policy communication and dialogue per se, then theoretical thoughts of social norms become more relevant. Institutional analysis exercise is more relevant when the focus of the analysis is on the decisions made and the outcomes that resulted. This would require fully recognising that a proper analysis of governance, as both a process and an outcome, requires linking with the analysis of formal and informal institutions that shape public decisions and policies. Along with the idea of linking governance to institutions, Moulaert et al. (2005) define governance capacity as the ability of institutional relations, either formal or informal, in a social setting, within a certain power network, to operate as a collective actor.

To analyze governance processes and outcomes, we need to ask why individuals, groups and organisations make certain decisions or behave in certain ways. What influences their social interaction to produce certain outcomes for common actions and collective benefits, but not the opposite? As Ostrom (2005:181) questions: “What changes in the incentives of participants will occur if we propose a particular set of new rules versus other potential sets?”

This study argues that the WB disregards the institutional analysis perceptive from its calculations regarding the enhancement of water governance. Institutional analysis helps to come up with an answer regarding the reason for the state of affairs being as it “is” and not as it “ought to be”, and thus being able to design more appropriate public policies. In principle, to make the change from the former state of affairs to the latter in any social setting, one has to be able to trace back the rules that accumulatively produced the state of affairs as “it is”. According to this perspective, institutional analysis undertakes a deeper examination, in order to understand how the rules in place are designed and applied, and how they shape individual actions and determine collective outcomes. Governance activities of the water utility can be examined from the institutional analysis perspective to define how to enhance water services. Without adequate examination of the way in which rules that are configured in specific social settings affect public strategies, deliberation, decisions and outcomes, recommendations for policy reform may be based on naïve assumptions.

4.1 Governance and Institutional Analysis: Two Sides of the Same Coin

Ostrom (2005) defines institutions as rules that we must know to understand processes of governance. As Ostrom (2005:19) stresses, "when one is interested in understanding
the process of governance, one needs to ask where the rules that individuals use in action situations originate". Broadly speaking, Ostrom (2005:3) identifies institutions as the prescriptions that humans use to organise their lives; "individuals interacting within rule-structure situations face choices regarding the actions and strategies they take, leading to consequences for themselves and for others."

By the same token, Kobonbaev,(2001) and North (1990, 1991, 1993) demonstrate that institutions are human-devised constraints in any form which structure human interaction, limiting the “choice set of actors” and providing incentives for individuals and organisations to engage in productive or destructive political, economic and social activities.

Hydén (2004:16) adopts the same view to assess governance aspects and define governance as “the rules that regulate the public realm”. According to Hydén et al. (2004), "Governance refers to the formation and stewardship of the formal and informal rules that regulate the public realm, the arena in which states as well as economic and societal actors interact to make decisions. Governance, then, refers to behavioural dispositions rather than technical capacities".

4.2 A Generic Institutional Framework

The study reviews the literature on institutions and attempts to design a generic institutional framework in order to understand how these institutions interact and affect governance processes. Governance as an analytical framework can best be understood within an institutional framework that recognises the different levels and the political dimensions of governance. The theoretical framework provides a holistic approach to assess water governance aspects at different institutional levels. It also corresponds to the analysis carried out in the papers and the cover essay comprising the thesis.

The study refers to the main categories of organisations as being actors in governance processes undertaken to develop a generic institutional framework in a societal system (Figure 5). The actors are distributed in a society that can, according to Healey (1997), be described as three overlapping arenas: the political, the social, and the economic arenas. The aim of this framework is to capture the dynamic interaction of individuals, groups, and organisations within a setting where certain rules apply. Before discussing the framework, we need to define organisations in relation to institutions.

4.2.1 Organisations and Institutions

Scholars often use the two concepts of organisations and institutions interchangeably (Ostrom, 2005). To put the difference simply, institutions can be viewed as being analogous to the rules of the game in a competitive team sport, but organisations are analogous to the players (North, 1990, 1993; Ostrom, 2005). Rules are there to define the way the game is played, but the objective of the players is to win the game (North, 1990). The interaction between institutions and organisations shape the institutional evolution of political system, society and economy, and the direction of institutional change (North, 1990, 1993; Salamon & Anheier, 1998; Thelen, 2003).

Rules are both formal and informal. Formal rules related to what Williamson (2000) refers to as the institutional environment include political, judicial and economic rules such as property rights. They can be understood in the sense of enforced rules, such as constitutions, laws and regulations (Ostrom, 2005). These rules are crucial in examining the development of nation states (Williamson, 2000). Formal rules are very important but
they make up just a small part of the constraints that shape decision-making (North, 1990). Informal rules are as important as, or more important than, formal rules (Williamson, 2000). Informal rules are constraints imposed by people to structure their interaction with others. Informal rules are shared understandings about actions being obligatory, permitted or forbidden, such as sanctions, taboos, traditions, religious precepts and codes of conduct (Ostrom, 2000, 2005).

Organisations as described by Ostrom (2005: 179) and North (1993) are groups of individuals and players in governance processes who are bound by some common purpose to achieve the objectives of their founders and who are committed to finding a way to achieve these objectives. They arise as a consequence of the structure of specific institutions in a particular place. But organisations, according to the power they hold, also influence the process of the formulation of rules and thus influence the way that institutions evolve. They therefore also provide a structure for human interaction and act as agents for institutional change (North, 1990). Organisations are not equal in power and thus institutions made by them impact unevenly on governance processes. Those organisations, as North stresses, may have enough bargaining strength to incrementally alter the institutional structure, but not necessarily in a way that creates socially productive outcomes. As North (1993) reflects, institutions or at least the formal rules, are created to serve the interests of those who possess the bargaining power to create new rules.

To advance understanding on governance processes, this study refers to North (1993), Ostrom (2005) and Hydén et al. (2004) and defines six main organisations which are relevant to our understanding of governance, both as interactive processes and outcomes:

- Political organisations
- Judicial organisations
- Governmental organisations, including planning organisations and their bureaucracy apparatus
- Economic organisations
- Social organisations (NGOs and other forms of social bodies)
- Educational organisations

Political organisations include political bodies such as political parties, electoral systems and legislators (parliament and congress), who define the political rules. Political rules in general define the distribution of power across different levels of government, policymaking structure and the characteristics of agenda control (North, 1990; Williamson, 2000). Through election, the legislator reserves seats for members from the competing political parities (Ostrom, 2005). Political institutions constitute the rules for aggregating public demands and interests through political parties and the legislator into policy formulated packages. The rules on how the party system works are important because they have the role of mediating between citizens and government and they also affect the work of legislators. The legislators play an important role in policy formulation and holding the government accountable.

Organisations also include judicial bodies such as courts. Each political system develops its own structures for resolving conflict and disputes (Hydén et al., 2004).
State refers to national governmental organisations and their bureaucracy. According to the hierarchical structure of the polity, governmental organisations may also be local, such as city council or representative municipal council, and may include regulatory bodies where key policy decisions are made to meet popular demands and expectations. In principle, policies are formulated by planning processes. Planning organisations articulate policy objectives and strategies, and link them to programs of action that are judged by outcome criteria (Healey, 1997). Government sets the stage for policy implementation through bureaucratic and administrative apparatuses that have the responsibility of enacting policies.

Organisations also include economic organisations such as firms, trade unions, banks, insurance companies, family businesses and cooperatives; social organisations such as religious organisations, clubs, sports associations, community based organisations, grassroots organisations, and nongovernmental organizations; and educational organisations such as schools, universities and vocational training centres. In this study, educational organisations are knitted together by their common public character and included within governmental organisations. Political, legislative, judicial and governmental organisations are knitted together in terms of their character to keep order and enforce law through structured polity and are thus located in the political arena.

![Diagram](image)

**Figure 5**: The main categories of organisations distributed in three arenas in a societal system

### 4.2.2 Institutional Interaction

This section attempts to explain how the rules in one arena shape the performance of organisations in another sphere, and how the rules made by the later in turn shape the performance of organisations in a third sphere. The institutional framework consists of an interdependent web of institutions that set the rules under which political,

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*The size of each circle has no implications regarding the quantity of power.*
government, economic and social organisations or groups interact, for increasing returns. Formal rules are nested in hierarchy. As Ostrom (2005) explains, each set of rules define how another set of rules operates. For instance, government decisions are affected by constitutional rules, but their rules in turn affect the daily operational rules used by individuals. However, rules in general, whether formal or informal, are embedded in different layers and their interaction in the different arenas of a society is complex. According to Kobonbaev (2001) and North (2001), it is very arcane to draw a line between formal and informal institutions.

**On the Political Organizations**

Particular constellations of social historical forces and struggle among different social classes and the position of the state to the wider society delineate what type of political parties and political system culminates in a social setting (Salamon & Anheier, 1998). For example, the liberal or ‘capitalist’ systems, where the bourgeois was seen as a more high-ranking class, have been more concerned about limiting the rules that regulate the market. The social democratic regime was formed where the working class was stronger and has historically assumed the task of sheltering the workers against social risks by the allocation of high welfare spending (Salamon & Anheier, 1998).

Political organisations are defined by the political institutions that are created in response to public demands and interests. Constituents elect political parties based on their agenda and socio-economic issues (North, 1990). Political parties are the most critical link in the chain of governance, because they turn public demands and interests, through the legislative branch, into specific policies and rules (Hydén et al., 2004). Therefore when their roles are passed over, as the study later shows, the representation of citizens is put at risk.

**On the Judicial Organisation**

Legislators and courts have the mandate to develop a legal framework, to make orders and to monitor and enforce the law. Advocates of institutional analysis to the understanding of governance, such as Hydén et al. (2004) and Ostrom (2005), emphasise that legal structures hold a considerable share and explain social interaction and behaviours in those terms. According to them, there is little doubt that adjudicatory institutions have substantial influence on governance processes. Individuals, groups and organisations in both the economic and social arenas make their choices and strategies in accordance with rules structured by state legislation and law.

Adjudicatory institutions also contribute to the creation of public perceptions regarding the legitimacy of the political system at large (Hydén et al., 2004). It is crucial to mention that the perceived legitimacy of institutions is significant with regard to the human choices that are made and the strategies that are adopted. The issue of legitimate rules of law also has social and economic significance. There are benefits as well as costs involved when institutions are utilised in the protection of rights and the enforcement of agreements (Kobonbaev, 2001). Without public acceptance and legitimacy, compliance and obedience on the part of citizens are not necessarily the outcome. Rules can be imposed by force, but include a high economic and social cost. Ostrom (2005) warns that if rules of law are imposed by force and by an illegitimate political system, people may reward each other for breaking the rules. This practice may encourage others to follow, leading to prevailing negative social practices. Enforcing the law in such a situation can culminate in transaction costs and affect economic performance and overall efficiency. For this reason, North in Kobonbaev (2001) stresses the importance of creating self-
enforcing, informal rules for reducing measurements and enforcement costs, and he gives an indication of how this could be done. North in Kobonbaev (2001:4) urges analysts to consider the creation of appropriate policies by asking, "what sorts of informal rules are most likely to produce cooperate behaviour?", or “how are incremental changes in informal rules able to alter the interaction of actors, to increase or decrease cooperative outcomes?".

**On the Governmental Organisation**

Government is defined by the political institutions through election or appointment and together with its bureaucracy apparatus, makes up the state. Government generally refers to the set of individuals and organisations within the public sector who have the authority to make policy and enforce rules, laws, and regulations (Dryzek, 2000; Hydén et al., 2004). However, according to Dryzek (2000), governments are not only about organisations, but can be characterised more precisely in reference to a set of imperative functions such as social welfare, domestic peace, and the provision of public and social services. What formal rules should governments put in a place to guide their interaction with the public in the governance processes? The way in which government conducts itself in the fulfilment of its function, influences popular perceptions regarding the legitimacy of the political system at large and constitutes another critical factor in our understanding of governance. Hydén et al. (2004) stresses that the way in which state-society relations are structured and managed is the essence of governance. Barber (1998) reflects on the particularity of the relationship between the government and the wider public. He envisages government as society's common arm, just as society can be envisaged as the government's animating body. Thus it is not surprising that Van Rooy (1998) drives our attention to the importance of understanding how interventionist policy by donors can affect this relationship. This issue is of concern to this study regarding the role of NGOs in governance processes, and thus will be discussed further in the sections which follow.

**Planning Organizations**

Planning organizations, structure and the legal framework in which planning practices are institutionally impeded are determined by the political institutions in a particular place. Planning processes have developed to devise ways of developing policy solutions in order to respond appropriately to specific problems and make government accountable (Healey, 1997). Thus planning tasks are predictably intertwined with politics and presuppose governance activity (Healey, 1997). Policy solutions driven by planning in principle has the qualities of accountability, effectiveness and are deemed to be publicly acceptable and thus legitimate policies. These policy decisions affect the structure of social and economic arenas where individuals are making operational decisions such as in the areas of provision, production, and consumption (Ostrom, 2005).

**On the Economic Organisations**

Water reform policies arrived at in consultation with the WB have promoted the private sector as a solution to water utilities constraints. The arguments brought by institution theorists do not give support to the WB’s policy solution. North in Kobonbaev (2001) argues that economic performance is a function of the decisions made by political and economic actors, but he advocates the primacy of institutions on economic performance. States provide the legal framework to facilitate exchange and within which economic organisations arise and operate. The character of political institutions in a place influences market choices, exchange activities and economic strategies, and shapes economic performance (North, 1990, 1991; Williamson, 2000).
North (1991) asserts that economic efficiency and performance is determined by the ability of institutions to provide incentives, reduce uncertainty, ensure order, and sustain cooperation in a sort of third party enforcement, such as courts, governments and firms. But institutions impose transaction costs to measure, protect and enforce agreements. Institutions provide the structure for exchange that together with the technology determines the cost of transacting, that in turn defines an outcome of either economic progress or regress (North, 1990). Economic efficiency is achieved only in the absence of transaction costs and economic performance is a function of transaction costs. In this regard, self-enforcing social norms of trust and reciprocity or "social capital" as discussed in Paper V become a precious resource. Westlund (2006) stresses the importance of analysing social capital as a concept of economics and as a form of capital. It is widely recognised that the social norms of trust, reciprocity and equity embraced by a society on a voluntarily basis facilitate exchange, decrease transaction costs, develop economic progress and promote efficiency (Hooghe & Stolle, 2003; Ostrom, 2005; Putnam, 1993). Ostrom (2005) and Barber (2004) go further, emphasising that without such a voluntary approach regarding compliance to the rules, governments are not able to cover the costs of monitoring compliance (Ostrom, 2005). Formal and informal institutions are not the only determinants of transaction costs. An efficient information flow among actors also facilitates exchange and enhances economic efficiency while reducing the costs of monitoring, litigating and enforcing formal agreement measurement (Kobonbaev, 2001; North, 1991, 1993; Ostrom, 2005). The information that is available to actors in governance processes is important because information provides a basis about whom actors perceive they can trust (Ostrom, 2005).

Ostrom (2005) emphasises that institution analysts should be aware of the fact that applying the same economic rules in different settings may generate positive or negative incentives in certain settings, due to different material and biophysical conditions. Such conditions provide incentive structure and determine what type of goods and services will be produced, consumed, and allocated, as well as the technology that is available. Analysis of material and biophysical conditions, as Ostrom (2005: 22) put forward, can take place through asking what actions are physically possible, what outcomes can be produced, consumed and allocated, and what is contained in the actors’ information sets? Policy decisions about whether goods are private, public or common are different. For example, inappropriate economic policies, as the study also shows later, may encourage individuals and groups to access services and goods as free riders, or to subtract services and goods from common resources (Ostrom, 2005).

These descriptions of how institutional settings differ explain why the same formal rules, such as economic rules for example, can culminate in different outcomes in different settings, and why the focus on formal rules is often inadequate, and can be misleading (North, 1990; Ostrom, 2006). The problems regarding the implementation of the application of economic rules are what make Williamson (2000) argue for the inclusion of the New Institutional Economy (NEI) perspective and for an examination of the institutions that are in place before application.

In the same vein, Ostrom (2005) warns us to adopt simple policy designs, to find solutions for complex problems, and she stresses that:

"Continuing to presume that complex policy problems are simple problems that can be solved through the adoption of simple designs that are given general names, such as
private property, government ownership, or community organisation, is a dangerous academic approach. Dichotomising the institutional world into “the market” as contrasted to “the state” is so grossly inadequate and barren that it is surprising how the dichotomy survives as a basic way of organising academic studies and policy advice. Oversimplification of our design options is dangerous since its hides more of the working parts needed to design effective, sustainable institutions than it reveals. And it reduces our awareness of the need to monitor outcomes and improve them over time through better processes of learning and adaptations” (Ostrom, 2005: 256).

**On the Social Organisations**

Social organizations may emerge in response to market and state failure to supply public goods or state limitations with regard to the provision of material and non-material social services (Salamon & Anheier, 1998). They may also cooperate with the state in addressing public affairs and support and strengthen the role of the state (Salamon & Anheier, 1998). As a consequence of institutional interactions, public choices on whether their key public goods and social services should be provided by the state, market or social organisations are not made freely by them. They are profoundly controlled by social and economic patterns that have evolved, have deep historical roots and constitute a product of the particular constellation of social forces. It is not within the scope of this study to deeply investigate the subject of social organisations. However, to advance our understanding of governance processes, two issues are discussed: NGOs as civil society actors and social norms and attributes as informal institutions.

**Nongovernmental Organisations, NGOs (Civil Society)**

The last two decades have witnessed the proliferation of NGOs that are supported by access to funds provided by donors. Integrated under a policy agenda of “good governance”, NGOs assume a substantial role in promoting development and fostering the sentiments of liberal democracy. As Hydén et al. (2004) notes, the tendency in international development circles has been to treat governance as a synonym for liberal democracy. The policy trend of good governance is discussed and explained in Papers III and V, raising concerns regarding the assumed prospects of integrating NGOs in governance processes. As explained before, the international policymakers seem to have dropped the role of legitimate institutions in governance, and have been treating development and democracy as technical projects. According to Hydén et al. (2004), developmental stagnation and obstacles to democratization stem from a failure to undertake the necessary steps for establishing a system of rules that legitimise political choices and political behaviour.

**Social Norms and Social Capital**

Maybe nowhere else in the thesis than in this section can it be shown how complex the interaction is between different institutions. Social norms as described earlier are informal rules that have great impact on the behaviour of actors and on decision-making processes. The attributes of a society, in terms of shared common understanding and value pluralism, trust, reciprocity and cooperation underpin its capacity for governance and the management of collective affairs (Hooghe & Stolle, 2003; Ostrom, 2005; Putnam, 1993). Putnam (1993) refers to civic virtues and norms of trust and reciprocity between individuals that facilitate mutual coordination and cooperation for collective actions, and are also known as social capital (The theory of social capital is discussed in relation to governance processes in detail in Paper V). In modern times, social capital is regarded as a more highly appreciated resource than ever before in the political, planning, economic and social spheres.
In the political arena, social norms and attributes may enhance or hinder the democratic performance of governmental organisations. As Putnam (1993) argues, civic virtues such as norms of trust, reciprocity and cooperation promote citizens’ associations and are deemed necessary for democratic performance. Civic virtues, as many argue, fall within the realm of strong democracy and the absence of civic norms indicates an absence of democracy (Barber, 1998, 2004; Fukuyama, 2001). In the planning field, civic virtues enable citizens to join forces to triangulate issues of concerns, think jointly, communicate rationality in policy formation and overcome public and social challenges (Dryzek, 2000; Hajer & Wagenaar, 2003; Healey, 1997). In the social arena, civic virtues facilitate acts of tolerance and acceptance (Hooghe & Stolle, 2003).

As discussed earlier, social norms in the economic sphere develop exchange between people, reduce transaction costs and promote efficiency (Kobonbaev, 2001; North, 1991, 1993; Ostrom, 2005). Social capital also reduces the transaction costs associated with formal coordination mechanisms like hierarchies and bureaucratic rules (Fukuyama, 2001). In his book, Barber (1998: 63) conveys a plain message. “If we rely exclusively on the police and the courts to instil an ethos of law and order in society, we may discover that our communities cannot sustain that ethos on their own”. In a democratic society, such social norms are embedded in the social system and underpin the governance capacity of a society.

Political, governmental and social institutions play a significant role in how civic virtues and social attributes of trust and reciprocity are formed. In the political arena, civic norms are the result of well-designed public institutions, but are also consolidated where these norms are embraced by officials and political leaders at the top of judicial hierarchies (Fukuyama, 2001). In terms of being recognised, the way governmental organisations operate and allocate resources has a bearing on how the public perceives its legitimacy and the formation of social norms (Hooghe & Stolle, 2003; Hydén et al., 2004). Social attributes of trust and reciprocity are consolidated by aspects of socio-economic equity and fairness (Hooghe & Stolle, 2003; Ostrom, 2005). Governmental education organisations also have the greatest direct ability to generate social capital (Fukuyama, 2001; Hooghe & Stolle, 2003). Others highlight the role of the media in the formation of positive social norms. Independent and non-privatised media apparatus can play a substantial role in constructing civic attributes and strengthening the civic character of a society (Barber, 1998, 2004). Family, community, religious bodies, child-raising practices and learning experiences also have a substantives role to play in shaping the social norms of individuals and social associations (Hooghe & Stolle: 13). Regarding this issue, Ostrom (2005:132-133) explains:

"Human beings are neither all-knowing saints nor devilish knaves. The institutions they grow up in - families, schools, playgrounds, neighbourhoods - differentially reward or punish them over time so that intrinsic and extrinsic motivations are learned and developed over time. The situations they find themselves facing as adults in the workplace and their community also affect which norms they use and the outcomes they reach. Learning to craft rules that attract and encourage individuals who share norms of reciprocity and trustworthiness, or who learn them over time, is a fundamental skill needed in all democratic societies".
**Collective Mental Model**

North (1993) emphasise the significant role of the mental model, in the sense of human perceptions, beliefs, ideologies, and religions, which have an effect on the shaping of human behaviours and choices. They shape the subjective mental constructs that individuals use to interpret the world around them and make choices (North, 1990). We often refer to the collective mental model of a society as “culture”. Cultural issues are passed down from one generation to the next, via teaching and imitation of knowledge, values and other factors that influence behaviour (North, 1990:37). The collective mental model plays a major role in shaping societies and economic productivity (Williamson, 2000). This also explains the diverse consequences of applying the same market economy rules to different settings and why these rules are not straightforward. According to North (1993), the relationship between transmitted accumulative knowledge and experience and formal institutions is interlinked. Both institutions and belief systems must change in order for there to be successful reform since it is the mental models of actors that influence the choices they make. North (1993) argues that turning stagnant economy around is not only a function of the nature of political economy but also a function of the underlying belief system of the actors.

**Exogenous and Historical Factors**

Institutions are to a certain extent historically determined and have a path-dependency character (Hooghe & Stolle, 2003; Kobonbaev, 2001; Pierson, 2000; Putnam, 1993; Thelen, 2003). Throughout history, societies have been exposed to or interfered with by exogenous forces that impact their institutional structure and dynamics, for the better or worse of a society (North, 1991). In Africa for example, the theory of the two publics for Ekeh (1975) discussed in Paper V shows how the interaction of the public with the colonies still has an impact on the public sphere and on the public understanding of the notion of citizenship. This interaction culminated in the politics of clientelism and the norms of corruption that still prevail and hinder developmental politics today (Matthew, 2005). Reed (2001) by a similar token also highlights how the political economy in Africa today is shaped by colonisation projects and the donors’ reform interventionist policies. According to Reed (2001: 23), the colonial powers limited the economic activities of the colonies to only exporting raw materials and thus prevented a “dynamic entrepreneurial class” from driving economic growth and responding to market change; a policy that had immense effects on development processes.

Exogenous factors continue to shape reform policies in the post-independence era. Leftwich (1993) pinpoints the official western theoretical and ideological profile of the 1980s that placed emphasis on the liberal thoughts of “the market”, deregulation, privatisation, and encouragement of individualism and the “enterprise” culture that has been reflected in forms of economic conditionality. Despite the interventionist policies\(^12\) by the WB and the IFS’s to boost development and stimulate economic growth by economic reforms and privatisation, these policies failed (Leftwich, 1993; Matthew, 2005; Reed, 2001).

\(^{12}\) Structural adjustment program (SAP) is the generic term used to describe a package of measures which the IMF, the World Bank and individual western aid donors - singly, but more often in concert - sought to persuade many developing countries to adopt during the 1980s, in return for a new wave of loans. The aim of adjustment was to shatter the dominant post-war, state-led development paradigm and overcome the problems of developmental stagnation by promoting open and free competitive market economies, supervised by minimal states. SAPs were involved in the main stages of ‘stabilisation’ and ‘adjustment’. Stabilisation normally meant immediate devaluation and often drastic public expenditure cuts. This was followed by adjustment which sought to transform economic structures and institutions through varying doses of deregulation, privatisation, slimming down allegedly oversized public bureaucracies, reducing subsidies and encouraging realistic prices to emerge as a stimulus to greater efficiency and productivity, especially for export (Leftwich, 1993)
The role of the supranational policymakers and their hegemonic policy discourse reflecting the neoliberal agenda has stretched the boundary of governance system and shaped the outcomes of reform policies until the present time. The WB and other development partners have a strong say with regard to the integration of commercialisation and privatisation aspects in water utilities reform policies, through imposed conditionality regarding the lending of capital. According to Zeitoun & Warner (2006), hegemony is a form of exercised power that creates uncontested overriding imperatives that secure the rationalities of hegemony to define realities and outcomes. Through exertion of his discourse, Zeitoun & Warner (2006) write, the hegemonic actor has considerable ability to design the rules of the game.

It is from this perspective that one can view the supranational policymakers as being more powerful and hegemonic actors with critical links to governance at the higher level. This in turn shapes institutions at lower multi-layers of governance. The urban water reform in Ghana presents a clear example about how interventionist policies have impacted on governance processes. Whitfield (2006) describes the policymaking process of the urban water reform in Ghana as a “choiceless democracy”. He reaches conclusions about the complexity of the interaction among different actors and how foreign aid both supports and undermines the functioning of representative democracy in Ghana through its impact on policymaking processes and state-society relations. According to him, donors and international NGOs influence the organisational landscape and the political and economic behaviour of citizens, through their funding of “civil society” and their assistance to the “private sector”.

Path Dependency of Institutions

Putnam (1993) concludes that the political institutions that existed hundreds of years ago in Italy still effect traditions and the norms of the public and the government today. Along the same line, Pierson (2000) asserts that social processes are path dependent and grounded in the dynamic of resistance to change. This implies that we have to trace the root of a present social outcome, "a consequence", to understand its "causes". According to Pierson (2000) and Thelen (2003), path dependency explains the institution’s emergence, persistence and resistance to change. Once organisations are institutionalised, they have a strong tendency to persist, despite substantial social, economic and political changes over time. In the economy arena, North (1993) argues that two assumptions are disregarded from the analysis of economic performance by the neoclassical theory: institutions and time. Related to the idea of the path dependency of institutions, he explains that human learning accumulates over time, passes from one generation to another, and shapes the way that institutions evolve. These institutions, however, are neither fixed nor static, but are diverse and dynamic.

North (1990) explains the process of change from formal to informal institutions. Formal institutions may be altered in both ways, discontinuously and incrementally. North (1990) defined discontinuous change as a radical change in the formal rules, usually as a result of conquest or revolution, but incremental change as a change made by new bargaining processes and compromises between players. Individuals and organisations, when it is in their interests, may have the bargaining strength and exercise power in the alteration of formal rules and the creation of major changes in the formal institutional framework. Informal institutions, however, change incrementally and slowly on the orders of centuries or millennia (North, 1990; Putnam, 1993; Williamson, 2000). Norms are transmitted from one generation to the next through a process of socialisation that involves much more habit than reason, and embraces subjective
perceptions that are not easily changed (Fukuyama, 2001; Schon, 1971). Because of the different responses of formal and informal institutions to change, North in Kobonbaev (2001) warns that change in formal institutions may lead to collusion with informal institutions.

Figure 6: Institutional framework and interaction in a societal system

Figure 6 summarise the section of institutional interaction. As the figure shows, political organisations and legislators are formed in response to the rules of the electoral system and the interaction and mediation of political parties with the general public (Hydén et al., 2004). Political organisations design the rules for the legal system and develop judicial organisations to resolve conflicts and disputes, thus providing incentives for cooperation or defection by law (North, 1991; Ostrom, 2005). Rules made by political organisations aggregate public demands and interests into policy formulated packages to governmental originations that set the stage for policymaking and enacting of policies through bureaucracy apparatus (Hydén et al., 2004). The rules made by political and governmental organisations shape incentive structure and impact decisions made by social and economic actors, as well as the rules made by them to access or produce goods and services. Polity, economy and society are inextricably interlinked. Economic organisations or actors may also exercise influence regarding the alteration of formal institutions made by government and political organisations (North, 1990) or change the incentive structure of social actors through processes of production and the consumption of goods and services. Social actors may also affect the rules made by the governmental organisations with regard to being more responsive to public demands and interests, and affecting market decisions made by economic organisations.
Institutions emerge, evolve and change through time and thus they are not fixed but remain in a dynamic mode. Whereas formal rules such as those made by governmental organisations may change overnight, informal rules such as social norms change incrementally.

A social system is not a closed one, but open to interaction with external factors such as globalisation, international development agencies and financing institutions. Thus political or governmental rules may change due to the powerful roles played by supranational actors such as the WB (Whitfield, 2006).

According to the discussion presented on institutions, together with the compilation of analysis and the building of knowledge while writing the papers, the author of this thesis defines governance as: "the interaction between actors from the spheres of a society within specific sets of formal and informal institutions in a social setting that produces certain political, economic and social outcomes". Actors in governance processes are not necessarily active, and actors may also be passive. Good governance is defined as "the legitimacy of institutions in a social setting by the wider public and the coherence of formal and informal institutions to produce socially effective outcomes for the collective public ". Good governance in this sense is not necessarily envisaged by the prerequisite of inclusion of the three set of actors in governance processes. Government alone, and maybe at certain times civil actors alone, can produce good governance. The focus of good governance is more on the legitimacy and the appropriateness of the policies made than it is on the actors.

Next, Chapter 5 briefly outlines the papers that make up the thesis and discusses governance aspects of water supply. In the chapter, each paper in is presented, describing the aim, the principle theoretical premises and scientific issues of each, as well as their main empirical findings and the main conclusions that were reached in each paper.
5. An Outline of the Papers

The thesis comprises five papers addressing water governance aspects. A unified interpretation on what constitutes governance and thus an analytical framework on how to assess governance is still lacking (Hydén et al., 2004). This can be explained by the fact that the notion of governance is understood at different levels, as explained in the theoretical chapter. Thus the papers analyse the governance aspects from different perspectives and at different levels. Table 5 shows the full list of papers constituting the study and summarises how each paper defines governance and assesses “good governance” of urban water supply processes in the case studies.

Figure 7 describes how the study was developed over time and the main scientific issues addressed that led to the topics covered in the papers and the cover essay.

![Diagram of Study Development and Scientific Issues]

Figure 7: Development path of the study and scientific issues which led to the topics of the papers
Paper I and II analyse water governance through different analytical approaches. Paper I deals with the governance of the Amman water utility from the perspective of what is regarded as “good governance”, without much analysis about how the process is linked to the wider societal and political context. The paper on the case study of the GWCL (Paper II) bases its assessment for good governance on another theoretical perspective that defines governance at the political system level as a deliberative policymaking process to resolve water supply problems in a civic manner. It assesses the interaction of actors representing different interest groups involved in the deliberation forums. The paper highlights the links of the water governance process to institutions in the context of the case study, Ghana.

Governance as a concept rests on the philosophical idea of the inclusion of civil society groups in deliberative policymaking process. Therefore two papers attempt to understand the strength that civil society may lend to achieving “good governance” in terms defined by the good governance policy agenda of inclusion of the civil society, as promoted by development agencies and institutions. Paper III assess the role of civil society groups in the water governance process of the GWCL in Accra, in relation to assumed prospects of democratic performance in the sense of pluralism, accountability and transparency and the argument that they represent the perceptions and values of the general public. Paper V bases its arguments on different relevant theories and examines the strength of civil society to promote development and foster democracy in Africa according to the new policy agenda of “good governance”.

Paper IV reviews water management practices and experiences. It develops a policy framework that addresses the institutional prerequisites at the political and administrative levels for an effective water utility and improved water services. Within this framework, the paper tests the perceptions and views of different interest groups in the water governance process in Accra. Finally the cover essay develops a theoretical framework based on an institutional perspective.

Accordingly the study defines what “governance” is and what “good governance” is. The developed theoretical framework is used in Chapter 6 to analyse and discuss whether the process of privatising water utilities in Amman and Accra in the form of PPP has enhanced the governance of water supply services.
Table 5: Title, definition of governance and analytical framework for good governance in each paper

<table>
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<tr>
<th>Papers:</th>
<th>Title, definition of governance and criteria for assessment of good governance</th>
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| I       | Title: Governance of the Amman Water Utility  
Governance is the process of designing and implementing effective and socially acceptable public policies and institutional frameworks by a mixture of public, private and civic actors.  
Good Governance: Has the criteria of openness and transparency; inclusiveness and communicativeness; coherent and integrated policy; equitability; accountability; and efficiency. |
| II      | Title: Water Supply Governance in Accra: ‘Authentic’ or ‘Symbolic’?  
Governance is the process that involves mutually interdependent actors from the state apparatus, private sector and civil society in deliberative policymaking, on the basis of the “stakes” they hold with respect to the issues that these forms of governance attempt to address.  
Good governance is conceptualised as “a dynamic process of interaction of the different sectors (apparatus of the state, civil society and the market) in a specific local setting, mobilised by the state, to deal with a broad range of problems/conflicts and arrive at mutually, satisfactory and binding decisions and co-operation on the implementation and monitoring of these decisions, through a collective learning process, to ultimately enhance the quality of life”. |
| III     | Title: Civil Society: A Revived Mantra in the Development Discourse  
Governance is a policymaking process at the micro level that integrates state, private and civil actors and describes a new policy agenda of "good governance" that envisages a significant role for civil society in the promotion of development and the fostering of democratisation according to the sentiments of the liberal democracy model.  
Good Governance: is a process of micro reform policy that promotes democratic performance and contributes to “good governance”, in the sense of pluralism, accountability and transparency. |
| IV      | Title: Policy Framework for Governing Water Services  
Water governance is a policymaking process to provide improved water services carried out by a legitimate, democratic and authoritative government that recognise the rights of citizens to municipal water and is committed to fulfilling these rights effectively.  
Good water governance: The ability of a local government to create an enabling political framework for an effective state-owned water utility by designing appropriate and legitimate water supply policies that are subjected to public accountability and public scrutiny. |
| V       | Title: Civil Society in the Making: Can NGOs Contribute to Development and Democracy?  
Governance is a policymaking process at the micro level that integrates state, private and civil actors and describes a new policy agenda of "good governance" that envisages a significant role for civil society in the promotion of development and the fostering of democratisation according to the sentiments of the liberal democracy model.  
Good Governance: is assessed by the strength of civil actors to contribute to good governance processes by fostering democracy and advancing development according to the new policy agenda of "good governance" that advocate donor-funded NGOs. |
5.1 Paper I: Governance of the Amman Water Utility

The aim of the paper was to evaluate and assess the privatisation of the Water Utility of Amman (the Lema Water Company) from a “good governance” perspective, with the purpose of answering one question: is the process of privatising the water and sanitation services in Jordan leading to “good governance”?

The paper considers the position of the WB that deals with governance at the administration level, and describes good water governance as an efficient, open, accountable and audited public service authority within a legal framework, that is able to design and implement appropriate policies. In this paper, governance is conceptualised as the process of designing and implementing effective and socially acceptable public policies and an institutional framework, through a mixture of public, private and civic actors. Six principles for “good” water governance, whether of the public sphere, private sector, or a mixture of approaches, have been conceptualised as: openness and transparency; inclusiveness and communicativeness; having a coherent and integrated policy; equitability; accountability; and efficiency.

The main conclusion of the case study is that aspects of good governance are not evident. The PPP has not been able to achieve the measures of good governance, given as openness, transparency, inclusiveness, coherency and accountability. Achieving these measures requires a careful examination of the existing institutional settings, in order to produce the desired outcomes of good governance.

5.2 Paper II: Water Supply Governance in Accra: “Authentic” or “Symbolic”?

This paper aims to analyse governance processes that involve interdependent state, private, and civil actors in deliberative policymaking on the basis of the “stakes” they hold with respect to the reform policy of the GWCL in Ghana, regarding the involvement of the private sector.

The paper explores theoretical perspectives on governance to analyse the empirical findings of the water supply reform policy in Accra. Good governance is defined in normative terms as: “a dynamic process of interaction between different actors from the apparatus of the state, civil society and the market in a specific local setting. The process is mobilised by the state, to deal with a broad range of problems/conflicts and arrive at mutually satisfactory and binding decisions, while co-operating on the implementation and monitoring of these decisions, through a collective learning process, to ultimately enhance the quality of life”. The analysis was performed from three standpoints: process inputs, process conduct and process outcomes. The decision-making process on whether and how to involve the private sector was found to be dynamic, but remarkably hostile. Due to the entrenched positions of different interest groups, the process was characterised by governance deficit. Deficits in the governance process is manifested by a lack of genuine institutionalised representation and inclusion of public interests, lack of legitimacy, lack of an effective monitoring approach and weak accountability mechanisms.

The paper concludes that institutional, social, political and legislation constraints still exist. Thus the involvement of the private sector per se is not the solution in terms of providing long-term improvement in water services. The paper also concludes that it is misleading to leapfrog from “government” to “governance”, to call for the transmission of a
governance “recipe” as conceptualised in the western context, and to assume that it can work in an inappropriate institutional matrix.

### 5.3 Paper III: Civil Society: A Revived Mantra in the Development Discourse

This paper refers to the governance process of the water utility in Accra (the GWCL) involving the private sector, and examines the validity of the assumed roles regarding the inclusion of civil society in the governance process.

In this paper, civil society is defined as “non-state and non-market organizations that can, or have the potential to, champion democratic governance reforms and act as agents for political and socio-economic change”. The assumption is that the inclusion of civil society in governance processes will:

1. Promote democratic performance and contribute to “good governance”, in the sense of pluralism, accountability and transparency.
2. Ensure that the civil society represents the perceptions and values of the general public in participatory development processes, according to the claims of effective development and the sentiments espoused in the governance approach.

The paper concludes that contrary to the assumptions made about the inclusion of civil society, the analysis of this paper shows that the inclusion of civil groups in the governance process of the water utility led to a hostile and undemocratic process and showed weak indicators of “good governance”.

### 5.4 Paper IV: A Policy Framework for Governing Water Services

The aim of this paper was to develop a general policy framework for good water governance processes. The framework addresses institutional prerequisites to improve water services by a legitimate, democratic and authoritative government that recognises the rights of citizens to municipal water and is committed to fulfilling these rights effectively.

The paper reviews lessons learned from water management practices and experiences, past and present, in order to develop a general policy framework for an effective water utility and to improve water services. The paper then explores the perceptions of the actors involved in the decision-making process with regard to integrating the private sector in the case study of urban water supply carried out in Accra, Ghana; it shows that these perceptions correspond to the principles stipulated in the paper for an effective water utility.

The paper concludes that key issues in the framework include policies which recognise the rights of citizens to municipal water and a governmental commitment to fulfil these rights effectively. Good water governance processes can be achieved by a publicly-owned and autonomous utility with some degree of decentralization that bases its strategy on the integration of water services, non-profit cost recovery principles, the maintenance of public accountability and public scrutiny. The private sector can be integrated within a publicly fixed framework in which it does not hold power with regard to financing, strategic planning and decision making processes. The paper shows that public perceptions in the case of Accra correspond to the principles promoted in the paper for an effective water utility.
5.5 Paper V: Civil Society in the Making: Can NGOs Contribute to Development and Democracy?

The paper examines the assumed role of civil society in the new policy agenda of “good governance” promoted by bilateral and multilateral agencies. According to donors, civil society, which is often represented by NGOs, can play a substantial role in the enhancement of development and the promotion of democracy.

The paper bases its arguments primarily on a review of the literature and uses theories in relation to the role of civil society for development and democracy. It draws upon the theory of the social origin of non-profit organisations, the theory of social capital and the theory of two publics in Africa – how the colonial background in Africa created two publics, the civic public and the primordial public – to raise concerns regarding the current policy trends of governance. The concerns are substantiated by empirical verification through a review of the literature, without claiming that the review is complete or that the empirical evidence can be applied in a general sense.

The paper concludes that the assumed prospects for the participatory role of civil society, as represented by donor-funded NGOs, are not evident, and that these NGOs are unlikely to have the strength to either promote development or to foster democracy.
6. ANALYSIS AND DISCUSSION

6.1 A General Background about Water Supply in Amman and Accra

Unlike Ghana, a country that is relatively well endowed with water resources, Jordan’s water sector has been constrained by a chronic scarcity of physical water. The available quantity of the country’s water resources of both surface and groundwater are limited, and have led to a huge deficit in the supply-demand formula. As a consequence, the water sector has been challenged by conflicts between water users, due to the severe water shortage. Augmentation of the supply to handle the conflict is often resolved at the expense of the sustainability aspects of groundwater resources. When we think about the population density in the two cases in relative terms, one can imagine the magnitude of the predicament regarding water in Jordan. More than 40% of the whole population in Jordan lives in the capital, Amman, where it was estimated that about two million people were living in 2002 (Paper I). One can estimate a larger number now due to the influx of refugees from Iraq, following the start of war in 2003. In Ghana, it is only 16% of the entire population that lives in Greater Accra, which accounts for about three million people, according to the population census of 2000.

The status of water services coverage in each case is noticeably different. The Amman water utility has been able to provide universal services, with all households being connected to the water supply network. Cases of inaccessibility to water supplies in Amman are often due to the rationing of the water supply, but not due to lack of water supply pipelines. Urban dwellers have been able to invest in water tanks which are kept on the roofs of their houses, and filled when households are supplied with piped water according to the rationing program. In irregular cases, households buy water tankers from the market, based on commercial rates.

Sanitation services in Amman are also much better off than they are in Accra. In Amman, pipelines have been laid for connecting more than two thirds of the population to sanitation services. In the last decade, there has been a substantial investment in waste water treatment plants, in order to improve sanitation services in Amman. Additionally, water supply and sanitation services have been integrated and are managed together. Whereas Ghana has an abundance of water resources relative to Jordan, water supply coverage in Ghana is only at about 50%. In this sense, the failure of the governance process cannot be attributed to physical scarcity of water resources and other hard aspects of governance, but only to soft aspects of governance. Ghana also lacks a pipeline infrastructure for sewerage disposal. Table 6 summarises soft comparison aspects in the two cases of Amman and Accra.

6.2 Driving Forces and the Shift to PPP

Water sectors in both Jordan and Ghana embarked upon reform policies and restructuring programs to overcome different constraints and improve water services. Although to a different extent in each case, similar driving forces for reform were found in both cases that entailed management inefficiency, administrative bureaucracy, as well as lack of revenue and financial workability. The constraints of the Ghanaian water utility, however, were found to be more vigorous. In Jordan, not too much was said
about corruption, political interference and clientelism\textsuperscript{13}, as these constraints were eloquent in the Accra case study and seem to be more explicit and prevalent in daily operations in the Ghanaian context.\textsuperscript{14} (See Box 1)

**Box 1: Corruption in Accra is explicit in operational daily life**

On a weekend day in November 2006, I accompanied a friend of mine on a visit to Akosombo, a nice place in the Volta region. On our way there by car, my friend Zayed was almost sure that we would be stopped by the traffic police who would invent any reason to demand a bribe from us before allowing us to pass the traffic check point. She was utterly right. We were stopped and asked to pay for their lunch.

I asked my friend why people do not report these activities to a responsible party or make a case in court. “Are you kidding?” she replied. If I make a legal case in court, they will take away my car and I will be legally blocked from getting it back. Then I asked, “Can not you consult a lawyer?” Her reply was, “A lawyer would charge me 100,000 cedis per hour” (about \textsterling 100).

In the case studies, it was shown that constraints to providing improved water supply services are not the sole forces causing the shift towards private water supply management. Two main factors rendered the privatisation of water services possible. The first is that both countries were in dire need of financial resources and both were donor-dependent countries that customarily apply to the WB and other donor agencies for expertise and capital. The second is that the WB makes conditions regarding the privatising of water services when it lends resources to countries. In the two cases of this study, the same prescription was recommended by the WB, which put forward the notion that the "cure" to the constraints affecting the water utilities would be to replace the public water operator with a private multinational operator, which would be granted a management contract.

**Table 6: Some aspects of comparison in the two cases of Amman and Accra**

<table>
<thead>
<tr>
<th>Comparison Aspects</th>
<th>Accra, Ghana</th>
<th>Amman, Jordan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water status</td>
<td>Soft scarcity</td>
<td>Hard “Physical” water scarcity</td>
</tr>
<tr>
<td>Population density</td>
<td>3 million</td>
<td>2 million</td>
</tr>
<tr>
<td>Water coverage</td>
<td>50% of the population has water access, water-related diseases</td>
<td>100% of the population has water access</td>
</tr>
<tr>
<td>Constraints of water utility to supply water</td>
<td>Traditional Constraints (GWCL) but more significant issues of corruption, political interference and clientelism</td>
<td>Traditional Constraints (WAJ)</td>
</tr>
<tr>
<td>Financial source</td>
<td>Donor-dependent country</td>
<td>Donor-dependent country</td>
</tr>
<tr>
<td>Policy solution to improve water supply</td>
<td>Management contract to AVRL</td>
<td>Management contract to Lema</td>
</tr>
</tbody>
</table>

\textsuperscript{13} It involves an interactive relationship between politicians and government officials, through the social networks which politicians and officials have (Healey, 1997)

\textsuperscript{14} Some of the interviews in both Accra and Amman that I could not adequately bring up in the papers that constitute the study are presented in boxes. The intention is not to repeat, but rather to elaborate in order to understand the context and to get a bigger picture of the perceptions of stakeholders on their water governance processes. I believe that the interviews are valuable as they are, without rephrasing or reducing what was said.
6.3 Political Institutions and Policy Formulation

In the two case studies of urban water supply in Amman and Accra, donors overlooked the role of the parliament and dealt directly with the ministry in charge of the water supply. The analysis of the case study in Accra (Paper II) shows that the Assembly members had no effective role in public policy and were not consulted on the reform policies of water supply or invited to the meetings. Decentralisation was not in effect and power was not delegated to local government (Amenga-Etego, 2009). The case of Amman in this sense was not so different, and the decisions regarding water sector policy reform were taken up only by the Minister. It can be therefore said that when their roles are passed over, the representation issue of citizens becomes an issue which is at risk. This trend of policy formation, as previously pointed out, puts the legitimacy of legislators at risk and threatens democracy. The trend apparently is not exclusive to these two cases. Hydén et al. (2004) also remarked that often donors negotiate policy reforms with governments, while overlooking the role of the legislators.

The policy solutions put forward by the WB and other actors of donor agencies have been driven and designed based on the ideologies of donors and their conditionality regarding the lending of capital. According to the proposed policy solutions, the management and operation of water supply services was transferred to the international private sector in the two cases of the Amman water utility and the GWCL. Donors’ ideologies were the only ideologies regarded as being worthy of serious political consideration. Therefore, backed by claims of social responsibility and infeasibility, the government in Ghana for example watered down the locally proposed solutions, and took up donors’ rationality on how to deal with the inefficiency of GWCL (Paper II). Along these lines, Yeboah (2006) pointed out that “subalterns” have devised solutions to the water problem in urban Ghana, while the state has conceived a western system that does not fit within its means. He defined subalterns as persons or human agencies whose voices on development approaches differ from the western approach regarding what is locally appropriate in development practice.

In Ghana as well as in Africa in general, this issue most probably has a particular importance and significance, when one considers a few main historical factors, taking into consideration the background on the formation of states in Ghana that views post-independence governments as weak, illegitimate and an extension of colonial rule (Amenga-Etego, 2009; Anyormi, 2007; Ekeh, 1975; Osaghae, 2006). The legitimacy of policymaking becomes a very substantial issue to consider and consolidate in order to enhance not only water governance but also governance at the wider level. This historical background of the formation of African states and societies is discussed in Paper V using the theory of the two publics. The paper highlights that the governments are seen as extensions of the old colonies. It is within this context that the opposition to water privatisation can be understood. This issue will be discussed later.

Regarding the analysis of the inclusion and exclusion of actors who participated in the governance process in both cases, one can conclude that the governance process in Accra was more democratic than it was in Amman. Documents that were published on the internet also echo the difference, as Table 7 shows. According to the Economists’ Intelligence Unit’s Index of Democracy 2008, an online publication branded Ghana as a

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15 http://graphics.eiu.com/PDF/Democracy%20Index%202008.pdf
“hybrid regime”. Ghana was included in the stage somewhere between “authoritarian regime” and “flawed democracy”. On a scale of 0 to 10, with 10 being a “perfect” democracy, Ghana was given an overall score of 5.35. Jordan was branded an authoritarian regime and given overall scores of 3.93. Table 7 shows measures for democracy according to the index.

Table 7: Democracy index in Ghana and Jordan

<table>
<thead>
<tr>
<th>Country</th>
<th>Electoral Process and Pluralism</th>
<th>Civil Liberties</th>
<th>Functioning of Government</th>
<th>Political Culture</th>
<th>Political Participation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ghana</td>
<td>7.42</td>
<td>5.88</td>
<td>4.64</td>
<td>4.38</td>
<td>4.44</td>
</tr>
<tr>
<td>Jordan</td>
<td>3.17</td>
<td>3.82</td>
<td>3.21</td>
<td>5.0</td>
<td>4.44</td>
</tr>
</tbody>
</table>

Political parties in Jordan do not play a real role because of lack of organisation and clear political platforms and can be regarded as non-functioning. Jordan’s policy formulation approach is best described as top-down. Political space for citizens to express their opinion if they are critical to government policies is restricted, and not easily integrated in the policymaking processes. An interview with a representative from the water committee of the trade union of engineers commented on the role of unions in water policymaking, and cast some light on the political culture that envelopes the water governance processes. See Box 2. This culture is not distinct from the wider political culture in the country and the region as also reported by the Index of Democracy 2008.

Box 2: The political character of water governance processes in Jordan

**Question:** What is the role of the engineers’ union in the decision-making processes of the water policies and programs?

**The respondent’s commentary**

The trade unions represent the lawyers, medical doctors, pharmacists, dentists and engineers. The geologists and the labour unions are separate. The labour unions are more marginalised and penetrated by the government. The trade unions represent the political opposition in the country. They, with their families, constitute about one third of the population. We have about 67 000 engineer members.

There is no enrolment of the unions because there is a dictatorship at the level of policy and strategic making process. Even the political parties are weak. The trade union is the only political relief valve for the political parties.

The water committee at the engineers union is an initiative from the union and voluntarily based. All the work at the union is voluntary. The water committee represents the union, internationally, regionally, and nationally. It arranges for training, conferences and field visits to promote public awareness on water projects.

Trust between the government and the public has been lost, and this is why the people do not believe any essay from the government. The number of attendees is higher when we invite the public to activities at the union, than when the government (Ministry) invites the public for meetings. This is something to do with the political roles and position and transparency. The Government should represent the public (elected by the people) but here the Prime Minister is appointed, the ministers are appointed. Anything that opposes government opinion would not be published. Those people are not appointed until they have shown a certain mentality that agrees with what the government says. The Minister of water and irrigation would not be able to say what I am saying now. “There is moodiness but we do not have institutionalisation.”

16 The interviewee’s name is kept anonymous
In Ghana, as the table on the index of democracy shows, citizens have more space and liberty. Generally in Africa, political parties tend to proliferate along the ethnic lines that shape African societies (Ekeh, 1975; Hydén et al., 2004). In Ghana, the interviews show that political parties have a clientelist character and public elections are not based on the political agenda of the candidate’s party but rather on personal relations (Amenga-Etego, 2009; Korley, 2006). As discussed in Paper II, politics of clientelism in this case have been one main constraint to good water governance because politicians appoint officials according to their political identities and patronage relations, but not based on competence. Amenga-Etego (2009) explained how election and voting processes work in the real life context of Ghana:

"...People do not vote on issues or capability of a person to parliament. Roofing sheets, bags of rice etc can easily be used to “buy” votes or influence people’s choices to win a parliamentary seat. I can imagine that in another 100 years to come or even less, ones’ bags of rice or roofing sheets cannot buy one a vote because by then a lot of people will be able to read and write….. In reality, we have democracy in form, not in substance"

To enhance water services, the water utilities of both Amman and Ghana integrated international private operators in the management and operation of the water utilities.

The phenomenon of proposing policy solutions without a prudent prior examination of the contextual socio-economic and political variables is not a new trend. The one-fixed policy solution characterised structural adjustments programs in the 1970’s and the 1980’s. This type of blueprint policy has been under criticism from the perspectives of institutional, policy and planning. According to the theoretical premises of planning experts on wicked social problems for public policy, solutions have to be proceeded by careful analysis based on a “world view” understanding of the problem and its roots (Rittel & Webber, 1973). If the inefficiency of water utilities were to be carefully examined, and an institutional analysis done in order to trace the root causes of inefficiency, it is likely that these root causes would differentiate the Amman case from the Accra case. The contextual analysis in each case would also be likely to generate more solutions than would the participation of the international private sector in the form of management contracts. Institution theorists stress that proposed policy solutions should be analysed carefully to consider whether they fit or do not fit into the institutional setting, in order to shape desirable outcomes (North, 1991, 1993; Ostrom, 2005). When inappropriate policy is implemented, entangled problems are likely consequences (Williamson, 2000). Political scientists also warn against universal policies. Barber (2004) and Mouffe (2005) strongly argue that there are no such universal principles that are applicable in politics and that political truths are only found in the course of experience. According to them, there is always a chasm between political knowledge or judgment that is learned in the realm of action and political philosophy.

In the Amman case, the decision-making process of privatisation of the Amman Water Utility went smoothly, without any social challenges. As discussed in Paper I, the process was exclusive and involved only consultations with the WB and the responsible Ministry. In contrast to the Amman case, the decision making process in Accra was more inclusionary, but took on a hostile character. The national coalition against privatisation, NCAP-Water, strongly opposed the government policies of commercialisation and privatisation on many occasions and at stakeholders’ meetings. Although the consultation process was power-laden and could not be carried out in a civic manner, the coalition
against privatisation influenced the decision-making process and distracted the government’s and donors’ efforts to lease the water utility (GWCL) to the private sector. Instead of a lease contract, as initially designed, the private operator was awarded a management contract.

6.4 Has Water Supply Governance Been Enhanced?

The following sections discuss and analyse governance aspects at different institutional levels within the developed institutional framework presented previously.

6.4.1 Water Supply Governance in Amman

At the Government and Planning Level

As pointed out, the policymaking processes by the Ministry of Water and Irrigation (MWI) were carried out in an exclusive manner, integrating the WB and the Ministry. Interviews that followed the writing of the paper on the Amman water utility validated the exclusive character of the policies that were created. The operational implication to the exclusive policymaking, one can conclude, is that planning activities in a real sense are likely to be lacking in that situation. Instead of proposing policy solutions, planners should be coordinating with donors on the implementation of government-made policies.

One of the interviewees described water sector reform policies as follows:

“Water reform strategies at the ministry began in the 90’s. It is with a sense of regret that I have to say that they have been inviting participation from some public institutions that are perceived to be relevant, governmental committee members from the Ministry who eventually show themselves to be nothing other than ‘rubber stampers’. This committee is largely cosmetic, because the Minister is the one who decides, at the end of the day. The Ministry staff members are appointed, but none of them dares to open their mouths”.

At the Management and Administration Level

Paper I analyzes the governance aspects of the water utility as conceived by the WB, in terms of the principles of inclusion, efficiency, accountability and transparency. The analysis shows little evidence of good governance indicators. It was clear that there was a lack of transparency, exclusion of citizens from any consultations, absence of awareness programs, complications in the regulatory and cooperation tasks and accountability problems. Moreover, operational efficiency of water provisions appears not to have significantly increased, although the punctuality of the water supply rationing program has improved.

It can also be argued that the lack of accountability measures has encouraged behaviours of opportunism. The contract between the public and private operator was bonded for 4 years. The Water Authority of Jordan (WAJ) decided to team up with a state-owned company after ending the contract. This however was designed to be done over a one-year transition period, to secure the transfer of the management and operations responsibility to the new state-owned company. But this transition period was extended for another 17 months and then again extended for another two years. In the interview some questions were addressed to an employee at the WAJ regarding why the transfer of the management responsibility to the new state-owned company was postponed for such a long, unplanned period:

17 The interviewee’s name is kept anonymous
18 The interviewee’s name is kept anonymous
Question: Why was the management contract extended for such long periods, though that was not the initial plan?

Answer:

“The Lema Company was supposed to transfer the management duties to the new company, but no-one was willing to work on the preparation for a penny. The delay was deliberately created by some key persons at Lema (the private operator) to arrange for their future positions at the new company and secure themselves of high salaries of 4 to 5 thousands JD\(^{19}\) a month. Thus the management contract was again extended for another 6 months. Then Lema would work as a technical assistant for another 6 months according to the necessity of the status. Lema is now attempting to be a strategic partner in the new company, with 15% of the shares”.

Question: Does the French embassy have any role to play regarding this issue?

Answer: It is exerting influence for Lema to get the deal.

Question: How will Lema maintain the right to control the management if it only has a 15% share?

Answer: They have their own ways and means.

In response to the question of whether the private operator has been able to control the “wasta”, the interviewee avowed: “the issue of ‘wasta’ has not been changed and can not easily be vanished”. The word is Arabic and the term in practice means a form of corruption, but not in material terms. One person, for instance, can use his or her position to employ another person who is often not the most competent for the post, if at all competent. In turn, the person that is served in this way is expected to serve the former at a later stage. This has validated the analysis brought up in Paper I. In environments where corruption prevails, it is sometimes believed that the private operator would not be able to abate such behaviour. On the contrary, the private operator itself has been found to engage at times in corruption practices.

However the interviewee’s overall perception was that:

“It was good to handle the loan to a private operator. Otherwise the money would be misused. In fact it happened that the money that was received before was misused for private interests, he said.”

According to him, the people who did that were known and recognised, but instead of being dismissed, they were promoted.

As the interviewee mentioned, the private operator could not achieve the contracted performance measures. However, the private operator achieved the set targets of reliability of the rationing program for water supply and distribution, and most importantly, maintained a positive cash flow. Distribution of water supply has become fairer. Water supply is currently 46 hours in summer and 72 hours per week in winter time. According to the interviewee, a net profit in the cash flow (10 Million Jordanian Dinar) was achieved. Electricity consumption and pipe breakdown have decreased. Administrative transactions such as connection have become easier.

\(^{19}\) 1 USD is equal to 0.70 JD
Despite the clear deficiencies in water supply governance in the Amman case as being concluded in Paper I, two interviewees (actors) from Amman and Accra, Naouri (2006) and Ashon (2006) respectively, avowed that the WB refers to the privatisation experience of Amman water utility as a success story. On what kind of success or governance criteria measures has the Bank based its assessment, one has to ask; a question which still has not been answered in the study. Even from the perspective of “good governance” as defined by the WB, there are weak signs of good governance. However, one can only make assumptions. Unlike the privatisation experience in Ghana or other similar experiences, the privatisation of the Amman water utility went ahead without any public opposition, securing the interests of the private operator and the policies of the government. As for the private operator, the management contract did as they wished and they were not penalised for non-conformance on performance targets that they did not achieve, as discussed in Paper I. As for the government, apparently it managed to “kill two birds with one stone”. The water sector achieved a remarkable increase in revenue, while the government was able to respond to the WB conditionality regarding borrowing investment capital for water services projects. The government also has been able to distance itself from the discursive rise in tariffs by shifting the responsibility to the shoulders of the private operator.

The involvement of the private operator has not culminated in a genuine improvement in the governance or the performance of the water utility in Amman, where corruption and opportunistic behaviour continues unabated. Leftwich’s (1993) criticism on the narrowness and technical-character approach of the WB for the conception of governance underpins the paper’s conclusion. The Bank's analysis entirely ignores the fact that good governance is not simply available on order, but requires particular kind of political institutions to formulate, develop, implement and sustain legitimate policies (Hydén et al., 2004; Leftwich, 1993).

6.4.2 Water Supply Governance in Accra

The discussion here integrates a summary on the analyses and conclusions of Papers II and III. But this section also integrates and discusses the data collected from the interviews and the focus group discussion that took place in October 2009. The last round of fieldwork was integrated in later sections to assess the governance aspects of the GWCL, since the private operator began managing the water utilities around three years earlier.

The assessment of the deliberative policymaking process to resolve water supply problems illustrates that the process was hostile. Deficiency characterises the water governance process due to the entrenched positions of different interest groups, and the process was not conducted in a civil manner. The paper highlights the various institutional constraints and concludes that privatisation of the management and the operation of the GWCL per se is not the solution.

Actors in the process often lack the social attributes needed by deliberators that render them able to achieve effective deliberation. The process was also considerably distorted by power factors that underminded the development of governance capacity and the ability to operate as a collective actor. In the case of Accra, the less-powerful actors were not permitted to bring up their own solutions on how to govern their water supply system, thus weakening the stakeholders’ capacity to act as a collective actor. Advocates
of communication stress the importance of balanced power among deliberators, to achieve good governance processes.

Empirical work used in this paper also indicates that deliberation was not originally intended when the reform policies were embarked upon. But consultation with actors other than the state and donor actors was sought after strong opposition to the privatisation program was expressed by the public. These consultation meetings were described by the opposing groups as being “cosmetic”, with the goal of selling the privatisation option to the public. From this perspective, Flyvbjerg's (1998) critical stand regarding deliberative policymaking is relevant. He argues that communication is manoeuvred and used as a means to validate and rationalise certain outcomes. In such processes, Flyvbjerg (1998) affirms, rationality cannot be viewed in isolation from the power to maintain the interests of hegemonies and thus disregard the reasoning of less powerful actors in the process.

The interviews and the focus group discussion that were carried out following the writing of the Paper (II) show that governance aspects have become even more entangled and complicated by the plethora of players. The WB and the private operator are two new players. The actors in the process, including donors (GWF, 2009), consensually agree that the project of transferring the management and the operations to the private operator has not so far been successful. Amenga-Etego (2009) perceives that there will be no difference made even if the management contract is extended to 25 years.

The complications in the governance process will be discussed in detail in the following sections. But the most evident complications include the direct consequences of the mixed interpretations of the articles and the terms of the management contract, the lack of a database system about the connected households, unclear cuts in the division of responsibilities, blurred accountability measures, inadequate water for supply accompanied with lack of investment capital, mixed government priorities, entrenched bureaucracy and the uneasy relation between private and public actors that can be best characterised as rivals, but not partners. The overall analysis in the Accra case study shows some similar aspects with the Amman case, but obviously the issues are more complicated in the former case because of their different departure points and institutional settings. The discussion in the following sections will address governance aspects at different levels, corresponding to the institutional framework developed in the theoretical chapter.

At the Government Level

A media observer described the challenges of the government in regard to policymaking in general, and specifically in the water sector. The politicians in Ghana and other African countries, as perceived by Anamoah (2009), have difficulty taking bold decisions and when they do manage to do so, they cannot implement those decisions. According to her, the government is not able to set priorities in the right way for the country. However, she elaborated that the government cannot be blamed solely for this state of affairs because they do not have freedom with regards to decision-making, where priorities are decided according to the agenda of donor agencies.

Therefore the reasons that the government did not feel able to take up local policy solutions seem to be well understood by all of the actors. Most of the interest groups call for policy solutions to enhance water governance that do not deviate from the solutions that were proposed when the policy reform on privatisation was deliberated (Paper II).
Their proposed solutions emerge around an autonomous state-owned company headed by a state enterprise commissioner, who is assigned to achieve certain performance measures (Addo, 2009). The appointment of managers, Addo (2009) asserted, should not be based on their political identity and personal relations but on their level of competence. Amenga-Etego (2009) stressed governance aspects to enhance the operational efficiency and to put in place clear accountability measures. According to him, to be able to operate efficiently, the GWCL should decentralise its operations in the served regions, and also make the regional directors accountable. In this respect, Amenga-Etego (2009) criticised the government and said:

“Government only pays lip service to the issue of decentralisation because they know that it is what the people want. But they are throwing dust into people eyes. They are not truly decentralising. At best, they are delegating. The solution can only come through conscious national civic advocacy and agitation. The public might even march for it and take action. As far as the population is illiterate and votes on personality and not on issues, you cannot rely on votes to put in place a responsive government”.

In addition to the government’s inability to be independent and design legitimate policy solutions, other political factors crystallise to make the water utility operation and management even more complicated. According to the interviews, there are deep-rooted problems in the water utility affairs, related to work culture, corruption and political interference. As the main economist of the GWCL, Duah-Agyman (2009) vowed, in principle the private operator should be independent, but in reality this is not the case. He described how this works in practice and said, “If someone wants be comfortable, one may not step on the ‘big men’s toes’”. For different rationalities, as explained, the government cannot seriously devoid itself from the private company, even when it decides to delegate management responsibility to the private entity because of the government’s social responsibility (Addo, 2009).

**At the Planning Level**

The following sections explore planning for public policy to resolve a “wicked problem”, as discussed by many planning experts (Head & Alford, 2008; Rittel, 1972; Rittel & Webber, 1973; Skaburskis, 2008). It also discusses how planning may function or not function in the real life context of Ghana (Friedmann, 2005).

**Planning for Public Water Policy**

Personal communications with actors in the governance process of urban water in Ghana have proved that Rittel & Webber’s (1973) warnings were true, regarding policies for resolving wicked problems. Instead of being enhanced, governance aspects that integrated the private operator in the water utility management and operation for more than three years at the time of writing this thesis have become complicated and entangled.

Theoretical explanations for planning that deal with wicked problems are relevant to the case study of GWCL, despite the fact that planning as a profession is not functioning well. The attributes of the wicked problems of the GWCL that have constrained the utility in terms of providing improved water services were very well explained by an urban dweller living in the area of Roman Ridge who was targeted by the survey. When the survey was conducted in 2006, a lawyer was interviewed and asked to respond to the questionnaire addressed to the households in Accra. The urban dweller started to respond to questions while his notes were written. But he felt intolerant of the questions integrated in the survey because he wanted to say more than the questionnaire allowed him to say. His responses are worth

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20 When the survey was conducted in 2006, a lawyer was interviewed and asked to respond to the questionnaire addressed to the households in Accra. The urban dweller started to respond to questions while his notes were written. But he felt intolerant of the questions integrated in the survey because he wanted to say more than the questionnaire allowed him to say. His responses are worth
Box 3: How water governance is embedded in the wider institutional context

| After question (17a), the respondent stopped the student, questionnaire administrator, from continuing to address questions, and vented his thoughts. He said: |
| Look! What is important is to get it regulated. It is not the issue if it is private or public. Look at Britain, how they regulate their water! I am not in favour of any foreign. |
| Look at the Ghana airways, for example. It has been run by many foreign managers and it has fallen down. The problem is the left wing intellectual political party and their ideas. They are hypocrisy. |
| The poor also should pay for water they use. They do not pay taxes. Why should we beg on behalf of the poor? It is embarrassing when the Ghanaian workers have these fancy cars and still beg from the others while we have all the potential not to be poor. Have you ever heard about government paying workers when they go on strike? Here we pay workers on strike. It is not the government that should pay, but their unions. We can make the poor not poor when we make them responsible, and we make them responsible when they contribute and pay for what they use. |
| One electrician asked me for 1.7 million cedis for working one day and a half and I cannot ask him for a receipt. What kind of government is this? The taxi driver will ask you different prices if you are living in a high-class area or if you are a foreigner. |
| The workers are corrupt. People are corrupt. The whole system is corrupt. Do you know that I have been after the water utility to pay for the consumed water at my house? I have not received water bills for months. The Ghanaian worker at my house does not switch off the power when he leaves a room and lets the water flow wasted. If I ask why, his reply would be, “I forgot.” |
| The problem is with the mentality of the Ghanaian and the African. Would this happen in Sweden? We cannot look at the issue as “the government is not providing and the poor suffer!” The poor are not poor. Why do people not talk about this? Are they not intelligent? Are they not thinking? We will stay poor! We will not be developed and we will stay poor!” |

To clarify the wicked character of the GWCL constraints, let us illustrate why the GWCL is inefficient and unable to satisfy the demands of citizens to provide improved water services. The inefficiency of water utility in this case is more problematic than in Amman. As revealed by personal communications (Paper II), the water utility is not efficient because it lacks capital to invest in the water project. This is because of politicised tariffs and thus inadequate revenues. But also it is because of incompetent management staff, unmotivated personnel, and a very bad attitude from and lack of discipline among workers. The incompetence of staff is due to political interference in the appointment of directors whose appointments change when the government changes. Other factors contributed to the inefficiency of the water company, such as the aging water system and high losses of produced water, unplanned urbanisation combined with a lack of institutional coherency, lack of political will and commitment, centralised government, prevailing politics of clientelism and corrupt behaviour, etc. According to reading in this study, as they reflect how the constraints to good water governance are wicked problems that require a thorough institutional analysis, rather than just changing the operator.
the analysis in Paper V, the politics of clientelism and corruption are products of the interaction of African societies in general and hegemonic external factors (colonisation) that reside in a time span of hundred of years. Where to stop and how to demarcate the boundary of the problem? As illustrated, there are no stopping rules which help us to understand and define the structure of a wicked problem (Rittel, 1972; Rittel & Webber, 1973).

Instead of analysing the context and the institutional setting that envelop the water utility which has yielded these undesirable outcomes, development actors led by the WB reduced the whole context, conceiving that the solution would be to replace the public with a private operator. Water supply governance in this sense was scaled down to the utility level and the solution was presented as if the water utility had no institutional linkages with its wider political and social system. These institutional linkages play a determining factor in its overall and long-term performance. Development agencies decided to deal with the symptoms of the problem at the lowest level, overlooking the root causes of the problem, which reside at a higher level that may also extend a far way back in time. As Rittel & Webber (1973) stress, the cure would be not to treat the symptoms but rather to treat the causes at the original level. Addressing the problem at the lower level, he adds, may culminate in making things worse and may make it more difficult to deal with the original problem. Marginal improvements, as he emphasises, do not guarantee overall improvements.

One must be aware of the background of intervention policies (discussed in detail in Paper V) to understand the repercussions of the possible failure of policy and how this experience may crystallise in the collective memory of the public. In policymaking, Rittel & Webber (1973) warn against trial and error in public policy, and underline that it should not be subjected to experimentation. Many researchers and scientists warn that cautious measures should be adopted with regard to interventionist policies by the aid system in the context of an African country like Ghana. See among others (Ekeh, 1975; Matthew, 2005; Osaghae, 2006; Reed, 2001; Whitfield, 2006).

Whitfield (2006) refers to Rudolf Amenga-Etego, the NCAP-Water leader who asserted through a radio programme with regard to the fight against privatisation of urban water,

“Foreign private sector participation is associated with a regression back to colonialism and perceived as an impediment to development; development is about developing our own capacity to manage our enterprises”.

By a similar token, to explain the fragility of the Ghanaian state structure due to dependency, Anyormi (2007) emphasises that,

“None of the nationalist governments that succeeded the British colonial rule was able to chart a clear development agenda different from the structures and institutions on which colonial rule was built”.

Using the urban water reform as a case study, Whitfield (2006) concludes along the same lines that the donors, due to their financial contributions, have semi-institutionalised their roles in the design, implementation and monitoring of government programs and policies. Related to this point, briefly Yeboah (2006) summarises the state of affairs of Ghana’s policymaking as never having been set free from the culture of dependency on foreign finance and expertise. Thus political institutions, as Anyormi (2007) describes,
remain weak and severely restricted in terms of legitimacy, authority and power to stimulate change.

Inappropriate policies may generate waves of undesired repercussions that are in themselves malignant problems. The consequences of such policies are irreversible. Policymakers should also not overlook the fact that the two waves of structuring adjustment programs in the 70’s and the 80’s ended up in policy failure (Gustafsson & Koku, 2007 ; Leftwich, 1993; Reed, 2001). As avowed by the NCAP-Water, these political experiences are, to a substantial extent, the reasoning behind the fight of NCAP-water against privatisation of water services and donors’ reform policy. Given the socio-political background in Ghana, one can envisage the magnitude of the viciousness of generated consequences if water governance policy fails. This is likely to validate the public’s perceptions regarding donors’ policies as being extensions of the colonial rule, and maintain the public’s outlook regarding the weakness, illegitimacy and dependency of its own political institutions. As a result, this is likely to weaken local capacity and thus consolidate the culture of dependency that already exists.

North (1993) explains convincingly how these experiences shape societies. The outcomes of an experience, he lectured in Memory of Alfred Nobel, redefine the individual’s mental model and constitute a source of the perceptions, ideologies, dogmas and beliefs that underlie the decisions humans make. When an experience is shared among a large segment of the population or the society as a whole—as in the case of implementation of a public policy—the experience is likely to reside in the collective memory of a society. North (1993) emphasises that unified ideologies, dogmas and belief systems constitute the means for the intergenerational transfer that explains the path dependency of social norms, behaviours and institutions.

Institution and political scientists affirm that altering social institutions is not an easy process because they are characterised by resistance to change (North, 1993; Pierson, 2000; Putnam, 1993; Schon, 1971). It is because of all these repercussions that a society may be constrained. The WB and donor agencies should be democratic, be held accountable, and should review their interventionist policies, which are currently based on notions of universality and often subjected to some sort of conditionality. Schon (1971) and Pierson (2000) and Ostrom (2005) warn against the rational myth of intervention and drawing simple, easy conclusions in policy analysis. Regarding the same issue, Barber (2004) and Rittel (1972; Rittel & Webber, 1973) warn against universal principles and abstract reasoning in politics. According to Barber (2004), the political condition is engendered by history, circumstance, and context (Barber, 2004:131). He refers to Rousseau who himself warned against “the multitude of misfortunes” that can be traced to “considering certain general maxims without attending to circumstances, to time, to places, to conjectures and to actors”. Barber (2004) concludes, “If we do not attend scrupulously to these, the medicine of today becomes the poison of tomorrow.”

Planning in the Real Life Context of Ghana

The analysis shows that planning for designing policies that improve water services can be described as a crisis of planning. As previously discussed, tracing back the root causes of the problem regarding why the GWCL is not efficient can be linked to the wider political institutions and the culture of political dependency on donors’ funds and expertise, and the weakness of the state. Planning activities have been slow, incoherent and lagging behind urban growth and not able to cope with urban changes (Addo, 2009). But how can planning work when politics are based on clientelism and personal relations,
political instability, a weak and illegitimate state with confused priorities that is dependent on outside funds and expertise. Addo (2009) describes how planning activities have been in consistent deterioration:

“When I was a small boy, letters were sent by post boys; houses were named and numbered for the letters to be delivered to. But when the towns were growing bigger, the planning agency could not contain the situation. House numbering became ineffective; the post delivery staff got things out of their control. Planning agencies could not cope up with the rate of urban change and everything broke down. And when you want to start it now, then you are overwhelmed. When we (the Ghanaians) were growing, the agencies and the organs were also growing. The gap was better to manage. But when you continue to slow down, then you will be overwhelmed. Now, we are overwhelmed by the vast differences between the growing rate and the planning capability. So sometimes, we even cannot tell where the problem is coming from”.

There are other factors that constrain the functioning of planning in a real sense. Regarding the reform policies of the GWCL, planners at the corporate planning department could neither promote what they envisage as appropriate reform policy nor challenge the power of donors to enhance the governance of water supply (Ahaligah, 2006). Huxley (2002:152) recognizes the issue of exogenous control on planning. She recognises well the constraints of policy discourses on planning and says that “planning theory has to confront the inescapable aspects of control that accompany liberal strategies of ‘governmentality’”. What can planners do in a context in which they themselves feel oppressed? As Nkrumah (2006) asserted in an interview, civil servants fear being victimised, if they act against the wishes of their chiefs at working places in Ghana where they are not protected by a well-functioning democratic system.

At the Management and Administration Level
There is wide agreement among stakeholders that contracting out the operation and management of water supply has not been successful and has complicated governance aspects at the management and administration level. They addressed various problematic areas, which are discussed henceforth.

Public-Private Partnership
The claims of the PPP and the benefits of enhancing the governance aspects of the water utility assumed by the international policymakers have faded away. The GWCL “grantor” and the private operator AVRL “contractor” work as rivals rather than partners (Duah-Agyman, 2009; Kotei, 2009; Martey, 2009). As described by the PURC director, “it has not been a smooth sailing business between the GWCL and the operator.”

The reasons for this situation seem to be well understood by most of the different actors. The WB through the government made public claims about the superior efficiency of the private operator, as compared to the GWCL, in order to defend its public policy and justify bringing in the international private operator (Whitfield, 2006). As Apoya (2009) noticed, the WB was willing to do anything to make sure that privatisation took place, based on the assumption that “public” represents inefficiency and corruption. The management of GWCL was portrayed as useless (Amenga-Etego, 2009). Bearing this in mind, the management staff and the water utility workers of the GWCL have felt that if AVRL succeeded, then proclamations about the inefficiency of GWCL would be validated (Kotei, 2009; Martey, 2009). The government from the beginning failed to make the GWCL feel part of the process, and to make it perceive the AVRL as a partner
entity with which to work together (Amenga-Etego, 2009). Therefore GWCL did not feel motivated to operate in a way that contributed to the success of AVRL (Ntow, 2009), because it was felt that the private operator would take all the glory. As the director of the PURC explained, it is just like a football game, where the one who scores is glorified, but no-one thinks about what the coach’s contribution was to that success.

The director of the PURC sadly elaborated on the relation of the GWCL and the private operator (AVRL) and stated:

Tug

“Unfortunately, it looks like there is a tug of war between the two managements. The management staff of GWCL and that of AVRL are not able to sit down and resolve the issues on the table. It is like both parties have taken entrenched positions; I am standing here and you are standing there. GWCL is just watching AVRL to fail; they are not bothered if AVRL fails. So we (the GWCL) will take back our company”.

This may be what prompts Addo (2009) to conclude that:

“The contract itself as it was written could have been working well, but the human factor has also been a problem. The relationship between the operator and the grantor is facing certain challenges that came up in terms of the administration of certain parts of the contract which has not gone down well with the whole project and these could be some of the reasons why I (Jerry Addo) believe the whole project has not been a successful story”.

The administration of the management contract between the two assumed partners has also been characterised by persistent instability. The continuous changes in management staff from both sides, the operator and the grantor, has had a negative impact on the management and the operation (Addo, 2009). According to the political culture of clientelism, changing the Minister is followed by changing the managing director(s) of GWCL. On the other side, almost every year the private operator appoints a new Chief Executive Officer (CEO). Strong criticism was made regarding the ongoing changing of management staff by all the interviewees. The private operator constitutes only the management staff with the seconded staff coming from the GWCL. By the time a new CEO starts to understand the state of affairs of the management and operation aspects, the CEO changes position again, and leaves the country.

**Mixed Interpretations, Blurred Accountability and High Bureaucracy**

The interviews and group discussion show that the management and operation of the private operator have also been constrained by many factors that most times go beyond the territory of its responsibility and mandate (Duah-Agyman, 2009; Kotei, 2009; Martey, 2009). Mixed and confused interpretations of some statements of the management contract and their operational implications have been one hindering factor. Who is responsible for what is not made clear. For example, what it means to achieve a 5% reduction in water losses can have different interpretations (Duah-Agyman, 2009). Should it be 25% at the end of the management contract or should it be calculated in exponential terms? Another example of mixed understanding of the contract is the article that relates to the seconded staff from the GWCL to the AVRL. The contract stipulated that the operator would dismiss or appoint staff “in consultation with” the GWCL (Addo, 2009). But what does “in consultation with” mean? Does it mean that the GWCL has to give formal approval to the AVRL? Or does it mean that the AVRL has to inform the GWCL? What follows such a dismissal or an appointment process also has an impact
on the governance process. As Addo (2009), the secretary general of the PUWU explained, when issues like these occur, people put sentiment inside themselves and it creates a lot of inconvenience in working relationships in which every party blames the other.

In effect, as the media co-ordinator Anamoah (2009) noticed, roles became confused between GWCL and AVRL, and have complicated accountability issues. Ntow (2009) also described the process of ambiguous institutional arrangements and lack of clear demarcation of the responsibility of each player in the water supply governance. This has led, according to him, to duplication of effort and a waste of resources. To use the vocabulary of NIE, the unclear responsibilities created high transaction costs.

Bureaucracy and long procurement procedures that have to go through a central state procurement unit and are then securitised according to the procurement standards of the WB are other problematic areas. To make sure that the grant given to the government is judiciously spent, the WB insists on certain procurement procedures and mechanisms (Addo, 2009; Duah-Agyman, 2009; Kotei, 2009; Martey, 2009; Obutey, 2009). In the course of applying these procedures, bureaucracy becomes stronger than expected and achieving deadlines becomes problematic. For example, if a fault of equipment or a pipe is reported, procurements often take six months when it should take only a few days. Whereas the operational processes are the sole responsibility of the AVRL, the management contract entails the GWCL with responsibility for capital investment and procurement. As Martey (2009) highlighted, according to the contract, the GWCL is not obliged to follow what the private operator proposes.

How such fragmentation of responsibilities was assumed to serve efficiency measures, when the contract was designed by the WB’s experts, one can only conclude that it has no clear basis of reasoning. Or how does the contract make any sense if it holds the private operator accountable before the public operator when the later is replaced by the former for claimed efficiency measures? In effect the operator does not have a free hand to manage what he has been mandated for. Keeping in mind the background of a prone rival-like relation between the two, the aim of operational and thus economic efficiency becomes an unattainable outcome.

**Legacy of Unfortunate Policies**

The most striking aspect that has complicated the water supply governance process is the deficit of produced water to meet the demand, due to a lack of water treatment plants. This issue has culminated in drastic consequences that may not be easily remedied. The two treatment plants, Weija and Kpong in Accra, can only produce one hundred million gallons of water daily while the daily demand is about one hundred and fifty million gallons of water (Martey, 2009). As Martey (2009) questioned, who is supposed to bridge this gap, and how can this gap be bridged? The contract allows only a very marginal expansion of the system. By mandate, the capital investment is the responsibility of the government through the GWCL. To be able to manage and distribute the produced water, the operator has applied a rationing program that endows every household with access to water for a limited time, for survival (Duah-Agyman, 2009; Martey, 2009). The soft water scarcity has provided incentives for illegal access and opportunistic behaviour. Opportunism is a deceitful behaviour intended to improve one’s own welfare at the expense of others (Ostrom, 2005: 51). When water delivery is scheduled to a specific area and because of low water pressure in the network, individuals install light pumps to draw the water to their own reservoirs, whilst depriving others. It can be assumed that tracing
illegal connections entails immense transaction costs that impact on economic and operational efficiency.

The initial planning for the water sector reform recognised the need to build new treatment plants to increase the supply, before the commencement of the private operator (Akomeah, 2009; Duah-Agyman, 2009). This, however, was not done. What can be assumed from the knowledge of the background of the initial privatisation program is that construction of new treatment plants was an issue at stake when the government and donors were considering the lease contract. But when the form of private sector participation was altered to management contract for reasons discussed in Paper I, the priorities changed. Seemingly these projects were not ranked as a priority due to lack of capital investment that was assumed to be brought by the private sector through the lease contract. As Whitfield (2006) writes in his article or as Apoya (2009) from CONIWAS asserted in the interview, the WB was desperate to implement private sector participation. Whether there was adequate water on the supply side to meet the demand occupied a least importance rank on the policymaking agenda of the WB.

The government could finally secure a loan to cover the needed investment capital for the expansion of water treatment plants. However, the funds were redirected for soft-hydro electricity when Ghana faced the crisis of energy (Duah-Agyman, 2009). Regarding this issue, Jerry (2009) commented on the state of affairs and said that almost all public sectors in the country, including education, health and water, have problems. All public organisations have to compete to fulfil public demands and thus everything becomes a priority.

Maybe one of the most tricky problems the private operator has to face is the water losses in terms of illegal connections and non-revenue water that aggregated the water scarcity in the supply system (Akomeah, 2009; Duah-Agyman, 2009). Before, as Martey explained, commercial and domestic users were charged the same rates based on estimates for the number of persons in a place. Mandated by the contract terms to decrease water losses and increase revenues, the private operator has started to model organisational customers. Usually the water supplied to public institutions, ministries, hospitals and organisations alike was paid by the government. The workers of these organisations reside in different places and their water supply invoices are paid by them. But the University of Ghana has different arrangements for accommodation and payments for water. Unlike the former institutions, the campus of the university is where a large community lives, including workers, students and teachers, and they are all connected to one bulk meter. The bills of consumed and registered water by the bulk meter are being paid by the government with no control on water consumption. University occupants, as the principal economist Duah-Agyman (2009) at the GWCL asserted, were able to misuse water and even leave the water flowing from the tap. Recently the government also noticed that the bills of the university were starting to skyrocket. To resolve this issue, the GWCL has started to model all the offices, students’ and lecturers’ accommodations to connect them to different installed water meters. Other public organisations such as the police, the military, the prison, etc have the same arrangement of accommodation and payment method as does the university.

This is neither the end of the story nor the most devious part of it. In recent years, drinking bottled or sachet water has become common, as a result of the growing water industry that was ignited by policies of commercialisation and privatisation in 2004. Before that, the public used to drink water from the tap (Akomeah, 2009). Obviously the
demand for drinking water created market incentives for wealth-maximising individuals living on the campus to be engaged in a water business that had almost no initial cost. Occupants of the university and similar organisations, whose bills are paid by the government, as Duah-Agyeman (2009) declared, produced bottled and sachet water in their bedrooms, through illegal access to the water network and infiltrating the piped water. The only equipment that they needed was a pump. The paradox is that those individuals moralised their illegal commercial operations in the name of assisting people to access water (Akomeah, 2009).

According to Duah-Agyeman (2009), this business started because there had been a scarcity of water in the water network. As also pointed out by other interviewees and participants in the focus group discussion, there was a severe deficit in the water supply due to the small capacity of water treatment plants. Whereas the scarcity of water seemed to be a reasonable cause for explaining the water business, one can still argue for the opposite. The created scarcity of water in the public supply network due to bad governance, by not investing in expanding the water plants, together with market incentives, created inducements for wealth-maximising individuals to illegally draw water and be engaged in the water business.

The commercialisation of the water supply has created incentives for water bottling industries such as Coca-Cola. Water business companies such as Coca-Cola had easy and inexpensive access to publicly produced water from the GWCL, based on having the same priorities as domestic urban dwellers and the ability to pay for water at once. In Ghana, there is no policy that gives priority to municipal users over commercial customers (Duah-Agyman, 2009). The decision about whether water should be provided to citizens or to commercial users depends only on the discretion of the manager (Duah-Agyman, 2009). If the manager is a public entity that is constrained by the lack of revenues to run the utility or a private entity that has the mandate to increase revenues, one should expect that the decision would favour commercial users. Water business companies do not have their own treatment plants and find it economically feasible to buy water from the GWCL. The water withdrawn for the companies has culminated in aggregating water shortages in the public pipes. Thus the larger the water business, the more scarce the water supply in the pipe system becomes.

The growing drinking water market has similarly stimulated business incentives for individuals as well. Occupants of the university or similar organisations where their bills are paid by the government have incentives to establish small business activities and produce and fill water to meet the growing market demand. The scarcity of water became relatively vigorous after 2004 because of the growing water industry that was mobilised by the reform policies of commercialisation and lack of appropriate policies. Additionally, policies of commercialisation created a conflict of interest within the GWCL itself, regarding the government’s proclaimed social responsibility.

The water market industry has been consolidated by social norms of the Ghanaians. In a country like Ghana where 50% of the people are poor; how can a water industry flourish when the people that are better off are well served by publicly supplied water? Addo (2009) and Anamoah (2009) offer a reasonable explanation. People do not complain about the price of water when they buy it from a private entity but they do not tolerate prices beyond certain limits when the water is supplied by a public entity. The conclusion is that the claims of inability to afford public water supply seem to be exaggerated.
problem of affordability is related more to the collective public perceptions that services provided by the public sector should be provided at low prices.

**Workers’ Behaviours and Norms**

To justify and rationalise the privatisation of water services, the utility’s workers were viewed as being the most corrupt workers of public organisation when compared to other similar organisations (Anamoah, 2009). One of the main arguments on PPP (*Paper II*) is that the private operator is expected to spread a working culture, altering the existing work culture and undermining corruption.

Apparently, the interviews show that the private operator has not been able to stimulate the perceived changes. Apoya (2009) referred to the human factor as an obstacle to change. For him:

“The mindset of the staff is not oriented to accept change to modern ways of doing things because the staff attitudes are shaped and passed through years and years of neglect. But the private operator, as Apoya asserted, did not know that they were coming to meet a culture of workers that is not easily amenable”.

The secretary general of the public utility workers union (PUWU), Jerry Addo (2009) recognises that the attitudes of workers at the work place have been part of the problem in the management of the utility. But he also emphasised that,

“Human beings are corrupted by what exist in their environments and do not easily change. Every organisation has it inherent problems. When an environment changes human beings do not have any other options but only to whip into line and change their behaviour”.

The attitude of the workers is not only the attitude of the workers in GWCL, but it is the attitude of the Ghanaian workers in the ministry and everywhere else (Addo, 2009; Anamoah, 2009). Addo (2009) elaborated on this to make his point clear and said,

‘The workers’ attitudes depend on what kind of administration and regulations are at the top. There is a difference between writing regulation for workers to read and putting the regulations into practice. “Missions” and “visions” are not achieved by just writing them. Those are “window dressing”. Regulations are achieved by instating certain arrangements, certain policies, and by making sure that people will apply. When they say workers are bad, I accept it to some extent. But what makes them bad is the system and this is the issue we should address’.

On the system of the work culture in Ghana, Amenga-Etego (2009) addressed relevant remarks about the arguments discussed in *Paper V* that sheds light on the relation of the public to the state. Amenga-Etego (2009) stressed that one must have a work culture that makes workers respect public property and treat it as their own. According to him, this culture does not yet exist. As he explained,

“In Ghana and cases in most ex- British colonies we did not feel the state was ours. So to us, state is like a foreign state and public property is not our property. Now, after 50 years of independence, we ought to be changing. And one of the ways we can change is to give our workers an opportunity to work in a different working environment. I do not think the Swedish worker will feel like the state is not his/hers, because Sweden has a different history”.

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One can possibly conclude that a trustworthy or intimate relationship between the government and the public is a necessary condition for good governance. As Korley (2006), the assembly member, pointed out in an interview,

“Generally in Ghana people do not deal with information and regulation of the governmental agencies seriously and when they do not take it seriously, then there is a problem.”

Economic Organisations: What Determines the Efficiency of the Private Operator?

The conclusion so far from the discussion on the management and operation of the GWCL is that the private operator could not make any tangible positive improvements. The private operator may have the knowledge and experience of running water utilities but how to apply this knowledge has gone far beyond its capacity and its own institutions. The institutional constraints to efficiency of water utility are discussed in Paper II. North in Kobonbaev (2001) addresses this issue rightly when he stresses the primacy of institutions to enhance economic performance. Without a national policy framework for an institutional setting that creates an environment for the efficient management and operation of water provision, the private operator is likely to fall short of any substantive improvements. Addo (2009) reflected on the difference between theory and practice and said:

“You can come out with very fine theories. They are good. They give a guide, but whether you can put them into practice is another thing. Some of these foreign companies come here thinking they can perform better only to find out that it is not so. Because they come from places where everything is available and they come here to discover that everything is improvised, sometimes due to the mercy of the Lord. And they wonder how you manage it. So instead of getting things right, they get entangled and know there are problems that they did not expect. These are the real situations and that is where I am always coming from. Yes, let the ideologies be there. Let the political incantations be there. Let the bureaucratic and academic issues be there. And there are real situations. Lets us talk about real situations, and that is where the problems are.”

Apoya (2009), the director of CONIWAS, showed an understanding of the unfortunate situations and the huge responsibility and years of neglect that the private operator has to deal with. According to him, the operator is mandated to achieve specific performance targets regarding certain measures. But achieving the targets depends on the level of improvement in infrastructure construction and investments that the GWCL or the government will undertake. The power supply is one clear example. Interrupted power supply to the water treatment plants has been a problematic area to meet the municipal demand for supply. What can the private operator do to secure a consistent power supply that is beyond his business sphere and territory of power? The water utility is nested in a web of institutions in which their operations are entangled. Enhancing water provision cannot be thought of in terms of only changing the operator, but via a national coherent policy that address the whole institutional framework affecting the provision of public services.

Thus, this reasoning is understood when Apoya said (2009), the private operator could not achieve consistency of water flow and distribution and the performance measures of water losses. According to him, water distribution in general had deteriorated and water losses had increased from 48% to 50% due to illegal connections and leakage. The
operator however argues that the baseline to which these targets are compared is not precise, but was based on estimations because of inadequate metering measures of water (Apoya, 2009).

Maybe the private operator can be blamed for one main issue. A successful management and operation stipulated by the management contract require a careful examination of the local setting. This could be important if the private operator will bear the risk of financial or imago losses. But why should the private operator go through such costly examination when it will not bear any risk in terms of financial losses? The issue of no-losses was crucial to the private operator from the beginning as the first managing director of AVRL, Groot (2006) asserted previously.

Reflecting on the importance of the local institutional setting to provide and improve water services, the director of the PURC, Kotei (2009), explained,

“Water production is not just about engineering. It’s about public relations. It’s the social affects of it. But we forget and say engineering. It’s not good. One thing too is that, each country has its own peculiar problems about water. So whoever comes to manage water here must be familiar with the territory to which they are coming. The problem we have here are not the same as those they have elsewhere, so they must understand the issues in the ground to be able to work here properly. If not that, you (the private operator) may try to solve problems in a simple way as it is done in your country, but over here it is a more complex problem”.

The private operator could not work within an autonomous framework where the operator can set the rules of administration and management of the GWCL to achieve the performance targets. Bureaucracy in procurement procedures is one clear example. Accordingly, to set up certain and appropriate policies and a clear division of responsibility and accountability measures, the government could set the rules for making progress by the public and private partners (This framework is discussed in detail in Paper IV). But these are the same constraints that did not allow the public utility in the past to enhance performance and make the GWCL fall short of providing water to all urban citizens.

The rules applied within the same context to produce the same service have allowed other private entities to develop and make progress, such as the Coca-Cola Company. It was not planned to discuss the water industry business in Ghana but, through the interviews and discussion, the interviewees addressed a few related issues that were deemed worth bringing up to explain how the performance and efficiency of private actors is determined by the policies in a place.

As mentioned before, there is no policy in place that gives priority to the allocation of water for municipal users over commercial users. The management contract instead of focusing on the operational principles for the augmentation of the water supply; focuses on the revenue; how to generate high rates of revenue, as noticed by the principal economist in the corporate planning department. But it seems that the lack of such a policy was designed on purpose. As Addo (2009) explained,

“The water industries are made to pay more, to subsidise the domestic. Giving the water supply priority to domestic implies that the water utility will be grappling with arrears of tariffs and not be able to generate adequate revenues. So when the water utility, for example, have a target revenue of 1 billion, the utility can sell water to the
big companies for about 30% of the 1 billion and get the revenue in one single payment. But selling to the domestic users and chasing them for the rest of the targeted revenue is not an easy task”.

But if this cross subsidy mechanism between water users has its legitimate reasoning from the government side, why then is the government not transparent about revealing the subsidy mechanism to the general public and engaging it to find a more legitimate solution on this problematic issue. The personal communication with Amenga-Etego (2009) however, shows that the opposite is happening.

The main pipeline that connects Teshie township is basically diverted to feed the Coca-Cola plant. The information raised an alarm, but the government denied the whole issue and said that it was not true. An investigation by civil society groups revealed that the information was true and that Coca-Cola was using more than half of the water that was supposed to go to the township. To absorb public negative perception and sentiments, Coca-Cola donated money to support GWCL and to put up overhead tanks for that community to use. So when water is short, the water tanks with rationed water should go to the community. But the withdrawing of water from the public pipelines for Coca-Cola’s uses has not stopped.

Amenga-Etego (2009) criticised the water business companies for using public water and said,

“If Coca-Cola is interested in selling water to those who can buy, then it should construct its own treatment plant to produce water and then bottle it and sell it without regulation. But how can water bottling companies take the Ghanaian treated water and put it in a bottle and sell it for profit when the community does not even have enough to give to its kids?”

Amenga-Etego (2009) has two main points of reason regarding the apparently contradictory sayings and actions of the government.

“One of the reasons is an issue of power. Multinational companies wield so much power and influence. The other is that the Ghanaian government is helpless. Coca-Cola is so influential that it can get our governments to do what they [Coca-Cola] like”.

Social Organisations: The Civil Society as NGOs

The interviews show that civil society organisations in Ghana are formed in response to exogenous factors and act after their own personal agenda and private interests. Their agenda however is formulated according to the donor’s agenda and priorities. Amenga-Etego (2009) explained how these organisations are formed and integrated in different development and advocacy projects. Donors often invite civil society groups to bid and make offers regarding the handling of projects, for example on water and sanitation, gender issues, or child rights issues. According to the set up of the donors’ agenda and invitations, civil society groups make proposals to handle the projects being offered. Through what is called partnership funding, for example, the EU has been supporting projects on governance; the United States Agency for International development (USAID) has been supporting other projects focused on water and sanitation issues and advocacy and gender balance in the management of households (Amenga-Etego, 2009). Addo (2009) reflected on the activities of NGOs and said:
“Their survival depends on what proposal is written and to whom the proposal is presented and how the proposal is assessed. According to the workable rules of engaging civil society groups, whoever has the funds can set up the priority of issues that need to be addressed. Civil society groups can either take or leave it. Therefore according to donors demand for groups to handle development or governance projects, NGOs only take advantage of what the issues are and make the best out of it. Sometime people even start NGOs based on the hot issues at the time”.

These projects do not necessarily serve synergic purposes nor are they designed coherently in order to achieve synergy regarding the purposes of donors’ projects. Martey (2009), the public relation manager at AVRL, noticed that members of the NCAP-Water who are still vibrant take advantage of every occasion to call for the abrogation of the management contract, and never attend the arranged discussion meetings about the implementation of the management contract. They are not interested in civil discussion on the problematic areas affecting water utility but they have an interest in fighting against private management. Martey’s interpretation is that

“They only do this to source finance from donors for they are fighting against privatisation in Ghana. They do conferences and invite the media and take media clippings and recordings of interviews and then send them to donors for money (i.e. funding)”.

Addo (2009), the PUWU director, and Kotei (2009) gave a similar interpretation on the actions of civil society groups. Addo’s words describe them as a watchdog “sniffing up the hitches”, not necessarily in a positive context, to have an objective assessment for the water projects. Addo (2009), however, showed an understanding of their actions:

“I can understand where they are coming from; they have to justify their existence as an NGO to be able to get funds for what they are doing. You know that the NGO gets funds from donors and it has to prove that it is working. Sometime they blow the issues out of proportion”. According to Addo, “you tell them what to do and they do it because they want to have an earning; it is not that they believe in it”.

Interviews reveal that the NCAP-Water has lost its national base and that the organisation is not as present as it was before (Amenga-Etego, 2009). Some of the civil groups argue for abrogating the management contract, but not for objective reasons. One of the coalition’s active members has been able to link up with Public Services International (PSI), representing public sector unions globally that are in principle against privatisation. Thus he could access travelling and other opportunities that he would not be able to otherwise enjoy. According to Amenga-Etego (2009), this member is more recognized outside Ghana than in Ghana itself.

In Ghana there are about 100 active NGOs working in the water and sanitation sector (Amenga-Etego, 2009; Apoya, 2009). How the activities are coordinated, structured and engaged is not clear. In theory, the CONIWAS is set up to organise the different perspectives that different NGOs hold, refine them and present them to the government. In practice, this apparently is not happening. Water Aid and CONIWAS seem to be more open to donors and government policies than other civil groups. Other civil groups have taken entrenched positions against privatisation and have not been concerned about playing an objective role in the monitoring and assessment of the governance processes of water supply (Addo, 2009; Amenga-Etego, 2009; Martey, 2009; Ntow, 2009).
Ntow (2009) from Water Aid asserted that his organisation has been engaged with joint projects with AVRL, regarding community engagement in the management of the supply of water. People, as Ntow emphasised, make use of water sucker pumps to illegally draw water in areas where they are not supposed to do this. Thus Water Aid is working closely with communities to reduce these kinds of losses. But how these patchy coordination activities would be able to change human behaviour and enhance governance at the level of communities without formal arrangement that can be applied to all communities is not clear.

Amenga-Etego (2009) addressed critics of the approach of engagement of NGOs in the policy dialogue regarding the governance of water supply. He pointed out the fact that donors contribute about 90% of funding in the water sector in this country. Only after agitation, donors in the first Ghana Water Forum that was held in October 2009 granted one person the right to participate, representing civic groups present at the meeting. Out of a list of over 100 NGOs working in the water sector, only the director of CONIWAS and a representative from WaterAid attended the forum (Figure 8). WaterAid was also a sponsor of the held forum. The meeting, Amenga-Etego (2009) described in an ironic tone, “will be to look at themselves in the mirror”. In response to a question on the transparency of the policy dialogue around water supply, Amenga-Etego asserted,

“The development partners themselves do not have the moral right to demand accountability, because they themselves have not. The development partners in Ghana are currently headed by the WB, which is not very transparent. So how can they demand accountability?”

Figure 8: Ministerial and development partners roundtable, (GWF, 20-22 October 2009)

The Role of NGOs in Governance Processes

Papers III and V focus on the role of civil society in governance processes, often represented by NGOs. Paper III discusses and examines the validity of the assumed roles regarding the inclusion of civil society in urban water planning in Ghana to promote democratic performance and contribute to “good governance”. Paper V discusses the theoretically assumed roles of civil society that are often equated with NGOs in the development and democracy arenas. Both papers raise concerns about the assumed roles of NGOs. The interviews and the discussion with different interest groups consolidate the conclusions of the papers. The following section takes the discussion further on the role of NGOs in general and Ghana in particular, and highlights some issues in regard to
this case. In the Amman case study, no civil society groups in any form were engaged in the policymaking.

In the Accra case, it can be concluded from interviews with Martey (2009), Amenga-Etego (2009) and Addo (2009) that civil society organisations are not regarded as legitimate organisations that can represent or mediate public views or perceptions in civil policy dialogue. As described by Addo (2009),

“Most often NGOs take advantage of the weakness of the system. People do not have information and do not understand many issues. These things make most NGOs stride. Most organisations are labelled already by death sentence. Accusations have been placed on them”

If this is how the public view the activities of NGOs, then how can the NGOs in Ghana including those working in the water sector bring in sentiments of civil deliberation on common grounds? How can NGOs contribute positively in governance processes when their purposes are captured by private interests and defined by the agendas and the priorities of their financiers? These agendas apparently deviate from public representation in a true sense and therefore lack popular support. Are NGOs able to formulate, scale up and formally institutionalise desirable public policies? When their existence and continuity depend on external funds, they are likely to find themselves practising self-restraint in response to public demands and interests. Ostrom (2005: 276) asserts that “a process that encourages looking to external sources of funding makes it difficult to build upon indigenous knowledge and institutions”.

But most importantly, what are the repercussions of the interventionist policies supporting NGOs regarding the relation of the state with the wider society? How would this also impact on grassroots based organisations or on the country’s institutional settings towards a positive or negative sum of social outcomes?

Edwards & Hulme (1996) warn that donors will be unable or unwilling to support long term horizons of development, civil society organisations undermining local institutional development and governance capacity. Ostrom (2005) argues that while civil society organisations may be more effective than centralised government, the absence of supportive state institutional arrangements may impose as much of a threat to long-term provisions as the threat of pre-emptive governmental agencies. Others argue along the same lines that civil society may absorb state responsibilities (Van Rooy, 1998) and make state inefficiency a self-perpetuating reality (Edwards & Hulme, 1996).

Weak political institutions make civil society an alternative for social and political actions, but do not necessarily create a better situation. A comment was made by Hutchful and Shmitz about Africa in Van Rooy (1998) said: “in the wake of adjustment and privatisation measures, governments may see the voluntary sector’s role as a way to relieve themselves of public welfare responsibilities”. Taking into consideration that often civil society organizations are not able to challenge existing power structures, then one can argue that non-democratic governments are likely to favour these types of policy reforms. Because they are given the opportunity to distance themselves from being utterly accountable for the provision of social and public services and are able to diffuse accountability issues with other actors. Without clear accountability measures, actors can engage in various opportunistic strategic behaviours. Robert Bates, quoted by Ostrom (2005) explains the inefficiency of African policy by arguing that “inefficiencies persist
because they are politically useful; economic efficiencies afford governments of retaining political power”.

In general, grassroots movements come as a response to citizens’ demands for public and social services through informal public discourses uncovering relevant concerns and contributing to the resolution of problems (Kulynych, 1997). These discourses act as a warning system and communicate problems that must be taken up by the political system. Ward (1997) explains this issue further in relation to water services. When state actors lack the political will to comply with the state’s function of being responsive to citizens’ demands for their right to a fair share of water, grassroots organisations emerge to compensate and to lobby their rulers. The continuous and sustained pressure of grassroots organisations has the possibility to overcome politicians’ dilatoriness in recognising the problem.

Grassroots organizations are not likely to be able to compete with the externally funded NGOs if they have their own agendas. Moreover the work of nongovernmental organizations (NGOs) is likely to normalize these warning signals brought up by the grassroots initiatives to exercise an influence, which political leaders are obliged to conciliate (Ward, 1997:98). Thus the consequences will ostensibly be towards a negative sum of social outcomes. The work of NGOs may buffer the urgency to push and transmit public concerns to politicians to be processed, giving the public a grand illusion that solutions to their pressing problems are coming. Bearing in mind all the limitations of NGOs as discussed before, the function of NGOs is more likely to be an “analgesic”, but not a “cure”.

In this strand of thought, Tvedt (1995) in Van Rooy (1998:43) comments that:

“Organization can function as a cordon sanitaria (…) they are both a disguise (of the real problem) and a buffer between (people and government), but they cannot solve the initial problem. They help to segregate a social problem from the government responsibility and install what has been called a ‘tyranny of structurelessness’ (…). An illusion is created: a lot of activity is going on even if hardly anything of importance is being done for the population at large. In this way NGOs may be seen in a broader perspective, not as a representative of ‘civil society’ against the state but as the means by which the status quo is maintained” (Van Rooy, 1998: 43).

Particularly in the case study of Ghana, NGOs may have consolidated dependency and undermined governance capacity. Instead of resolving the institutionalised government dependency on foreign aid and expertise, the shift to include civil society groups in forms of donors-funded NGOs in governance has created another level of dependency. The paradox, as the case study of Accra shows, is that whereas a set of donors financially support the government policy to privatise the GWCL, another set of donors provides the financial support to fight against this government policy. Is this leading the way to enhanced water governance?

**At the General Public Level**

Before the commencement of the private operator, the general public had quite high expectations on the performance of the incoming private operator (Addo, 2009). On this issue, the director of the PURC (2009) reflected on public expectations at that time. He stated that people expected that as soon as the private operator arrived, water would flow everywhere, but later people came to realize that these perceptions were not true.
In his reflection on lessons learned from the water supply governance experience, the director of the PURC emphasised issues that were to be dealt with before the commencement of the private operator. He stressed the importance of managing the public’s perceptions and the need to be sure that people understood the management contract and were aware that things were not going to change overnight. We, he asserted, should make sure that it is a long-term work to make water accessible to the public.

Using some indicators for assessments, the public perceptions of different communities targeted by the CONIWAS on the private operator was bad in regard to water quality, water quantity, affordability and the metering of water consumption. On a scale of 1 to 5, where 1= very bad to 5= very good, the communities scored an average of 2. Only two communities scored higher than 2, and this is because the communities were among those targeted and served by the project of Water for African Cities.

But whose failure was this? Was it the private operator’s responsibility? In response to the members of the NCAP-Water who asked for abrogating the contract, Martey (2009) from AVRL asserted “if you open your tap and water is not flowing, it is not our making. We are not mandated to make sure that water flows to each house”. It may be argued that the actors who should bear the responsibility are the government and their development partners. But who should hold the donors accountable? In his conference paper, Hermele (2008) underlines that in spite of the imposed policies of poverty reduction strategies, privatisations, and deregulations, IFI’s reject having human rights obligations of their own. This does not however release them from being accountable in principle. Both sets of actors, donors and governmental actors manoeuvred the public perception to legitimise the public policy that entailed the private operator taking over the operation and management of water utility. They left the public with high expectations that have not been met and may have the potential to generate far-reaching consequences. The governance of water supply is still constrained by the same, if not worse, problems. No funds were made available to change obsolete equipment, pumps, and pipes in order to control physical water losses, or for the construction of water treatment plants to augment the supply (Duah-Agyman, 2009; Martey, 2009).

As Addo (2009) reflected on the interaction between the government and the donors:

“The donors insist on something and you are not ready for it, so at the end you reach some kind of agreement. The bottom line is that government should be able to render its citizens water, but the government does not have the capacity to do it. So it has to go to look for a loan and in this case, it is the WB that is ready to give bilateral loans, grants etc. But the World Bank has to be sure that the investment is befitting. And at the end of the day you look for names just to justify the proposal and get it”.

At the Collective Mental Model

In relation to water governance, there are a few issues to be emphasised regarding the collective mental model that explains public Ghanaian behaviour. The first, which was discussed previously, is that citizens are willing to buy water at higher prices from a private but not from a public entity (Addo, 2009). The public agitation over water prices surfaces when water prices go beyond certain limits, but they do not complain about water prices set by private entities (Addo, 2009).

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21 The 'Managing Water for African Cities Programme' is a regional initiative to support African cities to manage growing water demands and protect their fresh water resources.
The second issue is related to the behaviour of citizens towards their own state. Amenga-Etego (2009) reflected on this issue to explain why workers in Ghana do not feel concerned about fulfilling their obligations towards their own work because for them the state is viewed as an extension of the colonisation apparatus. According to him, the reasoning goes back in time to the colonisation period. His interpretation is that,

“After independence there has not been any conscious serious attempt to decolonise our minds. So the new independent government simply inherited the colonial structures and ways of doing things. So the police force behaves as it used to in the colonial rule. The politicians behave the way the colonial government used to behave. It will take a whole lot of time for the citizens to begin to appreciate that the state is our own”.

In response to the question on what the government can do in this regard, his answer was that:

“What we can do is to have a government which first and foremost makes it own agenda to rule differently from the colonial government. So they will consciously carry out their plans and programmes in such a way that people will be less suspicious of them. They have to be transparent. They have to be accountable and they have to involve the participation of the subsystems, so that the local people will be a part”.

Using the theory of the two publics, Paper V discusses how colonisation has impacted on the African public sphere and on Africans’ understanding of the notion of citizenship. The theory also explains how the ideology of the educated class, who led the independence movement and replaced the colonisers, has contributed to the prevailing politics of clientelism and corruption. The new African rulers lacked legitimacy among traditional Africans and to mobilise the masses behind them, they distributed resources, made promises and encouraged the masses to demand rights and abrogate responsibilities. Could this philosophy also explain why the Ghanaians today perceive that they have the right to public services at low prices, but they are willing to pay much more to a private entity?

While writing the paper, there was some concern regarding the extent to which the theory of the two publics still has validity to date. But interviews with Addo (2009), Amenga-Etego (2009) and Anamoah (2009) as well as other sources of recently published material (Anyormi, 2007; Whitfield, 2006) support the notion that this view is still valid and that it has relevance for present times.

How can public perceptions and attitudes change, if this is true? Addo (2009) argued that human behaviour can be changed by changing the environment. He commented:

“The government, the workers, the management, all are part of the problem and contribute to the water governance crisis. Thus thinking that the private operator will solve the problem and will give the expected results is also problematic. It is the environment that makes humans who they are. If you want to change or affect human life, just create the environment and one will have no option but to change to survive. Change must start from the schools. Let the schools understand the changes that are needed. Every school creates that one [kids]. Kids go home and they tell their parents, and it changes the whole human environment”.

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6.4.3 Conclusion of the Chapter

The assessment of water supply governance in both case studies, based on the developed institutional framework, reveal different and entangled institutional constraints that continue to hinder the performance of water utilities that are run and operated by the private sector. It is therefore a naïve assumption that water supply governance crises regarding the inefficient delivery of water services can be simply and technically solved by replacing the public operator with a private operator. It is not adequate enough to touch on the surface causes of the problems, and assume a simple, linear model of policy-implementation, as asserted by Cars et al. (2002).

In the long run, the new development paradigm that packs together governance, civil society and liberal market ideologies is likely to undermine the enabling of political and social structures for change, as well as border policy goals. With these kinds of possible outcomes in mind, Hydén et al. (2004) criticise the operation of the development community in the performance of universal political principles of governance in countries that have little to do with their political realities, but where the policy is still peddled because it is part of the donor’s priorities. As Hydén et al. (2004) explain, failure of governance stems from a failure to undertake the necessary steps for establishing a system of rules that legitimise political choices and political behaviour. In the early stages of development, as was the case in developed countries, Leftwich (1993) argues, non-consensual policymaking may often have been essential to laying the foundation for growth and development, when radical change was desirable in terms of a breakthrough at a key point in the development process.

The study here gives support to Leftwich (1993) and Hydén et al. (2004) who view strong and legitimate political institutions as a prerequisite to good governance, development and democracy. According to Leftwich (1993) building governance capacity echoes a strong democratic state and legitimate rules that are likely to culminate in development and democracy. States should be held accountable for good governance processes and development, because they hold the power necessary to put in place the legal, constitutional and political-institutional framework to define and pursue social goals.
7. Conclusion

The constraints of water utilities to provide universal access and improved water supply services in developing countries are regarded by policymakers as a crisis of governance. In the proposed governance model that is assumed by those policymakers to enhance water governance and improve water services, the private sector is entitled the responsibility of the management and operation of the water utilities in the form of partnership between the public and private sector (PPP).

A universal interpretation of what governance is about, and thus an analytical framework on how to assess water governance, is still lacking. Therefore to assess the governance aspects of water supply in the two case studies, the Lema water company in Amman and the GWCL in Accra, the thesis explores different theoretical perspectives on “governance” and “good governance”. Accordingly, different analytical perspectives were used to assess aspects of “good governance” through the different time stages of writing the papers that comprise the thesis (Paper I-V). The papers conclude on apparent signs of governance deficiency and highlight different institutional constraints at different levels to enhance governance that neither the public nor the private operator has control over. Thus this study concludes that the private sector is not the solution per se.

The performance of a water utility cannot be detached from its wider institutional setting. It is a mistake to assume that the water utility has no institutional linkages and that water governance can be reduced to that of the water authority level. Thus the study argues that the policy design that assumes that transferring the responsibility of management to the private sector would resolve the problems experienced by water utilities and enhances water services, is inappropriate. Related to this point, the study also raises concerns about the policy approach of the WB that is based on experimentation of public policy to resolve problems based on market ideologies and surface analyses. A cautious and thoroughly scrutinised policy is especially crucial where governance and institutional capacity is weak and vulnerable. From a planning perspective, it is better to leave a problem unresolved than to resolve it by designing unfortunate policies. Inappropriate policies are likely to undermine the governance capacity in the long run and lead to more drastic political and socio-economic repercussions.

The study also raises concerns regarding a deliberate approach to policymaking as "governance", for three main reasons. The first is that the governance model approach promoted by donors through conditionality about access to loans has no political substance. Apparently the policy approach is not to design and plan jointly for a public policy but to legitimise an already-made policy by the government and donor actors. Secondly, in contexts where democracy experiences are lacking or are not mature, actors lack the capacity to accommodate such sophisticated modes of governance processes and are unlikely to have the communicative norms to deliberate in a civic manner. In such cases, the process of deliberation is likely to be prone to hostility. Bearing in mind the inefficient and often illegitimate governments in place, the socio-economic consequences may have drastic impacts on the society. The third reason is more critical. Paradoxically, donors promote the private sector and civil society as a substitute and a replacement for a legitimate, democratically elected and authoritative state. This is inconsistent with current experiences in the developed countries, where government and governance work together as complements, but not as substitutes. Therefore, the study argues that it is misleading to leapfrog from “government” to “governance” and to call for the
transmitting of the governance model, as conceptualised in the western context, to be applied to other contexts in which “governance” is beyond their institutional capacity.

Therefore, the study mainly argues that the WB and IFI’s disregard the institutional analysis perceptive from their calculus about enhancing water governance. Institutional analysis undertakes deeper examinations to come up with an answer regarding the reason for the water utility being as it “is” and not as it “ought to be”. This allows for an examination of the institutions that accumulatively produce the undesirable outcomes, and thus for the design of appropriate public policy solutions. To understand how to improve the governance of water utilities, we need to analyse the wider institutional setting in which the water utility is embedded, and demarcate the institutional factors that stand behind the constraints of a water utility. These constraints may differ from case to case, and therefore the appropriate remedial policies may also be different.

Water governance needs to be conceived within an institutional framework that addresses how the institutions work in a place, and provide incentive structures for actors in their action situations, at different institutional layers. The study makes a distinction between institutions, as formal and informal rules, and organisations, as actors and agents for change. It develops a generic institutional framework to advance understanding regarding an analytical framework for the assessment of water supply governance. Based on the understanding of the institutional perceptive, the study defines governance process as "the interaction between actors from the spheres of a society within specific sets of formal and informal institutions in a social setting that produces certain political, economic and social outcomes." Good governance is defined as "the legitimacy given to institutions in a social setting by the wider public and the coherence of formal and informal institutions to produce socially effective outcomes for the collective public." The definition of good governance as such focuses more on the legitimacy and appropriateness of policy than on the identities of the actors.

The study also raises concerns about the inclusion of civil society in the form of donor-funded NGOs. Policymakers have to understand how this role impacts on the diverse institutional settings and incentive structure of actors and their performance, not only in the short-term, but also in the long run. The approach is likely to not only consolidating the well-established and institutionalised dependency of the state on foreign aid and consultancy, but also to create another layer of dependency for civil groups. Policymakers have to understand how the role of NGOs would impact on the relation between the civil society and the state, the efficiency and the legitimacy of the state, policy accountability measures, grassroots movements, the perpetuating dependency on foreign aids and sources of finance, local political agenda setting, governance capacity, and sustainability aspects.

The assessment of water supply governance based on the developed institutional framework in both cases reveals different and entangled institutional constraints that continue to hinder the performance of water utilities that are run and operated by the private sector. The study criticises the blueprint policy solutions and universal political principles of governance in countries that have little to do with their political realities. In the long run, the new development paradigm that packs together governance, civil society and liberal markets ideologies is likely to undermine governance capacity. In the context of developing countries, the study argues for strong and legitimate political institutions as a prerequisite to good governance.
This conclusion however is not to label the study as being anti-public participation, or to argue against the participation of citizens in approaches to policymaking or to dilute the legitimate political rights of citizens. On the contrary, joint-thinking and efforts to resolve public problems, especially where local capacity is to be strengthened, is crucial. However, this study stresses genuine and legitimate forms of civil participation structures or representation in deliberative policy dialogue where voices are heard and where public demands, values and views are taken into consideration.

As a final note, the researcher acknowledges the weakness aspects of the study. However, the researcher urges understanding from the reader for the study’s strength. On the weakness points, even though the study suggests an institutional framework to enhance the performance of a water utility in Paper IV, the study does not concretely draw on one or a few direct policy solutions to the problem in any practical sense. The problem is seemingly deep-rooted in certain areas. Thus the study could not narrowly address a specific area to get a deep understanding on one specific scientific issue. But the study’s weakness is at the same time its strength. The constraints of the water utilities have been mistakenly defined and reduced to the utility’s operator. Thus the solution has been perceived to be the privatisation of water services. The particular practical contribution of the study is that it redefines the problem and demarcates its root causes. Therefore the study attempts to identify possible problematic factors regarding institutional constraints, in order to enhance water governance. The argument that is put forward to the reader is that understanding and delineating the causes of the problem is interconnected with the conception of possible solutions.
8. Suggestions for Further Research

This thesis raises a few issues to reflect upon that provide an agenda for further research. Political scientists, to a certain extent, agree that democracy is in danger and argue for more democratic policies. But they diverge on their theoretical positions regarding what can be described as democratic politics or how to genuinely represent or include citizens. Three typologies of democratic politics are mapped out according to the literature covered by this study.

Firstly, the literature on a) governance, b) deliberative democracy and policy analysis, c) collaborative or participatory planning, and d) democracy and civil society, argue in general that traditional planning institutions are not adequate enough to deal with the social problems of contemporary societies (Comaroff & Comaroff, 1999; Connelly & Richardson, 2008; Dryzek, 2000; Hajer & Wagenaar, 2003). Planning, according to these theoretical arguments, has to cope with the dynamics of social change and integrate citizens in deliberative policymaking processes to shift towards more democratic types of politics. Scholars of the deliberative school of policymaking claim that the deliberative turn of policymaking aims through dialogue to articulate different interests among state, private and economic groups, to reach a shared common understanding and act as a collective actor. Mouffe referred to such modes of politics as the post-political (Mouffe, 2005). However, the approach to deliberative policymaking has been exposed to strong critics (Barber, 2004; Flyvbjerg, 1998; Flyvbjerg & Richardson, 2002; Mouffe, 2005). According to the opponents of the deliberative model, policymaking is based on containing power and the pacification of conflicts of interest, assuming that conflicts are able to be resolved through some sort of public dialogue.

Secondly, Barber (1998, 2004) in his view on democracy, advocates active citizenry from the three spheres of a society, deliberating and reflecting with fellow citizens in groups and communities in meeting and public spaces that are not captured by private interests. According to him, it is most likely that this approach allows citizens to arbitrate different values and conflicting interests and to explore common ground. He recognizes the time and practical constraints to the application of his view and the heavy transaction costs carried by citizens, to engage in continuously deliberative processes. Thus he calls for a moral code that decouples people's jobs from their social status and access to income, in order to free citizens from work and allow them to be more engaged in public deliberation.

Thirdly, Mouffe (2005) poses harsh criticism regarding the deliberative approach of politics and claims that are based on false theoretical premises and a false understanding of democracy. The values and social and background differences of the deliberators, she argues, will create conflicts. The deliberative approach, Mouffe (2005) argues, denies power differentials and negates conflicts that may not be comprised or sublimated in the communicative turn of policymaking. Politics, according to her, is about decision-making rather than being about deliberations. Thus her vision regarding legitimate democratic politics is in line with the diversity of political parties, expressed by adversarial political identities with which all citizens are able to identify themselves. Partisan politics allow the mobilising of passions towards democratic design and allow for a reflection of people's desires and fantasies. According to her, we should resist calls by post-political theorists that advocate the inclusion of citizens in forms of deliberative democracy and good governance.
As a professional field, planning is a practice inevitably interwoven with politics (Friedmann, 2005; Rittel & Webber, 1973). When the characters of political institutions change, planning processes and practices also change (Rittel & Webber, 1973). Thus planning institutions should correspond to the diverse theoretical views presented above, and reflect what constitutes more democratic inclusionary politics.

Participatory planning or a joint-thinking approach to resolving social problems has received great attention among planning scholars and planning institutions, despite the fact that the theoretical validity and the practical feasibility of participatory planning are questioned. Along with deliberative planning and policymaking, the thought experiment in the thesis suggests some research inquiries that can test the effectiveness of the inclusion of citizens and how to design deliberation platforms to include citizens in governance processes. For example, how to decide if and when planning institutions should integrate deliberative modes of decision-making processes and when they should not (Mouffe, 2005). Do power issues factored into the decision reflect whether planning should be participatory or not? Does it often lead to improved public designed polices? Do planning outcomes often justify the transaction costs (North, 1990, 1991, 1993) in the sense of more legitimate and accountable public policy? What motivates citizens to be engaged and attracted to interactive forums? What if actors involved in planning do not embrace the communicative norms of listening, communicating, and being able to alter one’s position in order to share understanding and explore common good (Barber, 1998, 2004)? Or are communicative norms not a prerequisite for deliberative policymaking, and on the contrary, will these norms develop through face-to-face communication processes on how to design a public policy (Ostrom, 2000)? How to design for legitimate participatory governance arrangements that are guided by norms or clear rules (Stoker, 1998; Swyngedouw, 2005)? Should it be a stake-based arrangement or should it be integrated within a political structure in a place?

The burgeoning literature has advocated citizens’ participation for more than four decades (Friedmann, 2005; Head & Alford, 2008; Rittel & Webber, 1973). But there is no overarching theory that explains how participatory modes in planning should be scientifically guided. The thesis suggests that the NIE theory is an appropriate means for resolving these controversial issues. The theory helps on the issue of how to design governance arrangements and when and how to include citizens for an improved public policy. Admittedly however, the suggested research agenda is very broad and can be broken down into sub-research agendas and ideas.
BIBLIOGRAPHY


Apoya, P. (2009). Executive Secretary, Coalition of NGOs in Water and Sanitation (CONIWAS), Personal Communication, Accra.


APPENDIXES

Appendix 1: Check list questions for interviews with different interest groups

Check list questions for interviews with GWCL (and or other Gov. Water institutions, MWH, MLGRD)

1. How would you assess the performance of the public sector “GWCL, so far, to provide water supply service to the urban residential areas?

2. Why do you think the government could not serve all of the households in Accra with a reliable source of water supply? What have the main hurdles been? Which is (are) the most significant?

   The donor agencies state that they were supporting the water sector financially and technically, so why has not this ended up with improved services? (This question was only addressed to some stakeholders)

3. Who have been the main actors in the decisions and policies about water services management?

4. Traditionally, which actors have influence on the decision-making process of “the water governance” and why? Or are they equally influential?

5. If you were asked to assess the goodwill or the commitment of those actors to achieve improvements, what would you say?

6. How do you assess the driving forces of the GOG decision to involve the private sector to manage the water supply service in Accra?

7. What are the limits that the decision-makers decided to set for the involvement of the private sector?

8. Was the bidding process for the management contract competitively open to the local and international private sector?

9. Was the decision making process based on a consultation process between stakeholders?

10. Were citizens represented? Which organisations represented them?

11. How would you describe the environment of the consultation and the decision-making process in the sense of stakeholders’ interests, relations, consensus, compromise, conflict, openness and transparency, media role, and the output?

12. What are the reasons behind the strong opposition to the privatisation program?

13. If you were asked to describe the decision to shift to the foreign private sector in a few words, what would you say? Why?

Check lists of questions were developed from this list to interview other interest groups. Some questions were added, supplemented, modified or omitted to comply with the role interests of each group (Additional (A), supplemental (S), modified (M) or omitted (O) questions)
14. Do you think the management design that was decided (the joint venture management contract) has been the best arrangement within the existing potentials and limits?

15. If not, what would be other management alternatives (models) that would work better for the Accra city specifically or/and Ghana in general?

16. Who will take the decision if GWCL and the private operator face a controversial situation with regards to main decisions being taken in relation to the operation and the management of the urban water supply?

17. Based on your professional experience, what are your expectations about the performance of the commissioned private operator? What improvements do you expect? What problems may occur?

From now on, (A) stands for Additional question, (S) for Supplemental question, (M) for Modified question and (O) for omitted questions from the check list above.

Check list questions for interviews with the NGOs (local and international), CBO’s, WSDB, and Residents Associations

A: What is the main role and from where do the funding resources come from, of the NGO, CBO or residents association in serving communities?

S to Q3: Is the organisation (or association) one of them? What is the main role of the organisation (or association) in the process (if applicable)? What has the organisation done so far to improve water supply service?

O Q’s: 7, 8 and 16

Check list questions for interviews with the Donors agencies (DFID, Danida)

A: It was said that donors have been supporting the water sector financially and technically. Lack of financial resources is one of the main obstacles to improving service. Is it the most significant obstacle? If not, then what are the most significant problems?

A: What kind of specific and identified contribution can the private sector add to improve the water supply management in Accra? How?

M of Q 5: If you were asked to assess the goodwill or the commitment of donors, public water institutions, politicians and communities to achieve improvements in the water supply so far, what would you say?

A: The literature and the reports of donor’s agencies stressed many aspects of what is being defined as “good governance”. These are openness and transparency, accountability, coherency, and citizen inclusion. How has the experienced donor agency integrated measures for these aspects in the management contract or in the process to ensure the potential benefits of the partnership and minimise the socio-economic risks?

A: Did the competitive bidding process to award the management contract consider the potential of local investors and local management capacity? If yes, how? And if no, why not?

Note: Difference between a NGOs and CBOs with the latter being more firmly based in the community whereas the former are often led by outsiders or local people depending largely on external funds for their activities.
Aside from your professional position, do you think that the management design that was decided (the joint venture management contract) has been the best arrangement within the existing potentials and limits?

Q’s from the original check list: 3, 4, 6, 7, 8, 9, 10, 11, 13, and 16

Check list questions for interviews with the private management company (Rand Water and Vetens international)

A: What kind of specific and identified contribution can your private company add to improve the water supply management in Accra? How?

A: What are the motives (i.e. interests) of the private company regarding taking over the management of the urban water supply systems in Accra?

A: To whom should the company be accountable? How to check on the company’s accountability and responsibility?

A: What type of potential risks would the private company hold, and to what extent?

A: The shift to PSP has been advocated to increase efficiency. Management efficiency demands an enabling working environment so managers can achieve efficiency goals and targets. What kind of measures or activities would the company integrate in its management approach for the purpose of dealing with corruption and increasing the integration and policy coherence of institutions, to enable public openness and transparency, and to decrease political interference?

A: Some of the stakeholders indicate that part the problem of GWCL is the lack of discipline and the attitude of workers. In which ways do you think that the private operator would change the attitude and working culture?

A: What is the long term goal of the PO in Accra? Could the management contract be a kind of testing in practical local conditions to develop into a more “involved form” of private sector participation? How do you foresee private sector participation in Ghana?

Q’s: 1-13, Check 17?

Check list questions for interviews with the to the WSRS (PMU24)

A: When was the WSRS established? Is the staff transferred from the GWCL? If not, how was the staff of the WSRS employed? What is the role of the WSRS in the water supply governance process?

A: Do you consider ISODEC and NCAP-Water as representatives of the civil society? If not, why not?

A: The shift to PSP has been advocated to increase efficiency. Management efficiency demands an enabling working environment so managers can achieve efficiency goals and targets. What kind of measures or activities would the company integrate in its management approach for the purpose of dealing with corruption and increasing integration in institutions and policy coherence, to enable for public openness and transparency, and to decrease political interference?

S to Q2: The donor agencies state that they were supporting the water sector financially and technically, so why has not this ended up with improved services?

24 A programme to restructure the Water Sector in Ghana
Check list questions for interviews with the Unit committees/ District /municipal /Accra metropolitan assemblies

A. What has the assembly done so far to improve the water supply services and to increase accessibility?

S to Q3: Are the politicians involved? How? Are these decisions discussed with communities? How?

Check list questions for interviews with the opposing groups from the Coalition: ISODEC , NCAP-Water , TUC

S to Q2: The donor agencies state that they were supporting the water sector financially and technically, why has not this ended up with improved services?

A: How do you think that the water supply system should be financed?
   How much do you consider a fair tariff that should be paid for a clean, safe, regular water supply for a household?
   Do you think that the full cost should be recovered? Should it be profitable?
   Do you think that the government should provide subsidies? Who should be subsidised and how to introduce a “wise subsidy approach” (An approach that sounds rational to stakeholders and can be defended)

A: What have the civil society organisations done to act and push for water supply service improvements? (Until the government started to consider the private sector option)

A: Do you consider ISODEC and NCAP-Water, TUC civic society representatives? If yes, which segments of the society you present? Does this representation reflect the socio-economic characters of the civic society (education, social class, income, geography)?

Do ISODEC have regular consultation forums with those segments? If not, who represent the public?

S to Q14: Do you think that water supply management should be a public responsibility?
If not, are you against the public-private partnership in principle? (If no, then the second question is applicable)
If PPP is introduced, what do you potentially see as the main advantages and the main problems?

Check list questions for interviews with the Public Utility Regulatory Commissions (PURC)

S to Q3: Why are the assembly members not included in the consultation process?

A: What are the communication channels between PURC and the public about any decision making process?

A: What kind of specific and identified contribution can the private sector add to improve the water supply management in Accra? How?

A: Literature and the reports of donor’s agencies stressed many aspects of what is being defined as “good governance”. These are openness and transparency, accountability, coherency, and people inclusion. How has the experienced donor agency integrated measures for these aspects in
the management contract or in the process to ensure the potential benefits of the partnership and minimise the socio-economic risks?

A: How do you think that the water supply system should be financed?
   How much do you consider a fair tariff that should be paid for a clean, safe, regular water supply for a household?
   Do you think that the full cost should be recovered? Should it be profitable?
   Do you think that the government should provide subsidies? Who should be subsidised and how to introduce a “wise subsidy approach” (An approach that sounds rational to stakeholders and can be defended)

A: Why the Gov. was not able to pass on the approved tariff to the public? Is it a wise decision in the long run?

O Q’s: 1, 2, 4, 7, 8, 16
Appendix 2: A List of invited stakeholder’s for the focus group discussion

Public Sector: The Director of Water Directorate, the Ministry of Works and Housing (MWH), Mr. Minta A. Aboagye

Public Sector: The Ghana Water Company Limited (GWCL), The Project Management Unit the Project Management Unit (PMU), The planning Dept, Mr. Edward Ahaligah, Ghana CM (Corp Planning)

Public Sector: Water Recourse Commission (WRC)
Public Sector: The Community Water and Sanitation Agency

Private Sector: The Private Operator (AVRL), The Director

Regulatory organisation: Public Utilities Regularity Commission (PURC), the Director Water

Donors: The World Bank (WB), Lead Water and Sanitation Specialist Mr. Ventura Bengoechea
Donors: Danish International Development Agency (Danida)

Politicians: Parliamentary Select Committee
Politicians: Accra Metropolitan Assembly (AMA), the Chief Executive

Civil Society: ISODEC on Behalf the National Coalition Against Privatisation (NCAP-Water), The Director
Civil Society: Grassroots Africa, the Director
Civil Society: Trade Union Congress (TUC)
Civil Society: Water Aid (International NGOs)
Civil Society: Consumer Association of Ghana

EU-Funded project: Water and Sanitation Monitoring Program\(^2\) (WSMP)
World Bank promoted programme: Training Research and Networking for Development\(^2\) (TREND)\(^3\), the Project Director

Media: Watsan Network, Water and Sanitation Journalist Network

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\(^2\) The water and sanitation monitoring platform (WSMP) is the name of an ACP-EU Water facility-funded project managed by UNICEF, which is being implemented in Ghana, Mozambique and Nigeria. The project concerns the establishment and operation of national water and sanitation sector monitoring platforms in these countries. The WSMP comprises of nationally established platforms, which work with national sector stakeholders to generate and disseminate sector specific data and information.

\(^3\) Watsan was launched with support from WaterAid Ghana at a short, memorable event attended by major sector players under the theme, ‘the role of the media in Ghana's water and sanitation agenda’.

\(^4\) Training, Research and Networking for Development (TREND) Group was established in April 1989. TREND was conceived within the framework of the International Training Network for Water and Wastes Management (ITN) Programme which was promoted by the World Bank and was one of four centres established in Africa under the Programme. Its development has continued to be closely linked with the development of the Community Water and Sanitation Sector.
## B List of participants in the focus stakeholders discussion

<table>
<thead>
<tr>
<th>Name of Participant</th>
<th>Organisation</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anne Barendregt</td>
<td>AVRL, Private Operator</td>
<td>Project Manager, Pro-Poor Water Supply</td>
</tr>
<tr>
<td>Stanley Martey</td>
<td>AVRL, Private Operator</td>
<td>Communications Manager</td>
</tr>
<tr>
<td>Francis Lamptey</td>
<td>AVRL, Private Operator</td>
<td>Project Manager Area III</td>
</tr>
<tr>
<td>Edwin Afosah-Anim</td>
<td>Water Resource Commission, Public Sector</td>
<td>Assistant Officer (S/W)</td>
</tr>
<tr>
<td>Jerry Addo</td>
<td>PUWU (GTUC), Trade Unions</td>
<td>Gen. Secretary</td>
</tr>
<tr>
<td>Patrick Apoya</td>
<td>CONIWAS, Civil Society</td>
<td>Executive Secretary</td>
</tr>
<tr>
<td>Emmanuel Addai</td>
<td>WSMP</td>
<td>Comm. Specialist</td>
</tr>
<tr>
<td>Eugene Larbi</td>
<td>TREND/TPP</td>
<td>Managing Director</td>
</tr>
<tr>
<td>Lina Suleiman</td>
<td>KTH, Sweden</td>
<td>Doctoral Student</td>
</tr>
<tr>
<td>Marja Hirvi</td>
<td>University of Helsinki</td>
<td>PhD Student</td>
</tr>
<tr>
<td>Fiona Ewura Esi Twum</td>
<td>Staff /CONIWAS</td>
<td>Comm. Officer</td>
</tr>
<tr>
<td>Vida Kanyoke</td>
<td>Staff /CONIWAS</td>
<td>Administrator</td>
</tr>
<tr>
<td>Ben Larney</td>
<td>GLONEHDO</td>
<td>Project Coordinator</td>
</tr>
<tr>
<td>Benedict Tuffour</td>
<td>TREND/TPP</td>
<td>Researcher</td>
</tr>
<tr>
<td>Abu ?</td>
<td>RCN GH</td>
<td>Coordinator</td>
</tr>
</tbody>
</table>
Appendix 3: Questionnaire for urban dwellers in Accra

GOVERNANCE OF WATER UTILITIES IN TRANSITION

INTRODUCTION
The research forms a part of the existing collaboration between the Royal Institute of Technology, Sweden and the University of Ghana. This survey aims at examining the perceptions of the stakeholders on the governance process of water supply in the urban area of Accra after the government decided to move towards the private sector to improve and expand the services. One of the main outputs of the research, hopefully, is to modestly contribute to provide some guidelines and direction on how the water utility services could be developed in Accra and similar context. Thus your contribution and assistance to frankly respond to the questionnaire is highly valued and appreciated. Thank you.

QUESTIONNAIRE FOR THE COMMUNITIES,
(Preferably principal female homemaker)

SECTION A: LOCATION AND BACKGROUND OF RESPONDENTS

Q1. Name of Community ……………………………………………………………………………..

Q2. Address (House No.) …………………………………………………………………………..

Q3. Sex
   (i) Male  □
   (ii) Female □

Q4. Age …………………………………………………………………………………………..

Q5. Educational level
   (i) None □
   (ii) Primary □
   (iii) Secondary □
   (iv) Post Secondary □ (Specify)………………..

Q6. Religious affiliation
   (i) Christian □
   (ii) Moslem □
   (iii) Traditional □
   (iv) Others □

Q7. Occupation …………………………………………………………………………………..

Q8. Please give an estimate of how much income you earn in a month (in cedis)
   (i) Less than 250,000 □
   (ii) 250,000-500,000 □
   (iii) 500,000-750,000 □
   (iv) 750,000-1,000,000 □
   (v) 1,000,000-2,000,000 □
   (vi) Above 2,000,000 □

Q9 (a) How many are you in your household?………………………………………………..
   (b) How many buckets of water (34 cm size /4 gallons) do you need for household consumption per day?……………………………………………………………………..

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28 The term here refer to people who live under the same roof and cook and eat from the same cooking pot.
SECTION B: GOVERNANCE ASPECTS OF WATER SUPPLY TO THE URBAN AREAS IN ACCRA

Q10. What kind of water supply source does your house have access to (if it is more than one source, rank them according to the household’s use, starting from 1 as the most used source)?
- Public piping of regular water supply
- Public piping of interrupted water supply (……times/ week)
- Private standpipe of regular water supply from………………………………………………
- Private standpipe of interrupted water supply from………………………………………….
- Communal standpipe of regular water supply from…………………………………………
- Communal standpipe of interrupted water supply from……………………………………
- Vendors as source of potable water supply
- Others (specify)…………………………………………………………………………….

Q11. React to the issue of payment for access to clean and safe water in your house by choosing any of the statement listed below (If it is more than one, rank them in order according to your perception, starting from no. 1 as the most important)
- Water is from the sky and I should not pay any thing
- Poor people should pay nothing or little but the rich should pay all the cost.
- I should pay some and the rest has to be paid by the government
- I should pay almost the full cost but the government has to help
- I should pay the full cost to get water in my house but this should not be profitable to the service provider
- I should pay whatever money I am asked for
- Others (specify)…………………………………………………………………………….

Q12. How much can you afford to pay per month for regular supply and safe water service to your house (in cedis)?……………………………………………………………………

Q13. (a) How do you assess the performance of the public sector “GWCL” in providing a satisfactory water supply service level to the urban residential areas in Accra?
- Not satisfactory at all
- Not satisfactory
- Slightly satisfactory but it needs to be improved
- Satisfactory

(b) If your answer to Q13 a: is not satisfactory or slightly satisfactory, why do you think that? (You can click on more than one if it is applicable)
- Water is not accessible
- Water supply is slightly interrupted
- Water supply is frequently interrupted
- Water is not clean and safe

Q 14. Why do you think that the GWCL cannot serve all of the households in Accra a reliable water supply? (Rank the following according to importance starting from 1 as the most important)
- The water supply is not an important issue on the political agenda.
- Politicians are not committed to push the government to improve the water supply services.
- The government is not committed to improve water supply services.
- The government lacks the resources to improve the water supply services.
- The management of the GWCL is not efficient enough to improve the water supply services.
- The government policies are not independent. They are interfered with by others.
- The people are not committed to push for improvements of water supply services.
People tried to act and push for improvements of water supply services but it did not work out.

Q15. In relevance to Q14, if you consider that the people were not committed to act and improve water supply services, why do you think that they are not committed? (Rank the following according to importance starting from 1 as the most important)

☐ The water supply is not a priority on the people’s agenda.
☐ People are non-influential actors and they do not have a voice in development practices and policies.
☐ People do not know how to communicate with politicians about their need for water supply services improvements.
☐ People do not know how to communicate with governmental officials for water supply service improvement.
☐ People lack representative’s organisations in the decision making process to push in favour of people’s interests.
☐ People do not know what kind of communicating channels they should approach for improvements to the water supply services.
☐ Others (Specify)……………………………………………………………………

SECTION C: GOVERNANCE OF WATER SUPPLY: PERCEPTIONS ON PUBLIC-PRIVATE MANAGEMENT MODELS

Q16. Do you know that the water supply services in Accra are contracted to the private sector?
☐ Yes ☐ No

Q17(a). Why do you think that the GOG decided to contract a private company to manage the water supply service in Accra? (Rank the following according to importance starting from 1 as the most important)

☐ Private operator can work more efficiently than the public operator and improve the services.
☐ Private operator has the money to invest in water supply work projects.
☐ Private operator is more accountable and reliable.
☐ Private operator is more committed to improve the services and access of more people to water.
☐ The government did not make the decision itself. Others have more influential roles.

(b) In case you clicked on last option please identify which of the actors listed below (click on more than one if applicable)

☐ Politicians at the district level
☐ Politicians at the metropolitan levels
☐ Politicians at the national level
☐ Local investors
☐ Foreign investors
☐ Donors’ agencies
☐ CBO’s
☐ International NGOs
☐ Local NGOs
☐ Communities’ representatives
☐ Unions
☐ Interest groups
☐ Others (Specify)……………………………………………………………………

Q18. How have you been involved or represented in the consultation forums of the water management decision process of privatisation of water supply?

☐ There were no consultation forums that I know
☐ I attended and represented myself.
☐ I have been represented through my residential associations and CBO’s.
☐ I have been represented through my unit committees and district assembly.
☐ I have been represented through local NGOs (within the residential area).
☐ Others (Specify)........................................................................................................

Q19. Do you think that shifting the management responsibility of water supply from the government to the private sector is a wise decision in terms of improving water supply service?
☐ Yes ☐ No

Give reasons for your answer:
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................

Q20 (a). Do you think that the contracted private operator would be better at improving the water supply?
☐ Yes ☐ No

(b) If your answer to Q20 (a) is yes, motivate your answer by showing your agreement or disagreement on the statements below, according to your perception.
**Appendix 4: A representative sample of residential urban areas in Accra to be covered by the survey**

<table>
<thead>
<tr>
<th>Socio-economic Class</th>
<th>Areas of Relatively Good Conditions of Piped Water Supply</th>
<th>Areas of Relatively Poor Conditions of Piped Water Supply or Not Served by Pipe Network</th>
</tr>
</thead>
</table>
| High                 | 1. **Roman Ridge**<sup>29</sup> (An area developed during the 50’s)  
2. **Dzorwulu Residential Area** (An area developed during the 70’s)  | 1. **Airport Residential Area** (Rationing supply)  
2. East Legon (Rationing supply)  
3. Contoment (Rationing supply)  
4. Tantra Hills (Medium to high class Res. Area of poor supply conditions) |
| Middle               | 1. **Dansoman Estates**  
2. Adabraka  | 1. Taifa (Poor water supply, 1<sup>30</sup>)  
2. **Adenta** (Poor water supply, 2)  
3. Ashongman (Poor water supply, 3) |
| Low                  | 1. Korle Gomno<sup>31</sup>  
2. **Chorkor** (Small communities)  
3. **Bukum** (Small communities)  
4. **James Town**<sup>32</sup>  | 1. Teshie  
2. **Parts of Nima**, the communities outside the valley  
3. Parts of Mamprobi, the former British area  
4. Nyanyano<sup>33</sup> |

<sup>29</sup> Bolded: Residential areas that were targeted for the survey  
<sup>30</sup> 3 Refer to most stressed water and 1 to less stressed area  
<sup>31</sup> Not homogenous socio economic class. It can also has middle class households  
<sup>32</sup> Not homogenous socio economic class. It can also has middle class households  
<sup>33</sup> This area is outside the water distribution system and not served by pipe network and a new developed area