**Steering Key Public Services in Africa towards sustainable development or towards failure? The Case of Water Management in Ghana**

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**Abstract:**

In recent decades, governments in Africa have experienced relentless pressure from key supranational finance providers (including the World Bank, the IMF and others) to enter public private partnerships (PPPs). These PPPs take a range of forms and include partnerships to finance infrastructure developments, and partnerships to manage the provision of services such as water and energy. This pressure has persisted, despite growing evidence that the basic institutions necessary to sustain such commercial arrangements are often not present. This paper examines how in 2011, the Government of Ghana came to terminate a contract that had outsourced the management of its urban water supply since 2005. We draw on Broadbent and Laughlin’s notions of steering to analyse why the contract failed and explore how lessons learned from this failure have been incorporated in the recent PPP management. We argue that while the World Bank’s focus on privatisation has persisted with little compromise, governments like that in Ghana must counter these pressures with an equally relentless focus on the core mission of their public services.

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1. **Introduction**

The 2015 UN ‘2030 Agenda for Sustainable Development Goals’ provides a vision of a world where safe drinking water and sanitation, and affordable, reliable and sustainable energy are basic human rights. In many developing countries however, these ideals remain elusive. Water scarcity according to the UN in 2015, affects 40% of the global population, 2.4 billion people do not have access to basic sanitation, and 1,000 children die every day from preventable water and sanitation-related diarrhoeal diseases (UN, 2015). The situation in sub-Saharan Africa is dire with UNICEF estimating that 180,000 children die each year due to lack of clear water and sanitation (UNICEF, 2015). Almost half of the global population without access to improved drinking water live in sub-Saharan Africa. The importance of the provision of clean and safe water cannot be underplayed.

A key problem faced by sub-Saharan African countries in providing these basic utilities relates to how they will be financed. Developing countries in particular, commonly need more finance than can be provided by national governments (Pessoa, 2008). During the 1990s and early 2000s, as neo-liberalism became a guiding philosophy underpinning public service management, the World Bank imposed “almost uniform conditionalities” on many of these governments, focused on profitability, cost efficiency, and full cost recovery (Rahaman et al., 2007 p 650). In tandem with those conditionalities, governments were increasingly encouraged to introduce Public Private Partnerships (Broadbent and Laughlin, 2003; Andon, 2012) to finance these activities. Ghana is one such sub-Saharan African country which both continues to struggle to provide safe water supplies to its population, and relies heavily on financing from the World Bank. For example, Fuest and Haffner (2007) estimate that in 2002, as low as 59% of urban populations did not have access to safe water. By 2011, the Ministry of Water Resources estimated that measure to have risen to no more than 63% (MWR, 2012). In 2005, the Government of Ghana reluctantly adopted a public private partnership (PPP) to finance delivery of urban water (Rahaman, Everett and Neu, 2007; 2013; Zaato, 2014; Atarah, 2015). By 2011, the private partner had failed to meet almost every target it was expected to achieve (Zaato, 2014), and so the Government of Ghana terminated the contract. This context presents a unique opportunity to explore the failings of a PPP contract, and importantly, to examine what lessons if any have been learnt from the experience.

The use of PPPs in both developed and developing economies has been researched widely with emphasis on their nature, the factors leading to success (or failure), and the challenges and opportunities. The number of PPPs entered into by governments in developing countries has continued to increase since the 1990s, with increasing coverage of a broad range of services traditionally provided by public sectors. Research on PPPs in developing countries has focused on the appeal of PPPs in terms of the benefits in providing significant funding for infrastructure development, and the scope for efficiency savings (Jamali, 2004; Lund-Thomson, 2007; Ismaill, 2013). Research has also studied the use of PPPs in particular sectors and in particular regions. For example in an edited book by McDonald and Ruiters (2005), a number of studies are brought together which explore the use of PPPs in the provision of water in Southern Africa. Most of those studies suggest that such arrangements have been largely unsuccessful. Recognition in research has been given to the role of the World Bank, International Monetary Fund, and other international financiers such as Official Development Assistance (ODA), in encouraging and supporting the policy of PPPs in developing countries. Appuhami, Perera and Perera (2011), for example argued that in Sri Lanka, the introduction of PPPs was due to coercive policy diffusion, whilst Uddin and Hopper (2003) examined PPP examples in Bangladesh, arguing that the World Bank and other Western capital interests did not provide sufficient technical assistance to enable effective execution of PPP policies. In the context of urban water in Ghana, Fuest et al., (2007) argue that the Government of Ghana had little choice, and was obliged by their major creditors, the World Bank and the IMF, to enter into the 2005 contract. There is little empirical exploration of failed PPPs in developing countries generally, or in sub-Saharan Africa in particular. Neither has there been much study of responses to failed PPPs, including how the World Bank and others have learnt from such failings.

This work has a dual purpose. Firstly it aims to examine in a structured and theory-informed way, why the 2005-2011 Ghana urban water PPP contract failed, looking specifically at the role of the Government of Ghana as it steered through this project, as well as the steering impact of the World Bank. Secondly, the paper examines lessons learned from the failed PPP, focusing specifically on the role of the World Bank to see whether any changes have been made in the process of supporting developing countries such as Ghana with the implementation of PPP projects. We utilise Broadbent and Laughlin’s (2013) notions of steering, and Voss et al., (2007) ideas of steering for sustainable development, to argue that societal steering by the Government of Ghana was ineffective. We also argue that supranational steering from the World Bank was ineffective. Observing that the World Bank will continue to be a key supranational steering organisation impacting on developing countries like Ghana, we argue that in principle, supranational steering can deliver outcomes which are both economically and socially successful. We identify the World Bank’s obsessive emphasis on efficiency, profitability and privatisation, and it’s refusal to acknowledge the social complexities of resource delivery in these lifeworlds, as key challenges. Here we argue that solutions are not simple, that a public sector organisation’s core mission must be clearly articulated and remain paramount and that the World Bank must learn to effectively engage with others in these lifeworlds. The paper contributes to the accounting literature by showing how Broadbent and Laughlin’s (2013) steering framework may be adapted to suit a developing country context.

The paper consists of 6 sections. In Section 2, we review literature on PPPs in developing countries and explain the role the World Bank in this process. Section 3 provides an explanation of Broadbent and Laughlin’s (2013) steering framework showing how it can be adapted to the developing country context. Voss et al., (2007)’s ideas of steering for development are also introduced. Section 4 provides a discussion of the research approach used to develop the empirical case. Section 5 provides a structured analysis of the urban water PPP contract that operated between the Government of Ghana and a private contractor from 2005 and 2011. We draw on the theoretical framework to explain why it failed. In that section we also look to a surprising change of approach into early 2014, as the Government of Ghana prepared to introduce a significant raft of new PPP projects. In so doing, we examine the role of the World Bank as it continues to steer these new PPPs. The concluding discussion in section 6 analyses the relationship between societal steering and supranational steering, arguing that each depends on the other, however we add that the excessive power wielded by supranational steering has led to the colonisation and weakening of societal steering for PPPs in this developing country context.

**2. The opportunities and challenges of PPPs in the developing world**

PPPs are a way of providing public services that involves the public sector (government) and private sector organisations entering into a contractual arrangement where the private sector organisation agrees to deliver elements of that public service (Broadbent and Laughlin, 2003). A significant amount of research has been undertaken looking at PPPs in developed economies such as the UK (see Andon, 2012, for a summary of recent contributions in this field). PPPs are also considered attractive to developing countries because of the significant macro-economic problems they face, including poor infrastructure, poor performing public utility organisations and excessive government debt (Jamali, 2004; Appuhami et al, 2011). Despite this, rather less accounting research has been undertaken on PPPs in the context of developing economies (exceptions include Rahaman et al, 2007, 2010, 2013; Uddin and Hopper, 2003; Tsamenyi et al 2010). PPPs take place in many different forms and the contracts are entered into for a variety of reasons. For developed economies, related macro-economic reasons include inter alia, easing budgetary pressures faced by governments through off-balance sheet financing; bypassing controls on public sector investment to address neglected public infrastructure, problems, evading formal constraints on borrowing and spending faced by governments (Andon, 2012, page 882). Other reasons include belief that PPPs enable presumed private sector values of efficiency, innovation, competition and choice to be introduced into the public sector.

Developing economies face significant pressure from the World Bank to enter PPPs. The World Bank promotes such contracts as a panacea for solving infrastructure and financing problems. In the context of Ghana, Fuest et al., (2007) observe that commitment to a PPP policy, enabled entry to the ‘Heavily Indebted Poor Country’ program, allowing some debt relief. In 2014 the World Bank reported that total investments in infrastructure for projects with private participation in energy, transport, water and sanitation had increased by 6% to US$107.5 billion (World Bank, 2014a). The World Bank suggests that PPPs help to address its twin goals of “eliminating extreme poverty and boosting shared prosperity – by enhancing the reach and quality of the delivery of basic services” (Word Bank, PPP website). It goes on to suggest that when “designed well, and implemented in a balanced regulatory environment, PPPs can bring greater efficiency and sustainability to the provision of such public services as water, sanitation, energy, transport, telecommunications, health care and education.” From its perspective then, neo-liberalist approaches and concerns about efficiency and profitability, along with the design and regulatory environment are extremely important. A question that follows, is how successful have developing countries been in demonstrating achievement of such goals in recent PPPs, and in achieving the appropriate regulatory environment to make these PPPs successful? Klein (2014 p 5) argues that interest in PPPs is driven by governments needing to solve pressing financial problems, and that “the general picture is one of waves of enthusiasm for PPPs followed by some disenchantment and consolidation”. What Klein (2014) does not acknowledge however, is the reality that the World Bank puts a lot of pressure on developing country governments to pursue this funding option.

In the 1950s and 1960s the World Bank operated mainly as a lending bank, rather than having a poverty alleviation and development focus (Goldman, 2007). This changed in the late 1960s and 1970s when the bank became more expansionists, and loans started to be provided with increasing strings attached. From then on, the Bank has attempted to develop a “social face” focused on eliminating poverty, to complement its “financial face” that emphasises the importance of efficient use of financial resources, and of being accountable (Neu and Ocampo-Gomez, 2006). These loan conditionalities are seen as elements used for coercive policy diffusion (Appuhami et al 2011; Uddin and Hopper, 2003). The conditionalities associated with loans imposed by the World Bank “promote particular technologies of government” and may significantly erode the capacity in these countries for self-governance (Rahaman, 2010, p 425). Through its loan conditionalities, the World Bank exercises significant authority over public sector financial management in developing countries. A key manifestation of that authority has been pressure to privatise state owned enterprises. However, privatisation is only one of several methods the World Bank draws on in efforts to reform public financial management (Nellis and Kikeri, 1989).

The accounting literature has been critical about the role of the World Bank in developing countries in recent decades. Uddin and Hopper (2003) for example, question claims made by the World Bank that privatisation improve management controls, commercial performance, and development. They argue that development aims are more important than profitability and that the World Bank’s myopic concentration on such goals comes at the neglect of “individual rights; social returns; and financial transparency and accountability to external constituents” (Uddin and Hopper, 2003, page 770). Annisette (2004) is even more critical, suggesting that the World Bank exists mainly to further the interests of private capital, and has never taken poverty reduction and sustainable development seriously in the Third World. Noting that supranational organisations, and the World Bank in particular, provide “de facto financial governance in most sub-Saharan African countries”, Rahaman (2010 p 425) calls for research that questions the World Bank’s “role in the diffusion of accounting and financial practices across the continent” so as to understand “how this powerful supranational organization enlists accounting technologies to propagate its favoured development policies”. This paper responds to this call by looking at responses to the failure of a private contract for the provision of urban water services in Ghana.

Processes underpinning decisions to enter PPPs have been extensively analysed, however as noted, the focus has mainly been on contracts undertaken in developed economies. The key process is one where an assessment is made of the ‘value for money’, or the “the optimum combination of cost and quality in meeting the needs of service users” (Commission on Public Private Partnerships, 2001, p. 32, cited in Andon, 2012) associated with projects undertaken. It involves an analysis of the cost and benefits of the PPP and includes a comparison of the project against one that could be offered wholly by the public sector. Additionally assessments of risks associated with PPPs are undertaken considering the risks to be transferred to the private sector, and those to be retained by the public sector. Common risks include “technical, construction, operating, technological/obsolescence, revenue, financial (credit, liquidity, interest rate), force majeure legislative, political, environmental and project default risks” (Andon, 2012, page 887; Grimsey and Lewis, 2002). In developing countries, in addition to these typical project related risks, there may be a multitude of other risks associated with PPPs including governance risks, corruption and government reliability, government intervention, and expropriation and nationalisation (Ke et al., 2010). Other government related risks include “inadequate approved project budgets, delays in obtaining permissions, changes in Government regulations and laws, lack of project controls, administrative interference” (Shen et al, 2006, p 590). The local political, economic and social contexts of developing countries will impact on the nature of risks and the manner in which the assessment of all the processes, value for money, public sector comparator, risk assessments are undertaken (Appuhami et al., 2013; Uddin and Hopper, 2003). Many of these processes are dependent on accounting and use of accounting technologies which may not be effective in developing country contexts. In the context of Sri Lanka, Uddin and Hopper (2003 p 745) observed, “weak capital markets and poor enforcement of accounting regulations, a culture of tax avoidance, and accounting education inappropriate to the local environment caused a lack of transparency and accountability”.

The regulatory environment in particular is important for the design and control of PPPs as emphasised by Broadbent and Laughlin (2003). Governments need to be able to exercise ownership rights and have some controls over pricing of services. This is because arguably a lot of the risks often fall to the public sector partner. For example, Jupe (2012) examined the case of a private energy partner in the UK that went bankrupt and found that significant nuclear liability risks that the private partner incurred became the ultimate liability of the government because those complexities were so uncertain and so were not effectively addressed in the original contract documentation. Research has highlighted examples of inadequate foresight and planning by the government, the problem of fragmentation, lack of regulation of private providers, and a lack of disclosure and transparency lead to failures in PPPs (see for example, McCartney and Stittle, 2012; Burke and Demirag, 2015; Toms et al., 2011). Burke and Demirag (2015) also argue that as government lag in developing the contracting skills that are vital to ensuring PPPs can successful deliver public services, private partners are becoming increasingly adept at renegotiating contracts to their benefit (and to the expense of taxpayers).

These challenges are more complex in developing economies where the two main rationales for PPPs, the need at the micro level for services, alongside managing macro fiscal problems, may be in constant tension. Rahaman et al., (2007; 2010; 2013) has studied water privatisation in Ghana in some detail, and point to problems associated with the use of accounting technologies to further Ghana's core objective of national development. They argue that moral conflict and endemic mistrust are central to explaining the complicated, angst ridden, and generally unsuccessful efforts to seek privatisation in Ghana's water sector. Thus the ongoing tension between the micro and macro requirements of development, alongside local contextual factors such as weak regulatory frameworks, underdeveloped capital markets and other societal and organisational issues, mean PPPs in developing economies require careful theoretical investigation of their complex realities. Andon (2012) points to the importance of studying PPPs in a theoretical manner, and it is to this we turn our attention in the next section.

**3. Theoretical framework**

Broadbent and Laughlin (2013) consider the regulation of public services through a framework of “steering”. Steering is the process where organisations and institutions are developed and mandated to enable societal goals to be achieved. Steering therefore reflects ways of achieving change at societal and organisational levels. Drawing on Habermasian ideas, they argue that societal goals derive from the background lifeworld values, which are ideally societally agreed through communicative action (i.e. debates). Institutions and organisations including government, professional and financial institutions, are steering *media* developed to facilitate these societal goals. Societal steering, reflects regulation at the societal level, and takes place through the force of law by legislation and also through funding mechanisms that governments utilise to effect change. Relating this framework to PPPs requires an assessment of three things. First, what lifeworld values can be associated with PPPs? Second, what organisations (steering media) have been set up to guide the achievement of societal lifeworld goals? Finally, what steering mechanisms, in terms of funding and legislation, and other administrative regulatory mechanisms are being used to guide the implementation of PPPs?

English and Guthrie (2003) have used this theoretical framework to examine privately financed projects in Australia. They discuss the primary societal steering media in Australia as the Commonwealth Government at federal level, which is responsible for setting parliamentary legislation and working with organisations such as the Loan Council and the Department of Finance and Administration to regulate PPPs. Additionally, there are state level steering media organisations regulating PPPs with their own laws and regulatory processes. English and Guthrie (2003) do not discuss underpinning values except to argue that PPPs have been established as part of a commitment to ‘New Public Management’. Importantly they identify “macro-economic” mechanisms aimed at keeping the level of national debt within acceptable limits, as well as demonstration of a commitment to PPPs. But added to this they demonstrate that steering occurs with more micro-level mechanisms such as regulating the procurement and the monitoring aspects of PPPs, including assessing value for money, and employing public sector comparators.

What societal steering might mean in the context of developing economies has not been addressed explicitly by Broadbent and Laughlin (2013). At one level it may not differ when compared to developed economies, because there may be organisations with the responsibility for regulating public services, and also governments most likely will have laws and pronouncements governing what should happen. The differences may lie in the strengths of the steering media and mechanisms as well as in the nature of the lifeworld values. Both macro and micro level steering media and mechanisms may not be well developed. However, the focus of macro level and micro level steering may differ. For example, steering may aim at supporting development initiatives, per se. The provision of water may be seen as a basic human right and accordingly steering may reflect this understanding. Furthermore there may be differences in the extent to which there are any meaningful societal debates undertaken to determine these values and the appropriate regulatory mechanisms.

Voss et al., (2007) discuss theoretically steering for sustainable development which provides useful pointers for analysing the nature of societal steering in developing country contexts. They point to problems associated with ambivalent goals, uncertainty and distributed power. Unclear and ambiguous goals make steering difficult. For example, is the provision of water steered as a basic human right, or is the focus on efficiency and profitability, with water marketed as a commodity? Another problem that Voss et al., (2007) suggest relates to a lack of knowledge and understanding about how systems interact. As such, deciding on national policies become more complex. The process of implementing steering mechanisms themselves is fraught with difficulties relating to the distribution of power and influence amongst the different actors. Voss et al., (2007) theorise that steering for sustainable development can be clustered as steering through regulatory power, (establishing rules and regulations); steering by the provision of goals and vision; steering as a knowledge problem and therefore taking a learning approach to enable knowledge, and steering as a process of negotiation between networks, managing power and influence. Voss et al., (2007, p 208) conclude that steering for sustainable development comprises a set interlocking activities including “market regulation, business management, administrative reform, social mobilization, scientific innovation, educational reform and the shaping of social attitudes”. In extending these ideas specifically to the governance of water, van de Meene et al., (2011) explain the importance of network governance that allows systems to be viewed holistically, drives for improved accountability, transparency, and clear responsibilities, and focuses on working together with customers and service providers developing unique context-specific solutions.

Whilst the theoretical discussions about societal steering above have explained the different factors influencing how it might occur, one key element so far missing is how supranational organisations may influence what happens at the societal national level. Rahaman et al., (2007 p 642) observe, “in the case of sub-Saharan Africa, central elements of ‘the regimes of authority’ in governance processes include supranational organizations such as the World Bank and IMF”. Broadbent and Laughlin’s (2013) model of steering public services towards societal lifeworld values does not explicitly consider the impact of such supranational players. The nature of supranational steering and their relationship with societal steering has not been defined. However, some indication of how it may play out can be discerned by looking to the economic development literature. Ilcan and Philips (2010) for example, suggest that development is seen by international organisations such as the World Bank, United Nations and the IMF through neo liberal rationalities that draw on calculative practices. The emphasis is placed on technical devices such as accounting and auditing practices, that make visible and operable the neo-liberal ideas of marketization, deregulation, privatisation, and the diffusion or elimination of social protection that are favoured by these supranational organisations (Klein, 2014). For example, both the World Bank and the IMF have focused on profitability, cost efficiency, and full cost recovery in all jurisdictions in which they operate (Rahaman et al 2007). Development becomes closely associated with steering for economic management dictated by supranational steering mechanisms employed to project ideas of cost efficiency and full cost recovery. For example, Rahaman et al., (2009 p 230) suggests that the “economic management processes [in developing countries]… are influenced and even determined by economic policies of these powerful institutions”. From the perspective of the World Bank, PPPs and privatisation are usually steered as part of macroeconomic policy reform such as trade liberalisation, structural adjustments and restructure of national debts (Appuhami, 2013; Nellis and Kikeri, 1989; Uddin and Hopper, 2003) rather than the provision of basic human rights. Supranational steering mechanisms employed by the World Bank include its policies of encouraging decentralisation and “unbundling” (Amenga-Etego and Grusky, 2005). With the former, fiscal, administrative and development responsibilities are devolved from central government to local government whilst the latter entails the separation of profitable and unprofitable sections of a service. The focus on cost efficiency and accounting aspects of PPPs may be more reflective of micro–level steering mechanisms (English and Guthrie, 2003) supported by supranational steering.

Whilst supranational steering media may have their own lifeworld values, media and mechanisms, these may impact on the visions and goals, knowledge and systems as well as networks of societal media (Broadbent and Laughlin, 2013; Voss et al 2007). Supranational steering may impact on how societal steering is undertaken through the transmission of ideas, goals and visions about sustainable development (for example, through transmission of neo-liberal ideas) especially if these goals are uncertain. In this way they may influence the lifeworld values of the societal media. Societal steering for knowledge understanding and learning may also be impacted upon by supranational steering where it defines solutions and offers instruments to deal with a lack of understanding of processes by the societal media. In this instance supranational steering may influence societal steering mechanisms by projecting expertise and knowledge and encouraging the introduction of particular rules and regulations. Finally, and most importantly for the developing world context, supranational steering influences societal steering through having strong financial bargaining power.

In summary, Broadbent and Laughlin (2013) ideas about steering alongside Voss et al., (2007) ideas about steering for sustainable development, provide a useful conceptual framework for analysing PPPs. The theory is provided in the context of “middle range thinking” with the view that it only provides a “skeletal” lens for analysing situations (Laughlin, 1995) requiring empirical fleshing out. This is particularly useful in this research that looks at the developing economy context requiring the development of both societal steering and supranational steering.

**4. Research methods**

The purpose of this paper is to analyse a case study of a PPP in Ghana that failed and to identify both issues that lead to failure, and lessons learnt from it, with a view to assessing how prepared the country is for the next tranche of PPPs. To this end the paper’s method is one of documentary analysis. We analyse documentary evidence about one unsuccessful PPP in water management. A variety of documents are drawn upon, including several academic articles that have been written about this Ghana Water PPP case study. Our aim is to analyse the regulatory framework (the societal steering media and mechanisms and supranational steering) that underpinned this failed PPP, and to assess how that environment has changed as the Government of Ghana moves into a new and more expansive phase of PPPs. We analyse documents available from the Government of Ghana’s various departmental and other websites. We explore the websites of the former private partners to the failed water contract, as well as the websites of industry bodies whose aim is to promote the potential for privatisation in Africa. We review World Bank documents and other publically available documents from its websites to explore supranational steering by the World Bank. We also review available documentation from community stakeholder groups, including groups established to protest against water privatisation. It is important to acknowledge that a range of documents have been commissioned by the World Bank of relevance to PPPs which are publicly available on their website. More recently, many of these documents have not written by the World Bank directly, but have been written for them by consultants. Into the early 2010’s, there seemed to be some reluctance on the part of the World Bank to speak for themselves quite as authoritatively as they once did on PPPs. An overview of all of the documents reviewed in this study is effectively provided through the list of ‘references’ at the end of this paper.

The theoretical framework is employed as a lens to guide the analysis of these documents. We seek to identify the values, steering media (organisations used to achieve societal goals and values) as well as the steering mechanisms (funding, legislation, and elements of administrative power) employed to establish the PPPs and ask how effective they were. Unlike previous studies of PPPs in the provision of water services, our work moves beyond the technical oriented focus on PPPs, the so called “accounting informed and accounting driven” and emphasise the bigger picture, the social and political undercurrents for PPPs (Andon, 2012, page 906). There are limitations with using this method as we are making a subjective assessment of what comments are interesting and what are not. Our search for relevant documentation was undertaken using search engines such as Google and also followed a ‘snow-balling’ approach (with comments in one document leading on to discovery of another). We acknowledge that this approach may have overlooked important contributions to related debates. Furthermore, the insights we are able to glean also depends to some extent, on the willingness of those preparing these documents, to be transparent about their perspectives and experiences. Ahrens and Chapman (2006 p 834) suggest that the “subjectivity of coding and analysis are challenges for qualitative research” and so these concerns are acknowledged as limitations of this study. Nonetheless, a “plausible” and “trustworthy” account was sought by contrasting and comparing key arguments.

**5. Privatisation failures in urban water management in Ghana**

In this section we discuss how steering by both the Government of Ghana, and supranational organisations including the World Bank, operated in the context of a PPP project in urban water provision. We analyse the factors that led to failure of the PPP using the theoretical lens from section 3. Having analysed these factors, we then consider whether these lessons have been taken into account in contemporary attempts at steering for water in Ghana.

5.1.Societal steering and supranational steering of water management

*Multiple societal steering organisations*

The former publically owned Ghana Water and Sewerage Corporation (GWSC) was established in 1965 with responsibility for managing national water supply and sanitation, and setting water tariffs. In 1999 the GWSC was dissected into two companies; the Ghana Water Company Limited (GWCL) to manage approximately 70 urban water supply systems, and the Community Water and Sanitation Agency to co-ordinate rural water and sanitation. The GWCL continues to date, to be responsible for producing water (through a small number of treatment plants), transmitting that water to reservoirs, and distributing to customers in those urban locations through a pipeline network. In 2005, the former Ministry of Works and Housing became the Ministry of Water Resources, Works and Housing and assumed responsibility for overseeing these agencies. “The Ministry has the overall responsibility for the initiation, the formulation, implementation and co-ordination of policies and programmes for the systematic development of the country’s infrastructure requirements in respect of Works, Housing, Water Supply and Sanitation, Hydrology and Flood Control Systems to ensure efficiency of the sector”[[1]](#footnote-1). At the societal national level, regulation and management of water resources rests with this ministry.

*Privatisation as a societal lifeworld value or in response to supranational steering?*

Yeboah (2006 p 52) suggests that Government of Ghana officials have become wedded to privatisation, and that “the Eurocentrism surrounding Ghana’s water privatization does not originate with Western technocrats but with Ghanaian elite decision makers”. In the “1970s and early 1980s, the operational efficiency of GWSC had declined to very low levels mainly as a result of deteriorating pipe connections and pumping systems”[[2]](#footnote-2) which in turn GWCL attributes to inadequate funding. The Government of Ghana sought to increase tariffs to enable GWSC to become self-funding. However, this was politically unpalatable and so deficits persisted. Multiple institutional and operational challenges made management of urban water supply very difficult for GWCL (Wolf et al., 2007). These problems include significant non-revenue water, poor debt collection, failure to bill, incorrect billing, old pipelines, poor maintenance, the drying up of sources, and population growth. ‘Non-revenue water’ describes usage of water that is not billed (as a result of leaks, illegal tapping etc). Non-revenue water in Ghana had hovered appallingly at approximately 50% for decades. Nepotism in the appointment of board members, corruption, and bill collectors only submitting a fraction of receipts to GWCL, also contributes to the poor environment of control and accountability (Fuest et al 2007).

With respect to the question of water privatisation, it would seem that the Government of Ghana had little choice, and was obliged by its major creditors, the World Bank and the IMF, to enter into the 2005 PPP. As a part of the regulatory preparations for privatisation, a Public Utilities and Regulatory Commission was created in 1997, to assume independent responsibility for implementing tariffs. Several attempts were made through the 1990s and early 2000s to design a feasible and workable PPP solution for water services. The reason GWSC had been divided into two companies, was specifically because of pressure from the World Bank to move towards a structure where at least some of its operations could be privatised. Urban water was assumed to have potential for profitability and so it was separated from the unprofitable rural operations (which continue today to be managed by the Government of Ghana). Into the late 1990s, the PPP option that the World Bank had been pushing for, had involved a leasing of GWCL’s assets to a private partner. Throughout the 1990s and early 2000s several loans were given to the Government with conditions attached that related to the implantation of privatisation projects[[3]](#footnote-3).Clearly then, funding as well as power were being used by the World Bank as supranational steering mechanisms. As negotiations proceeded however, that proposal was heavily criticised by community groups who were concerned that it would lead to rising water prices (Yeboah, 2006). Arguably, this demonstrates that privatisation was not a firmly held or universally accepted societal value. Despite this and without public consultation, a softer privatisation solution involving a five year management contract between GWCL and AVRL (Aqua Vitens Rand Limited) was pushed through in 2005 (Amenga-Etego and Grusky 2005). Through commitment to a PPP policy, Ghana was given entry to the ‘Heavily Indebted Poor Country’ program, allowing some debt relief. Yeboah (2006 p 52) notes that “the reward for Ghana, following the conditionalities imposed by International Financial Institutions (IFIs) has been the availability of loans to help reschedule debts and to pay for the same infrastructure”.

5.2 Urban water management PPP in Ghana - AVRL 2005-2011

The 2005 management contract that GWCL signed with AVRL was financed by a World Bank grant of US$103million (Zaato, 2014). AVRL agreed to manage the assets of the GWCL and deliver potable water to all assigned urban regions, initially for five years. The contract gave AVRL exclusive access to the ‘Revenue Collection Account’ into which all revenues from water sales were deposited. AVRL had two joint venture parents; Vitens Evides (a Dutch entity), and Rand Water Services (a South African company). Throughout the five years following the signing of this contract, the performance of both GWCL and AVRL remained poor. Financial results were poor, non-revenue water did not decrease, and the supposed expertise of the private consortium was difficult to identify. “After pressure from workers and civil society organisations who complained of the poor performance of AVRL”, the contract “acrimoniously” (Atarah 2015 p 14) terminated in July 2011. Since then, the government has reassumed management of GWCL.

*Factors contributing to the PPP failure: weak societal steering*

Broadbent and Laughlin (2013) suggest that steering occurs through mechanisms of power, funding and legislation. In their discussions they concentrate on societal steering, that is steering that occurs within national boundaries, by national governments. With PPPs in developing countries as exemplified by the urban water management project in Ghana, societal steering is also influenced by supranational organisations like the World Bank. Thus power, funding and legislation as steering mechanisms may become more complex as the local and global begin to intersperse, conflate and compete for supremacy and dominance. In analysing the failure of the 2005 contract with AVRL, we look to both supranational steering and societal steering. The World Bank has significant power through the conditionalities on the financial resources that it provides. The societal steering media, such as the government and the public sector departments leading the changes, tend to have less power, less control over finances, and there may be weak and underdeveloped regulatory institutions. All of these factors make local steering more problematic. In developed economies, PPPs can be more effective where governments are able to keep ownership and control of key elements of the process of setting up and managing the PPP (Broadbent and Laughlin, 2003). Those key mechanisms include processes relating to risk assessment of the PPPs, public sector comparisons, and value for money assessment.

In the case of the 2005 contract with AVRL, we see clear evidence of failures in societal steering mechanisms employed by the Government of Ghana. Literature has pointed to two key failings: poor planning, including weak due diligence contributing to poor contract negotiation; along with poor accountability and communication. PPPs require risk management at its core to protect the provision of the service and to ensure value for money. Contracts need to specify expected outcomes and outputs as well as penalties for non-delivery (Broadbent and Laughlin, 2003; English and Guthrie, 2003; Zaato, 2014). The ability of governments to negotiate meaningful contracts is therefore critical. Fundamental problems are evident in the way that the AVRL contract was planned and worded (Zaato, 2014). A key flaw was the complete freedom given to AVRL to manage the revenue account; “most industry players could not understand why the government decided to grant complete monopoly of the revenue account to AVRL” (Zaato, 2014, p 10). PPP infrastructural arrangements, particularly water-related projects, are risky and require appropriate risk identiﬁcation and analysis and risk management strategies. Furthermore, responsibility for the dilapidated and old infrastructure utilised by AVRL, remained with GWCL. AVRL was therefore unable to significantly increase water production (a key KPI it was expected to achieve. What was needed first and foremost for GWCL was strong internal controls, and clarity on its mission. As argued by Voss et al (2007) unclear and ambiguous goals makes steering for sustainable development problematic, which has been evident in a number of other African contexts. Tati (2005 p 323), for example, argued that privatisation of water in Congo-Brazzaville failed due to a lack of planning, and significant institutional and operational difficulties. Due diligence skills in both the public and private sector in developing countries tends to be poor (Itika, 2011) and this negatively impacts on the effectiveness of micro-level steering mechanisms.

A second problem for this urban water PPP in Ghana is evident at the societal steering level. Within Ghana, an effective public accountability process (Adams, 2011; Zaato, 2014) was not mandated to provide the necessary support to this PPP. Public accountability and transparency from both politicians and utility companies is critical but was missing in this case. Ideally, effective societal steering enables public accountability by focussing on agreed societal lifeworld values. However, GWCL as a societal steering medium, felt powerless to hold AVRL accountable because it had no access to the revenue account which in turn, created animosity between these parties, and so contributed to the breakdown in communications. Zaato (2014) adds that poor transparency was a related issue; none of the related negotiation or contract documentation was made available for public inspection. It seems the process was managed in a top-down and undemocratic manner by politicians (Wolf et al., 2007; Zaato, 2014). The state ignored the voices of silent “subalterns”, whose needs include water as a basic human right for the poor, improved life expectancy, and opportunities for regional development (Yeboah, 2006).

*Factors contributing to the PPP failure: supranational steering*

Whilst there were clear problems at the societal level leading to the termination of the 2005 AVRL contract, there were also failings attributable to the supranational steering role of the World Bank. The World Bank employed its power and influence to dictate what weak governments should do whilst also providing the necessary finance, making it virtually impossible for the Government of Ghana to resist the PPP. Furthermore, emphasis was placed on cost efficiency and profitability. Indeed, the Government of Ghana’s National Water Policy document of 2007 followed this lead and stated that efficiency was a core goal, and explained that the objectives with respect to PPPs in this sector were (i) to promote private sector participation in investment and management of water supply as a means of mobilizing investment and improving overall efficient and effective operation [and] (ii) to encourage community ownership and local private sector participation” (GoG, 2007 p 32). Amenga-Etego and Grusky (2005 p 280) argue that the World Bank did not limit it influence to pressuring the government to privatise water but also put pressure on regulatory bodies in Ghana to move rapidly towards full cost recovery. This is where we see a key problem for the steering of water management in Ghana; powerful supranational steering organisations use their authority and power (through conditional financing) to effectively deflect and rewrite the core mission for water. Profitability and efficiency are important, but only in deference to a primary focus on core objectives of providing potable water to all. A range of PPP studies in other African water sectors add to our understanding that, the World Bank’s key concerns; value for money, full cost recovery, and quality public service, are rarely achieved. Furthermore in many African water privatisation cases, the need to maximise profits for the lowest cost, significantly compromises the provision of quality, safe and equitable water supplies (Itika, 2011).

Nonetheless, we see that the World Bank may also be somewhat pragmatic and able to adapt as circumstances change. Hooker (2008) reports comments from the World Bank Director for Ghana, Ishac Diwan, who was arguing mid-way through the AVRL contract for a “middle-ground solution” to privatisation. He is reported to have said; “it’s not about ideology. It’s pragmatic”. On the other hand, a 2011 document; ‘Water Supply and Sanitation in Ghana; Turning Finance into Services for 2015 and Beyond’, was written for the Government of Ghana by an agency of the World Bank, and so effectively presents a World Bank perspective. It argues that “anticipated spending will not be enough to achieve the sector targets and that increased and more innovative financing, sector planning, better targeting, greater efficiency, and cost recovery approaches will be needed to address identified gaps” (AMCOW 2011 p 2). Full cost financing was a key proposal; “the requirements for public financing (O&M and eventually capital costs) will be considerably reduced as the policy of full cost recovery is fully implemented” (AMCOW 2011 p 10). This document presents water management in Ghana in recent decades as a story of progress, mentions nothing about whether full cost recovery is affordable, and suggests that profitability (not human rights) is a key objective. It would seem that the World Bank’s ideologies were not significantly revised at that time, in light of the emerging empirical evidence, that for now, privatisation was simply unworkable in the water sector in Ghana.

*New mechanisms for supranational steering and changing societal steering?*

As explained above, it would seem that the World Bank became somewhat reluctant, around the time of the termination of the AVRL contract, to speak for itself quite as authoritatively as it once had on PPPs. It would seem that past PPP failures throughout Africa over the past two decades have bruised the Bank and that a key part of its strategy at that time was to take a step back, and seek to gain new wisdom from other professional experts. New supranational steering mechanisms employed by the World Bank at that time included the commissioning of reports which were used to make arguments for the on-going importance of PPPs as a critical financing solution within developing country contexts. A review of relevant recent reports in the Ghanaian context, suggest that supranational steering ambitions for further PPPs remained, though often discussed in muted and somewhat ambivalent ways.

Writing for the World Bank, Thierry (2015 p 16) acknowledged that PPPs for infrastructure projects in most African contexts over the past 2 decades had been “mostly disappointing”. Specifically, he argued that governments, investors and operators had underestimated the difficulties they would encounter. “In sectors such as electricity and drinking water, institutional and rate reforms needed to make these projects viable for private operators proved impossible. ... There are few urban services for which the private sector can conduct genuinely commercial operations. Very often, regulatory requirements impose de facto subsidies on services that can be sold such as water … [furthermore] … today the PPP model has difficulty attracting investors and convincing municipal authorities of its utility” (Thierry, 2015 p 16). This seems to suggest that the supranational steering media had started to recognise the importance of steering as a process of negotiation between “networks, managing power and influence” (Voss et al., 2007) in order to improve the understanding of systems necessary to support the policy. Mechanisms that enhance knowledge and learning approaches for both the societal steering media, (governments and their departments) and the supranational media (the World Bank itself) seemed to be anticipated and preferred as new approaches to supranational steering.

Written under authorship of the World Bank itself, the 2013 ‘*Operational Framework for Managing Fiscal Commitments from Public-Private Partnerships’* suggests also that there had been some failing of PPPs in the past in Ghana, largely because of poor planning. “If clear arrangements for undertaking PPPs are not established with caution, they are likely to constitute a burden on the government and to erode efficiency benefits associated with PPPs” (WB, 2013 p 1). The report therefore sought to provide a revised framework for the Government of Ghana, to help in managing the financial commitments associated with existing PPPs. However, much of what the report suggested was relatively simple financial management and accounting controls. The report noted that many institutional and management issues needed to be dealt with within Ghana to enable better financial control, including better staff training, and the pending implementation of a proposed ‘PPP Law’. While presenting a relatively uncritical perspective on the potential for PPPs, the report therefore suggested that into the mid-2010s, the Government of Ghana would still be wise not to rush headlong into PPPs. The World Bank’s ‘PPP Project (P125595)’ seems to have been designed to provide relevant skills within the Government of Ghana to support this more nuanced approach to steering for PPPs. As per its August 2015 ‘Implementation Status & Results Report’ the objectives were to “improve the legislative, institutional, financial, fiduciary and technical framework to generate a pipeline of bankable PPP projects” (Aijaz, 2015 p 1). That report indicated that a range of facilitative laws and regulations were currently being put in place and that the learning process has been “steep, but a significant transactions pipeline has now been generated and there are a promising number of PPP transactions in the Feasibility and Pre-Feasibility stages” (Aijaz, 2015 p 6).

Despite this, the World Bank’s Annual Report 2015 presented a positive endorsement for PPPs, making no suggestion that there had been many failures in the recent past. It explained that a key current goal was to “improve global knowledge about PPPs” and so explained that the Bank “helped to launch the PPP Knowledge Lab, a website containing quantitative and qualitative information about PPPs and private infrastructure. The Bank Group has also launched a MOOC (massive open online course) to introduce real-world PPP cases to a diverse audience, as well as a webinar series on PPPs on transparency and accountability in PPPs” (WBG 2015a p 19). The report argued that PPP engagements in Ghana and other developing countries had progressed through recent developments to supporting legal, regulatory, and institutional frameworks. The supernational steering emphasis therefore seemed to have shifted again at this point, to steering for learning (Voss et al., 2007). To the World Bank, it seems that there was no question that PPPs had an important on-going role to play in sustainable development. A key resource that developing countries like Ghana needed, in order to appreciate and operationalise this, was better training. In effect, despite some reflection into the early 2010s on the significant empirical evidence of PPP failures, the core lifeworld values and beliefs of supranational steering survived unscathed, with an on-going focus on efficiency, profitability, and the importance of PPPs. Whilst the mechanisms used to achieve these goals may be becoming more subtle, inclusive and conciliatory, determination to achieve the key goals remain unchanged. In another World Bank Report at this time, ‘*Rising through Cities in Ghana: Ghana Urbanization Review Overview Report’* (WBG, 2015b) the Bank reiterates that Ghana still has a significant financing problem for its many infrastructure project needs. The report insists that PPP investments do pay off and as a consequence, further decentralisation is needed, along with reforms to enable better intra-governmental agreement, and a renewed focus on PPPs.

At the societal level, despite the failure of the AVRL contract, both the Ghanaian people and the Government of Ghana concurred that they had an on-going significant need for further infrastructural development. However in contrast to the World Bank’s position, some reflection on the failings of the AVRL contract is evident in Government of Ghana documentation following the contract’s termination in 2011. For example, shortly after termination of the AVRL contract, the Ministry of Finance and Economic Planning’s ‘National Policy on Public Private Partnerships (PPP)’ document of 2011 argued reflectively, that “the private provision of public infrastructure and services has the potential to offer enhanced value for money and enables the Government to use the private sector’s delivery and project completion expertise and capability for the benefit of the people” (MFEP, 2011 p 1). That document suggested that thinking on PPPs had significantly evolved as it now acknowledged that risk allocation, the ability of end users to pay, accountability and competition, were all important factors that should be achievable in any PPP arrangement. That 2011 document therefore suggests that societal steering media now recognised the importance of knowledge and learning about operations and systems in support of PPPs (Voss et al., 2007).

The more recent 2014 ‘Water Sector Strategic Development Plan (2012-2025) softened the tone on privatisation even further, making only very general comments about the it potential in the future. “The water sector will require increased financial investment from government and other non-traditional sources of financing including private sector sources to ensure sustainable financing of the sector as traditional aid from DPs [donor partners] begins to decline” (MWRWH, 2014 p 26). Societal steering media also seemed to recognise at this time, the importance of clarifying the vision for PPPs. For example, the Water Sector Strategic Development Plan (2012-2025)’ stated that “the vision of the water sector is ‘sustainable water and basic sanitation for all by 2025’ which means ensuring that ‘all people living in Ghana have access to adequate, safe, affordable and reliable water services, practice safe sanitation and hygiene and that water resources are sustainably managed” (MWRWH, 2014, p 16). As Voss et al., (2007) suggest, steering for sustainable development requires untangling of ambiguous and conflicting goals and requires the management of complex interactions, social, economic and technological.

We also explored the websites of the two former private partners to Ghana’s failed 2005-2011 urban water PPP. Some commentary on its relationship with the Government of Ghana post-2011 was evident on the Vitens Evides website. Its 2011 Annual Report states that “obviously, we went through our ups and downs with our partner [Government of Ghana] and got to know each other better as we went along. … We’ve remained on good terms with GWCL and are currently working together on the basis of a three year contract financed by the European Union” (p 11)[[4]](#footnote-4) . This opaque comment suggests that the economic relationship with the Government of Ghana was in fact still on-going. However, a review of Government of Ghana websites in 2015 revealed little mention of AVRL, and did not suggest that the relationship might be on-going. The only information available on what Vitens Evides and GWCL are now ‘currently working together on’ comes from a factsheet available on the Vitens Evides website which suggests this relationship is now focused on assistance with specific smaller technical projects including, “improve competency and knowledge of officials, operators and laboratory officials by capacity building” and “investing in equipment and improved availability of materials and consumables” (VEI 2011 p 1).

Societal steering should be driven by the societal lifeworld values facilitating accountability to the society. A clear lack of public accountability was evident in the failed AVRL contract. Yet the public have become increasingly demanding that their basic human rights be protected (Rahaman et al., 2013). The Government of Ghana undertook a survey of urban citizens in 2010 which would appear to have been driven by feeling the need to respond to past criticisms that community engagement has been poor/non-existent. In the forward to the report, the Metropolitan Chief Executive of the Accra Metropolitan Assembly notes, ‘to deliver the needed service improvements, the Accra Metropolitan Assembly will need to work in partnership with its constituents, the residents of Accra. This means communicating more frequently with residents, and actively listening to residents’ (WB 2010 p 1). This document is noted as the ‘first’ such consultative report card. To late 2015 however, little interactive communication seems to have followed. Thus the extent to which the Government of Ghana is willing to make a concerted commitment to public accountability remains unclear.

In a surprising turnaround in 2014, a report in the World Bank’s ‘Partnerships Bulletin’ of 19 February 2014, notes that Ghana is now preparing for 10 major PPP projects including the ‘Asutsuare Water Project’ which the report notes, the Ministry of Finance is seeking to ‘fast-track’. The report notes that a director of the Ministry issued a press release on 11 February 2014 explaining that all 10 projects were still in the preparatory stages and that transaction advisors still had not been selected (PB, 2014). The urgency to push ahead begs questioning about whether key problems identified with PPPs in the past (including poor due diligence and planning) have really been sufficiently engaged with, and whether the Government of Ghana is still beholden to the supranational steering of the World Bank and other powerful financiers. It would seem that supranational steering pressure for privatisation is not easing. Those pressures may simply be shifting to new and more powerful players. For example, Hormeku (2015) reports that privatisation is now a conditionality in donor and loan funding from USA through projects such as Obama’s ‘Power Africa’ project and the Bush-era ‘Millennium Challenge Account’.

In summary, we argue that steering for PPPs in this developing country context, has comprised dual steering by supranational and by societal steering media. A variety of mechanisms have been drawn on in these endeavours. All the elements necessary for steering sustainable development remain in dynamic tension as the two media compete for supremacy of goals, values and visions, knowledge about how processes work and power. The key factor that tips power in the direction of supranational steering remains funding. The World Bank’s unrelenting focus on privatisation remains a challenge to resource delivery in these lifeworlds. The Government of Ghana must counter these pressures with an equally relentless focus on its core mission as articulated by the MWRWH (2014, p 16) as ‘sustainable water and basic sanitation for all by 2025’. This mission must remain paramount to secondary concerns about efficiency and profitability and the World Bank must learn to effectively engage with others in these lifeworlds.

**6. Concluding discussion**

The purpose of this paper is to analyse why a PPP for water management failed in Ghana and to examine what lessons have been learned from the experience. The paper has argued that the failures can be attributed to failures in both societal and supranational steering. Societal steering mechanisms encompass the regulations, and processes that are introduced at a societal level to implement agreed lifeworld values. Supranational steering are the media and mechanisms developed by powerful external organisations that impact upon societal steering. The paper has shown the tensions between societal steering and supranational steering and the pressures that the supranational places upon the societal. Supranational steering pressure reduces the effectiveness of societal steering and in so doing also reduces its own effectiveness.

We argue first, that there are tensions between supranational and societal steering media in terms of the purpose or goals of steering for PPPs. Literature has highlighted the macro goal of providing finance for the supply of public services and releasing pressures on tight government budgets by providing off balance sheet finances. In developing countries, in addition to have significant budgetary deficits, there is chronic lack of finances for infrastructure provision making these macro rationales for PPPs even more complex. This creates the first pressure points between supranational steering and societal steering. Through conditionality associated with loans, the supranational steering media can dictate the goals: a focus on macro financing as compared rather than the goal of providing basic services.

Whilst developing countries need to provide basic services, the World Bank is concerned with the financing of the service. This is where we see a key problem for the steering of water management in Ghana; powerful supranational steering organisations use their authority and power to effectively deflect and rewrite the core mission for water. That core mission has clearly stated in the 2014 Water Sector Strategic Development Plan (MWRWH, 2014 p 26), as the fair provision of clean water for all. Cost recovery, efficiency and profitability are important, but are not a central element of that core mission at the societal level.

Secondly, the purposes of the two types of steering follow from their respective lifeworld values and ideas. As suggested by Annisette (2004) the World Bank has a pro-capitalist bias, and a pro-capitalist development ideology. It projects lifeworld values and ideas of neo-liberal rationality and neo-classical economics. Its views of development are informed by these values and all its steering mechanisms are driven by these views. In the case of societal steering, although the purpose of steering is for basic supply of services, its underpinning lifeworld values are opaque. Broadbent and Laughlin (2013) suggest that ideally, lifeworld values are agreed and decided upon through open debate. In developing countries like Ghana, effective public engagement becomes a luxury, and rose tinted view of the world. As shown above, there was very little debate with the general public about the efficacy of the 2005 AVRL PPP. At the societal level, the only value that seems to drive steering which seemed to be generally accepted was that the core service needed to be provided. There was significant public resistance to privatisation as demonstrated by the civil societies sector, but this was largely ignored by the Government of Ghana. Government support for PPPs, in the face of on-going social and public opposition to PPPs, is sinister. Public accountability failings suggest that there were other factors driving PPPs beyond any belief in their usefulness. This complexity remains ongoing with the government pushing through with its PPP policy into 2014, more strongly than ever.

Thirdly, theoretically steering mechanisms should flow from the steering media and their desire to pursue lifeworld values. A key mechanism pursued by the World Bank was full cost recovery, emphasizing the profitability and efficiency approaches associated with neo-liberalism, and market governance. Because of the pressure from the World Bank, the societal steering mechanisms also seemed to follow this approach. The problem for the Government of Ghana (and perhaps also for the World Bank) stems from the fact that people are poor. The public of Ghana simply have not been able to afford to pay for the full cost of services like water. Market governance was thereby being forced upon non-“market oriented people” (van de Meene et al, 2011, page 1120). Societal steering mechanisms for achieving sustainable development required a network governance approach with open communication, a sharing of information, identification of risks, and looking for ways of influencing and guiding (van de Meene, 2011). Alternatively, as suggested by Voss et al., (2007), a recognition of the interlocking activities of market regulation, administrative reform, social mobilization, educational reform and “the shaping of social attitudes” is needed (Voss et, 2007, page 208; van de Meene, 2011). Through societal steering media, the Government of Ghana and its regulatory bodies were responsible for the more micro-level mechanisms for the regulating and monitoring aspects of the 2005 AVRL PPP (English and Guthrie, 2004). However, as Amenga-Etego and Grusky (2005, p 280) observe “unfortunately the Public Utilities and Regulatory Commission has been subject to pressures from the IMF and the World Bank to move rapidly towards full cost recovery”, which is thereby a “major example of institutional overreach” and interference in governance.

The crux of the matter is that the immense power wielded by supranational steering organisations creates very difficult steering situations for societal steering media. The central focus on the puzzle of funding imposed by these supranational organisations, along with the strong steering mechanisms employed by them, have *colonised* the lifeworlds of the societal steering media and mechanisms such that most regulatory activities appear just to be copying and following what the supranational requires and insists (Broadbent and Laughlin, 2013). Societal steering seems to concentrate just on showing that “we are doing what you want!” rather than working towards creative solutions with the needs of their people and their lifeworld values at the core.

Judging from some of the changes being put into place since the failed 2005 AVRL contract, the World Bank would appear to have learnt some lessons. However, despite some suggestion of positive rhetoric, the recent approval of 10 costly new PPP projects suggests that it is less clear whether the Government of Ghana have also fully absorbed lessons from this experience. The World Bank will continue to be a key supranational steering organisation impacting on developing countries like Ghana. If, as a supranational steering media, its aim is not to lead national resource management processes to failure, but to support the delivery outcomes which are both economically and socially viable, it needs to acknowledge and accept the social complexities of resource delivery in different lifeworlds. Solutions are not simple, but a nation’s public sector core mission for sustainable development, basic human rights and poverty alleviation must be recognised and must remain paramount. Steering for sustainable development requires coordinated efforts such that different perspectives about the problems and solutions are analysed to enable effective strategies to be implemented.

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1. From the MWRWH website. Cited 27 October 2015. At <http://www.mwrwh.gov.gh/> [↑](#footnote-ref-1)
2. From the GWCL website. Cited 27 October 2015. At <http://www.gwcl.com.gh/pgs/history.php> [↑](#footnote-ref-2)
3. Amenga-Etego and Grusky (2005) provide several examples of conditions including, the World Bank and Ghana Water Sector Restructuring Project for US$100million, signed in 2000. Condition of that contact included negotiation with a Private Sector Company. Another example is the World Bank Third Economic Reform Support Credit Loan (July 2001). Conditions of that contract included, water and electricity tariff increases. The World Bank Country Assistance Strategy signed in June 2000 provided loans ranging from US$285million to US$640 million subject to “triggers”. Those triggers included an expanded private sector participation in infrastructure including projects focused on power, urban water, rail and ports. [↑](#footnote-ref-3)
4. From the Vitens Evides International 2011 Annual Report. Available at <http://www.vitensevidesinternational.com/wp-content/uploads/2014/12/VEI-Annual-report-2011-English.pdf> accessed 27 October 2015. [↑](#footnote-ref-4)