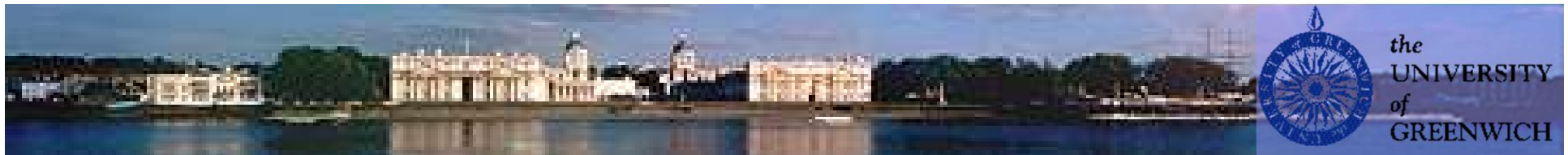


**3rd International Seminar on Water Resources Management
University of Pisa, 27 January 2017**

**A research agenda for
comparative institutional analysis
in the global water sector**

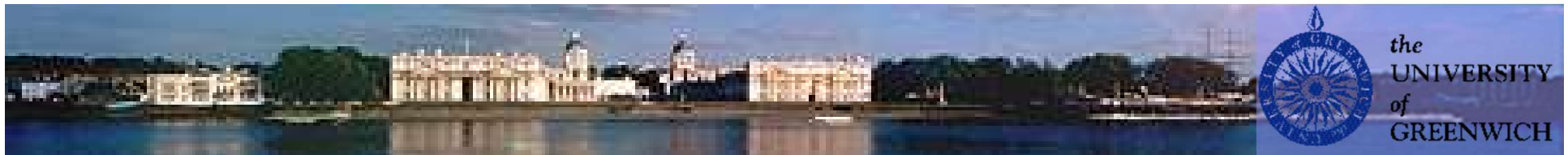
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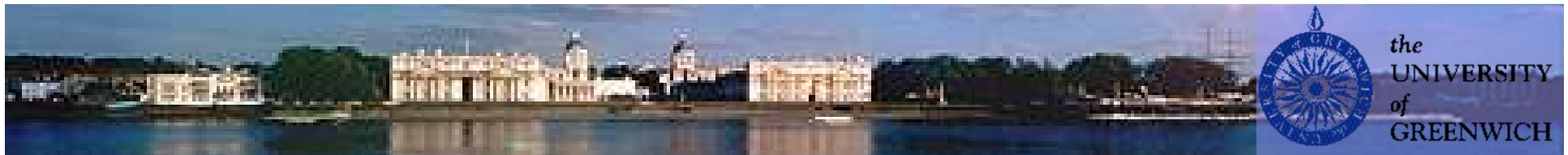
Comparative institutional analyses?

- ◆ Alternative approaches to structuring the problem of comparative institutional analysis
 - Micro-analytic level (e.g. Oliver Williamson): who is better at delivering the service?
 - Meso-analytic level (e.g. Oliver Hart): who is better at financing the service?
 - Macro-analytic level (e.g. Douglass North): who is better at surviving over time?
 - The scholarly vs. policy debate



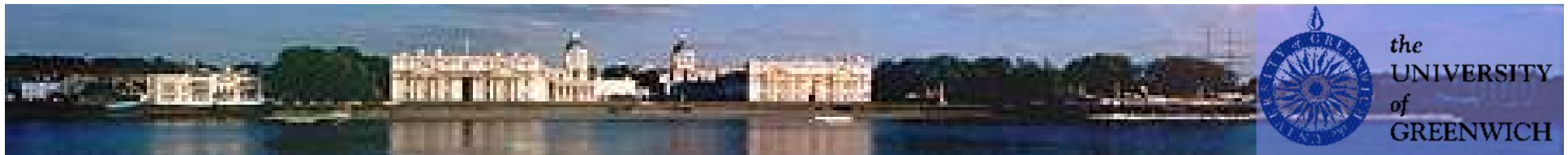
The micro-analytic level

- ◆ **Underpinnings of the Williamsonian comparative institutional analysis**
 - Focus on the transaction as the unit of analysis
 - Technology determines the feasibility of sustainable development objective
 - Technology defines the institutional reform opportunity set
 - Remediability principle
 - Discriminating alignment of organisational attributes and the attributes of the transaction



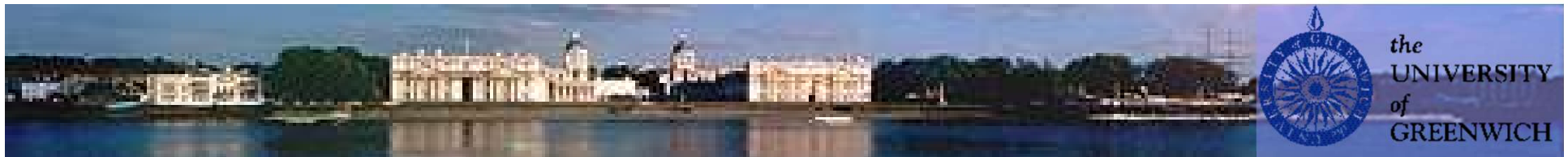
The proof of the pudding

- ◆ Oliver Williamson: If no organisational mode is perfect ...
- ◆ The choice between alternative and feasible organisational modes depends on the comparative evaluation of performance



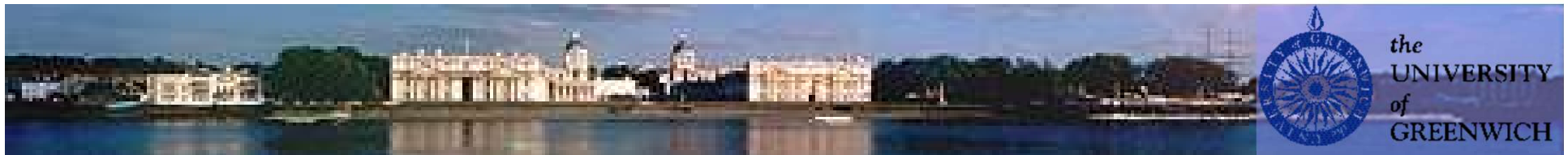
An uncomfortable truth

- ◆ Quantitative studies fail to find superior private efficiency in the following sectors
 - Buses
 - Electricity
 - Healthcare
 - Ports and airports
 - Prisons
 - Rail
 - Telecoms
 - Waste management
 - Water



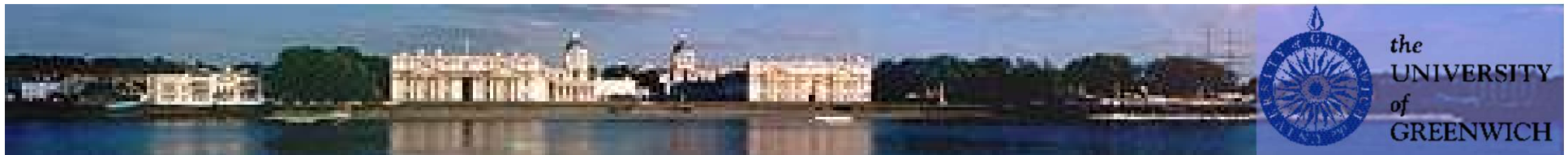
The case for closing the debate

- ◆ “For utilities, it seems that in general ownership often does not matter as much as sometimes argued. Most cross-country papers on utilities find no statistically significant difference in efficiency scores between public and private providers.” (World Bank, 2005)
- ◆ The ensuing normative position
 - Regulation is a more influential determinant of performance than ownership



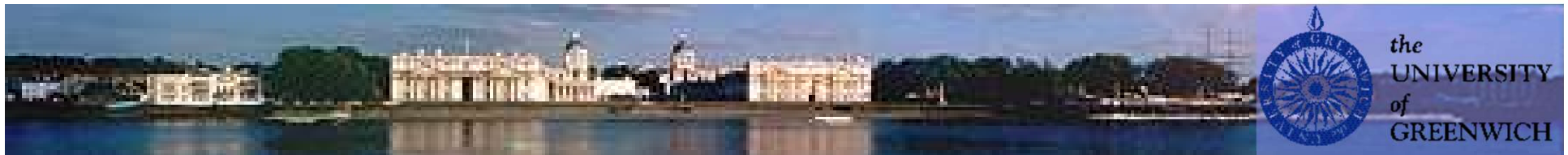
The case for reopening the debate - 1

- ◆ The mainstream reaction to such uncomfortable truth is inconsistent
 - Ownership is uninfluential only in the hypothesis of equal public and private interests and ethos
- ◆ Scope for better defining evaluation criteria?
 - Relative efficiency (technical vs. price efficiency)
 - Allocative vs. adaptive efficiency
- ◆ Scope for improving evaluation methods
 - From quantitative to mixed methods research?



The case for reopening the debate - 2

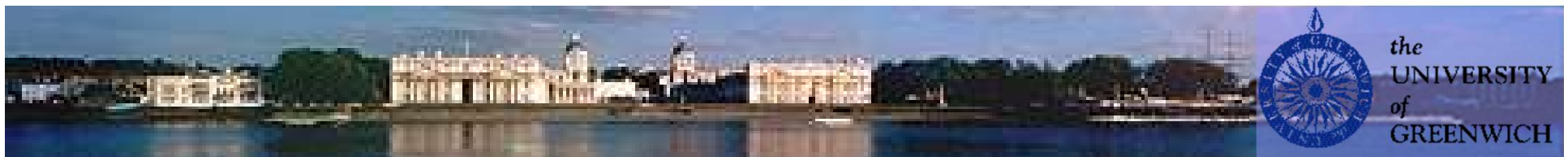
- ◆ The contribution of qualitative research
 - Observation of successful public operations disproves expectations of intrinsic public sector inefficiency
 - Scope for better aligning organisational and institutional attributes?
 - Should the profession accept the legitimacy of multiple agency?
 - Do democratic governance, social acceptability and sustainability matter?



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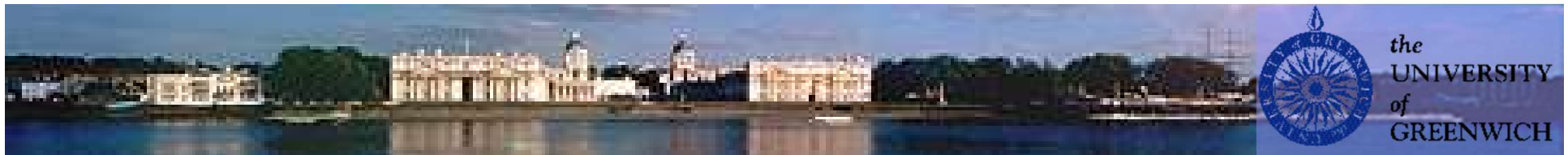
Choosing a social welfare function

- ◆ **Micro-analytic comparative institutional analysis with the human right to water (R2W) as a social welfare function**
 - Complementarities and conflicts between R2W and sustainable water development
 - Has the literature looked at the organisational comparative advantage in promoting the R2W (e.g. tackling water poverty)?
 - What implications for the type of efficiency to comparatively assess?



R2W as a social welfare function - I

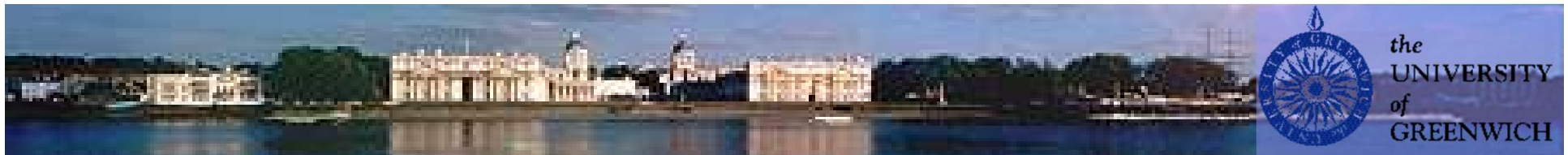
- ◆ **Normative content:**
 - Availability (sufficient and continuous)
 - Quality (safe consumption/use)
 - Accessibility (to everyone without discrimination)
 - Affordability (without compromising the ability to secure access to other essential necessities)
 - Acceptability (culturally acceptable)



R2W as a social welfare function: II

◆ Principles:

- Equality and non-discrimination
- Participation and inclusion
- Accountability
- Progressive realisation and non retrogression (what implications for tackling water poverty?)
- Maximum use of available resources (what implications for definition of relative efficiency?)



Our public water future

The global experience with remunicipalisation

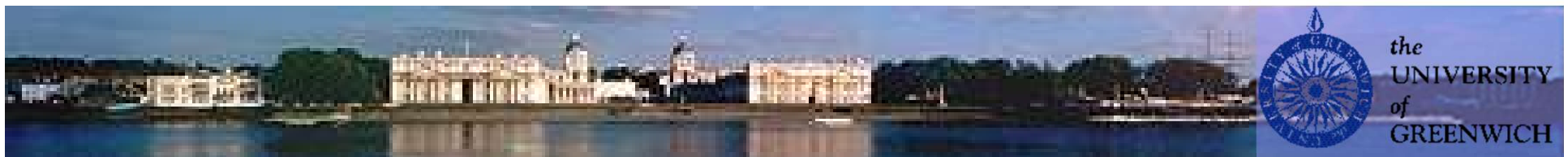
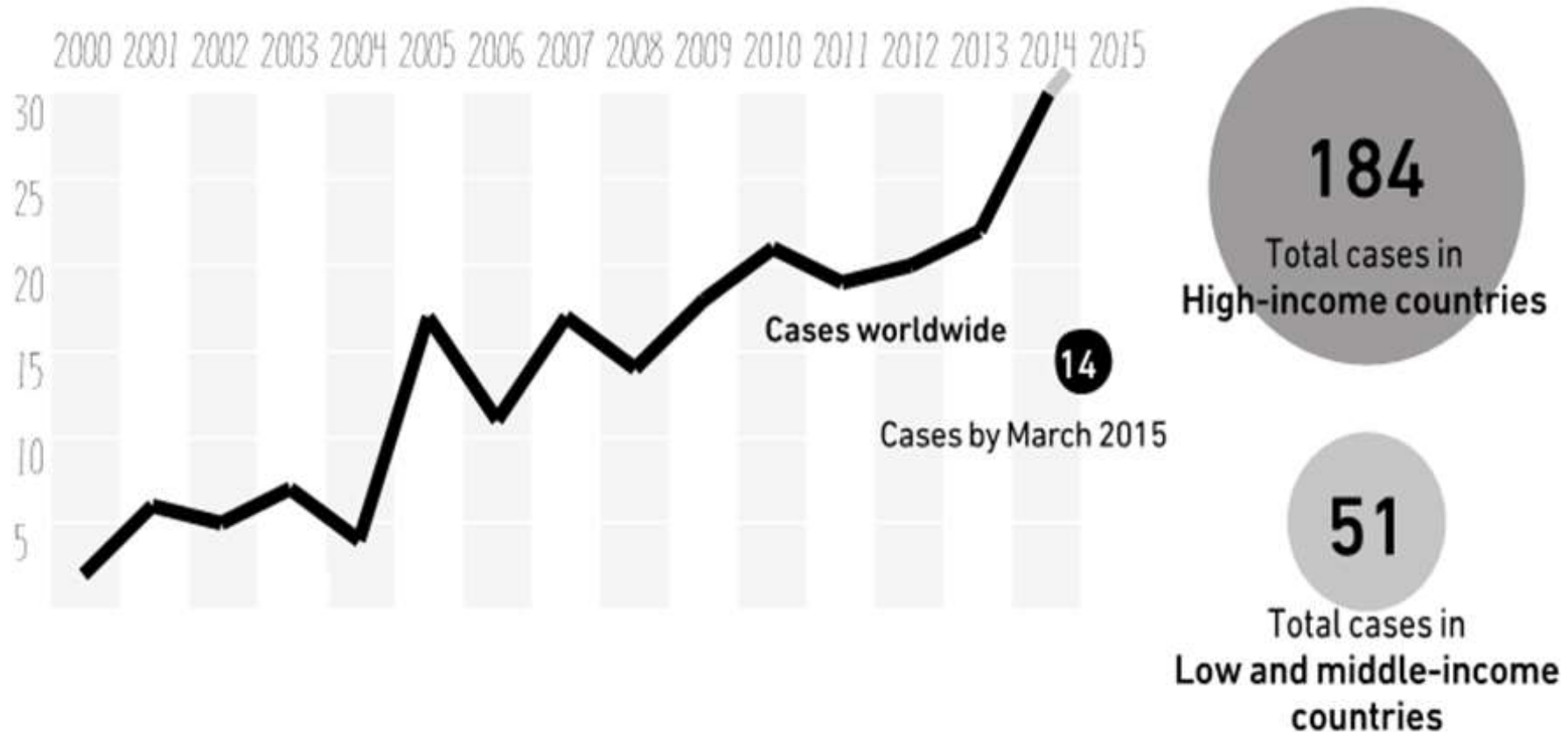


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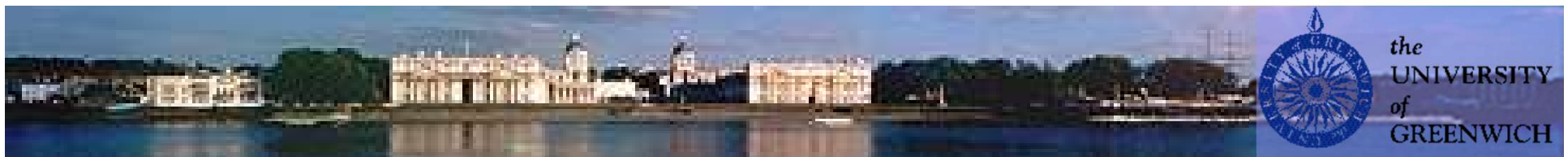
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Remunicipalisation as an accelerating global trend



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Remunicipalisation as a Global Trend: by country



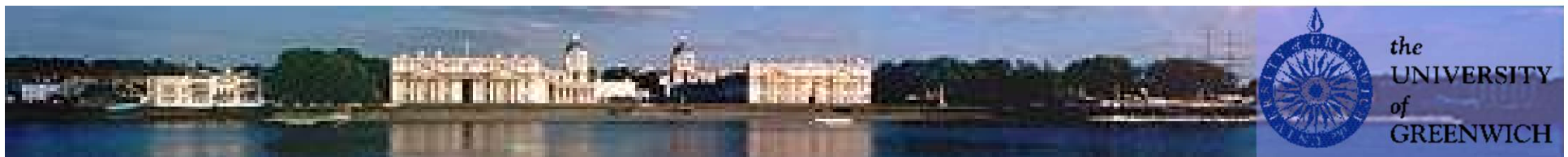
Sinking flagships of privatisation

- ◆ **High-income countries**

- Paris (France); Berlin (Germany); Atlanta (USA)

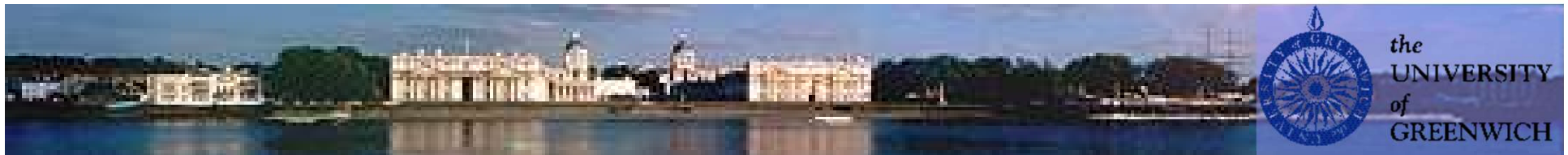
- ◆ **Middle- and low-income countries**

- Accra (Ghana); Almaty (Kazakhstan); Antalya (Turkey); Bamako (Mali); Bogotá (Colombia); Budapest (Hungary); Buenos Aires (Argentina); Conakry (Guinea); Dar es Salaam (Tanzania); Jakarta (Indonesia); Johannesburg (South Africa); Kampala (Uganda); Kuala Lumpur (Malaysia); La Paz (Bolivia); and Rabat (Morocco)



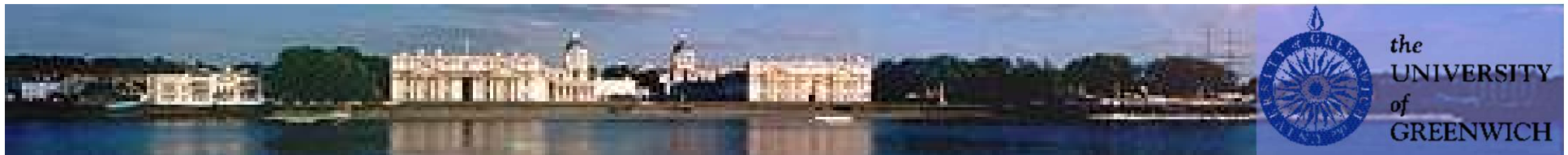
The strength of small numbers

- ◆ **18 flagships sunk**
- ◆ **Remunicipalisation trend emerging without support of World Bank and the likes**
- ◆ **Remunicipalisation trend fuelled by false promises of privatisation vs. Privatisation fuelled by convincing promises and marketing skills**
- ◆ **Relevance for sustainability of privatisation**



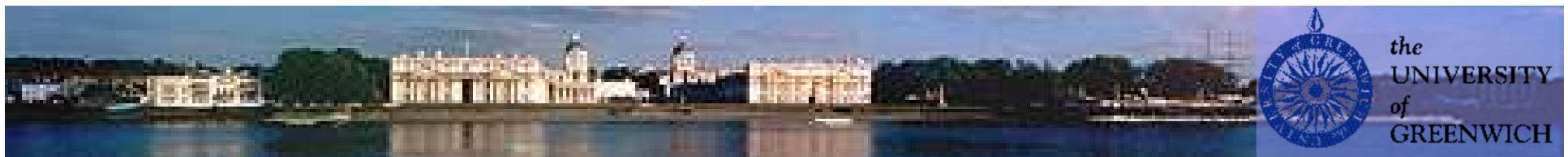
Conclusions - I

- ◆ The failure to find evidence of superior private efficiency is significant
 - This is proof of the failure of government failure
 - This has serious implications for policy making
 - This calls for strengthening the debate, not avoiding what remains a relevant debate
- ◆ A new research agenda could aim to reassess the reasons for the «inconclusiveness» of the literature, building on the strengths of EWURIN partners



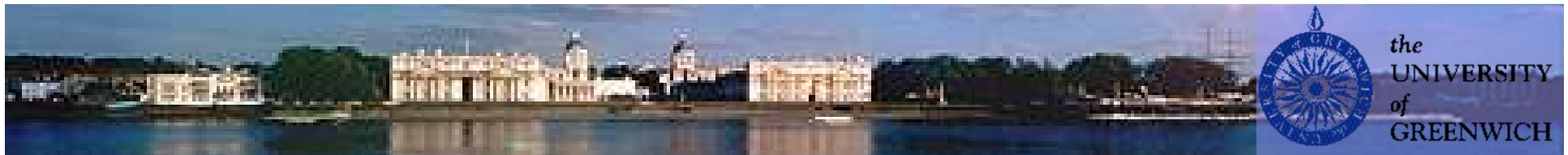
Conclusions - II

- ◆ Sketching a new research agenda
 - Greater clarity on hierarchy of priorities between effectiveness, adaptability and efficiency
 - Better awareness of trade-offs between economic, social and environmental objectives
 - A mixed method approach to embrace social complexity
 - Attention to the alignment of organisational attributes and the attributes of the institutional environment (beyond Oliver Williamson)
 - What lessons from the growing remunicipalisation trend for comparative institutional analysis at the micro- and macro-analytic level?



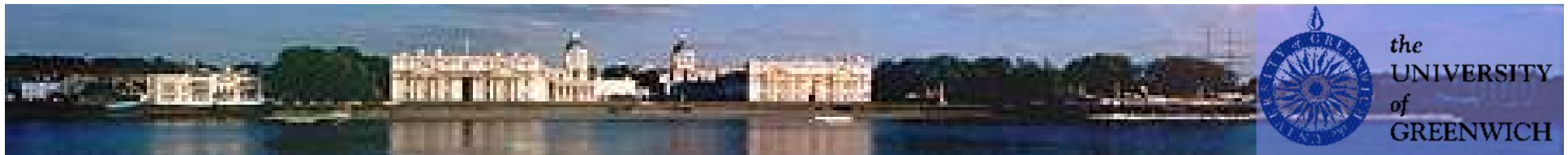
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