

Hixon Center for Urban Ecology Student Research Fellows

Beyond 'Public versus Private' Ideology: An Institutional Analysis of Urban Water Provision in Manila, Philippines

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Problem Investigated:

Progress towards more effective water system reform, to improve freshwater access in urban centers, has been hindered by an ideological debate over public versus private water provision. This debate distracts attention from more salient features of institutional design of water systems, and does not lead to more effective governance strategies.

In the city of Manila, in the Philippines, two public-private partnerships (PPPs) for water provision realized very different outcomes, despite similar regulatory and social contexts. The success of one, and failure of the other, suggests that results are not fully attributable to the type of ownership and management of a utility. Finding more effective institutional arrangements for water provision requires a deeper analysis of the processes and products of these agencies and organizations.



Approach:

This work used the two Manila water concession case studies to assess political and regulatory barriers that hinder water system improvements, and to determine the microlevel organizational features that affect utility outcomes. The PPPs were studied using a series of semi-structured interviews and meetings with a variety of stakeholders, including utility administration, government officials, international funding and aid agencies, and non-governmental organizations. The questions were intended to elicit responses that would indicate the differences between the two companies and their actions, in order to determine what factors were the cause of the differ-

Discussion:

The intersection of contract structure, debt allocation, and the management of transition processes had a decisive influence on the financial viability of the utilities and their abilities to fulfill contract requirements.

Structural and organizational features interacted with the exogenous shocks of a currency crisis, with varying results. Despite similar urban contexts and regulatory environments, the uneven debt allocation combined with the rapid currency devaluation led to vastly different outcomes, and the problems were exacerbated by managerial decisions.

Rather than focusing on the public versus private nature of water utilities, it is necessary to look at a task-based division of water provision systems. Determining which stakeholders have the requisite skills and experience to take on responsibilities for aspects of water services, and designing a provision system accordingly, would allow for a greater understanding of the local context, and could help increasing transparency, accountability, and flexibility in water access and governance systems.



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