


Optimising civil society, private enterprise and public sector roles

Insights from a political economy analysis in three Southeast Asian nations

Juliet Willetts and Janina Murta



THINK
CHANGE
DO

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WASH



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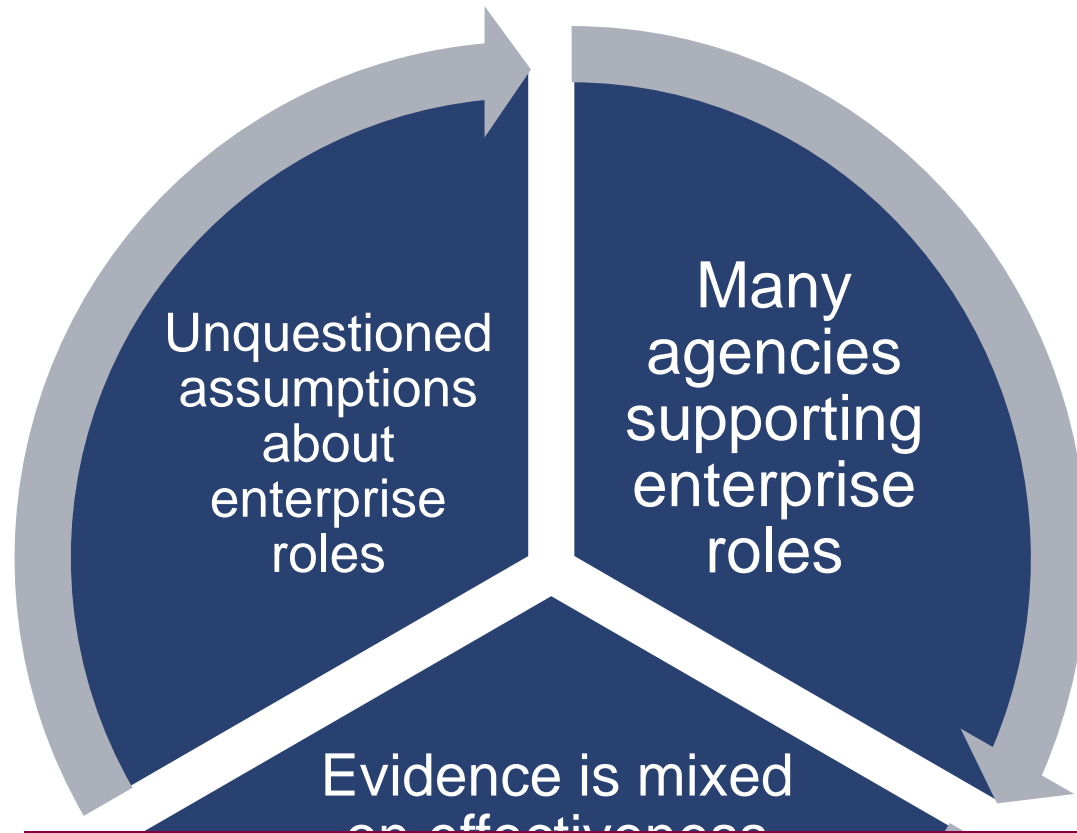
Key messages of this presentation...

1. Every actor needs an **incentive or reason** to act – we should be careful about what we assume!
2. The concept of **social enterprise** may provide a new avenue to support services
3. Public sector needs to **subsidise/support** services for the poor one way or another – focus on how to do this whilst maximising what the market can offer
4. Donors need to provide incentives for implementing agencies to work in new ways, **valuing different types of outcomes**

Why examine incentives shaping the role of enterprise in WASH?



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We're taking enterprise in the broad sense of the word - including both private and social enterprise

A short note on methodology...

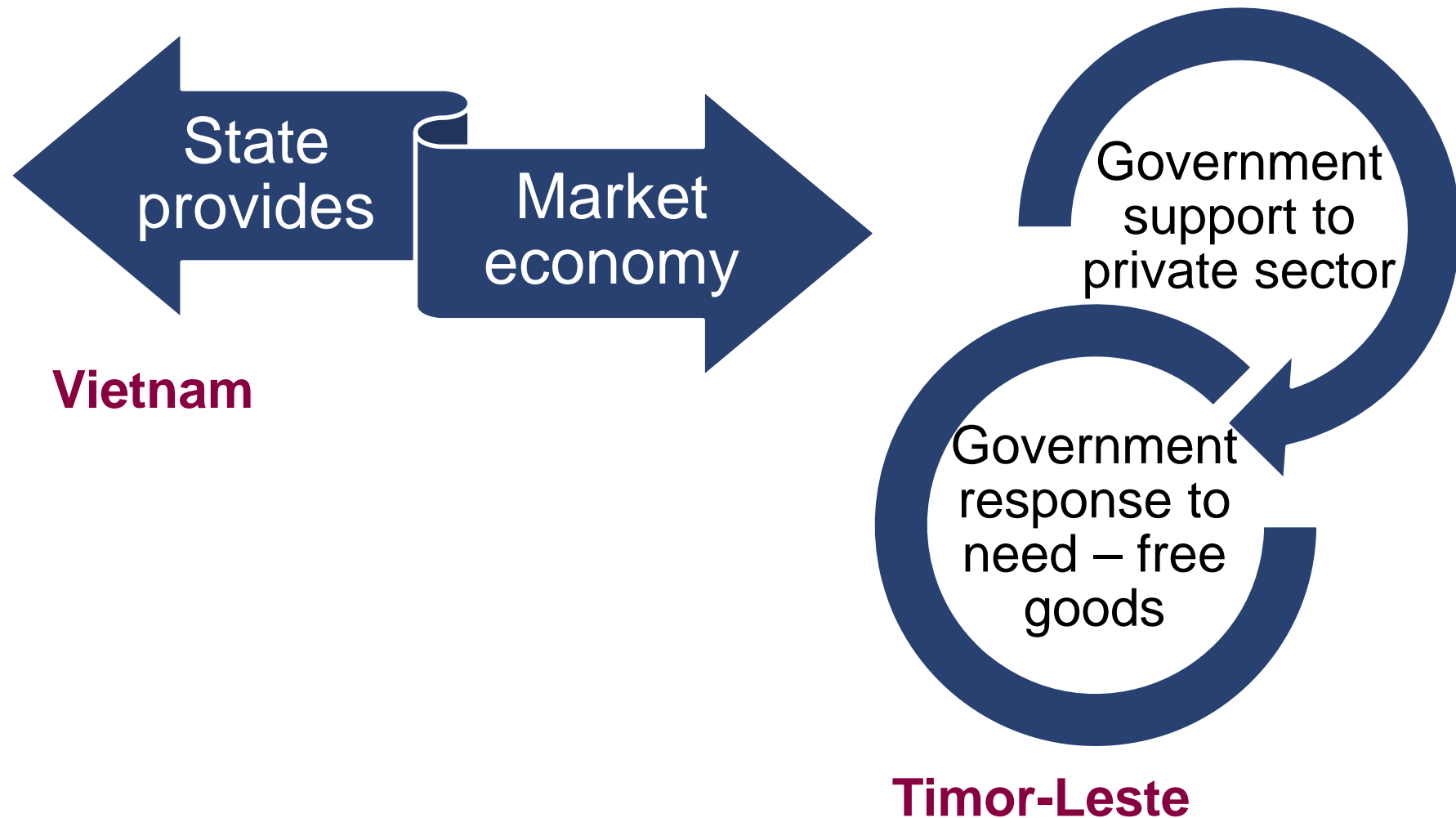
- Three countries
- Political economy analysis (Harris et al. 2011, Ostrom 2011)
- Country and sector context
- Interactions between types of organisations
- 120 organisations and agencies interviewed



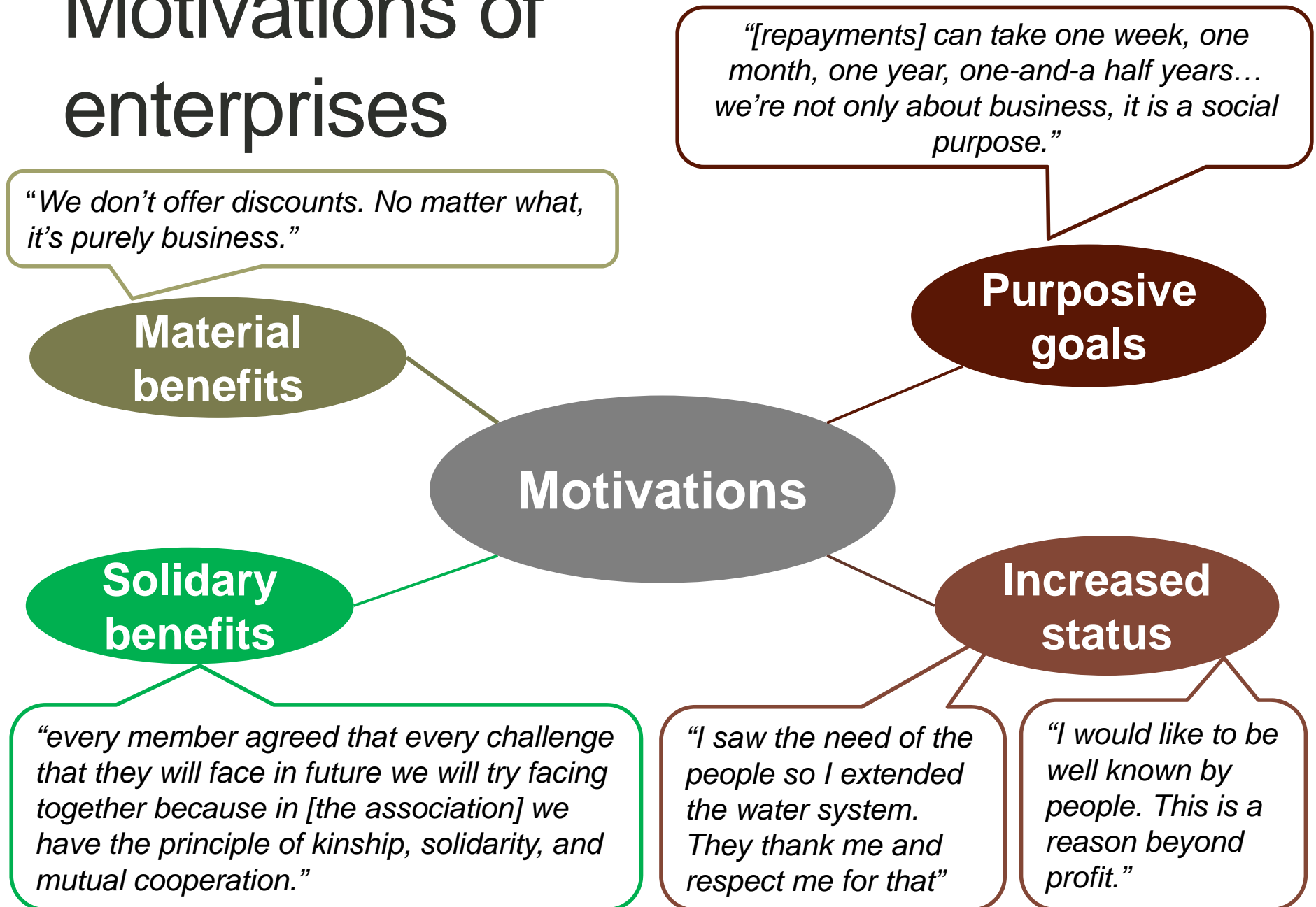
The importance of history and the macro-level political economy

- Helps explain **mismatches** between official policy priorities and the goals of political and administrative actors
- Helps explain **attitudes** towards the 'private sector'
- Helps explain whether 'social enterprise' exist and how they are **perceived**

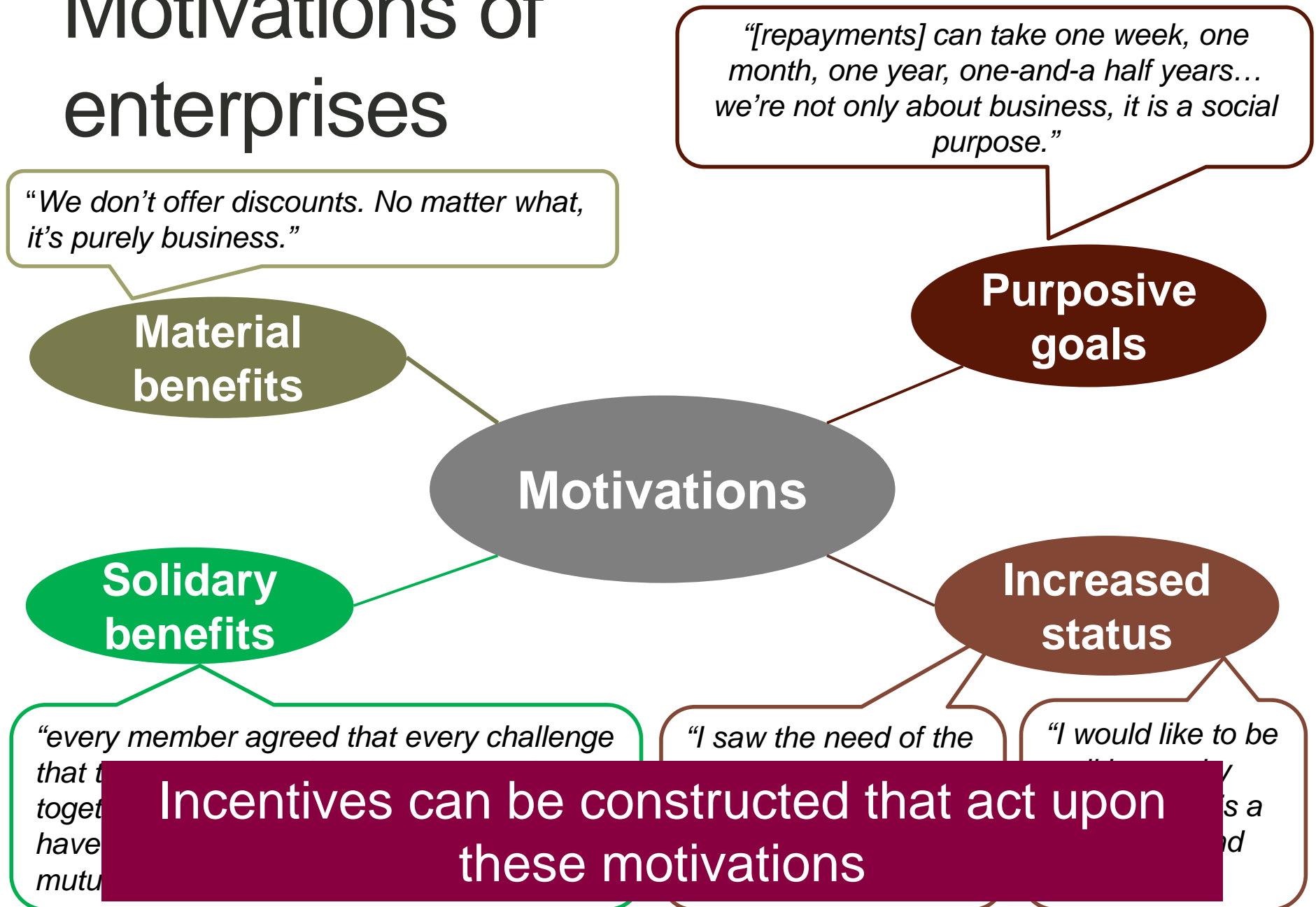
The importance of history and the macro-level political economy



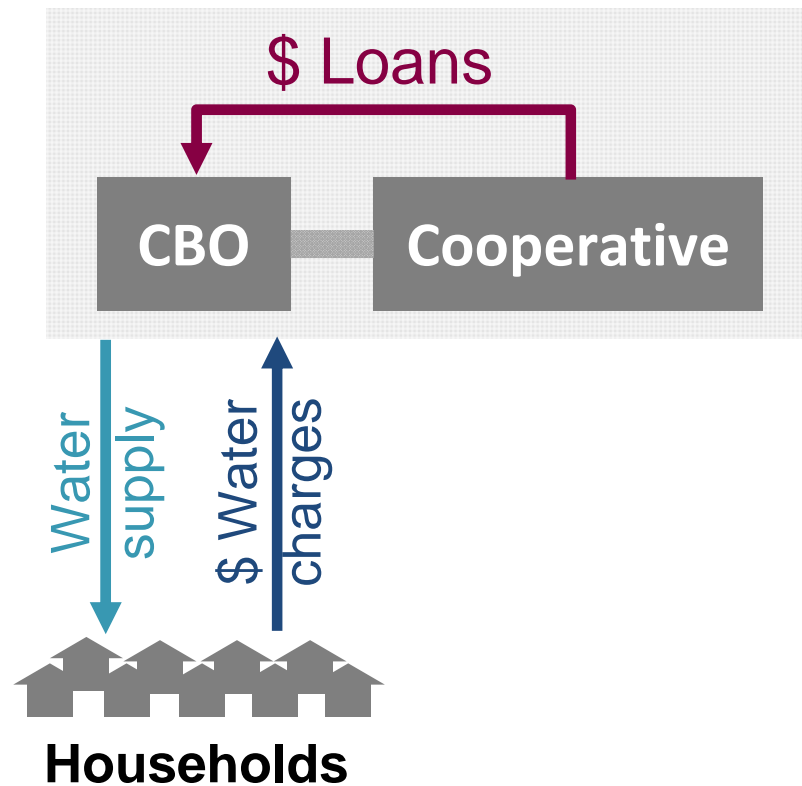
Motivations of enterprises



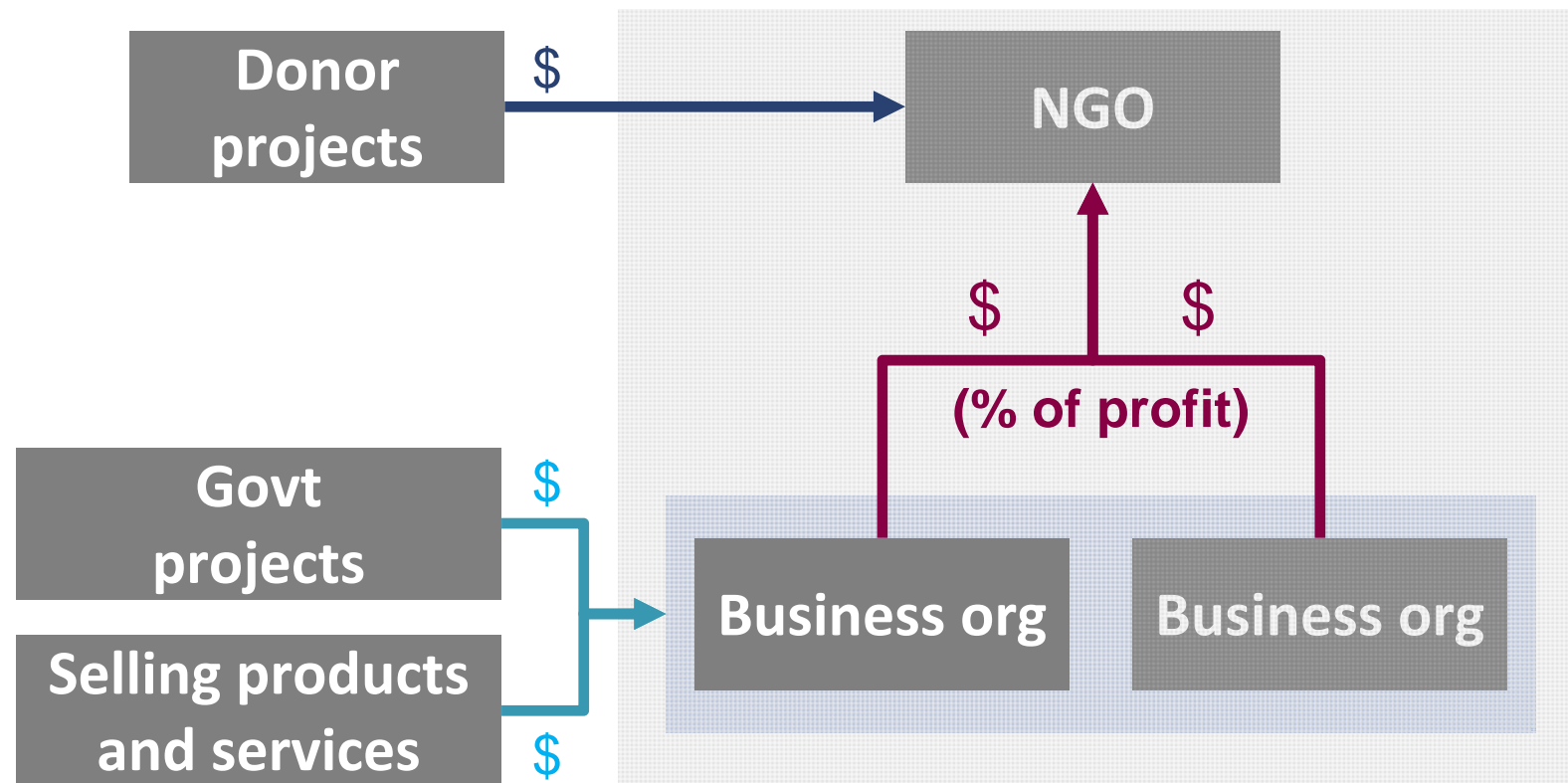
Motivations of enterprises



Creative ways of working around available formal business types – forms of social enterprise



Creative ways of working around available formal business types – forms of social enterprise



Entrepreneurism

“there’s a lack of entrepreneurial culture, most perform the contracted work but don’t re-invest”

“Real entrepreneurs should sacrifice their own money to start a business”

“Vietnam has always had entrepreneurs – people bargaining and trading – it just was not recognised formally”

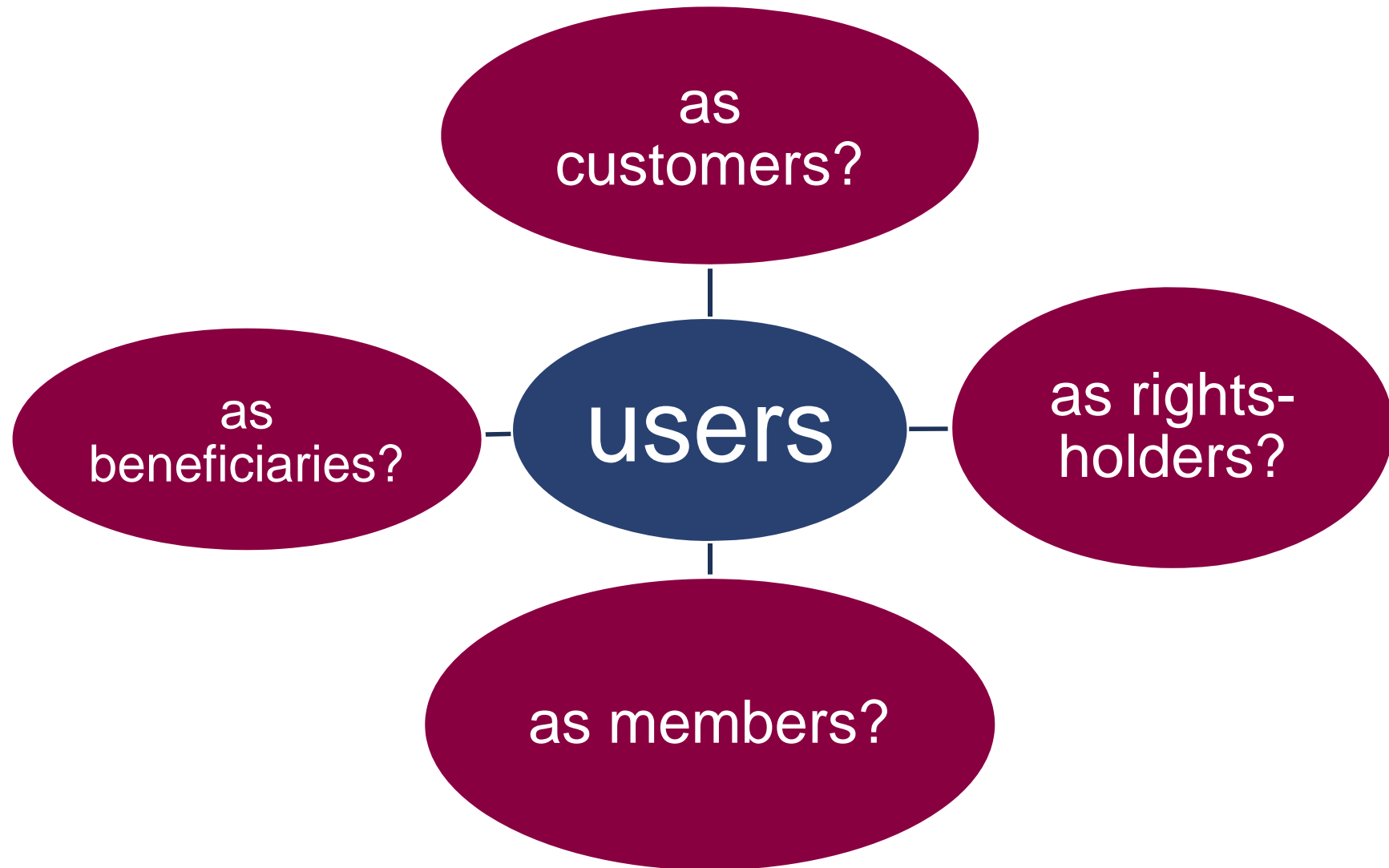
“I say I will provide snacks [for a meeting with community]. I have to take a risk. It’s not about money out, it’s an investment. My presentation leads to 13-14 orders. Sometimes others are not brave enough to do that”

Complex behaviour of users affects enterprise operation

- Users tampering with meters
- Irregular repayment of credit offered by enterprises
- Avoiding using a 'local' business out of jealousy
- Using other water sources instead of paid piped water when possible



How are 'users' of products and services seen by enterprise? How do users see themselves?



Mediated relationships with users



supplier or
entrepreneur

promoter



householder

incentives?

Local level policy environment

Potential incentives for local government to support enterprise:

- Targets
- Prestige and recognition
- Financial incentives

Barriers:

- Can be considered unacceptable to directly support enterprise



Local level policy environment

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unable to directly
support enterprise

“if [you] say this is private sector, then they respond that this is not their domain, [and that] “they [enterprises] have to survive”... “if you ask them to help, then they say they don’t know how”



Private sector support agencies... mostly missing in action

Focus on highly visible
socio-economic outcomes

The diagram consists of a dark blue oval at the top containing the text 'Focus on highly visible socio-economic outcomes'. Two lines extend downwards from the bottom of this oval, forming a triangle that points to a rounded rectangular box at the bottom. To the right of the triangle, there is a maroon oval containing the text 'Patronage relationships'.

Patronage
relationships

“The national budget system is performance based. If you read their budget system, there is no priority for water and sanitation. It will take time for them to realise”

CSO/NGO engagement with enterprise to support the poor

"The enterprise stay in the location, so we work with them"

"NGOs are funded on a project basis. If [working with enterprise] can turn a project into a business opportunity, then it can continue"

"The less you're dependent on the market, the more you're independent"

"It's impossible for us to be with them forever, the most important thing is empowerment of the people... they have to claim their rights"

markets

Rights
and/or self-
sufficiency

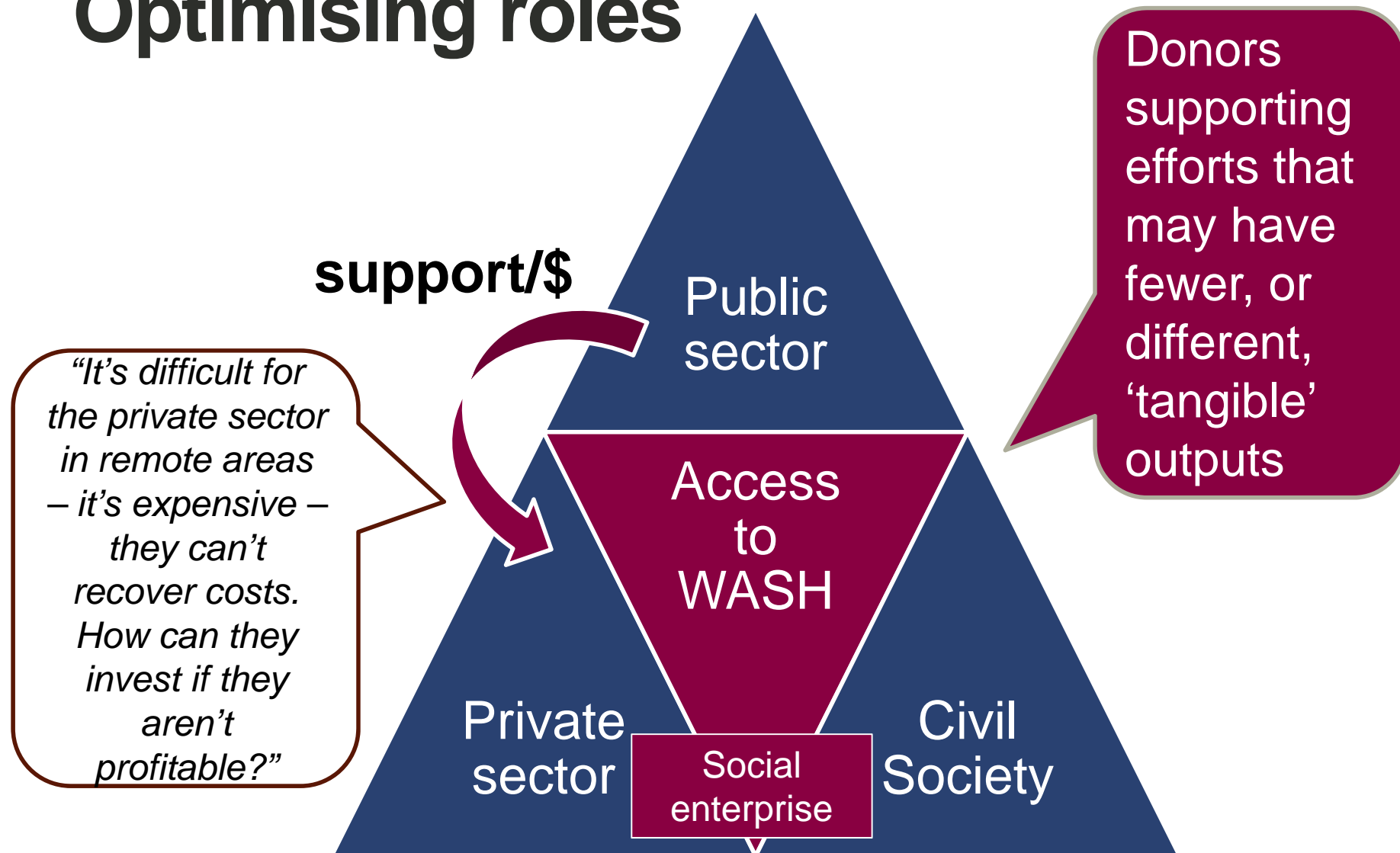
CSO/NGO engagement with enterprise

Assumptions
(and sometimes reality)
about donor expectations:

“a lot [of NGOs] say that the funding isn't flexible. It's not really like that, things are not set in stone but it's the way they think. They say donors won't accept, but I am the donor”



Optimising roles



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