

# Bringing Institutional Economics to Bear in Understanding Ghana's Performance on Multi-Stakeholder Interventions

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## Abstract

Existing literature on Ghana's performance on the decentralized planning system hardly explores the role of individual rationality and organizational rationality in explaining performance on development efforts. This article examines whether the proposition of the New Institutional Economics (NIE) that decisions that individuals make constitute trans-actions in which costs and debts are incurred has a bearing on the performance of institutions involved in endogenous development processes at the local level. The case study methodology was employed using two purposively selected water supply schemes in Ghana. In-depth interviews and questionnaires were used to collect primary data. Secondary data was obtained from project reports. The findings indicated that even during the pursuit of an endogenous development strategy at the local level, the performance of the local stakeholders was determined by the state of intra-stakeholder structures. This in turn, was a sum of the decisions and actions of the individual members of the entities that were the main actors (i.e. the stakeholders). The NIE's proposition that trans-action cost is key basis for individuals' decisions and action was clearly evident in the decisions and actions of individuals (i.e. staff of the main actors), but it also was evident in the decisions and actions of the main actors (the entities that were the stakeholders). The study recommends that key development actors and the Ministry of Water Resources Works and Housing devote more attention to researching into how internal organizational conditions affect and shape the performance of stakeholders on the systems and how the existing intra and inter-stakeholder mechanisms can be improved to foster the success of development efforts at the local level.

**Keywords:** local level development, new institutional economics, endogenous development, development planning, water, Ghana

## 1. Introduction

Bottom-up development has been acclaimed (Van Depoele, 2013: 4; FAO, undated; European Commission, undated: 7) to produce development that is more relevant to local areas. When tampered with top-down development, development at the local level is supposed to be achieved in line with, and ultimately lead to the attainment of, overall national objectives. In Ghana, the decentralized system of governance introduced in the 1990s recognized the importance of decentralized planning and led to the introduction of the Local Government Act (Act 462). The Act instituted the local government (that is, the Metropolitan, Municipal and District Assemblies (MMDAs)) as the highest planning authorities at the local level responsible for the preparation and implementation of plans. With its place as the highest planning authority, the local level took center stage for local level planning although its planning is done within frameworks determined by the Nation Development Planning Commission (NDPC). This arrangement promotes the ability of the MMDAs to mobilize their own potentials for development (the case of internally generated funds provides a good example) although they reserve the right to access the potentials of the national and regional levels as well as those of other local areas to support their development drive. This arrangement falls in line with the concept of an endogenous strategy for development; where according to the ETC Foundation-Compas (2007: 12) development is "based mainly, though not exclusively, on locally available resources, local knowledge, culture and leadership, with openness to integrating traditional as well as outside knowledge and practices. It has mechanisms for local learning and experimenting, building local economies and retention of benefits in the local area". Common understanding and

agreement on the development perspective, commitment to the development process for the attainment of the set goals as well as adequacy of flow of information and relevant communication networks are also identified as important to an endogenous development strategy (Brugger, 1986 and Diaw, 1994). Brugger (1986) and Diaw (1994) suggest that organisations/actors and their relations, linkages, structures and processes are important to successful endogenous development as these are essentially the conditions and contexts within which development occurs.

In the midst of all these are the human beings. Human beings make things function the way they do through their judgments, decisions and actions. These in turn affect the progress of the development process. Therefore, the place of the individual within the development process cannot be ignored. A review of literature on the performance of Ghana's decentralized planning system and the decentralized system of planning as a whole hardly explores the role of individual rationality and organizational rationality in explaining the performance on development efforts. This study therefore seeks to explore the role and link between organisational and individual rationality; and how it has influenced development in Ghana. We examine the functioning of the concept using multi-stakeholder platforms in the small town water sub-sector in Ghana. We explore reasons for current performance of the organisations or actors on the platforms bearing in mind that organisations themselves comprise structures, rules and humans who make the organisations achieve their objectives through the performance of the individual members of the organisations (see Weber as well as Fayol's organization theory, Phibbs, 2011); and employ the transaction cost branch of the new institutional economics to explain the issues underlying performance.

## 2. The Conceptual Underpinnings of the Study

The field of Development Planning borrows a great deal from other disciplines such as economics, sociology and psychology to explain and analyse phenomena pertaining to it. This is probably due to the multi-faceted nature of the issues that pertain to the field of Development Planning. The New Institutional Economics is one such field. The New Institutional Economics (NIE) comprises the varied writings on New Social Economics, Collective Action Theory, Transaction Cost Economics, Property rights, Economics and Law among others (Kherallah & Kirsten, 2002: 114-118). Kuffuor (2004) additionally identifies The Public Choice Theory and The Rational Choice Theory as aspects of the NIE. The NIE emphasizes institutions into economic analysis by assuming that the preferences of humans (economics actors) and their choices are influenced by the prevailing institutions (Kuffuor, 2004). The NIE departs from the Classical Economists perspective of full rationality, perfect information and null transaction cost; although it maintains the Classical Economics' assumption of self-seeking individuals who endeavor to maximize their gains while minimizing their cost/constraints.

The Public Choice Theory indicates that public officials (being people placed in positions, in public institutions, often due to their technical competencies) are expected to make decisions in the public interest. Proponents of the theory argue that contrary to popular expectation public officials rarely act in the public interest. Instead, they are motivated by their own personal – usually economic and financial - goals (Kuffuor, 2004: 753). This suggests a link between the Public Choice Theory and The Theory of Rational Choice. The Rational Choice Theory proposes that humans as decision-making entities even when placed in the position to make decisions in the public positions have two clear approaches. They can choose to opt for the one that maximizes utility or opt for one that adheres to the Smithian economics' school of thought in which self-interest maximization is paramount. The former concerns the attainment of the 'greatest good for the greatest number' of people – concerns how beneficial policies or decisions are to different people (Levin & Milgrom, 2004:1). The Smithian option implies the policy /decision maker acting as the profit seeking individual would advance his self-interest; and thus committing resources in such a manner that would yield highest returns to him for a given risk level. The Rational Choice Theory dwells on the decision-making processes of individuals. It argues that the individual has a rational pursuit of efficiency in which benefits are maximized and costs minimized. Kuffuor (2004: 753 – 754) describes this aptly as humans are "utility maximisers" who seek to secure "the greatest possible benefit to themselves relative to the costs they incur"; even if it be to the detriment of the common good of society; as Hardin (1968) puts it in his book 'Tragedy of the commons'. The Rational Choice Theory has been criticized because it ignores the fact that individuals can set rationality or self-interest maximization aside – what Hardin (1982) refers to as "extra rational behavior". Hardin suggests that it is possible to have individuals who will be willing to contribute to the common good (implying efforts made for the common good of the society) and not for personal benefits. For example, the desire to be associated with a group which is known for a particular service or good (see Ocloo, 2013: 56) and moral obligations (Kuffuor, 2004: 754). Indeed, what is described as extra rational behavior may not have economics benefits but could hold social and psychological benefits for the individual involved.

The individualistic tendencies that inform the propositions of the Public Choice Theory and the Rational Choice Theory underscore the relevance of institutions in human interaction. Institutions (both formal and informal) serve to reduce the unpredictability of human interactions. Before we delve further into the issue of institutions, we briefly touch on the perspectives of Oslon.

Oslon (1965) argues that the individuals in a group have a natural and logical preference for making decisions that maximize their individual benefit even to the detriment (reduction) of the group benefit that accrues from a group or collective action. In other words, its view is that the rational individual will not seek the common interest but would rather seek his self-interest even to the detriment of the common interest (Oslon, 1965: 2). A situation which is highly likely to occur in groups that have a large number of members.

Oslon's opinion is that if it is possible for the agreed and common goal to be achieved at an appreciable cost through people working together, but it is possible for the individuals involved to still benefit from the common resource or output that results even when they do not contribute, they are likely to seek to have others do the work required to create the output or the common resource so that they benefit from it without contributing. This, he argues, is so even if the individual actions (or inactions) are detrimental to the common good. In other words, the individual is not likely to seek for the collective benefit to be achieved if he considers that he stands to benefit from ignoring the collective benefit. This perspective is in agreement with the propositions of the Rational Choice and the Public Choice theories.

Oslon's argument implicitly presents defeatist challenges to the pursuit of an endogenous development strategy which, as indicated earlier, is argued to require a common agreement and commitment to the development process. Indeed, from the foregoing there is reason to seek to restrain the actions of individuals. In a democratic setting where there is great emphasis on the individual's freedom of choice, the issue becomes how to institute the required restraints that would help ensure that the actions of the individuals do not undermine the efforts toward attainment of the collective benefit; while ensuring that individuals still have their choice options. Reality, nonetheless, does not support absolutely Oslon's suggestion of intense individuality in decision making because the decisions and performance of the individual in the collective efforts is influenced by the opinions of his family members, members of the neighbourhood and the community; which are in turn influenced by socio-cultural environment within which these categories find themselves (Ocloo, 2013: 56). The socio-cultural environment is determined in turn by the norms, values and beliefs of the society – Informal institutions.

The New Institutional Economics suggests that human interactions occur within the context of scarcity of resources and competition in which the actor decisions and actions are moderated by institutions. Institutions –whether formal or informal – reduce the uncertainty of interactions between humans and organisations. The discourse on New Institutional Economics has spanned public choice, political economy, transactions cost and property rights with the admission that institutions help in the governance of human interactions. For the phenomenon being discussed the transaction cost economics as introduced by Commons (1931) is of particular interest.

Commons (1931) perceives that within the context of prevailing institutions, the act of an individual would and is intended to result in a loss or gain to another. In purely economic interactions, costs and benefits or debts and credits (as in the enforcement on contracts) occur. The cost (debts) of the transactions (ie. 'transaction cost) include 'costs of resources utilized for the creation, maintenance, use, and change of institutions and organizations. They include the costs of defining and measuring resources or claims, the costs of utilizing and enforcing the rights specified, and the costs of information, negotiation, and enforcement' (The Ronald Coase Institute: 2014).

However, human interactions are not solely economic. There are social interactions as well and these according to Commons involve duties and accompanying rights (being the social variants of debts and credits respectively). Duties /debts that accrue have corresponding rights /credits. These are determined by the existing institutions (which Hodgson [2006] describes as the rules and rule systems) that govern human interactions. Institutions according to Uphoff (1986), may be formal (such as established by law) or informal (such as dictated by the norms and customs of a people and which shape the individuals perceptions, values and actions or behaviours). They indicate what is acceptable and what is not as well as the extent of duty or right to accrue as a result of actions and inactions. "The resulting social relation is an economic status, consisting of the expectations towards which each party is directing his economic behavior consisting of the expectations towards which each party is directing his economic behavior. On the debt and duty side, it is the status of conformity to collective action. On the credit and right side it is a status of security created by the expectation of the said conformity" (Commons, 1931:1; see also Ostrom, 1990). If collective action ranges from "unorganized custom to the many organized

going concerns, such as the family, the corporation, the trade association, the trade union, the reserve system, the state” then public organisations /entities such as the multi-stakeholder platforms (MSPs) of the Community Water and Sanitation Agency of Ghana are an organized custom of collective act.

From the foregoing, organisations (these include groups or bodies that are political, social, economic and educational) as well as individuals interact and their interactions constitute transactions because they involve the exchange of goods and services. The interactions have debts and credits or involve duties and rights. Public entities such as the MSPs therefore can be said to go through the same because they are inter-organizational platforms.

All these occur in a system of incomplete information and inefficient systems of feedback and imperfect decision making models that are tampered by the cultural and traditional norms and values (see Coren, 2009: 308). While every ‘trans-action’ engaged in will result in some form of ‘credits’ and accompanying ‘debts’, the extent of appreciation of the individual of both informs the decisions that the individual/ entity makes.

The transaction cost conceptualisation of the New Institutional Economics brings to the fore, the relevance of institutions and the need to consider institutions as endogenous to the decision making processes that guide social and economic exchange. Today, the World Bank, International Monetary Fund (IMF) and the international donor community recognize that the absence of strong institutions that guide social interaction and development effort account for the many failed attempts at development in Africa. Commons’ perspective moves away from the consideration of man as a decision-making entity in a closed model where events trigger other events clearly and mechanically; to introduce man as a behavioural entity that has allocative and decision making inefficiencies and is subject to the influence of his environment. Human beings are therefore influenced by and need institutions to influence their decisions and actions; the latter being for the good of the general public.

The perspectives of the New Institutional Economists may offer a framework that can provide reasons and help to explain the relatively pace of development experienced in sub-Saharan Africa. Discussions in the literature have mainly considered the New Institutional Economics and development at the national level. Often comparisons have been made between Classical Economists’ perspective and those of the New Institutional Economists. However, the implications of the New Institutional Economics for development at the local level are not exhaustively explored in literature, especially in the context of the pursuit of endogenous strategies for development in West Africa. This paper seeks to contribute to filling this gap using two cases in the water supply sector of Ghana. We examine how well the positive-looking pre-conditions for successful endogenous development fare at the local level and whether the rationality inherent in the new institutional economics is at play in local development efforts pursued by development actors even within the context of an endogenous development strategy; where goals are determined and implemented by local actors themselves for their common good. Specifically, the objective is to explore how the propositions of the transaction cost branch of the new institutional economics explain the performance of the entities on the multi-stakeholder platforms of community-based piped water supply systems in Ghana.

The concept of an endogenous development served as the basic framework for the study. The concept suggests that when local resources or potentials (natural, human, economic, organisational) exist in an area and there are the requisite conditions (decentralization, access to information and learning, policy- the legal and institutional framework, linkage opportunities, technical options suitable for the local setting, and participation of the populace) to facilitate the harnessing of those resources or potentials, as well as the presence of the organisations or actors with clearly definition roles, then the convergence would result in the utilization of resources for successful development; with the barest minimum reliance on exogenous elements.

### **3. Area Description**

Data was collected from two districts which were purposively selected because they had clearly identifiable endogenous projects. These were the Tema Metropolis and the Ejisu-Juaben Municipality. The Oyibi Area Water Scheme and the Juaben Water Scheme were the projects selected in the Tema Metropolis and Ejisu-Juaben Municipality respectively. Between the former, which is touted by experts in the water sector as a successful project and the latter which is a project barely breaking even (based on interviews with sector experts and key informants at the Ghana Water Company, [2009]) the common issues uncovered were likely to be of relevance to the context of the large range of schemes the fall between the two categories considered. The water sector was the focus because the sector in Ghana has several projects that have been implemented by the Ministry of Water Resources Works and Housing through the Community Water and Sanitation Agency (CWSA) according to the principles of endogenous development. Both water systems had been in operation for over four years; a period considered by sector experts to be long enough for them to begin to have faced and managed challenges relating

to operation and maintenance.

#### **4. Methodology**

The study was qualitative and so qualitative data was the main type of data used. Data gathered on the practices and experiences of the water supply systems focused on two events typical of the small town water supply schemes. They were the processes for the re-setting of the water schemes and for the extensions of the schemes.

Primary data was obtained from sources that were responsible for ensuring that the projects were sustained. The study focused on the formal institutions on the supply side of the affairs of the water systems because the supply side offered the opportunity to investigate how the multi-stakeholder environment functioned and contributed to the success of the water supply systems. The sampling units comprised the main actors of the water systems. The focus on projects with multi-stakeholder involvement was considered important because of recent emphases in the development field across the world on multi-stakeholder processes; as they are perceived to yield more relevant development (see Mastovak, 2000 and Briscoe & de Ferranti, 1988). The main institutions involved in the systems at the local level - the Metropolitan and Municipal Assemblies (MMAs), Water and Sanitation Development Board (WSDB) and the Water and Sanitation Committee (WATSAN) - as indicated by the small town sector policy (CWSA, 2004), were the focus of the investigation. The MMAs were the owners of the water schemes although the schemes were managed by the WSDBs instituted by the communities that were served by the water schemes. The MMAs had the right to enforce laws and pass by-laws to facilitate the operations of the water systems. The WSDBs managed the water schemes directly by employing managers who were directly responsible to the boards. The WATSANs were responsible for managing the water scheme within the communities and communicating the needs and concerns of their respective communities to the WSDBs. Their representatives (one representative from each WATSAN) constituted the WSDBs. In the JWS, the WATSANs were non-functional. The WSDB comprised old members of the now defunct WATSANs. There was no indication that the 'old members' played their role as links between their communities and the WSDBs. With each actor playing its roles well, it was expected that the systems would function well and hence ensure a sustainable supply of potable water to the communities served (MWRWH, 2007).

The secondary sources of data were water policy documents, published research works on the water sector in Ghana and project reports. The process of collecting primary data was targeted at information rich sources to ensure that respondents who had a wealth of knowledge and information on the issues were selected. As a result, in-depth interviews and focus group discussions (FGDs) were employed to aid the collection primary data collection. They were done using interview guides and discussion guides respectively. The FGDs were conducted in the local languages (Twi at Juaben and Ga at Oyibi) because not all the respondents could understand and speak English. The different actors involved and the number of respondents involved in each study district are as follows: the metropolitan (or municipal) management team (3 persons- The chief executive, the coordinating director and the planning officer) and Metropolitan (or Municipal) Water and Sanitation Team (MWST) of the local government (4 persons), and the Water and Sanitation Development Board (WSDBs) (4 persons). Last but not the least, the Water and Sanitation Committees (WATSANs) in the Oyibi area (7 persons), experts in the water sector in Ghana (3 persons) and five relevant staff of Ghana's Community Water and Sanitation Agency (the Water and Sanitation Systems Coordinator, Director of Technical Services, Director of Planning Investments, Coordinator of Information Technology, and the Technical Services Coordinator) were interviewed. In-depth interviews were conducted with members of the metropolitan and municipal management teams, the Community Water and Sanitation Agency (CWSA) and the sector experts. Focus group discussions were held with the WSDBs, WATSANs and the MWSTs.

Analysis of field data was done using flow charts, matrices and triangulation. Matrices considered the gaps in performance and examined the underlying factors with the aim of establishing causation and reasons to the phenomena under examination. In accordance with the works of Patton (1987) and Yin (1994), data triangulation as well as analytical triangulation was employed as a means to establishing the truth in the accounts given by the different respondents of events that occurred in the past but which could not be adequately verified by alternative means. Although the study relied mainly on qualitative data, frequency analysis was used to ascertain the dominant elements at various points in the analytical processes. Where relevant, qualitative data was converted into quantitative form for frequency analysis.

#### **5. Findings and Discussion**

In this section, we explain the performance of development actors from the perspective of the New Institutional Economics.

Analysis of the empirical data revealed that although institutional actors (hereafter referred to as actors) in the

water sector had employed (or taken on) the various members of the management team, MWST, WSDB and WATSANs (hereafter referred to as respondents or functionaries in this paper) to support their institutional (Note 1) objectives, the objectives that the actors had for the desk that the functionary occupied was hardly the primary consideration for the actions of the functionaries. This situation pertained although the actors had their objectives clearly spelt out. The respondents considered and based their performance on particular events on their perceptions about the likelihood of deriving individual benefits. The frequency table below (Table 1) illustrates this.

All respondents were asked what main factor(s) influenced the way they performed their tasks as far as the water supply systems were concerned. The responses of these functionaries were important because their performance in their roles constituted the performance of the actors.

In the OAWS, periods of low water tariffs, inability to increase water rates because of local politicians' concerns that increases in water tariffs during their tenure would prevent them from getting re-elected, delays in the Tema Metropolitan Assembly's response to the requests of the water board, illegal connections and over 20% of water produced being lost during the distribution process were identified. Other constraints that the WSDB faces were as follows:

- 1) The water and sanitation committees (watsan) which were set up to be the community level actor responsible for the water sector were not functioning as expected – they for example did not adhere to the expected number of meetings expected of them.
- 2) Some community members did not attend community durbars at which the WSDB was to render account to the community.

The varying levels of support (which depended on the priorities of the ruling party) that the Metropolitan Assembly gave to the Municipal Planning Office for the water and sanitation sector was the main constraint of the Municipal Planning Office. For the Metropolitan Water and Sanitation Team (MWST), the untimely release of logistics and funds for by Municipal Coordinating Director's and the budget offices for the MWSTs planned activities, as well as the varying levels of support for the MWST which was based upon the priorities of the management of the metropolis were the constraints. In the EJMA, the challenges identified by the WSDB were that the EJMA had not fulfilled its obligation to audit the accounts of the water system for three years as required by the small town water sub-sector policy, the Municipal Assembly (MA) also tarried in its response to the requests of the WSDB, and the WSDB itself comprised people to were not very knowledgeable in the management of water systems. For the executive members of the WSDB, the absence of the requisite skills among the local population was a major challenge to the schemes preference for employing local hands, while the traditional authorities requests (when it suited them) for exemptions to the rules governing the operations of the water scheme (eg. Requests for the non-implementation of the penalties for illegal connections to the water supply network when the offenders were their relatives) was difficult to deal with. The untimely release of funds and logistics to for the implementation of the municipal water and sanitation plan, as well as the management of the MA's reluctance to pay adequate attention to the activities of the municipal water sector when the water sector is not specifically identified as a priority of the ruling political party were the main constraints identified by the MWST.

Two broad categories of factors could be gleaned from the data obtained: institutional factors and individual factors. All the respondents identified institutional factors as well as individual factors. Institutional factors refer to those factors that the organizations or formal institutions (Note 2) that the respondents worked for stood to benefit from. These are also captured as public factors because the actors to whom institutional factors accrue have the ultimate goal of serving the interests of the general public. Individual factors refer to those factors that concerned the respondent's personal benefits, preferences or well-being.

Table 1. Factors influencing respondent's performance on events

Respondents	Type and number of factors that inform respondent's actions		Total number of factors
	No of individual factors	No of institutional factors	
OAWS			
Local government			
- Management teams	1	2	3

- MWSTs	1	5	6
WSDB	1	2	3
WATSAN	1	1	2
JWS			
Local government			
- Management team	1	1	2
- MWST	2	4	6
WSDB	0	5	5
WATSAN	N/A (Note 3)	N/A	-
Sum	7	20	27

Source: Authors' construct 2014

The factors identified by respondents are summed up as follows for the OAWS:

Management team - Ensure the scheme continues to supply potable water in a sustainable manner; that consumers of the water are not exploited; ensuring that consumers remain pleased with the performance of the water scheme so that they can be credited for that and thereby win votes during the next elections

MPO - That the water scheme stays operational so that communities have regular and sustained access to water; draw lessons from the OAWS for the design and implementation of other development projects

MWST - Have good relations with the communities served; ensure the scheme stays sustainable by monitoring its performance; assist in getting the management of the Tema Metropolis to support the WSDB; Keep abreast and keep from getting lazy

WSDB - Ensure potable water is available daily; reduce complaints and dissatisfaction with the water system; ensure affordability and keep employees happy

Watsan -That the communities have daily access to safe water; for the watsan to obtain financial rewards for their involvement in the water system

Traditional authority and opinion leaders - That there is access to potable water daily

Community members - That there is access to potable water daily

The factors identified by respondents are summed up as follows for the JWS:

Management team - That the water facility's operations are sustained to avoid the dearth of potable water that used to exist in the community; that promises they made during electioneering period are honoured

MPO - The water scheme's operations continue; the efficient and effective running of the water system; the TMA continues to play its oversight role on the system; interest in ensuring that water as a development issue in the community is addressed, for the sake of fulfilling officers' individual concerns for access to potable water

MWST - To fulfill the role responsibilities that membership of the MWST brings; to acquire a good name for themselves as individuals who are helpful to the local communities;

WSDB - That it makes safe water is available to the communities; that water is provided at affordable rates to the communities; to expand the water project; to get the efficiency, technology as well as the performance levels of the water scheme improved; work to win the support of other actors for the success of the water scheme

Traditional authority /chiefs - To ensure that the community members do not lose confidence in their chief

Community members - Having piped water whenever they want it and at affordable rates

Accordingly, the frequencies reported in Table 1 have been categorized into individual and institutional factors. There were seven individual factors and 20 institutional factors identified. Approximately 70% of the respondents identified an equal number of institutional factors or fewer when compared to individual factors, as Table 1 shows. All other respondents had more institutional factors influencing their decisions and actions than individual factors. This appears to contradict Common's (1931) and North's (undated) assertion that the functionaries would be influenced by individual benefits more than the benefits to accrue to the public because the institutional factors identified out-numbered the individual factors. Proceeding on the basis of frequency as

indication of area of importance, the factors that were public in nature appeared to be more important. It also suggests the existence of selflessness among the functionaries that would challenge Common's justification of trans-action cost (which by the way is rather individualistic) as an explanation for what the functionaries do or how they act.

As a means of verifying the strength of the institutional factors, we considered also the factors that succeeded in impeding the progress on the implementation of policies and planned activities in the context of the two events. Specifically, we sought to find out what factors had been strong enough to prevent the implementation of planned activities and policies. The common problem that shows up in most studies on the implementation of development plans in Ghana has been logistical constraints (MLGRD, 2006; Frimpong, 2012 and Bandie, 2007). This problem arguably has the capacity to thwart efforts at implementation whenever it shows up. Therefore, it was factored out and other issues were considered. As shown in Table 2, no respondent identified institutional factors as the penultimate issue(s) that prevented the implementation of a planned activity or policy. If institutional factors dominated, it would have suggested that the respondents sought to ensure that they played their roles; and they would have been able to do so if the institutional factors had not posed impediments. As Table 2 illustrates, the factors cited by the respondents were almost all (approximately 90%) individual in nature.

Table 2. Factors that impeded the implementation of plans and policies

Water scheme	Respondents	Nature of the impediment		Total number
		Individual	Institutional	
OAWS	Local government			
	- Management teams	2	0	2
	- MWSTs	1	0	1
	WSDB	0	0	0
	WATSAN	1	0	1
JWS	Local government			
	- Management team	1	0	1
	- MWST	2	0	2
	WSDB	1	1	2
	Sum	8	1	9

Source: Authors' construct, 2014

The individual factors were predominantly of three forms.

- 1) Fear of offending superior officers and not being his good books. This was for example visible when planned events took the back seat so that the preferences of the political head of the local government (the chief executive, who was appointed by the ruling government and had the preference for fulfilling the ruling party's agenda) could be addressed. The members of the management team therefore conformed to the preferences of their respective chief executives and failed to push for planned activities to be implemented. Funds were for example not released by the budget officers to fund the MWSTs monitoring activities when the chief executives' preferred activities had to be implemented. The planning officers and administrative heads of the assemblies (the Metropolitan or Municipal Coordinating Directors) also did not insist on having the planned activities funded. Contents of the water and sanitation development plans were not always implemented; sometimes they were delayed. Sub-ordinate officers who were responsible for the implementation of the plans did not insist on implementing the contents. The superior functionaries appeared to have the leeway to obstruct planned activities because the sub-ordinates were unwilling to insist on implementing the content of their plans. This persisted even where the small town water policy was being contravened.
- 2) Fear of incurring the displeasure of the communities served by the water scheme and losing their votes and thereby the pending national elections. This was predominant among functionaries with

political backgrounds such as the Presiding Member, the Metropolitan or Municipal Chief Executive and Assembly Members. For such a reason, the implementation of policy on revised water rates was delayed although approval was given by the Metropolitan Assembly (the parliament at the local level). As a result, the OAWS could not implement the adjustment in the rates that it charged per cubic metre of water although it needed to do so to be able to make some profit. Again, because of the unwillingness of the functionaries to incur the displeasure of their superiors such situations were hardly challenged.

- 3) No real cost to the individual for failure to adhere to roles and policy guidelines. As a result no account was rendered on the state of affairs of the JWS since its commencement of operations, contrary to the CWSA guidelines. Additionally, the WATSAN was not operational in the areas served by the water scheme and no efforts were made to revive the WATSANs although the policy required the WSDBs to establish water and sanitation committees in the areas they served. And in the areas served by the OAWS, the WATSANs refused to hold their quarterly meetings because they preferred to spend their time doing other things that they considered more rewarding.

Ultimately, all three by their nature were underlain by the preference for spending time and making greater efforts where greater individual rewards were more likely to occur. To provide a clearer account of how the various factors influenced the water systems, Table 3 relates the different factors and the effects they had on the water systems.

Table 3. Impeding factors and related effects on the water system.

<b>Water scheme</b>	<b>Impeding factors</b>	<b>Effects</b>
OAWS	Fear of incurring the displeasure of the communities served by the water scheme and losing their votes and thereby the pending national elections.	Implementation of policy on revised water rates delayed although approval was given by the Metropolitan Assembly (the parliament at the local level). As a result the OAWS could implement the adjustment in the rates that it charged per cubic metre of water although it needed to do so to be able to break even.
	Fear of offending superior officers and losing his good books.	
	Fear of offending superior officers and losing his good books.	Implementation of the contents of the water and sanitation plan delayed.
	The preference for spending time where greater individual benefits were more likely to occur.	An absence of regular meeting regimes for the WATSANs.
JWS	No real difference to the individual for failure to adhere to CWSA guidelines.	No account rendered of the state of affairs of the water scheme since its commencement of operations.
		The WATSAN was not operational in the areas served by the water scheme. The CWSA required the WSDBs to establish water and sanitation committees in the areas they served.
	The preference for spending time where greater individual benefits were more likely to occur.	Implementation of the contents of the water and sanitation plan delayed and sometimes stopped
	Fear of offending superior officers and losing his good books.	Implementation of the contents of the water and sanitation plan delayed.

Source: Authors' construct, 2014

The strength of the individual's preferences resonated in both cases and was reflective of the importance that

respondents attached to the perceived costs. Even where it seemed illogical when the public well-being was considered, the respondents considered their unwillingness to incur individual losses and chose to pay more attention to the implications for themselves (as individuals) rather than the good of their institution (or the public). This alludes to the penultimate nature of the individual factors.

In all instances, no punitive measures were administered on the functionary responsible for the delay or the adverse state of affairs. All respondents thought it was okay to go on with their mode of operating although they knew the negative implications for the overall goal and objectives of their institutions. The intentions and preferences of the functionaries were particularly visible because of the contributions that the functionaries made to actor performance and thereby the actor's contribution to the entire water system. Their ability to lay aside the objectives of their institutions for individual benefits without incurring costs in the form of punitive measures suggests that the progress towards the attainment of institutional objectives can be thwarted or supported based on the whimsies of the functionaries involved. In each instance stated, while other actors involved have played their respective roles as required by the sector guidelines, the expected outcome could not be realized because one actor failed to perform its role as required. Commons' propositions can be seen in the way things turned out on particular process issues in both water systems that were problematic. The strength of individual factors makes questions on whether the activities that were implemented according to plan as well as the policies that were implemented as expected were realized because no strong individual and inhibiting factors arose valid. His arguments have provided a model for understanding how it turns out that actors fail to contribute adequately on multi-stakeholder development efforts and thwart them even though actual implementation, operation or maintenance procedures may have been agreed. To this end, possible ways of getting employees and appointees to focus more on aiding their institutions should include strategies such as performance appraisals that factor in performance in the area of peer support as well as peer assessments; and these should be linked to promotions and transfers. It should have clearly defined indicators. This will thereby introduce the cost element as proposed by Commons. MCEs and local politicians should be assessed based on the extent to which the plans (Medium Term Development Plans and the Water and Sanitation Plans) drawn up are implemented and their performance widely published by the Ministry of Local Government and Rural Development (MLGRD).

## 6. Conclusion and recommendation

The individual performance of actors in development projects, designed to function with heavy emphasis on multi-stakeholder participation, has important implications for the success of the collaborative effort. Institutional factors appeared to be the ones that affected the performance of functionaries/officials at the outset. However, individual factors/ preferences had the stronger implications for institutional actors' performance on the platform; and had the dominant ability to stall progress on the platform because individual factors turned out to be the main underlying factors that were strong determinants of how successfully the functionaries/official performed. They accounted for 90% of the impeding factors. They were the dominant factors that thwarted progress on the platform in several instances and should not be ignored even in development processes. The implications as the study indicates can be dire when beyond the mechanisms for securing success of inter-stakeholder relations no efforts are made to address intra-stakeholder mechanisms. It is necessary that in the bid to adopt multi-stakeholder projects as a means to fostering development at the local level, intra-stakeholder mechanisms are given adequate attentions; and that clearly defined mechanisms are instituted to ensure that intra-stakeholder arrangements support the contribution of the actor/ stakeholder and ultimately support the goals of the multi-stakeholder projects. We recommend that for these local water supply systems therefore, the Ministry of Water Resources Works and Housing should devote attention to researching how the internal organizational mechanisms operate to affect and shape the performance of stakeholders on the systems and how the existing mechanisms can be improved to foster the success of the water systems. The MLGRD and social scientists should engage in discussions at the national level to develop strategies to improve the environments within which such MSPs operate. This is important in Ghana's context where local governments are expected ultimately to be able to develop and successfully implement their own local level projects. Such efforts would not be useful to the water sector only. It would provide major insights that could boost success on development projects and programmes in other sectors of Ghana's economy.

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### Notes

Note 1. We use institutions in this part of the paper as synonymous to organizations or entities with a formal basis for their existence.

Note 2. The expression ‘formal institution’ is used to refer to institutions that have been established as part of the formal system of development (see Uphoff, 1986).

Note 3. N/A means ‘not applicable’.

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