First count the cost

Privatising urban waste management services in sub-Saharan Africa

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ABSTRACT

While privatisation has benefits, it must be approached with caution. Using qualitative methods, this article presents scenarios for consideration in privatising urban waste management in sub-Saharan Africa. This study employed purposive sampling in organising relevant literature and also used secondary data from journal articles, government reports and documents for analyses. Results indicate that privatisation of urban waste management services should consider the following: the possibility of a market failure; corruption in the private sector, poor service delivery; and prevalence of inefficiency. This study has implications for city managers and planners in deciding whether or not to privatise urban waste management services in sub-Saharan Africa.

"For which of you intending to build a tower does not sit down first and count the cost..."
Luke 14:28 NKV.

INTRODUCTION

The above quotation from the Bible emphasises the necessity of first examining cost before undertaking any venture. Applied to privatisation, this quotation reinforces the supreme importance for governments to first examine the costs of privatisation before benefits. This caution is against the backdrop that while privatisation may be beneficial, it can be costly unless some preconditions are met. Critiquing the New Public Management (NPM) paradigm, this article presents critical issues for consideration before privatisation, focusing on urban sanitation services in sub-Saharan Africa (SSA).

Despite the benefits of privatisation, application of private sector strategies to the public sector deserves more attention as there are evidences of corruption, incompetence and poor service delivery in the private sector (Stoker 1996). It is on this basis that this study examines the costs of privatisation with emphasis on urban waste management in SSA. The article's major research question is: What are the costs associated with privatising urban sanitation services in SSA? The article provides a background and rationale for the study. It conceptualises and contextualises NPM and privatisation and explores what to privatise and why to privatise. The article also discusses the costs of privatising urban sanitation services in SSA in terms of the reality of market failure, missing touch with the public, corruption in the private sector and poor performance in the private sector.

BACKGROUND AND RATIONALE

At independence, African governments were not only eager to rule their territories but also their economies. In this regard, Kayizzi-Mugerwa (2003:235) asserts that "African governments had heralded the nationalisations of the 1960s and 1970s as marking the real beginning of independence; besides political independence, African governments would control their economies for the first time". The policy of nationalisation later proved counter-productive as most African countries failed to manage their public enterprises. Chazan, Mortimer, Ravenhill and Rotchild (1992) contend that, in economic terms, most African economies performed poorly, falling short of the vision of economic progress highly cherished by anticolonial movements; they could not feed their populations, as agricultural production declined and foreign debts increased with dwindling economic growth. Turner and Hulme (1997) add that in the developing world, including Africa, public enterprises failed to produce the positive impact expected as they made losses and drained scarce financial resources. Caught in the throes of such an economic quagmire, African countries turned to the West for a solution.

The West, through its financial powerhouses: the World Bank and the International Monetary Fund, proposed and executed the Structural Adjustment Programs (SAP) as escape routes for developing African countries. According to Kayizzi-Mugerwa (2003:227) "the structural adjustment programs that were embarked on in the 1980s presented an alternative approach based on less intrusive government, and with privatisation and the restructuring of state-owned enterprises (SOEs) seen as important for the success of economic reform". Privatisation was intended to limit state control over management of public enterprises, allowing more opportunity for participation by non-state actors (Stoker 1996 and Savas 1998). It was also to eliminate the need for governments to continue subsidising unprofitable enterprises (Megginson 2000), by subjecting public enterprises to the discipline of markets (Nwankwo and Darlington 2001). Further, it was expected to free up government resources and redirect energies on core aspects of urban governance, including policy development and analyses (Rodal and Wright 1997). Hence, privatisation became in vogue among African economies, rolling back the frontiers of the state.

One area in Africa's economy where privatisation has made deep imprints is environmental and sanitation services management. Africa confronts a repertiore of sanitation challenges, exacerbated by growing urbanisation. Compared to other continents, Africa and Asia are fast urbanising and their populations are projected to hit 56% and 64% respectively by 2050 (United Nations, Department of Economic and Social Affairs, Population Division 2014). Owing to these developments, Yeboah-Assiamah (2015:271) concludes that "states and urban authorities are financially and mangerially handicapped, as their tax revenues are insufficient in meeting the environmental and sanitation needs" (Bennett, Grohmann and Gentry 1999).

Additionally, city managers in SSA are constrained as they are unable to collect even half of waste generated and most urban slum dewellers lack access to disposal facilities (Kapepula, Colson, Sabri and Thonart, et al. 2007 and Okot-Okumu and Nyenje 2011).

Altogether, these constraints threaten human well-being. For instance, 44% of the population in SSA use either shared or unimproved facilities while an estimated 26% practice open defecation (UNDESA 2014). In countries like Nigeria, improvement in sanitation plummeted from 37% in 1990 to 28% in 2012 (World Health Organization 2014). Similarly, Ghana battles with perennial cholera, lack of good drinking water, poor health and malaria outbreaks contributing to 75% of diseases (Ahenkan, Boon and Domfeh 2008). Across Africa, it is estimated that close to 115 people die each hour from diseases linked to poor sanitation, poor hygiene and contaminated water (UNDESA 2014).

Under such circumstances, privatising urban waste management in SSA is perceived as key to economic recovery (Tangri 1991), stimulating greater economic efficiency, better management and improved economic performance (Hemming and Mansoor 1988).

CONCEPTUALISING AND CONTEXTUALISING NEW PUBLIC MANAGEMENT

As a concept, the NPM lacks a unanimous definition. Christensen and Laegreid (2009) affirm that the NPM is a complex concept and reform package, including both abstract and concrete features; there is no clear or agreed definition of what it actually is. Domfeh (2003) concurs with this position by asserting that the NPM seems to describe a global trend of administrative reform but it soon becomes apparent, especially in international conferences, that it has different meanings in different administrative contexts. Irrespective of the different meanings, Lane's (2000) conceptualisation of the NPM as essentially comprising contracting of public services, especially short-term contracting under private law is worth noting.

The failure of traditional bureaucracy in the 1970s gave impetus to the cluster of public sector reform ideas under the nomenclature: New Public Management. Under this paradigm, governments were expected to become more efficient, results and customer-oriented offering value for money (Politt, Theil and Homburg 2007). Dunleavy and Hood (2005) further suggest that the NPM proclaimed a strong customer orientation projecting the axioms of strong managerial action, rapid service delivery and substitution of political control with business processes. Promising to improve public sector service delivery, the rise of the NPM heralded the culmination of a revolution in public management which was in vogue by the 1980s (Hope 2001). Characterised by ideas including: decentralisation, market mechanism, and cross-functional collaboration; NPM arose against the backdrop of the need to reform the state and re-establish the fiscal balance of payment of many countries, especially in the third world. The reforms were based on the firm belief that the state had become too large and over-committed and that markets offered superior mechanisms for achieving the efficient production and supply of goods and services (World Bank Report in Domfeh 2003).

NPM is premised on tripartite tenets explained as follows. First, NPM emphasises restructuring of public services. Assuming that public services systems are inefficient, centralised and fragmented (Gray and Jenkins 1995 in Minogue 1998), 'reinventing government' requires structures which are mission-driven, decentralised and entrepreneurial (Osborne and

Gaebler 1992 in Minogue 1998). One merit of restructuring is that an employee's incentives to perform are deployed with greater efficiency in the public services and a more explicit role for the management of the public services is created (Lapsley 1999). Nagel (1997 in Kaboolian 1998) adds that each movement is driven to maximise productivity and allows efficiency that is hampered by 'bureau-pathology' which is public service unresponsive to the demands of the citizen. To achieve restructuring, proponents suggest administrative technologies such as customer service, performance-based contracting, competition, market incentives and deregulation (Kaboolian 1998). The second tenet of the NPM is competition, which thrives under conditions including: existence of competition itself and information about choice (Kaboolian 1998). Such competition, Minogue (1998) adds, can be introduced through internal markets, contracting public services, performance auditing and measurements. Further, introducing purchaser/provider separation into the public structures to allow for varied forms of provision to be developed could lead to competition (Dunleavy and Hood 1993). The third and last tenet of the NPM is deregulation. Peters (1987 in Kaboolian 1998) and Thompson (1997 in Kaboolian 1998) assert that NPM projects the need for managers to be liberated from routines and regulations by administrative systems; thus, the manager should have license to decide how services should be organised (Clarke, Denham-Vaugham and Chidiac 2014). Reflecting on the foregoing arguments, the core tenets of NPM are summarised in Table 1:

Table 1: Description of core tenets of New Public Management

Tenets	Description
Efficiency	Restructuring of public sector institutions; creation of incentives; use of technology; focus on customer satisfaction.
Competition	Privatisation; performance auditing; availability of alternatives to customers.
Deregulation	Managers have decision-making freedom; greater accountability.

Source: (Author's own construct)

CONCEPTUALISING AND CONTEXTUALISING PRIVATISATION

Privatisation defies a universal definition as it bears different implications in different contexts. In Young's (1991) view, privatisation can be both narrowly and broadly defined. Narrowly defined, it entails a shift of productive activities or services being undertaken by the public sector to private ownership or control; broadly defined, it refers to a process by which the state's role within the economy is circumscribed while at the same time the scope for the operation of capital is deliberately extended. Kayizzi-Mugerwa (2003) defines it as the transfer of ownership from the public to the private sector, as well as changes in income flows between groups. In its narrow sense, privatisation encompasses the whole or partial sale of SOE's to private investors (Layne 2005). Martin (2003) defines privatisation as a change in the role, responsibilities, priorities and authority of the state, rather than simply change of ownership. Hartley and Parker (1991:11) define privatisation as "embracing denationalisation or selling-off state-owned assests, deregulation, competitive tendering, together with the introduction of private ownership and market arrangement in socialist states".

Thus, while privatisation defies a universal definition the definitions in Table 2 characterise privatisation as follows:

Table 2: Characteristics of privatisation

• Transfer of ownership from public sector to private sector • Reduction in the state's control over managing the public sector • Change in income flows • Change in responsibility and priority of the state • Competition

Source: (Author's own construct)

Forms and types of privatisation

Privatisation comes in assorted variants and the decision to opt for a particular version varies across sectors and geographies. Brooks (2004) identifies five forms of privatisation outlined as follows:

- Complete privatisation: this refers to outright sale of government assets to the private sector usually through issuing of shares, sale of assets or a voucher method. In this process, the private sector also assumes full responsibility of ownwership related to the sale of assets.
- Privatisation of operations: under this form, the state relinquishes the managerial and operational responsibilities to the private sector.
- Use of contracts: this form of privatisation requires production of designated services and products by a private agency under specific contractual arrangements, where the private sector firm is paid directly by the government. Taxes and user-fees provide the source of funds to government to finance such operations.
- Franchising: this refers to a scenario where a private firm is given exclusive rights to provide service within a designated geographical area by a governmental unit.
- Open competition: under open competition, private firms compete for customers within a specific geographical region.

In order to reap the maximum benefits of privatisation, Savas (2000) suggests four key strategies for engaging the private sector in service provision as follows:

- Restoring competition and minimising government monopolies: this means that there should be opportunity for citizens to compare and choose between services provided by the public or private sector, on the basis of variables like cost, quality, timeliness and customer friendliness.
- Imposing user charges for goods and services: here, government should impose necessary charges on goods and services for citizens to pay.
- Alternative delivery systems: under these arrangements, government takes on a limited role such as voluntary or self-service arrangements, competitive markets, franchise, vouchers, grants and contracts.
- Load shedding: this refers to a scenario where government extricates itself from providing goods and services and allowing market forces to reign.

In terms of privatising waste management services, Domfeh (2002) posits that private sector firms could adopt a franchise system where users pay for services, adding that the feasibility of such a system is dependent on educating users about public cleanliness, especially in developing countries. Where there are low-income communities, Oduro-Kwarteng (2011) suggests Pay-As-You-Throw (PAYT) as an alternative to user fees. For most approaches to privatisation, the degree of responsibility transferred to the private sector in managing waste is emphasised (Stottman 2000; Budds and McGranahan 2003 and Massoud, El-Fadelb and Malak 2003). For example, Budds and McGranahan (2003) observe that there are different models of engaging the private sector in water and sanitation utilities, with several variations depending on the legal and regulatory frameworks, the nature of the company and the type of contract. Typical forms of private sector participation in urban waste services delivery have been classified in terms of the extent of private sector responsibility, as summarised in Table 3 as follows:

Table 3: Variants of private sector involvement in urban waste management services delivery

	Category Model	Description
Private participation with government ownership	Service contract	The responsibility of the private party is usually limited to operations and maintenance and work is performed only during a certain period of time, usually between 1–2 years.
	Management Contract	The private party carries out supervision of operation and maintenance works under ownership of the public party; this usually takes 3–5 years.
	Leasing	The private party operates and maintains the facility and shares the financial risk as it is responsible for collecting revenues; the duration is usually 8–15 years.
Complete or partial sale of facilities or divestiture		Under this arrangement, facilities might be sold fully or partially to companies who operate and maintain them. This is also referred to as divestiture which is mostly indefinite. The private actors take control of asset ownership and maintenance, providing capital investment and taking commercial risks.
Concession	Design Build Operate Transfer (DBOT)	The private party designs the facility to achieve specific targets, constructs and operates the facility for a certain period of time and then returns the facility to the government in good condition. This may take between 25–30 years.
	Build Operate Transfer (BOT)	The private party builds, operates and then transfers the facility to government. Asset ownership is by both public and private partners. Capital investment, commercial risk and maintenance are borne by the private actors. The government pays the contractor a fee that might be fixed or linked to the output. Payments are usually paid to the contractor to cover both capital and operational costs. This usually takes between 20–30 years.
	Build Own Operate Transfer (BOOT)	BOOT contracts are an intermediate form of BOT and BOO. The private party takes over the responsibility to finance, build and operate a facility as well as the property title which is then transferred back to the government at the end of the contract. The private party owns the facility up to the point of transfer.
	Build Own Operate (BOO)	The private party builds, operates and owns the facilities that are not to be returned to the state.

Source: Adapted from Yeboah-Assiamah (2015)

WHAT TO PRIVATISE AND WHY TO PRIVATISE?

There are numerous grounds for what to privatise as there are for why to privatise. Regardless of the benefits of privatisation, some authors maintain that some policy and regulatory responsibilities should be performed by government (Lane 2000). Such authorities posit that unless certain sensitive functions are limited to government, society would lose mechanisms to making collective decisions and to determine rules to regulate markets (Osborne and Gaebler 1992). They argue, for instance, that many compliance functions should remain under state control, in addition to more sensitive and risky ones including policing, prisons, income tax, and the courts. While certain functions 'cannot' be privatised, there are sound proposals to subject certain functions to the discipline of market forces. In this regard, Osborne and Plastrik (1996) propose three fundamental conditions which have to be met before going private. First, the market must be able to provide them (functions). Second, such functions must provide truly 'private goods' in that they primarily benefit individuals or groups, as opposed to society as a whole. Third, there must be no concerns about the equity of or universal access to the goods and services these functions provide.

Waters (1987:59), however, offers a narrow dimension in suggesting that at the heart of deciding **what to privatise** is efficiency; he argues that "if the competitive private sector can produce a desired output at lower cost to society than the state sector, then privatisation should occur". In Layne's (2005:21) view, "Waters' focus on economic considerations at the exclusion of political considerations is overly simplistic for responsible policy decision making". The perspective that political consideration forms part of reasons to privatise is revealed by Mitchell and Sutherland's (1997:183) discussion of health care and education, arguing that 'such issues themselves are not determined by the marketplace nor are they appropriately defined by the concepts and values of the marketplace. Rather, they are the province of politicians working within a framework of political responsibility and corresponding accountability'.

From a theoretical perspective, Kayizzi-Mugerwa (2003) proposes the normative and positivist positions in answering the question: why privatise? According to the former, privatisation is necessary to curb waste, raise economic efficiency and develop the activities of the private sector via increased domestic and foreign investment. The main driving force is to address the issue of budgetary constraints often confronting public officials (Harsch 2000 and Kornai 2000 in Kayizzi-Mugerwa 2003). According to this model, politicians and bureaucrats always act in line with national interest and would take actions towards improving efficiency to achieve maximum satisfaction from service delivery. From this, Yeboah-Assiamah (2015:275) concludes that "it could be observed that most urban centers in SSA countries, appear very filthy and nothing good to write home about even though some public workers are supposed to be in charge of this task; if that is the situation, privatizing this task to a private entity to provide enhanced services is a very altruistic act and that, leaders must be heralded for that. At least, in spite of all the rents and allowances they receive as board members and others, if they are bold to privatise corporations from which they might not receive those stipends again, then such people could be described as 'Messiahs' or 'altruistic".

The positivist perspective, nonetheless, views privatisation as imbued with politics, where politicians take action on the basis of anticipated personal gains. In this regard, the speed of privatisation is directly proportional to the shares that politicians or their relatives can obtain from privatised firms compensating themselves for the loss of rents previously enjoyed under state ownership. Consequently, governments may ultimately advance group rather than aggregate welfare (Laffont and Meleu 1999). The threats and benefits of privatisation could be examined by assessing the terms of the contract with the private partners; the openness of the bidding process and the contract procedure; the extent to which civil society organisations were given fair hearing on the issue; what necessitated the process; among others (OECD 2010). Reflecting on the 'why of privatisation,' both the normative and positivist schools could influence privatising urban sanitation services. What is crucial in both cases is whether principles such as fairness, openness, and competition are adhered to (OECD 2010 and Yeboah-Assiamah 2015).

THE COSTS OF PRIVATISING URBAN SANITATION SERVICES IN SUB-SAHARAN AFRICA

This study builds on the premise that while privatisation is hailed by stalwarts of NPM, owing to its benefits, it does not always produce positive results. Focusing on urban waste management in SSA, this study therefore chronicles areas which deserve attention in deciding to go private.

Market failure is real

Adam Smith (1776 in Jackson and Sorensen 2003) in his book *the Wealth of Nations*, emphasised that countries would grow if they allowed the 'invisible hand' of the state to operate. Building on core ideas of Economic Liberalism such as the rational individual actor, mutual gain from free exchange and belief in progress, Smith posited that markets are the main source of progress, prosperity and cooperation (in Jackson and Sorensen 2003). These ideas drove proposals from the Bretton Woods system to African countries in reforming their economies; in sum, the Bretton Woods proposed reduction in the state's control over the economy and allowing more space for the private sector to drive economic progress. In the context of urban waste management, however, Yeboah-Assiamah (2015) reveals that the markets in the sanitation and environmental sectors are prone to being monopolistic, a case in point being Zoomlion in Ghana. Under such conditions, Domfeh (2002) suggests pricing could rise without corresponding improvement in service delivery.

In analysing markets, Easterly (2007:77) reveals that "the problem with the praise of markets is that it overlooks all the bottom-up searches necessary to make them work well. While the theory of the invisible hand celebrates self-interest as socially beneficial, this is true only if there are norms that make possible mutually beneficial transaction between parties. Lack of checks and balances on greed can prevent economic development just as lack of markets can". From the foregoing, it is 'unsafe' to leave urban sanitation management to market forces and competition as stalwarts of NPM 'preach', unless there are accompanying rules and regulations to check the excesses which may erupt. To this effect, rolling back the frontiers of the state to pave the way for the private sector is not an end, but a means.

Missing touch with the public

While poor performance of public enterprises should be checked, Stewart and Stoker (1995) caution that urban elites should not conscribe opportunities to engage the wider public by rushing to privatise, stressing the necessity of maintaining a 'citizen-customer' mindset. This caution is backed by evidence that under privatisation customers have little control over the quality of service received as negotiations are reached between utility managers, regulators and politicians with no real input by customers (Domfeh 2002). This argument builds on the premise that the public sector's fundamental responsibility of providing essential services, is threatened when profit-making rules; the reason is that such essential services do not easily lend themselves to becoming profit-making ventures given the public's duty to cater for its vulnerable members who may not be able to afford them. Consequently, turning to the private sector, for which profit-making is a cardinal ambition, threatens the symbolic value and significance of keeping public enterprises and protecting the economically vulnerable.

More so, Kelly and Duerst-Lahti (1995) argue that the rational choice underpinnings of the NPM undermine the continual legitimacy of democratic institutions in heterogeneous society attempting to maintain an inclusive polity. While admitting the value of public managers in focusing on customer service in addressing the heterogeneous taste of diverse citizenry, they contend that it is one thing to satisfy individual customers and another to be accountable to the broader public. Thus, Terry (1995) concludes that however instrumental this approach may be, the model of market-oriented public managers is problematic for democratic governance. He argues that because entrepreneur public managers are motivated by self-interest and act opportunistically, there is a stark contrast between the ideal of the 'ethnic agent who administers the public business with the common good in mind' and the image of the entrepreneur public manager whose legitimacy depends on the public's confidence in him and how accountable he is for their actions.

Private sector not immune to corruption

While corruption is traditionally associated with the public sector in developing countries (Shleifer and Vishny 1998; Acemoglu and Johnson 2005 and Acemoglu 2006), it is both ignorant and misplaced to continue to tout the public sector in SSA as the powerhouse of corruption given evidences of corruption in the private sector too. In a study by Ndikumana (2013:2), he found that corruption is not only limited to the public sector in Africa but also prevalent in the private sector. He argues that the private sector perpetuates corruption through three main mechanisms explained as follows: first, the private sector manipulates pricing mechanisms to achieve monopoly profits through false pricing in global trade and transfer pricing involving transactions within subsidiaries of the same corporation. Estimates indicate that from 1970–2010, exports miss-invoicing in SSA amounted to US$859 billion (Ndikumana and Boyce 2012); second, the private sector exploits insider information and derives monopoly profits by selling information from their privileged position as decision-makers; third, capital flight and money laundering allow the private sector to engage in vicious corrupt activities.

While "capital flight involves unrecorded outflow of funds for purposes of either evading public scrutiny on the origin of the funds or avoiding taxation by keeping assets abroad, money laundering involves various mechanisms through which dirty money, or funds obtained from the sale of illegal goods such as drugs, human trafficking, or smuggling of legal goods, and all forms of fraud and corruption, is integrated into the formal banking system" (Davis 2005 in Yeboah-Assiamah 2015). In the context of urban waste management in SSA, Davis (2005 in Yeboah-Assiamah 2015) reveals that contractors connive with public officials to win projects with their local water and sanitation service providers on positive sum terms; they also cooperate with technical staff to overstate figures after securing a contract so that the proceeds are shared among the syndicate members. Clearly, while the public may appear evil, as it is often imbued with corruption, the private sector is no saint. Consequently, the vigilance needed in fighting corruption in the public sector should equally apply to the private sector.

The private sector can perform poorly too

Among the cardinal assumptions of privatisation is superior service quality, an assumption reinforced by Pollit and Bouckaert (2004). Nevertheless, evidence of waste and rhetoric of customer service (Stoker 1996; Stewart and Stoker 1995) defeat the foundation of superior quality service on which privatisation builds. To illustrate, Ahmed and Ali's (2006) study in Bangladesh found that customer responsiveness does not necessarily follow privatisation; rather, they conclude that it depends on the nature of contractual agreement. They argue that whereas Khulna, Patuakhali and Sylhet local areas entered into formal privatisation contracts Dhaka did not. It turned out that the cities which entered into formal contracts significantly improved performance in terms of responsiveness to customer complaints. Dhaka, on the other hand, which entered into informal arrangements performed poorly as nearly 75% of complaints received no satisfactory response. The findings of Ahmed and Ali (2006) are instructive in two ways. First, customer responsiveness does not merely follow after engaging private actors; the nature of contractual engagement between the private and public actors is significant in shaping outcomes in terms of responsiveness. Second, whether or not privatisation would improve customer responsiveness is a question of whether contractual agreements between the private and public sectors contain such requirements, with clear-cut indicators and measurement methods. Unless such requirements are clearly determined and agreed upon in contractual arrangements, it would be utopian to expect private firms to be automatically customer-responsive.

Cost reduction is not always guaranteed

Rising on the ideals of efficiency, effectiveness and customer satisfaction, the NPM model dominated public management thinking, gaining widespread acceptance in both the developing and developed worlds. Empirical studies, however, suggest that going private has not always yielded the much-expected reduction in business cost. Oduro-Kwarteng (2011:99) concludes from 18 empirical studies on privatising urban sanitation services and its effects on efficiency that "…majority of these studies find no difference between public provision and private provision; whereas 6 out of 18 studies find cost savings in privatising urban sanitation services, these results are not consistent over time as most recent studies, since 2000, on waste collection found no differences in cost". Similarly, Butler (1991:23) argues that the unforeseen consequence of privatisation is creation of new constituencies favouring high government expenditure. For instance, private firms benefiting from vouchers are prone to forming influential interest groups favouring increased government expenditure; therefore, the "size and cost of government are not automatically reduced by privatization".

CONCLUSION

The author concludes that the private sector and NPM do not have the magic bullet, after all… Further to arguments made so far, the claim that the private sector models are inherently better than that of the public sector seems to lack adequate scholarly evidences to substantiate them. For instance, Skålén (2004 in Dunleavy *et al.* 2005) concludes that "NPM creates heterogeneous, conflicting and fluid organizational identities, rather than the uniform and stable business identity it is proposed to". Similarly, Savas (1987) contends that increasing private sector involvement in public service provision has either reversed quality or proven consistently more controversial than anticipated. Additionally, Osborne and Gaebler (2013) identify two flaws of NPM. First, it focuses on intra-organisational processes at a time when the reality of public service delivery is inter-organisational and networked. Second, it draws on management theory derived from the experiences of the manufacturing sector, which ignores issues such as service culture, service system, service production and delivery which compose the reality of public service. Besides, there is little evidence of substantive efficiency; there is a preponderance of modernising rhetoric which embraces accounting as an integral part of the reform which may or may not take hold.

To conclude, even though privatising urban sanitation services in SSA has some benefits, it also comes with serious costs which cannot be ignored. Based on critical examination of literature this study found that: customer responsiveness does not happen automatically under privatisation; that corruption is also a canker in the private sector; that market forces alone do not deliver efficient services; and that there is a need to protect the poor, which is not the primary object of the private firm.

The policy implications of these findings are significant: first city managers and planners in SSA need to ensure that customer satisfaction is part of contractual arrangements when deciding to go private. Second, implementation of anti-corruption policies should equally apply to the private sector. Third, broader macro-economic policies should direct the 'invisible hand' against market failure.

NOTE

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