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**Politics  
& Governance**

# **The politics of progress on water and sanitation in Colombo, Sri Lanka**

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Country Evidence

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# Contents

<b>Abbreviations</b>	<b>ii</b>
<b>Executive summary</b>	<b>iii</b>
<b>1 Introduction</b>	<b>1</b>
<b>2 The Colombo context</b>	<b>2</b>
2.1 Sector performance in perspective	2
2.2 Organisational arrangements for delivery	6
<b>3 The politics of progress</b>	<b>8</b>
3.1 State responsiveness and citizens' expectations	8
3.2 Degree of policy coherence over time	10
3.3 Balancing political and technical logics in implementation	12
3.4 Effects of performance monitoring from above and below	14
3.5 Availability of rents along the supply chain	16
<b>4 Conclusion: explaining why the sectors 'work'</b>	<b>18</b>
<b>5 Reflections on analysing sector politics</b>	<b>20</b>
5.1 Refining the analysis	20
5.2 Reflections on approach	21
<b>References</b>	<b>23</b>
<b>Appendix 1: Summary of findings from literature reviews</b>	<b>25</b>
<b>Appendix 2: Note on methodology</b>	<b>26</b>
<b>Appendix 3: Additional statistics</b>	<b>27</b>

## Tables & figures

### Tables

Table 1: Estimated improved water supply coverage in Sri Lanka, 1990-2010 (%)	3
Table 2: Estimated improved sanitation coverage in Sri Lanka, 1990-2010 (%)	3
Table 3: Estimated improved water supply coverage (urban) (%)	3
Table 4: Estimated improved sanitation coverage (urban) (%)	4
Table 5: Principal forms of access to drinking water in Colombo, 2011	4
Table 6: Toilet facilities in Colombo, 2011	5
Table 7: Rent-seeking opportunities in water supply and sanitation service delivery	17

### Figures

Figure 1: Principal forms of access by divisional secretariat, Colombo district, 2011	5
Figure 2: Toilet facilities by divisional secretariat, Colombo district, 2011	6

## Abbreviations

ADB	Asian Development Bank
CBO	Community-based Organisation
CMC	Colombo Municipal Council
CSO	Civil Society Organisation
DCS	Department of Census and Statistics
DFID	Department for International Development
ERD	External Resources Department
IDD	International Development Department
GoSL	Government of Sri Lanka
ISF	Institute for Sustainable Futures
JICA	Japan International Cooperation Agency
JMP	Joint Monitoring Programme
MDG	Millennium Development Goal
MoWSD	Ministry of Water Supply and Drainage
NRW	Non-revenue Water
NWSDB	National Water Supply and Drainage Board
O&M	Operation and Maintenance
ODI	Overseas Development Institute
PUC	Public Utilities Commission
UK	United Kingdom
UN	United Nations
UNDP	UN Development Programme
UNICEF	UN Children's Fund
WHO	World Health Organization
WTP	Willingness to Pay

## Executive summary

This study explores the politics of urban water supply and sanitation delivery in the city of Colombo, Sri Lanka, where improvements in coverage have been achieved within a national context characterised by almost three decades of civil war. Though Colombo is by no means an unqualified success, or representative of the country as a whole, this isolated case offers an opportunity to unpick the role of politics in a story of *relative* progress. It also presents a possibility to compare the politics of two closely related but nevertheless technically and organisationally distinct services, and to examine whether and why these sectors attract different political dynamics. The broad conclusion is that pervasive features of the political economy environment can interact with sector-specific characteristics to produce particular political dynamics around the delivery of different services. Both water supply and sanitation have been able to function effectively because these political dynamics have remained relatively stable over the medium term, in spite of the wider context of civil war.

The story of progress that emerges is not a rosy picture of collective collaboration to achieve universal goals, but neither is it a simple case of empowered citizens demanding the provision of services from duty bearers. Rather, these sectors are examples of a 'low level equilibrium' in which in spite of some contestation, the political and economic incentives of key actors (citizens, politicians and bureaucrats) are sufficiently served by the system for it to be able to sustain itself. At the same time, no actor is free from limitations on their behaviour, which allows for the management of potential threats to stability (e.g. free riding, rent seeking, etc.).

These political dynamics can be interpreted as a product of both *pervasive* features of the national political economy context and the *particular* characteristics of the sectors in question. With respect to the former, progress has been facilitated by historical legacies of (uneven) service provision by a centralised welfare state to some of its key constituencies, which have enabled a degree of policy coherence over time; generally high expectations on the part of citizens, which accumulate over time in response to performance and help underpin the credibility of subsequent political promises; and high levels of technical competence in the implementation agency, which help buffer provision from potential policy incoherence.

At the same time, the two sectors also have characteristic differences to do with the intrinsic nature of the good being produced, how it is demanded, and the tasks involved in delivering it. More than technical matters, these characteristics have political effects. Notably, the level of political salience across the two sectors helps to explain why the central state has conceived its role differently within them, and its willingness to devolve responsibility to lower levels of government. The nature of the tasks involved in delivery can in principle help us understand the varying opportunities for rent extraction, and the limitations thereon. Pressure from below can be analysed as a product of citizens' capacity to collectively organise to articulate their demands, which is associated at least partly with the way the service is consumed.

Together, these findings raise questions about approaches to analysing the politics of service delivery. First, it is clear that sectors are both an expression of the national political economy environment but also spheres of politics in their own right. In practical terms, if we want to understand the particular political dynamics of different sectors, we have to understand not only the wider political context, but also their technical and organisational characteristics. Second, while our observations acknowledge the importance of accountability relationships, they fit broadly with the turn away from an 'us versus them' approach to social accountability, and with the move to reconcile the long-standing top-down and bottom-up dichotomy. A deeper appreciation of the coexistence and complementarity of principal agent relationships and collective action might be useful, given that neither approach alone could sufficiently explain this particular case of progress.



# 1 Introduction

This paper presents the findings of a short case study conducted under the programme Achieving Sustainable Governance Transitions: The Politics of Public Goods and Services, funded by the UK Department for International Development (DFID) and undertaken by the Overseas Development Institute (ODI) in collaboration with the International Development Department (IDD), University of Birmingham. The programme combines applied research, proactive outreach and extended engagement with policymakers with the aim of developing practical frameworks to better understand how politics and governance affect the provision of essential public goods.

The purpose of the study is to test some of the findings from earlier, desk-based reviews of the types of political factors that can affect (enable or constrain) service delivery performance. The first review distilled the key political economy constraints and incentive problems that tend to recur across a range of contexts and sectors (Wild et al., 2012). The second drilled down further into the distinct politics of sectors, examining how their different technical or 'fixed' characteristics might affect relationships of accountability and control between key actors involved in delivery (McCloughlin with Batley, 2012).<sup>1</sup> One of the key aims of the programme is to unravel the relationship between these two sets of interlocking factors – that is, to understand how pervasive features of the political economy environment can interact with sector-specific characteristics to produce particular political dynamics around the delivery of different services.

The study explores this dynamic in the relatively successful cases of urban water and sanitation delivery in Colombo, Sri Lanka. The rationale for selecting these particular cases was twofold. First, seemingly impressive strides have been made across both sectors over the past two decades, as indicated by the Millennium Development Goal (MDG) targets of access being met three years ahead of schedule. This has been achieved in the context of a protracted civil war that has left a legacy of acute socio-economic and political challenges for the state. Although not representative, and by no means an unqualified success, the Colombo case therefore offers an opportunity to unpick the role of politics, broadly conceived,<sup>2</sup> in a somewhat surprising story of progress. The interest, of course, is not in uncovering a 'model' to be promoted, but in understanding what political factors might lead to improved performance under certain conditions. The second rationale behind the case selection was the possibility to compare, within a single country context, the politics of progress in two closely related but nevertheless technically and organisationally distinct services – urban piped water and urban sanitation. Our particular concern is to explore whether and why these two services might attract different political dynamics, even within a common national political economy environment.

The study's aims are expressed in the research questions below:

- What political factors help explain progress made in the water and sanitation sectors in Colombo?
- In what ways are the political dynamics of the two sectors influenced by:
  - *Pervasive* features of the national political economy environment?
  - The *particular* characteristics of the sectors?

The researchers adopted a three-pronged approach to addressing the above questions. First, they undertook a historical analysis of the origins of political commitments to and citizens' expectations of service delivery in the Sri Lankan context. Second, they used documentary reviews of previous sector studies dating back to the 1990s to trace major tipping points and

1 Appendix 1 summarises the findings from these earlier literature reviews.

2 Politics is interpreted broadly as more than formal political institutions, to extend to activities of conflict, cooperation and negotiation over decisions about institutions and rules that shape how resources are used, produced and distributed (Leftwich, 2010).

trajectories of progress over time. Finally, they conducted a series of semi-structured, key informant interviews to examine the operational politics of the two sectors, with a focus on how relationships function in the present day. The cumulative goal was to be able to situate contemporary observations on why the sectors apparently ‘work’ in historical perspective.<sup>3</sup>

The paper proceeds as follows. We begin by introducing the Colombo context, outlining and qualifying the degree of progress made, and contrasting the main organisational arrangements for service delivery across the sectors. Next, we turn to the main portion of our analysis, asking what political factors may have enabled progress at sector level. In particular, we examine how features of the national political economy filter through to sector politics, and whether the two sectors generate different political dynamics because of their characteristic differences. By way of conclusion, we offer a rounded account of why the two sectors function as they do, based on the degree to which relationships between key actors are seemingly mutually beneficial. Finally, we reflect on the value of considering broad political economy factors and sector-specific characteristics to analyse the politics of different services, before suggesting some refinements to the approach based on the study’s findings.

## 2 The Colombo context

Available statistics indicate that, over the past two decades, Sri Lanka has continued to make significant advances towards meeting its MDG targets on access to water and sanitation. Reported performance at the aggregate national level compares favourably with other developing countries in Asia, Latin America and North Africa.<sup>4</sup> Gains have been made in both urban and rural sectors, although access is relatively higher in Colombo than elsewhere.

At the same time, the country has experienced protracted civil war lasting nearly three decades, leaving a legacy of acute political and socioeconomic challenges for the state, not least in terms of addressing poor access to basic services in conflict-affected regions. Aggregate statistics mask important regional variations in this sense.<sup>5</sup> While the focus of our study is on examining the politics of water and sanitation performance in the particular urban context of Colombo, this should not imply that Sri Lanka can be viewed more broadly as an unqualified success story. On the contrary, it raises a question as to how these sectors, in this particular location, appear to have functioned consistently within what has more broadly been a contested political environment characterised by violent conflict over the medium term.

In some ways, not least in levels and forms of access to water and sanitation, Colombo is exceptional when viewed in domestic perspective. Much like any urban environment, the city also has its own particular demographics and politics, in this case evolved over its 450-year history of colonial administration (van Horen, 2004). Taken together, these factors influence contemporary organisational arrangements for service delivery. As a precursor to analysing the politics of provision, we briefly situate Colombo’s performance in perspective and outline some key similarities and differences in how the two services are delivered and accessed in the city.

### 2.1 Sector performance in perspective

Data covering the 20-year period from 1990–2010, compiled by the World Health Organization (WHO)/UN Children’s Fund (UNICEF) Joint Monitoring Programme (JMP),<sup>6</sup> illustrates the scale of improvements made across the water and sanitation sectors at the aggregate national level

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3 See Appendix 2 for a fuller note on these three steps.

4 See Appendix 3 for tables comparing Sri Lanka’s aggregate national performance with other countries and regions.

5 For a recent review of the effects of war on access to basic services in the north and east of the country, see Fernando and Moonesinghe (2012). It should be noted that, while reliable data in conflict-affected regions are difficult to obtain, available socioeconomic surveys indicate regional inequality.

6 We recognise that the accuracy of JMP data, like all nationally generated statistics, has been subject to question. Nevertheless, we use it here because it remains the most rigorous source of comparable data available.

in Sri Lanka. These data relate specifically to performance on MDG Target 7.C: *Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation.*<sup>7</sup> As Tables 1 and 2 illustrate, access to improved<sup>8</sup> supply has increased from 67% to 91% in the water sector, and from 70% to 90% in the sanitation sector. It should be noted that there are important limitations to the data, however. For example, sanitation coverage is an assessment of accessible toilets but not of the condition of the sanitation infrastructure as a whole. Nevertheless, the figures show the country is on course to meet its own national target of 100% coverage for both safe water and sanitation by 2025.

**Table 1: Estimated improved water supply coverage in Sri Lanka, 1990-2010 (%)**

Year	Total improved	Piped onto premises	Other improved	Other unimproved	Surface water
1990	67	12	55	26	7
1995	73	16	57	21	6
2000	80	21	59	16	4
2005	86	25	61	11	3
2010	91	29	62	7	2

Source: WHO/UNICEF (2012).

**Table 2: Estimated improved sanitation coverage in Sri Lanka, 1990-2010 (%)**

Year	Improved	Shared	Other unimproved	Open defecation
1990	70	3	13	14
1995	76	4	10	10
2000	82	4	7	7
2005	88	4	5	3
2010	92	4	4	0

Source: WHO/UNICEF (2012).

In the urban sector, which is this study's narrower focus of concern,<sup>9</sup> improvements in water supply have been greater than those in sanitation. Significant progress has been made in the proportion of water piped onto premises, which rose from 37% in 1990 to 67% in 2010, as Table 3 indicates. Access to improved sanitation was already high in 1990, but there has nevertheless been a consistent trend of improvement over the past two decades, illustrated by a small but significant (3%) overall increase during this period, shown in Table 4.

**Table 3: Estimated improved water supply coverage (urban) (%)**

Year	Total improved	Piped onto premises	Other improved	Other unimproved	Surface water
1990	91	37	54	9	0
1995	93	45	48	7	0
2000	95	53	42	5	0
2005	97	60	37	3	0
2010	99	67	32	1	0

Source: WHO/UNICEF (2012).

7 Indicators used include MDG Indicator 7.8, *proportion of population using an improved drinking water source*, and Indicator 7.9, *proportion of population using an improved sanitation facility*.

8 All sources other than unprotected wells, rivers, tanks, streams and springs.

9 Sri Lanka has also achieved impressive progress in improving access to water supply and sanitation in rural areas. This study's scope is limited to the urban sector partly because of time and resources availability, and also in recognition that, given that the technical characteristics of water and service delivery vary substantially in rural areas, the politics of delivery are also likely to vary (Harris et al., 2011).

**Table 4: Estimated improved sanitation coverage (urban) (%)**

Year	Improved	Shared	Other unimproved	Open defecation
1990	85	7	4	4
1995	86	7	4	3
2000	87	7	3	3
2005	87	7	4	2
2010	88	7	3	2

Source: WHO/UNICEF (2012).

**Colombo in domestic perspective**

While the data above indicate progress at the aggregate national level, and across both sectors (though more significantly in water) in urban areas, rates and forms of access in Colombo are not entirely representative of the country as a whole. Access to improved sources of drinking water are higher in Western province, where Colombo is located, than in the rest of the country, as Table 5 shows.<sup>10</sup> Over half of the country's piped water connections are in this province (ISF, 2011).<sup>11</sup> Moreover, pipe-borne water (particularly taps within units) is increasingly prevalent as the geographic focus is narrowed towards the urban hub at the heart of the city – the area of Colombo municipality. Although improvements in access are seen as we narrow the geographic focus from outside to inside the city, the size of these improvements decreases as one approaches the upper bound of 100% coverage. Colombo municipality is, however, not *wholly* distinct, with several other divisional secretariats displaying similar patterns of provision (see Figure 1).

**Table 5: Principal forms of access to drinking water in Colombo, 2011**

Administrative unit	Number of households	Well			Pipe-borne water			Other				
		Protected well within premises	Protected well outside premises	Unprotected well	Tap within unit	Tap within premises but outside unit	Tap outside premises	Rural water supply project	Tube well	Bowser	Bottled water	River/tank/stream/spring/other
<b>Sri Lanka</b>	5,188,047	1,650,550	758,363	227,418	1,076,948	340,594	159,510	494,898	168,344	23,428	9,297	278,697
%	100	31.8	14.6	4.4	20.8	6.6	3.1	9.5	3.2	0.5	0.2	5.4
<b>Western province</b>	1,452,474	577,885	93,996	35,636	533,454	59,276	38,821	56,967	40,892	1,364	1,285	12,898
%	100	40	6	2	37	4	3	4	3	0	0	1
<b>Colombo district</b>	558,755	121,297	11,862	7,026	350,327	26,942	18,202	17,600	1,754	58	682	3,005
%	100	21.7	2.1	1.3	62.7	4.8	3.3	3.1	0.3	0	0.1	0.5
<b>Colombo municipality*</b>	118,697	804	332	652	94,434	7,770	10,556	2,932	456	14	433	314
%	100	0.7	0.3	0.5	79.6	6.5	8.9	2.5	0.4	0.0	0.4	0.3

Note: \* Figures for Colombo municipality are derived as the sum of reported figures for Colombo and Thimbrigasyaya divisional secretariats.

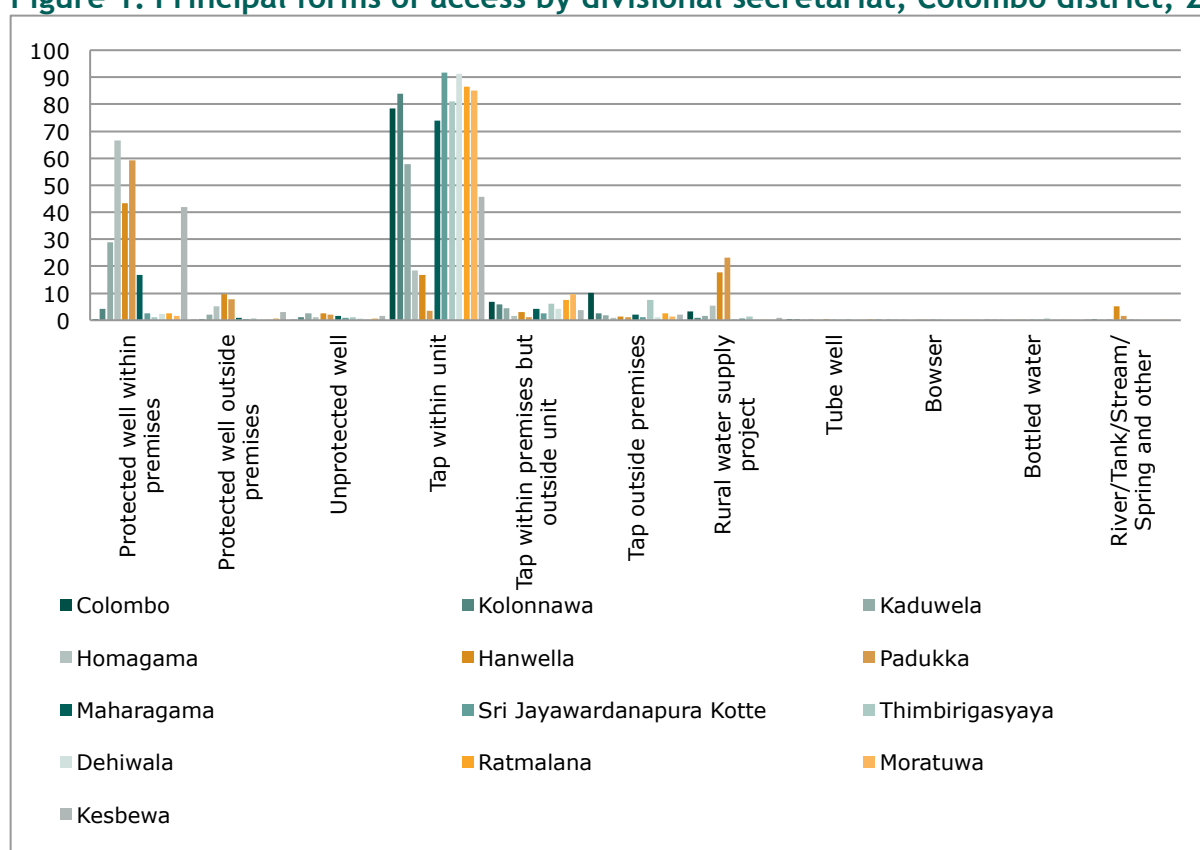
Source: DCS (2012)<sup>12</sup>.

10 Two sources of data based on detailed household surveys were used. The most complete dataset is that of the Sri Lanka Department of Census and Statistics (DCS), which includes nationwide data based on the Population and Housing Census of 2011, broken down by district and then by divisional secretariat. A similar survey, carried out in 2001, includes estimates for 18 of 25 districts, but unfortunately the categories describing access are not uniform across the two surveys. With regard to sanitation, the 2001 survey includes rates at which households fell into three categories, those 'using a toilet exclusively'; those 'using hygienic toilets'; and those 'not using a toilet.' With respect to water supply, categories included those 'using pipe-borne water' and those 'using safe drinking water'.

11 Drinking water for the Greater Colombo area (including Colombo municipality, Dehiwala-Mt. Lavinia municipality and a number of surrounding urban councils and *pradeshiya sahbas*) is sourced by the National Water Supply and Drainage Board (NWSDB) from the Kelani River, Kalatuwawa Impounding Reservoir and Labugama Impounding Reservoir, from which water either flows naturally via gravity (in the case of reservoir sources) or is pumped (in the case of river sources) to NWSDB-managed water treatment plants in Ambatale, Kalatuwawa and Labugama.

<sup>12</sup> Department of Census and Statistics, [www.statistics.gov.lk](http://www.statistics.gov.lk)

Figure 1: Principal forms of access by divisional secretariat, Colombo district, 2011



Source: DCS (2012).

With respect to sanitation, Colombo municipality demonstrates higher levels of access to toilets *within* the housing unit, exclusively for the household, as Table 6 illustrates. Again, however, this pattern is not unique among other divisional secretariats within Colombo (see Figure 2).

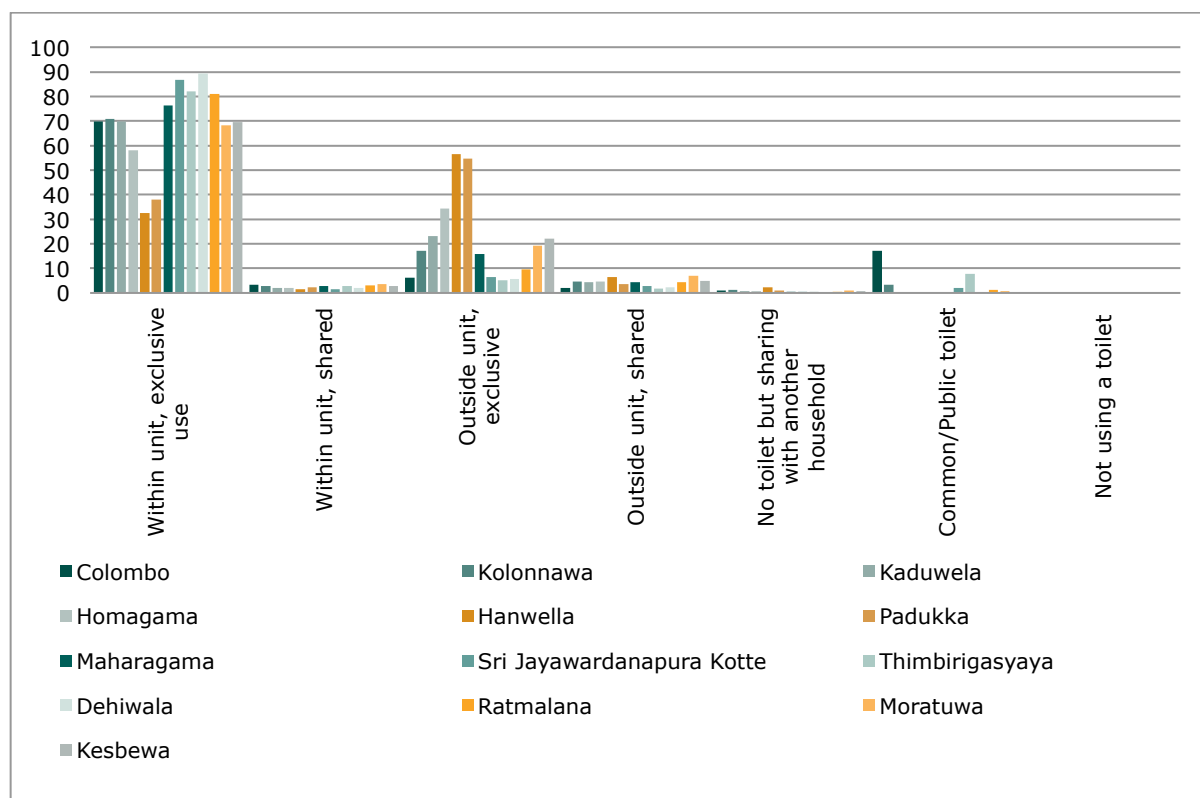
Table 6: Toilet facilities in Colombo, 2011

Administrative unit	Number of households	Within the unit		Outside the unit		Other		
		Exclusively for the household	Sharing with another household	Exclusively for the household	Sharing with another household	No toilet but sharing with another household	Common/public toilet	Not using a toilet
<b>Sri Lanka</b>	5,188,047	1,698,474	113,362	2,786,284	338,641	128,839	35,199	87,248
%	100	32.7	2.2	53.7	6.5	2.5	0.7	1.7
<b>Western province</b>	1,452,474	803,603	39,076	486,701	82,623	18,192	20,184	2,095
%	100	55	3	34	6	1	1	0
<b>Colombo district</b>	558,755	387,843	14,529	110,189	22,715	4,661	18,244	574
%	100	69.4	2.6	19.7	4.1	0.8	3.3	0.1
<b>Colombo municipality*</b>	118,697	89,212	3,723	6,822	2,292	961	15,431	256
%	100	75.15944	3.136558	5.747407	1.930967	0.809625	13.00033	0.215675

Note: \* Figures for Colombo municipality are derived as the sum of reported figures for Colombo and Thimbrigasyaya divisional secretariats.

Source: DCS (2012).

Figure 2: Toilet facilities by divisional secretariat, Colombo district, 2011



Source: DCS (2012).

Taken together, the above data demonstrate that water and sanitation are consumed largely at the household level in the city. The vast majority of residents of Colombo municipality (95%) are served by networked water (DCS, 2012). The network serves mainly private connections, either within the housing unit or outside the unit but within the premises. Public connections (tap stands) remain in some areas of the city known as 'underserved settlements', but there has been considerable progress over the past two decades in shifting to household-level facilities in these areas.<sup>13</sup> With the exception of some apartments and housing blocks where there are small networked sewerage systems, most households in and around Colombo rely on plot-level septic systems, which are generally of sufficient quality to be categorised as improved under the JMP<sup>14</sup> (ISF, 2011). But, while consumption is at household level in both sectors, it is important to note that, whereas in water this is dependent on a networked (piped) system, in sanitation connections to networked sewerage are less common, and responsibility for organising supply and maintenance sits more clearly at household-level.

## 2.2 Organisational arrangements for delivery

In the same way that Colombo has its own particular patterns of access, there are also significant distinctions *between* the water and sanitation sectors in terms of the organisational arrangements in place to deliver them. Below, we consider how features of the broader political environment, as well the technical demands of service delivery, influence the particular division of roles and responsibilities in the two sectors.

13 See Appendix 3 for data.

14 JMP categories for 'improved' water and sanitation are available at <http://www.wssinfo.org/definitions-methods/watsan-categories/>

### Key distinctions between sectors

At central government level, responsibility for policymaking in the water supply and sanitation sectors in principle lies with the Ministry of Water Supply and Drainage (MoWSD), a dedicated ministry created in January 2007. MoWSD is responsible for coordinating and monitoring the semi-autonomous NWSDB, which is effectively the lead implementation agency, rolling out large-scale, infrastructure programmes in both sectors. But although the ministry coordinates implementation, it does not have responsibility for allocating financing for NWSDB programmes. Reflecting a broader trend towards increased centralisation of budgets in the post-war period, the allocation of donor funds for water and sanitation is presently coordinated by the External Resources Department (ERD), which sits within the Ministry of Finance and Planning.

Crucially, NWSDB describes its role as ‘facilitating the provision of sanitation’ as against ‘providing safe drinking water’ (ISF, 2011). This refers to the higher degree of centralisation in the water sector compared with sanitation. Under the National Policy on Drinking Water (2009) and the Board Act (1974), authority for design, construction and management of all pipe-borne water supply services rests with NWSDB as a monopoly provider. In contrast, and as in other urban environments, responsibility for sanitation in Colombo is split between central and local government agencies, in this case NWSDB and the Colombo Municipal Council (CMC). On-site sanitation systems, for example, fall under local government regulations. Hence, as elsewhere, sanitation is arguably more adrift of an institutional home, leaving greater scope for fragmentation of roles and responsibilities at the point of delivery (Sansom, 2011). In the Sri Lankan case, overlapping responsibilities between agencies have political origins. Reforming the highly centralised state inherited from the colonial period has been a key political imperative in response to demand from both Sinhala and Tamil constituencies. This culminated in the 13th amendment to the Constitution in 1987 and the strengthening of lower tiers of government (divisional secretariats, *pradeshiya sabhas*). In the sanitation sector, this has led to some lack of clarity around ownership of physical assets and hard infrastructure.

In both sectors, investments in expansion and/or rehabilitation of existing infrastructure are financed through a combination of foreign assistance and government budgetary expenditure. Much of the physical piped infrastructure dates back over a century. In the sanitation sector, for example, construction dates back to the period 1906-1916.<sup>15</sup> Investment in networked sanitation infrastructure (both capital and recurrent investment) has been limited. More recent attempts to extend or rehabilitate this network have tended to rely heavily on investments from the international donor community.<sup>16</sup> Private sector involvement is limited to the tail end of the delivery system in both sectors, and contracting is restricted to management contracts, with no transfer of assets to the private sector. There are cases where private sector companies have been involved in providing connections to networked water, or in subsequent billing and management activities, through bulk purchasing arrangements or other forms of public-private partnership (CEPA, 2009).

As a centralised agency, NWSDB’s strength is in rolling out large-scale infrastructure schemes, and it is not well placed to perform an active role in community management or to engage in individual interactions. At the same time, some aspects of the delivery of both water and sanitation in Colombo require a degree of co-production,<sup>17</sup> meaning users need to be involved as active agents, not just as passive beneficiaries. NWSDB has therefore experimented with devolving some ‘softer’ functions of water and sanitation to civil society organisations (CSOs). Co-production is more institutionalised in the sanitation sector, where the nature of consumption – less networked coverage, widespread reliance on plot-level systems – implies greater need for more decentralised, household-level organisation. The construction, operation and maintenance of plot-level systems, which entails the capture, pumping, trucking,

15 With the exception of a \$96 million World Bank project (co-funded by the Saudi Fund for Development) in the period 1980-1987.

16 Notably from the Asian Development Bank (ADB), which led the Greater Colombo Wastewater Project, and the Japan International Cooperation Agency (JICA).

17 Co-production is the joint and direct involvement of both public agents and private citizens in the provision of services (Ostrom, 1996).

treatment and eventual disposal of large quantities of septage, is undertaken by both private sector firms and CMC.<sup>18</sup>

Both sectors encounter financial difficulties related to low cost recovery. Provision of water supply is carried out on a fee-for-service basis, with tariffs agreed by NWSDB and central government.<sup>19</sup> Total revenue generation through tariffs is limited, with NWSDB corporate planning documentation indicating that 'revenue from the sale of water at present is barely sufficient to recover the operational expenditure and debt service; the NWSDB is not generating any surpluses for the rehabilitation of existing schemes' (NWSDB, 2012). Figures regarding the financial sustainability of CMC sanitation services were not readily available. However, NWSDB corporate planning (ibid.) indicates that just 17% of NWSDB O&M expenses associated with sanitation were being recovered through the existing tariff as of early 2012.

Taken as whole, the above illustrates the need to qualify the story of progress in Sri Lanka on the basis that Colombo is to a degree exceptional in domestic perspective. Although the two sectors share some common institutional features, some of which clearly filter down from the national political economy environment, they are organised slightly differently at the user/provider interface. In the next section, we unpick more directly the role of politics in helping explain performance across the two sectors.

### 3 The politics of progress

What political factors help explain the degree of progress made in the water and sanitation sectors in Colombo? Of course, politics is not the sole entry point for analysing service delivery outcomes; a bewildering array of political factors could potentially inform such an analysis. Our particular concern here is to unpick, illustrate and challenge the applicability of the types of factors identified through earlier literature reviews on the politics of service delivery.<sup>20</sup> In line with the aims of the study, we ask whether and how pervasive features of the national political economy environment filter down to sector level and interact with sector-specific characteristics to produce particular political dynamics.

In analysing the politics of progress, we are careful not to diminish the degree to which the sectors are, as they would be in any context, spheres where interests and incentives are contested and relationships of power are negotiated. After all, this is politics. In the analysis below, we focus on a limited number of areas where politics appears to have been important in underpinning the overall story of progress in the Colombo case. These are drivers of state responsiveness and citizen's expectations; degree of policy coherence over time; balancing of political and technical logics in implementation; performance pressures from above and below; and availability of rents along the delivery chain. In each of these areas, the story is not always one of collaboration to achieve collective goals, but more typically one where, on balance, the different political and economic incentives of key actors (citizens, politicians and bureaucrats) favour a stable degree of provision.

#### 3.1 State responsiveness and citizens' expectations

Contemporary political dynamics of service delivery can be understood meaningfully only in historical context. It is important to note that Sri Lanka has a long history as an established

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18 In either case, septage is generally disposed of into the sewage network through easily accessible drains and manholes, at which point its management is carried out.

19 The current tariff structure for household water services, which applies nationally, is an increasing block tariff with 10 blocks and preferential rates for low-income consumers through administrative and geographic targeting mechanisms (for Samurdhi recipients and tenement garden residents, respectively). Separate tariffs exist for access via public tap stands and for non-residential users, the latter of which are designed to cross-subsidise domestic consumption through higher costs to industry. With no sewerage tariff being charged to water users connected to the system, the CMC relies heavily on property taxes to help pay for system operation and maintenance (O&M).

20 See Appendix 1 for how we used the findings from earlier literature reviews to inform analysis in this section.

welfare state responding (albeit unevenly)<sup>21</sup> to citizens' basic needs. Concomitantly, there are high expectations of what the state will provide. This helps us locate the choice set, or 'Overton window', confronting contemporary political actors in a number of deeply embedded socio-cultural norms around service delivery.<sup>22</sup> In the Sri Lanka case, the choice is not *whether* the state will be responsive to the needs of its key political constituencies, but *how*.

### Legacies of a responsive state

Sri Lanka has historically exhibited impressive levels of socio-cultural development, as indicated by high indicators on the Physical Quality of Life Index since the late 1970s, with Jaffna (in the north) and then Colombo ranking highest in the country (Samarasinghe, 1996). This relatively good measure of social development has been attributed not to high levels of income per capita, but rather to a highly sophisticated system of social infrastructure and welfare distribution that has evolved over many decades (ibid.). Sri Lanka has been interpreted as a somewhat exceptional case of a state 'taking social development seriously' (Jayasuriya, 2010). It has also been held up as a model for counter-urbanisation, because, since the 1930s, successive governments have carefully directed public investments towards ensuring services and social welfare opportunities are comparable across rural and urban areas (Corey, 1996). In the recent past, the annual population growth rate has been between 0.5% and 3.7% (roughly the natural rate), lower than in other South Asian cities (Sevanatha, 2003). This has been attributed to the availability of basic infrastructure, services and economic opportunities outside the capital.

The responsiveness of the Sri Lankan state to the welfare needs of some groups of citizens is therefore not a contemporary phenomenon. It is deeply rooted in, and has to be understood in the context of, the way state-society relations were organised during processes of state formation. Indicators of state responsiveness predate colonialism and continue through to the post-colonial era. Provision of basic services, particularly irrigation, is considered a key mechanism through which the modern Sri Lankan state negotiated its legitimacy with its key constituency, the rural Sinhalese. The granting of universal suffrage in 1931 made it difficult for political leaders to ignore the welfare demands of this demographically powerful group. Indeed, there was palpable appreciation of the political gains to be made from responding to their social needs (Wickremaratne, 1973). One of the institutional legacies of this history of a welfare state supported by electoral politics is an active political market for service delivery in the contemporary era. In the current post-war context, the opportunity to strengthen the legitimacy of the state by tapping into such legacies has provided strong incentives for the state to support service delivery to key constituencies, which now include Colombo's urban population. Political promises to these groups and policy choices in relation to welfare provision are politically salient, and, crucially, to some degree credible to some groups of citizens, because they are grounded in a long-term record of state responsiveness.

### Citizens' expectations and the symbolic and discursive elements of provision

Embedded norms around social provision permeate national discourse in Sri Lanka. The state's responsiveness to the welfare of its people over the long-term coincides with high expectations on the part of citizens of what the state will deliver. High levels of education and literacy, partly a product of a strong system of Buddhist monastic education, underpin these expectations. Census data from 2010 reported that 91.2% of the population aged 15 or over can read and write, and the 2011 Human Development Report showed the mean years of schooling for adults was 8.2 years (UNDP, 2011).<sup>23</sup> Immunisation rates are similarly high relative to other middle-income countries, suggesting a majority of citizens can access and interpret public health information. These socioeconomic factors, combined with the politics of

21 Although the focus of our study is Colombo, as stated earlier, the war has left a legacy of uneven access to services across regions.

22 The Overton window is a political theory that describes as a narrow 'window' the range of ideas that the public will find acceptable, and that states that the political viability of an idea is defined primarily by this rather than by politicians' individual preferences. At any given moment, the window includes a range of policies considered politically acceptable in the current climate of public opinion, which a politician can recommend without being considered too extreme to gain or keep public office (Wikipedia).

23 Census data reported on Wikipedia.

welfarism, help enable political parties to compete on credible platforms for delivering services to a well-informed group of voters.

While some elements are in common, expectations of water and sanitation have distinct cultural and historical origins. Water resources are considered vital to food security in Sri Lanka, and therefore to ensuring the livelihoods of the rural population. While sanitation does not have the same connotations for livelihoods, it is nevertheless bound up with national history in its own way. Specifically, Sri Lanka is known for its sophisticated sanitation systems dating back to ancient civilisations. In modern times, use of toilets is a deeply embedded cultural norm and, unlike in other South Asian countries, open defecation would not be culturally acceptable.<sup>24</sup> These symbolic and cultural understandings of the value of water and sanitation permeate contemporary discourse. To illustrate, the government's vision of socioeconomic development – the *Mahindra Chintana* – clearly locates the provision of water in the history of nation building in the country, referring to King Parakramabahu's widely known phrase 'Utilise every drop of water coming from the rain without letting it waste into sea' (GoSL, 2011). Sanitation is similarly clothed in a long heritage of innovation.

### 3.2 Degree of policy coherence over time

How does high-level commitment to state-led welfare provision filter down into sector policymaking? To what extent have policies been coherent over time, and how far does this account for the impressive outcomes across the two sectors? We can assess policy coherence at three levels in this case: 1) 'vertical' coherence and inter-sectoral complementarities; 2) 'horizontal' coherence in terms of allocation of ownership and division of roles between different layers of government; and 3) coherence in terms of the framework of rules in which service delivery organisations, or implementation agencies, operate *in practice*. Below, we argue that, in spite of ideological twists and turns over *how* water and sanitation should be provided – namely, the palatability of private sector involvement in the sectors – coupled with significant horizontal incoherence around division of roles under decentralisation (particularly in sanitation), the technical capacity of the main delivery organisation, NWSDB, has buffered the potentially damaging effects of this incoherence.

#### Vertical coherence and inter-sectoral complementarities

High-level commitment to addressing urban poverty has been a fairly consistent feature of politics in Colombo since at least the 1970s. This can be viewed as a manifestation of Sri Lanka's general welfare commitment, but also as an effect of the degree of political representation Colombo has achieved at the national level. Some leading political figures in national government were first elected in Colombo, and subsequently became powerful politicians who controlled ministries that could ensure services to the urban poor.<sup>25</sup>

Expansion of service delivery infrastructure into so-called 'underserved settlements', which has been a significant driver of overall progress in levels of access to water and sanitation at the aggregate level, is a particularly illustrative example.<sup>26</sup> Settlements in the city originally grew largely in response to the expansion of export trades between the 1930s and 1950s (Sevanatha, 2003). Some developed to accommodate labourers who came to work in the vibrant export market (e.g. tea and rubber) and later relocated their families there, creating congested, tightly packed 'back-to-back' houses with communal facilities that inevitably deteriorated over time. As recently as the 1980s, these settlements (previously termed 'slums' and 'shanties', and later 'low-income settlements') were considered economically marginalised, de-linked from the utility networks servicing the metropolitan core, and were estimated to accommodate almost half the city's residents (van Horen, 2004; Sevanatha, 2002).

Over time, progressive politicians concerned with urban poverty sought to 'rationalise' the settlements, either through permanent or temporary upgrading of their basic service

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24 Note that JMP data indicate open defecation is at 2% (see Table 2).

25 Including President Premadasa, and M.H. Mohammed (former Colombo mayor and leading politician in the United National Party). We are grateful to a reviewer for this point.

26 Statistics on expansion to access to water and sanitation in underserved settlements are provided in Appendix 3.

infrastructure, or by relocating residents. This commitment was manifested in a succession of 'bold policy gestures' carried through to implementation and, crucially, accompanied by complementary policy measures.<sup>27</sup> In particular, the transfer of ownership of slum lands to government,<sup>28</sup> and the subsequent granting of secure land tenure rights to slum and shanty dwellers, not only catalysed government to take responsibility for communal service infrastructure in these areas, but also encouraged greater responsibility for services located within household boundaries (Jayaratne, 2004). Two major programmes during the 1980s and 1990s<sup>29</sup> provided housing loans, basic networked infrastructure and increased security of tenure, partly with this explicit aim. These programmes were city wide (i.e. achieved scale), attracted strong presidential leadership and were inter-sectoral (bundling services, housing and land policies). By their nature, the reforms did not disrupt political interests, and they were popular with citizens, service providers, elites and the donor community alike. Benefits were both to slum dwellers and city residents living near them, and their impact was immediate and visible. Indeed, over subsequent electoral cycles, the length of leaseholds granted to settlement residents has gradually increased and now includes freehold, indicating continued commitment to this policy intent.

Investment in infrastructure development is another factor that has enabled improvements in urban service delivery in Colombo. Since the 1990s, successive market-oriented mayors and political decision makers began privatising some urban management functions in the city as part of a drive to make it increasingly internationally competitive (van Horen, 2004). Subsequent outward-looking governments have been driven by a similar goal of making Sri Lanka a 'hub'. 'Beautifying Colombo' is the latest manifestation of this longstanding vision of the city as a centre for investment, trade and tourism. Closing the 'infrastructure gap' with its neighbours looks likely to remain a key policy goal for Sri Lanka in the post-war phase also, inducing large investments across the transport, energy, water, sanitation and irrigation sectors (GoSL, 2010). At least at a discursive level, expansion of infrastructure and access to basic services to address regional disparities is being conceived as a 'weapon through which national reconciliation can be promoted' (Presidential Budget Speech, 2012)<sup>30</sup>. In this sense, high-level policy commitment to welfare development in Sri Lanka may be as politically strategic now as it has been at critical junctures in the history of the state.

### Horizontal coherence and division of roles

Even where there is high-level political commitment to service provision, some degree of policy incoherence, manifested in a lack of clarity around the division of roles and responsibilities between different state and non-state actors, is inevitable in delivering public services that typically involve complex co-productive relationships. Water and sanitation provision in Colombo are no exception.

Organisational fragmentation is a general feature of service delivery in the city (van Horen, 2004), but overlapping mandates are particularly problematic in sanitation, where there is greater decentralisation of responsibility to the lower level, CMC. Some interviewees suggested the different political orientations of central and municipal layers of government had led to some political risk management, particularly over the issue of privatisation. The CMC, as an opposition stronghold, is more inclined to accept private sector participation in provision than the ruling coalition. Nevertheless, it is responsive to shifting ideologies at central government level.<sup>31</sup> Because of political risk management, private sector participation in water supply in and around Colombo has been restricted to experiments with short- and long-term management contracts, with no privatisation of assets (Nickson and Franceys, 2003).

27 The combination of bold gestures carried through to implementation is noted by Booth and Therikilsden (2012) in other cases of relative progress.

28 Under the 1973 Ceiling Housing Property Law, the government gave tenants the right to buy their own land, shifting them from insecure tenancy to security of tenancy 'overnight'.

29 The Urban Basic Services Programme and the Million Houses Programme.

30 Article from the Sunday Leader, 2012: <http://www.thesundayleader.lk/2012/11/24/making-devolution-meaningful/>

31 An example is the shift between the centre-right, pro-capitalist United National Party (in government between 1978 and 1994) and the current coalition government of the United People's Freedom Alliance.

Policy incoherence arguably only becomes a real, practical constraint where unclear or overlapping mandates actually prevent effective delivery (Wild et al., 2012). There are some illustrative examples of this in the sanitation sector, where lack of clarity around decentralisation reforms has made it difficult to ascertain asset ownership by looking at the text of legislation. Clarity over ownership was achieved only in 2007, when the attorney general was required to step in to confirm where responsibility lay. The ruling found that responsibility for the provision of sanitation fell to CMC (the Drainage Department), as owner operator of the system. NWSDB, however, retains a role in the ownership and management of the sewerage system that serves areas of Greater Colombo adjacent to, but outside of, CMC authority.<sup>32</sup> However, with no contractual agreement between NWSDB and CMC that specifies performance standards and penalties for non-performance, there are no clear institutional arrangements for maintaining and operating the system. In severe cases, this lack of clarity over responsibilities has reportedly tied up programmes for upgrading piped infrastructure in legal red tape, thereby complicating and delaying investments in the sector.

### Insulation at the point of delivery

While fragmentation of responsibilities can have negative effects on planning and investments, there is a palpable sense that, overall, both sectors are buffered by the fairly consistent day-to-day operational capacity of the competent implementing agency, NWSDB. Several interviewees described the agency as technically capable, professional and consumer focused. Donors report open dialogue and good relations with NWSDB, intimating the obvious appeal of channelling investments into a 'technical' (as opposed to political) agency. Similarly, in spite of political differences, relations between NWSDB and CMC are reportedly founded on mutual 'professional' respect between engineers sitting in the two agencies. Although NWSDB has formally been devolved under a number of different ministries over time (including the Ministry of Housing, the Ministry of Construction and the Ministry of Urban Development), interviewees reported that changes at the ministerial level had had minimal impact on delivery.

This is not to suggest that NWSDB is entirely free from political involvement in professional or managerial decisions. Although established as a public corporation in 1975, its managerial autonomy has been described as 'largely fictitious' (Nickson and Franceys, 2003: 35). Direct involvement of politicians in the hiring, transfer and promotion of utility personnel has also been noted (ibid.) and some see the political appointment of NWSDB Board members as an opportunity to reward political support. At a higher level, proliferation of state institutions and ministries has been linked to the system of proportional representation, in which coalitions may seek to satisfy political factions through access to state power (Bastian, 2009). Some have interpreted the creation of the dedicated MoWSD in 2007 in this vein. The Board has also attracted some criticism in the past for its poor record on the staff productivity index, usually expressed as the ratio of staff per thousand water connections.<sup>33</sup> Nevertheless, recent NWSDB data indicate a reduction in this ratio to 7.2 staff per 1,000 connections (NWSDB, 2010) from 33 in 1991 and 14 in 2000 (Gopalakrishnan et al., 2005), suggesting a simultaneous political imperative for the Board to operate as an economically efficient and technically viable venture.

## 3.3 Balancing political and technical logics in implementation

Water and sanitation services, particularly the expansion of piped infrastructure, have a high technical (engineering) content, and professional knowledge is often scarce. In some cases, this dynamic can give greater influence to professional groups, organised labour and contractors (McCloughlin, 2012). In the Sri Lankan case, however, the balance of power between technocrats at NWSDB and political actors appears to be more fluid, varying according to the nature of the particular task at hand. Below, we illustrate this by comparing the political dynamics of two tasks: tariff setting and resource allocation.

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32 News media reports in February of 2008 regarding an aborted CMC motion to relinquish control over the Colombo sewerage system to NWSDB suggests this issue has not been entirely resolved (Daily Mirror, 2008a; 2008b), but, for practical purposes, CMC remains the dominant service provider.

33 High levels of staffing in the public sector are a more general feature in Sri Lanka. In 1999, a World Bank report described Sri Lanka's public sector as the largest bureaucracy in Asia, with high associated costs (Bastian, 2009).

### Tariff setting

Comparative research in the urban water sector has indicated a general pattern of state-run or semi-autonomous utilities having limited autonomy to set tariffs (Nickson and Franceys, 2003). As elsewhere, tariff setting in Sri Lanka is a highly political undertaking, in which government, in this case the Cabinet, has the final word. NWSDB is technically proficient in developing a strong business case, illustrating financial comparisons with other utility sectors, to generate room for manoeuvre on tariff setting. Nevertheless, in the end, tariff structures are arrived at through a process of bartering in which technical arguments are vied against the political salience of the task at hand. Total revenue generation through tariffs is limited: NWSDB corporate planning documentation indicates 'revenue from the sale of water at present is barely sufficient to recover the operational expenditure and debt service; the NWSDB is not generating any surpluses for the rehabilitation of existing schemes' (NWSDB, 2012).

The political salience of tariff setting in the water sector emanates partly from the nature of the good being provided. Water in Sri Lanka is widely considered a 'public' good (not in the economic sense), meaning citizens have a right to access it and government is responsible for providing it. However, in Colombo at least, as Section 2 illustrated, water is consumed as a private good.<sup>34</sup> Put differently, water has both sentimental and economic value. In its delivery, government therefore confronts a dual imperative – the political imperative for water not to be seen as a profit-making enterprise and the economic imperative to achieve sustainable cost recovery. Tariff setting sits awkwardly between these, being neither entirely politically driven (i.e. controlled/extended by political logics) nor fully consumer driven (i.e. controlled/directed by the need for cost recovery). This discomfort is perceptible in the discourse around water tariffs, in which government emphasises that consumers are being charged for convenience (i.e. physical infrastructure, treatment systems) rather than for water itself. Tariff setting in piped water has also carefully manoeuvred, politically, between the need for tariffs to remain politically palatable for the middle classes, a historically key constituency of the state and a major recipient of services, and the drive for increased cost recovery. Because of this, middle- and high-income households in Colombo have benefited from subsidised tariffs since the 1990s (Franceys, 1997).

### Resource allocation

Because of political opposition to tariff increases, NWSDB has historically been dependent on state subsidies for its financial viability (Nickson and Franceys, 2003). This in principle opens the way for politicised management of resource allocation. Indeed, previous studies have argued that politicians may prefer NWSDB to be led by 'technical' managers – conventional engineers without business or financial training – as opposed to professional managers, who may be more likely to press for more financial autonomy and therefore challenge external interference (Franceys, 1997). Technocrats continue to dominate in management positions on the Board, perhaps reflecting a strategic goal to limit NWSDB's role to primarily that of an 'implementation agency' (ibid.).

Other studies have found that politicians can have greater incentives to provide goods that are more 'visible' and therefore more easily 'claimed' by political actors (Keefer and Khemani, 2003; Mani and Mukand, 2007). Echoing this theme, there are indications that political interference in resource allocation in water and sanitation in Colombo has skewed some allocations in favour of new capital projects. Such projects arguably produce greater political returns on investment than financing recurring costs for O&M (Nickson and Franceys, 2003). There have been cases of networked systems being expanded beyond their technical capacity in response to demands by political actors at local authority level (ADB, 2007). Development aid may have been directed to extending or building new sewer networks because such projects deliver tangible short-term results, whereas long-term maintenance, repair and replacement of piped sewerage systems remain a 'significant challenge' (ISF, 2011: 24). Interviewees reported that NWSDB's O&M budget was the first to be cut in the event of a budget squeeze. Nevertheless, there are signs of restraint on this political steering where

34 Specifically, the piped water network serves mainly private connections, either within the housing unit or outside the unit but within the premises.

politicians are not 'conversant' with the technical challenges of delivery. Some interviewees reported anecdotal instances of technocrats and engineers pushing back and convincing political actors to adopt more sustainable, albeit less immediately creditable, strategies.

Preferences for investments in visible infrastructure are also perceptible in the choice of strategies adopted in technically 'grey' areas in the water sector – that is, where there is potentially a range of technically viable options to choose from. A key illustrative example is seen in NWSDB's response to the challenge of reducing levels of non-revenue water (NRW). NRW is water effectively water that is 'lost' in the system, and therefore not charged for. A combination of factors has been implicated in this, including leaky pipes, illegal tapping, imprecise metre reading, free riding or a combination thereof. Given that Colombo's piped water infrastructure dates back to the British colonial period, decaying pipes are among the more commonly cited causes. One response to water losses would therefore be to replace or repair tired pipes. However, this strategic response would not result in a visible increase in the quality or level of service on the part of users. On the contrary, it would require highly visible inconveniences in the form of large-scale and probably long-term disruption to Colombo's road and pavement networks. The adopted strategy of seeking to address NRW through the expansion of the network into individual households is arguably far more politically appealing, not least because it is targetable and results in a net increase in service beneficiaries.

During the period when water infrastructure was being extended into underserved settlements, there were both political and economic incentives to mobilise communities to demand connections. The economic incentive was to generate economies of scale and greater returns on investment. If only a few households in an area requested a piped connection, there would be little scope for sustainable cost recovery, particularly given the high sunk costs as well as the technical complexity of extending networks into these often crowded areas. The political incentive to supply comes from the opportunity to be associated with, and to potentially seek credit for, network expansion. In this instance, the opportunity to mobilise community demand therefore presented a 'win-win' scenario for both politicians and technocrats.

### 3.4 Effects of performance monitoring from above and below

Recent research on the politics of service delivery has sought to reconcile the often-polarised debate about the relative value of accountability pressures from above and below (McCourt, 2012). The present study supports this effort to unify the debate. In sum, it is characterised by 'enabling conditions on both sides of the equation', whereby citizen pressure and political will combine to produce incentives for delivery (Benequista and Gaventa, 2011; Booth and Therkilsden, 2012). Pressure from above partly derives from the degree of political salience in the sector and the role the state subsequently carves out for itself. Pressure from below can be analysed as a product of citizens' capacity to collectively organise to articulate their demands, which is associated at least partly with the way the service is consumed.

#### Political salience and the role of the state

Although the state has been responsive in both the water and the sanitation sectors, it could be argued that water is more politically salient than sanitation, and therefore occupies a higher position on the political agenda. We can further distinguish between *periodic* salience that occurs in reaction to a high-profile breakdown or crisis, and more *continual* salience routinely articulated within the public sphere. As in other contexts, both water and sanitation services in Sri Lanka have experienced periodic episodes of high politicisation. Both have featured in the press in times of acute crisis, such as flooding or outbreaks of disease. In a recent example, concern over the quality of water provision has increased in response to the public health crisis of Chronic Kidney Disease.<sup>35</sup> Nevertheless, 'reactive' attention of this nature, however serious and compelling, may feature in public discourse only for a limited duration.

Some interviewees described sanitation as a less continual public concern because systems are organised at household level and are therefore, in a literal sense, less visible. Since Colombo's

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35 There has been open speculation that poor water quality is one potential cause of this public health crisis.

hosting of the high profile South Asian Conference on Sanitation in 2011, which gave sanitation periodic salience partly because of the president's high-profile attendance, ministers have reportedly not been so active in seeking to claim credit for sanitation. Overall, interviewees reported few major 'campaigns' in the sector. But, while sanitation may not be a continual matter of public interest, water is never far from the public sphere. This derives at least partly from a longstanding and deeply politicised contestation between different interest groups, including the powerful farming lobby, over issues of water resource management.

It has been argued elsewhere that the particular political salience of a service can affect not only *whether* but also *how* a state engages in its production (McCloughlin and Batley, 2012). Following this logic, the state's commitment to centralised delivery in the water sector might be seen as indicative of its political salience. Government in effect continues to perform both the direct (delivery) and indirect (policymaking, regulation, coordination) roles in the sector. Although legislation paving the way for the establishment of a common regulatory body for all public utilities (the Public Utilities Commission (PUC)) is in place, the only sector in which there is no supporting policy or legislation is the water sector. The irrigation lobby has reportedly dominated the stalled consultative process around a water policy that is a necessary precursor to establishing the regulatory body. Some observers noted that the PUC, which was initiated under the previous government, may struggle to establish itself in the context of tendencies towards increased centralisation seen under the present coalition government.

### The coming together of top-down and bottom-up pressure

Information asymmetry is not a major constraint to accountability relations between users and provider organisations in Colombo. It has been previously noted that government does not need to provide water or sanitation as a 'merit good' – meaning it does not need to persuade nominally 'uninformed' citizens to consume water or put in place adequate on-site sanitation systems in order to achieve socially optimal levels of consumption (Franceys, 1997). In the sanitation sector, this may partly be attributed to the long-established system of public health inspectors, who play an important role in overseeing community behaviour on a wide range of public health issues, disseminating public health information and monitoring community-level sanitation, including latrine systems. In the water sector, a number of studies indicate a high willingness to pay (WTP) among residents of Colombo, even among the poor. Survey work by Pattanayak et al. (2006) outside of Colombo in the town of Negombo and on the coastal strip between Kalutara and Galle suggests that WTP may in fact be higher than existing tariff rates (if judged according to efficiency criteria). Bureaucrats within NWSDB noted demand for water had evolved over time, from an initial focus on access to increasing concern with quality. Some suggested that this concern with quality had actually been driven by tariff increases.

Water is largely consumed as a private good in Colombo. Some interviewees noted that this pitched users as 'customers', engaged in an individualised, transactional relationship with the utility, where the choice is 'either to be a user or not'. This, coupled with the absence of any independent consumer protection group, in principle may diminish the potential for community capacity to monitor and hold providers to account for the service. Furthermore, because of the natural monopoly in the sector, residents tied to a particular location have no choice of suppliers. Nevertheless, the utility appears active in responding to citizens' complaints. Consumer perception surveys in 1997 showed high levels of dissatisfaction with irregular supply, but general satisfaction with the responsiveness of the provider to complaints (Rakodi, 2000). Where is the pressure to be responsive to consumers' complaints coming from? In practice, it comes directly from upwards in the hierarchical chain of command. A steady stream of complaints letters are handled by managers on the Board; some are received directly by the Board and some are sent to the president and filtered down to front-line managers. Hence, there is strong top-down incentive to reply promptly to complaints, accompanied by top-down monitoring of how such complaints are handled. This political intervention could be seen as a counter to the potential for the problem of a missing 'feedback link' between (monopoly) water service providers and consumers (Franceys and Gerlack, 2012).

To a degree, CSO involvement in the sector can be seen as another attempt to combine top-down and bottom-up incentives for better performance. One key role CSOs play is in helping

the utility address the potential for free riding in water service delivery, from below. Particularly in underserved settlements, the utility has experimented with partnering with community-based organisations (CBOs), which act as intermediaries by collecting connection fees and bill payments as well as playing a role in O&M. Some interviewees questioned the degree to which communities trusted these CBOs. Nevertheless, at least from the perspective of the utility, the impression is that it is acutely aware of the importance of community dynamics in payment for water services and of its own limitations in addressing these.<sup>36</sup>

Another example of the complementarity of incentives from above and below is the shift from communal tap stands to individualised household connections in underserved settlements. This might be viewed as a strategy for addressing what was essentially a collective action problem. Where water is accessed via public tap stands, it takes on features of a public good, meaning it is in principle rivalrous and excluding individual users is challenging. Deterioration of pipes, leakage and water losses (NRW) result, even though tap stands are also a highly territorialised good, experienced in common by residents, sometimes clusters of houses, within small, geographically contained areas. Household surveys in three underserved settlements suggest residents dislike communal facilities because of lack of privacy and problems with neighbours sharing (Fernando and Sanjeevani, 2009). In principle, shifting the point of consumption from the public to the household therefore presented a 'win-win' scenario for the utility (looking to reduce NRW) and for householders (with a preference for a piped connection). In practice, however, there were limits to the effectiveness of this strategy. Tap stands have remained alongside individual household connections in areas where small numbers of households still cannot afford the highly subsidised cost of an individual connection to the network. In effect, the attempt to get around a collective action problem by shifting the point of consumption in this way was hampered by the reality that the problem was not only one of *willingness* to pay for and maintain services, but also of *capacity* to do so. As elsewhere, the cost of household (private) connections remains unattainable for the poorest, suggesting the pricing and subsidy system may not be sufficiently tailored to their financial capacities (Plummer, 2002).

### 3.5 Availability of rents along the supply chain

High-quality and comprehensive evidence regarding the extent of rent extraction is notoriously difficult to obtain, given the reluctance to report or admit to such behaviour and the potentially significant gap between perceptions and reality. Even the most comprehensive case study work tends to limit itself to estimates and illustrative rather than representative conclusions. We are not in a position to comment on the extent of rent-seeking behaviour; however, we do wish to reflect on how sector characteristics may in principle affect the availability of rent-seeking opportunities. In the Colombo case, there are indications of variation in the availability of rents at different stages along the water and sanitation delivery chain. As elsewhere, opportunities for petty corruption theoretically exist in both sub-sectors, although anecdotal incidence *varies by task*.

Private sector Gulley Bowser operators have entered the market for on-site septic tank maintenance in Colombo. These providers do not, however, operate in direct competition with government, which is already running at full capacity in a context where demand exceeds public sector capacity to supply. There are indications that this particular market dynamic helps produce a situation whereby users are relatively powerless in their transactions with operators. Demand for regular maintenance services like septic tank cleaning is likely to be predictable. However, in other cases, for example failures of septic infrastructure during floods, demand may be unpredictable. Regardless, demand is immediate, owing to the highly visible negative externalities (i.e. spill-over effects) associated with septic tank failure or overflow, both within and across property boundaries. This combination means users must make a choice between two imperfect alternatives – on the one hand the overstretched public sector and on the other the overpriced private sector. In this situation, users can become captive consumers, allowing operators scope to charge over and beyond the market value of the service, and perhaps to seek petty bribes for an 'expedited' service. Even more problematic for

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36 It is interesting to note that the utility also has sociologists on its own staff.

the consumer is that, in principle, there is no competition over such rents, which might drive them down, because public and private operators are already working at full capacity, and therefore rents can theoretically already be maximised. This dynamic indicates that highly visible negative externalities, leading to immediacy of demand in an environment where demand exceeds capacity to supply, can create an enabling environment for rent seeking in certain contexts.

**Table 7: Rent-seeking opportunities in water supply and sanitation service delivery**

<b>Task</b>	<b>Potential rent-seeking opportunities in sanitation</b>	<b>Potential rent-seeking opportunities in water supply</b>
Tariff collection	<ul style="list-style-type: none"> <li>Falsifying meter readings for lower bills</li> <li>Unauthorised unpaid connections</li> </ul> <p>Apparent relevance in Colombo case study: Low/absent, given historic absence of tariff for sanitation services. Recently imposed tariff is low and assessed according to water usage rather than for sanitation services.</p>	<ul style="list-style-type: none"> <li>Falsifying meter readings for lower bills</li> <li>Unauthorised unpaid connections</li> </ul> <p>Apparent relevance in Colombo case study: Raised in consultations. NWSDB acknowledges concerns here contribute to high rates of NRW (49%), although extent unclear (ADB, 2012 NRW project documentation<sup>37</sup>) in Colombo municipality.</p>
O&M	<ul style="list-style-type: none"> <li>Expediting attention to repair work in case of unexpected failure (either networked or plot level)</li> <li>Expediting servicing of plot-level septic systems</li> </ul> <p>Apparent relevance in Colombo case study: Some reports of informal charging for gully bowser services by CMC providers.</p>	<ul style="list-style-type: none"> <li>Expediting attention to repair work in case of failure (either networked or plot level)</li> </ul> <p>Apparent relevance in Colombo case study: Not raised in consultations, NWSDB's public complaints mechanism and apparently effective top-down monitoring system may help address?</p>
Network extension	<ul style="list-style-type: none"> <li>Expediting new connection applications</li> </ul> <p>Apparent relevance in Colombo case study: Not raised in consultations.</p>	<ul style="list-style-type: none"> <li>Expediting new connection applications</li> </ul> <p>Apparent relevance in Colombo case study: Unlikely to be significant within Colombo, demand from relatively small number of remaining unconnected households unlikely to exceed capacity of NWSDB to supply. However, NWSDB noted pressure outside of Colombo to extend services, suggesting this dynamic may operate at a higher level where discretion over expenditure exists.</p>
Tendering, contracting and procurement	<ul style="list-style-type: none"> <li>Collusive rather than competitive contracting</li> <li>Kickbacks to institutional staff</li> </ul> <p>Apparent relevance in Colombo case study: Likely low, given extremely low levels of investment, particularly with respect to large-scale infrastructure.</p>	<ul style="list-style-type: none"> <li>Collusive rather than competitive contracting</li> <li>Kickbacks to institutional staff</li> </ul> <p>Apparent relevance in Colombo case study: Potentially significant, albeit with some concerns expressed in consultations regarding the impact on efficiency.</p>
Human resource management	<ul style="list-style-type: none"> <li>Market for transfers</li> </ul> <p>Apparent relevance in Colombo case study: Likely low, given delegation to CMC entails a necessarily limited set of possible positions.</p>	<ul style="list-style-type: none"> <li>Market for transfers</li> </ul> <p>Apparent relevance in Colombo case study: Not raised in consultations.</p>

In the water sector, the dominant concern is likely to be the potential for rent-seeking behaviour arising in the context of connections, metering and billing, where some scope for discretion has existed at the supplier/user interface. While data has improved recently, there has been a fair amount of uncertainty as to the composition of NRW. It is now widely recognised that physical leakage from the system resulting from the dilapidated state of the physical infrastructure is likely to account for a significant portion of losses, but that illegal connections and under-billing also contribute. This suggests that the need to effectively monitor the behaviour of front-line staff, including engineers and meter readers, constitutes a particular principal agent challenge for NWSDB and the government more broadly. Attempts to limit the scope for illegal behaviour of this sort now include random checks on meter readings and household water connections, use of computerised tracking, including comparisons with past usage rates, and incentives for meter readers. Some interviewees noted that users liked

<sup>37</sup> ADB Project Data Sheet: <http://www.adb.org/projects/45148-003/main>

the predictability, trust and regularity of the NWSDB meter readers, and were less trusting of CSOs performing this role. On the other hand, it has also been argued that long-term territorial control by meter readers over a particular 'patch' is akin to the creation of individual 'fiefdoms' and increases the scope for generating petty kickbacks (Tortajada, 2006: 6).

With respect to opportunities for rent seeking in tendering, contracting and procurement tasks prevalent at earlier stages of the delivery chain (e.g. in design and construction of service delivery infrastructure), a number of other cases in the literature suggest there may be significantly greater scope in water supply than in sanitation, as the former requires large-scale investments in infrastructure for collection, treatment and networked distribution of water. This has been associated with a preference for investments in water supply and relative underinvestment in sanitation (Harris et al., 2011; WSP, 2011). In this case, the sanitation sub-sector appears to have suffered from a relative dearth of investment in the networked sanitation infrastructure of the Colombo Sewage System (including the near total deterioration and non-replacement of large-scale infrastructure like sewage treatment plants). What investment has taken place has therefore probably been limited to construction and maintenance of plot-level systems, which inevitably entails smaller-scale transactions, thus limiting the scope for large-scale rent seeking. It is, however, difficult to come to firm conclusions regarding causality, as there may be an unidentified factor limiting the scope for rent seeking in sanitation, despite the fact that there are significant needs for large-scale investments in the sector.

## 4 Conclusion: explaining why the sectors 'work'

Given the above, what political factors help explain the progress made in the water and sanitation sectors in Colombo? How useful is it to analyse this by looking simultaneously at how the *pervasive* features of the national political economy environment interact with the *particular* characteristics of the sectors?

On both counts, the broad conclusion is clear. The first is that progress is not always a rosy picture of collective collaboration to achieve universal goals, but more typically one where, after some negotiation and contestation, the different political and economic incentives of key actors (citizens, politicians and bureaucrats) have on balance favoured a consistent degree of provision. This implication is that sector politics sector-level politics in this city has remained stable in spite of the national environment characterized by protracted civil war. The second is that two sectors can attract quite different political dynamics within a single political economy environment, and that this can at least partly be explained in reference to their characteristic differences.

In our cases, certain pervasive features of the political economy environment filtered through to sector-level politics. The history of a centralised welfare state has enabled a degree of consistent, top-down policy commitments to certain political constituencies, facilitating a degree of policy coherence over time. This political commitment is intimately bound up with generally high expectations on the part of citizens, which accumulated over time in response to performance, and helped underpin the credibility of subsequent political promises. At the point of implementation, where the political incentives and technical demands of delivering the service meet in practice, potential for incoherence is buffered by the high technical competence of the implementation agency. There have been both political and economic incentives to mobilise communities to take responsibility for services at household level.

Both water and sanitation were able to perform effectively because the particular forms of politics they attract have remained relatively stable over the medium term, even though they have operated within a national environment characterised by war for almost three decades. Our findings suggest that water and sanitation provision in Colombo are characterised by a low-level 'settlement', whereby arrangements for delivery sufficiently balance the incentives

(economic, personal, professional) of users, politicians and bureaucrats, so the system becomes relatively stable and self-reinforcing (Nickson and Franceys, 2003). Crucially, however, no actor is free from limitations on their behaviour: users face threats of disconnection or community-level sanction where CSOs are involved in mobilisation or monitoring (thus limiting free riding in water and negative externalities in sanitation); providers face the threat of emergent private sector competition (thus limiting petty corruption) and top-down performance pressures (thus limiting shirking of duties); and government (and the relatively strong, centralised ruling party) faces real threats to its legitimacy (thus limiting high-level corruption). Hence, the sectors 'work' as a whole because there is a relatively stable equilibrium in place, whereby the needs of each of the key groups of actors are sufficiently served by the system for it to be able to sustain itself, while threats to this equilibrium have been controlled to avoid undermining it entirely.

The historical role of service delivery in state-society relations, and the concomitant high expectations of citizens, has left a legacy of the government's legitimacy at least partly being dependent on the continued provision of the service at a level and cost acceptable to citizens. This gives politicians incentives to continue to make credible political promises, and to subsequently monitor the behaviour of the service provider. Partly enabled by the substantial financial assistance of the international community, the state has been willing to accept some risk of economic inefficiency and highly subsidised provision in exchange for the low political risks that accompany low tariffs. From the perspective of the delivery organisation, individual household connections isolate users at the household level, and give them the identity of consumers of a private good that is both excludable (under the threat of disconnection for non-payment) and rivalrous. This form of provision helps manage free-rider challenges. At the same time, networked systems require economies of scale, and delivery therefore requires inputs from a 'tipping point' of service users who, in this case, as in many developing country contexts, vary substantially in their capacity to pay the full economic costs of network extension. This creates an economic and political incentive to mobilise demand for services.

A critical mass of service users is able to reward other actors capable of managing provision. Asymmetries of information have largely been resolved, with the result that effective demand for both water supply and sanitation is present and the use of user fees to provide some level of financial return to the service provider in the form of tariff revenues or to offset connection costs is one potential mechanism to reward providers. However, substantial variations in effective economic demand and broader weaknesses in the revenue-based link between service providers and service users (reflected in low level of tariffs) mean we need to consider the full range of ways in which service users express demand and reward those associated with provision.

Within this overall story, there are some key differences between our focus sectors. Differences in their degree of political salience help explain why the state conceives its role differently and its greater reluctance to devolve responsibility in water, a service that is more closely associated with interest group politics. The nature of the tasks involved in delivery can help us understand the different opportunities for rent extraction. Pressure from below can be analysed as a product of citizens' capacity to collectively organise to articulate their demands, which is associated at least partly with the way the service is consumed.

The findings also suggest that the provision of water supply and sanitation services in Colombo is best understood by reconciling the coexistence and complementarity of principal agent models with broader collective action issues, but that neither approach alone is sufficient. Our findings are consistent with Booth (2012) and others who have problematised simplistic arguments regarding the demand and supply of public goods and services, arguing we should pay due attention to the types of collective action problems encountered. In our case, the ability to manage motivational and informational issues that can lead to collective action failures depended on mechanisms that incentivise contributions and allow the actors involved to sufficiently limit potential risks (e.g. free riding, petty corruption). Our observations also acknowledge the importance of accountability relationships, but fit broadly with the turn away from an 'us versus them', antagonistic approach to social accountability, and with the move to

reconcile the top-down and bottom-up dichotomy that has been an enduring tension in service delivery research (McCourt, 2012).

The extent to which these dynamics will hold in other sub-sectors or over time is not immediately certain. The technical characteristics of water and service delivery vary substantially between urban and rural contexts, suggesting the politics of delivery are also likely to vary (Harris et al., 2011; Kooy and Harris, 2012). Further applications of this approach in rural sectors will be necessary to unpack the drivers of progress. Moreover, the dynamic in urban areas like Colombo is no doubt evolving. As Sri Lanka achieves middle-income status, the financial terms available from traditional sources of international assistance are increasingly coming into doubt, raising the cost of provision to government and widening the gap between sector revenues and expenditures. The effect of this, and other dynamic features of the sector, may be sufficient to change the balance and threaten the equilibrium.

## 5 Reflections on analysing sector politics

This study has illustrated how pervasive features of the political economy environment can filter through, and be mediated by, sector-specific characteristics. Together, these factors produce particular political dynamics around the delivery of different services. In this way, sectors are both an expression of the national political economy environment, and spheres of politics in their own right. Put differently, if we want to understand the particular political dynamics of different sectors, we have to understand something of their technical and organisational characteristics.

The literature on service delivery nevertheless suffers from a paucity of case studies that diagnose performance from both a sector-specific and a political economy perspective. ODI's programme on the politics of public goods and services is interested in addressing this gap. There are clear implications for policymakers. One is a better understanding of why different sectors can perform differently within a single political economy environment. Another is an understanding of why some sectors, or some functions within them, may be more or less resilient (i.e. operationally stable) in the face of shifting dynamics in the wider political economy environment.

### 5.1 Refining the analysis

Based on the study's findings, we can refine our own future analyses of sector politics in the following ways:

- Policy coherence can be analysed at three levels: 1) 'vertical' coherence and inter-sectoral complementarities; 2) 'horizontal' coherence in terms of allocation of ownership and division of roles between different layers of government; and 3) coherence in terms of the framework of rules in which service delivery organisations, or implementation agencies, operate *in practice*. Policy coherence should not imply a top-down reading of policy intent, but rather looking at how policies are interpreted on the ground. Delivery organisations can to a degree buffer themselves against policy incoherence where they are professionally competent, suggesting coherence is related to capacity to deliver.
- The interface (sometimes gap) between what users want or need, and what politicians might find it appealing to supply, opens up space for politics. Analysts can distinguish between citizens' expectations (and their historical origins) and the way services are demanded and consumed: expectations derive from the broader structural and socioeconomic context, the history of state responsiveness and the symbolism and ideology associated with the particular service being delivered. They can accumulate over time in line with performance. Demand is more an issue of

how citizens conceive of and are able to collectively organise to articulate their preferences for how services should be provided, which is influenced by the availability of alternatives. Consumption is a much narrower, territorial and spatial issue of how services are physically accessed and, different to demand, is not necessarily an expression of preference, but can also be an outcome of restricted choice.

- 'Political market imperfections' is a fuzzy term, open to misinterpretation (all political markets appear imperfect to those whose preferred candidate does not win). It may be more useful to unbundle its component parts. One particularly salient component in the present case is the degree to which political promises are credible to citizens. Credibility depends on citizens' understanding of what is being promised, which has socioeconomic and cultural origins, as well as the record of politicians delivering on promises made in the past.
- Analysts might usefully question the degree to which economic categories of 'good' fit within a particular context. It is widely understood that the degree to which provision can be seen as a 'merit good' depends on the level of demand and the knowledge of consumers, which is highly context dependent. Moreover, citizens will probably have their own understandings of the nature of the good being provided, based on how they interpret its symbolic and cultural value. This in turn might be influenced by the discursive aspects of provision propagated by the state.
- This case illustrates the importance of distinguishing between causes of short-term fluctuations in the political salience of services, and their deeper, long-term resonance in public discourse. The deeper resonance of services can be understood only in historical perspective, by analysing their role in processes of state formation and the degree to which delivering them is important for the legitimacy of the state in the eyes of its key constituencies.
- Future analyses might also include consideration of distribution of rents, which can be viewed as not only affected by national political economy environment but also mediated by sector characteristics (in this case the nature of the task, although others may have relevance in other studies). While it is difficult to authoritatively document the distribution of rents in a given sector, improved understanding of the types of rents available and the mechanisms in place for their management adds significantly to any understanding of the way in which a sector operates. Short of detailed evidence, consideration of sector characteristics may provide some indication of the stages of the delivery chain at which rents are likely to arise and therefore of their potential impact on the relationships between various actors (including users, providers and government).
- Organisational arrangements for delivery might be more explicitly considered a component of a sector-level political analysis. Far from being logistical or technical arrangements, these can reveal something about the state's incentives for provision and the political salience of the sector. In this case, the contrast is between the highly centralised approach to delivering the more politically salient water service, as opposed to the decentralised provision of less salient, less visible, sanitation systems.

## 5.2 Reflections on approach

Research into the politics of service delivery has advanced further in terms of understanding how politics can block or constrain progress than it has in relation to identifying the so-called 'politics of what works'. This is unsurprising, given that the imperative has been to diagnose the widespread under-provision of basic services in developing countries. Nevertheless, part of the rationale for studying a relatively successful case of delivery, however qualified and imperfect, is to ask whether the types of factors commonly lamented as constraining progress might enable progress where they are reversed – in essence, testing them by turning them on their head. A 'problem-driven' approach to political economy analysis might apply equally as a 'progress-driven' approach.

Either way, the challenges of analysing causal relations between sector politics and outcomes are well understood. Progress might be made because of, or in spite of, politics, and policy analysts might usefully question whether *more* progress could have been made if certain political dynamics had not been present. Testing the counterfactual is problematic in any research design in the social sciences. This study, although limited in its own duration and depth, has indicated that combining historical analysis and aspects of process tracing, along with contemporary empirical observation, begins to open up a rounded account of why services perform as they do.

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## Appendix 1: Summary of findings from literature reviews

### Common constraints and incentive problems in service delivery

Five sets of political economy constraints and incentive problems seem to affect levels of performance in service delivery:

Governance constraint	Definition
Political market imperfections	Perverse political logics often based on patronage or clientelistic relationships, contributing to short-term, populist policies and biases to visible outputs
Policy incoherence	Contradictions within policy design, structure and roles, meaning some part or the entirety of policy design is unimplementable or unimplemented
Levels of performance oversight or monitoring	Insufficient performance regulation and weak accountability (either top down or bottom up) contributing to users exiting from provision
Challenges for collective action	Weak capacity of actors to coordinate their activities and work together productively
Moral hazard	Availability of aid or other resources that insulate the state (or others) from the consequences of their actions or inaction

Source: Wild et al. (2012).

### Sector characteristics

The characteristics of a particular service (in the figure below) influence the incentives for politicians, providers and users to commit resources to producing it, and for politicians to be accountable to citizens for service performance. They may determine the balance of power between policymakers and other actors and the likely form and effectiveness of provider compacts. They may also set the broad parameters for whether and how citizens can collectively mobilise around services and make demands on delivery organisations.

Nature of good	Market failure	Task related	Demand
<ul style="list-style-type: none"> <li>•Rivalry</li> <li>•Excludability</li> </ul>	<ul style="list-style-type: none"> <li>•Monopoly tendency</li> <li>•Positive or negative externalities</li> <li>•Information asymmetry</li> <li>•Merit</li> </ul>	<ul style="list-style-type: none"> <li>•Measurability and visibility of outputs</li> <li>•Discretion of front-line staff</li> <li>•Transaction intensity</li> <li>•Variability</li> <li>•Professionalisation</li> </ul>	<ul style="list-style-type: none"> <li>•Frequency of use</li> <li>•Predictability of use</li> <li>•Territoriality</li> <li>•Political salience</li> </ul>

Source: McLoughlin (2012).

## Appendix 2: Note on methodology

This case study is exploratory in nature. It did not set out to satisfy criteria of causality,<sup>38</sup> or to reach generalisable conclusions. Rather, it aimed to test how useful it is to apply some of the factors (or theories) that emerge strongly from literature reviews on how politics affects service delivery to analysing a real case.

Nevertheless, the researchers did not confine themselves to considering the factors distilled from literature reviews, which would challenge the integrity of the study in its own right. In practice, the approach combined both inductive (theory-generating) and deductive (theory-testing) elements. The two main sets of factors – pervasive features of political economy and sector characteristics – were used to help us analyse and interpret our findings only where they seemed relevant.

A three-pronged methodology was used in the study. The cumulative goal was to be able to situate contemporary observations on why the sectors apparently ‘work’ in historical perspective:

- 1 A historical analysis of the origins of political commitments to and citizens’ expectations of service delivery in the Sri Lankan context was undertaken. An expert with in-depth knowledge of the political economy of Sri Lanka produced a background paper, which the researchers then used to help interpret their findings and identify links between empirical observations at sector level and the broader political economy environment.
- 2 Documentary reviews of previous sector studies dating back to the 1990s were used to trace major tipping points and trajectories of progress over time. This enabled the researchers to locate their own findings in previous studies, and also to understand the origins of the types of political dynamics being observed. The researchers kept in mind some of the key principles of process tracing<sup>39</sup> when undertaking the study, but applying this approach in its true sense would require considerably more time and resources.
- 3 A series of semi-structured, key informant interviews were undertaken to examine the operational politics of the two sectors, with a focus on how relationships function in the present day. A total of 27 key informant interviews were conducted with technical experts, bureaucrats, development agency staff, ministers and NGO workers over a period of two weeks in November 2012. Interviews were semi-structured around a set of questions about the key political factors considered to have enabled the two sectors to reach current levels of access. Recurring themes from these interviews were followed up through documentary analysis and included where they could be substantiated.

In practice, writing up the study involved distilling common themes that recurred across interviews, verifying whether and how these had been addressed in previous literature, and situating them in national and historical perspective. The broad narrative and argument was then tested on an expert in these sectors in this context, and the paper was reviewed and commented on by academics and experts in Sri Lankan politics, service delivery and the politics of service delivery.

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38 We are thinking of Brewer and Hunter’s three ‘criteria essential for causation’ (2006: 126): 1) co-variation (two phenomenon must co-vary more frequently than chance alone); 2) causal order (variation in the cause must be observed before variation in the effect); and 3) non-spuriousness (other variables that may have caused the observed effects are controlled for).

39 Process tracing is ‘the use of evidence from within a historical case to make inferences about causal explanations of that case’. It involves a mix of induction and deduction. Researchers analyse events backwards through time from the outcome of interest to potential antecedent causes (like tracing back through a line of fallen dominoes to examine what caused them to fall) (Bennett and Checkel, 2011).

## Appendix 3: Additional statistics

### Sri Lankan performance in international perspective

Tables A3.1 and A3.2 below show that progress in Sri Lanka compares favourably with international experience in water supply and sanitation. While access to improved supply in both sectors lagged behind the developing country average in 1990, by 2010 rates of access were above regional averages for South Asia, and developing regions more broadly.

**Table A3.1: Estimated improved water supply coverage by region %**

	1990			2010		
	Total	Urban	Rural	Total	Urban	Rural
Caucasus and Central Asia	88	96	80	87	97	80
Developed regions	98	100	94	99	100	97
Developing regions	70	93	59	86	95	79
Eastern Asia	68	97	56	91	98	85
Latin America and Caribbean	85	95	64	94	98	81
Northern Africa	87	94	80	92	95	89
Oceania	55	93	42	54	93	42
South-eastern Asia	71	91	62	88	94	83
Southern Asia	72	90	66	90	96	88
Southern Asia excluding India	79	94	73	86	93	82
<b>Sri Lanka</b>	<b>67</b>	<b>91</b>	<b>62</b>	<b>91</b>	<b>99</b>	<b>90</b>
Sub-Saharan Africa	49	83	36	61	83	49
Western Asia	85	96	68	89	96	76
<b>World</b>	<b>76</b>	<b>95</b>	<b>62</b>	<b>89</b>	<b>96</b>	<b>81</b>

Source: WHO/UNICEF (2012).

**Table A3.2: Estimated improved sanitation coverage by region %**

	1990			2010		
	Total	Urban	Rural	Total	Urban	Rural
Caucasus and Central Asia	91	96	86	96	96	95
Developed regions	95	97	91	95	96	93
Developing regions	36	65	21	56	73	43
Eastern Asia	27	53	16	66	76	57
Latin America and Caribbean	68	80	38	80	84	60
Northern Africa	72	91	55	90	94	85
Oceania	55	85	45	55	84	46
South-eastern Asia	46	68	36	69	82	60
Southern Asia	24	57	12	41	64	30
Southern Asia excluding India	41	72	29	58	76	49
<b>Sri Lanka</b>	<b>70</b>	<b>85</b>	<b>67</b>	<b>92</b>	<b>88</b>	<b>93</b>
Sub-Saharan Africa	26	43	19	30	43	23
Western Asia	80	96	55	85	94	67
<b>World</b>	<b>49</b>	<b>76</b>	<b>29</b>	<b>63</b>	<b>79</b>	<b>47</b>

Source: WHO/UNICEF (2012).

### Improvements in access to water and sanitation in underserved settlements

Improvements in access to water and sanitation in underserved settlements have been a significant component of the progress made in Colombo. Tables A3.3 and A3.4 illustrate this. In particular, they show significant increases in the presence of individual household connections in both water supply and sanitation (consistent with the move to individualise service delivery as an institutional mechanism to manage free riding). While DCS data are not directly comparable from 2001 to 2011, some sense of sub-district level change is given by data collected by the NGO Sevanatha, in collaboration with CMC, providing an indication of changes in access over the same period. Utilising household surveys carried out 10 years apart, Sevanatha provide data indicating rates of access to pipe-borne water and different

forms of toilet facilities. Slightly different categories were used in the two surveys, but the data remain broadly comparable.<sup>40</sup>

**Table A3.3: Pipe-borne water access in underserved settlements in Colombo, change 2001-2011**

	Number of settlements			% of settlements			Number of families			% of families		
	2001	2011	% change	2001	2011	% change	2001	2011	% change	2001	2011	% change
Individual house connection	693	1343	93.80	45	76.5	70	34037	63,120	85	44	80.8	83.64
Common stand post with easy access	462	205	-55.63	28	11.7	-58.21	17806	8,231	-54	23	10.5	-54.35
Common stand post with limited access	396	179	-54.80	24	10.2	-57.5	24026	6,060	-75	31	7.8	-74.84
Not available within community	63	n/a*	n/a*	3	n/a*	n/a*	1743	n/a*	n/a*	2	n/a*	n/a*
Provided/fetch by outside sources	n/a*	13	n/a*	n/a*	0.7	n/a*	n/a*	245	n/a*	n/a*	0.3	n/a*
No water supply system is available	n/a*	16	n/a*	n/a*	0.9	n/a*	n/a*	442	n/a*	n/a*	0.6	n/a*
<b>Total</b>	<b>1614</b>	<b>1735</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>77,612</b>	<b>77,957</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>-</b>

Source: Sevanatha (2002; 2012 forthcoming).

**Table A3.4: Availability of toilet facilities in underserved settlements in Colombo, change 2001-2011**

	Number of settlements			% of settlements			Number of families			% of families		
	2001	2011	% change	2001	2011	% change	2001	2011	% change	2001	2011	% change
Over 75% individual toilets available	503	896	127.2	33	51.6	99.09	25,905	43,570	103.6	33	56	105.2
50-75% individual toilets available	n/a*	247	n/a*	n/a*	14.1	n/a*	n/a*	9,171	n/a*	n/a*	11.7	n/a*
Common toilets in good condition with easy access	577	287	-50.3	35	17	-51.4	21,347	7,743	-63.7	28	9.9	-64.6
Common toilets in good condition with limited access	470	215	-54.3	29	12.2	-57.9	28,583	8,610	-69.9	37	11	-70.3
Improvised toilet facilities/not available in community	64	90	40.63	3	5.1	70	1,777	8,863	398.8	2	11.3	465
<b>Total</b>	<b>1,614</b>	<b>1,735</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>77,612</b>	<b>77,957</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>-</b>

Source: Sevanatha (2002; 2012 forthcoming).

40 The 2011 set further breaks down the category 'not available within community' used in the 2001 survey, into more specific categories indicating cases in which water is 'provided/fetch by outside sources' and cases in which 'no water supply system is available'. These categories account for less than or equal to 3% of settlements and 2% of families in the two datasets. The 2011 set uses the term 'not available in community'.

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