

Editorial

THREE OF THE PAPERS in this issue, and the 'Crossfire' debate, explore the role of local private companies in providing water and sanitation services. Thankfully we are now beyond the empty and destructive rhetoric of a few years ago in which one side at least could not bring itself to utter the phrase 'private sector' in the context of water and sanitation services. The fact is, of course, the local private sector had always had a variety of roles in the provision of water and sanitation goods and services, even while international companies were being pilloried by some. The questions now about the local private sector centre around its role, its fitness for purpose, the way in which it views its customers, and the nature of its partnerships with public utilities and regulators.

The local private sector can fill gaps in provision left by others. David Schaub Jones' paper explores this aspect, in relation to small towns and cities in west and southern Africa. Where utilities leave off, the local private sector can sometimes step in, if the returns and incentives to do so are worthwhile. Vivian Castro and Alain Morel show how formalized partnerships between utilities and local service providers can fill gaps which would otherwise exist, especially around services to the poor.

The local private sector may have a degree of flexibility which is not shared by public sector providers. If the conditions for 'doing business' are not too restrictive, then small private entities enjoy a certain amount of freedom from bureaucracy. The greatest frustrations naturally lie in their dealings with public authorities, but outside of these relationships they have some room to manoeuvre and to determine their areas of operation.

The local private sector sees users as customers rather than 'beneficiaries'. This way of looking at those who enjoy sanitation or water supply services is in many respects a far healthier model than its alternative. Customers have a dignity of choice and a responsibility for decision-making, while 'beneficiaries' tend to be passive recipients of highly subsidized gifts which are subsequently rejected. Patricia Fuytes and colleagues make this paradigm shift clear in their paper on sanitation solutions in Peru.

Of course it would be naïve in the extreme to appeal to one group of actors as the panacea. Effective government needs the balancing force of civil society and democratic expression; NGOs need clear mandates and means of accountability; similarly the local private sector cannot be allowed to operate without some degree of regulation. Where

Richard C. Carter is Professor of International Water Development, Cranfield University, UK

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services are provided to users, consumers or customers, protection of such customers is necessary.

For the local private sector to perform a valuable, effective and continuing function in the sector, four things are needed:

- sufficient incentives and bureaucratic freedoms to operate;
- the skills, expertise and access to knowledge and technology to be able to offer goods or services which customers need;
- a willingness on the part of prospective customers to see themselves as that, rather than to wait for gifts from public or non-governmental organizations;
- some mechanism for quality assurance, consumer protection or regulation.

None of these things can be taken as read, and the absence of any one of them can restrict the ability of the local private sector to achieve its potential.

The International Year of Sanitation continues, and Jon Lane's paper in this issue reminds us of its messages – a set of five upbeat and positive arguments about the benefits of sanitation, and the message that access to sanitation is achievable. For all of us working in sanitation and water supply worldwide, we must continue to strive for such achievements in the face of mounting global and local challenges. Now is the time to re-double efforts, not to give up.

Richard C. Carter
Professor of International Water Development,
Cranfield University, UK