

DRINK ME, SAVE LIVES

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Social Enterprise and Governance in  
Transnational Partnerships for  
Development

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## **Abstract**

This thesis explores the governance of transnational partnerships for development involving social enterprises. Whilst large-scale partnerships involving governments and multinational corporations have long featured on the international landscape, small-scale partnerships involving social enterprises represent a relatively recent development, which has been greeted with both enthusiasm and scepticism. This thesis contributes to this debate with an empirical case study of a UK-based social enterprise, FRANK Water. Using the slogan “Drink Me, Save Lives”, the organisation sells bottled water products in the UK to raise funds for safe drinking water projects in India. The thesis explores the governance tensions facing this organisation at three different “sites”: in the UK, at the transnational level, and in India. In particular, the thesis focuses on how the organisation has dealt with tensions around legal form, recruitment and staffing, funding sources, measuring results, multiple stakeholders, the role of institutions and behaviour change. As will be seen, whilst to some extent these tensions were possible to overcome, the organisation ultimately shifted away from selling bottled water and split its operations from the mainstream activities of its partners. Drawing on Bacchi’s “What’s the Problem Represented to be?” (WPR) framework, this thesis therefore suggests that approaches to governance tensions can be divided into “problem-solving” and “problematizing” approaches. Whereas problem-solving approaches attempt to overcome these tensions, problematizing approaches more broadly explore how social enterprise has been framed and whose interests this serves. The thesis suggests that rather than negating social enterprise, problematizing approaches can help to identify which forms of social enterprise are appropriate, depending on whose interests are at stake. The thesis therefore concludes by suggesting that social enterprises are appropriate for organisations looking to internalise income streams, particularly in the North. If the aim is to increase access to sustainable services for the poor, however, then the thesis suggests that a social enterprise approach cannot be used as a substitute for an engagement with wider structural dynamics.

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## **Author's Declaration**

I declare that the work in this dissertation was carried out in accordance with the requirements of the University's Regulations and Code of Practice for Research Degree Programmes and that it has not been submitted for any other academic award. Except where indicated by specific reference in the text, the work is the candidate's own work. Work done in collaboration with, or with the assistance of, others, is indicated as such. Any views expressed in the dissertation are those of the author.

SIGNED:.....

DATE:.....

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## **List of Abbreviations**

ACEVO- Association of Chief Executives of Voluntary Organisations

AP- Andhra Pradesh

APL- Above the Poverty Line

Asst. Manager- Assistant Manager

BBC- British Broadcasting Corporation

BC/OBC- Backward Caste/Other Backward Caste

BD- Business Development

BIS - Bureau of Indian Standards

BOOT- Build Own Operate Transfer

BoP- Bottom of the Pyramid

BPL- Below the Poverty Line

CBC- Canadian Broadcasting Corporation

CEO- Chief Executive Officer

CF- Chief Minister

CGGPS- Commission on Good Governance in Public Services

CIC- Community Interest Company

CIIA- Chartered Institute of Internal Auditors (UK)

CIPFA- Chartered Institute of Public Finance and Accountancy (UK)

COO- Chief Operating Officer

CSR- Corporate Social Responsibility

CWC- Community Water Centre

DDWS- Department for Drinking Water and Sanitation (India)

DfID- Department for International Development (UK)

Doc- Internal Document

DTI- Department of Trade and Industry (UK)

EU- European Union

F- Female

FA- Field Assistant

FAO- Food and Agricultural Organisation  
FC- Field Co-ordinator  
FD- Field Diary  
FO- Field Officer  
Frank- FRANK Water  
FRC- Financial Reporting Council (UK)  
FW- FRANK Water  
g- gramme  
GP- Gram Panchayat (village council)  
GPOBA- Global Partnership on Output-Based Aid  
HH- Households  
HR- Human Resources  
IBWA- International Bottled Water Association  
IEC- Information, Education, Communication  
IELRC- International Environmental Law Research Centre  
IFC- International Finance Corporation  
IFI- International Financial Institution  
IGRAC- International Groundwater Resources Assessment Centre  
IMF- International Monetary Fund  
INTRAC- International NGO Training and Research Centre  
JMP- Joint Monitoring Programme  
J-PAL- Abdul Latif Jameel Poverty Action Lab  
ISI- Import Substitution Industrialisation  
l- litre  
LP- Local Professional  
Ka- Kanaganapalli village  
Ko- Kothapeta village  
KP- Key Person  
M- Male  
mg- Milligram/milligram  
MDG- Millennium Development Goal  
Mgr- Manager

MIS- Management Information Systems  
MLA- Member of the Legislative Assembly (India)  
MoU- Memorandum of Understanding  
MUD- Moral Underclass Discourse  
Na- Nasanakota village  
Ne- Nellutla village  
Naandi- Naandi Foundation  
NF- Naandi Foundation  
NFHS- National Family Health Survey (India)  
NGO- Non-Governmental Organisation  
NGPA- Non-Governmental Public Actor  
NIE- New Institutional Economics  
NNGO- Northern Non-Governmental Organisation  
NPM- New Public Management  
NRDC- Natural Resources Defence Council  
NREGA- National Rural Employment Guarantee Act  
NS- Naandi Staff  
O&M- Operations and Maintenance  
OC- Other Caste  
OECD- Organisation for Economic Co-operation and Development  
OU- Osmania University  
PACS- Poorest Areas Civil Society programme  
Per. com. - personal communication  
PFI- Private Finance Initiative  
ppm- parts per million  
PPP- Public-Private Partnership  
PWC- Post-Washington Consensus  
RED- Redistributionist Discourse  
RO- Reverse Osmosis  
Rs- Rupees  
SAP- Structural Adjustment Programme  
SC- Scheduled Caste

SEnU- Social Enterprise Unit  
SEUK- Social Enterprise UK  
SHG- Self-Help Group  
SID- Social Integrationist Discourse  
SKU- Sri Krishnadevaraya University  
SNGO- Southern Non-Governmental Organisation  
SROI- Social Return on Investment  
ST- Scheduled Tribe  
SWP- Safe Water Promoter  
TDS- Total Dissolved Solids  
UK- United Kingdom  
UN- United Nations  
UNDESA- United Nations Development Policy and Analysis division  
UNDP- United Nations Development Programme  
UNECE- United Nations Economic Commission for Europe  
Unicef- United Nations Children's Fund  
US- United States  
UV- Ultra Violet  
VRO- Village Revenue Officer  
WB- World Bank  
WC- Washington Consensus  
WHI- Water Health International  
WHIn- Water Health India  
WHO- World Health Organisation  
WIPO- World Intellectual Property Organisation  
WISE- Work Integrated Social Enterprise  
WP- Water Provider  
WSUP- Water and Sanitation for the Urban Poor  
WU- Water User

## **Notes on the Text**

*Internal Documents* will be referred to using codes in the text. A full list of these codes and corresponding documents can be found in Appendix A.

*Interviews* will be referred to using codes in the text. A full list of these codes and corresponding interviews can be found in Appendix B.

*Quotes from interviews and personal communications* will be cited verbatim. Errors in spelling and grammar have not been denoted by “[sic]” unless the quote is from a published source.

# **Chapter 1: “Drink Me, Save Lives”**

## **1.1 Introduction**

This thesis has its roots in the nexus between conflict and consensus. Historically and culturally, water has been both a symbol of universality and a marker of deep divisions (Morgan 2004). In India for example, tradition dictates that “*you do not refuse drinking water to anyone*” (Naandi 2012[a]), yet caste hierarchies prevent different groups from accessing the same water sources (PACS [Poorest Areas Civil Society programme] 2012). Meanwhile, at the international level, water has been declared a universal right, yet contestations over the distribution of water have led to “*water wars*” across the globe (Shiva 2002; UNDESA [United Nations Development Policy and Analysis division] 2012). At the start of the 21<sup>st</sup> century, one of these water wars centred on the privatisation of water services, particularly in urban areas in the global South (Morgan 2004; Morgan 2011; Shiva 2002).<sup>1</sup> This pitted private companies, primarily Northern-based multinationals, against civil society in a debate over whether the interests of the private sector were being prioritised over access to water, particularly for marginalised populations. In a bid to regulate the activities of private companies, national governments entered into Public-Private Partnerships (PPPs) with multinational corporations. Such partnerships however, have been subject to tensions not only between public and private interests, but between North and South, and between the technocratic nature of regulation and the symbolic significance of water as a human right (Morgan 2004; Morgan 2008; Morgan 2011). As these tensions escalated into violent clashes in cities across the world, large-scale PPPs in the provision of drinking water have declined (Pattberg 2012). Instead, a series of smaller-scale initiatives have been launched, involving the private sector and, occasionally, transnational partners, in new alliances with government bodies and non-governmental organisations (NGOs)

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<sup>1</sup> The term global South is used here to refer to those parts of the world which have been structurally disadvantaged by global power relations. This is not to deny that relations of inequality stretch across national borders. As will be seen, this thesis adopts the North-South dimension as one amongst many axes of inequality. Chapter 3 (“*Literature Review*”) discusses these terms in more detail.

(Pattberg 2012; WSUP 2012[a]). This thesis explores one such alternative form of transnational collaboration.

FRANK Water is a UK-based social enterprise which harnesses ethical consumerism in the North to fund the provision of safe drinking water in the South.<sup>2</sup> Using the slogan “*Drink Me, Save Lives*”, the organisation sells a range of bottled water products in the UK (See e.g. Figure 1). It then transfers the profits to partner organisations that set up safe water projects overseas. Initially, Frank’s partners comprised an Indian NGO and a US-based technology provider.<sup>3</sup> They in turn worked with local councils to set up water purification units in rural villages. In collaboration with Frank, this thesis explores the governance tensions facing this partnership as it developed over time. Whilst there is substantive literature on the governance tensions affecting PPPs in the context of transnational development, much of this focuses on partnerships involving multinational corporations and national governments. This thesis instead explores the governance tensions facing a small-scale venture involving social enterprises, NGOs and village councils. The main research question that the thesis seeks to answer is as follows:

*“What are the governance tensions for social enterprises in transnational partnerships for development?”*

For an organisation such as Frank, there are three “sites” of governance to be considered. Firstly, there is the governance of the social enterprise itself. Secondly, there is the relationship between the partners at the transnational level. Thirdly, there is the

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<sup>2</sup> The organisation FRANK Water is composed of two legal bodies, a trading arm and a charity (See Chapter 5: “*FRANK Water Ltd: Insider Rebel in the Bottled Water Industry*”). The term FRANK Water is the official name for both organisations combined. Throughout the text, the organisation will be referred to as FRANK Water at the start of each chapter, subsequently shortened to Frank. The organisation will thus be referred to as a single actor. This is not to deny that the organisation is made up of composite parts and individual actors within the organisation, however the focus in this thesis is on how the organisation interacts with external bodies, rather than on the relationship between individual actors within the organisation.

<sup>3</sup> The organisation also set up one project with a partner in Ghana however the focus in this thesis is on the organisation’s activities in India.

governance of the project sites where “development” is targeted. More specifically, the thesis therefore asks:

*“When a social enterprise engages in a transnational partnership for development:*

- a) What tensions affect the governance of the social enterprise?*
- b) What tensions affect the governance of the transnational partnership?*
- c) What tensions affect the governance of the development intervention?”*

Due to the nature of the case study, this thesis focuses on these tensions in the context of the provision of safe drinking water. As will be seen however, the thesis ultimately seeks to explore the tensions relating more broadly to social enterprises, transnational partnerships and the wider field of international development.

**Figure 1: "Drink Me, Save Lives": FRANK Bottled Water.**



*Source: Peppermongers 2012.*

The thesis initially emerged from discussions between Bronwen Morgan and Frank’s founder and director Katie Alcott. From a socio-legal perspective, Frank provided a clear case-study of an innovative form of transnational collaboration. At the same time, Frank

was growing rapidly, and a study of its governance processes was particularly timely for the organisation itself. Drawing on elements of action research, the aim was therefore that this study would feed directly into the organisation's activities, as well as contribute to the wider socio-legal literature on the governance of transnational partnerships involving social enterprises. Whilst the research was funded by the Economic and Social Research Council (ESRC), Frank's director was involved in formulating the initial scope of the research, and the organisation provided desk space in their office, use of its resources and guidance and support throughout the research period. In addition, the organisation offered on-going access to its activities as well as the activities of its partners, and the findings from the research were regularly shared with the organisation. As will be seen, this level of access meant that the tensions that have been explored in this thesis are constantly grounded in the case study, even where they point to the bigger picture.

## **1.2 Methodology**

Drawing on E.F. Schumacher, Frank trades on the slogan "*small is beautiful*" (FRANK Water 2012[a]; Schumacher 1993 [first published 1973]). The methodology adopted in this thesis also reflects this ethos by using a small case study to explore the governance tensions in cross-sector, transnational partnerships for development. A full description of the methodology can be found in Appendix V, including an overview of the limitations and ethical considerations. This section briefly outlines the rationale for adopting this approach and the methods of data collection and analysis that were used. Firstly, the decision to adopt an empirical case study was partly due to the collaborative nature of the research with Frank. The aim was that an empirical study would prove useful to Frank, whilst contributing to the existing literature on transnational partnerships with a detailed account of the governance tensions facing small-scale partnerships involving social enterprises. Similarly, the qualitative approach of the research was due to the contested nature of the concept of governance. Whilst Chapters 3 and 4 will indicate a number of likely governance tensions, the aim was to explore in as open-ended manner as possible, how these tensions were manifested in the Frank partnership.

In order to avoid the accusations of bias and uniqueness often faced by qualitative research, a process-tracing approach was used, comparisons were made internally and information was collected using standards of good practice in qualitative research, including for example transparency and triangulation (Bryman 2008). The research does not however, claim to be representative. Instead, the aim was to understand “*in depth*” how governance tensions were manifested in one small-scale partnership (Innes 2001: 212). In order to gain this level of understanding, the research adopted a participant observation approach. In this case, participant observation consisted of working closely with Frank over a period of five years, from September 2007 to November 2012, using a “*boardroom to grassroots*” approach (T. Thieme, Cambridge University Business and Society Research Group, per. com., 23.05.09). At the boardroom level, this included attending and increasingly participating in trustee meetings. At the grassroots level in the UK, this included assisting with daily activities in Frank’s office in the UK as well as at events such as at festivals. In India, this included three visits to the project sites along with Frank staff. The methodological advantages of this form of participant observation included increased access to sources of information and an in-depth understanding of the organisation’s operations. Disadvantages included an on-going dissonance between the practical concerns of the organisation and the theoretical aspects of the research, a possible lack of objectivity and an association with a Northern funding agency which affected interactions with people in India in particular. In order to overcome this, the aim was to, as far as possible, make explicit the practical implications of theoretical findings, the position of the researcher, and the limitations of the research.

In addition to participant observation, further targeted fieldwork was carried out during a one-month trip in October 2009 and a two-month trip in February-March 2010 to the Indian state of Andhra Pradesh (AP). This included carrying out background research at local universities, exploring in further detail the governance tensions facing Frank’s NGO and technology partners, and exploring the governance tensions at the project sites. The last part was done by conducting case studies of three project sites, selected to represent different points in time in the relationship between Frank and its partner NGO. The specific data collection methods that were used, both in the UK and in India, included recording observations and conversations in the form of field notes, exchanging e-mails, collecting documents and conducting semi-structured interviews. A full list of the internal documents

can be found in Appendix A. Each document has been coded according to the organisation to which it pertains. For example, the first document regarding FRANK Water has been given the code FWDoc1. Similarly, a full list of the semi-structured interviews which were conducted can be found in Appendix B, along with further details pertaining to each respondent. These interviews have also been coded according to the type of respondent. For example, the first interview to be conducted with a member of the Gram Panchayat (village council) in the village of Kothapeta will be referred to as KoGP1. These codes will be used to refer to interviews throughout the thesis. The interview schedules that were used can be found in Appendices C and D. Field notes and e-mails are not included in the body of this thesis, but are available on request. Field notes will be referred to as Field Diary or FD followed by the relevant date. For example FD16.02.10 refers to field notes from the 16<sup>th</sup> February 2010. E-mails will be referred to as personal communications.

The analysis of this data took place in three parts. Firstly, a process-tracing approach was adopted to identify the key governance “moments” in the partnership. In order to do this, the data was stored on the qualitative software package NVivo (version 8). This data was then coded according to key governance moments, emerging themes and points of interest for Frank. These codes are included in Appendix E. The second stage was to compare the three case studies of project sites. This was done using “*Framework*” methodology (Spencer et al. 2003; Ritchie et al. 2003), using themes which can be found in Appendix F. The third and final stage was to use this data to explore the governance tensions that occurred at each governance “site”: in the UK, at the transnational level, and in India. This was an iterative process. Firstly, the key governance “moments” at each “site” were identified. The tensions surrounding each moment were then explored, using the material coded using Nvivo, and building on this with the documents and other material which had been collected. Working closely with Frank facilitated this iterative process as it was possible to access data on a continuous basis. One limitation was that it was difficult to “draw a line” under the research. In the end, a formal cut-off point for new data was drawn at the end of September 2011, although on-going developments at Frank shaped the direction of the analysis through the final year.

### 1.3 Chapter Overview

This chapter has introduced the questions that the thesis seeks to explore and summarised the methodology. The remainder of this thesis will be broken up as follows:

**Chapter 2: “*Theoretical Framework*”** begins by exploring different definitions of governance. The chapter then goes on to look at how these definitions have been deployed in the literature, suggesting that the existing literature is divided between problem-solving and problematising approaches. Drawing on Carol Bacchi “*What’s the Problem Represented to be (WPR)*” approach (Bacchi 2009), the chapter will suggest that both sets of approaches provide useful insights for policymakers, with problematising approaches placing governance tensions in broader context.

**Chapter 3: “*Social Enterprise*”** will review the existing literature on the governance tensions facing social enterprises. The chapter begins with an overview of the different ways in which social enterprise has been defined, before adopting what will be termed an “*earned income*” definition (Defourny and Nyssens 2012: 5). As will be seen, such organisations face tensions associated in particular with legal form, recruitment and staffing, funding sources, results measurement and multiple stakeholders. The chapter concludes by drawing on critical management studies to explore the wider tensions facing organisations in the third sector.

**Chapter 4: “*Transnational Partnerships for development*”** reviews the existing literature facing transnational partnerships and development interventions, in particular interventions to increase access to safe drinking water. As will be seen, partnerships between organisations from different sectors face similar tensions to social enterprises in addition to geographical tensions. Interventions to provide access to safe drinking water face tensions associated with measuring progress, the role of institutions and behaviour change. The chapter concludes by drawing on the STEPS framework of “*liquid dynamics*” to explore the wider tensions surrounding development interventions (Mehta et al 2007).

**Chapter 5: “FRANK Water Ltd: ‘Insider Rebel’ in the Bottled Water Industry”** is the first empirical chapter. This chapter explores the social enterprise side of Frank in the UK, and the tensions involved in being an “ethical bottled water” company. The chapter then compares Frank’s strategies for dealing with some of these tensions with the other ethical water brands in the UK.

**Chapter 6: “The Blue Revolution’: A Transnational Partnership”** concentrates on the transnational relationship between Frank, the Indian NGO and the technology partners. Initially, the aim was that by working together, these actors could harness their mutual advantages to bring about what they termed a “blue revolution” in safe drinking water. As will be seen however, differences in the way in which the partners approached this shared objective led to significant changes to the partnership over time.

**Chapter 7: “The Indignity of Aid”** turns to the governance tensions at the project sites in India. Drawing on data from three case study sites, the chapter explores to what extent an increasingly commercial model adopted at the project sites helped to overcome the tensions facing safe drinking water interventions. As will be seen, the commercial approach offered a narrow solution to these tensions, which exacerbated unequal power relations between the Indian NGO and the communities in which they worked, as well as the distribution of power within the community itself.

**Chapter 8: “Conclusion: Whose Governance?”** begins by summarising the tensions faced by the Frank partnership at each of the three governance sites: in the UK, at the transnational level and in India. It then goes on to look at what lessons this case study can offer other social enterprises that are considering venturing into the international development arena. The chapter ends by noting the limitations on these recommendations and pointing to future directions of research which could strengthen and build on these conclusions.

## **Chapter 2: Theoretical Framework**

### **2.1 Introduction**

The concept of governance is “*notoriously slippery*” (Pierre and Peters 2000: 7). This chapter therefore explores the different ways in which the concept has been used, and outlines the theoretical approach which informs this thesis. The first section begins with an overview of the definition of governance. Whilst governance has historically been used synonymously with government, it has more recently been used to refer to the range of ways in which social interactions are ordered. This broad definition fits with a socio-legal approach which explores informal as well as formal rules, and this is the definition that is adopted in the thesis. A second, narrower, definition refers specifically to one form of social ordering, here termed “*heterarchy*” (Jessop 1998: 29). This definition focuses on the ways in which social interactions can be ordered through “*self-organising*” networks (ibid). Having explored these concepts, the chapter goes on to look at how they have been deployed in the literature. It will be suggested that in the first instance, what will be termed “*problem-solving*” approaches (Bacchi 2009: xvi; Cox 1986: 208), focus on how to achieve good governance, both in the broad sense of social order, as well as in the more specific context of governance as heterarchy. The chapter then goes on to look at a more critical set of “*problematizing*” literature (Bacchi 2009: 30; Cox 1986: 208). Rather than seeking to define how social interactions should best be ordered, this literature explores how social interactions have come to be ordered in particular ways, and whose interests this serves. The chapter concludes by suggesting that this literature can help to broaden rather than undermine problem-solving approaches, by making explicit the question good governance for whom?

### **2.2 Defining Governance**

Historically, the term governance has tended to be used synonymously with government (Rhodes 1996; Weiss 2000). By this definition, the term is associated with the institutions of the nation-state: “*In particular, government is understood to refer to the formal and institutional processes which operate at the level of the nation state to maintain public order and facilitate collective action*” (Stoker 1998: 17). More recently, however, a distinction has

increasingly been made between the two terms, whereby governance refers to a range of “*structures and processes*” that guide social activity (Weiss 2000: 795). This includes, but is not limited to, the formal apparatus of the state. In socio-legal terms, this is the difference between a Weberian understanding of law as the “*bureaucratic coercive apparatus of the state*” and a broader conception of “*living law*” (Szablowski 2007: 7). Governance could therefore broadly be defined as the way in which social interactions are ordered. This is the definition adopted in this thesis. As noted above, however, there is another narrower definition of governance which focuses on networked forms of governance, here termed heterarchy. There is, however, overlap between the two definitions. As noted by Rachel Gisselquist, there are a multiplicity of typologies of governance because the term lacks an agreed definition (Gissequist 2012). This section therefore aims to provide a brief overview of the different ways in which the term governance has been used, whilst recognising that the typology used here is subject to limitations and contestations.

Beginning with the broad definition of governance, as noted above, there is no universally accepted view of what this entails. For example, Gisselquist notes that in one document the Organisation for Economic Co-operation and Development (OECD) cites as many as 17 different definitions (OECD 2009, cited in Gisselquist 2012). Rachel Gisselquist suggests, however, that most definitions encompass three common elements which “*point toward a minimal understanding of governance as (1) the process (or manner) through which (2) power (or authority) is exercised (3) to manage the collective affairs of a community (or a country, society, or nation)*” (Gisselquist 2012: 4). In addition, the term is usually associated, and often conflated, with good governance, which refers to a normative account of how such power should be exercised, although again there is no consensus on what this should entail (Gisselquist 2012). In this literature therefore, governance is distinct from government in two ways. Firstly, it is broader than government, as the concept of governance includes but is not limited to formal institutions. Secondly, the concept of governance can be applied to the exercise of power in a range of different organisations and entities. As the United Nations Development Programme (UNDP) suggests, “*Governance [...] operates at every level of human enterprise, be it the household, village, municipality, nation, region or globe*” (UNDP 2007: 1). As will be seen below, for example, much of the current literature on good governance has its roots in the concept of corporate governance, which originated with the

study of private companies. Governance in this context therefore refers to the exercise of power in a range of different organisations or entities.

Secondly, another body of literature focuses on the concept of “heterarchy” (Jessop 1998: 29). As defined by Bob Jessop, “heterarchy” or “self-organisation” refers to a mode of interaction that is distinct from both “hierarchy” and “anarchy” (ibid.). Rather than being governed by the “invisible hand” (ibid.) of market forces or the top-down bureaucracy associated with the state, such interactions are guided by “reputation, trust, reciprocity and mutual interdependence” (Larson 1992: 76). According to Vasudha Chhotray and Gerry Stoker, the literature in this vein is particularly concerned with the “rules of collective decision-making in settings where there are a plurality of actors or organisations and where no formal control system can dictate the terms of the relationship between these actors and organisations” (Chhotray and Stoker 2009: 3). As they note, the concept of governance in this context has “both an explanatory dimension and an advisory character” (ibid., 214). In terms of explanation, heterarchy is offered as a (better) way of understanding how social interactions are governed, whilst the advisory dimension suggests that this is how social interactions should be governed. The two tend to overlap however, as the way in which social interactions are understood affects how they are governed. The next two sections will specifically look at how governance has been deployed in an advisory manner. The first looks at frameworks of good governance, which adopt the broad definition of governance. The second section looks specifically at frameworks which advocate heterarchy as a mode of governance. Again, there are overlaps between the two. For example, in their prescriptions for “good governance”, international development agencies have advocated for decentralisation and deliberative forms of governance (Jenkins 2008). The chapter then goes on to look at how a more critical set of literature problematises both good governance and governance as heterarchy.

### **2.3 Good Governance**

The first set of problem-solving literature is concerned with identifying good governance for particular organisations or entities. This literature has its roots in the private sector and the concept of “corporate governance” (Chartered Institute of Internal Auditors [CIIA] 2012).

Initially, this referred narrowly to the relationship between managers and owners of private companies (Chhotray et al 2009). Increasingly, corporate governance has become more broadly concerned with managing the competing interests of a range of “*stakeholders*” (ibid., 145). This includes not only shareholders, but managers, employees, creditors, customers, and the wider community (ibid.). Corporate governance is therefore now defined more broadly as the “*system by which organisations are directed and controlled*” (Cadbury Report 1992: 14). It is one level removed from “*management*”, which refers to the “*day to day*” running of an organisation (Financial Reporting Council [FRC] 2010: 1). This shift towards a broader focus on stakeholders has its roots in a series of corporate scandals which occurred in the UK in the late 1980s and early 1990s (CIIA 2012. See also Cadbury Report 1992). In recent years, in light of further corporate scandals, these codes have become increasingly prominent. As one analysis noted, good governance has become “*more than a mini trend*”, with governance seen as the key to failure or success: “*when things fail, a failure of governance is brought up as the explanatory variable; and good governance is presented as the alternative pathway to success*” (Estanislao 2008: 3).

Initially, corporate governance was therefore used in the context of private companies. During the 1980s, however, the U.S. and the U.K. saw a rise in what was termed the New Public Management (NPM). This literature is epitomised by Ted Gaebler and David Osborne’s 1992 book *Reinventing Government*. In this text, the authors argued that governments could become more productive and cost-effective by becoming more “*entrepreneurial*” in their approach (Gaebler and Osborne 1992). In part, this was to be achieved through a shift in the role of the state. This will be discussed further in the section on governance as heterarchy. Another key feature of the entrepreneurial government, however, involved introducing commercial management styles into public sector organisations (Rhodes 1996). As outlined by Rod Rhodes, this increasing commercialisation was accompanied by a demand for better governance for public sector organisations, with the Chartered Institute of Public Finance and Accountancy (CIPFA) for example declaring in 1994 that the shift necessitated “*sound systems of corporate governance*” to ensure that it would not undermine the “*traditional public service ‘ethos’ [of the public sector] and its values of disinterested service and openness*” (CIPFA 1994, cited in Rhodes 1996.). Since then, a series of good governance guides have been produced specifically for the public

sector (Committee on Standards in Public Life 2012; Nolan Committee 1995; Commission on Good Governance in Public Services [CGGPS] 2004). Meanwhile, the principles have also been adopted by other organisations, including those in the “third” or “voluntary” sector.<sup>4</sup> For example, the Charity Commission, which regulates charities in the UK, has produced two editions of good governance guidelines for organisations in the third sector (Charity Commission 2010). As will be seen, this forms part of a broader shift in the third sector towards the private sector.

In addition, there is another body of literature which in some ways could be seen to apply the principles of corporate governance to the state. Rather than exploring good governance for particular public sector organisations, this literature treats the whole state as a single organisation. As noted above, corporate governance is concerned with the direction and control of an organisation at one level above management. Similarly, this literature is concerned with the direction and control of the state at one level above government, or the “*rule of the rulers*” (World Bank 2011[a]). In the late 1980s and 1990s, this became a central concern for global donor agencies, including most notably the World Bank (WB) and International Monetary Fund (IMF) (Chhotray and Stoker 2009; Esmail et al. 2004; Faundez 2003; Faundez 2009; Gisselquist 2012; Jenkins 2008; Trubek 2006; Woods 2000). In 1989, the WB produced a report on development in Sub-Saharan Africa, in which they “*declared that ‘a crisis of governance’ underlay ‘the litany of Africa’s development problems’*” (Gisselquist 2012). This was followed in 1992 by a publication entitled “*Governance and Development*” in which the WB began to further explore “*the relationship between development success and the quality of government action*” (Esmail et al. 2004: 3). This report marked the beginning of a widespread interest in defining and measuring good governance for states (for a catalogue of governance frameworks see UNDP 2007). Just as good corporate governance is seen as the key to successful organisations, so good governance is now seen as the key to successful states. During the 1990s, the emphasis was primarily on ranking countries according to a variety of governance indicators, in order to

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<sup>4</sup> The concept of the third sector is discussed in more detail in Chapter 3 (“*Social Enterprise*”). The term is here used to refer to those organisations which are privately owned but serve a public purpose and operate on a not-for-profit basis (Haugh and Kitson 2007; Borzaga and Defourny 2001).

ensure that funding went to those areas where it would be “*well spent*” (WB 2006). By the turn of the millennium however, there was also a growing interest in “*second generation*” indicators which could be tailored to local circumstances in order to not only identify, but solve, specific problems associated with poor governance (Esmail et al. 2004: 4). The extent to which this in practice led to a significant shift in WB policy will be discussed in Section 2.5 (“*Whose Governance?*”).

## **2.4 Governance as Heterarchy**

As discussed above, a second body of problem-solving literature is more broadly concerned with a shift in the way in which relationships between actors are governed. In particular, this literature focuses on the concept of “heterarchy” as a mode of governance distinct from either hierarchy or anarchy. This concept also has its roots in the private sector (Levi-Faur 2012). According to David Levi-Faur, the term governance, as a mode of organisation, was first used by Oliver Williamson in an analysis of the way in which private companies adopt different models of governance depending on the type of transactions they undertake (Williamson 1975, cited in Levi-Faur 2012. See also Powell 1990). In transactions with high risk and complexity, he suggested that they would seek to internalise their operation and control them through hierarchical means, whereas otherwise they might work with other actors through the market. In the early 1990s, a third alternative was introduced, namely networks (Levi-Faur 2012). In the context of private companies, for example, Walter Powell suggested that a wide range of interactions could not be categorised as either market-based or hierarchical, or a combination of the two. Instead, he suggested that “*certain forms of exchange are more social- that is, more dependent on relationships, mutual interests, and reputation- as well as less guided by a formal structure of authority*” (Powell 1990: 300). Meanwhile, in the context of the state Rod Rhodes similarly noted that networks were an alternative to, rather than a combination of, markets and hierarchies (Rhodes 1996). Whereas networks and governance had previously been studied in different contexts, the 1990s saw an increase in the concept of networks as a mode of governance, here termed heterarchy. In the private sector, such studies have focused both on the relationship between firms (see for example Jones et al. 1997), as well as the relationships between different actors within firms (Dorf and Sabel 1998).

Whilst originating in the private sector, the concept of heterarchy has also been applied to states. In the national context, this literature stems from a concern with what has been labelled the *“hollowing out of the state”* (Rhodes 1996: 661). As discussed above, the 1980s saw a rise in NPM. Part of this involved applying new techniques of management to public sector bodies. Another key tenet of NPM was that the state should delegate responsibility for some of the functions of governance to private actors. Gaebler and Osborne, for example, argued that the state should maximise its comparative advantage in *“steering”*, or policymaking, and leave *“rowing”*, or service provision, to other organisations in the private sector (Gaebler and Osborne 1992: 33). This changed the role of the state in two ways. Firstly, it decreased its prominence, as the state became one of many actors involved in governance. Secondly, NPM advocated that the bureaucratic mode of hierarchy associated with the state should be replaced by market mechanisms such as *“competition”* and *“choice”* (Rhodes 1996: 655). In addition, this *“hollowing out of the state”* was exacerbated by other factors. According to Rhodes, the rise of the European Union (EU) shifted decision-making from the national state to the supra-national level (ibid.). Similarly, Chhotray and Stoker note that the twin effects of *“globalisation”* and *“democratisation”* have respectively shifted decision-making both upwards and downwards from the nation state (Chhotray and Stoker 2009: 2). The result, as outlined by Rhodes, was a situation whereby the state became both smaller and more fragmented (Rhodes 1996).

From a problem-solving perspective, the concept of heterarchy offers a way of both explaining and responding to these changes. In its explanatory form, this literature suggests that the shift away from hierarchy has not led to anarchy. Instead, in states where the above changes have taken place, it suggests that social interactions are increasingly being governed through new forms of social ordering, or heterarchy. Rather than viewing the state as the sole source of authority, this literature suggests that social interactions are increasingly governed through *“self-organising networks”* of mutually dependent actors (Rhodes 1996: 653). From this perspective, what was described above as the *“hollowing out of the state”* could better be understood as a *“shifting”* in the role of the state (Kooiman 2003: 3). Rather than exercising sole authority, the state now acts as a *“facilitator”* or *“co-ordinator”* in these networks (ibid.). In its applied dimension, therefore, this literature

suggests that governance for the state becomes about “*managing networks*” (Rhodes 1996: 658). In its capacity as “*facilitator*”, the state can exert influence through a variety of interventions designed to guide networks in particular ways. This could include, for example, “*loans, loan guarantees, grants, contracts, social regulation, economic regulation, insurance, tax expenditures, vouchers, and much more*” (Salamon 2001: 1612). Governments will only therefore be able to exercise “*loose leverage*” over the direction of public policy (Rhodes 1996: 666).

The concept of heterarchy has therefore particularly been applied to the relationship between the state and a range of other actors. In addition, drawing on post-industrial manufacturing processes in Japan, the concept of heterarchy has also been applied to the relationship between different entities within the state. Thus Michael Dorf and Charles Sabel’s 1998 text, “*A Constitution of Democratic Experimentalism*” explored in particular the relationship between a central state and federal units. For them, the key problem was how general rules could be applied to varying local circumstances. They suggest that in the US, courts and administrative agencies have oscillated between formal legalism and discretion, constitutionalism and deference to political authority, and broad and narrow interpretations of the law, in an attempt to formulate regulation that is sufficiently broad to apply nationally but also relevant to local and specific circumstances. They suggest that the concept of “*democratic experimentalism*” offers a way to escape from this pendulum, through a framework whereby the central state can set broad goals and co-ordinate activities, but decentralised units are free to experiment with different methods to achieve those goals. This approach rests on five broad principles: 1) a provisional approach to goals, which are broadly set by the centre, but which are open to revision, experimentation and change (Cohen 2008; Melish 2009), 2) wide stakeholder participation (Dorf and Sabel 1998), using the expertise of those closest to the problems, particularly those who have previously been marginalised, 3) performance monitoring, with a focus on transparency, information sharing and benchmarking, 4) subsidiarity, or a commitment to appropriateness rather than status or sovereignty (Melish 2009), and 5) legal orchestration (ibid.) or an on-going role of the state as “*convener, funder, catalyst, coordinator, and supervisor, and also a participant*” (Cohen 2008: 10). This approach, which focuses on the relationship between a central body

and decentralised units, has also been applied to regional contexts including in particular the EU (see for example Hix 1998; De Burca and Scott 2006).

Meanwhile, beyond the regional level, some theories of global governance similarly suggests a shift away from a state-based, Westphalian system, towards a form of social ordering in which the state becomes one of many actors (Rosenau and Czempiel 1992). In their 1992 collection *Governance without Government*, James Rosenau and Ernst Czempiel highlighted this trend by suggesting that at the global level, there is no single source of authority (ibid). From a realist perspective in international relations, the global stage is therefore composed of anarchy between individually sovereign nation states (Chhotray and Stoker 2009). Rosenau and Czempiel, however, suggested that the global stage was not anarchic, but governed by a variety of formal and informal systems involving not only states but a whole range of different actors (Rosenau and Czempiel 1992). As noted by Rosenau: *“Some of the systems are formalized, many consist essentially of informal structures, and some are still largely inchoate, but taken together they cumulate to governance on a global scale”* (Rosenau 2000: 172). In its explanatory sense, the concept of heterarchy is thus used at the global level to suggest that global interactions can be ordered even in the absence of hierarchy. In its applied dimension, the problem-solving literature looks at how global issues can be governed through non-hierarchical means. For example, in 1995, the Commission on Global Governance was formed to explore how a wide range of actors could come together govern the global domain (Commission on Global Governance 1995). More specific studies, meanwhile, look at how the concept of heterarchy can be used to address particular global issues, such as the regulation of international businesses (Abbott and Snidal 2008; Reed et al. 2012). This literature suggests that neither the formal legal governance exercised by multilateral institutions, nor the voluntary governance exercised by private actors, has led to adequate regulation at the global level. Instead, the concept of heterarchy is offered as an alternative, with states and state-based organisations acting as orchestrators at the global level (Abbott and Snidal 2008).

The concept of governance as heterarchy has therefore been applied to a range of different settings, at the national, regional and global levels, both including and excluding the state. As indicated above, whereas the literature on good governance adopts a broad definition of

governance, the literature on governance as heterarchy is specifically concerned with a shift away from hierarchical and anarchical forms of governance towards networks. Both sets of literature however, attempt to define how social interactions should best be ordered. In the first set of literature, this involves defining, measuring and implementing frameworks of good governance. In the latter, it involves exploring heterarchy as an alternative mode of governance to both hierarchy and anarchy, in both an explanatory and applied sense. As noted by Chhotray and Stoker, the concept of governance is not inherently apolitical or managerial (Chhotray and Stoker 2009). Nevertheless, both the literature on good governance and governance as heterarchy have tended to adopt a technocratic view of how social interactions should be ordered (Chhotray and Stoker 2009. See also Hix 1998; Gisselquist 2012). The next section therefore goes on to look at a more critical body of work, which explores how and why governance has come to be associated with this apolitical approach and whose interests this serves.

## **2.5 Whose Governance?**

From a critical perspective, both the literature on good governance and governance as heterarchy share a common tendency to overlook broader structures of power. This section will draw on Carol Bacchi's "What's the Problem Represented to be?" (WPR) framework to suggest that these literatures adopt a "*problem-solving*" approach (Bacchi 2009: xvi; Cox 1986: 208). Problem-solving theory "*takes the world as it finds it, with the prevailing social and power relationships and the institutions in which they are organized as the given framework for action*" (Cox 1986: 208. See also Bacchi 2009: xvi). By contrast, problematising theory adopts a critical approach which "*stands apart from the prevailing order of the world and asks how that order came about*" (Cox 1986: 208). In terms of governance, problem-solving approaches take existing social relationships as they are, and look at how they should best be ordered. By contrast, problematising theories ask how social interactions have come to be ordered in particular ways, and whose interests this serves. Whilst problem-solving approaches emphasise consensus, problematising approaches are concerned with power and conflict. For Bacchi, however, a problematising approach is not isolated from practical problem-solving. Instead it can help to broaden the context in which such problem-solving occurs. This section begins by looking at Bacchi's

WPR framework. It then goes on to look at other problematising approaches which specifically deal with the tensions in this thesis.

### 2.5.1 What's the Problem Represented to be?

Bacchi's WPR approach is designed to challenge conventional approaches to policy analysis. This includes both public policy, or policies instituted by governments, and policies in other areas of social life. The first departure from traditional policy analysis is therefore that a WPR approach expands the focus of policy analysis beyond the state. Secondly, according to Bacchi, policymakers are traditionally seen as the people who "*do the fixing*", or the people who design solutions to external, pre-existing social problems (Bacchi 2009: ix). By contrast, a WPR approach suggests that problems are socially constructed, and specifically constructed by policymakers. In this approach, the term problem is not used in the conventional sense as either a "*something that is difficult to deal with, as in a problem child, or [...] a puzzle or challenge that needs to be 'solved', as in 'problem solving'*" (ibid: x, emphasis in original). Instead the term is used to refer to "*the kind of change implied in a particular policy proposal*" (ibid: xi). For example, following a number of deaths amongst tribal children in 2013 in the Indian state of Kerala, advisors from the central and state government declared that the problem was a lack of education amongst tribal women who as a consequence did not know how to feed their children (Karat 2013). When a journalist explained this to one tribal woman however, she looked "*puzzled*", stating "*but we do not have much choice in what we eat [...] we eat what we can afford to buy*" (ibid). This reframed the problem as one of poverty, and when investigated further, the failure of government schemes to include tribal groups (ibid).

Bacchi therefore makes three propositions. The first is that "*we are governed through problematisations*" (Bacchi 2009: 25). This phrase requires some definitional explanation. Firstly, Bacchi is here using the term problematisation in a slightly different sense to other critical theory. In most critical theory, to problematise means to "*interrogate*" or put into question (ibid: 30). Bacchi however also uses the term problematise to "*refer to the way/s in which particular issues are conceived as 'problems'*" (ibid). Thus in the above examples, policymakers have problematised child mortality in a particular way. In the WPR approach,

Bacchi stresses that she uses the term *problematise* in both senses. Secondly, Bacchi is adopting a broad definition of governance as the ways in which *“order is maintained”* (Bacchi 2009: ix). This definition includes, but is not limited to, the role of the state. It is also distinct from the narrower definition of governance as heterarchy or, as Bacchi terms it, *“network governance”* (ibid: 26). Rather than trying to create frameworks for good governance, however, Bacchi’s approach is particularly concerned with trying to understand how such frameworks, or more broadly how policies in general, are formed and whose interests this serves. The aim is *“to understand how society is managed, and with what repercussions for different groups of people”* (ibid: 25). Drawing on Michel Foucault, Bacchi is particularly concerned with the wider discourses which make some policies possible, and marginalise others. This approach goes beyond individuals, which is in contrast to other critical approaches which might focus, for example, on the influence of individual experts on particular policies. Bacchi instead highlights that we are governed by different types of *“governmentality”* or types of rule, which construct problems in particular ways (ibid: 26). The term *governmentality* is used, by Foucault as well as Bacchi, in two senses: firstly to refer to different *“rationalities or mentalities of rule”*, and secondly to a specific form of rule in which power is exercised through knowledge of populations (ibid). In stating that *“we are governed through problematisations”* (op cit.), Bacchi is therefore suggesting that it is these wider discourses which shape social interactions.

Bacchi’s second proposition is that *“we need to study problematisations (through analysing the problem representations they contain), rather than ‘problems’”* (ibid: 25). Following on from the suggestion that we are governed through problematisations, Bacchi suggests that the way to identify these problematisations is to study policies (ibid: 34). Rather than studying the problems that policies seek to address however, she advocates using them as *“points of entry”* to understanding the *“discourses”* or *“truth claims”* through which we are governed (ibid: 34-5). Bacchi here adopts the post-structural use of the term *discourse*, which goes beyond language to suggest that reality is mediated through different systems of knowledge that *“set limits upon what it is possible to think, write or speak about”* (ibid: 35). In line with Foucault, Bacchi views discourses as always contested, but some discourses will be more dominant than others through their association with powerful institutions. Finally, Bacchi’s third proposition is that *“we need to problematise (interrogate) the*

*problematizations on offer through scrutinising the premises and effects of the problem representations they contain”* (ibid: 25). This brings in the critical view of problematising as a questioning activity. The aim in a WPR approach is not simply to describe how policies problematise certain issues. Instead the aim is to explore the assumptions and the effects that these problematisations have, and ultimately to offer alternatives.

In order to do so, Bacchi offers a six-step framework for analysing a given policy. These six steps, or six questions, are outlined in Figure 2 below. The first question asks the analyst to clarify, or make explicit, the problem in a given policy. Most policies are in practice multi-faceted and will usually be grouped into bundles of many different policies. In those cases, Bacchi advocates exploring the policies or the parts of policies which are given the most weight, which can usually be identified by exploring funding allocations. The second step is to look at what assumptions underlie the framing of the problem. This involves going beyond the possible biases of individual policymakers to look at underlying epistemologies and ontologies. For Bacchi, post-structural discourse analysis approaches are particularly useful for doing this. Whilst there are a variety of possible discourse analysis methodologies, Bacchi suggests that a useful starting point is to look at what binaries, key concepts and categories structure thinking around the problem. Thirdly, how has this framing come about? Here Bacchi advocates conducting a Foucauldian genealogy of a particular policy. This involves placing a policy in historical, and sometimes comparative, perspective. When did a particular policy emerge and where? Was there a time, or is there another country or place, where such a policy does not exist? What political and institutional context made such a policy possible in particular circumstances? The next step begins to look at alternatives by exploring what is left silent in the dominant framing of a problem. This involves looking at the other side of binaries, and alternative key concepts and categories. The fifth question looks at what the effects of the current representation are. These effects are often tangible and harmful to specific groups of people. Finally, the sixth question looks at how and where the dominant problem representation has been created, and therefore how and where it could be replaced?

**Figure 2: "What's the problem represented to be? An approach to policy analysis"**

***"What's the problem represented to be?:  
An approach to policy analysis***

1. *What's the 'problem' (e.g. of 'problem gamblers', 'drug use/abuse', domestic violence, global warming, health inequalities, terrorism, etc.) represented to be in a specific policy?*
2. *What presuppositions or assumptions underlie this representation of the 'problem'?*
3. *How has this representation of the 'problem' come about?*
4. *What is left unproblematic in this problem representation? Where are the silences? Can the 'problem' be thought about differently?*
5. *What effects are produced by this representation of the 'problem'?*
6. *How/where has this representation of the 'problem' been produced, disseminated and defended? How could it be questioned, disrupted and replaced?"*

Source: Bacchi 2009: 2

A WPR falls broadly into a "social construction" category of social policy theory, which emphasises that knowledge is socially constructed (Bacchi 2009: 32, drawing on Colebatch 2006). A WPR approach however, modifies this approach to suggest that whilst problem representations are socially constructed, some problem representations will be more powerful than others, and they will therefore have effects "in the real" (Bacchi 2009: 33, emphasis in original). Bacchi therefore disagrees with Hal Colebatch who suggests that social construction theories are largely academic, and have little to offer practitioners (Bacchi 2009). Firstly, she stresses that how problems are framed matters: "*Whilst there is no declared interest in producing effective policy, the conviction that how 'problems' are represented matters- that some people are harmed and that some benefit from particular*

*problem representations- means that a WPR approach offers valuable insights into the processes of governing”* (Bacchi 2009: 34, emphasis in original). Furthermore, as policymakers are often social scientists or professionals, the WPR framework offers an opportunity for not only thinking through the implications of a particular policy, but of reflexively exploring the policymakers own role in governance. A problematising approach therefore helps to broaden the scope of, rather than negate, problem-solving. It is therefore particularly useful in contexts where problems have come to seem intractable. By stepping back to look at how the problems have been framed, a problematising approach can offer a fresh insight why particular policies are not working for particular groups of people. Having explored the wider context, and identified the group whose interests a policy is designed to serve, it then becomes possible to problem-solve once again.

### **2.5.2 Problematising Approaches**

The aim in this thesis is not to apply Bacchi’s methodology to a particular policy. Instead, Bacchi’s framework provides a useful introduction to problematising approaches, and their relationship to problem-solving. In the context of governance, there are several other approaches which similarly seek to go beyond a narrow focus of problem-solving. This section will highlight some of the key critical approaches which have been used to illuminate specific governance tensions in the rest of the thesis, including: a) critical management studies, b) the “pathways” approach of the Social, Technological and Environmental Pathways to Sustainability (STEPS) Centre at the University of Sussex UK, and c) Pierre Bourdieu’s “*theory of practice*” (Bourdieu 1977). Firstly, as will be seen in Chapter 3 (“*Social Enterprise*”), much of the literature on the governance of social enterprises is rooted in business schools. This literature often adopts a problem-solving approach, seeking to construct frameworks of good governance for social enterprises. There is, however, a growing body of critical management theory, which as will be seen in Chapter 3 has problematised these frameworks (Bull 2008). According to Tim Curtis, drawing on Mats Alvesson and Stanley Deetz, the purpose of critical management research is:

*“to develop insights into the situation being investigated by exploring the operations of power [...] This allows a critique to emerge which challenges the dominant interpretation*

*or theory. Taking the challenge forward results in a transformative redefinition of an issue, widening the concerns and recognising that an issue may be more complex and ambiguous than first formulated. This process enables change, a movement onto a new and emancipatory theory, which transforms the current understanding.”* (Curtis 2008: 278, drawing on Alvesson and Deetz 2000)

Rather than exploring how to govern social enterprises therefore, critical management theories have explored how social enterprises have emerged and whose interests this serves. For example, critical management scholars draw on institutional theory to challenge the assumption that social enterprises have emerged as a response to perceived failures of the third sector (Dart 2004). Instead, institutional theory suggests that organisations are driven by the search for legitimacy (ibid). According to Paul DiMaggio and Walter Powell, seemingly different organisations can therefore evolve in a similar manner, as they will be driven by wider social norms regarding the practices that are seen as most legitimate, a phenomenon which they term *“isomorphism”* (DiMaggio and Powell 1983). Critical management studies therefore broaden the question over how to govern social enterprises into a question over how the third sector as a whole should be governed, and under what circumstances social enterprises represent an appropriate solution.

Meanwhile, in the field of development studies, the STEPS Centre’s conception of pathways to sustainability similarly seeks to go beyond narrow approaches to governance. According to the STEPS Centre, governance has historically been associated with the role of the state (Leach et al 2007). Over time, pluralist approaches have introduced the role of other actors, with development studies particularly focusing on *“civil society”* (ibid: 6). However, whilst there are varying strands of literature on civil society, the dominant tendency has been for civil society to be seen as a single bloc that either resists or negotiates with the state (ibid). The STEPS approach therefore recognises the importance of the above literature on heterarchy, suggesting that this literature has helpfully broadened studies of governance to look at interactions across a range of actors: *“the last few decades of work have seen a shift from a focus on state-led government and planning, to recognition of interactions and networks between multiple actors beyond the state”* (Leach et al 2007: 12). They also recognise that the literature on new forms of governance, in particular the work on

*“adaptive governance”* has helpfully recognised an element of uncertainty and complexity in social interactions: *“[a]daptive governance accepts that the outcomes of intervention will remain uncertain, and strategies for anticipating unintended consequences rest upon the emphasis on flexibility and learning”* (ibid: 26).

More recently, *“deliberative”* and *“reflexive”* models which draw on constructivist theory, have also recognised the contested nature of governance:

*“deliberative and reflexive approaches consider the question of goals to be much more problematic and contested [...] Governance is seen to be as much about shared problem construction as it is about collective solutions [...] Since ‘various groups of people conceive of the world in different ways’ (Hajer and Wagenaar 2003: 11), different actors will frame the ‘object’ of governance and its boundaries in different ways”* (ibid: 28).

Whereas adaptive governance recognises the complexity of systems, deliberative and reflexive models also recognise that *“the ways in which framings of what constitutes ‘the system’ are themselves plural, contingent and conditioned by divergent social values, economic interests and institutional commitments”* (ibid: 29). In deliberative governance, the emphasis is on participation and bringing in a range of different actors. However, as noted by the STEPS Centre, there is a danger that in order to function, this will require what Habermas has termed an *“ideal speech situation”* situation (Habermas 1987), in which participants have the capacity to participate equally (Leach et al 2007). As suggested by the STEPS Centre, in practice power relations mean that marginalised voices in particular will be excluded, and they suggest that it is therefore important to focus on counter-politics as well as arenas of consensus-building: *“A focus on such dissenting, agonistic politics is an important complement to the focus on argumentation, deliberation and reasoning, and one that may be in tension with such consensus-driven processes”* (Mouffe 2005 and 2006, paraphrased in Leach et al: 31). Whilst heterarchical forms of governance are therefore important, the implication is that it is important to recognise the limits as well as possibilities of these forms of governance. Drawing on Ernesto Laclau and Chantal Mouffe, they therefore suggest that: *“we need to recognise that for certain issues and settings, deliberative approaches may be unrealistic and inappropriate. Counter-claims, conflict and*

*contestation in relation to power and political economy may continue to demand alternative, radical democratic political strategies of mobilisation and resistance that enable the poor to exert their agency in relation to modernist political institutions” (Laclau and Mouffe 2001, paraphrased in Leach et al 2007: 32). The STEPS Centre therefore advocates for a form of reflexive governance that explicitly recognises “humility over basis for action” (Leach et al 2007: 32).*

The STEPS Centre is particularly interested in understanding how governance affects sustainable development. The above approach suggests that there are many ways to frame sustainable development, and that some of these will lead to courses of action that benefit some people and harm others:

*“Sustainability debates often involve managerial, bureaucratic attempts to ‘solve’ complex problems. The STEPS Centre’s pathways approach re-casts ‘sustainability’ in far more normative and overtly political terms. What exactly is to be sustained and for whom? How does sustainability link to human well-being, social equity and environmental integrity?” (Leach 2011).*

Specifically, the STEPS Centre suggests that these pathways will emerge from the interaction of different environmental, social and technological dynamics, which must be understood in relation to each other rather than individually (ibid.). Governance is crucial to this approach, because it is processes of governance, broadly defined, that will determine which pathways dominate and which are marginalised (ibid.). In order to construct an appropriate governance framework for sustainable development it therefore becomes necessary to first explicitly state whose development is at stake. For the STEPS Centre, development should explicitly serve the interests of marginalised people, and they therefore define development as *“change that contributes to reduced poverty, improved wellbeing and social justice for marginalised women, men and children in developing countries” (Leach et al 2007: 1).* As will be seen in Chapter 4 (*“Transnational Partnerships for Development”*), this approach is particularly relevant for water interventions. Whilst a number of actors are interested in water issues, the pathways that such interventions take depends on whose interests are at stake.

Finally, Pierre Bourdieu begins with a broad conception of governance as both the formal and informal ordering of society: *“all of my thinking started from this point: how can behaviour be regulated without being the product of obedience to rules?”* (Bourdieu 1990[a]: 65). Similarly to Bacchi, Bourdieu is also specifically interested in how certain forms of governance benefit some groups at the expense of others:

*“Like all scientists, the sociologist tries to establish laws, to grasp regularities, recurrent ways of being, and to define their principle. Why do people do the things they do? Why, for example, do teacher’s children do better at school than working-class children? By “why” I mean “how is it that?”... How is it that things happen that way? That it happens like that in society and not otherwise?”* (Bourdieu 2001).

For Bourdieu, the answers to these questions can be explored using three key concepts: habitus, field and capital. Firstly, the concept of habitus suggests that individuals have certain dispositions which influence the way in which they are likely to act. These dispositions are shaped by the individual’s up-bringing and by their position in social fields. Fields for Bourdieu represent the different spheres that make up society, *“relatively autonomous social microcosms”* (Bourdieu and Wacquant 2002: 97), which are characterised by their own values, assumptions, behaviours and ways of doing things (Terdiman 1987). For example, the artistic field, the religious field and the economic field are all distinct spheres of society which have their own sets of values and logics (Bourdieu and Wacquant 2002). The unwritten rules in a field are what Bourdieu terms *“doxa”* (Terdiman 1987: 812). According to Bourdieu, all social fields are hierarchical (Webb et al. 2002). Those at the top are in a particularly strong position to shape the doxa of the field. Actors therefore compete to establish a dominant position within a field, and they do this is through acquiring different forms of capital. For Bourdieu, capital is any resource that can bring advantages to an actor or a group in society. It can therefore be economic, but can also be cultural or social. Capital is thus anything that is seen as *“rare and worthy of being sought after in a particular social formation”* (Harker et al. 1990, cited in Webb et al., 2002: 44). Globally, Bourdieu notes that all fields are located in what he terms the wider *“field of power”* (Thomson 2008: 70). The field of power refers to the entire social world, which is

made up of competing fields and sub-fields (Thomson 2008). Just as fields are hierarchical internally, so the wider field of power is characterised by relations of power. At any given time, some fields will therefore be more powerful than others.

Taken together, Bourdieu's concepts of habitus, capital and field offer an account of why "*people do the things they do*" (Bourdieu 2001). An individual's habitus is shaped by their position in social fields, which in turn is shaped by the amount of capital that the individual has acquired. This explanation of behaviour offers a way out of what Bourdieu saw as an unhelpful division between objectivist and subjectivist approaches (Bourdieu 1990[b]). Whereas subjectivism suggests that actors construct the world around them, and are therefore equipped with agency, objectivism contends that behaviour is shaped by wider social structures (ibid). The concept of habitus however suggests that actors not only respond to particular structures in different ways, but their strategies are shaped by those structures and those structures are in turn shaped by their strategies. This relational approach therefore explains why, even though individuals make particular choices, there are predictable regularities in what they are likely to choose (Maton 2008).<sup>5</sup> In this thesis, Bourdieu's framework will be seen to be particularly useful when it comes to tensions between actors in different professional fields, in particular the third sector and the private sector. It will be seen that Bourdieu's theory helps to illustrate why, even though actors in the two fields appear to have shared goals, the way in which they interpret these goals and their interests in pursuing them, will vary according to the different doxas of the two fields. The concept of capital will also be used to illustrate the different ways in which actors in the case study sought to overcome a variety of governance tensions by deploying different forms of capital. For example, in Chapter 5 ("*The Blue Revolution: a Transnational Partnership*") it will be seen that the founders of ethical bottled water companies deployed

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<sup>5</sup> In 1852 Karl Marx suggested that "*[m]en make their own history, but they do not make it as they please; they do not make it under self-selected circumstances, but under circumstances existing already, given and transmitted from the past*" (Marx 1852: 9). Bourdieu takes this a step further to suggest that not only are actors constrained by their circumstances, they shape those circumstances which in turn shape them.

both cultural and social capital in order to carve a niche in the competitive bottled water industry.<sup>6</sup>

In addition, in Chapter 7 (*"The Indignity of Aid"*), Bourdieu's theory will be used to explain why, even though a supply of safe water was introduced in rural villages in India, some people continued to use other sources of contaminated water. For Bourdieu, whilst the habitus can change over time, it is fairly durable (Maton 2008). Changing patterns of behaviour requires, in Bourdieu's terms, "*repeated exercises [...] like an athlete's training*" (Bourdieu 2000: 172).<sup>7</sup> Furthermore, for Bourdieu, patterns of consumption are linked to status (Bourdieu 1984). He here builds on Veblen's earlier concept of "*conspicuous consumption*" (Trigg 2001: 90; Guimarães et al. 2010: 1). Veblen suggested that elites signal their status through wasteful consumption. They are then emulated by those slightly lower in the social hierarchy, who are in turn emulated by those below (ibid). As noted by Andrew Trigg, Bourdieu refines this link between consumption and class to suggest that upper class tastes will sometimes be resisted, particularly by the working class, and furthermore, as tastes become more popular elites will try to distance themselves from what is seen as the "*pretentiousness*" of the "*petit bourgeois*" (ibid., 106-108). The way in which they do this is sometimes by reverting to "*puer*" lower class tastes (Trigg 2001: 104-106). Hence whilst a particular taste could become widely adopted, the privileged lifestyle that it symbolises will continue to be reserved for the elite, who will find new ways of distinguishing themselves. Universalising access to a particular manifestation of wealth therefore does not equate to universalising the conditions which produce wealth in the first place (Bourdieu and Wacquant 2002). As will be seen both in Chapter 5, which explores the sale bottled water, and in Chapter 7, patterns of consumption around water are not only linked to awareness over health issues but to status.

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<sup>6</sup> The notion of social capital has also been used increasingly in development (See e.g. World Bank 2011[b]). However as noted by Martti Siisiäinen, this view of social capital is closer to Robert Putnam's view of social capital (Putnam 1993), which focuses on social cohesion, than Bourdieu's original formulation which emphasises structural relations of power (Siisiäinen 2000).

<sup>7</sup> According to Michael Burawoy, Bourdieu therefore highlights the difficulties of attempting to engage in consciousness-raising, although his engagement with resistance movements in practice suggest that he did not believe the task to be impossible (Burawoy 2008).

Each of these critical approaches is rooted in different theoretical, and disciplinary traditions, however they have key tenets in common. Firstly, they adopt a broad definition of governance. This definition includes but goes beyond the state, and includes but is not limited to heterarchy as a mode of governance. Secondly, they all recognise the constructed nature of governance, and suggest that what constitutes good governance depends on the crucial question, good governance for whom? However, in addition to recognising that there are multiple framings of governance, they also make explicit power dynamics, recognising that some framings will be more dominant than others. Finally, these approaches go beyond individuals to look at wider social discourses. As noted by Bacchi, framing in this context therefore does not focus on either “*innate cognitive functioning*” (Moscovici 1984, cited in Bacchi 2009: xii) or “*the conscious shaping of arguments to win supporters*” (Benford and Snow 2000, cited in Bacchi 2009: xii), but on how “*problematizations are central to governing processes*” (Bacchi 2009: xii). None of the above approaches, however, attempts to negate problem-solving. All of the approaches are concerned with engaging in policy “*in the real*” (Bacchi 2009: 33, emphasis in original), but they broaden the scope of problem-solving by specifying that it is first necessary to identify whose problems are being solved. Each of these approaches therefore adopts the problematising approach outlined by Bacchi above. The below section explores goes on to look at how a problematising perspective puts both good governance and governance as heterarchy in broader context.

### **2.5.3 Problematising Governance**

Rather than focusing on how social interactions should be ordered, a critical perspective therefore looks at how governance has been framed, and whose interests this serves. Whilst there are a range of different critical approaches, as outlined above, each approach broadly seeks to answer the questions put forward in Bacchi’s WPR framework: what is the problem represented to be in current frameworks of good governance? How have these come about and what are the effects of these problem representation? Who feels these effects “*in the real*” (Bacchi 2009: 33, emphasis in original)? In Bourdieu’s terms, “*who benefits and who suffers*”? (Bourdieu and Wacquant 2002: 93). During the end of the 20<sup>th</sup> century and the beginning of the 21<sup>st</sup> century, critical approaches to governance have identified the predominant problem representations to be rooted in a “neoliberal” discourse. Whilst

definitions of the term vary, neoliberalism is here broadly used to refer to “*a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterised by strong private property rights, free markets, and free trade*” (Harvey 2005: 2). This section will explore how, from a problematising perspective, this theory of neoliberalism has come to frame dominant perceptions of good governance and governance as heterarchy. As seen above, there are a range of critical approaches to governance. Some of these approaches stress material or economic inequalities whilst others look at wider power dynamics, and yet others focus on particular aspects such as gender. This section however provides a broad overview of governance in the context of neoliberalism order to illustrate how problematising approaches broaden the question of what constitutes good governance.

In his analysis of neoliberalism, David Harvey notes that the early period after the second world war was characterised by a period of “*Keynesianism*” or “*embedded liberalism*” (Harvey 2005: 10-11). During this period the role of the state was seen as crucial in controlling the economy, in order to avoid economic depressions such as that which occurred in the pre-war era. Meanwhile, in the international context, former colonies pursued policies of Import Substitution Industrialisation (ISI), which focused on protecting their newly independent industries (Rapley 2002). By the late 1960s, however, a series of crises led to a polarisation between Communism, which increased the role of the state, and neoliberalism, which suggested that the state should not intervene in the operation of the market (ibid.). In the 1980s, following a series of U.S. interventions in Latin America, this logic was brought to the political forefront by Margaret Thatcher in the UK and Ronald Reagan in the U.S. who advocated a series of policies designed to strengthen the role of the market (ibid.). These policies were subsequently exported abroad through a combination of military interventions and conditional lending by the International Financial Institutions (IFIs), including the World Bank (WB) and International Monetary Fund (IMF) (ibid.). In the field of development, these policies were increasingly described as neoliberal orthodoxy, and packaged under the label of the “*Washington Consensus*” (WC) (Williamson 1990. See also Williamson 2004).

In the late 1980s there was a shift in this “orthodoxy” towards what Joseph Stiglitz termed the “*Post-Washington Consensus*” (PWC) (Stiglitz 1998). Drawing on New Institutional Economics (NIE), the PWC envisioned a renewed emphasis on the context in which the market could function. As Stiglitz stated, “*making markets work requires more than just low inflation, it requires sound financial regulation, competition, and policies to facilitate the transfer of technology, and transparency*” (Stiglitz 1998). Whilst the WC had advocated a limited role for governments, including for example enforcing property rights, the PWC broadened the scope of necessary institutions required to make markets work effectively. Rather than moving away from neoliberalism, these reforms represented an attempt to make neoliberalism work. From this perspective, problem-solving approaches to governance can be seen as part of this broader neoliberal agenda. For example, as was noted above, corporate governance frameworks were introduced into the public and third sectors in order to mitigate the effects of NPM. These frameworks were designed to mediate between the interests of a variety of different stakeholders, yet critics note that the emphasis continues to be on generating profits for shareholders (Bakan 2005; Levitas 1998; Utting 2012). Meanwhile, when applied to the public and third sectors, corporate governance frameworks become even more problematic. In the first place, the tools used by the private sector to safeguard profits for shareholders do not necessarily translate well to other contexts. As noted by Amanda Perry-Kessaris, building on E.F. Schumacher (Schumacher 1993 [first published 1973]), tools such as performance indicators not only simplify complex social phenomena, but emphasise what is “*economic*” at the expense of other values in society (Perry-Kessaris 2011: 401. See also David et al. 2010). For example, one study of the way in which corporate governance had been applied to health services, suggested that “*an emphasis on perfecting the means of controlling cost has been pursued to the neglect of extending and improving the availability and quality of health care*” (Ezzamel and Willmott 1993: 112). The study therefore suggested that corporate governance in this context was serving to legitimise rather than address the concerns raised by the NPM.

Similarly, the concept of good governance poses further problems at the level of the nation-state. According to Jenkins, the decision by the WB to focus on governance in aid recipient countries was the result of both factors which made it possible and factors which made it desirable. Factors which made it possible included the lack of control that the governments

of former colonies had over their territories, their dependence on aid, and the decline of the Soviet Union which meant that former *“third world”* countries lost the ability to *“play off East against West”* (Jenkins 2008: 517). Jenkins therefore suggests that during the 1990s, it became possible to introduce conditions on aid that would previously have been seen as a breach of sovereignty. Secondly, factors which made it desirable included concerns that the policies of the WC were failing to result in the desired development outcomes. By focusing on governance, organisations such as the WB could, in Jenkins’s terms suggest that *“it wasn’t the policies, but the governance framework”* that was flawed (ibid., 518). In addition, the WB is prohibited by its Articles of Agreement to interfere in the political affairs of states. By framing its new set of policies in terms of governance, rather than government or politics, the WB was able to increase its mandate in practice, whilst presenting such interventions as technical or managerial, akin to the corporate governance frameworks adopted by private companies. As noted by Julio Faundez, whilst the good governance agenda was initially relatively narrow, it has *“expanded to the point where it now includes virtually every aspect of public policy in recipient countries”* (Faundez 2003: 138).

As noted above, the late 1990s saw a shift from *“first-generation”* to *“second-generation”* indicators (op. cit.). It had become increasingly apparent that *“one size does not fit all”* and governance indicators had to be tailored to local circumstances (World Bank 2000, cited in Faundez 2009: 8). In addition, there was growing criticism that the WB and other development agencies were focusing primarily on strengthening governance for economic growth, over-looking social and political dimensions such as gender inequalities and poverty (Faundez 2009). Second-generation indicators were therefore designed in response to these criticisms by recognising that what constitutes good governance depends on the question *“good governance for whom?”* As suggested by Faundez, however, despite rhetorical shifts toward country-ownership and a more holistic approach, the practice of ranking countries according to universal, and market-oriented, indicators of good governance has continued. A number of critical perspectives have therefore suggested that *“good governance”* represents an attempt to impose Western models of liberal democracy on aid recipient states (Gisselquist 2012). Furthermore, the concept of good governance is notably absent in the global context, where it would raise further questions regarding the appropriate

distribution of power between “developed” and “developing” countries (Chhotray and Stoker 2009: 119).

Meanwhile, the way in which the concept of heterarchy has been deployed could also be seen as part of the broader neoliberal agenda. From a problem-solving perspective, the concept of heterarchy offers a way of addressing problems related to co-ordination and accountability (Rhodes 1996). Rather than being governed by a single actor such as the state, social interactions can be co-ordinated through networks, with the state or state-based institutions acting as facilitators. In addition, the traditional forms of accountability associated with the state are replaced by a “*new accountability*” (Melish 2009: 1) in which power is dispersed to a variety of actors who hold each other accountable through relationships of trust and mutual dependence. From a critical perspective however, this overlooks inequalities in power relations between different actors. For example, in an analysis of the way in which corporations have been regulated at the global level, Darryl Reed and Ananya Mukherjee-Reed, suggest that heterarchical modes of governance have tended to be associated with neoliberalism (Reed and Mukherjee-Reed 2012). This mode of governance favours a role for the government as facilitator, but not as regulator, and gives maximum freedom for corporations to pursue profits (ibid.). They therefore suggest that this will be a mode favoured by those with “*strong ties to corporate interests*” (ibid., 329). This can be contrasted to two alternative “*strategies of governance*”: “*embedded liberalism*” and “*alter-globalisation*” (ibid., 330-331). Embedded liberalism refers to the models followed in the early period after the Second World War, which, as discussed above, involve a relatively strong role for the state in regulating corporations. By contrast, “*alter-globalisation*” models, which are less prominent, favour a role for the state in “*social protection and redistributive functions*” but are more prominently concerned with transforming power relations (ibid., 331). From this perspective, the mode of regulation is less important than the way in which it affects power relations. For example, advocates of this approach would be reluctant to support “*joint civil-business initiatives*” due to fears over the undue influence of corporations (ibid.) Problem-solving approaches which focus purely on heterarchy as a mode of co-ordination can therefore end up supporting and legitimising, rather than addressing the concerns raised by, neoliberalism.

From a critical perspective, therefore, both the concept of good governance and governance as heterarchy are problematic. As noted by the United Nations Development Programme (UNDP), the process of defining indicators of good governance is therefore *“itself a governance process”* (UNDP 2006: vi). Rather than negating problem-solving approaches however, this chapter has sought to illustrate that critical perspectives can help to broaden the context in which such problem-solving occurs. Thus the UNDP for example, now explicitly notes that if the objective is to improve governance for marginalised groups, then the process of designing indicators needs to address the specific interests of these groups. Meanwhile, at the Montreaux Conference on Statistics, Development and Human Rights in 2000, it was noted that indicators of good governance have tended to be created in a top-down manner by Northern specialists and experts (OECD 2008. See also Suesser and Suarez de Miguel 2008). As a result, the Metagora initiative was launched, which sought to develop *“bottom up”* indicators for specific contexts (ibid., 3). This initiative comprised a number of studies, which found that good governance was understood very differently by different groups of people. For example, one study found that whilst corruption is widely cited as a universal concern, this was in fact a problem that mostly affected relatively wealthy populations (ibid.). Meanwhile, another study in South Africa found that whereas land reform was often cited as a priority, the majority of their respondents cited unemployment, poverty, and HIV/AIDS as *“more pressing concerns”* (Suesser and de Miguel 2008: 161). By defining the problem differently, these studies demonstrated that the way in which good governance is defined depends on the question, good governance for whom?

## **2.6 Conclusion**

This chapter began by defining the term governance as the way in which social interactions are ordered. Whilst not inherently apolitical or technocratic, the concept has tended to be used in a problem-solving sense, to explore how social interactions should be ordered, either within particular entities, or between different actors. A more critical body of literature has problematised these approaches, suggesting that the question of how social interactions should be ordered raises the further question, how should social interactions be ordered for whom? Rather than exploring what constitutes good governance such approaches tend to explore how governance has been framed and whose interests this serves. This broadens governance tensions beyond questions such as how to achieve

accountability, to broader questions such as accountability for whom? As will be seen in Chapter 3 for example, social enterprises face on-going tensions regarding accountability claims from multiple stakeholders, including not only shareholders, but customers, beneficiaries, employees and local communities. The way in which the problem is framed is therefore crucial. Whereas in corporate governance frameworks, “the problem” is how to achieve managerial accountability to shareholders, in a social enterprise, this needs to be balanced with questions such as how to achieve accountability to beneficiaries. This thesis therefore adopts a view of governance tensions as tensions not only between different actors, but between different discourses, some of which are more powerful than others. The next two chapters will go on to explore in more detail how this approach can offer new insights into the governance tensions facing social enterprises in transnational partnerships for development.

## **Chapter 3: Social Enterprise**

### **3.1 Introduction**

The concept of social enterprise has increased in popularity since the early 1990s (Defourny and Nyssens 2012; Spear et al 2009; Teasdale et al 2013). However, despite the growing use of the term, there is little consensus on what constitutes a social enterprise. In the UK for example, government studies found that the number of organisations identified as social enterprises had grown from 5,300 in 2003 to 62,000 in 2008 (Teasdale et al 2013). This apparent growth however is due largely to the different criteria that were deployed to identify social enterprises (Spear et al 2009; Teasdale et al 2013). The first part of this section therefore outlines the different ways in which the term has been used in different contexts, before defining how the term is used in this thesis. The next part explores where such organisations are located within the wider economy, suggesting that they are located at the intersection of the public, private and third sectors. The chapter goes on to look at the existing literature on the governance tensions facing social enterprises, with a focus on legal structures, recruitment and staffing issues, funding sources, measuring results, and multiple stakeholders. The final part of this chapter then puts these tensions in broader context by looking at some of the critical literature on social enterprise. This literature looks more broadly at why social enterprise has grown in popularity and whose interests this serves. The section concludes by looking at how such a problematising perspective redefines the governance tensions around social enterprise.

### **3.2 Defining Social Enterprise**

According to EMES, a European research network that has mapped the trajectory of social enterprise, the term social enterprise originated in Italy in the late 1980s where it was used to refer to the rise of new co-operative initiatives (Defourny and Nyssens 2012). A co-operative is defined as an organisation that *“applies the principle of ‘one member, one vote’* or more broadly as an organisation in which *“the voting rights in the governing body that has the ultimate decision-making power are not distributed according to capital shares”* (ibid: 14). In the international context, this co-operative approach is demonstrated by the Fair Trade movement. Such schemes build on the national Co-operative model, by allowing

producers at the Southern end of global value chains to own a stake in the organisation (FT Foundation 2011). By this definition, there is therefore a focus on democratic control of the organisation. As the term social enterprise has become increasingly popular however, it has been applied to a range of different types of organisations, with significant regional variations across the world. In mainland Europe, where the term is rooted in the co-operative tradition, there is a strong emphasis on democratic participation. Meanwhile, in the US, the concept of social enterprise has taken two different routes: one school of thought focuses on generating funds for a social cause through commercial activity, whilst another uses the term enterprise more loosely to refer to innovation. These strands have manifested themselves in different ways in other parts of the world. This section will explore some of these different manifestations, before looking at how the concept of social enterprise is defined in the UK and in this thesis.

Firstly, in the European context, the EMES network broadly defines social enterprises as *“organizations that combine an entrepreneurial dynamics to provide services or goods with the primacy of their social aims”* (ICSEM 2012: 5). This definition however, encompasses a very wide range of organisations. In order to provide further clarity, the EMES network has come up with a set of characteristics which constitute a Weberian “ideal type” social enterprise (ibid). This includes three sets of criteria pertaining to the economic and entrepreneurial, the social and the participatory governance dimensions of social enterprise. These criteria are illustrated in Figure 3. As noted by the EMES network, not all social enterprises possess all of these characteristics. However, in this European tradition, there is still a strong focus on participation. This is reflected in the legal forms that have been created by national governments in Europe for social enterprises, which often specify that such organisations require participatory governance structures (Defourny and Nyssens 2012). It should be noted that this tradition most strongly applies to mainland Europe, with some exceptions. The situation in the UK has been somewhat different, and will be explored below.

**Figure 3: EMES indicators of social enterprise**

<p><b><i>“An economic project</i></b></p> <ul style="list-style-type: none"><li>• <i>A continuous production</i></li><li>• <i>Some paid work</i></li><li>• <i>An economic risk</i></li></ul> <p><b><i>A social mission</i></b></p> <ul style="list-style-type: none"><li>• <i>An explicit social aim</i></li><li>• <i>Limited profit distribution, reflecting the primacy of social aim</i></li><li>• <i>An initiative launched by a group of citizens or a third sector organization(s)</i></li></ul> <p><b><i>A participatory governance</i></b></p> <ul style="list-style-type: none"><li>• <i>A high degree of autonomy</i></li><li>• <i>A participatory nature, which involves various parties affected by the activity”</i></li></ul>
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Source: ICSEM 2012: 17.

Meanwhile in the US, business schools since the early 1980s have been exploring various combinations of entrepreneurial behaviour with social aims (ibid). The concept of social enterprise has therefore been more strongly rooted in business, in contrast to the European context where the term specifically originated with co-operatives. In the US, the concept has been broadly adopted in two overlapping but distinct schools of thought, which the EMES network has labelled “*earned income*” and “*social innovation*” (Defourny and Nyssens 2012: 5). In the first, earned income, school the US’s Social Enterprise Alliance defines a social enterprise as “*any earned-income business or strategy undertaken by a non-profit to generate revenue in support of its charitable mission*” (ibid: 5). By this definition, social enterprise refers to organisations which seek to generate income by engaging in commercial activities. Within this school of thought, there is a further distinction between a narrow definition which focuses on organisations which operate on a non-profit basis (termed the “*commercial non-profit*” approach by the EMES network), and a broader school of thought which also includes for-profit entities which trade for a social purpose (termed the “*mission-driven business approach*” by EMES) (ibid: 5). According to the EMES network, the latter “*mission driven approach*” also includes the concept of “*social business*”. The concept of

social business has been particularly popular in the context of international development (Brugman and Prahalad 2007. See also Newell and Frynas 2007). Such schemes are based on the principle that there is a “*fortune*” to be made at the “*bottom of the pyramid*” (Prahalad 2006. See also Newell and Frynas 2007; Prahalad and Hall 2002; Yunus 2007), with the creator of the term BoP, C.K. Prahalad suggested that by selling goods or services to the poor, companies could not only make money, but relieve poverty as well (Prahalad 2006).

Within the “*earned income*” school, Alan Fowler further distinguishes between organisations which integrate the social mission into their commercial activities, and organisations which use external commercial activities to cross-subsidise their social mission (Fowler 2010). Organisations in the former category, which Fowler terms “*integrated social entrepreneurship*”, use commercial activities to simultaneously earn an income and generate a social benefit (ibid: 645). Social businesses, as defined above, tend to fall into this category. Thus in Bangladesh, the Bangladesh Rural Advancement Committee (BRAC) began integrating commercial activities into its social mission by creating potato cold stores to provide upward linkages to markets, thereby benefiting both producers and the organisation (Fowler 2010). Microfinance schemes similarly combine income generation with a social purpose in a single business. Meanwhile, other organisations “*re-interpret*” their social mission to create a closely aligned commercial activity. Fowler cites the examples of an NGO in the US which sold meals to the medically infirm and then began to advertise its services for wealthier but older customers, or a union in Mexico which has helped traditional bird catchers to earn income from selling their bird management skills, thereby combining environmental conservation with income generation (ibid.). In distinction, organisations in the second category, which Fowler terms “*complementary social entrepreneurship*”, set up “*an enterprise dimension that does not necessarily engender a social benefit*” (ibid: 647). The separate enterprise activity can then cross-subsidise the social mission, meaning that the social mission does not necessarily need to earn income. As an example, Fowler cites an organisation in Brazil which generates a third of its income through an internet service (ibid). For Fowler, however, both of these types of social enterprise are distinct from what he terms “*civic innovation*” a concept which will be discussed further in Section 3.2.4 below.

The second school of thought in the US is the “social innovation” approach. This school of thought defines entrepreneurship as innovation, rather than commercial activity. Hence social enterprises find creative ways to address particular social problems. This form of social enterprise is sometimes distinguished by its focus on the concept of “social entrepreneurship” or individual “social entrepreneurs” and the characteristics that they possess (See e.g. Thompson 2008). In the US, the Ashoka Foundation has been a key player investing in social enterprises, which are defined as innovative ventures in the “citizen” or “social” sector (Ashoka 2012[a]). This includes businesses with a social purpose, but it could also reflect a purely social innovation, such as a change in the law to protect human rights, or the invention of a new model of education (Ashoka 2012[b]). Roger Martin and Sally Osberg further argue that a social enterprise is an innovative solution to a social problem which must, according to Joseph Schumpeter’s model of creative destruction, be scaled up to the point that it revolutionises existing conditions, “*rendering existing products, services and models obsolete*” (Martin and Osberg 2007). Social entrepreneurship by this definition only refers to social innovation which has long-lasting transformative effects.

Appendix U summarises some of the different ways in which the concept of social enterprise has been deployed around the world. In the UK, the concept of social enterprise has been framed in a similar way to the “earned income” school of thought in the US. Thus in 2002, the former Department of Trade and Industry (DTI) defined a social enterprise as “*a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners*” (DTI 2002: 7). According to this definition, organisations do not need to have a participatory governance structure in order to qualify as social enterprises. However, the concept in the UK has also been influenced by the European tradition. Thus there is still an emphasis on social enterprise as a vehicle of inclusion. For example, much of the literature in the UK focuses on what are termed Work Integration Social Enterprises (WISEs), or organisations which focus on drawing marginalised groups back into the mainstream economy (See e.g. Anderson et al 2012). The government has also focused on social enterprise as a vehicle of social inclusion: “*Crucially social enterprises provide a mechanism for bringing excluded groups into the labour market*” (DTI 2002: 6). Meanwhile, the characteristics of the “social innovation” school of thought from the US are

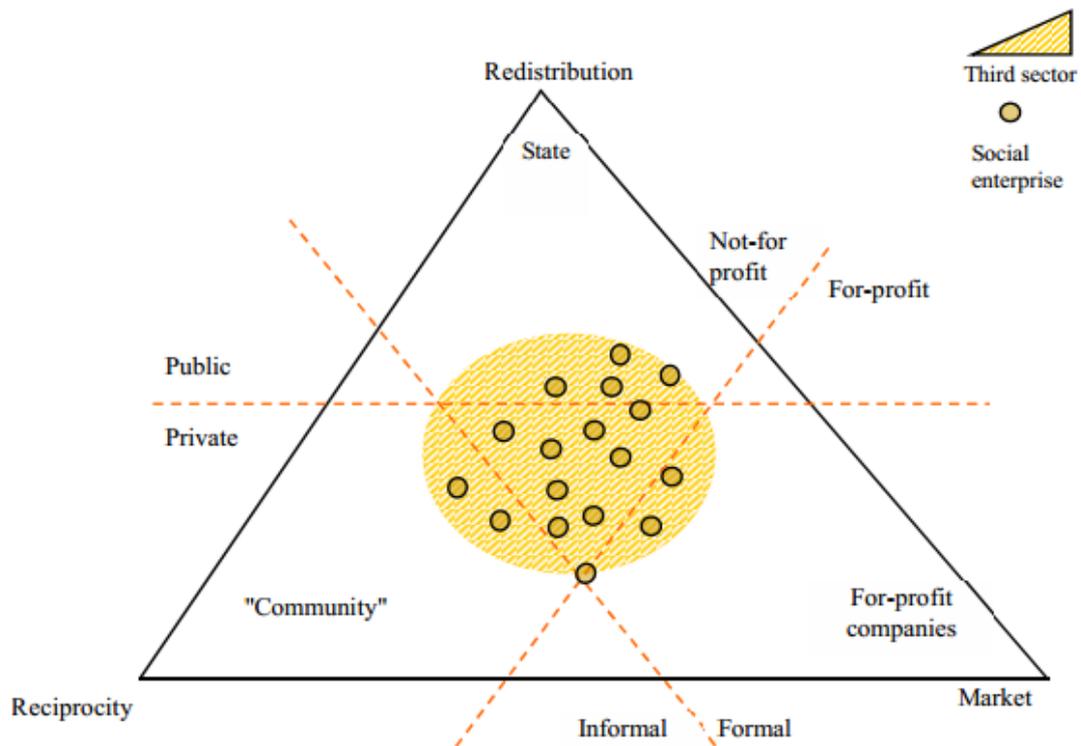
also present in the UK. For example, the concept of social enterprise was first popularised in the UK by a report produced by Charles Leadbeater in 1997, in which he defined social entrepreneurs as innovators who could identify under-utilised resources and harness them for the benefit of society (Leadbeater 1997). Hence whilst the concept of social enterprise in the UK is defined broadly, along the lines of the US “earned income” school of thought, social enterprises in practice are also often influenced by other traditions.

This thesis adopts the UK DTI’s definition of a social enterprise. By this definition, a social enterprise is an organisation that serves its primary social mission by engaging in commercial activity, with the majority of profits redistributed to the social purpose. Such organisations are also often, but need not be, participatory and innovative. This thesis focuses on two examples of social enterprises. The first is FRANK Water Ltd, a UK-based social enterprise which sought to raise funds for safe drinking water activities by selling bottled water and related products in the UK. The organisation therefore falls within the “earned income” school of thought, and specifically into Fowler’s category of “complementary social entrepreneurship”, as the commercial activity subsidises the social mission, rather than being integrated into the mission itself. However, as will be seen in Chapter 5, FRANK Water increasingly sought to integrate the commercial and social aspects, firstly by shifting away from bottled water in order to ensure that the commercial activity did not undermine the wider social mission, and secondly by setting up a separate charitable branch in the UK. The second type of social enterprise explored in this thesis is the social business model adopted in India. This falls into Fowler’s first category, or “integrated social entrepreneurship” as the projects are designed to be self-sustaining by generating income through the sale of water. The lessons from this thesis are therefore particularly applicable to organisations falling in these categories. However, the governance tensions facing these organisations will also resonate with other forms of social enterprise, as well as perhaps other organisations more widely in the third sector or in business, when they engage in similar activities.

### 3.3 Locating Social Enterprise

As noted by the EMES network, social enterprises are located in a particular space of the global economy (Defourny and Nyssens 2012). Figure 4 illustrates the place of such organisations in relation to other forms of economic activity. Drawing on the work of Karl Polanyi and a long history of European “third sector” scholarship, this diagram illustrates that economic activity is not only carried out by for-profit companies, who operate according to the logics of the market, but also state-based organisations who operate on models of redistribution, and communities (including households) which operate according to norms of reciprocity (ibid). The social economy or what the EMES network terms the “third sector” is located between each of these dynamics, and social enterprises form a part of this social economy. Such organisations are therefore located in the first instance, at the intersection of different sectors, between the public and private sphere, between not-for-profit and for-profit, and between the formal and informal economy. As a result, they also operate according to intersecting models of exchange, including reciprocity, redistribution and the market. It should be noted that as per the EMES network definition, not all social economy organisations are social enterprises. Instead, social enterprises are specifically characterised by the criteria outlined in Figure 3. Whilst they can therefore exist at various points within the third sector, the EMES network notes that such organisations tend to be located at the “*connecting areas*” along the dotted lines (ibid: 12).

**Figure 4: Social enterprise as a combination of various actors, logics of action and resources**

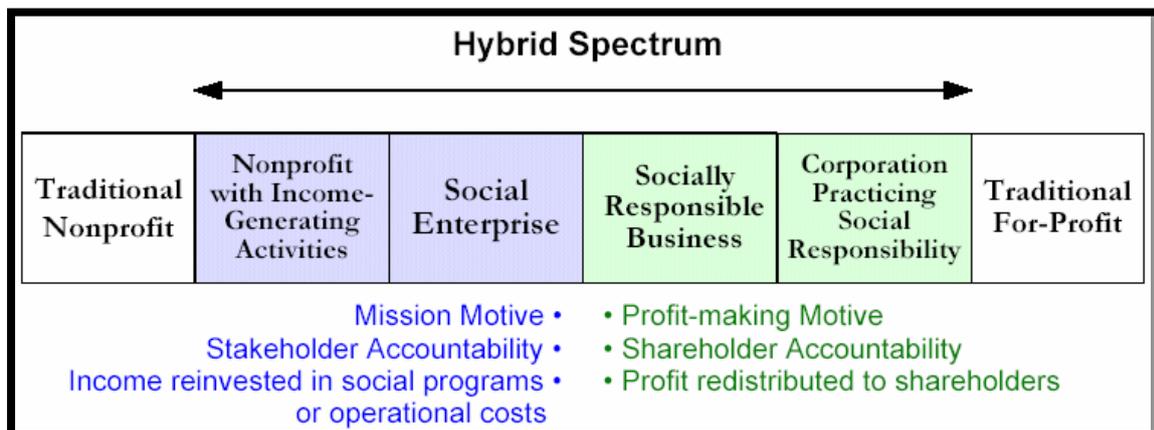


Source: Defourny and Nyssens 2012: 11, based on Pestoff (1998 and 2005).

As noted above, social enterprises in the US and UK contexts are more rooted in business, and there is therefore more of a specific focus on organisations towards the bottom right of the triangle, at the intersection of the third sector and business, particularly across the not-for-profit and for-profit boundary. This area of the economy is also characterised by a wide range of organisations. Figure 5 illustrates this as a spectrum between traditional for-profits and not-for-profits. At one end of the spectrum are those organisations which are primarily for profit but adopt a social element. This includes Corporate Social Responsibility (CSR) schemes, defined as the “voluntary action that business can take [...] to address both its own competitive interests of wider society” (JPA 2009: 9). This could include improving employee conditions, sourcing materials from ethical sources or donating funds to charity (ibid.). Increasingly, however, CSR has been replaced by what has been termed “socially responsible business”, which refers to a broader range of activities undertaken by private companies to minimise their negative impact on society and the environment (Social Enterprise UK 2012). This could include, for example, a company which operates a “carbon neutral” policy to minimise its impact on climate change (Expotel 2012). At the other end of the spectrum meanwhile, are not-for-profit organisations which engage in “income

generating” activities, for example by setting up a charity shop (JPA 2009). Whilst each of these categories could be seen as a combination of the private and third sector, it is the part of the third sector closest to the middle of the spectrum which is most often associated with the term social enterprise. This diagram is useful in illustrating the wide range of organisations that blend for-profit and not-for-profit elements, however it is helpful to locate this within the wider triangle offered by the EMES network, as this shows the further links to other actors such as the state and community. The next section will go on to look how the position of social enterprises in the wider economy results in particular governance tensions.

**Figure 5: Hybrid Spectrum of Social Enterprise**



Source: Pariyar and Ward 2005: 11, adapted from Alter 2004: 7.

### 3.4 Governance tensions in social enterprise

As noted by the EMES network, social enterprises face a number of governance challenges stemming from their position at the intersection of the different sectors. In the first place,

such organisations face tensions resulting from *“the conflict between the instrumental rationality of the market, which tends to be oriented to the maximisation and distribution of profit, on the one hand, and the primacy of social mission and democratic values in social enterprises, on the other hand”* (Defourny and Nyssens 2012: 12). The risk of social enterprises shifting away from their social purpose as economic concerns take over is what is often labelled *“mission drift”* within the sector (See e.g. ICSEM 2012; Jungerhans 2008; Zietlow 2001). For example, in the area of microfinance, spiralling interest rates led to a collapse in the microcredit industry in Andhra Pradesh in India, as politicians began to encourage defaults in protest (Priyadarshee and Ghalib 2011).

Meanwhile, the social mission itself can also be comprised of multiple goals. For example, as noted above, there is an on-going debate regarding whether social enterprises should be participatory, and therefore benefit their members, or whether the primary aim should be to generate income to be used for an external social purpose. At the same time, social enterprises are also located on the edge of the public sector, particularly when they are set up or promoted by state-based organisations (Defourny and Nyssens 2012). Under such circumstances, social enterprises are also expected to meet the agenda of the public agencies, which have also in many places been influenced by market principles (ibid). Finally, social enterprises face an on-going tension between the informal nature of community ventures and increased formalisation as such ventures approach the market and public sector (ibid). As noted by Roger Spear, Chris Cornforth and Mike Aiken, some of these tensions are similar to those affecting other third sector organisations (Spear et al 2009). However, there are a number of tensions which are specific to or more acute for social enterprises (ibid). Meanwhile, not all social enterprises face the same governance challenges (ibid). This section therefore explores some of these tensions, recognising that there will be variations across organisations, with a focus on legal structures, personnel issues, sources of funding, different ways of measuring outcomes and accountability to multiple stakeholders.

### **3.4.1 Legal form**

One of the first governance tensions facing social enterprises is the decision over which legal form to adopt. This section explores this tension in the context of the UK, however the

EMES network has found that social enterprises in other countries face similar tensions (Defourny and Nyssens 2012). In the UK, Ian Snaith notes that up until the turn of the 20<sup>th</sup> century, company law was particularly limited for social enterprises (Snaith 2007). For example, he notes that it was difficult to ensure that organisations which had been set up as social enterprises would not later be converted to businesses for private gain. There were some exceptions. For example, some organisations in sectors which already had a regulator, such as housing associations and charities which are regulated by the Housing Corporation and Charity Commission respectively, were prevented by these bodies from doing so (ibid). For other organisations, however, the available options for preventing such changes to the organisation were costly, time-consuming, and often undemocratic (ibid). In addition, the legislation for one of the most common legal forms for social enterprises, the industrial and provident society (IPS), was outdated and had not been updated along with mainstream company law (ibid). Thus changes in mainstream company law which, for example, were designed to benefit smaller companies had not been applied to IPS organisations, placing them at a disadvantage in the market (ibid).

The first decade of the 21<sup>st</sup> century saw a number of changes brought into company law which improved the situation for social enterprises. This included changes to the legislation governing IPS organisations, which were designed to bring company law in this area up to date. IPSs were also split into co-operatives and community benefit societies. Co-operatives were defined as member-oriented organisations *“that serve members’ interests by trading with them or otherwise supplying them with goods or services”*, and community benefit societies (bencoms) were defined as organisations which serve a community purpose beyond the interests of its members (Business Link 2013). Whilst bencoms were permitted to deploy an asset lock, this was not applied to co-operatives on the ground that members should reserve the right to transform the organisation into a for-profit entity, should they decide to do so (Snaith 2007). However, the regulations governing such a shift were changed. Whereas previously a small minority could force a shift in the organisation towards becoming a for-profit entity, the new legislation meant that co-operatives and bencoms now require a 75% majority, with a turnout of at least 50% to change their constitution (ibid). Another key change to company law for social enterprises was the introduction of the Community Interest Company (CIC). CICs must serve a social purpose (as defined by a

“community interest test” administered by a CIC regulatory body), they have an asset lock, and whilst they can generate some profits for shareholders, these profits are capped (Business Link 2013, CIC Regulator 2010, Pratt 2009). CICs cannot be charities, and do not gain the tax benefits enjoyed by charities, however they can recruit professional and paid board members (ibid). Whilst governed by a regulator, they are also less heavily regulated than charities which are governed by the Charity Commission (ibid).

These changes addressed a number of the gaps in company law for social enterprises. However several challenges remain. Firstly, further changes are needed to bring company law for social enterprises in line with similar law for mainstream entities (Snaith 2007). Secondly, there is still no universal legal form for social enterprises (Spear et al 2009, Bull 2008, Snaith 2007). Whilst the CIC form was specifically created for social enterprises, social enterprises can also take a range of other legal forms. Appendix R illustrates these options, as outlined by the former government body Business Link (Business Link 2013)<sup>8</sup>. In addition, some social enterprises opt for a dual structure, where one entity is a subsidiary for another (Spear et al 2009). Furthermore, the different legal forms do not represent coherent alternatives, and there are overlaps and inconsistencies between the different options. For example, whilst the introduction of an asset lock mechanism is helpful in protecting communities from the misuse of their assets, there are now two legal forms which deploy this mechanism: a bencom where an asset lock is optional and a CIC where an asset lock is mandatory (ibid). The rationale behind making it optional for one form of company and mandatory for another is not clear (ibid). To complicate matters further, co-operatives can also form co-operative CICs, which are permitted to have an asset lock, but co-operatives in the IPS form cannot have an asset lock (ibid). Similar inconsistencies exist regarding the extent to which profits can be distributed to shareholders, and the degree to which a participatory governance structure is required (ibid).

In the first place, the diversity of options is problematic for the founders of social enterprises because they require specialist legal advice to ensure that they select an appropriate legal framework (Spear et al 2009). More fundamentally, however, it creates a

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<sup>8</sup> The year 2013 refers to the year that the document was downloaded. This guidance was produced prior to a change of government in 2010.

crisis of legitimacy. As noted above, the DTI definition broadly suggests that social enterprises are all those organisations which trade for a social purpose. They are therefore both social and business-oriented. However, are social enterprises which also include members in their governance structure more social and therefore more legitimate? In particular, are social enterprises with a strictly one-member, one-vote structure more participatory and therefore more social? Similarly, are organisations which allow for a professional board more able to compete in a business environment? Or are organisations which allow a limited distribution of profits more amenable to investors? Whilst some actors, mainly those associated with co-operatives, have chosen to work through the formal legal route to strengthen their legitimacy, other actors have sought to resolve this debate by creating informal certification schemes. Thus in the UK, there is a voluntary certification scheme known as the Social Enterprise Mark, which confers a stamp of approval on organisations which meet a specific set of criteria (Social Enterprise Mark 2013). Meanwhile the Social Enterprise Coalition has also produced its own list of criteria to guide the public towards a particular form of social enterprise (Social Enterprise UK 2013[a]). This reflects the tension between formal and informal governance between community ventures and the third sector. As noted by Snaith, the plurality of legal forms (and, it might be added, the plurality of informal schemes) for social enterprise has some benefits in terms of flexibility (Snaith 2007). There is also, however, a broader tension regarding the definition of social enterprise, and therefore the legitimacy, of different forms of organisation. This tension will be illustrated in Chapter 5 which explores the differences between FRANK Water Ltd and other brands of ethical water. Without a clear distinction between either legal form or even certification, these organisations vied for legitimacy as social enterprises through marketing strategies regarding organisational ethics, environmental standards, and profit distribution, with different organisations placing different degrees of emphasis on each aspect. This tension will be explored further in the last, problematising, section which suggests that what constitutes a social enterprise, and in particular what constitutes a legitimate social enterprise, depends on whose interests are at stake.

### **3.4.2 Recruitment and staffing**

Another tension faced by social enterprises centres on recruiting and retaining appropriate people. Social enterprises are not alone in this. Thus, as noted by Spear et al, common

governance challenges facing third sector organisations include recruiting board members, managing a membership base, and managing the relationship between boards and management (Spear et al 2009). Such tensions however, can be particularly challenging for social enterprises, and certain types of social enterprises in particular. Thus, when it comes to recruiting board members for example, all third sector organisations face difficulties in this, as they often require such board members to work voluntarily, and this difficulty is compounded in disadvantaged areas (ibid). For social enterprises however, this difficulty is particularly acute as they also require board members to have the necessary “*financial, business and strategic skills*”, required to help them compete with other private sector organisations (ibid). Whilst, as noted above, some legal forms permit social enterprises to hire professional board members, social enterprises still face difficulties in finding people who possess the right combination of both financial and social skills and expertise (Spear et al 2007). This difficulty is particularly acute for social enterprises that seek to engage in trading activities, with a number of such organisations reporting that board members often lack business experience and are risk averse (Spear et al 2009). Different approaches to risk is therefore one tension emerging from the intersection of business with the third sector. In addition, those organisations with a membership base face further challenges in ensuring that members remain actively engaged, particularly as the organisation grows (ibid). Such organisations face the possibility that an elite group of members or staff will take control, undermining the democratic nature of the organisation (ibid). In their research on UK social enterprises, Spear et al identified one novel attempt by football supporter trusts to resolve this tension by engaging members through electronic media (ibid). The role of technology in democracy is a wider debate, however this illustrates clearly the tensions faced by those social enterprises which have a participatory structure.

A related tension, which is again faced by other organisations to some extent, is the relationship between the board and management. As noted by Spear et al: “*there is a paradox at the heart of governance arrangements in all organizations that employ professional managers. While it is the board that is formally responsible for the overall control of the organization it is management that have access to the main levers of power to carry out this responsibility*” (Spear et al 2009: 9, drawing on Demb and Neubauer 1992). On the one hand, the board must be able to hold management to account, whilst on the other

hand boards are often accused of interfering unduly in the day-to-day affairs of managers (Spear et al 2009). Whilst it is often stated that the solution to such tensions is to specify clear roles and responsibilities for both the board and managers, Spear et al note that this is often difficult to do in practice. In the first place, strategic and management roles are intertwined, with strategic knowledge often originating in practice and, furthermore, board members as well as managers may lack the capacity to fulfil their roles effectively (ibid). These tensions particularly face social enterprises whose boards and management may require a range of different skills to manage their roles. For example, boards whose members originate in the third sector may find it difficult to hold a professional manager to account when the manager has been recruited from business (ibid). One solution adopted by some social enterprises has been to recruit non-executive directors from the private sector to perform this role, although some social enterprises are reluctant to do so, fearing that such a board member would not share their social ethos (ibid). Other factors making this relationship particularly difficult for social enterprises include the frequent presence of a dominant founding social entrepreneur, and the lack of training opportunities for social enterprises (ibid).

Meanwhile, the governance tensions in social enterprises also extend to its staff. Social enterprises, along with other organisations in the third sector, often employ a mixture of volunteers and paid staff. Social enterprises in particular however, recruit professional staff to engage in commercial activities. As noted by the EMES network, this can create tensions caused by the *“co-existence of deeply committed founding volunteers, on the one hand, and paid staff willing to work in the framework of a clear, fixed-hour labour contract on the other”* (ICSEM 2012; 12). People working in social enterprises will therefore be motivated by a variety of different factors. Thus in one empirical study focusing on social enterprises in Bristol in the UK, Ash Amin found that whilst some social enterprises were managed by founders, others were managed by career professionals (Amin 2009). Similarly, some employees primarily viewed their jobs as a means of earning an income, whilst others were motivated either by the social cause, the nature of the work or the career potentials (ibid). Meanwhile volunteers were composed of both individuals who were motivated by the social cause, as well as individuals who were using volunteering as a means of gaining experience of work, either because it would improve career prospects or as a way of gaining entry to

the mainstream economy (ibid). Amin suggests however, that social enterprises often did not lead to furthering opportunities in the mainstream economy, and that this should therefore not be their primary aim (ibid), a concern which will be discussed further below. In order to manage the diverse interests of managers, staff and volunteers, a number of “human resources” (HR) solutions have been designed specifically for social enterprises, although as with much organisational support, such advice is still more limited for social enterprises than other organisations (Ohana and Meyer 2010; Royce 2007). In Chapter 6, it will be seen that personnel tensions initially existed most strongly between rather than within organisation. However as one of FRANK Water’s partners shifted increasingly from a charity to a social business model, tensions emerged within the organisation between field staff, who were primarily recruited from the third sector, and the board and management whose experience was primarily in the field of business. One of the consequences of this was a high turnover of staff, making it difficult for FRANK Water to build up a strong relationship with the organisation.

### **3.4.3 Funding sources**

One of the most-often cited challenges facing social enterprises is that they find it difficult to secure financial capital to set up and, in particular, to grow their businesses (See e.g. Brown 2006; Brozek 2009; Chertok et al 2008; Flockhart 2005). Whilst such difficulties face many new businesses, the problem is particularly acute for social enterprises. Firstly, in an article entitled “the funding gap”, Michael Chertok, Jeff Hamaoui and Elliot Jamison suggest that social enterprises face particular difficulties in securing funding because they do not fit comfortably into either the for-profit or not-for-profit mould:

*“Foundations and other philanthropists are used to donating money to traditional nonprofits but are often uncomfortable donating money to an organization that generates a profit. Commercial investors, on the other hand, are used to investing in traditional for-profits but are often uncertain about investing in organizations with an explicit social mission”* (Chertok et al 2008: 46)

Funders from the traditional charitable and business sectors may therefore, in the first place, be culturally averse to investing in social enterprises. In addition, even if investors are

keen to fund social enterprises, they may not be able to. Some social enterprises operate under legal forms which prevent the accumulation of reserves or assets, which can present barriers to securing both public and commercial funding (Flockhart 2005). Others, such as CICs, have asset locks, limit the amount of profit that can be distributed to shareholders, and place restrictions on shareholders rights (Brown 2006). Furthermore, the funding from traditional sources is often inappropriate for the needs of social enterprises. Thus Bill Drayton, founder of Ashoka, once noted that due to the slow and limited funding available from foundations, *“What a social entrepreneur needs and what a foundation provides is an almost perfect mismatch”* (Drayton, cited in Osberg 2006: 284). Meanwhile, other factors such as the lack of clarity over the definition of social enterprise (Chertok et al 2008), the lack of information provided to investors, and the lack of funding available for setting up the “infrastructure” of an enterprise in order to enable it to grow, make it difficult for social enterprises to secure funds (Brozek 2009).

One solution is for social enterprises to set up hybrid or dual structures, although this requires significant additional effort in governing both entities (Chertok et al 2008). Meanwhile, two broad sets of changes have made it somewhat easier for social enterprises to secure funds directly as a single entity. The first change is a shift in corporate governance. As described in Chapter 2 with reference to the UK, a series of corporate scandals during the late 1980s and early 1990s led to an increasing interest in combining the search for profit with both social and environmental concerns (Chhotray et al 2009). Hence private investors see merit in investing in companies which deliver both social and financial gains. Secondly, government policy has increasingly favoured social enterprise and in the UK in particular, the government between 1997 and 2010 instituted a series of policies designed to improve the business support available to social enterprises (Hines 2005). As a result there are now a number of possible sources of funding for social enterprises. These include direct investors such as “angel investors”, which are individuals that provide early-stage support to businesses and have begun to include social enterprises, as well as to a lesser extent endowed nonprofits, philanthropic foundations, international development agencies and pension funds (Chertok et al 2008). In addition, there are several intermediary investors who focus specifically on social enterprises, including social venture capital funds, community development financial institutions, and social enterprise and non-profit loan

funds (ibid). In developing countries, social enterprises can also apply for international small-and-medium-size enterprise (SME) development funds (ibid). However, whilst such sources of funding exist, they are still very limited (Brown 2006; Chertok et al 2008). For example in the UK, between 1996 and 2006, ethical and social enterprises raised over £35 million from bonds and shares, however this was less than 1% of the total amount invested in ethical investment funds in the UK (Brown 2006). Social enterprises therefore still face significant “funding gap” (op cit). As will be seen in Chapter 5, this did pose difficulties for those ethical waters wishing to grow their business. For FRANK Water, however, the problematic nature of the product, bottled water, meant that the organisation sought to stay local and small instead. In India meanwhile, FRANK Water’s partner organisation secured funding from a large multinational corporation. As will be seen, it was the effects of this funding on the social aims of the organisation which would ultimately be most problematic.

#### **3.4.4 What gets measured...**

According to Neil Rotheroe and Adam Richards, a further tension associated with social enterprises is performance management, which David Bryde and Lynne Robinson have described with the maxim “*what gets measured gets managed*” (Bryde and Robinson 2005, cited in Rotheroe and Richards 2007: 32). The implication is that metrics are essential to an organisation’s performance. In particular, whereas businesses traditionally focus on maximising profit, there has been an increasing emphasis on measuring other aspects their operations, including their social and environmental value (Rotheroe and Richards 2007). Whilst this applies to all businesses, social enterprises by their nature are interested in both financial and social returns. Furthermore, as an emerging concept, social enterprises are under particular pressure to “prove” both their economic and social value (ibid). For example in 2002, the UK government’s former Social Enterprise Unit declared that “*establishing the value of social enterprise*” was one of its key desirable outcomes (ibid: 32). However, measuring both financial and social returns presents a number of difficulties. Firstly, as organisations which are often focused on innovation, social enterprises may work in areas which lack established metrics (Conner Snibbe 2006), however this applies to all new ventures. More significantly, there are two tensions involved in measuring results for social enterprises: a) the mutual incompatibility of social and financial results, and b) the

difficulty in measuring social outcomes. Firstly, social and financial returns have often been seen as incompatible. Thus organisations within the third sector may specifically attempt to demonstrate that they do not generate a profit, in order to demonstrate their charitable nature (Flockhart 2005). In addition, where they do seek to demonstrate financial gains, these gains may often be less than those in the private sector, or offset by other benefits (ibid). Thus social enterprises may, for example, provide services which do not generate a financial return, but are essential in binding communities together (ibid).

Secondly, there is the problem of measuring social benefit. To some extent, this difficulty also applies to financial returns. Thus the “return on investment” in areas such as advertising or research and development are notoriously difficult to measure, even in the world of business (Conner Snibbe 2006). A number of factors, however, make social change particularly difficult to measure. Firstly, there is contention over what constitutes social change. Thus, as noted by the Acumen Fund, an organisation which specifically invests in social enterprise, the first step that they take in measuring their results is to define “*social impact*” (Trelstad 2008). As they note, this may not be as simple as, for example, the number of people provided with mosquito nets. Instead, consideration must be given factors such as, in this case, the quality of delivery and use of the bednets. Furthermore, proving that such an intervention subsequently lowers rates of malaria requires an impact assessment which is often disproportionately expensive, taking up funds which could be spent on extending the social activities (ibid. See also Conner Snibbe 2006 on the cost of impact evaluation). Measuring social impact, or even outcomes (where outcomes are defined as the achievement of social aims, and impact is defined as the degree to which these achievements can be attributed to the intervention) is further complicated by the length of time required for evidence of social change to emerge and the uncertain pathways that social change can take (Conner Snibbe 2006). Social interventions also have unforeseen consequences and secondary effects, both positive and negative for various groups of people (Trelstad 2008).

The difficulty in measuring social returns is one which affects the third sector as a whole, as non-profit organisations are increasingly also required to measure their performance (Conner Snibbe 2006). Social enterprises however, particularly those which require funding

from businesses, are under even more pressure to demonstrate their impact. In order to overcome these difficulties, a number of attempts have been made to develop frameworks which can help social enterprises measure both financial and social returns. One of the most influential attempts to measure social impact is the Social Return on Investment (SROI) Framework, formulated by the Roberts Development Foundation and BTW Consulting, and subsequently taken up by the New Economics Foundation (Trelstad 2008; Flockhart 2005). The aim in this framework is to identify all of the stakeholders that benefit from a particular organisation, beyond the traditional focus on shareholders (Flockhart 2005). Meanwhile, attempts have been made to modify traditional private-sector tools, such as the “*balanced scorecard*” for the purposes of social enterprises (Kaplan and Norton 1996). The balanced scorecard is a tool for developing a firm’s strategy by exploring the “*financial*”, “*customer*”, “*internal processes*”, and “*learning and growth*” aspects of an organisation (ibid). Pilots to adapt this to social enterprise have focused on including social goals, broadening financial goals to emphasise sustainability and including a more diverse group of stakeholders (ibid).

These tools, however, still have a number of limitations. In the first place, conducting SROI audits can still be relatively resource intensive (Flockhart 2005). Furthermore, the varied nature of social enterprises means that it is still difficult to draw comparisons between different organisations, even using standardised tools (Trelstad 2008). Finally, such tools have been developed with an aim to “*demonstrate [that] social value is attractive to investors*” (Flockhart 2005: 33). The aim is to demonstrate the importance of social value not just in itself, but also as a prerequisite to generating financial value (ibid). As will be discussed further below, the degree to which social and financial values are compatible remains contested. For FRANK Water, it was ultimately this clash between financial and social metrics which proved most contentious. As the projects in India shifted closer to a business model, the outcomes that were measured focused on narrow commercial outcomes such as income, the number of customers, the number of projects and the geographical areas covered. As noted above, “*what gets measured gets managed*” and this narrow focus in turn affected the nature of the work being done. For example, financial viability was prioritised over social aspects with the result that projects, for example, were located in areas where there was likely to be a viable customer base, rather in areas where safe drinking water was a need in terms of either poverty or health. In this case therefore,

the difficulty in measuring social outcomes was overshadowed by a narrow focus on financial outcomes. As will be seen in Chapter 4 however, there are tensions over measuring the outcomes of safe drinking water projects as well, even where the aims are social. As Frank shifted towards a social model, it was these tensions which came to predominate.

### **3.4.5 Multiple stakeholders**

Another central tension facing social enterprises is the accountability claims that they face from a diverse array of stakeholders. To some extent, this is a tension faced by all organisations. Thus the increasing emphasis on “good governance” in the private sector requires corporations to manage the competing interests of a range of stakeholders (Chhotray et al 2009). This includes not only shareholders, but managers, employees, creditors, customers and the wider community (ibid). However, in the private sector, it is often still the shareholder who is the primary stakeholder (Spear et al 2009). By contrast, third sector organisations are responsible to a wide variety of different stakeholders, such as members, beneficiaries, and funders (ibid). These groups are also often represented on the board, and it is the role of the board to balance the different interests of each group (ibid). Social enterprises must therefore in some cases balance the interests of shareholders as well as a diverse array of stakeholders. Furthermore, unlike businesses or charities which have a clear definition of their primary beneficiary, social enterprises do not have a clear over-arching or primary group of stakeholders (ibid). Hence such organisations are often referred to as having a “double”, or “triple” in cases where environmental and social issues are separated, “*bottom line*” (Dart 2004: 415).

This tension can be particularly acute for organisations in the “earned income” school of thought, and specifically in what Spear et al term “*trading charities*” (Spear et al 2009: 267). In the empirical study conducted by Spear et al they found that, in such organisations, “*a number of participants reported problems with board members having to move away from a ‘charity’ culture, which may be more comfortable thinking in terms of projects and programmes towards a more entrepreneurial one that needs to think more in terms of developing a sustainable business, and evaluating new business opportunities and risks*” (ibid). Thus whilst shareholders may require a profitable and financially sustainable business, and may be willing to take risks to achieve this, this may come at the expense of

beneficiaries for whom higher prices or risk may have detrimental effects. Chris Low cites two examples of where this tension might occur (Low 2006). Firstly, he suggests that a community centre might find that it had the capacity to host commercial events as well as local community events. In such a scenario, however, the organisation might find that in a bid to increase its income, commercial activities take up space and time that was originally meant to be allocated to the community (ibid). Similarly, a childcare provider could begin selling a number of places at private rates to wealthier customers (ibid). However, as this activity increased, it would reduce the number of places available for those on low incomes. John Zietlow similarly explores the marketing of social enterprises, suggesting that an undue emphasis on marketing to increase the earned income aspect of an organisation increases the likelihood of “mission drift” (Zietlow 2001). To some extent, this tension occurred within FRANK Water. The organisation operated on a not-for-profit basis and therefore did not have shareholders, however as will be seen in Chapter 5, the organisation still had to balance the interests of employees, customers and the surrounding community in the UK with interests of partner organisations and beneficiaries overseas. This tension, however, occurred in its most significant form at the project sites. As will be seen in Chapters 6 and 7, as the implementing organisation shifted towards a for-profit model, it was the interests of the shareholders and the beneficiaries which were most at odds.

As noted by Alan Fowler therefore, in the context of international development social enterprises, *“the art of integration is to marry development agendas with market opportunities and then manage them properly so that they are synergetic not draining. Too often this is the Achilles’ heal [sic] for NGOs [Non-Governmental Development Organisations]”* (Fowler 2000: 646). One way of overcoming this is to create a business that is closely linked to the social mission of the organisation. For example, Robert Jungerhans describes how one social enterprise, a soup kitchen, created a consultancy as an additional activity, which enabled the organisation to earn additional income without straying too far from its original social mission (Jungerhans 2008). According to Fowler’s typology, organisations which adopt an *“integrated”* or *“re-integrated”* approach to their financial activities will therefore face less tensions than those which have a *“complementary”*, but not integrated, approach to their earned income stream (op cit). Those in the latter category must therefore pay more careful attention to their choice of business activity. Another

strategy pursued by some social enterprises has been to set up multistakeholder boards (Spear et al 2009). These bodies have the potential to bring together diverse groups in decision-making, however there are concerns that such boards can make it more difficult and time-consuming to reach agreement (ibid). In their interviews with various actors in the social enterprise sector, Spear et al also found that there were concerns that such boards were more conflictual and members of multistakeholder boards tended to act in the interests of the group that they represented rather than the wider interests of the organisation (ibid). The extent to which such mechanisms can overcome the diverse stakeholder interests therefore remains an open question. The section below will go on to look at critical perspectives which suggest that attempts to do so overlook the more fundamental questions about social enterprises.

### **3.5 How social is social enterprise?**

When it comes to dealing with these tensions, the literature on social enterprise is divided. On the one hand, the “*problem-solving*” (Bacchi 2009: xvi) literature focuses on ways to overcome these tensions. Thus, as described above, a number of frameworks have been developed which attempt to achieve good governance for social enterprises. Examples include the attempts to create a unified legal form, set up multistakeholder boards, or create funding agencies specifically for social enterprises. In addition, there is a large body of literature which focuses narrowly on case studies which are designed to promote successful examples of social enterprises (Brine 2006; Curtis 2008; ICSEM 2012; Toner et al 2008). By contrast, there is another critical body of literature which problematises the concept of social enterprise. Rather than exploring how to achieve good governance for social enterprises, this literature explores why organisations in the third sector have increasingly adopted a social enterprise approach in the first place, and more specifically, why the “*earned income*” (Defourny and Nyssens 2012: 5) definition of social enterprise has come to predominate in countries such as the UK. If social enterprise, or more specifically

earned income social enterprise, is the solution then, in Bacchi's terms, "*what's the problem represented to be*" (Bacchi 2009)?

This section begins by exploring what the problem is represented to be in the context of social enterprise, in particular earned income social enterprise. Drawing on Bacchi's framework, it then goes on to explore the following questions: what assumptions does this representation contain and how has it emerged? What are the gaps in this representation? What are the effects and, crucially, what are the alternatives? (ibid) By exploring these questions, problematising perspectives place the specific tensions facing social enterprises in wider context. The practice of placing tensions in broader context has already been adopted in the case of Corporate Social Responsibility (CSR). For example, Stephen Brammer, Gregory Jackson and Dirk Matten draw on institutional theory to look at how CSR has tended to be framed in business terms, to the detriment of a broader sociological understanding which would highlight stronger forms of institutional social solidarity (Brammer et al 2012). As noted by Bacchi, this is not a purely academic exercise "*with little to offer practitioners*" (Bacchi 2009: 34). Instead, problematising approaches can open up new avenues for problem-solving. As will be seen in this section for example, problematising perspectives suggest that organisations could choose whether or not to adopt a social enterprise approach in the first place and if so, what form of social enterprise to adopt. This then creates a demand for further problem-solving frameworks to help organisations make these initial decisions.

The first question is what the problem is represented to be when it comes to social enterprise. According to Raymond Dart, social enterprises are often accounted for using what he terms "*functional*" explanations, which are associated with "*rational or economic modes of thought*" (Dart 2004: 412). According to functional explanations, the third sector as a whole can be explained as a result of the failure of the public and private sectors to provide adequate services (ibid). Similarly, social enterprises are seen as a means of overcoming the limitations of the third sector (ibid). More specifically, according to Anna Toner, Isaac Lyne and Patrick Ryan, social enterprises are seen as a better approach for the third sector on the grounds that they are best placed to tackle social exclusion, respond to social need and empower communities (Toner et al 2008). For example, in his work entitled

*“The End of Charity: Time for Social Enterprise”*, Nic Frances argues that *“acts of charity, within the status quo, can never deliver justice and sustainability. Real social change must come from a fresh approach, from the creation of a value-centred market economy”* (Frances 2008: 90). The problem is thus presented as the failure of the third sector to deliver public services due to a lack of market principles. Following on from this, the key assumption is that if organisations in the third sector adopt market principles, and specifically engage in trading activities, they will better be able to deliver on their social aims.

For Dart however, *“[t]hese rationalist explanations ignore or overshadow some of the sociological basis and cultural or political origins of the non-profit sector (and of its recent innovation in social enterprise)”* (Dart 2004: 412). Instead, he draws on institutional theory to suggest that the rise in social enterprise reflects a shift in what types of organisations are seen as legitimate (ibid). On one level, this could be seen as a form of pragmatic legitimacy, whereby social enterprises decide to shift towards private sector models to increase their funding (ibid). However Dart concludes that it is not enough to suggest that organisations in the third sector are shifting towards a social enterprise model because it is pragmatically expedient to do so (ibid). Not only does this offer a narrow explanation of organisational behaviour, there is also not sufficient evidence to suggest that third sector organisations which adopt a social enterprise model fare economically better than those that do not (ibid). Instead, Dart suggests that the rise in social enterprise reflects a societal shift in what type of organisation is seen as *“morally”* legitimate (ibid: 419). Specifically, this shift can be traced back to political agendas which favour market-oriented approaches (ibid). In the UK in particular, social enterprise rose to prominence on the back of the *“third way”* agenda of the New Labour government, which sought to *“reconcile the demands of market driven competition with social aims and public good benefit”* (Arthur et al. 2006: 1). Just as the rise of NPM saw private sector methods introduced into the public sector, so social enterprise could be seen as a way of introducing neoliberal principles into the third sector.

Social enterprise has thus come to be seen as the solution to a failing third sector. As noted above, the key assumption in this framing of the problem is that the failure of the third sector is due to a lack of market principles. Drawing on wider theories of the state,

however, Toner et al suggest that this overlooks alternative explanations (Toner et al 2008). For example, the argument that social enterprises are best placed to tackle social exclusion is premised on the assumption that they can help to increase access to the market. Drawing on Hilary Silver and Ruth Levitas, Arthur et al suggest that this liberal discourse of inclusion, or “*social integrationist discourse (SID)*”, overlooks two alternative discourses including a “*moral underclass discourse (MUD)*” and a “*redistributionist discourse (RED)*” (Levitas 1998: 7; Toner et al. 2008: 2. See also Silver 1994). Whereas the MUD discourse suggests that exclusion stems from a lack of moral norms, and is therefore also termed a “*conservative*” discourse, the RED discourse more progressively suggests that the causes of exclusion stem from wider structural factors (ibid). Similarly, the assumption that market principles will enable the third sector to better respond to social need and deliver empowerment overlooks wider structural causes of deprivation and disempowerment (Toner et al 2008). From a problematising perspective, the assumption that market principles will better enable third sector organisations to deliver public services, therefore overlooks alternative, and in particular wider structural, representations of the problem.

Similarly, Eve Garrow and Yeheskel Hasenfield explore the tensions facing Work Integrated Social enterprises (WISEs), or social enterprises which focus on increasing access to employment (Garrow and Hasenfield 2012). Drawing on Bourdieu, they suggest that the tensions facing social enterprises stem from their location at the intersection of two different professional fields, namely the private sector and the third sector: “*if the institutional logics that organize fields are broadly conceived as ‘rules of the game’, then WISEs operate in two different games structured by varying and sometimes conflicting rules, meanings and interests*” (ibid: 123). The assumption behind social enterprises is that market principles will enable social enterprises to better deliver on their social objectives. However, this overlooks the different “*rules of the game*” (ibid) in the two fields which will mean that a business approach and understanding of social objectives will be very different to that of the third sector. As noted by Martti Siisiäinen, in the context of partnerships between business and third sector organisations:

*“members of social movements and voluntary associations may have moral 'interests' in the game, whereas economic elites may be guided by 'rational' economic*

*interests, counting the costs and benefits; and may appeal to universal values and use euphemisms to veil their basic interests” (Siisiäinen 2000; 15).*

Whereas this suggests a degree of malicious intent on the part of the private sector, Bourdieu’s perspective simply illustrates that despite an overt interest in the social, the field of business is part of the *“economic field”* which is characterised by the pursuit of profit (Bourdieu and Wacquant 2002: 98). Whilst cultural capital is important, financial capital predominates, and the bottom line is profit. Meanwhile in the third sector, whilst financial capital is also important, legitimacy derives from the way in which it is transferred into cultural capital through demonstrating social impact (Goddard 2007). The structural interests, in Bourdieu’s sense, of the two fields are therefore different. In addition, the two fields are characterised by different professional doxas. There are therefore also likely to be differences in interpretation. Thus in the case of WISEs, Garrow and Hasenfield found that the greater a WISE’s immersion in the field of business, the more likely it was to adopt a liberal discourse of inclusion: *“the greater the exposure to a market logic, with its emphasis on profit, productivity and efficiency, the greater the risk of displacement of the mission-motive work experience and the role of clients as service recipients”* (Garrow and Hasenfield 2012: 123). A problematising perspective therefore suggests that a degree of caution is necessary when approaching apparent *“win-win”* scenarios (ibid: 122). Even though actors from different fields can appear to converge on a shared objective, for example social inclusion, their interests in pursuing this objective, and the way in which they interpret this objective will vary according to the way in which the habitus is shaped in different fields. Furthermore, due to unequal power relations, the interests of more powerful groups are likely to dominate, even as their interests are presented as universal. In Bourdieu’s terms, as highlighted by Siisiäinen, *“universal culture is the culture of the dominants”* (Bourdieu 1998: 90, cited in Siisiäinen 2000: 18).

Social enterprise therefore represents a particular, market-oriented, solution to the problems facing the third sector. Why then does it matter if this representation of the problem has predominated over other possible representations? In Bacchi’s terms, what are the effects (Bacchi 2009)? According to Toner et al, previous examples of market-oriented solutions, including in particular the experience of microfinance in development, suggests

that market solutions tend to favour “*the capable people within deprived communities, rather than the most disadvantaged or dysfunctional*” (Toner et al 2008: 9, emphasis in original). Thus initiatives designed to expand access to the market will tend to benefit those groups already in a position to take advantage of these services. According to Toner et al, it is possible that the more marginalised groups may benefit indirectly from microfinance, for example they may gain employment from those who have secured loans, however the experience of microfinance still shows that widening access to the market does not in itself “*empower communities*” (ibid). They therefore conclude that “*social enterprise can make an impact on specific excluded groups, [...] but they alone cannot tackle the structural conditions that shape deprivation and exclusion*” (Toner et al. 2008: 11). Different discourses have different effects on different groups of people. For example, market-oriented discourses privilege those with the means to take advantage of market opportunities.

Rather than looking at how to govern social enterprise, a problematising perspective therefore explores whether it is appropriate for an organisation to adopt a social enterprise approach in the first place, and if not what the alternatives might be. In doing so, problematising perspectives place problem-solving in much broader context. Drawing on the EMES triangle of economic zones in Figure 4 above, social enterprises represent a shift in the third sector away from the community point on the triangle and closer to the private sector point. The alternatives, for an organisation in the third sector, are therefore to retain their charitable approach and shift closer to the community point, or to engage explicitly with structural conditions by shifting upwards towards the public sector. For example, in the context of international development, Alan Fowler suggests that whilst development NGOs do face questions over their legitimacy, a shift towards social enterprise does not represent the only solution (Fowler 2000). Instead, he suggests that the concept of “*civic innovation*” represents another, perhaps less risky alternative (ibid). Civic innovation, in his terms, refers to “*the creation of new or modification of existing conventions, structures, relations, institutions, organisations and practices for civic benefit demonstrated by ongoing, self-willed citizen engagement and support*” (ibid: 649). Whilst both social enterprise and civic innovation are distinct from the traditional public and private sectors, civic innovation draws more strongly on the roots of community-oriented initiatives. As an example, Fowler cites an initiative in Cameroon which draws on traditional responsibility for community care to

create a community-funded and voluntary programme for the care of vulnerable children (Fowler 2000). Rather than focusing on the distinction between “integrated” or “complementary” social entrepreneurship therefore, a broader approach looks at the relative merits of “social enterprise” and “civic innovation”.

Social enterprise therefore does not represent the only solution for organisations in the third sector. Furthermore, as discussed above in the section on definitions, earned income social enterprise does not represent the only form of social enterprise. Thus as noted above, the EMES network in Europe continues to champion the co-operative tradition of social enterprise by stressing that a key feature of social enterprise is a participatory organisational structure. Similarly, Tim Curtis draws on critical management studies to suggest that social enterprises could be re-imagined as spaces of counter-hegemonic resistance (Curtis 2008). For Curtis, state-sponsored social enterprises in particular have become enmeshed in political agendas, which in turn are tied to the dominant trends of neoliberalism described above. Rather than conform to dominant agendas, he suggests that social enterprises would be better redefined as counter-hegemonic agencies (ibid). Again, this shows that the third sector could shift closer towards the community or voluntary sector, defined here as a space of difference and alternatives, rather than being pushed towards the dominant public and private sector. Furthermore, Curtis identifies the supposed failure of a number of social enterprise schemes as examples of such resistance to state-imposed definitions of success (ibid). For example, organisations which failed to deliver on output targets may have been resisting bureaucratic forms of contractualism in order to focus on less tangible social outcomes (ibid). Social enterprises may therefore already be more counter-hegemonic than formal definitions suggest.

If social enterprise, and earned income social enterprise in particular, represents only one solution amongst many for organisations in the third sector, then the next question is how an organisation makes the decision which alternative to adopt. Kristen Reid and Jon Griffith for example, begin by questioning the assumption that “*social enterprise is better than doing nothing*” (Reid and Griffith 2006: 7). They then go on to explicitly explore the particular circumstances under which social enterprises are better than doing nothing, and in what form. They find that there are a number of industries which would specifically

benefit from co-operative social enterprise models (Reid and Griffith 2006). However, significantly, they find that such models should be adopted willingly by autonomous organisations, which are free to choose social enterprise over other available options (ibid). Similarly, Sinead McBrearty suggests that the social enterprise route is most appropriate for organisations that have a desirable product or service, for a market with sufficient resources and willingness to pay and the commitment and managerial skills required to change the organisational culture (McBrearty 2008). As will be discussed in Chapter 4 in the Section 4.3 (*“International Development”*) however, it is factors such as the willingness and ability to pay which can mean that social enterprises fail in areas of greatest need. Problematising perspectives therefore place social enterprises in broader context by making explicit the assumptions and implications contained in different problem representations. In this way, they open up new avenues and possibilities for further problem-solving. Chapter 4 will similarly go on to look at how both problem-solving and problematising approaches view transnational partnerships for development, with a specific focus on development interventions to increase access to safe drinking water.

## **Chapter 4: Transnational partnerships for development**

### **4.1 Introduction**

The literature in the previous chapter primarily concentrated on the tensions facing social enterprises within a national context. This chapter looks at some of the tensions which face social enterprises as they engage in partnerships for development at the transnational level. The first section begins by looking at the literature on governance tensions in transnational partnerships. It will be suggested that partnerships between organisations in different professional sectors face similar tensions to social enterprises, with further tensions resulting from their geographical positions. The chapter then looks at the governance tensions that organisations face when engaging in development interventions, with a specific focus on interventions to increase access to safe drinking water. As will be seen,

such interventions face governance tensions around measuring progress, the role of institutions and behaviour change. Finally, the chapter will conclude by looking at why, despite considerable investment, progress in access to safe drinking water has also been slow and inequitable. This section will draw in particular on the work of the STEPS (Social, Technological and Environmental Pathways to Sustainability) Centre to suggest that a problematising perspective can provide a broader set of alternative “*pathways*” to development (Leach et al 2007).

## **4.2 Transnational Partnerships**

This section begins by looking at the literature on the tensions a social enterprise might face when engaging in a transnational partnership. Whilst there is little literature specifically on social enterprises as actors in transnational partnerships, there are two key areas of literature which can help to inform a partnership such as the one in which Frank is engaged. Firstly, there is a large body of work on partnerships between different sectors. This includes public-private partnerships (PPPs) between governmental organisations and for-profit companies, but also partnerships which include non-governmental organisations (NGOs) in the third sector. This section begins by looking at some of the tensions faced by cross-sector partnerships at the national level before looking at how these tensions are manifested in the global context. In addition, within the third sector, there is a well-established field of literature on partnerships between NGOs at the global level. The third part of this section looks in particular at the literature on the relationship between “Northern” and “Southern” NGOs.

The terms “North” and “South” were coined in 1980 by the Brandt Commission, a UN-sponsored committee which produced a report on global development issues (Brandt Commission 1980). The Commission used the terms North and South in order to move away from the Cold War categories of the First, Second and Third Worlds (ibid.). Instead, the terms North and South were used to refer respectively to those countries in the geographical North plus Australia and New Zealand, and those in the geographical South (Brandt Commission 1980: 31). The Commission noted that those countries in the South shared a “*common predicament*”, involving, usually, a colonial legacy, high levels of poverty and an unequal relationship with the North (ibid., 31-32). The categories were therefore

broadly synonymous with “‘rich’ and ‘poor’, ‘developed’ and ‘developing’” (ibid., 31). Whilst recognising that patterns of inequality extend across national borders, this thesis suggests that the North-South division represents one axis of inequality which can cause tensions for transnational partnerships

#### **4.2.1 Public-Private Partnerships**

The term “*public-private partnership*” (PPP) was popularised by New Labour in the UK in 1997 and refers to private sector involvement in the provision of public services (Spackman 2002: 258). The concept, however, had its roots in the previous Conservative government which had pursued a particular political agenda: minimising the role of the state and increasing the influence of the private sector (Dart 2004: 419; Seymour 2012). The attempt to increase the role of the private sector was done in three ways. Firstly, the Conservative government introduced private sector models of governance into the public sector, under New Public Management (NPM) (See Chapter 2). Secondly, they began privatising public services. Initially, this involved selling already profitable companies in order to raise revenue and at the same time lower wage rates by weakening unions (Seymour 2012). Increasingly, however, privatisation became seen as an end in itself (ibid). Finally, the government devised a third way to include the private sector, in the form of the Private Finance Initiative (PFI) (Seymour 2012. See also Spackman 2002). Under this initiative, private sector companies were asked to fund capital investments in public service infrastructure. In return, the companies acquired the right to rent the completed services to the government for a specified number of years (ibid.). This arrangement was initially proposed as a means for the government to increase funding for public services without including the costs on their budgets, known as “*off-balance sheet financing*” (UNECE 2008: 5; Spackman 2002: 284; Seymour 2012). Under New Labour, however, it was adopted as a policy prescription, under the new label of Public-Private Partnerships (Spackman 2002). Since the election of a Conservative-Liberal Democrat Coalition in 2010, privatisation has increased even further (Seymour 2012). For example, it was announced in 2012 that some aspects of policing, previously considered too sensitive for privatisation, were now being put in the hands of private security firms (Travis and Williams 2012).

Whilst the concept of mixed service provision is not new, the UK was the first to introduce mass involvement of the private sector in fields such as the utilities sector (Prosser 2001: 63). This blurring of the boundaries between the public and private sector has been met with both enthusiasm and criticism. The literature on the governance of PPPs is thus divided between those who view such partnerships as an opportunity for collaborative governance, and others who see them as a further emblem of neoliberal processes. Firstly, from a problem-solving perspective, PPPs are explained in one of two ways, on the basis of either function or incentives (Schäferhoff et al. 2007. See also Bäckstrand 2006). Similarly to explanations for social enterprises, “functionalist” explanations see PPPs as emerging out of a failure of the public sector to deliver services (BBC 2003). Unlike social enterprises however, which merge business with the social internally, PPPs involve partnerships between separate organisations. A second explanation is that such partnerships are in the interests of both parties as separate actors. From an “incentive-based” perspective, PPPs thus offer an opportunity for both sectors to achieve together what they could not achieve alone: *“Arguably, the joint approach allows the public sector client and the private sector supplier to blend their special skills and achieve an outcome which neither party could achieve alone”* (Akintoye and Hardcastle 2008: xix). The corporate governance literature in this field, meanwhile, is thus concerned with improving the governance of such partnerships so that mutual benefit can be achieved. For example, the United Nations Economic Commission for Europe (UNECE) has produced a guidance document specifying what constitutes “good governance” in PPPs, and recommends a certification scheme to improve the governance in this area (UNECE 2008. See also: Akintoye and Hardcastle 2008).

Meanwhile, a critical approach looks more closely at *“who benefits and who suffers”* (Bourdieu and Wacquant 2002: 93) from these initiatives. In particular, it is often noted that PPPs disproportionately benefit the private sector (BBC 2003). To some extent, the public sector benefits as it receives increased capital for infrastructure which might otherwise not be built (Seymour 2012; BBC 2003; UNECE 2008). The cost of this however, is long-term debt (Seymour 2012). According to one study, for example, *“The ‘rent’ for PFI projects in the health service alone will top £13bn”* (BBC 2003). In the meantime, the study suggested that the private sector companies involved will make profits of between £1.5 and £3.4 bn, over a period of thirty years (ibid.). Meanwhile, those who suffer tend to be not only the tax payer

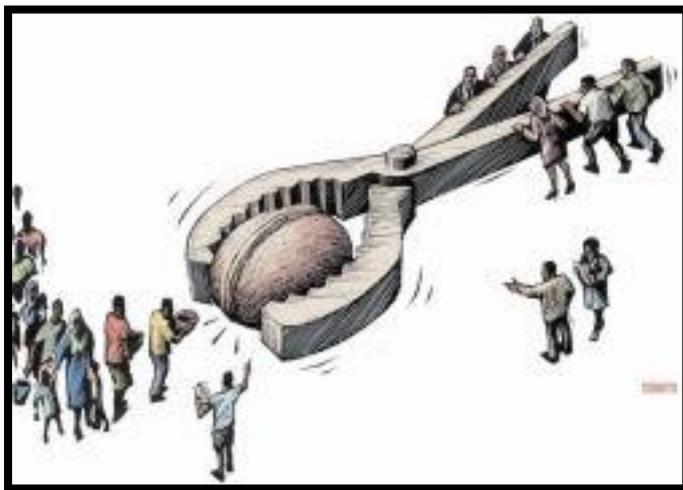
but workers and those who depend on the service (ibid.). From a critical perspective, this is because the only way in which the private sector can be more effective than the public sector is by reducing its costs (ibid.). The argument is that this leads to lower wages, poorer working conditions, including less secure employment, and a reduced quality of service (ibid.). Whilst some PPPs have operated more successfully than others, the overall critical perspective suggests that the encroachment of the market into public service benefits those who are in control of the market: *“in shifting the democratic to market-based principles of allocation, it favours those who are strongest in their control of the market”* (Seymour 2012). The concept of PPP therefore raises tensions again between business and social values. The next section goes on to look at how some of these tensions have translated into the global context.

#### **4.2.2 The “Global Agora”**

Whilst PPPs emanated in their current form from the UK, they have also become common at the global level, partly because the UK government has promoted PPPs as a development tool (Likoksky 2006; Panggabean 2005). Whereas in the national context a PPP reflects an agreement between a national government and private company, at the global level, the term has come to be associated with partnerships between multi-lateral organisations, states and a variety of non-state actors including private companies as well as actors from the third sector. Diane Stone refers to this rise of multi-sectoral collaboration as a return to the *“global agora”*, referring to the Ancient Greek domain which was both a marketplace and a public square (Stone, D. 2008: 20). Chapter 2 discussed the rise of these multi-sectoral partnerships as a new form of global governance. This section will focus on multi-sectoral and transnational partnerships for development, particularly in the context of service provision. Similarly to PPPs in the national context, such partnerships are seen as a way to overcome the inadequacies of states, multi-lateral organisations, the private sector and the third sector when acting alone (Martens 2007; Buse and Walt 2000). In addition, incentive-based explanations focus on the mutual benefits of collaboration. From this perspective, states, multilateral institutions and the third sector can benefit from the resources, expertise and efficiency of the private sector (Buse and Walt 2000). In return, the private sector gains opportunities for investment as well as other benefits such as marketing and

tax breaks (ibid.). From a problem-solving perspective, global partnerships are seen as potentially mutually beneficial endeavours and the emphasis is therefore on making such partnerships “work” (Buse and Harmer 2007; Runde 2006). Figure 6 illustrates one example of a problem-solving approach. In this image, the public sector is portrayed as pushing on one side of the nutcracker whilst the private sector pushes on the other. Together they aim to provide famine relief in the form of a high-protein, nut-based product (Runde 2006).

**Figure 6: Public-Private Partnerships for Development.**



*©David Rooney*

*Source: Runde 2006.*

From a problematising perspective however, multi-stakeholder partnerships at the global level are characterised by the same tensions as those facing PPPs in the national context. In the first place, there is a tendency for the private sector to dominate. For example, in one study of 23 governing bodies in health PPPs, it was found that the private sector was represented by 23% of board members, whilst government agencies had 13%, NGOs had 5% and the rest was made up of a mixture of representatives from academia, international organisations and foundations (Buse and Harmer 2007). In addition, although the private sector is often cited as the main source of funding, several global partnerships are underfunded, and one study of UN partnerships for sustainable development found that less than 1% of the funding came from the private sector (Hale and Mauzerall 2004, cited in Biermann et al. 2007). Despite this, the private sector has reaped a series of rewards from engaging in such partnerships, including an improved profile, tax breaks, access to new markets and, in

some more controversial cases, a means of disposing of surplus goods (Buse and Walt 2000). A critical perspective therefore suggests that the private sector has disproportionately benefited from such partnerships and that, furthermore, this has come at the expense of the social objectives of the partnership. Similarly to social enterprises, there is firstly a concern that the drive for profits will undermine the social objectives. Hence for example, private provision of water has in several cases led to increased tariffs and disconnections for the poorest sections of the population (International Environmental Law Research Centre [IELRC] 2009). Secondly, there is a concern that PPPs will shift power away from democratic institutions, and towards less accountable sources of private power. For example, in the global health sector, an increasingly significant proportion of funding comes from a single, private source, the Gates Foundation (Buse and Harmer 2007). From a structural perspective therefore, the image of the nutcracker (Figure 6), fails to adequately explore the power relations between the partners.

These tensions, which were also prevalent in the national context, are even more marked at the global level (Morgan 2006: 467). Firstly, PPPs tend to be dominated by governments and private companies from Northern countries. For example, in one study in 2006 it was found that almost all leading governments in UN partnerships were from the global North (Biermann et al. 2007). Similarly, in the provision of water services, the largest private water companies are located in the UK and France, and these are also the most prominent players in transnational PPPs (Morgan 2005). In addition, as noted by Tony Prosser and Bronwen Morgan, the process of involving the private sector in the delivery of public services in countries such as the UK was accompanied by a specific institutional context (Morgan 2006). In particular, the process was accompanied by a sufficiently powerful civil society demanding a regulatory regime which, in areas such as the privatisation of water services, placed limits on tariffs and disconnections (ibid.). In Southern countries, however, the capacity of the public sector to regulate private companies is limited, especially if the companies are Northern companies outside of their jurisdiction (Morgan 2006). Furthermore, the introduction of private sector models, before civil society has become institutionalised, may have an individualising impact which prevents such a collective voice from forming (ibid.). As a result, PPPs in the transnational context tend to be characterised by private companies benefiting in the North, at the cost of social purpose in the South. The

next section discusses North-South tensions further, in the context of partnerships between NGOs at the transnational level.

### **4.2.3 NGO Partnerships**

Another set of literature which can provide useful insights into the tensions facing transnational partnerships is the literature on the relationship between Northern and Southern NGOs. According to David Lewis, Northern NGOs (NNGOs) are those which “*have their roots in the industrialized countries but which undertake development or emergency relief work in aid-recipient countries*” (Lewis 1998: 503). Southern NGOs (SNGOs) meanwhile are “*non-governmental organizations which have emerged locally in the countries where NNGOs are active*” (ibid.). Lewis notes that partnerships between the two emerged during the 1980s (ibid.). Whereas previously NNGOs carried out their own projects, it became more common during the 1980s for NNGOs to build up partnerships with SNGOs (ibid.). This section explores the way in which these partnerships developed over time, from both a problem-solving and a problematising perspective. From a problem-solving perspective, such partnerships were initially seen as a way of harnessing the respective comparative advantages of each organisation in “*mutually beneficial*” ways (Blagescu and Young 2005: 2). Thus, just as PPPs were seen as a way of combining the advantages of organisations located in different professional sectors, so partnerships between NNGOs and SNGOs were initially based on taking advantage of the proximity of each partner to their respective constituencies (Kazibwe 2000, cited in Brehm 2001). As noted by one study by the International NGO Training and Research Centre (INTRAC):

*“Northern NGOs are well placed to engage with the donor public and to undertake policy influencing and advocacy, whilst Southern NGOs have the benefit of local knowledge and presence. In working together, Northern and Southern NGOs combine their strengths and act as a link between their respective constituencies, strengthening their legitimacy. Thus, the sum of the whole partnership has the potential to be greater than the sum of the parts”* (Brehm 2001: 1)

Furthermore, the term “*partnership*” implied a more committed relationship than “*the classic development project*” (ibid.). Building up these North-South partnerships was therefore seen as a way of institutionalising transnational relationships.

The problematising literature, however, soon questioned whether it was possible to “*speak of partnerships*” in the context of relationships between the North and South (Barghouthi 1993: 205). Given the donor-recipient nature of the relationship, the concern was that the NNGO, and therefore the interests of the North, would dominate the partnership (ibid. See also Brehm 2001 and also Lewis 1998). This was a particularly prominent concern in cases where NNGOs depended on their funding from Northern governments, and might therefore require SNGOs to purchase military equipment or goods that served the economic interests of the North (Barghouthi 1993). Even in cases where NNGOs were not funded by the government, there was still a concern that the interests of the Northern partners would dominate over their Southern counterparts. Mustafa Barghouthi lists seven different factors which create an unequal relationship between Northern and Southern agencies. Firstly, there is the question over which party makes the decisions regarding funding. More often than not, this will be the NNGO, and in the past NNGOs have tended to prioritise infrastructure over human resources, at the cost of long-term Southern interests (ibid.). Secondly, whilst NNGOs often possess relevant expertise, this overshadows other, possibly more relevant sources of expertise within the South (ibid.). Thirdly, shifts in development trends in the North create problems for organisations in the South, who find themselves either constantly having to adapt their programmes to policy changes in the North, or “*cheat*” Northern organisations by appearing to make such changes, whilst retaining an element of continuity (ibid., 206. See also Mosse 2005 for an analysis of how shifts in development policy are interpreted on the ground). Fourthly, whilst championing sustainability, NNGOs tend to provide funding on a short-term basis, and the funding is often insufficient when compared to the sums spent on development in the North (Barghouthi 1993). Fifthly and sixthly, NNGOs often place additional administrative burdens on SNGOs and conduct monitoring and evaluation exercises, which are rarely reversed to place the spotlight on the NNGO itself (ibid.). Finally, NNGOs often prefer to establish a formally apolitical stance which precludes addressing some of the structural causes of inequality in the South (ibid.), a problem which will be discussed further in section 4.3

(*International Development*). A problematising perspective, therefore, questions whether relationships between NNGOs and SNGOs can be as equal as the term partnership implies (ibid.).

In response to these concerns, NNGOs more recently began to engage in capacity building, transferring not only resources but expertise to the South (ibid.). In some cases, this has had a limited effect. As noted by Barghouti for example, the training that is provided has little long term impact if a lack of resources or facilities means that people find it difficult to employ their skills locally (ibid.). Thus training may result in qualified people moving from the South to the North (ibid.). In other areas, however, SNGOs have increased in prominence, with the result that Northern donors, in particular government agencies, have begun to fund such organisations directly, using NNGOs primarily for emergency disaster relief (ibid.). This has left a number of NNGOs in a position of uncertainty (ibid.). From a problem-solving perspective, the solution has been to explore the advantages that NNGOs continue to possess. For example, Richard Moseley- Williams argues that the NNGO Oxfam could continue to provide a flexible source of politically neutral and untied funding, several years of global experience and a network of contacts to provide expertise and advocate on behalf of their Southern partners (Moseley-Williams 1994). From a problematising perspective, however, NNGOs face more uncertain ground. If Northern donors increasingly fund SNGOs directly, NNGOs will face a choice: either they become agents of disaster relief, thus potentially becoming part of a Northern political agenda, or they sell their expertise on the marketplace, thus becoming subject to the inequalities of the market (ibid.).

The existing literature on transnational partnerships therefore suggests that such partnerships are likely to face a number of tensions. In the first instance, partnerships between organisations from different sectors are likely to face similar tensions to social enterprises. Whereas social enterprises face such tensions internally however, partnerships are likely to result in tensions between different organisations. In particular, partnerships between the public, third and private sectors are likely to face tensions resulting from the dominance of the private sector. From a problematising perspective, the broader question is therefore whether the public and third sectors should seek partnerships with the private sector in the first place. Meanwhile, even partnerships within the third sector are likely to

face tensions at the transnational level, in particular when they cross North-South borders. Chapter 6 (*"The Blue Revolution: A Transnational Partnership"*) in this thesis contributes to this debate with an in-depth case study of the tensions that occurred in the small case study of Frank and its partners.

### **4.3 International Development**

This section turns to the final sub-research question to explore the tensions that affect the governance of development interventions. Development, in the context of *"social transformation"* (Rapley 2002: 1) is a highly contested concept. Firstly, the goal of development, or what is seen as desirable social transformation is contested. Historically, the goal has often been conflated with the financial means, resulting in the focus being narrowly on achieving economic growth (UNDP 1990). More recently, there has been a shift towards a wider concern with poverty alleviation (UNDP 2004: 6). However as was seen in Chapter 2, the extent to which this shift has taken place in practice, particularly through the policies of the International Financial Institutions (IFIs), has been limited. Meanwhile, poverty is also a contested concept (Gordon 2006). In particular, the term has been characterised by debates over whether there is an absolute threshold of poverty or whether poverty is relative (ibid.). As noted by David Gordon, in practice both definitions refer to a low income and a low standard of living, with the difference that an absolute definition imposes a more severe threshold (ibid.). In addition, poverty is also relative to different groups of people within societies. For example, childhood experiences of poverty differ both in scope and impact from poverty in adulthood (Gordon 2003). Meanwhile, a *"wellbeing"* perspective highlights the importance of looking beyond deprivations towards multidimensional, and often individually subjective, understandings of what is *"possible and desirable"* (University of Bath 2011). Encompassing these considerations, the United Nations Development Programme (UNDP) therefore suggests that, in its broadest sense, *"the basic objective of development is to create an enabling environment for people to enjoy long, healthy and creative lives"* (UNDP 1990: 9).

From a problem-solving perspective, the emphasis is on how to achieve development, and the solutions offered have shifted over time as the scope of development itself has changed.

Thus the early years following World War II were characterised by a Keynesian approach focused on promoting the role of the state, both in providing welfare and in protecting national industries (Faundez 2009; Rapley 2002; Trubek 2006). The 1980s saw a shift towards market-oriented approaches and the emphasis was on rolling back the state (ibid.). This era saw multi-lateral institutions imposing programmes of structural reform on the South (ibid.). During the 1990s, in a bid to mitigate the inequality caused by these programmes, the World Bank (WB) introduced a programme of “*development with a human face*” (Ndungane 2011). As discussed in Chapter 2, this shifted at least the rhetoric of development towards a broader focus on poverty alleviation. Most recently, development discourse has centred on the concept of good governance, and the role of the state as an effective “steerer” (See Chapter 2). This era has seen a large number of non-state organisations, including organisations in the third sector, brought in to deliver services as the “*rowing*” or implementing partners in development policy (Gaebler and Osborne 1992: 33).

Meanwhile a problematising perspective looks more broadly at how development has been framed and whose interests it serves. For example, during the Cold War, development assistance was used to exert political influence (Dodds 2008). This form of aid was clearly tied to particular Northern political agendas, and the problematising literature suggests that whilst the political landscape has changed, aid continues to serve Northern agendas. From an economic perspective, it is suggested that structural inequalities between North and South keep poorer countries in a perpetual state of “*underdevelopment*” (Frank 1966: 17). These inequalities include colonialism and more recently the Structural Adjustment Programmes (SAPs) imposed by Northern-controlled multi-lateral institutions (Dezalay and Garth 2002; Fanon 1963; George 1990). Current factors such as coercive trade agreements continue to enforce unequal relationships between the global North and South (Morgan 2006). In 2010, developing countries transferred around \$557 billion (£348 billion) (net) to developed countries, purely in financial flows (UNDESA [United Nations Development Policy and Analysis division] 2011). From this perspective, attempts to develop the South can only be done by challenging global structural inequalities.

According to this view, current practices of development are at best a means of perpetuating the status quo. For example, John Rapley argues that the shift in the 1990s towards “*development with a human face*” was primarily an attempt to mitigate the impact of structural adjustment on the poorest populations so that they would not revolt (Rapley 2002: 115). Similarly, as discussed in Chapter 2, the shift towards a broader concern with governance can be perceived as an attempt to strengthen rather than address the market-oriented policies advocated in the Washington Consensus. Furthermore, from a more post-structural perspective, development is a form of global control. Thus David Mosse argues that the new emphasis on good governance provides a more subtle, yet more pervasive means of exerting influence on the global South (Mosse 2005). Similarly, Mark Duffield has argued that development is not a way of “*bettering people*” but of “*governing them*” (Duffield (2001). This perspective is well illustrated by James Scott in his work on the failure of development interventions (Scott 1998). According to Scott, part of the problem with development interventions lies in the attempt by states to “*make [...] societ[ies] legible*” by simplifying, categorising and standardising populations (ibid: 2). Whilst not in itself dangerous, Scott notes that when combined with a high modernist belief in the ability to generate change through technical intervention, and, crucially, an authoritarian state and weak civil society, this form of ordering leads to inappropriate and often destructive processes of development. Whilst Scott’s focus has been on state schemes, he stresses that development interventions by private actors can have the same effects, and that in the 21<sup>st</sup> century, the state can also be a defender of local knowledges against increasingly capitalist forms of homogenisation. The next section goes on to look at the governance tensions in development interventions that specifically focus on the issue of access to safe drinking water.

#### **4.4 Safe Drinking Water**

Safe drinking water has been high on the international development agenda for several decades. In 1977, the UN declared that the 1980s would be the International Drinking Water Supply and Sanitation Decade (Mehta et al 2007). Then, at the turn of the 21<sup>st</sup> Century, access to safe drinking water was made a key target under the Millennium Development

Goals, with MDG 7c pledging to halve the number of people without access to safe drinking water and sanitation by 2015 (UN 2012). In 2013, as discussions over the post-MDG agenda were taking place, both drinking water and sanitation were set to form a key part of new international goals set for 2030 (UN 2013). This section begins by exploring why drinking water is so high on the agenda, as well as its relationship to sanitation. As will be seen, the multifaceted nature of drinking water means that its place in the overall development agenda is often contested. The next part of this section goes on to look more specifically at the governance tensions involved in delivering drinking water, focusing on defining and measuring access to safe water, ownership structures and behaviour change. The final section goes on to explore why, despite considerable interest, funding and developments in the provision of safe drinking water, progress towards universal access has been slow. Drawing in particular on the concept of “liquid dynamics” developed by the STEPS Centre (Social, Technological and Environmental Pathways to Sustainability), it will be suggested that in order to achieve universal access to safe drinking water, it first becomes necessary to look at how access to safe drinking water is framed, and whose interests this serves. The section concludes by looking at how particular framings can help to establish more appropriate governance frameworks for sustainable and equitable access to safe drinking water.

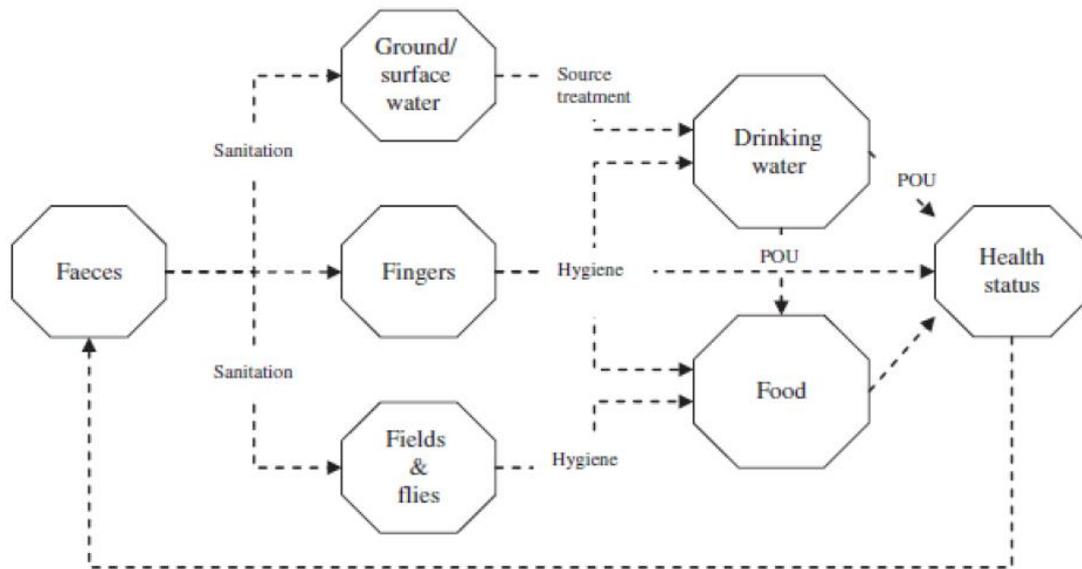
#### **4.4.1 Safe Drinking Water and Development**

Safe drinking water is closely linked to a number of issues in development, which are often inter-dependent. In the first place, a sufficient supply of drinking water is necessary for survival. Where water is not available locally, women and girls in particular often travel long distances to collect water (WaterAid 2012[a]; WaterAid 2012[b]). This can be time-consuming and dangerous, and has a number of health consequences including back and joint problems (ibid. See also Nandy and Gordon 2009). Secondly, poor quality drinking water is associated with a range of waterborne diseases. Waterborne diseases are those illnesses caused by ingesting contaminated water (Cabral et al 2009[a]). As will be seen below, there are also a range of other diseases spread through water. Firstly, however, the most widespread of waterborne diseases are infectious diarrhoeal diseases caused by microbial pathogens found in human and animal waste (Cabral et al 2009[a]). These can be transmitted to humans through a variety of different routes, including drinking water (ibid).

These transmission routes are discussed further below. In 2004, it was estimated that around 2.2 million people died from infectious diarrhoeal diseases, mostly young children under the age of five (ibid). In addition to disproportionately affecting children, diarrhoeal diseases both exacerbate and are exacerbated by malnutrition (WaterAid 2012 [c]), and disproportionately affect people with existing illnesses including HIV/AIDS (Unicef 2013).

Contaminated drinking water is therefore associated with a range of waterborne diseases, in particular diarrhoeal diseases. Diarrhoeal diseases however, are transmitted through a variety of different routes, as illustrated in Figure 7 (Waddington and Snilstveit 2009: 5). Interventions designed to prevent the spread of diarrhoeal diseases therefore often group water with sanitation and hygiene under the rubric of WASH (Water, Sanitation and Hygiene) (See e.g. Unicef 2013). Sanitation interventions focus on preventing open defecation and ensuring access to safe toilet facilities, whilst hygiene interventions focus on encouraging practices such as regular hand-washing with soap (WaterAid 2013[a]). In addition to drinking water, an increased supply of water also reduces diseases by ensuring that there is sufficient water for washing. Taken together, such interventions aim to address each of the transmission routes found in Figure 7. Improved sanitation and hygiene are also linked to reductions in other illnesses such as trachoma and hookworms (Hamilton and Velleman 2013; WaterAid 2012 [d]). Meanwhile, wider hygiene practices around water supply and drainage are linked to other health issues. Stagnant bodies of water, for example, attract insects which spread vector-borne diseases, such as malaria-carrying mosquitoes (WHO 2013). Furthermore, a lack of sanitation facilities can affect the safety in particular of women and girls, and the attendance of girls at schools (WaterAid 2012 [b]; WaterAid 2012[f]). Water, sanitation and hygiene therefore all contribute to levels of public health, in particular to the prevention of diarrhoeal diseases. In addition, as noted by STEPS, both drinking water and sanitation are often perceived as essential services or basic requirements for dignified life: *“more than most other resources and services, water and sanitation are essential for all aspects of life, wellbeing and productivity”* (Mehta et al 2007). Hence the tendency to group such interventions together, under the label WASH.

**Figure 7: Transmission routes for infectious diarrhoea**



*Source: Waddington and Snilstveit 2009: 5.*

The degree to which interventions in water quality, water supply, sanitation and hygiene respectively contribute to a reduction in various diseases, in particular diarrhoeal diseases, however, is disputed. In 1991, a review published by the World Health Organisation (WHO), suggested that water quality was less important than sanitation and hygiene (Esrey et al 1991). Similarly in 2000, another review showed that diarrhoeal diseases are less affected by the quality of water than the supply or quantity (Curtis et al 2000). By 2009, however, further research suggested that water quality interventions could have a greater impact, particularly if such interventions made sure that water was safe up to the point of use (Waddington and Snilstveit 2009). Point of use interventions ensure that water is safe up to the point of being consumed, thereby reducing risk of recontamination between collection and use. In 2004, one review found that the bacteriological quality of water significantly declined between source and point of use, particularly where faecal and total coliform counts in source water were low (Wright et al 2004). More recently however, further experimental studies have found that improvements in the quality of water, even at source, can have a greater effect on health than increasing quantity (Devoto et al 2012; Kremer et al 2011). However such research is limited to particular settings, and it therefore seems likely that the impact of different interventions will be highly contextually specific. Interventions designed to address diarrhoeal diseases must therefore consider each of the possible transmission routes. In some cases, one aspect such as poor water quality may be the main

cause of diarrhoeal disease. For example, epidemics of diseases such as cholera are largely spread through water (Cairncross 2003). However in many cases a narrow focus on water quality interventions may overlook other aspects such as sanitation and hygiene, which may ultimately be the main cause of diarrhoeal diseases (ibid). Furthermore, interventions that address water quality at source must also consider the risks of recontamination occurring between collection and use. As will be seen, the projects funded by FRANK Water focused on water quality at source. Whilst this was partly due to the specific nature of water contamination in the focus area, it will be seen that this is potentially a key limitation in terms of health outcomes.<sup>9</sup>

In addition to microbial contamination, groundwater supplies in particular can be contaminated by high levels of chemicals, such as arsenic, fluoride and nitrates (WHO 2008). According to the World Health Organisation, most water-related illnesses are associated with microbial contamination however chemical contamination also raises health concerns (ibid). For example, arsenicosis, or arsenic poisoning, causes a range of symptoms including skin disorders, cardiovascular diseases, cancers and neurological impairment in children (ibid. See also Eawag 2012). In Bangladesh, as many as 77 million people may be affected by arsenic contamination in their drinking water (Smith et al 2000). This is the tragic outcome of attempts by international agencies to dig tube-wells to prevent diarrhoeal diseases caused by contaminated surface water, without checking the chemical quality of the groundwater first (ibid),. Meanwhile, it is estimated that over 200 million people worldwide use drinking water supplies with high levels of fluoride (Eawag 2012). Whilst small quantities of fluoride prevent dental carries, long-term exposure to high levels of fluoride causes fluorosis, an ultimately debilitating illness affecting the teeth and bones (ibid.). There are also a number of other types of chemical contamination, as well as radioactivity, which can affect drinking water supplies (WHO 2008).

In the first place, therefore safe drinking water is associated with a health agenda in development. It is in particular associated with diarrhoeal diseases as well as specific forms

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<sup>9</sup> Many thanks to Stewart Kettle, PhD student at the University of Bristol, for his helpful comments and references on the impact of drinking water interventions.

of chemical contamination. When it comes to diarrhoeal diseases however, there is ongoing debate over the respective roles of water, sanitation and hygiene, whilst other factors such as malnutrition are also closely tied to health outcomes in this area. Meanwhile health itself is also tied to other aspects of development such as livelihoods and education. For example, in addition to causing suffering, the time lost through illness, as well as money spent on healthcare have further effects on school attendance, time spent in work and income (WaterAid 2012[a]). None of these aspects however, depend solely on drinking water or even WASH. This illustrates the interdependence of different development interventions. Furthermore, in addition to being associated with the health sector, drinking water is also associated with broader water issues in development. In addition to being linked to gender inequalities, water is essential not only for drinking, but for cooking, washing, and more broadly for livelihoods and the survival of ecosystems (Mehta et al 2007). International development NGOs such as Oxfam and WaterAid are therefore increasingly seeking to address the various uses of water in communities, with drinking water seen as one use amongst many (Bunclark et al 2011). Meanwhile, USAID, the US government development agency, in 2013 released a two-fold water strategy which prioritised in the first instance, the role of water in improving health and secondly, the role of water in food security (USAID 2013). The first tension regarding drinking water is therefore how such interventions are located within development. If the aim is to improve health, should drinking water be improved at point of source or point of use, and furthermore should it be grouped with issues such as hygiene and sanitation? A holistic approach suggests that point of use interventions grouped with hygiene and sanitation are more effective, whilst an even broader approach would further include malnutrition, gender inequality and access to healthcare. However, at what point does it become necessary to focus more narrowly and prioritise one or more aspects? Alternatively, should drinking water form part of wider attempts to improve the supply of water for diverse, and often competing, uses? The last part of this section returns to this dilemma by suggesting that the way in which drinking water is framed depends on the different interests at stake. The next section however, first goes on to look more specifically at some of the governance challenges involved in drinking water interventions. These tensions apply specifically to the provision of safe drinking water, whether or not such an intervention forms part of a broader programme of development.

#### **4.4.2 Governance Tensions in Drinking Water**

The STEPS Centre suggests that there are four major debates which have dominated the water and sanitation landscape (Mehta et al 2007). The first debate is regarding global assessments, including the ways in which access to safe drinking water and sanitation are defined and measured. The second is regarding the respective roles of technological and social solutions. The third is a debate over whether scarcity should be seen primarily as a physical or social constraint. The fourth is regarding how to define and achieve sustainability. This section specifically focuses on how these debates have created governance tensions in the area of drinking of water. It will begin by looking at the way in which global progress towards universal access to safe drinking water has been measured, and the limitations involved, including the limitations in terms of sustainability. It will then go on to look at how development interventions in this area have shifted away from a focus on technical infrastructure, towards a focus on building institutions and generating behaviour change. As will be seen there are on-going debates regarding how to operationalise both of these aspects. The third debate, regarding water scarcity, is primarily a debate that affects governance of broader water resource management interventions. Much of the literature on water scarcity has tended to portray scarcity as an issue of dwindling global supplies yet, as noted by the STEPS centre, scarcity is often more to do with socially constructed inequality regarding distribution rather than a lack of physical resources (ibid). Whilst the focus here is on the narrow provision of safe drinking water, this wider debate illustrates the importance of retaining an emphasis on distribution rather than physical supply. The final part of this section will turn to look at how the STEPS concept of Liquid Dynamics puts these tensions into broader context, by looking at how an explicit recognition of contextuality and power relations can help to frame debates over drinking water in a way that enhances pro-poor and sustainable governance.

##### **4.4.2.1 Measuring Progress**

In 2010, the Millennium Development Goal for drinking water was officially achieved (Unicef and WHO 2012[a]). The percentage of the world's population without access to safe drinking water fell from 24% in 1990, the MDG baseline year, to 11% in 2010 (ibid). As recognised by the United Nations Children's Fund (Unicef) and the World Health Organisation (WHO), however, there are a number of qualifications to be made to this

apparent success. This section will explore these limitations in order to illustrate the tensions around measuring progress in the area of safe drinking water. In the first place, grouping water and sanitation together masks the fact that the target for sanitation has fallen behind drinking water and is unlikely to be achieved by 2015 (ibid). In India, for example, in 2010, half of the population still had no toilet facilities at all and practised open defecation (Unicef and WHO 2012[a]. See Drèze and Sen 2013 on the lack of adequate sanitation in India). Secondly, MDG 7c only aims to halve the number of people without access to safe water. As a result, in 2010, 783 million people still lacked access to safe drinking water (ibid). In 2011, this had decreased slightly to 768 million people (Unicef and WHO 2013[a]). Thirdly, progress on drinking water has been inequitable. In the first instance, global measurements disguise disparities between regions and different countries. Sub-Saharan Africa for example is unlikely to reach the 2015 target even on drinking water, and progress overall has been slowest in least developed and low-income countries (Unicef and WHO 2011). Meanwhile, within countries, coverage is higher in urban areas than in rural areas, whilst poorer people are significantly less likely to use an improved source than wealthier people (ibid). Other inequalities include gender inequalities, with women and girls more likely to bear the burden of inadequate drinking water supplies (ibid). Firstly therefore, universal measurements disguise a number of inequalities within and across geographical regions and social groups.

Furthermore, there is considerable debate over the definition over access to safe drinking water and the quality of service that this entails. As per MDG 7c, access to safe drinking water is measured by a proxy indicator, namely the number of people with access to an improved source of water. An improved source of drinking water is defined as a source *“that, by nature of its construction or through active intervention, is protected from outside contamination, in particular from contamination with faecal matter”* (JMP 2013). This includes piped water into the home or yard, public taps or standpipes, tubewells or boreholes, protected dug wells, protected springs and rainwater (ibid). This indicator does not, however, specifically measure the quality, quantity, convenience, or reliability of the water that is provided (Nandy and Gordon 2009; Unicef and WHO 2012[a]). For example, between 2006 and 2010, Unicef and WHO piloted a *“Rapid Assessment for Drinking Water quality approach”* to measure the actual quality of water in sources which had been

designated as “improved” in five different countries (Unicef and WHO 2012[b]). They found that if the quality of water was taken into consideration, the number of people without access to safe drinking water was substantially higher than the official MDG indicator suggested (Unicef and WHO 2011. See also Bain et al 2009 and Cabral et al 2009[a]). They also found, however, that scaling up this pilot to the global level would be financially prohibitive (Unicef and WHO 2010). The concern was that the funds required to measure water quality at the global level would be better spent in improving water supplies instead. As the post-MDG goals are being formulated, on-going attempts are being made to make water quality testing more feasible, and a technical consultation in 2012 resulted in a recommendation that at least microbial contamination should be measured, to a level that can be done using field kits without the need for laboratories or expensive equipment (Unicef and WHO 2012[c]). There are also attempts being made to include measures of distance and functionality of sources into future monitoring schemes (ibid).

The decision to use a proxy indicator was therefore partly a practical consideration, based on resource limitations. In addition however, the decision to use a broad definition of improved drinking water was also based on an explicit acknowledgement that how access to safe drinking water is defined varies widely across different locations, as well as over time (Unicef and WHO 2012[a]). Thus, there is considerable debate over what a minimum requirement is in terms of quantity of water (Mehta et al 2007). For example, in South Africa, the constitution explicitly specifies a minimum of 25 litres of water per person per day, however others have argued that this quantity is too low, particularly if the livelihoods needs discussed above are included along with drinking water requirements (ibid). Similarly, regarding water quality, the World Health Organisation periodically reviews global standards of safe drinking water (WHO 2008). However these standards are modified at the national level. In India for example, the Bureau of Indian standards sets both desirable and permissible levels of contamination depending on what is feasible in particular contexts (Bureau of Indian Standards 1991). Furthermore, formal definitions of safety overlook different cultural perceptions around water. Thus in some villages in western India, local sources of water such as tanks and wells are preferred over officially improved government supplies of water due to suspicion over the taste of the government supplies (Mehta 2005, cited in Mehta et al 2007). There are similar debates over the acceptable distances and

frequency of supply. For example, in debates over how the post-MDG goals should be constituted, there is an on-going debate over whether piped water to the home, as enjoyed by many in the North, should be the universal standard (Unicef and WHO 2012[c]). On the one hand, high standards are desirable in terms of improving the quality of services, yet on the other hand, given limited resources, a lower standard which can reach more people may be preferable (Mehta et al 2007).

Finally there is an issue over sustainability and how this should be defined and measured. Whilst the MDGs officially aim for sustainable services, the proxy indicator of access to an improved source does not take into consideration the sustained functioning of the source. Again, this is due in part to difficulties in collecting data on sustainability, as well as debate over how sustainability should be operationalized (Unicef and WHO 2011). Current usage of the term “sustainability” originates with the UN Brundtland Commission which in 1987 defined sustainability as “*development that meets the needs of the present without compromising the ability of future generations to meet their own needs*” (Brundtland Commission 1987, cited in Redclift 2005: 213). Over time, the concept has taken on a range of different meanings, depending in particular on how development and needs are defined. With respect to water services, however, the term has tended to be used in a narrow sense of the continued functioning of water supplies in the long term. Thus WaterAid states that:

*“Sustainability is about whether or not WASH services and good hygiene practices continue to work and deliver benefits over time. No time limit is set on those continued services, behaviour changes and outcomes. In other words, sustainability is about lasting benefits achieved through the continued enjoyment of water supply and sanitation services and hygiene practices”* (WaterAid 2011, emphasis in original).

This stems from the concern that despite high levels of investment in the infrastructure of water services, these often fail to last and fall into disrepair within a short period of time (Unicef and WHO 2011). In Sub-Saharan Africa for example it is estimated that around 36% of hand pumps are non-operational at any given time, with the percentage much higher in some countries (ibid). The causes of this failure to sustain services however are multifaceted, creating difficulties regarding how to measure the likely sustainability of

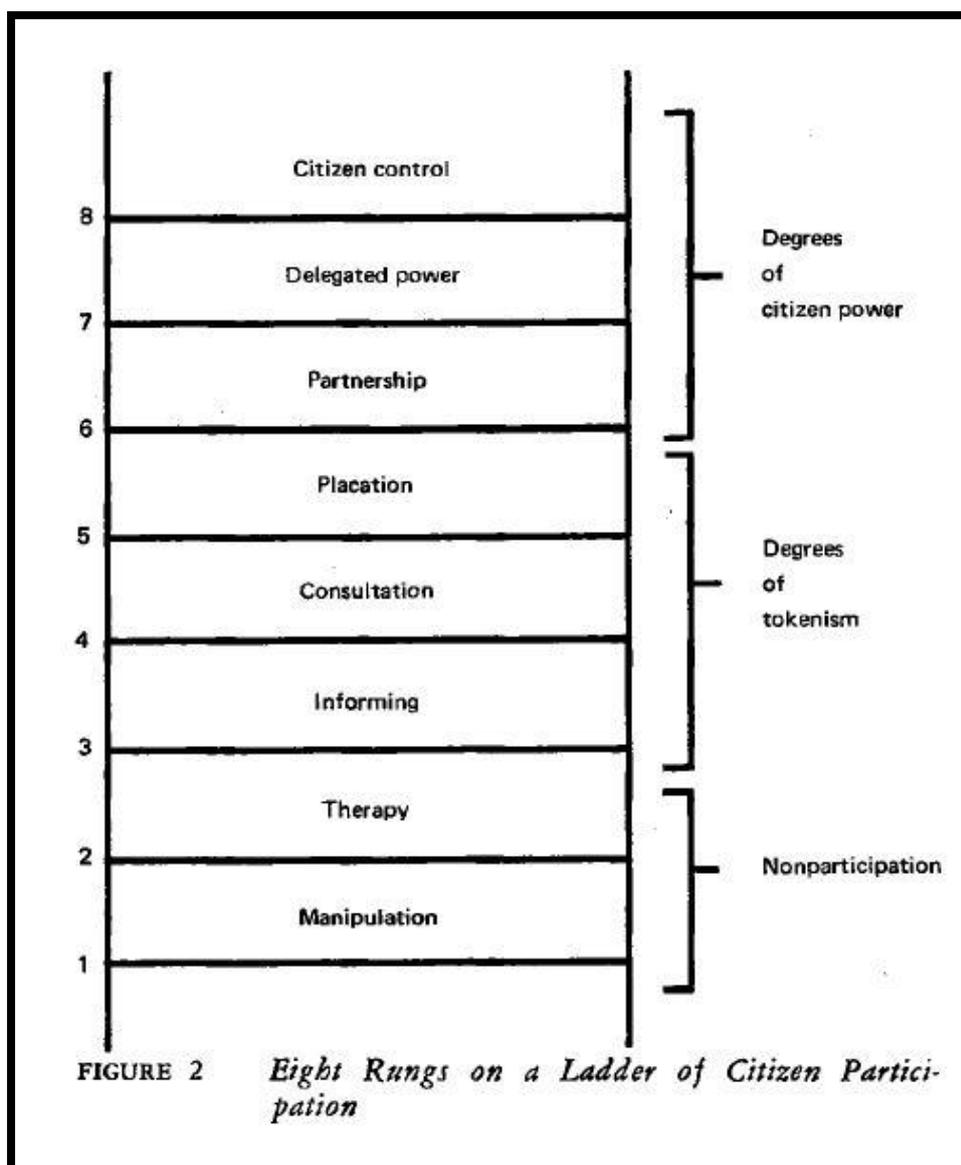
particular services. For example, from an environmental perspective, climate change poses a continuing threat to the availability of freshwater supplies (ibid). At the same time, sustainability also depends on the availability of equipment, skilled personnel, and funds to cover recurrent expenses (ibid). Others maintain that considerations of equity also come under sustainability (Mehta et al 2007). In the first instance, there is therefore considerable debate over how access to safe drinking water in its own right should be measured. As noted above, further debates exist over the outcomes that follow on from the provision of safe drinking water, such as improvements in health, livelihoods and education. Just as was noted in the section on social enterprise, such social outcomes are both difficult to define and measure. Furthermore, there is particular debate over how “sustainable” access to safe drinking water should be framed. The final part of this section will look further at how a problematising perspective helps to show that different perceptions shape different understanding over access to safe drinking water.

#### **4.4.2.2 The Role of Institutions**

According to the STEPS Centre, a second major debate in the WASH sector has been regarding the concept of “*technology as the fix*” (Mehta et al 2007: 9). During the 1980s, there was a global focus on technology or infrastructure as the solution to a lack of access to safe drinking water (Mehta et al 2007). In particular, there was an emphasis on large-scale, centralised solutions such as dams or, in the case of India, large-scale attempts to link the country’s rivers (ibid). As resistance to such schemes has grown, and infrastructure has fallen into disrepair, there has been a growing emphasis on the importance of institutions in governing water services, raising questions over who should own, run and perhaps most contentiously of all, pay for drinking water services? Two broad themes structure responses to these questions. In the first instance, there is a debate regarding the level at which services should be supplied. Thus since the 1990s, a number of countries have decentralised water services to the local level. In India for example, the 73<sup>rd</sup> and 74<sup>th</sup> constitutional amendments in 1992 decentralised responsibility for water services to local government bodies in both rural and urban areas (Cabral et al 2009[b]). The aim has been to increase the accountability and appropriateness of water services by devolving control to bodies closer to people such services are meant to serve.

The extent to which such schemes in practice have involved a shift in power to local people, however, has varied (Cleaver 1999; Cornwall and Brock 2005; Cornwall 2011). In 1969, Shelley Arnstein produced a “*ladder of participation*” in which she noted that “*participation*” had become a popular term for government agencies, but the way in which it was conceived could range from manipulation through to an empowering form of citizen participation (Arnstein 1969: 217). Figure 8 illustrates this ladder, where each rung represents an increase in the amount of power that is transferred from government agencies to marginalised groups. In addition, as noted by Craig Johnson, Priya Deshingkar and Daniel Start, the degree to which decentralisation is effective in particular in increasing accountability, depends on the accountability of the decentralised units (Johnson et al 2003). Thus for example, they explore the degree to which decentralisation from the central to state level in India has empowered local government bodies, using the examples of the states of Andhra Pradesh (AP) and Madhya Pradesh (MP) (ibid). They suggests that whilst in MP local government bodies have gained political power, in AP, the state government has effectively set up parallel bodies to manage development programmes, thereby undermining rather than empowering local democratic bodies (ibid. See also Cabral et al 2009[b]).

Figure 8: A “Ladder of Citizen Participation”



Source: Arnstein 1969: 217.

Similarly, there is a debate over which sector or which actors should be responsible for water services, with the private sector and community groups increasingly brought in to complement or replace the state. In urban areas, the private sector has been brought in to run water services on the ostensible grounds that private organisations operating on market principles would run services more efficiently than bureaucratic state-based organisations (Mehta et al 2007). As was seen in the section on transnational partnerships, however, the privatisation of water services in urban areas has been particularly contentious in the global

South where the lack of government regulation has led to increasing inequality in access to safe drinking water. In rural areas, meanwhile, the focus has tended to be on involving local communities, rather than the private sector. According to the STEPS Centre, this shift has emerged as a negation of Garrett Hardin's 1968 concept of the "*tragedy of the commons*" (Hardin 1968, cited in Mehta et al 2007: 26), or the view that only the state or the private sector can effectively manage common resources. Instead, several examples have been cited of communities which have successfully been able to manage their own resources, including water resources (Mehta et al 2007). In India for example, a number of community institutions have historically managed water resources at the local level but these were eroded under colonialism as water became centralised under the state (Chopra et al 2003). Nevertheless, as noted above in the context of decentralisation, shifting power away from state bodies to community groups risks undermining democratically elected local bodies. James Manor therefore terms this a "*potentially damaging second wave of decentralisation*", whereby single issue committees, such as water committees, are created in parallel to existing democratic institutions, often driven by external donors (Manor 2004: 192). Whilst such bodies have in some cases improved access to services for the poor, in other areas they have provided a means for local rural elites to entrench their power (Cabral et al 2009[b]). As noted by the STEPS Centre, attempts to improve governance through community bodies rest on the assumption that communities are necessarily "*homogenous and harmonious*" (Mehta et al 2007: 27). Some communities, particularly small tribal groups or relatively wealthy communities with sufficient resources to pool into shared management, may be able to run water services more efficiently and equitably than external providers. Most communities, however, will be comprised of diverse interest groups, some of whom will hold greater power than others. The challenge for community management is therefore to reconcile the diverse interests without entrenching power relations which negatively impact on marginalised groups (Mehta et al 2007).

Debates over governance in rural areas therefore tend to focus on the respective roles of different levels of government and local communities. Questions over privatisation have tended to be limited to urban areas. However, this does not mean that rural areas have been exempt from discourses of neoliberalisation. In the first place, decentralisation is tied to the notion that the role of the state, and the centralised state in particular, should be

reduced. This shift towards decentralisation has also been accompanied by a reduction in state subsidies and a growing emphasis on full “*cost-recovery*” in water services (Mehta et al 2007: 31). In India for example, reforms to the water sector were initiated by the World Bank in the late 1990s and rolled out in 2002 along with a revised National Water Policy (Cabral et al 2009[b]; Cullet 2007). These reforms emphasised a shift away from “supply-driven” to “demand-driven” water supply, with people in rural areas in particular required to contribute part of the set up costs of water services as well as pay on-going user fees (ibid). Whilst framed in terms of participation, Philippe Cullet notes that this is a misnomer as such schemes have tended to be imposed from higher levels of government, with participation narrowly limited to a financial contribution (Cullet 2007). The policy however was not implemented uniformly, with some local government bodies not securing community contributions for set up costs, and in 2007 revised policy guidelines made the community contribution optional (Cabral et al 2009[b]). Nevertheless, in India as well as in the wider development sector, there continues to be an on-going emphasis on user contribution and full cost-recovery in the form of user fees for rural areas, despite water services in urban areas being highly subsidised (WaterAid 2011). Critics note that the imposition of full cost recovery has implications for equity, with some studies suggesting that even small user fees reduce uptake of essential goods amongst the poor (J-PAL 2011). As will be seen in Chapter 7, this concern is particularly relevant in the context of the projects funded by FRANK Water, where users were required to pay a fee to access purified drinking water.

In addition to broader market mechanisms being introduced to rural areas, there is a small but growing trend for private providers to become involved in rural water supply. Historically, private sector actors in the rural water sector have tended to be limited to small-scale local vendors, manufacturing parts, servicing water supply systems or selling water from tankers, often within the informal economy (IRC 2012; UNDP and WB 1999). The role of larger private companies, and in particular multinational companies, has been limited. More recently, however, certain places have seen an increase in the number of private companies operating small businesses in the area of rural drinking water, either by selling purified water through small “kiosks”, or selling purification or storage equipment to rural households (Brine 2006; Nwanko et al 2007; Krishnan et al 2007. See for example

Community Water Solutions 2013; Pure Home Water 2013; Safe Water Network 2013[a]; Sarvajal 2013). In some cases, these schemes have been funded by large multinational corporations. The Safe Water Network in India for example, which has set up safe water kiosks as well as rainwater harvesting systems in rural India, is funded by a number of high profile multinational corporations, including Pepsico and the Tata Foundation (Safe Water Network 2013[b]). Meanwhile, Hindustan Unilever has actively been promoting household water purification filters in rural areas (HUL 2013). Such schemes fall under the category of “social business” described earlier in Chapter 3, where the aim is to combine philanthropy with a profitable business. As will be seen, FRANK Water’s partners in India increasingly adopted this social business approach, and this thesis therefore contributes to the literature on rural water supply by analysing the governance tensions involved in this social enterprise-oriented approach.

#### **4.4.2.3 Behaviour Change**

Finally, interventions in WASH depend significantly on individual behaviours. Even in places where the infrastructure for safe drinking water and sanitation services is successfully installed and maintained, the success of such interventions in terms of generating outcomes such as improved health depend on appropriate use. For example, whilst sanitation has gained increasing recognition as a key factor in development, interventions that have focused simply on constructing toilets have failed when they remain unused (Mehta and Movik 2011). An approach initially developed in Bangladesh in 2000, known as Community Led Total Sanitation (CLTS), which focuses on changing people’s behaviour by generating communal shame and disgust over open defecation, has therefore more recently proved highly popular in development interventions (ibid). Whilst highly successful in reducing incidences of open defecation in some areas, concerns have been raised that in other areas the practice has led to coercive tactics being deployed by some members of the community (Chatterjee 2011). Whilst these practices go against the formal CLTS model, they illustrate the complexity of interventions designed to initiate behaviour change. Furthermore, as will be seen in Chapter 7, drinking water is also increasingly being framed in terms of aspects other than health, such as taste and status. This has particular consequences. For example, it will be seen that in areas where multiple sources of water are available, framing safe

drinking water as a symbol of conspicuous consumption lends itself to safe water being purchased by certain groups as and when they can afford it, rather than by the whole community on a continuous basis.

Meanwhile, in the field of drinking water, interventions which focus on improving the quality of drinking water often depend on individuals changing their own water practices (Lucas et al 2011). This could include switching from one source of water to another, using a purification method to treat water at home (at point of use), or treating communal water resources (at point of source) (ibid). Technical interventions focus on ensuring that people have the necessary information and equipment to make this behaviour change. Such interventions could include marking contaminated sources with a cross, providing people with water testing equipment to test their own sources or publishing water quality testing results. These types of interventions, which focus on generating behaviour change through access to information, have become increasingly popular in development (ibid). The evidence regarding the effectiveness of such interventions however, remains limited. In 2011, Patricia Lucas, Christie Cabral and John Colford conducted a systematic review of studies which had measured the impact of disseminating drinking water contamination data on consumer behaviour (ibid). The study found that there was insufficient evidence to suggest that providing people with information about water contamination would generate a change in behaviour (ibid). In the first instance, the degree to which access to information leads to behaviour change could vary according to the type of information provided and how this information was conveyed (ibid). Furthermore, the problem with narrow technical interventions is that they overlook the multiple social as well as material factors which govern behaviour. As noted by Lucas et al, other factors governing behaviour around water could include gender, poverty, stigma, convenience and local social structures (ibid). Furthermore, water is loaded with cultural and symbolic significance, which means that practices around its use can be highly contextually specific (Mehta et al 2007).

In India for example, one particularly strong cultural tradition which governs water use is the practice of caste discrimination. The caste system in Hindu tradition divides the population according to occupations and degrees of "*pollution*" and "*purity*" (Srinivasulu 2002: 30). The nature of this hierarchy is highly contested. As noted by Dipankar Gupta,

there are “*probably as many hierarchies as there are castes in India*” (Gupta 2000: 1). The system has resulted in violent oppression of lower castes, and discrimination based on caste is now illegal under the Indian Constitution (Rajagopal 2007). However, as caste discrimination continues in practice, the central government records caste according to official categories in order to confer benefits to disadvantaged groups (Borooah et al. 2007). These categories are: a) Scheduled Tribes (ST), tribes which are traditionally outside of the Hindu caste system yet often the most disadvantaged groups; b) Scheduled Castes (SC), previously (now illegally) known as “*untouchables*”, a term replaced by “*Dalits*” (the oppressed) or “*Harijans*” (children of god); c) Other Backward Castes or Backward Castes (OBC/BC), traditionally artisans and farm labourers, and Other Castes (OC)/ Forward Castes (FC), wealthier and, in rural areas, generally landowners (Deshingkar et al. 2003). Whilst caste and class often coincide, they are not synonymous and there are cases where wealth and power cut across caste boundaries (OU1). Water is particularly caste sensitive as it is closely linked to notions of purity and pollution, and lower castes are often prohibited from using the main water sources in rural areas in particular (PACS [Poorest Areas Civil Society programme] 2012). There are therefore a range of different factors which govern practices around water, beyond physical access. This will be explored further in Chapter 7, which looks at the various factors influencing uptake of safe drinking water at FRANK Water’s project sites.

#### **4.4.3 Whose Drinking Water?**

Since at least the late 1970s, drinking water has therefore been high on the international agenda. Nevertheless, despite high levels of investment and global declarations, large sections of the world’s population still lack access to safe drinking water. As summarised by the STEPS Centre:

*“Today [...] the world is full of ‘wisdom’ on water issues. Markets for ideas are replete, and new markets emerge every year in the form of additional fora, conferences and workshops. Yet much of this debate and the policies and interventions it is linked with fail to address water and sanitation problems in ways that are sustainable and meet the needs of poorer and marginalised people”* (Mehta et al 2007: 2).

Whilst there are many possibly reasons for these failures, the STEPS Centre highlights two crucial points. Firstly, policy debates tend to take place at a global, generalised level and therefore fail to take into account local geographical and historical contexts and, in particular, the local experiences of poorer and marginalised people (Mehta et al 2007). For example, as noted above, debates over water scarcity tend to focus on the global availability of freshwater resources, when in practice access to water often depends on local patterns of distribution (See also Cairncross 2003). Secondly, issues around water are complex. Access to safe drinking water for example, depends on a mixture of social, technological and environmental factors which the STEPS Centre together terms the “*liquid dynamics*” of water (Mehta et al 2007: 2). Thus social aspects include demographic changes, social relations around caste, gender, ethnicity and race, governance arrangements and relations of power and knowledge (Mehta et al 2007). For example, knowledge over water is currently dominated by powerful global institutions such as the World Bank (ibid). Meanwhile, technologies include infrastructure for water supply and storage or equipment for water purification. Such technologies mediate between the social and environmental aspects of water (ibid). Thus dams will have both environmental and social consequences, for example if particular groups of people are displaced (ibid). Meanwhile, water is fundamentally shaped by complex geo-hydrological conditions (ibid). Interventions at one point of the hydrological cycle will have wide-ranging effects throughout the watershed, often across social and political boundaries.

The STEPS Centre therefore concludes that there are many different “*pathways*” to addressing water and sanitation, depending on the different ways in which technological, social and environmental dynamics are addressed in particular contexts (Mehta et al 2007: 2). Existing approaches however have tended to prioritise generalised, and elite-driven, solutions, with a particular emphasis on the technological aspects. For example, water scarcity has been framed as a global problem, to be resolved by technological innovation to increase, or prevent the loss of, global freshwater supplies. This has not universally been the case, however, and there have been a number of attempts to go beyond narrow framings of water issues. For example, as discussed above, there has been a growing emphasis on the role of institutions as well as participation by affected communities, although this has often

been limited to narrow financial contributions. Another example, in the area of water resource management, has been the popularity of Integrated Water Resource Management (IWRM) schemes. Such schemes attempt to integrate social, environmental and technological aspects by bringing together different sectors and interests groups to manage water resources (Mehta et al 2007). Nevertheless, IWRM has been criticised for continuing to apply a generalised format to different contexts as well as continuing to overlook power imbalances between different interest groups (ibid).

More recently, attempts have been made to integrate discourses of environmental justice with the right to water (ibid). Drawing on the work of Partha Chatterjee (2004), however, Lyla Mehta, Jeremy Allouche, Alan Nicol and Anna Walnycki suggest that such approaches have overlooked the contextual specificity of post-colonial contexts, where models premised on universal citizenship are unlikely to be effective in reaching the poor in particular (Mehta et al 2013). According to the STEPS Centre, therefore, there needs to be a greater emphasis on the contested and contextual nature of water. There are many different possible approaches or “*pathways*” (op cit) in water, and each of these will have different effects for different groups of people. The STEPS Centre thus problematises the issue of access to water by exploring the assumptions, silences and effects of several decades of shifting water policy. In doing so, they have been able to demonstrate that these policies have formed part of the problem in the first place as “*they aid in the persistence of myths, prop up half truths and let politicians of the hook*” (Mehta et al 2011).

Similarly, Bourdieu’s field theory illustrates that the various approaches to water issues stem from the location of actors in different social fields. For example the ways in which actors from the public, private and third sectors approach issues of water scarcity will be shaped by their location in their respective professional fields. Thus in the public sector, water may be framed as an issue of security, in the private sector water is often a raw material for the production of goods and NGOs may see water as a basic need (D. Yeo, Senior Policy Analyst WaterAid, per. com. 10.06.13). Even further divisions may exist within these groups. For example actors in grassroots NGOs may highlight local cultural practices around water whilst larger NGOs may highlight global standards in water services. Furthermore, actors rooted in different disciplines, such as engineering or sociology for

example, will have different approaches to addressing particular problems. Hence, as noted by Bourdieu, what appears as a universal value masks multiple interests, and it will tend to be the interests of the most powerful sectors which will dominate (Bourdieu 1998). In this case, public and private sector notions of water as an issue of national security and as an economic good would tend to dominate, whilst historically engineering solutions have been favoured over less tangible social concerns. These dynamics will be seen in Chapter 6 which looks at FRANK Water's partnerships with other organisations. Initially, the partners appeared to be united in a shared goal but it soon became apparent that their understanding of this goal, as well as their interests in pursuing this goal, differed according to their position in different professional fields. Meanwhile, Bourdieu's concept of habitus is also useful for understanding the difficulties involved in behaviour change. For Bourdieu, behaviour is shaped by the habitus, which is deeply ingrained and takes "*repeated exercises*" to shift (Bourdieu 2000: 172). It is also closely tied to class. As a result, as noted above, the technical dissemination of information is unlikely to be sufficient to change behaviour unless broader dynamics of class and power are also taken into consideration.

The way in which (sustainable) access to safe drinking water is defined therefore depends on whose interests are at stake. Having recognised that this is the case, the next question is how to translate this awareness into policy. How can a problematising approach translate to problem-solving policy? According to the STEPS Centre, if the aim is to increase sustainable access to water for the poor and marginalised then the aim should be to adopt those pathways which will create value for those marginalised groups: "*there are many pathways to Sustainability. These will be directed towards different goals, and emphasise different dimensions of systems properties [...] as key to achieving these. Some of these pathways might lead to Sustainability, poverty reduction and social justice as valued by particular groups; others will not*" (Mehta et al 2007: 41-42). For example, the distinction between water for drinking and water for other uses may be detrimental to "*local users whose subsistence activities encompass both the domestic and productive elements of water and for whom there is little sense in separating water for drinking and washing and water for homegardens or other small-scale productive activities*" (ibid: 4). Similarly, constructing dams as a solution to water scarcity will not serve the needs of displaced tribal groups, whilst increasing community participation in governance structures will only empower the

poor if such approaches recognise *“intra-community and gendered power relations”* (ibid). Furthermore, such approaches should be contextually specific. Thus interventions designed to create behavioural change would need to consider how water is used in particular settings. For example, as noted above, in certain locations in India, traditional water sources may be preferred even though the water in such sources does not meet national or global water quality standards. In such a situation, the aim would be to involve local users in designing as well as paying for water services. The STEPS Centre therefore advocates the adoption of *“pathways”* which prioritise the concerns of the marginalised, in a contextually specific way.

A number of tools have been created which, whilst not necessarily encompassing all of the concerns of the STEPS centre, attempt to integrate recognition of these wider dynamics into *“problem-solving approaches”*. Thus for example, the Overseas Development Institute (ODI) has developed a *“Political Economy Analysis”* (PEA) framework which is designed to make explicit the *“risks and assumptions”* in WASH interventions and to map the local institutional context in which such interventions take place (Kooy and Harris 2012). Thus in Vietnam for example, the ODI found that a number of apparently successful innovations in water and sanitation had been piloted but not expanded (ibid). A PEA found that, in the context of Vietnam, the institutional framework provided incentives for officials to provide water services but not sanitation, that service provision was widely seen as a government responsibility and moves to strengthen the private sector would be viewed with hostility and that the centralised structure of government meant that once decisions were made they would be strictly implemented subsequently (ibid). The recommendations following on from this included minimising risks for policymakers to engage in sanitation, engaging existing institutions such as political parties and trade unions and focusing attention on the central level where decision-making discussions took place (ibid). Similarly, in Sierra Leone a PEA identified that large institutional users were exempt from service fees for water, whilst populist local politics focused attention on *“short-term ‘wins’ rather than local planning”* (ibid: 3). Recommendations therefore focused on collecting service fees from institutions who were able but reluctant to pay and supporting the development of long term policy (ibid). Whilst mainly geared towards ensuring the smooth running of WASH interventions, and perhaps overlooking internal power relations, these examples demonstrates the crucial

importance of context. A problematising perspective can therefore be used firstly to highlight the multiple possible “pathways” in drinking water interventions, and the effects that each of these pathways will have on different groups of people in different contexts.

## Chapter 5: FRANK Water Ltd: “Insider Rebel” in the Bottled Water Industry

### 5.1 Introduction

*“The aim is to not throw stones against the bus but get on it and steer it.”* (T. Alcott, former Managing Director FRANK Water Ltd, per. com. 16.11.12).

When FRANK Water was being set up in 2004, the bottled water industry in the UK was worth around £1.5 billion in sales each year (Peattie and Jose 2006). This presented an opportunity for Frank’s founder, Katie Alcott, to *“divert profits from the bottled water industry”*, and use them to fund safe drinking water projects overseas (FRANK Water 2011). As she explained, *“the idea was to take advantage of a luxury product - bottled water. Also the water for water concept worked really well, drinking luxury bottled water here would fund clean water projects in developing countries”* (Alcott, quoted in Oppenheim 2010). At around the same time, a number of other bottled water companies also began selling “ethical water”, or bottled water which contributes some or all of the profits to a social purpose, usually the provision of safe drinking water in the global South (Zenith International 2009). However, as this chapter will demonstrate, the bottled water industry has been widely criticised for its environmental and social impacts (Ethical Consumer 2006; Gleick 2010; Heap 2008; Milmo 2006; Royte 2008). The question for a bottled water company which adopts the label “ethical” is whether it is justifiable to engage in this industry in order to raise funds for safe drinking water projects. Do the ends justify the means? Or are the ends compromised in the process? For Frank, the answer has been to act as an *“insider rebel”*, selling water on a small scale, whilst simultaneously campaigning against bottled water from within the business (Oppenheim 2010; FRANK Water 2011). Or as Tom Alcott, former Managing Director of FRANK Water Ltd put it: *“The aim is to not throw stones against the bus but get on it and steer it”* (op. cit.).

This chapter focuses on the social enterprise side of Frank in the UK, with a particular focus on the tensions involved in selling ethical water. The first section explores the history of bottled water, looking at the way in which the product has grown from being a niche luxury

item to a mass marketed consumer good, and the consequences that this has had. The second section then goes on to look at the rise of “ethical water” brands in the UK, whose claim to being “ethical” rests on upholding organisational ethics, protecting the environment, funding charitable projects and ultimately, increasing access to safe drinking water. The third section goes on to look at the tensions that these UK ethical water brands have faced in meeting each of these objectives whilst engaging in the competitive bottled water industry. As will be seen, in each of these areas, ethical waters face tensions around the lack of a unified legal form, meeting the interests of various stakeholders and securing funding sources as well as, to a lesser extent, tensions around measuring outcomes and recruitment and staffing. Some of these tensions relate specifically to the bottled water industry, whilst others are more broadly applicable to ethical consumerism and the concept of social enterprise. The section looks at how the different ethical water brands in the UK have dealt with these tensions, comparing Frank’s approach to other organisations. Whilst similar to the other ethical water companies in some respects, Frank has adopted a novel approach by firstly making these tensions explicit and secondly pursuing a strategy as an inside “*agitator*” (Oppenheim 2010). The chapter concludes by looking at to what extent this strategy has been successful in reconciling the various strategies, and aligning the “ends” with the “means”.

## **5.2 Bottled Water: A “Triumph of Marketing over Common Sense”?**

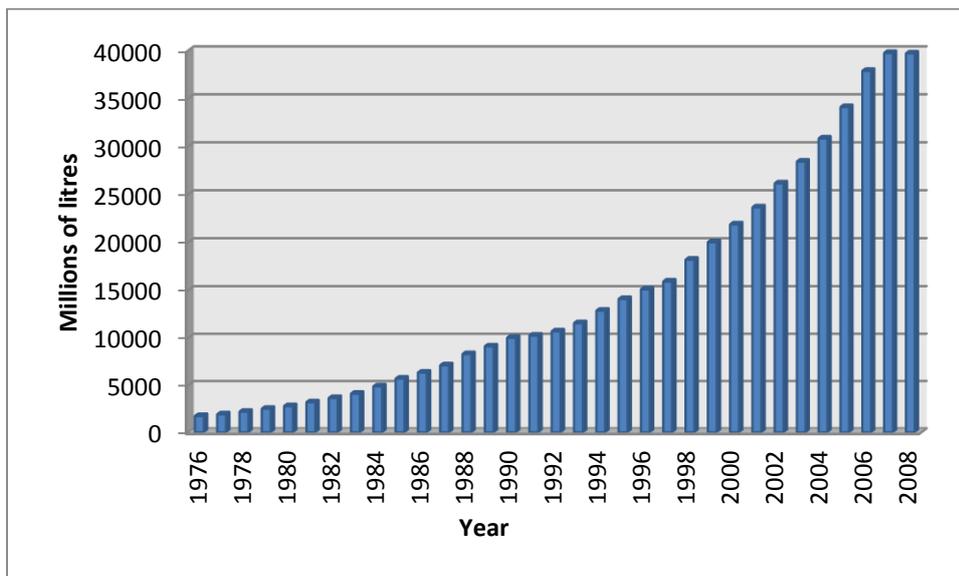
Historically, bottled water has been a niche product, sold primarily at spas and springs whose waters were believed to hold healing powers (Gleick 2010; Royte 2008).<sup>10</sup> Around the late 1970s, however, bottled water went from being a niche product to a mass-marketed consumer good. In the US, sales of bottled water grew exponentially from 350 million gallons (1.6 billion litres) in 1976 to nearly 9 billion gallons (41 billion litres) in 2008 (Gleick 2010). In the UK, consumption rose from 20 million litres in 1976 to 2.06 billion litres in 2010 (British Bottled Water Producers 2011; Lyons 2007). Figures 9 and 10 illustrate the exponential nature of this growth in the US and the UK respectively. By 2008, the global

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<sup>10</sup> Bottled water is here defined as all “*fresh water sold in individual consumer-sized containers*” (Gleick and Cooley 2009: 1), although distinctions are sometimes made (particularly within the industry) between mineral water containing a certain proportion of total dissolved solids, different types of spring water and water from municipal systems (Gleick 2010; Ferrier 2001; National Hydration Council 2010; Royte 2008).

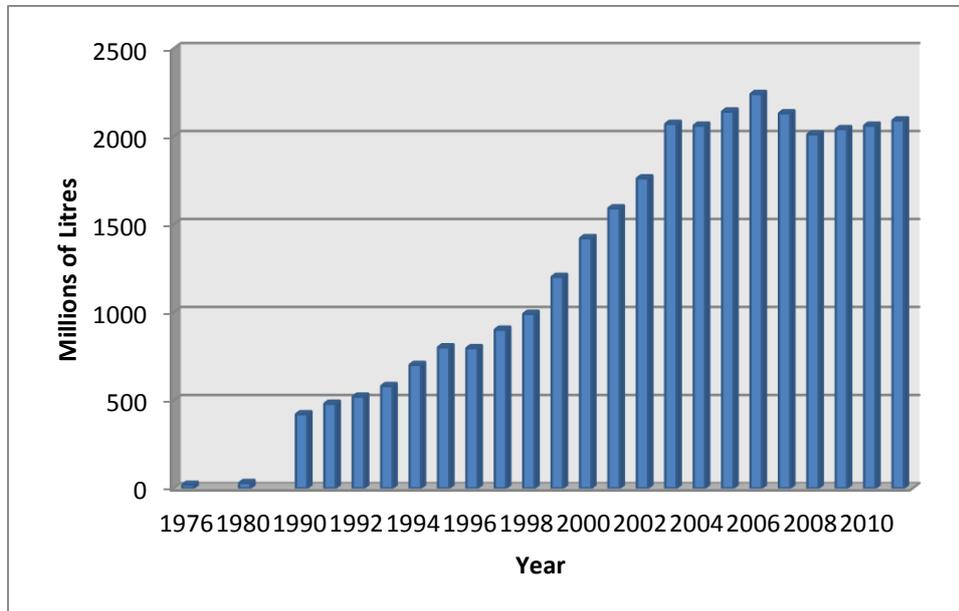
industry was valued at US\$77.6 billion (£4.97 billion) (Brei and Böhm 2011), equivalent to 5,000 bottles of water sold per second around the world (Gleick 2010). This growth was achieved despite the fact that in countries such as the UK and the US, safe drinking water is widely available on tap, at a fraction of the cost of bottled water (Doole 2001; Ferrier 2001; Hickman 2007; Sustain 2006). As noted by the director of research at the food and beverage consultancy Zenith International (albeit in a different context): “*At the end of the day, water is just water*” (Lyons 2007). According to critics, bottled water therefore represents “*a triumph of marketing over common sense*” (Heap 2008). This section explores how bottled water has been mass marketed, and some of the consequences that have occurred both as a result of the rise of bottled water, and the way in which it has been marketed. The remainder of the chapter will then go on to look at how these consequences cause tensions for ethical water companies who engage in this industry.

**Figure 9: US Bottled Water Market 1976-2008.**



Source: Gleick 2010: 5 (converted from gallons to litres).

**Figure 10: UK Bottled Water Market 1976-2011.**



*Source: Data from British Bottled Water Producers (BBWP) 2011.*

In a study of the marketing of bottled water, Vinicius Brei and Steffen Böhm draw on Bourdieu to illustrate how advertising is successful when it draws on pre-existing dispositions (Brei and Böhm 2011). In the case of bottled water, one of the ways in which it has been marketed has been by playing on fears of tap water (Royte 2008; Gleick 2010). As one Chief Executive Officer (CEO) of the multinational corporation Coca Cola put it, “*Water quality in the United States is getting progressively worse. Every time there's a water main break on 23rd Street and people have to boil water for a week [...] it clears out the supermarket shelves*” (Natural Resources Defence Council [NRDC] 1999). In addition, bottled water has been sold by associating the product with socially desirable attributes such as health, youth and beauty (See for example: Evian 2011; Deeside 2011[a]; FoodBev. 2009[a]); IPC Advertising 2011). Rather than buying a product for its physical properties, consumers are therefore also buying into the brand and making a statement about their identity. As was seen in Chapter 2 (“*Theoretical Framework*”), for both Veblen and Bourdieu, this type of “conspicuous” consumption is also tied to class. Historically in the global North (and currently in much of the South), privileged households had tap connections, whilst the general public collected water from communal standpoints (Gleick 2010). When tap water

became widely available, elites adopted a taste for bottled water (Royte 2008). In the 1970s, the bottled water industry then began to mass market its products on the basis that by buying bottled water, the middle classes could buy into the lifestyle of the elite (Royte 2008). As Bourdieu suggests, “*the pure materiality of this good becomes almost unimportant or simply forgotten*” (Bourdieu and Delsaut 1987, paraphrased in Brei and Böhm 2011: 238). Water is no longer “just water”. It becomes associated with a particular lifestyle which is made to appear accessible to the consumer through the simple act of purchasing the bottle: “*From Perrier to Highland Spring to Evian we are sold the myth of beauty, youth and all round success that must inevitably come from drinking bottled water*” (FRANK Water 2011).

As the industry has expanded, however, it has attracted a series of criticisms. Firstly, the growth in bottled water has raised a number of environmental concerns. In the first place, there are concerns over the carbon emissions caused by the production and transportation of bottled water. One study, found that it took between 1000-2000 times the energy to produce bottled water compared to tap water (Gleick and Cooley 2009). This exacerbates climate change which disproportionately affects the most vulnerable populations in the world (Parry et al. 2007). Another concern relates to the waste generated from plastic bottles. Not only do bottles consume oil, but they fill up landfills, releasing potentially toxic chemicals (Ethical\_Consumer 2006; Royte 2008). A third, more localised, concern is that the extraction of ever-increasing amounts of water from certain sources has placed stress on the surrounding ecosystems (Gleick 2010; Royte 2008). Again, this impact tends to disproportionately affect vulnerable populations, such as tribal groups (Gleick 2010). As will be seen below, these issues pose tensions for bottled water companies adopting the label “ethical”.

In addition to the environmental effects, the way in which bottled water has been marketed has raised further concerns. In the first place, marketing bottled water on the basis that it has particular health, anti-ageing or beautifying benefits is misleading. As noted by Frank, it is a “*myth*” that purchasing a bottle of water will enable the consumer to acquire a luxurious lifestyle (op. cit.). Whilst misleading advertising is a concern in itself, there is a further concern that by marketing water as a symbol of status, bottled water undermines the notion of water as a universal human right. Water is no longer “*just water*” (op cit) but a

symbol of conspicuous consumption and class. This logic can be illustrated with the extreme example of Bling H2O, a company which sells water bottles adorned with crystals and brands itself as exclusive by explicitly stating *“It’s not for everyone”* (marketing from Bling H2O, cited by Hickman, L. 2009). In areas where the quality of tap water is adequate, this is perhaps not so much of an issue, as even if the majority of the population cannot access bottled water, they can still access safe water. Nevertheless, the long term concern is that as those who can afford to do so opt out of tap water, standards of tap water will decline, eroding hard won systems of universal provision of safe water (Gleick 2010; Royte 2008). In areas where standards of tap water are already poor, meanwhile, products such as bottled water and individual household filters already mean that those who can afford to do so, can opt out of public services, leaving the remainder of the population with a lack of adequate supplies. Thus for example, in a study of water provision in the peri-urban areas around Delhi in India, Lyla Mehta, Jeremy Allouche, Alan Nicol and Anna Walnycki found that *“poor water quality is a major concern even for the rich and most of them resort to treating water via Reverse Osmosis (RO). In this way the middle classes draw on modern technologies to escape an increasingly polluted environment through private consumption rather than through public action (Chaplin 1999)”* (Mehta et al 2013: 7). The concern is therefore that bottled water promotes water as a consumer good, rather than as a basic necessity. Subsequently, if water is a consumer good then it lends itself to a stratified system of access, in which the quality of water that a person can access is determined by class. This poses problems for ethical waters who claim that access to water should in fact be *“for everyone”*.

As criticism has grown, there are signs that the bottled water market is beginning to decline in the global North. In France, traditionally the largest bottled water market, sales of bottled water peaked in 2005 (Gleick 2010). Then in the UK in 2009, bottled water sales dropped for the first time in three decades by 9% (Hickman, M. 2009[a]). This was attributed by the bottled water industry to poor weather conditions and a global economic downturn (Gleick 2010; Hickman, M. 2009[b]). On the other hand, the decline also coincides with a backlash against bottled water. For example, by 2009, the majority of customers in restaurants in the UK had begun asking for tap water, a number of cities across the world have banned the use of public funds to buy bottled water, and several schemes have been introduced to restore

public fountains (Aquatina 2011; Gleick 2010; Green Thing 2011; Hickman, M. 2009[a]; Tapwater.org 2011; Tenders Direct 2011; World.edu 2010). This trend can be related back to the cycle of conspicuous consumption. As was noted in Chapter 2, once a particular taste becomes widely popular, elites often revert back to what are seen as the “purer” tastes of the lower classes. In the case of bottled water, some elites in the North have adopted more exclusive tastes (e.g. Bling H2O. See also Good.is 2009), whilst others have reverted back to tap water. In recent years, the bottled water industry has therefore begun to set its sights to the global South, where sales of bottled water are increasing (D’Altorio 2010; Daneshkhu 2010; FoodBev 2009[a]; FoodBev 2009[b]; Zenith International 2011). Similarly to the North, bottled water in the South has been marketed as a way for growing middle classes to emulate what are seen as the tastes of the global elite. Rather than being seen as an irrational “*triumph of marketing over common sense*” (op. cit.), bottled water could therefore be viewed as part of the broader dynamics of conspicuous consumption. Chapter 7 (“*The Indignity of Aid*”) looks at some of the tensions that occur when water is sold as an emblem of conspicuous consumption in the South. This chapter however first explores some of the tensions that ethical water companies face when engaging with these dynamics in the North.

### **5.3 Ethical Water**

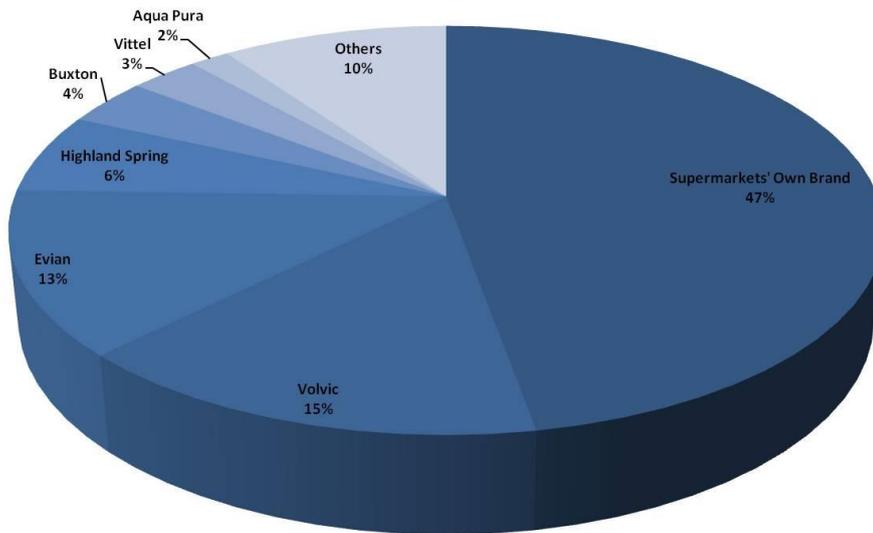
Another response to the backlash against bottled water in the global North has been the rise of “ethical water”. Ethical water, is defined here primarily as a bottled water product from which a proportion of profits are donated to the provision of drinking water, usually in the South. As will be seen, however, the prefix “ethical” also refers to organisational ethics, environmental standards and, in some cases, a commitment to increasing universal access to safe water. The first ethical water company, Ethos, was set up in 2003 in the US by Jonathan Greenblatt and Peter Thum (Gleick 2010). For Greenblatt, the concept for ethical water came out of his dual experience of working in the South where he witnessed a lack of safe water, and later on consulting for a bottled water company in the North (Bloomsberg Businessweek 2006). The concept of ethical water offered a way of addressing two problems: firstly, it would help raise funds to address the problem of contaminated drinking water, and secondly, it would provide a lucrative niche in the bottled water industry (ibid.).

The bottled water industry, as noted by Greenblatt, is highly competitive and dominated by a few large brands. Figure 11 illustrates the market shares of bottled water brands in the UK in 2004 (Peattie and Jose 2006: 7). Supermarket brands accounted for almost half (47.2%) of the volumes of water sold, whilst two brands, Volvic and Evian (both owned by Danone), together accounted for almost a third (28.3%). Four other brands, Highland Spring, Buxton (owned by Nestlé), Vittel and Aqua Pura, together made up 14.7%. The remaining 9.8% of the market is shared amongst 200 smaller brands (ibid., 19). Similarly on the global scale, three multinational companies, Nestlé, Danone and Coca-Cola, account for a third of the bottled water market (Brei and Böhm 2011). The remaining market is divided between around 800 brands (Bloomsberg Businessweek 2006). The concept of ethical water was therefore seen as a way of creating a distinctive brand in this highly crowded industry. As noted by Greenblatt, the aim was “to create a brand that people really cared about” (ibid.).

**Figure 11: Market Share (%) of UK Bottled Water Brands in 2004.**

Brand	% Market Share
Supermarkets' Own Label	47.2
Volvic	15.3
Evian	13
Highland Spring	6.3
Buxton	3.7
Vittel	3
Aqua Pura	1.7
Others	9.8

Market Share (%) of UK Bottled Water Brands (2004)



Source: Peattie and Jose 2006: 7.

Ethical water was seen as a lucrative niche because it tapped into the broader trend of ethical consumerism, for example the fashion of displaying conspicuous “charity wristbands” (T. Alcott, former Managing Director of FRANK Water Ltd, per. com. 20.07.12 and 16.11.12) or the fair trade movement’s campaign: “show off your label” (FairTrade 2011). As highlighted by Matthias Zick Varul and Dana Wilson-Kovacs, this trend taps into what Deirdre Shaw and Ian Clark term “*morally conspicuous consumption*” (Shaw and Clarke 1998, cited in Varul and Wilson-Kovacs 2008: 2). Similarly to conspicuous consumption, the idea of morally conspicuous consumption refers to the ways in which consuming ethical products sends a particular social signal (ibid.). Rather than appealing to notions of an elite lifestyle, however, this form of marketing is aimed at the desire to be seen as a responsible, caring type of consumer. Thus, drawing on Bourdieu, “*the act of consuming bottled water becomes the material expression of a cultural disposition through which one can articulate one’s desires for ethics, charity, help, and, more generally perhaps, a better world*” (Brei and Böhm 2011: 247). In one study of practices of fair trade consumption, Varul and Wilson-Kovacs found that whilst conspicuous consumption was part of the story with ethical products, “*the essential aspect seems to be self-reassurance about being a morally*

*acceptable person*” (Varul and Wilson-Kovacs 2008: 2). Because this affirmation comes from other people, some degree of conspicuous display is necessary: *“any claim to legitimacy must refer to a shared social context”* (Sayer 2004, cited in Varul and Wilson-Kovacs 2008: 3), hence *“self-expression [...] needs social affirmation in similar ways to Veblen’s [...] ‘conspicuous consumption’”* (Varul and Wilson-Kovacs 2008: 3). Ethical products therefore tap into not only the desire to be seen as a more responsible, caring type of consumer, but to recognise oneself as a better person.

In the UK, the trend of ethical consumerism has been particularly popular. As noted by the founder of the ethical brand One Water, *“Ethical brands are a growth market, worth £15 billion in the UK and growing at 23% per year”* (Stone, A. 2008). According to Varul and Wilson-Kovacs, the popularity of ethical consumerism in the UK could in part be due to the country’s colonial legacy (Varul and Wilson-Kovacs 2008). In one study, they compared the fair trade market in the UK and Germany, and noted that it was more main-stream in the UK. They suggested that this was because the colonial legacy is much stronger in the UK. As a result the producers of fair trade goods in the South are viewed as equal but distant entrepreneurs, rather than “beneficiaries” which has paternalistic connotations: *“the cultural hero of anti-conquest still is the trader”* (ibid., 16). By contrast, in Germany the fair trade market tends to be viewed as the problem rather than the solution, and the relationship to the producers is more paternalistic: *“The cultural hero [...] is the development worker who at the one hand helps people to help themselves, [but] on the other hand exerts control over them”* (ibid., 14-16). Whilst ethical waters do not engage producers in the same way as fair trade products, they also tap into the broader trend which views charity as an out-dated form of philanthropy. By selling a product rather than asking for donations, they tap into the idea that the “cultural hero” is the “trader” or the “social entrepreneur”. Hence ethical water was seen both as beneficial from a business perspective because it offered a way of creating a lucrative niche in the bottled water industry, and beneficial from a third sector perspective because it offered a less paternalistic alternative to charity. As was noted in Chapter 3 (*“Social Enterprise”*), however, social enterprises which are located at the intersection of business and the third sector face a number of possible tensions, including tensions over legal form, recruitment and staffing, funding sources, performance measurement and multiple stakeholders. In the case of ethical water, these tensions are

manifested in three areas, each of which form part of the claim that an organisation is an “ethical” water company: organisational ethics, meeting environmental objectives and funding charitable projects, including promoting the right to water. The remainder of this chapter will look at how Frank has addressed these tensions, comparing Frank’s approach to the other ethical water companies in the UK.

## 5.4 The UK Ethical Water Market

The first ethical water to be launched in the UK was Belu, founded by Reed Paget in 2004 (Gleick 2010). Whereas the main social objective of Ethos was to fund water projects, Belu was founded in order to serve an additional environmental objective (Belu 2012[a]; Monks 2010). Specifically, Reed sought to “transform” the bottled water industry from within, making it more environmentally sustainable (Monks 2010). As will be discussed in Section 5.4.3 (“*The Environment*”), the ways in which he sought to do this included changing the materials used in the production of bottled water, reducing and offsetting the carbon impact of this production and investing in wider environmental initiatives. In 2005, three further ethical brands were launched: Frank, One Water and Life Water. By 2012, around 11 different ethical water brands had been launched in the UK, some on a temporary and others on a permanent basis. These brands are summarised in Table 1. The table describes the legal structure of the company producing each brand (which will be discussed further in section 5.4.1 “*The Organisation*”) and gives an overview of the origins of each of these brands, the year in which they were launched, the source of their water, and the charity through which they fund water projects. The table also highlights the nature of the company which produces the brand. The first four brands in the UK (Belu, Frank, One and Life Water) were launched by social enterprises, defined as businesses primarily investing their profits in social initiatives (See Chapter 3 “*Social Enterprise*”). Subsequent brands, however, tended to be introduced as part of either an established business or an established charity. Figure 12 locates these three categories on a spectrum from business to the third sector. The remainder of this chapter looks at how the different brands in these categories have managed the tensions surrounding their three social objectives: organisational ethics, the environment and charitable projects, including a discussion over the right to water.

**Table 1: UK Ethical Water brands.**

Brand	Trading Company	Affiliated Charity	Summary
<b>Belu</b>	<p>Belu Water Ltd</p> <p>Company no. 04542161</p> <p>Private Limited Company</p> <p>Member of Social Enterprise Coalition UK</p>	<p>The Belu Foundation</p> <p>Company no. 05951248</p> <p>PRI/LBG/NSC (Private, Limited by guarantee, no share capital, use of 'Limited' exemption)</p> <p>Registered charity no. 1136687</p> <p>In 2011, Belu Water Ltd pledged to donate all of its profits to WaterAid, with a guaranteed minimum of £300,000 over three years (Belu 2013[a]).</p>	<p>Social enterprise founded by Reed Paget in 2004. “Inside reformer” in the bottled water industry. Focuses on addressing environmental concerns, whilst raising funds for water projects through its affiliated charity the Belu Foundation. Water bottled by Wenlock Water, Shropshire, UK (Belu 2012[b]; Monks 2010; Smith 2009)</p>

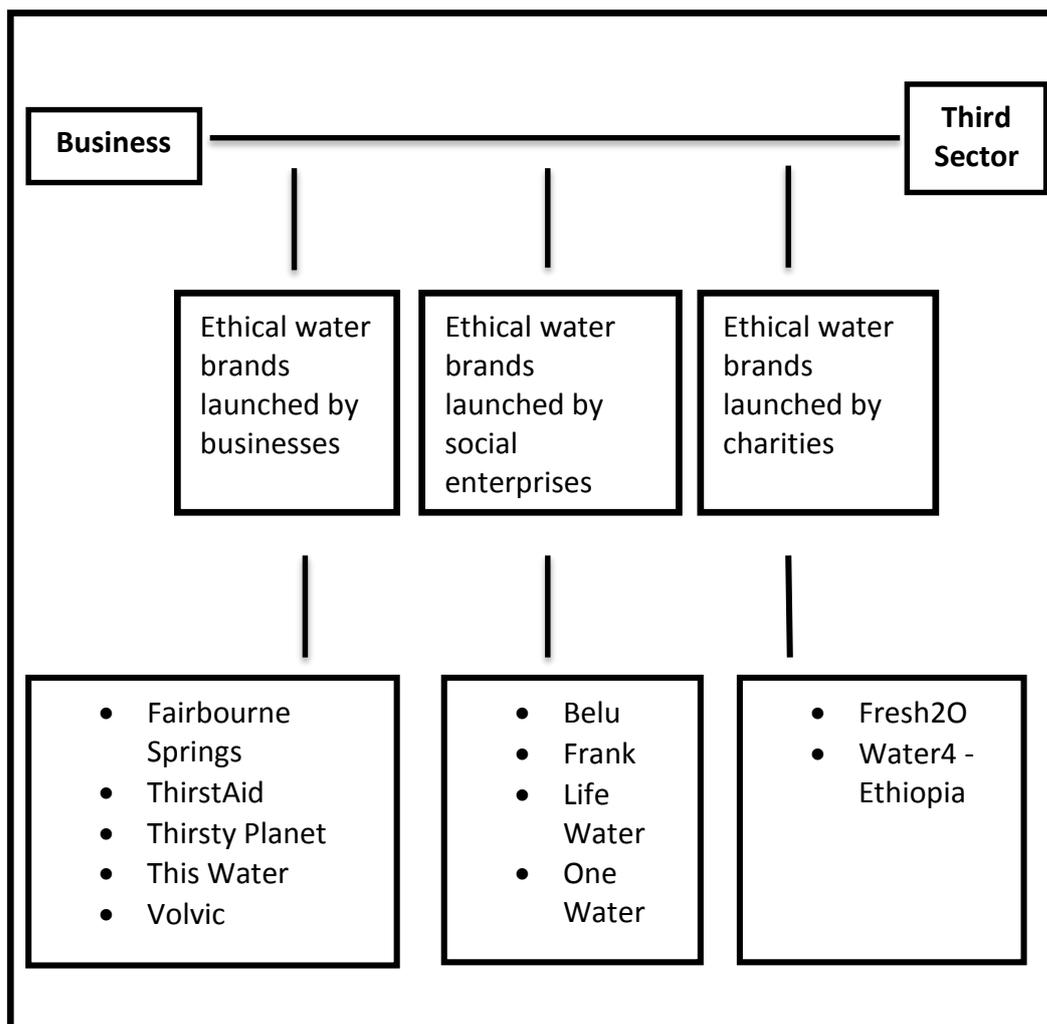
<b>Fairbourne Springs</b>	Co-operative Group Ltd  Company no. IP00525R  Industrial/Provident (England/Wales) Society	Donates profits to One Foundation	The Co-operative supermarket's own brand of bottled water. The Co-operative is the UK's largest mutual business, owned by its members. Since 2007 the company has donated a proportion of its profits from the brand to the One Foundation.  (Co-operative 2012[b]; Co-operative 2012[c]; Zenith 2009)
<b>FRANK Water</b>	FRANK Water Ltd  Company no. 05388346  Private Limited Company	FRANK Water Projects  Company no. 05580994  PRI/LBG/NSC (Private, Limited by guarantee, no share capital, use of 'Limited' exemption)  Registered charity no. 1121273	Social enterprise founded by Katie Alcott in 2004. "Inside agitator" in the bottled water industry. Focuses on campaigning against the bottled water industry whilst raising funds for its affiliated charity FRANK Water Projects. Water bottled by Tarka Springs in Devon, UK.  (FRANK Water 2011; FRANK Water 2012[c])

<b>Fresh2O</b>	The Deeside Water Company Limited  Company no. SC150314  Private Limited Company	FRESH2O Limited  Company no. 06304330  Private Limited Company  Not registered with the Charity Commission	Charity founded by the photographer Candice Farmer in 2007. In addition to creating a portfolio of water-related images, the organisation ran a campaign with Deeside Mineral Water, a bottled water company based in Scotland.  (Fresh2O 2009; Fresh2O 2012; Deeside 2012)
<b>Life Water</b>	Life UK Limited  Company no. 05730506  Private Limited Company	Drop4Drop Limited  Company no. 05704054  PRI/LTD BY GUAR/NSC (Private, limited by guarantee, no share capital)  Registered charity no. 1115277	Social enterprise founded by Simon Konecki and Lucas White in 2005. Sells bottled water to raise funds for the affiliated charity Drop for Drop. Water sourced from Pembrokeshire, UK.  (Life Water 2011; Northcott 2012)

<b>One Water (Global Ethics)</b>	Global Ethics Limited  Company no. 05130101  Private Limited Company	The One Foundation  Company no. 05965793 PRI/LBG/NSC (Private, Limited by guarantee, no share capital, use of 'Limited' exemption)  Registered charity no. 1118810	Social Enterprise founded by Duncan Goose in 2005 in the UK. Raises funds for its affiliated charity the One Foundation. Sold in the UK, Australia, Ireland, the US and South Africa. Water bottled by a range of local suppliers including Radnor Hills in the UK. The social enterprise also produces a range of “like for like” products.  (One Difference 2012[c]; Peattie and Jose 2006; Zenith 2009)
<b>ThirstAid (Calypso)</b>	Calypso Soft Drinks Limited  Company no. 01558995  Private Limited Company	Donates profits to Save the Children	Ethical brand sold from 2008 to 2010 by Calypso Soft Drinks. Proceeds donated to Save the Children. Later replaced by Juicy Aid to raise funds for the World Land Trust. Water sourced from Diferyn Natural Mineral Water, Wales, UK.  (Calypso 2012; Save the Children 2008)
<b>Thirsty Planet (Water Brands)</b>	Thirsty Planet Limited  Company no. 05995296  Private Limited	Donates profits to Pump Aid	Ethical brand launched in 2007 by the bottled water company WaterBrands which also manages Harrogate Spa Water. Donates proceeds to Pump Aid.  (Thirsty Planet 2012; Water Brands 2012)

	Company		
<b>This Water</b>	Innocent Limited  Company no. 04007092  Private Limited Company	Donates profits to Pump Aid	Private company launched in 2007 as a “spin-off” from the Juicy Water range produced by Innocent. The company produces flavoured water and donates proceeds to Pump Aid.  (This Water 2012; Hook 2009)
<b>Volvic (Danone)</b>	Danone Waters (UK & Ireland) Limited  Company no. 01522581  Private Limited Company	Donates profits to World Vision	Subsidiary of Group Danone. Ran a three-year campaign between 2008-2011 to raise funds for World Vision. Water sourced from Auvergne National Park, France.  (Fine Water 2012; Volvic 2012; World Vision 2008; Zenith 2009)
<b>Water4-Ethiopia</b>	Water4Ethiopia Enterprises Ltd  Company no. 07710547  Private Limited Company	Water4Ethiopia Enterprises Ltd  Company no. 07710547  Private Limited Company  Registered Charity no. 1137893	Charity founded in 2009 by Andrew, Julia and Fiona McAllister. Started selling bottled water in 2011 as part of the charity’s income-generating activities. Water bottled by Berrington Water in Hereford and Coventry, UK.  (Water4Ethiopia 2011; Water4Ethiopia 2012)

Figure 12: UK Ethical Water Brands on a Spectrum from Business to the Third Sector.



### 5.4.1 The Organisation

One of the first implications of being an “ethical” brand is that the organisation itself is seen as operating in an “ethical” manner. In Chapter 3 it was noted that in some definitions of this include adopting a participatory organisational structure. In the UK, however, the predominant definition focuses on social enterprises as “earned income” endeavours, with participation seen as a common, but not necessary feature. In the case of ethical water companies in the UK, the emphasis has tended to be on income generation rather than participation, with the exception of Fairbourne Springs which is produced by the Co-Operative (See Table 1). For most ethical waters, the question of inclusion is one which affects the projects that they fund overseas, rather than the organisations themselves. Chapter 7 (*“The Indignity of Aid”*) deals with the tensions that this has posed for Frank at their project sites. For the organisations themselves, however, there remains a focus on ensuring ethical conduct, as per current standards of “good corporate governance”. This is an expectation which is placed on the third sector in particular. As noted by the UK’s Charity Commission, organisations which serve a public purpose are increasingly expected to adhere to high standards of corporate governance: *“As voluntary and community organisations driven by altruistic values and working for public benefit, we are increasingly expected to demonstrate how well we are governed”* (Charity Commission 2010: 6). This section focuses on the tensions that ethical waters face in trying to uphold these standards whilst engaging in the competitive bottled water industry, including in particular tensions regarding legal form, funding sources, and multiple stakeholders.

As noted in Chapter 3, one of the first tensions facing ethical water is the legal form that they adopt. Whilst attempts have been made in the UK to construct a coherent legal form, in particular the Community Interest Company (CIC), social enterprises can still choose from a range of different options. In fact, as can be seen in Table 1, none of the ethical waters that were operating in the UK had, as of October 2013, adopted the CIC form. With the exception of the Co-operative, which is an Industrial/Provident Society, all of the trading bodies associated with the ethical water brands adopted a standard Private Limited Company legal form. This reflects the confusion around legal structures for social enterprises, and also highlights the lack of “take up” of new legal forms such as the CIC. As was discussed in Chapter 3, this is in large part due to the lack of a coherent definition of a

social enterprise, in particular debates over aspects such as an asset lock, the degree to which an organisation must be participatory and the extent to which profits can be redistributed to shareholders. Furthermore, as of October 2013, with the exception of Belu which is an accredited member of the Social Enterprise Coalition (SEC), none of the ethical water brands has adopted an informal certification mark, such as the mark given to SEC members or the Social Enterprise Mark (SEM). Again, this reflects on-going uncertainty about the definition of a social enterprise, with the Social Enterprise Mark for example, being embroiled in on-going debates over the degree to which SEM-certified organisations should be participatory (Ridley-Duff and Southcombe 2012).

As can be seen in Table 1, those ethical waters set up by social enterprises also set up a separate but affiliated charitable body, using the same brand as the social enterprise, although Belu later formed an exclusive partnership directly with WaterAid (Belu 2013[a]). This included Frank who in 2007 set up the affiliated charity FRANK Water Projects. The main reason for this decision was to facilitate the transfer of profits to its partners overseas, which were previously being channelled through the Charities Aid Foundation (Charity Commission 2012[b]; FRANK Water 2012[b]; K. Alcott, Founder and Managing Director, FRANK Water, per. com. 25.11.13) It was therefore not aspects such as the lack of an asset lock, participatory structure or limitations on the distribution of profits which the organisation found lacking in the traditional Private Limited Company structure, but a relatively minor difficulty in transferring funds on an international level. To some extent, the decision to donate funds to an affiliated, rather than distinct, charitable body enhances the legitimacy of a social enterprise, in particular if it is possible to trace the transfer of funds from one entity to the other. However, as will be seen in Section 5.4.2 (*"The Projects"*), the issue of whether the charitable recipient of the profits from the social enterprise is affiliated or not affects the projects more than the governance of the social enterprise itself.

Rather than adopting a particular legal form, or certification scheme, ethical waters have in practice used less formal marketing mechanisms to "prove" their status as social enterprises, highlighting their different social elements, including organisational ethics, safe water projects or environmental initiatives. For example, FRANK Water included the following statement in its *"Philosophy of Business (and Eco Policy)"*:

*“FRANKLY Giving a Damn:*

*FRANK Water is a social enterprise with a difference. It does not seek to maximise profits at all costs. Rather – it is an ethical enterprise that is concerned for all stakeholders; the spring, distributors, retailers, staff, and above all customers and fundraisers. All of us give a damn – which is why we support FRANK Water in its principle aim- to provide clean drinking water for villagers without access, and so help prevent some of the 2 million annual deaths caused by drinking dirty water” (FRANK Water 2011).<sup>11</sup>*

FRANK Water thus stresses that its ethics extend beyond raising funds, to adopting ethical practices throughout the organisation. Internally, organisation’s structure is based on the outdoor clothing company Patagonia, whose founder published a guide entitled *“Let my People go Surfing”* (Chouinard 2006). In this approach, the workplace becomes a part of a creative life-style, and reflects the interests of people as social beings, incorporating for example, flexible working hours and childcare (Chouinard 2006). Similarly, Innocent, which produces This Water, highlights its guidelines for ensuring that its’ suppliers interests are adequately met (Innocent 2012) and the Co-operative uses the slogan *“Good for everyone”* to indicate its holistic approach to organisational ethics (Co-operative 2012[a]). In the first instance therefore, ethical waters face a tension regarding how they can prove their status as social enterprises, without a specific legal form. This includes proving that they adopt the high standards of organisational ethics required by such enterprises, beyond the formal law governing all businesses, without the benefit of a regulatory authority such as the Charity Commission to certify their practices.

Meanwhile, another key tension facing ethical waters is in the area of funding. As noted above, the bottled water industry is highly competitive. Thus Duncan Goose, founder of One Water, once noted *“You would say “Well, you’d have to be an absolute idiot to try and get into [the bottled water market], because the competition is so intense that you will never break in unless you’ve got massive financial backing” - which we certainly didn’t!”* (Duncan

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<sup>11</sup> The 2 million annual deaths refers to deaths from diarrhoeal diseases. As noted in Chapter4 (*“Transnational Partnerships for Development”*), however, there are a variety of different causes of diarrhoeal diseases.

Goose, quoted in Peattie and Jose 2006: 7). The industry is therefore a difficult one to break into, even for traditional businesses. For social enterprises, whose aim is not solely a financial return on investment, getting the initial backing can be even more difficult, even when legally the organisation adopts a traditional company form. For example, when interviewed by Time magazine, Belu's founder Reed Paget explained that Belu could not risk ceding control to an investor whose bottom line was still profit:

*"it was important "to remove the 'We must maximize profit' from our management system." Sure, Belu needs to be able to sell for more than the cost of production, but, he says, if it came down to more profit vs. more environmental benefit, VCs [Venture Capitalists] may suddenly decide they don't want to be that deep a shade of green after all"* (Smith 2009).

At the same time, the organisation could not get support from more socially-minded organisations. Greenpeace for example, was adamant that *"investing in firms like Belu is "not what we're here to do"* (ibid). As businesses, ethical waters find it difficult to compete with private companies, particularly the large multinationals who dominate the market, who can use volumes of scale to sell at low prices, even below the cost of production if necessary. Unlike traditional businesses, there is an expectation that ethical waters will adhere to organisational ethics, donate part of their profits to projects and, as the above quote from Belu suggests, meet environmental objectives. Ultimately, as will be seen below, this led Belu to sell below cost, remaining unprofitable for the first three years of operation (Druce 2008; K. Alcott and T. Alcott, per. com. 03.12.13). At the same time, as charities, ethical waters cannot compete with traditional donations as part of the money donated by customers goes to pay for the product. This is particularly problematic in the case where the product is bottled water which many see as a luxury item. For example, Ethos water initially pledged \$10 million (£6.2 million) to water projects, and to do this they would need to sell 40 million bottles (Royte 2008; 162. See also Gutsche 2009). However if consumers donated their money to projects directly instead, they would have donated \$350 million (£214 million) (ibid). Similarly, another commentator compared Volvic's projects with those of WaterAid and noted that *"if you were to stop buying Volvic and drink tap water instead, you*

*would have enough cash spare to permanently supply a small village with clean water”* (Sutcliffe 2008).

For Frank, the approach has been to stay small. Using this small-scale approach, Frank began with an initial investment (a director’s loan) of £8000 to sell one palette of water at a festival (K. Alcott, per. com. 25.12.13). The proceeds from this were then donated to a project and used to purchase more stock (ibid). The organisation therefore adopted a strategy of *“organic growth”* (ibid), a small-scale, low risk strategy in which expansion has been funded through previous sales. On an on-going basis, the organisation has continued to sell a low volume of water at a slightly higher margin, keeping overheads low. By using the cultural capital associated with a hands-on approach, the aim was to counter the impersonal nature of the more established and larger corporations. This capital associated with being small includes the ability to maintain a direct line of sight to all areas of operations (including the projects in India), adapting quickly to changes (for example, as will be seen, shifting to refill as the bottled water industry has declined) and being *“frank”*, i.e. transparent and personally accountable (FD01.09.10). Thus in a section on the organisation’s website labelled *“Why we’re different”* the organisation states that *“we are a small team which means we can keep our overheads low and be transparent about where your money goes”* (FRANK Water 2012[a]). Transparency is therefore not only seen as an end in itself, but as a useful means of gaining cultural capital, which in turn can be translated into financial capital. Meanwhile the personal story of the founder, for example, has attracted media attention, saving the company marketing costs, whilst the organisation prides itself on being run by named individuals, all of whom can *“fit around a kitchen table”* (FD01.09.10). Nevertheless, as per records at the Charity Commission, whilst the social enterprise has remained profitable, by 2010, the charitable arm, which had begun to bring in direct donations, was raising significantly more for projects. Whilst this suggests that a traditional charitable approach proves more lucrative than social enterprise, the social enterprise also provides less tangible benefits, including raised awareness for the charity as well, as will be seen later in Section 5.4.4 (*“The Right to Water”*), as providing a site for engaging in a frank way in debates over the provision of water both in the North and South.

Similarly, for One Water, the initial aim was also to start small: *“we will try and provide one person with water and if we can successfully provide one person with water, we’ll then provide two and three and so on”* (Peattie and Jose 2006: 5, emphasis in original). With a background in marketing however, the founder Duncan Goose was able to use his experience in advertising and the social capital derived from a network of influential contacts to grow the company (ibid: 6). In addition, the organisation found that the cultural capital associated with being ethical has helped the organisation to expand. For example, their water supplier Radnor gave the company additional support because, as the sales manager put it, *“I’ve worked hard today and I’m not just lining the pocket of some capitalist somewhere, I’m actually doing something that’s going to make a difference”* (Peattie and Jose 2006: 12). This countered the lack of financial backing that a larger firm would have had: *“If we were a conventional brand, we would have to have massive infrastructure behind us to make it happen, but in our case, Radnor do all that for us”* (Duncan Goose, cited in Peattie and Jose 2006; 12). Similarly to Frank, One Water also has a separate charitable arm, which as per records at the Charity Commission, in 2009 raised over £2 million, although it is not clear how much of this was raised through the sale of bottled water. At the same time, whilst One Water had previously been stocked alongside the Co-operatives own brand of water, Fairbourne Springs, the Co-operative later converted its own brand to an ethical brand, making donations to One Water. As will be seen in Section 5.4.3 (*“The Projects”*), however, whereas One Water pledges all of its profits to projects, Fairbourne Springs only donates a proportion of its profits. The proportion of profits donated had to be reduced, and the split between a business making a small donation to a charity represented a return to a more traditional Corporate Social Responsibility model.

Meanwhile, Belu initially struggled financially. In 2008, Belu was criticised by Catering Magazine for claiming to donate profits to projects overseas when it was not in fact yet profitable (Druce 2008). Belu responded that it had been making the donations out of trading profits and that by 2008 it was in fact making a modest profit (ibid). As noted above, by 2013, the organisation had restructured and was making a minimum donation of £300,000 over three years to WaterAid (Belu 2013[a]). Other ethical water companies have in some cases also struggled financially. For example, the ethical brand Thirsty Planet in 2009 had caused its parent company Waterbrands to make a loss: *“The cost of launching*

*Thirsty Planet means Waterbrands itself is not yet in profit, Mr Martin [managing director] explained. "It was a tough decision [to commit to donating before being profitable] but we didn't want a hollow proposition," he said"* (Ford 2009). FRANK Water therefore noted that it was not in fact clear whether ethical waters were profitable or not: *"turnover is vanity/profit sanity"* (T. Alcott, per. com. 31.03.09). They therefore asked the market consultants Zenith whether the ethical water market was in fact as lucrative as they suggested: *"what I challenged Zenith to do was to cut through the spin, PR and marketing so prevalent in the bottled water industry and get to the root question of whether the ethical bottled water sector was actually profitable and sustainable"* (T. Alcott, per. com. 11.08.09). This highlights the issue discussed in Chapter 3, regarding whether social enterprise is in fact a financially better alternative to the traditional third sector. If not, as suggested by Arthur et al, there is the long term danger that *"the baby may go out with the bathwater"* (Johnson 2006, paraphrased in Arthur et al. 2006: 2).

Finally, there is the tension posed by multiple stakeholders. As suggested by the earlier quote from Frank's business philosophy, the term ethical does not only denote funding projects, but also denotes an ethical approach towards *"all stakeholders; the spring, distributors, retailers, staff, and above all customers and fundraisers"* (FRANK Water 2011). A clear example of the kinds of tensions this can pose in the area of organisational ethics is in the marketing of bottled water. As discussed above, bottled water has often been marketed in misleading ways. For example, as noted by Frank, it is a *"myth"* that bottled water brings beauty, youth or health (op. cit.). For ethical waters, there is therefore a tension between accurately representing their product, as required to ensure the wellbeing of consumers, and marketing their product in any way which maximises income, either for shareholders or for the beneficiaries of charitable projects. Furthermore, when ethical waters were first launched, there was a tendency to declare that the sale of a certain number of litres of bottled water in the North would fund the provision of a certain number of litres of water in the South. This had an appealing symmetry which fitted with the overall *"water for water"* concept (Oppenheim 2010). Ethical waters often, however, failed to describe how their *"litre for litre"* pledges were calculated. This contravenes Charity Commission guidelines which recommend that all commercial endeavours with charities must specify either the percentage of profits or fixed sum per product that would go to

charitable causes (Charity Commission 2002). This is in order to ensure accountability through transparency to not only customers, but also to some extent to beneficiaries in ensuring funds are spent in their interests. From the perspective of organisational ethics, ethical waters would therefore at minimum be required to adhere to these standards. From an income generation perspective, however, transparency is less important than the appeal of the message on the bottle.

The ethical waters in the UK have dealt with this tension in a variety of different ways. Frank explicitly disassociates its product from the misleading claims of bottled water, for example by declaring that it is a “*myth*” that bottled water can bring either beauty, health, or youth (op. cit.). The organisation has also adopted the Charity Commission’s guidelines, and now specifies that 100% of its profits are donated to projects. Similarly, several other ethical waters have adopted the guidelines, including Fairbourne Springs, Thirsty Planet, ThirstAid, Belu, One Water, and Water4Ethiopia. Some of these organisations also go beyond the minimum legal requirement to trace their projects in more detail. For example, Frank and Water4Ethiopia assign all of their income to specific projects, whilst Thirsty Planet emphasise that they trace “*every penny*” that consumers donate (Thirsty Planet 2012). In other cases, however, ethical waters have prioritised income generation at the expense of organisational ethics. For example, in their ethical campaign, Volvic pledged that for every 1 litre (L) of bottled water that they sold in the UK, they would fund the provision of 10L through projects with the organisation World Vision (World Vision 2008). The way in which this was calculated, however, was not made clear. Similarly, Life Water has continued to pledge that they will fund 1000L for every 1L purchased in the UK (Life Water 2012). Meanwhile, several ethical waters have continued to market bottled water on the basis of particular health properties. For example, Volvic advertised its ethical water in the magazine Marie-Claire, in a feature which the advertisers stated “*combin[ed] beauty with real life to show the dramatic effects that Volvic water can have on both the reader and the benefactors [sic] of the 1L for 10L initiative*” (IPC Advertising). Volvic has therefore continued to associate its product with a particular image and lifestyle, at the expense, in the first instance, of the Northern consumer. Whilst unethical, this campaign was within legal limits. In a more extreme case, in 2008, the Advertising Standards Agency (ASA) banned an advert for Innocent’s This Water, on the grounds that the advert failed to mention the sugar

content of the drink (Sweney 2008). Specifically, the ASA noted that the advert had highlighted the fruit and water content of the product, whilst failing to mention that each bottle also contained up to 42 grams (g) of sugar (ibid.).

Those ethical waters closer to the business end of the spectrum, such as Volvic's ethical water brand, have therefore tended to prioritise income generation over organisational ethics, whilst those closer to the traditional third sector end of the spectrum, such as Water4Ethiopia's brand, have done the reverse. Similarly, with the exception of Life Water, the brands owned by social enterprises in the middle of the spectrum have, in the case of marketing, followed third sector regulations. However this comes at the possible expense of income generation, not only for shareholders but for beneficiaries of projects in the South. The same applies to organisations in the third sector, who must also balance the needs of customers or donors in the North, with beneficiaries in this case in the South. This indicates that the third sector is in itself is not unitary and is split between the interests in particular of the global North and South. Chapter 6 ("*The Blue Revolution': a Transnational Partnership*") explores this tension in more detail. To some extent, ethical waters have therefore been able to harness informal means and cultural and social capital to overcome tensions between organisational ethics and the demands of the bottled water industry. For Frank, this has been partly by staying small. As will be seen particularly in the area of environmental standards and funding the provision of safe drinking water, however, these tensions become more problematic as organisations expand in scale.

#### **5.4.2 The Environment**

*"There is no such thing as organic water and there is no such thing as ethical, environmentally friendly bottled water"* (Thomas 2007).

The rapid growth of bottled water has raised a number of environmental concerns, including concerns over the waste produced by plastic bottles, depleting water sources and carbon emissions. This poses another tension for ethical waters, again centred on the interests of multiple stakeholders. On the one hand, ethical waters aim to increase profits,

either for shareholders or for beneficiaries. On the other hand, however, the term “ethical” also implies accountability to a range of other stakeholders, whose interests can be harmed by the bottled water industry, including people affected by the depletion of particular springs, vulnerable groups affected by climate change and, in the long term, the wider community and future generations who will be affected by depleting environmental conditions. To some extent, this tension also affects traditional for-profit businesses who, due to the widespread negative publicity over the environmental effects of bottled water, have come under pressure to issue some form of environmental policy. For example, FIJI Water, which has been widely criticised for shipping water around the world, states that *“FIJI Water’s commitment to environmental stewardship has always been part of the company’s DNA”* (FIJI Water 2012). For bottled water brands which adopt the label “ethical”, however, there is an even greater emphasis on ensuring that they meet particular environmental objectives. This tension also reflects a tension over funding sources, and in particular the use of bottled water as a funding source.

Ethical waters are therefore required to balance the goal of income generation, whether for shareholders or projects, with not only organisational ethics, but also environmental objectives. In some cases, these objectives are compatible. For example, efforts to preserve the local environment also serve the interests of local stakeholders. As Deeside’s environmental policy states: *“Working in harmony with our surrounding landscape is essential both to our core business and the quality of life that we enjoy whilst living in the local Deeside area”* (Deeside 2011[b]). Similarly, efforts to reduce the materials used in production serve both income generation and environmental objectives. Ultimately however, as noted by the critic in the quote at the beginning of this section, there is a deep tension between expanding the bottled water industry, and preserving the environment. This section begins by exploring some of the ways in which ethical waters in the UK have sought to mitigate this tension before going on to look at Frank’s more radical approach.

One of the ways in which ethical waters have addressed environmental concerns has been by experimenting with different ways of reducing plastic waste. The first, most straightforward, way has been to reduce the amount of material that is used in packaging. This is a strategy which is also used by more traditional bottled water companies, such as

Volvic who have reduced their bottle weight from 17g to 15g per bottle (Volvic 2011[a]). This offers a conveniently quantifiable indicator of environmental commitment, which ethical waters have used to compete over their “environmental” capital (See for example Deeside 2011[b]; One Difference 2011[b]; Thirsty Planet 2011[b]). A second strategy adopted by ethical waters has been to use alternative materials to make the bottles. For example, Belu for some time produced their bottles out of corn-starch (Social Enterprise Ambassador 2011). However, as other ethical waters noted, there were a number of problems with these bottles (FRANK Water 2011; One Difference 2011[b]; Thirsty Planet 2011[b]. See also Gleick 2010). In the end, Belu opted out of plant-based materials and shifted to making their bottles out of 50% recycled plastic instead (Belu 2011[a]). A third option has been to focus on recycling. For example, bottles which are made from PET are, as stated by a number of ethical water companies, 100% recyclable (Belu 2011[a]; Thirsty Planet 2011[b]; Volvic 2011[b]). Alternatively, some companies such as Deeside and Thirsty Planet recycle the waste from their wider operations (Deeside 2011[b]; Thirsty Planet 2011[b]). These strategies often align the interests of different stakeholders by both reducing the costs of production, and therefore increasing income, as well as minimising the negative impact on the environment.

Another way in which ethical waters have established their environmental credentials has been by protecting the source of water that they use. Frank’s spring is an artesian spring in Devon. An artesian spring is one in which the water flows to the surface naturally, rather than being pumped from underground. Meanwhile, Volvic works with local groups to protect the land around their source (Volvic 2011[b]). For companies whose brand is specifically based on a single source this is particularly important. For example FIJI water is marketed on the basis that its water is far removed from polluting sources (FIJI Water 2011[a]) so it is essential that the source is not depleted or polluted (FIJI Water 2011[b]). Other companies such as The Coca Cola Company and PepsiCo (and some brands owned by Nestlé) have got around this problem by using their existing network of bottling plants to bottle and sell tap water (Royte 2008; 38; Gleick 2010; 56; Good.is 2009; BBC 2004; Ferrier 2001; 3). This is usually distilled and then a certain number of minerals are added back into the water (Gleick 2010; Royte 2008). Bottlers are required to state whether or not the water is from a municipal source, although they are not required to state which municipal supply

or what purification process has been used (Gleick 2010: 56). Again, these strategies align the interests of different stakeholders. As noted by Tom Alcott, protecting water sources is a business as well environmental imperative, hence praising companies for protecting water sources is disingenuous: *"It's a bit like 'dairy industry fights to save cows....' ' or BAE [Systems] fights for the right to fight"* (T. Alcott, former Managing Director FRANK Water Ltd, per. com. 13.09.11).

Finally, on the global level, one of the key problems of bottled water relates to carbon emissions and their impact on climate change. Ethical waters have taken a number of measures to mitigate this. One option is to source materials locally, as Thirsty Planet do (Thirsty Planet 2011[b]). The other is to limit the distance that water is transported. Thirsty Planet and Volvic have made changes to their transport methods, with Thirsty Planet reducing vehicle movement by 35% and Volvic's parent company Danone shifting to electric trains (Danone 2010[a]; Thirsty Planet 2011[b]). However, whereas Volvic transports water around the world, the ethical water companies all limit their sales within the UK. Belu was further advertised as the country's first *"carbon neutral"* company, which they achieved by off-setting their emissions, for example through a renewable energy project in Colombia (Belu 2011[b]). Life Water similarly offset some of their carbon emissions by *"planting shrubs, plants and trees in the catchment area"* (Life Water 2011), whilst Deeside suggests that by upgrading their bottling plant they have made their production processes more efficient (Deeside 2011[b]). For Frank, such schemes have a limited effect: *"FRANK Water does not seek to have its cake and eat it- we cannot reconcile increasing profits and decreasing carbon footprint"* (FRANK Water 2011). Frank therefore refused to join carbon off-setting schemes on the grounds that this would be like *"like joining the RSPCA so you can keep kicking your dog"* (FRANK Water 2011).

The ethical waters in the UK have pursued a range of strategies aimed at mitigating, or at least appearing to mitigate, their environmental impact. These strategies have mainly been compatible with the income generating activities of the organisations. As noted by Frank, they therefore have a limited effect. This reflects the dominance of particular stakeholders, in this case either shareholders or beneficiaries, whose interests are prioritised over the wider community and in particular specific groups harmed by the environmental effects of

bottled water. To some extent this also reflects tensions over performance measurement. Factors such as the weight of each bottle are easy to measure and compare, and therefore from a business perspective, provide a more convenient basis for environmental policy. Yet these measures exclude other environmental effects of bottled water, such as the downstream effects of tapping a particular source. Similarly for Frank Water, carbon offsetting represents a limited, if more measurable, approach to dealing with carbon emissions. Whilst in some cases the interests of multiple stakeholders are possible to align, and in some cases the environmental effects are possible to measure in an easily quantifiable way, these policies therefore only have a limited effect. Furthermore, as organisations expand, these tensions become even more significant. Increasing sales of bottled water increases the income accruing either to shareholders or beneficiaries, yet the more bottled water an organisation sells, the greater its environmental impact.

Some of the ethical waters have therefore taken the more radical step of pursuing environmental initiatives at the expense of their income-generating activities. Belu for example has spent around £800,000 on various environmental initiatives (Social Enterprise Ambassadors 2011), including a debris collector to help clean up the Thames in London (Londonist 2010; Belu 2011[c]). This is because one of the organisation's charitable objectives is specifically to make business "greener": *"the promotion of environmentally sustainable means of carrying on business"* (Charity Commission 2012[a]). The company therefore specifically highlights its environmental objectives over income generation, whether for shareholders or projects. Another way in which ethical waters have made this compromise is by limiting their sales to a particular geographical area. For example, neither Frank nor Belu export their water overseas, whilst Frank further limits sales to a regional surrounding area (Belu 2011[b]; FRANK Water 2011). One Water, however, has avoided making this compromise by bottling water on a local basis (One Difference. 2011[c]). Whilst they sell water in several countries, they therefore do not export water, but partner with local springs. In a more drastic shift away from the interests of business, Frank also communicates messages to their consumers suggesting that they should reduce their consumption of bottled water (FRANK Water 2011; Oppenheim 2010). This sets Frank apart from the other ethical waters in the UK, although ethical waters in other countries have made similar statements. For example, the founder of the Canadian bottled water brand

“Earth Water” Kori Chilibeck once stated: *“I’m probably the only operator of a bottled water company who would tell you that you should drink tap water - but if you’re going to buy a bottle of water, we want to provide an ethical option”* (Anastvatz 2007).

Some ethical water brands have therefore ultimately prioritised environmental objectives over income generation. By adopting a strategy as an “inside agitator”, Frank has gone one step further. Whilst Belu sought to transform the industry “from within” by promoting a “greener” form of bottled water (Monks 2010), Frank hoped to undermine it. The organisation sets out this stance in its business philosophy:

*“By selling bottled water we can divert profits from the bottled water industry in a ‘Water for Water’ business model – where 100% of profits benefit global clean water projects. So FRANK Water is positioned as an activist brand that seeks to attack the industry from within – offering consumers an ethical choice – one that makes a positive difference rather than making things worse”* (FRANK Water 2011).

This strategy as “inside agitator” broadly consisted of three main components: a) limiting the environmental impact of Frank’s operations, so as not to “*make things worse*”, b) campaigning against the bottled water industry as a whole, and c) ultimately moving away from bottled water towards refill alternatives. As a first step, the organisation took action to mitigate the impact of its bottled water sales, as described above. The organisation also limited its sales primarily to areas where tap water was not readily available, and did not stock supermarkets, where the majority of the bottled water that is purchased is consumed at home to replace tap water (FRANK Water 2011). The second element of challenging the industry was to actively campaign against it. This was partly done through internal discussions at industry conferences, through recommendations to consultants such as Zenith International, and more subtly by refusing invitations to awards ceremonies which celebrated the growth of ethical bottled waters (K. Alcott, Founder and Managing Director of FRANK Water, per. com, 24.09.10; T. Alcott, former Managing Director of FRANK Water Ltd, per. com. 31.03.09-05.08.09). At the same time, the organisation actively promoted the use of tap water where available, and since 2008 has campaigned for the return of public fountains in the UK (FRANK Water 2011; Mellor 2010). Whilst limited, these campaigns

represented a shift away from the assumption that business and environmental objectives could always be mutually beneficial.

By the summer of 2010, Frank had branched into selling refill bottles as an alternative to single use plastic bottles, and piloted a festival scheme in which refill bottles were sold and filled with purified water from the mains system:

*“Katie’s idea was not just that bottled water over here should raise money to fund clean water projects in India, but also that in the UK we don’t really need to drink bottled water. We have perfectly drinkable water available to us, which we’re very privileged to have. So on site at Womad this year we’ve got the refill campaign [...] buy a refill bottle, and you get free, filtered, chilled water on site”* (L. Trahair, former FRANK Water FreeFill Coordinator, interviewed on Womad Music Festival Radio, 24.07.10).

As the bottled water industry was declining in the North, this shift into refill matched a shift in consumer habits. Just as bottled water went through a shift from pure conspicuous consumption to morally conspicuous consumption, environmental concerns meant that refill bottles now represented a turn to “environmentally” conspicuous consumption. The Swiss company making Sigg bottles (a non-plastic refill bottle), for example, saw its sales shoot up 200% in four months, and as their president noted, their product is now *“an accessory like your cell phone or iPod”* (Royte 2008: 165). For Frank, the environmental damage caused by bottled water represented a fundamental tension for ethical water between engaging further in this industry and protecting the environment. Whereas other ethical waters sought to balance this tension, Frank adopted a more radical approach which involved trying to steer the “bottled water bus” into a decline. As discussed above, due to a variety of different factors, the bottle water industry has in fact declined in the North. The subsequent trend in consumer habits which favour tap water products to some extent mitigates the effect that the decline in bottled water has had on income generation for organisations such as Frank. By selling refill alternatives, business and environmental objectives can be mutually combined in less contentious ways, aligning the interests of, in

the case of Frank water, the beneficiaries of their charitable projects with the wider interests of those affected by environmental degradation.

Ethical waters have therefore to some extent been able to align the different interests of beneficiaries, shareholders, and the wider community and specific groups affected by the environmental consequences of the bottled water industry. They have also, to some extent, been able to identify easily measurable indicators to demonstrate the degree to which they adopt environmental ethics. These strategies however have been limited and ultimately, most organisations have chosen to prioritise income generation over environmental objectives. One exception has been Belu which has more explicitly prioritised some environmental objectives. For Frank however, even this has been too limited. Rather than attempting to make bottled water environmentally sustainable, the organisation has therefore sought to gradually exit the bottled water industry, ideally by undermining the industry overall, and shift towards selling refill alternatives. Whilst still tapping into a culture of consumerism, which will be discussed further below in Section 5.4.4 (*"The Right to Water"*), the sale of refill products carries less negative consequences for wider groups of stakeholders. Meanwhile, as with organisational ethics, the lack of a unified legal form means that almost all off of the strategies pursued by ethical waters have been non-legal, focusing on informal strategies of marketing. Some brands have used awards or soft certification schemes to add weight to their environmental credentials (see e.g. Belu 2013[a]) and Belu has also taken the more formal step of incorporating environmental objectives into its affiliated charity's founding documents. Whilst recognising that even the informal strategies are underpinned by the *"shadow of the law"* (Galanter 1974; Herbert 1992; Mnookin and Kornhauser 1979; Morgan 2003) (for example marketing is ultimately underpinned by regulation over fair trading), there remains a lack of formal standards to define to what degree a bottled water company must adhere to environmental standards in order to be deemed "ethical" or whether, as the quote at the beginning of this section and Frank's strategy suggest, there is *"no such thing"* (op cit).

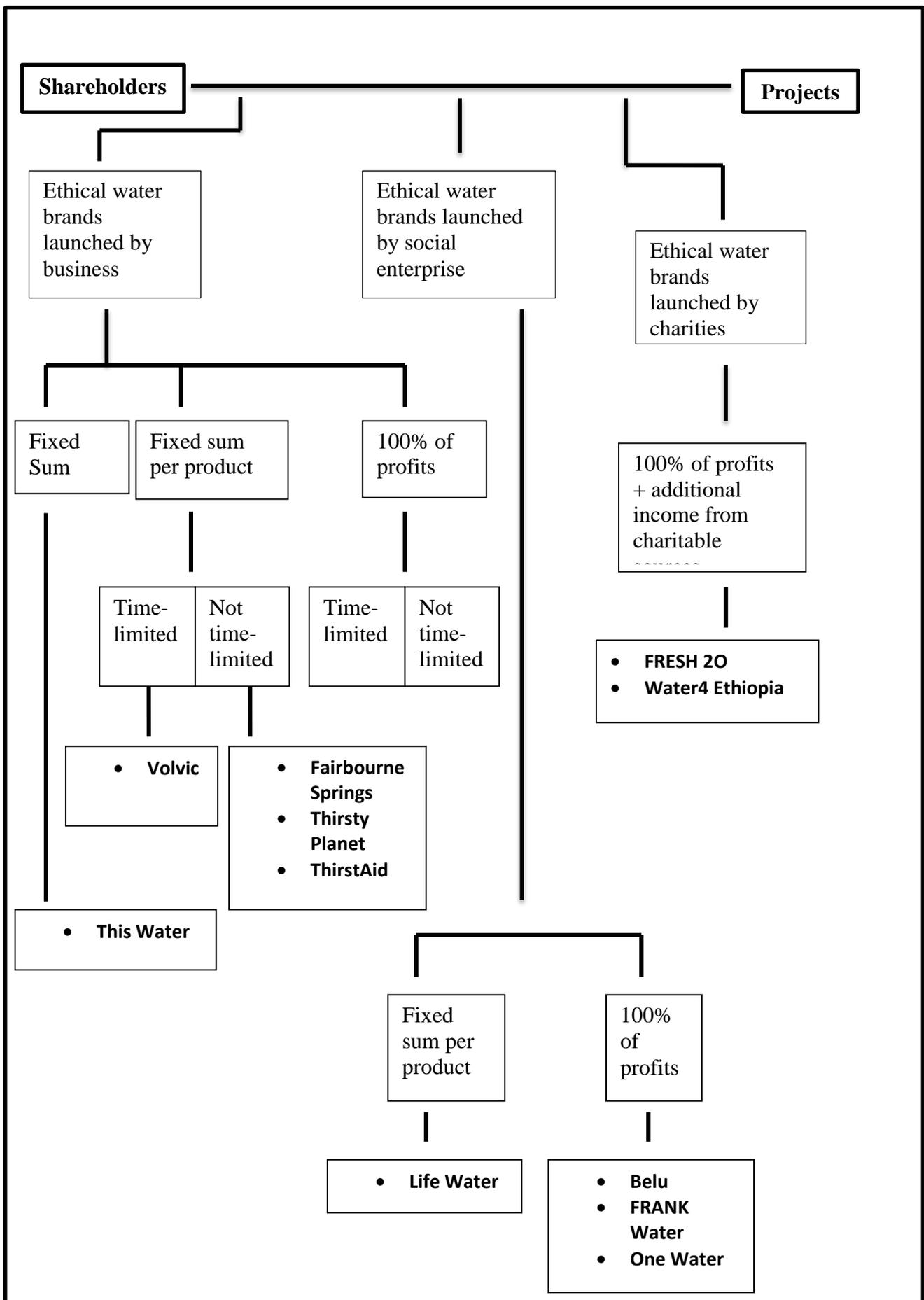
### 5.4.3 The Projects

Whilst they are expected to maintain high standards of internal governance and environmental standards, the prefix “ethical” for ethical water companies refers primarily to the donations that they make to charitable causes, usually with the aim of providing access to safe drinking water in the South. For ethical waters, tensions around not only multiple stakeholders but also staffing and performance measurement have affected both the amount of funding donated to projects as well as the types of projects funded. Firstly, those ethical waters with shareholders must balance the interests of their shareholders with those of the beneficiaries. In some cases, those interests are mutually compatible. As discussed above for example, One Water was able to reduce its costs of production by harnessing the goodwill of suppliers based on the donations they made to charitable projects. This example illustrates how in some cases, donating money to projects increases the overall profitability of the business, thereby serving the interests of both beneficiaries and, where applicable, shareholders. In other cases however there is a trade-off between the amount of profit donated to projects, and the amount of profit accruing to shareholders.

Figure 13 illustrates the relative balance of profit versus donations as a spectrum. As noted above, the ethical water brands fall into three categories: businesses, social enterprises and charities. These three categories also reflect the proportion of profits that they donate to projects. Thus, in the first category are those ethical water brands which have been launched by businesses. In this category, the parent company will only donate the proceeds from their ethical brand to projects, rather than donating the proceeds from their wider operations. If a private company only sells ethical brands, it becomes a social enterprise. For social enterprises, projects are an integral part of the organisation as a whole and they will therefore donate a proportion of their overall profits to projects. Meanwhile, at the other end of the spectrum are those ethical waters set up by charities. In addition to donating all of the proceeds to projects, charities use their trading activities to raise awareness of their projects, thereby increasing their income further. Meanwhile, within each category, ethical waters can further be distinguished according to the proportion of profits that they pledge to projects. For charities, this is always 100% of their profits, plus the associated income that they generate by publicising their charity through their ethical water brand. For social enterprises, the commitment to projects varies between a specified proportion per product

to 100% of profits. In the business category, a traditional Corporate Social Responsibility (CSR) commitment involves a one-off donation to projects. A more embedded commitment involves donating either a fixed sum per product sold or 100% of profits, either for a specified period or on an on-going basis.

Figure 13: Balance of Profits Accruing to Shareholders or Projects.



As can be seen in Figure 12, each of the ethical brands in the UK have been placed along the spectrum, according to available data in July 2012. To some extent, the proportion of funds that ethical waters pledge to projects is a question of communications strategy. For Frank, for example, there is an on-going internal debate regarding whether it would be better to specify that the organisation will donate a fixed sum per bottle sold to projects, or that it donates 100% of profits (C. Allen, Branding and Communications Manager at FRANK Water, per. com. 20.07.12). In both cases, 100% of profits would in practice be used to fund projects, but there is a debate regarding whether a fixed sum would be more appealing to customers (ibid.). There is therefore some overlap between the categories, depending on the particular communications strategies of the different ethical waters. Overall, however, the tendency has been for businesses to donate a fixed sum per product sold to charity. Meanwhile, charities tend to specify that they donate 100% of their profits to charity, or the equivalent in terms of a minimum sum. This is because for shareholders, ethical water is seen as an opportunity to increase the cultural capital, and therefore the financial capital of the business. The emphasis is therefore on maximising the financial return from minimal donations. Volvic's campaign, for example, raised around £150,000 for projects, yet at the same time, the company spent £3 million advertising this ethical campaign (T. Alcott, former Managing Director, FRANK Water Ltd, per. com. 16.11.12. See also Zenith International 2009). The initiative therefore primarily served the interests of the wider business. For charities, meanwhile, the emphasis is on increasing the funding for beneficiaries. Whereas businesses harness charitable projects to benefit the business, charities harness business in order to benefit the charity. For social enterprises which are located in the middle, there is a tension between the two. Most ethical waters in the social enterprise category have shifted closer to the traditional charity model, specifying that 100% of their profits will go towards funding projects.

With respect to the amount of funding given to projects, ethical waters in the central social enterprise category have therefore tended to prioritise the interests of beneficiaries over shareholders. In addition to a tension regarding the amount of funding that is allocated to

projects, there is another tension regarding what types of projects are funded. This partly again comes down to the interests of multiple stakeholders. Thus, whilst there may be overlap, the types of projects which appeal to customers, and increase profits to shareholders, may not be the same as the types of projects which ultimately best meet the interests of beneficiaries. In addition, the difficulty in measuring social outcomes can mean that those projects that are funded are the ones that yield easily quantifiable indicators of success, which do not necessarily cover the interests of beneficiaries. For example, as discussed above in Section 5.4.1 (*"The Organisation"*), there has been a tendency amongst ethical waters to measure their social impact through projects by the number of litres of water that each purchase of a bottle of water provides. As discussed above, the calculations behind these numbers have rarely been transparent, whilst, as discussed in Chapter 4 (*"Transnational Partnerships for Development"*) the quantity of water provided represents just one possible dimension of "access to safe water". This tension, between easily quantifiable and appropriate projects, is one that not only affects social enterprises but also other more traditional organisations in the third sector, who are, as previously discussed, being encouraged to adopt quantifiable metrics. For social enterprises, who are also competing in the bottled water industry, however, this tension is particularly acute. Furthermore, there is an issue of staffing. As discussed in Chapter 3 (*"Social Enterprise"*), social enterprises can face difficulties in recruitment as their staff require skills from both the field of business and the third sector. A number of the leading individuals of the bottled water social enterprises primarily have business skills. Thus both Duncan Goose of One Water and Simon Konecki of Life Water, for example, were former actors in the field of business who made an explicit decision to leave and pursue more charitable goals (Northcott 2012; One Difference 2012[a]). This business experience however, does not necessarily include the skills to select and manage appropriate charitable projects. This tension is particularly acute for those social enterprises who set up their own affiliated charities, rather than directing funding to existing charities such as WaterAid.

For Frank, an organisation explicitly positioned as an inside "agitator" in the bottled water industry, the tendency has been to resist the drive towards marketable projects. For example, in discussions within the industry, the organisation has questioned the tendency to measure the impact of projects through the number of litres of water produced, as this

would not take into consideration other factors such as the cleanliness of the water (T. Alcott, per. com. 31.03.09 and 16.11.12). Nevertheless, as will be seen in Chapters 6 and 7, the organisation has faced a number of tensions regarding its projects overseas. In the meantime, another clear example of the tension between marketable and appropriate projects can be found in the case of One Water. When One Water first started funding projects, they primarily partnered with the organisation Roundabout Water Solutions which installs PlayPumps (One Difference 2011[a]). The aim was that as children play on a roundabout, water is pumped up to a water tower which would provide a convenient source of water for schools and local communities. In addition, the maintenance of the systems would be funded by selling advertising space on the side of this tower (Chambers 2009; Brocklehurst and Harvey 2007). When the United Nations Children's Fund (Unicef) conducted a study of these Playpumps however they found a number of significant issues with the model, including technical difficulties as well as concerns over health and safety (Brocklehurst and Harvey 2007). According to one critic, therefore, the PlayPump projects represented a triumph of marketing over social purpose (Chambers 2009). In response to these criticisms, One Water noted that they had conducted an audit which showed that 96% of their PlayPumps were operational, a figure which compared favourably with the average rate, 66%, for hand-pumps in the region (Spall 2009; Hampson 2009). However, the One Foundation has more recently shifted away from PlayPumps, and now only funds these systems in large schools (Hampson 2009; One Difference 2011[a]). This illustrates that to some extent, the organisation was able to overcome the tensions associated with staffing, and in particular the lack of development experience amongst staff, by learning over time. Nevertheless, for a number of other ethical waters, this tension led the organisations to contract out their social aim of funding projects to existing charities such as WaterAid or PumpAid, returning to a more traditional CSR model whereby a business donates to an existing charity.

The tensions facing social enterprises regarding multiple stakeholders, performance measurement and staffing therefore directly affect not only the amount of funding that they donate to projects, but the type of projects that they fund. As with organisational ethics and environmental standards, the strategies adopted by ethical waters in attempting to prove their "ethical" credentials in terms of funding projects have primarily involved informal

marketing. As noted above, none of the ethical waters have adopted a legal form that requires the redistribution of a certain percentage of funds towards charitable projects. Furthermore, only Belu has signed up to a certification scheme, becoming an accredited member of Social Enterprise UK. Even then, the regulation provided by Social Enterprise UK depends on reporting from other competitors (Social Enterprise UK 2013[c]). Belu has also signed a legal contract with WaterAid guaranteeing them a minimum of £300,000 over three years (op cit). The remaining ethical waters, however, have relied entirely on informal advertising to specify what proportion of profits are going to which charitable causes. To some extent these are again underpinned by more formal law. For example, anyone wishing to verify Frank's claims could compare their accounts at the Charity Commission with those at Companies House. This provides a convenient route of transparency, in particular for those ethical waters with an affiliated charity. It is a less transparent route, however, for those organisations donating to larger existing charities, where tracing individual donations becomes more difficult. Furthermore, even when ethical waters have an affiliated charity, it is not always possible to trace how much income has been accrued from the sale of bottled water, and how much has accrued from general donations. The lack of legal underpinning therefore creates tensions not only over legitimacy but the accountability of organisations to both customers and beneficiaries, particularly in the long term.

#### **5.4.4 The Right to Water**

*"The backs of their labels said, "Oh aren't we wonderful and good and nice people, aren't we lovely doing all this charity work on the side," but well, actually these issues are really serious, people are dying, it's not like they need to give us a pat on the back, we should be doing this anyway."* (Katie Alcott, Founder and Director of FRANK Water, cited in Oppenheim 2010)

As this quote indicates, Frank was founded to overcome the self-congratulatory nature of many charitable initiatives, by being *"frank"* and *"straight talking"* (Oppenheim 2010). Regarding the issue over access to safe water, the implication is that this is a universal right,

which people in the North have a duty to uphold. In the case of ethical waters, the way in which they try to achieve this is by using some or all of the profits from the sale of bottled water to fund safe drinking water projects in the South. As described above tensions over multiple stakeholders, performance measurement and staffing affect both how much profit is distributed, as well as the kinds of projects that are funded. In addition, however, two further tensions face ethical waters who attempt to not only fund access to safe water, but attempt to achieve universal access to safe water as a right, related to funding sources and the issue of multiple stakeholders. This section will explore each of these tensions in turn, before looking at how they have been navigated by Frank and the other ethical water brands in the UK.

Firstly, there is a tension regarding the use of the bottled water industry as a funding source. As discussed above, the growth of the bottled water industry has in some areas reduced access to safe water by damaging the environment. As the bottled water industry has expanded, it has produced increasing amounts of carbon emissions and plastic waste, whilst extracting increasing amounts of water from particular sources. These environmental issues were discussed above in the context of preserving the environment as an objective in its own right. These issues also raise concerns over access to safe water for certain groups, in particular vulnerable groups and future generations. There is therefore an additional tension between the beneficiaries of the water projects, and those groups whose access to water may be undermined by the bottled water industry. Meanwhile, more broadly, the way in which bottled water has been marketed reinforces, rather than overrides, existing social divisions when it comes to access to water. In countries such as the UK and the US, the universal provision of safe water was a key milestone in improving public health (Royte 2008; Gleick 2010). As noted by Frank in their Eco Policy and Philosophy, "*The eradication of water borne disease such as [the] London Cholera Epidemic in 1854 put the Great into Great Britain and built the foundation for a healthy population*" (FRANK Water 2011). Bottled water however, has been sold on the basis that it represents a superior alternative to tap water, for those who can afford it. This represents a shift away from water as a universal right, towards a multi-tiered system in which access to water is determined by wealth and class. As Bling H2O's advertising specifically states, "*it's not for everyone*" (op cit). Whilst ethical waters therefore attempt to increase access to safe water by funding projects, they

also in the long term risk undermining the right to water by participating in the bottled water industry. Furthermore, as noted by Brei and Böhm, ethical waters not only contribute to the bottled water industry, but add an ethical dimension that helps to further legitimise and perpetuate the industry (Brei and Böhm 2011).

An additional tension related to funding sources is that ethical water brands have in some cases secured investment from sources such as multinational corporations, whose wider activities also risk undermining access to safe water. For example, in 2009, Innocent which produces This Water first sold 18% of its shares to Coca Cola and by 2013 was looking to increase Coca Cola's share to over 90% (Neate 2013. See also Innocent 2013). The multinational Coca Cola has been accused of undermining the right to water in various contexts (See e.g. Aiyer 2007; Drew 2008; Shiva 2002). At other times, ethical waters have secured deals to stock their product in outlets also owned by large corporations. For example, Belu is now stocked in the supermarket Sainsbury's (Social Enterprise UK 2013[b]) whilst One Water is stocked in the coffee shop chain Starbucks (One Difference 2013). As noted above, most of the bottled water sold in supermarkets is consumed in the home where tap water is already available, and tap water is also available in cafes. Expanding the sale of bottled water therefore comes into tension with environmental objectives, and, as noted above, support for universal provision of tap water for drinking. In addition, however, by engaging with stockists such as Sainsburys and Starbucks, ethical waters are supporting their wider operations, which again often carry with them wider implications for access to water. For example, the Dutch Water Footprint Network has calculated that coffee has a high water footprint, at around 140 litres per cup (Chapagain and Hoekstra 2007), whilst supermarket standards on the production of tomatoes for example, means that most of the UK's tomatoes are grown abroad, in water scarce regions (Chapagain and Orr 2008). This tension, regarding funding also applies to charitable donations. As will be seen in Chapter 6 (*"The Blue Revolution': A Transnational Partnership"*), Frank and their Indian partners would later face a decision over whether or not to accept charitable funding from Coca Cola. However as noted above, in section 5.4.1 (*"The Organisation"*), the bottled water market is highly competitive and in order to compete against the dominant brands in the bottled water market ethical waters require significant investment, yet in order to secure this investment they can end up being co-opted by one or more of the major brands.

Before looking at how Frank has dealt with this tension, there is also a second related tension regarding multiple stakeholders. This tension affects not only ethical waters engaging in the bottled water industry, but the concept of ethical consumerism more broadly. As noted above, ethical consumerism taps into consumer's desire to be a "good person" and to mitigate their complicity in global suffering. The problem, according to Brei and Böhm, is that this then serves the needs of the ethical consumer rather than the intended "beneficiaries" in the South (Brei and Böhm 2011). As a campaign video from One Water notes, purchasing an ethical product requires little additional effort on the part of the consumer: *"What if I told you that you could do absolutely nothing to change your daily routine, but at the same time help thousands and thousands of lives?"* (One Water 2010). It is, as Belu states, an *"incredibly simple"* solution: *"you drink. They drink"* (The Guardian 2011). This approach discourages any critical questioning of the "you/they" divide between North and South, and legitimises the global processes that cause conditions of poverty in the first place (Brei and Böhm 2011; Žižek 2009). As with charitable donations in general, therefore, the question remains whether donating money only mitigates much deeper problems. Are we, as Slavoj Žižek notes, simply *"buying our salvation"* (Žižek 2009)? In the case of ethical consumerism, this tension is exacerbated by making it even easier to *"do one good thing"* (One Difference 2012[b]). In addition to tensions between shareholders and beneficiaries regarding the distribution of profits, ethical waters therefore also face a more subtle tension between their consumers and beneficiaries.

For Frank, the first way in which they have dealt with these tensions is to make them explicit. Thus in relation to the bottled water industry, Frank explicitly recognises that there is a fundamental tension in the organisation's operations, between trying to fund the global provision of public water, and doing so by selling bottled water: *"FRANK Water is a tap water company. Its mission is to fund sustainable tap water facilities. But paradoxically- it raises funds by selling bottled water"* (FRANK Water 2011). In addition, as noted above, Frank rejects the self-congratulatory approach of ethical consumerism, highlighting the fact that buying a bottle of water is not enough to buy a clear conscience: *"we need to be FRANK about the need for change"* (K. Alcott, Founder and Director of FRANK Water, Strategy Meeting, FD01.09.10). In making explicit the contradictions of the organisation, Frank draws

on other companies such as Patagonia, who openly acknowledge that *“there is no such thing as a sustainable business”*:

*“Anyone reading the Patagonia site must take away a message that clothing manufacture is far more environmentally damaging than its relatively benign image suggests. The true costs are hidden from view in a Chinese factory or Bangkok spinning mill. Patagonia acknowledges this, almost implying that we might choose to buy fewer items. [...] Unlike the many companies who have built a veneer of environmental respectability and then made exaggerated claims for their virtue, it simply says 'as yet, there is no such thing as a sustainable business'”* (Goodall 2008).

Whilst somewhat unsatisfactory, this uncomfortable stance does get beyond the depoliticising nature of ethical water by bringing back *“the political struggles and antagonisms that characterize social reality”* (Laclau and Mouffe 1985, cited in Brei and Bohm 2011: 237). Rather than claiming a seamless fit between the bottled water industry and the third sector, it highlights some of the tensions that this overlap entails.

In addition, the strategy that Frank adopted as an inside agitator meant that they sought to undermine, rather than support the bottled water industry. This involved not only campaigning against the bottled water industry, but campaigning for public fountains and ultimately, branching into refill alternatives. As noted by Royte, the recent growth in the market for “refill” products represents a novel shift in ethical water:

*“buying a refillable bottle is opposite to the hyperindividualism of buying a private phone or musical headset. Refillables announce a commitment to public water, a heartening step away from what Andrew Szasz [...] has called the inverted quarantine, in which Americans remove themselves from environmental problems by buying things [...] instead of working on solutions through political organising”* (Royte 2008: 165-5).

Unlike bottled water, the product does not contribute to environmental degradation and does not undermine tap water. As noted by Royte, however, such products still tap into (an

environmental form of) conspicuous consumption (Royte 2008). For Royte, this is an acceptable means of overcoming some of the tensions of bottled water: *“If buying something new- a filter or bottle- makes [tap water] more palatable to the consumption-addled populace, so be it”* (ibid., 165-6). On the other hand, to some extent, concepts such as Frank’s festival initiative continue to suggest that purified water, whether filtered in the home or at festival sites, represents a better form of water than that provided by the public tap system. The concern is that this represents a shift away from the construction of water as a universal human right, to water as a multi-tiered consumer good. Another tension that remains with ethical water, even in its refill form, is the question of whether ethical consumerism legitimises rather than addresses global structural inequalities. To some extent, making this tension explicit mitigates the depoliticising effect of ethical consumerism, but this is a tension which continues to characterise not only Frank, but the third sector as a whole.

## 5.5 Conclusion

*“What would happen if every business in the world became a social enterprise....and say, donated a minimum of 10% of it’s [sic] profits to good deeds. Extreme consumerism might just be a good thing.”*

(Goose 2009)

*“The aid industry has become ever more market driven, a trend accelerated by an increasing tendency for the private sector to profit on the back of charity giving. The great tragedy is that by being drawn to easily marketable gimmicks, more appropriate and sustainable projects are in ever greater danger of being neglected”.*

(Chambers 2009)

This chapter set out to answer the first part of the main research question in this thesis, namely: *“When a social enterprise engages in a transnational partnership for development, what tensions affect the governance of the social enterprise?”* The controversy over One Water’s playpump roundabouts, as illustrated by the above two quotes, captures well some

of the tensions surrounding social enterprises. In the case of ethical water, such companies are, on the one hand, businesses located in the highly competitive bottled water industry. On the other hand, they are pursuing a social purpose, making a claim to be “ethical” on the basis of upholding organisational ethics, protecting the environment, funding projects and, through those projects, supporting the universal right to safe drinking water. This has posed a number of tensions for such organisations, in particular around legal form, funding sources, multiple stakeholders, and to some extent measuring results and staffing. This section will summarise the way in which each of these tensions have affected ethical waters, before going on to explore to what extent the measures taken by Frank and the other ethical waters have managed to overcome them. Is it possible for bottled water to be ethical? Do the ends justify the means? And could extreme consumerism, as the above quote suggests, be a good thing?

As suggested in Chapter 3, social enterprises face a number of tensions in particular around legal form, funding, multiple stakeholders, performance measurement and staffing. These have all been relevant to ethical waters, although it is the first three (legal form, funding and multiple stakeholders) which have proved most problematic. Firstly, the lack of a unified legal form for social enterprises means that there are no agreed standards against which to measure the ethical credentials of the different brands, whether in the area of organisational ethics, the environment or the provision of access to safe drinking water. Secondly, ethical waters have found it difficult to secure funding, with for-profit investors on the one hand being reluctant to invest in businesses with limited profits, and not-for-profit investors or donors preferring to donate directly to charitable causes. Furthermore, when they do secure funding from either source, this raises further tensions over the interests of multiple stakeholders. Whilst most organisations face claims from a range of different stakeholders, ethical waters in particular are faced with competing claims from shareholders, customers, staff, beneficiaries and the wider community, and lack a primary stakeholder. Finally, ethical waters have also found it difficult to recruit staff with both business and charitable experience, whilst they have also had to balance the need for quantifiable metrics with less tangible social outcomes.

From a problem-solving perspective, the challenge is to overcome these tensions, which the ethical water brands in the UK have done to some extent. In order to overcome the lack of legal form, ethical waters have harnessed the “*shadow of the law*” (op cit) and used informal marketing underpinned by formal regulations such as those governing fair trading and charitable donations. One ethical water has further adopted a certification mark to prove its status as the “*most ethical*” water brand (Belu 2013[b]). However, without a common standard as to what constitutes the “most ethical”, it is difficult to verify such claims. Meanwhile, ethical waters have to some extent overcome the funding gap and aligned the interests of multiple stakeholders by harnessing the cultural capital associated with being ethical. This has proved successful on a small scale, however it has proved more problematic as ethical waters have sought to expand. For example, whilst a charitable donation increases the cultural capital of a brand, it is in the interests of the shareholders to minimise the donation, whilst it is in the interests of beneficiaries to maximise the donation. This has made it difficult for ethical waters to expand without drifting either towards traditional business or charitable models. In addition, ethical waters have developed quantifiable metrics for some social and environmental impacts, but these remain limited to narrow measures such as the weight of bottles. Finally, to some extent ethical waters overcome issues over staffing by gaining experience over time, however a number of ethical waters ended up externalising responsibility for charitable activities to a separate organisation, thereby again drifting closer to a traditional CSR model. From a problem-solving perspective, whilst some tensions have thus been overcome, further work needs to be done in order to internalise the ethics associated with ethical water into the bottled water industry.

As discussed in Chapter 3, meanwhile, a problematising perspective takes a different, broader view on social enterprises. Rather than looking at how to make social enterprise work, a problematising perspective asks why the aim is to make social enterprise, in this case specifically ethical bottled water, work in the first place and whose interests this serves. As discussed above, ethical water has been presented as a solution for the bottled water industry to address a declining market in the North, as well as a way to overcome the paternalistic nature of charitable donations in the third sector: making the “*trader*” rather than the “*charity worker*” the hero (op cit). Ethical water is thus portrayed as a “win-win”

solution. From a problematising perspective however, the above tensions illustrate that apparent “win-win” scenarios will also involve conflict. Furthermore, where such conflict occurs, a perspective which focuses on power relations suggests that the more powerful side will dominate. Thus as discussed in Chapter 3 in the context of social enterprise, the dominance of neoliberal discourses suggests that a business perspective will dominate over that of the third sector. For example, whereas both business and the third sector favour a shift away from the paternalistic nature of charitable donations, a business solution fails to engage with the structural relations which, as noted above, undermine the right to water. Attempts to overcome these tensions will therefore tend to favour the interests of business in recovering a declining bottled water market, even whilst they are presented as a mutually beneficial solution. Taking a step back, a problematising perspective therefore asks whether ethical water, and more broadly ethical consumerism, represents an appropriate solution to the problems of the third sector in the first place. Rather than asking whether extreme consumerism could be a good thing, the key question is whether extreme consumerism could be a good thing, for whom?

By making explicit the tensions in ethical water, Frank’s approach therefore begins to adopt a problematising approach. Rather than seeking to promote ethical water as a “win-win” solution, the organisation makes explicit the consequences of engaging in this industry. In the short term, Frank has continued to engage in this industry on the basis that as long as the industry exists anyway, the profits can be diverted to at least some charitable projects. In the long term, however, the organisation has actively campaigned against the industry, which has in fact seen a decline in North. Ultimately, Frank has therefore concluded that when it comes to ethical bottled water, the ends do not in fact justify the means. In order to resolve this, Frank adopted three strategies. Firstly, the organisation began to sell tap water products. Whilst this shift addressed the tensions associated specifically with bottled water, the tensions associated more broadly with ethical consumerism remained. Secondly, the organisation set up a charitable branch. This however represented a return to the charitable model and the associated tensions over the structural conditions shaping deprivation. Thirdly, therefore, Frank sought to address this by making these tensions explicit, for example by stating that ethical consumerism in itself would not merit a “*pat on the back*” for Northern consumers, donors or traders (op cit). In this way, the organisation sought to at

least to some extent destabilise the discourses around charitable giving which privileged Northern actors. Chapter 8 (*“Conclusion: Whose Governance”*) will explore these strategies further with a focus on the lessons that they offer other social enterprises, as well as exploring some of the alternative approaches raised by a broader problematising perspective. First, however, Chapters 6 (*“The Blue Revolution: A Transnational Partnership”*) and 7 (*“The Indignity of Aid”*) will go on to look at the tensions faced by Frank and its partners at the transnational level and at the project sites in India.

## **Chapter 6: “The Blue Revolution”: A Transnational Partnership**

### **6.1 Introduction**

When Frank first began funding projects they worked with two partners: a US-based technology supplier, WaterHealth International (WHI) and an Indian NGO, the Naandi Foundation. They in turn worked with local Panchayats through what they termed a “*tripartite*” agreement (NFDoc1). The aim was that by working together, these actors could harness their comparative advantages to bring about a “*blue revolution*” in safe drinking water (NFDoc1). The next chapter will explore the projects at the village level, including the role of the Panchayats. This chapter concentrates on the transnational relationships between Frank and its partners and how this changed over time. As will be seen, both the transnational and cross-sector nature of the partnership led to tensions over legal form, recruitment and staffing, funding sources, and to some extent measuring results and multiple stakeholders, although it was the tensions associated with different professional sectors which were ultimately most salient. These tensions initially occurred between Naandi and its technology partners, as well as between Frank and Naandi. To some extent, these initial issues were possible to resolve. Further tensions however, occurred when Naandi partnered with the Northern multinational company Danone and transformed their water division into what they termed a “*social for-profit*” (NFDoc2). This caused two new sets of much more problematic tensions, between Frank and Danone, and between Frank and the newly formed social for-profit. As will be seen, this ultimately led to drastic changes in the partnership, with Frank ultimately withdrawing to a more traditional third sector model. The chapter will conclude by exploring how this decision reflects the kind of solution that a broader, problematising approach can offer.

### **6.2 The Original Model**

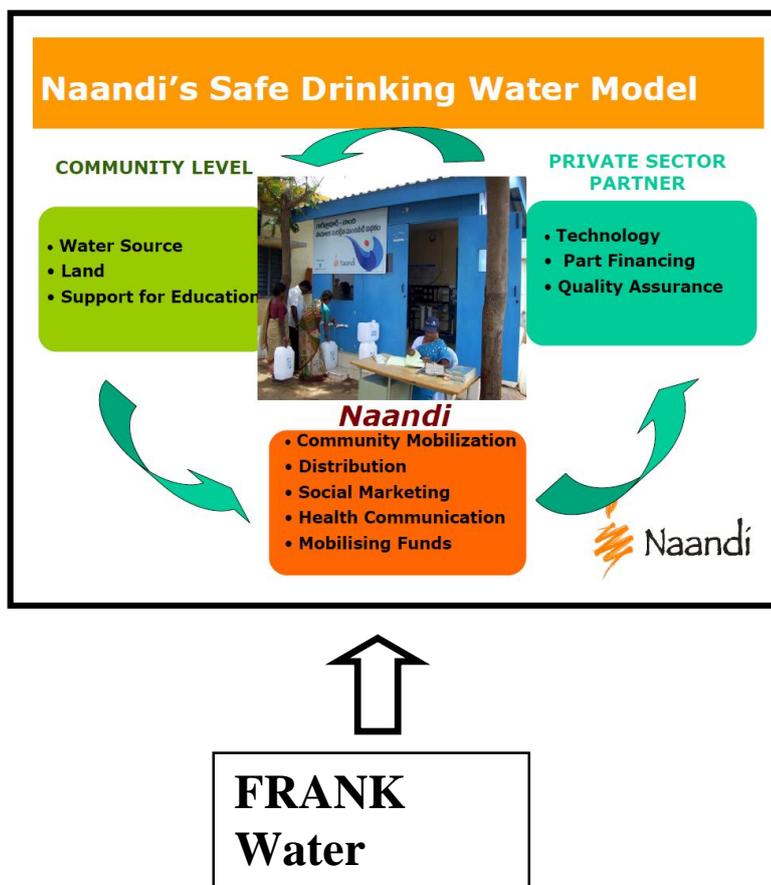
The original model for the “*blue revolution*” (op. cit.) was based on harnessing the comparative advantages of different actors to achieve a shared interest: the provision of safe water. Initially, it was Naandi and WHI who set up what they termed a “*tripartite*”

agreement between themselves and the village Panchayats (op. cit.). This agreement is illustrated in Figure 14, and in full in Appendix G. When Frank joined the partnership, their role was to fund projects through Naandi. By collaborating in this way, the partners hoped to achieve together what they could not achieve alone. Firstly, each actor would bring their specific resources to bear on the problem of safe drinking water. In addition, by bringing together actors from different sectors, the aim was that each sector would act as a “check” against the excesses of the other. As Naandi suggested:

*“the SDW [Safe Drinking Water] model [...] provides for an inbuilt regulation of private agencies in an important sector such as water that surely cannot be subjected to dictates of profitability in the name of economic viability [...] While official legitimacy is necessary, insulating routine operations and maintenance from interference by local politics is equally critical for sustaining managerial autonomy to guarantee product quality and equitable [sic] outreach” (Naandi 2008: 36).*

The argument was that the public and third sectors would keep a check on the profiteering of the private sector, whilst the private sector would help to address the partisanship and inefficiencies of the public and third sectors (Naandi 2008; Mau 2010). This was not, however, a large-scale Public-Private Partnership (PPP), based on partnerships between state or national governments and large, often multinational, businesses. Instead, this was a partnership between village councils, a private technology supplier and a third sector NGO and its donors. This section explores the roles and responsibilities of each partner in the original model.

Figure 14: Partnership Model



Source: NFDoc7.<sup>12</sup>

The first partner was WHI, a US-based technology firm which specialises in providing drinking water systems to “underserved communities” (WHI 2011). In 2002, the company had bought the rights to a water purification device, based on using UV light to disinfect water, invented by the Indian physicist Ashok Gadgil (Wonacott 2007). Appendix H illustrates the technology in full. WHI set up an Indian branch, WaterHealth India (WHIn), whose role was to supply and maintain the technology, as well as train local operators to manage the day to day running of the plant (NFDoc1). In addition, WHI’s second role was to part-finance the projects. In 2002, when WHI first acquired the technology, they had run into financial difficulties trying to pilot the device (Wonacott 2007). By 2004 the firm was on the verge of bankruptcy, until it was bought out by the social venture capital firm Plebys

<sup>12</sup> Frank’s role is not illustrated in the original.

International, led by Tralance Addy (ibid.). For Addy, the aim was to use his experience in the field of business to make the projects financially sustainable. He therefore set up an innovative financing model. Firstly, Addy secured backing from other investors, including the Gates Foundation (through the Acumen Fund), Dow Venture Capital and the World Bank's (WB) International Finance Corporation (IFC) (Dow 2011; Naandi 2006; Wonacott 2007). Addy then used this backing to take out loans from commercial banks, some of whom (for example India's ICICI bank) provided low interest rates for social ventures (Katz and Mahnat 2010; FD19.02.08). These loans were used to pay for the majority of the set up costs for each project, between 50-70% (NFDoc1). The remaining 30-50% was then collected from the village in which the plant was being installed as a "*community contribution*" (ibid.). When the village could not afford this, external donors such as Frank were asked to contribute instead (Naandi 2006). In order to repay the loans, WHI would then charge a user fee for the water, initially Rs 1.5 (£0.02) per 20 litres (L) (NFDoc3; FD18.02.08; Naandi 2008). In addition to paying for the loans, this user fee was designed to cover on-going costs at the projects, including the salaries of local operators and maintenance costs (WHIn1).

Whilst WHI supplied the technology, and had developed an innovative means of financing, they lacked the local expertise to implement the projects. They therefore partnered with an Indian NGO, the Naandi Foundation. Naandi was founded in 1998 by four prominent business leaders at the request of then Chief Minister (CM) of Andhra Pradesh (AP), Chandrababu Naidu (Naandi 2001). The aim was to create an organisation which would explicitly merge the "*professionalism*" of business with the "*passion*" of the NGO sector (Naandi 2001: 3). Whilst located in the third sector, Naandi therefore also drew on the field of business. As one analysis noted, "*While a nonprofit by its constitution, Naandi is run like a corporation with business principles in mind*" (Katz and Mahnat 2010: 4). This meant that the organisation explicitly adopted private sector features such as "*objective*" (Naandi 2001: 6) recruitment, cost-effectiveness, outcome monitoring, ISO quality standards, and the use of online technology to improve transparency (Naandi 2001). These reflect aspects of governance which create tensions for social enterprises, including in particular recruitment and staffing, measuring results (outcome monitoring, ISO standards and the use of technology) and multiple stakeholders (with different approaches to cost-cutting). As will be seen in Sections 6.5 and 6.7 (Naandi Water Ltd), some of these features would prove

compatible with the organisation's third sector objectives. For example, in the area of cost-cutting, the organisation was able to make some savings that increased the social impact of their work, for example by reducing the time it took to deliver safe water. Most of these features however, would later prove contentious, with Frank and Naandi in particular adopting different approaches to recruitment, cost-effectiveness and outcome monitoring. As will be seen in Chapter 7, other features such as high quality standards and a strong emphasis on technology would also prove contentious at project sites. As outlined in Chapter 4, there is an on-going tension in safe drinking water projects between quality and equity as well as the limits of technical interventions. In the original model, however Naandi's role was to act as the "*community interface*" (NFDoc1. See Appendix G). Drawing on their experience of working in rural AP, Naandi would encourage villages to adopt a water project and, once a project had been installed, encourage residents to purchase the purified water (*ibid.*). As Naandi put it, they were supporting WHI by providing the necessary "*goodwill capital*" (Naandi 2008: 37).

Finally, a third partner in the original model was the local community. In the first place, as per WHI's financing model, the community was responsible for paying part of the set-up costs. They were also responsible for paying user fees once the project had been set up. In addition, the projects were formally sanctioned by the village Panchayats. According to the 73<sup>rd</sup> amendment to the Constitution, Panchayats are the legally responsible bodies for water provision (Naandi 2008; NFDoc1; Cabral et al 2009[b]). The Panchayats therefore provided legitimacy by authorising the plant, as well as providing access to land and a water source, and "*social-administrative support*" (NFDoc1). Furthermore, after the loans had been repaid, which was projected to take five to eight years, formal ownership of the projects was handed to the Panchayat (NFDoc1). For Naandi and WHI, the community was therefore the third partner in their "*tripartite*" agreement (*ibid.*). Meanwhile, the role of donors such as Frank was to support the community by paying part of the set-up costs when the community could not afford their share. In the original model, each partner had a clear set of roles and responsibilities. WHI would provide the technology and part-financing, Naandi would act as the community interface, and the community, supported by donors such as Frank, would provide the remainder of the funds, as well as formal legitimacy, land and a water source. The aim was that by working together, each partner would benefit from the

advantages of the other. As Naandi's chairman stated, it was a "win-win" scenario for all (Naandi 2010: 24). However, as will be seen, this original "win-win" vision downplayed a number of tensions that would occur both within and between these organisations.

### **6.3 A Shift in Technology**

The first set of tensions to emerge occurred between WHI and Naandi. Whilst both organisations had a shared objective of providing safe water to "underserved communities" (op cit), there were a number of differences in how they perceived and approached this objective. In the first instance, WHI as noted above, was financed by private investments and loans whilst Naandi at the time was funded by charitable donations. WHI therefore had to balance the interests of those investors and their shareholders, with the interests of beneficiaries and other stakeholders. The two organisations also had different approaches to measuring results, with WHI focusing on quantifiable, and particularly financial indicators and Naandi more concerned with wider social and environmental effects, although as noted above, the organisation also had a strong emphasis on quantifiable indicators. Furthermore, the two organisations had staff with different backgrounds. Whilst the board and managerial level at Naandi primarily tended to have a business background, the field staff were recruited from the third sector (FD21.03.10). For these staff, the business culture at WHI was at odds with their own experience, a contrast which was revealed in the language used by the two organisations. For example, whereas Naandi used the term "beneficiaries", WHI spoke in terms of "customers" (FD19.02.08). In particular, staff had different approaches to engaging with local people, with WHI's staff favouring a marketing approach and Naandi's field staff preferring to build up informal relationships. These tensions, over funding sources, multiple stakeholders, measuring results, and to some extent staffing led to the organisations clashing in three key areas: the criteria used to select project sites, the number of projects implemented, and the education programmes delivered.

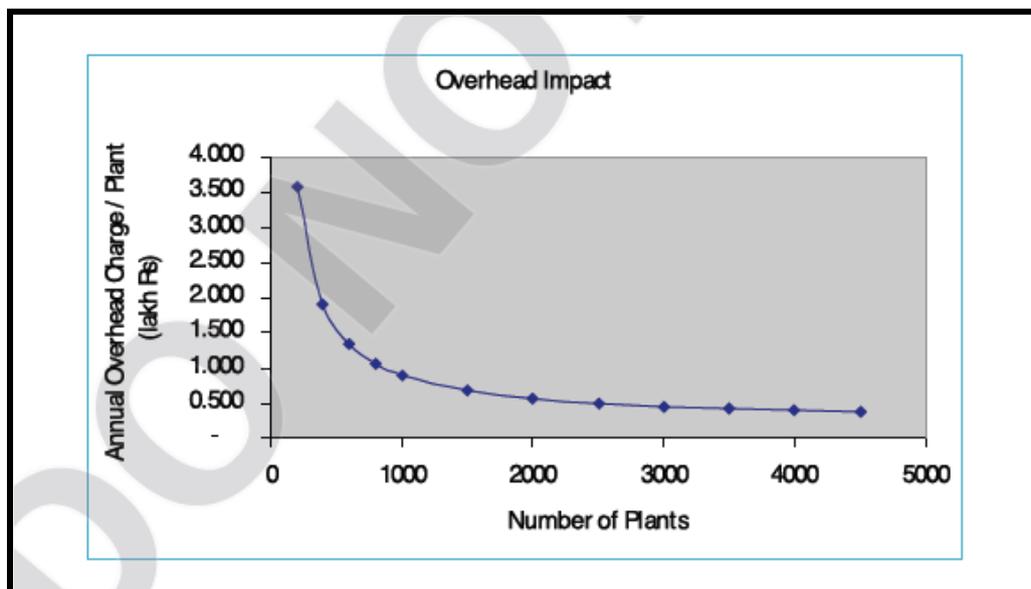
The first area was regarding the criteria they used to select project sites. According Naandi's staff, projects should not be created where existing water provision was adequate: "In some areas the Panchayats function well, sand filters are changed regularly and taps and household connections exist, even below the poverty line" (J. Odedra Former Manager,

Global Partnership on Output-Based Aid [GPOBA], Naandi Foundation, FD19.02.08). In addition, they specified that *“there must be an impact on eradicating poverty”* (ibid.). The aim was therefore to target those villages with the greatest poverty and the least access to safe water. By contrast, WHI was primarily concerned with the *“potential of the village to repay the investment”*, as well as the *“awareness and literacy rate amongst the population”* (WHIn2). For WHI, therefore it was better to select villages with a wealthier and more educated population, on the basis that they were more likely to purchase the safe water. In addition, WHI preferred larger villages, of at least 4,000 people (ibid.). This meant that they could “cherry pick” users from a large population, although this would come at the expense of equitable coverage of a whole village. This financial bottom line was emphasised by Addy when he turned down one village which was too small: *“you can have a soft heart in this business but you need a hard head”* (Wonacott 2007). For Naandi, however, this raised the concern that the projects would become a cheap source of water for the relatively wealthy (FD19.02.08). This represented a tension between the two organisations’ different funding sources and associated stakeholders. It also reflected different approaches to measuring results, with Naandi focusing on creating an impact on poverty and the quality of water services, and WHI focusing more narrowly on the financial sustainability of the projects. This reflects the different approaches to sustainability discussed in Chapter 4, which, as will be seen in Chapter 7 was a recurring tension at the project sites as well.

Another way in which the two organisations clashed was regarding the number of projects they implemented. From WHI’s perspective, there was a pressure to scale up rapidly. As one economic analysis noted, this would not only increase revenue, but would help to reduce overhead costs (Katz and Mahnat 2010). This relationship between the number of projects and overhead costs is illustrated in Figure 15. WHI therefore expanded rapidly, and within three years, WHI and Naandi had set up around 300 projects (FD20.02.08). Whilst reducing their costs and scaling up was also an imperative for Naandi, they noted that this had come at the expense of meeting their social objectives. In particular, there were concerns that there were delays with equipment (FD17.08.10). These tensions were exacerbated over time. As described above, Addy’s financing model was based on taking loans from commercial banks, which were then repaid from user fees at the project site. The success of this model therefore depended on: a) the interest rates on the loans, and b) the income

from the projects. Both of these factors caused problems for WHI. Firstly, according to Naandi, WHI was affected by increased interest rates reflecting global financial difficulties (T. Alcott, former Managing Director of FRANK Water Ltd, per. com. 27.05.09; FD17.08.10). Secondly, some of the projects were not turning over sufficient profit to repay the loans (FD17.08.10). This was due to a range of factors which will be explored further in Chapter 7 (*“The Indignity of Aid”*). In terms of the relationship between WHI and Naandi, however, these financial difficulties exacerbated the tensions between the two organisations. In order to repay their loans, WHI focused even more on cutting costs and increasing their profits, with consequences for Naandi who had to deal directly with the communities (ibid.). For example, during its association with Naandi, WHI closed down 50 projects because they had become financially *“unsustainable”* (ibid.). The business imperative to increase income therefore clashed with Naandi’s social priorities on the ground, reflecting the two organisations’ different funding sources and associated stakeholders. To some extent, this also reflected the two organisations’ different approaches to measuring results, with WHI focusing more explicitly on scale, and Naandi’s staff still concerned with the less tangible social outcomes for the communities they were engaging with directly.

**Figure 15: Impact of Scale on Overheads.**



Source: Katz and Mahnat 2010: 14.<sup>13</sup>

<sup>13</sup> Permission has been acquired to cite this source.

Finally Naandi and WHI clashed over their roles when it came to delivering educational programmes. As seen above, the official agreement was that Naandi would act as the “*community interface*”, conducting educational and awareness campaigns (NFDoc1). However, WHI also developed its own materials for promoting the use of safe water, and they took a different approach to Naandi. For Naandi, the aim was to promote a “*holistic*” programme surrounding issues of health and hygiene: “*our aim is not just ‘buy our water’*” (J. Odedra, FD19.02.08). This was important because, according to Naandi, whilst improving water supply could reduce diarrhoeal morbidity by 6-25%, the promotion of hygiene and hand-washing could reduce it by 45% (Naandi 2008. See also WHO 2007). As discussed in Chapter 4 (“*Transnational Partnerships for Development*”), this is a key factor in determining the impact of safe drinking water interventions. By contrast, WHI’s emphasis was more narrowly focused on what Naandi’s staff termed “*sales*” (ibid.). Naandi’s staff further noted an approach based on trying to “*sell*” the water would be viewed as “*propaganda*” and would make people suspicious about the motives of those selling the water: “*they know better than us*” (S. Sreeramula, former Naandi Project Manager, FD22.03.10). Instead, for Naandi’s staff it was more important to build up relationships in the village. Figure 16 illustrates this approach, as one project manager explains how to engage communities in a “*casual*” way (ibid.). On several occasions, NGO staff emphasised this informal method of developing relationships, in a culture where word of mouth is key to the spread of information (FD19.02.08; FD22.03.10). This not only represented a clash between staff, but a tension between different approaches to measuring results, with Naandi focusing on reducing waterborne diseases, and WHI more concerned with measuring financial income. This in turn again reflected the two organisations’ different funding sources and primary stakeholders. Whilst representing a social approach, this conversation could also to some extent be seen as manipulative, with the NGO staff member leading people in the village towards a predetermined goal. This tendency, which reflects a tension over the role of institutions and the degree to which participation involves a transfer of power, will be explored further in Chapter 7.

**Figure 16: Project Manager Engages with Local Community.**

This is the conversation that one of Frank's former project managers (PM) had with a group of female residents (R) in a village. He narrated this story to a group of students as a lesson in community engagement:

**“Project Manager (PM):** What are you doing?

**Residents (R):** Who are you?

**PM:** I'm just new to the village. I'm doing some work here. I saw you all here and wondered what you're doing... You're making this bidi. Oh you do this! You pack it so beautifully. What are you getting for this?

**R:** We get x amount. But you know, our health suffers from this work.

**PM:** Can I sit down?

**R:** Yes.

**PM:** I'm very thirsty. Could I have a glass of water? (sharing water shows that you are not pretentious)

If the water is bad:

**PM:** Ugh, is this your regular water?

**R:** Yes but what can we do? Our Gram Panchayat doesn't provide it.

**PM:** I don't know. Do you have any ideas?

**R:** No. You are educated, you tell us.

**PM:** No, I don't know. If you have any ideas then maybe I can help?

**R:** Well, some people are getting their water from a private plant at Rs 10/15 per 20L.

**PM:** Why don't you?

**R:** We can't afford it.

**PM:** How much can you afford?

**R:** Maximum Rs 3 or 4.

**PM:** What if I can do it for Rs 2?

**R:** Who will do that?

**PM:** We will, if you are ready to pay.

Source

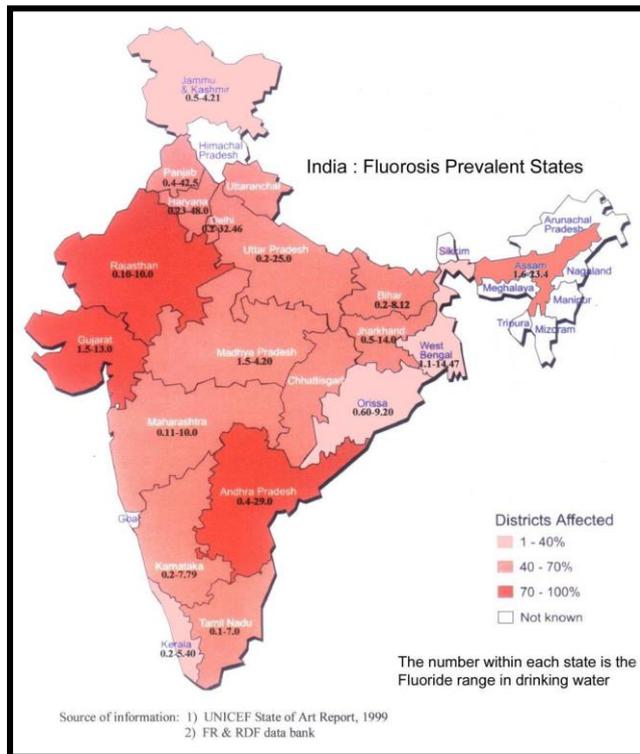
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FD22.

03.10.

Eventually, by 2008, the relationship between WHI and Naandi broke down. In addition to the above factors, the main reason for this split, and the only reason that was cited externally, was that WHI's UV technology was only suitable for certain areas (FD20.02.08). In the coastal areas, where most of WHI's projects were located, there were surface water bodies such as ponds or lakes. The main form of contamination in these sources was microbial, which could be treated using UV light. However, in early 2007, Naandi began working further inland where most of the water was groundwater with high levels of salts and certain chemicals, in particular fluoride, which the UV equipment could not address (ibid.). Levels of fluoride over 1.5 parts per million (ppm) can cause chronic fluorosis, an ultimately debilitating illness which affects the bones and teeth (WHO [World Health Organisation] 2012). Whilst fluoride partly occurs naturally in groundwater, its incidence is exacerbated by human factors such as increased irrigation, the use of alkaline fertilisers and the over-extraction of water (Jones 2011; Brindha et al. 2011; Brindha and Elango 2011; International Groundwater Resources Assessment Centre [IGRAC] 2012). In India, as can be seen in Figure 17, AP is one of the worse affected states (Fawell et al. 2006). One district, Nalgonda, has received widespread media coverage due to particularly high levels of fluorosis (Venkanna 2007; Farooq 2003). In order to treat this problem, Naandi partnered with Tata Projects, a large Indian multinational which had developed a small purification plant to remove fluoride. Whilst the shift to Tata was presented as a technical decision which would merely change the nature of the equipment being used, the shift also changed the nature of the partnership, as will be seen below.

**Figure 17: Fluoride-affected states of India.**



Source: Unicef 1999, in Rao 2010: 2.

## 6.4 Tata Projects

*“We are not driven to grow over everyone’s dead bodies”* (R. Tata, Chairman of the Tata Group, cited in Business for Peace Foundation 2010).

In late 2008 therefore, Naandi stopped working with WHI and formed a new partnership with Tata Projects. Founded in 1868, by JN Tata, the Tata Group is a large Indian multinational, comprising 100 companies ranging from industrial materials to consumer goods, with an annual revenue of \$83.3 billion (£53 billion) in 2010-11 (Tata 2011[a]). The organisation has a prominent Corporate Social Responsibility (CSR) ethos, based largely on the philanthropic, anti-colonial and religious (Parsi) values of its founder (Graham 2010; Tata

2011 [b]).<sup>14</sup> Most notably, the group's parent company Tata Sons, commits two thirds of its profits to charitable foundations (Tata 2014). For Tata, this CSR approach is based on the view that business and society are mutually dependent: *"In a free enterprise, the community is not just another stakeholder in business, but is in fact, the very purpose of its existence"* (Tata, cited in Graham 2010: 4). The company's Chief Executive Officer (CEO) has thus on several occasions declared that *"we are not driven to grow over everyone's dead bodies"* (op. cit.). As part of this CSR logic, Tata developed and proceeded to sell a number of water purification machines, using reverse osmosis technology, at cost to organisations such as Naandi. Appendix S illustrates this machinery.

Despite the prominent CSR ethos, however, Tata as an organisation is still firmly rooted in the field of business: *"We are hard-nosed business guys [...] who like to earn an extra buck as much as the next guy, because we know that extra buck will go back to wipe away a tear somewhere"* (Gopalakrishnan, cited in Graham 2010: 4). Similarly to WHI, whilst Tata shares some of the social objectives of the third sector, they were primarily a business. In this new partnership, Naandi sought to mitigate some of the tensions that this had previously caused with WHI. Whilst WHI had been a founding member of the partnerships, heavily involved in not only the technical side of the projects, but their financing and implementation, Tata was engaged primarily as a technology partner. Nevertheless, the partnership with Tata raised two key tensions, centred on funding sources and multiple stakeholders. Firstly, Tata's *"hard-nosed business"* element has led the company to pursue an active strategy of growth which, despite the language of CSR, has come at the expense of broader social and environmental objectives (Dummett 2006; Dutta et al. 2007; IUF 2011; Roy 2009; Roy 2012). As noted by Arundhati Roy, the organisation is one of a *"handful of corporations that run India"*, and their prominent CSR ethos therefore masks their role in perpetuating broader structures of inequality (Roy 2012). For organisations in the third sector such as Naandi, one concern is that by participating in Tata's CSR activities, they become complicit in legitimising Tata's broader, more destructive activities. As noted in Chapter 5 (*"FRANK Water Ltd: 'Insider Rebel' in the Bottled Water Industry"*) with reference to the bottled water industry,

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<sup>14</sup> According to Naandi, in one example of its pro-independence stance, Tata sold its commercial airline fleet to the Indian government at Independence for Rs 1 (£0.01) (FD20.02.08). In 2000 they also bought the British Tetley Tea Company in a symbolic reversal of colonial power (Graham 2010).

this is a tension over whether or not to accept funding, or engage with organisations whose wider activities undermine other social or environmental objectives. In this case, for Naandi the charitable objective took priority and they chose to work with Tata in order to secure access to RO machines at cost.

Secondly, and more problematically for Naandi, the responsibility that Tata had to its shareholders meant that low-cost water purifiers were not an organisational priority for Tata. The purifiers were part of the company's CSR work, rather than part of their core business, which meant that Tata's role in the new partnership was more limited than that of WHIn. On the one hand, this gave Naandi greater control of the projects (FD22.03.10). On the other hand, as this was not part of their core business, Tata could only supply a certain number of machines and, according to Naandi, there were again, as with WHI, delays with the equipment (S. Sreeramula, per. com. 22.06.09). From the shareholders perspective, their CSR projects came second to their more profitable activities. Ultimately, this was the most problematic tension for Naandi, and they soon branched out into trying a range of different technology suppliers, including for example the Norwegian technology supplier Malthe Winje (NFDoc5). By August 2009, Naandi had a total of eight different technology suppliers (NFDoc4). This meant that whereas WHI had previously been an active, founding, partner in the projects, the technology suppliers were now treated more like traditional contractors. This resolved the third tension, namely the dependence on CSR, and also the first tension regarding the way in which such CSR activities could legitimise broader, more destructive activities. In addition, by engaging technology companies as contractors rather than partners, a third sector organisation such as Naandi regains the freedom to select appropriate technology for communities. This change, however, came too late as a widespread demand for RO had already been created. Chapter 7 will go on to look in more detail at some of the implications of this in terms of equity at the projects.

## **6.5 A Memorandum of Understanding**

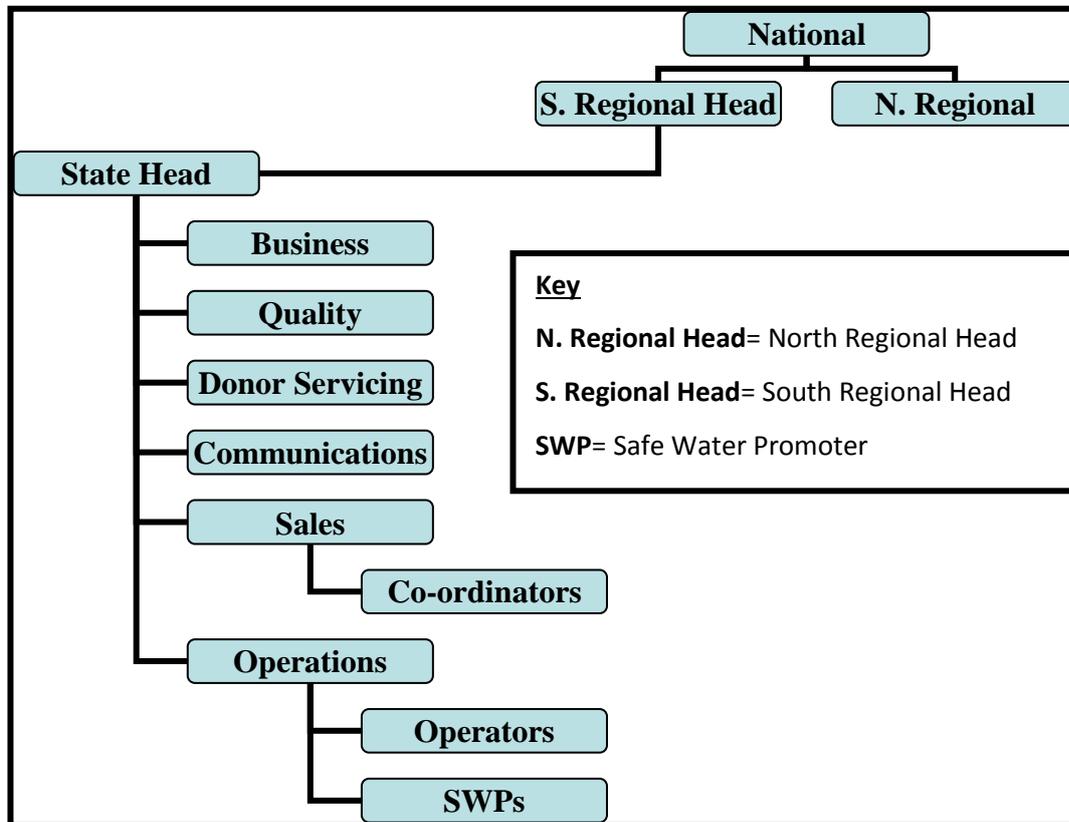
The third set of tensions to emerge between the partners occurred between Frank and Naandi, and centred on legal form, multiple stakeholders, measuring results and funding sources. The first tension was regarding the legal form, or formal structure, of the

partnership. Initially, the relationship between the two organisations was informal and based largely on personal relationships. Over time however, two factors which created a need for greater formalisation. Firstly, Frank Water's funding increased, from one project in 2005 to 69 by the end of 2010 (FD04.01.12). During this time, FRANK Water Projects also registered as a charitable body, and therefore required more formal accounting on its projects in order to comply with Charity Commission guidelines in the UK (FD20.02.08; FD18.02.08). The second factor was that Naandi's operations also expanded. By early 2008, Naandi and WHIn together were working on around 300 projects (FD20.02.08). As the head of the water team noted, this was a high level of growth: *"If you strictly see it as almost one unit getting up and running in three days"* (A. Jain, former Naandi Chief Operating Officer [COO], FD20.02.08). They also expanded geographically, from working in one state in 2005 to working in five different states by August 2010 (Rao 2014). Furthermore, in two of these states (Punjab and Haryana), Naandi had entered into Build Own Operate Transfer (BOOT) contracts with state governments (Mukherjee 2010). Whilst these operations remained separate from Frank's projects, they illustrate the rapid growth in Naandi. In addition, as will be seen, this represented the beginning of a shift away from a small-scale, non-state partnership, towards a more traditional PPP model.

This rapid rate of expansion meant that Naandi's internal structure was in constant flux. Figures 18-20 illustrate the changes to Naandi's internal structure between 2009 and 2010. Figures 18 and 19 show the organisation's internal structure as explained by FRANK's Project Manager within Naandi in 2009 and 2010, and Figure 20 shows the organisation's staffing structure as demonstrated by Naandi's former CEO towards the end of 2010. Meanwhile, Figure 21 illustrates that staff turnover was high. Naandi therefore internally experienced significant staffing issues. As noted above, there was an internal division within Naandi between higher levels of management who had business experience and those at the field level who were recruited from the third sector. Whilst there were a range of factors contributing to the turnover in staff, this illustrates a common tension facing social enterprises who recruit staff from different backgrounds. For Frank (who had four different project managers in a period of three years), this made it difficult to build up personal relationships. For Frank, the lack of a formal agreement therefore became increasingly problematic. They two organisations therefore began to formalise their relationship. As

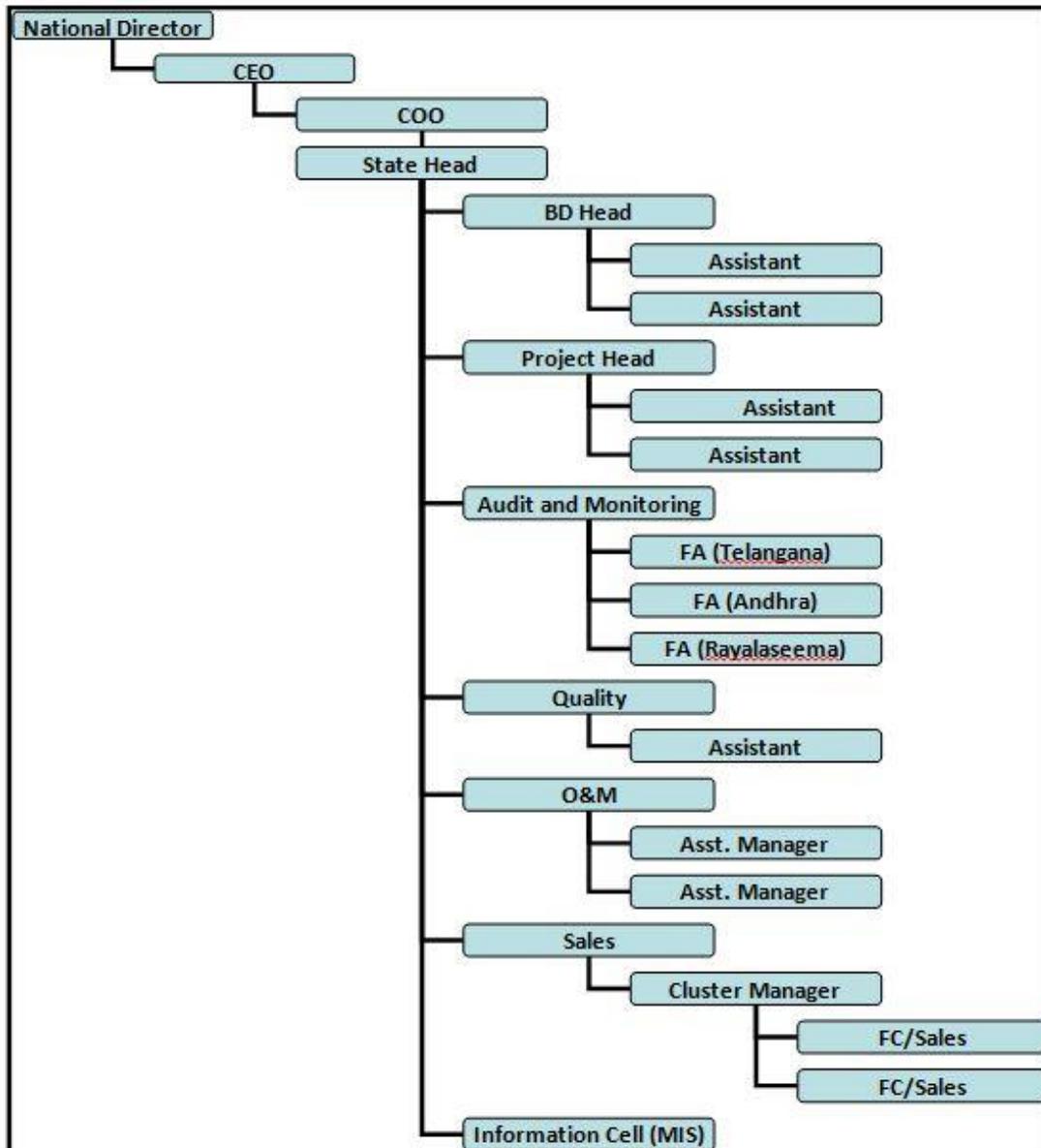
roles, responsibilities and expectations were more explicitly spelled out, however, further tensions between the two organisations became clear.

**Figure 18: Naandi Foundation Water Team, February 2008**



Source: FD15.02.09

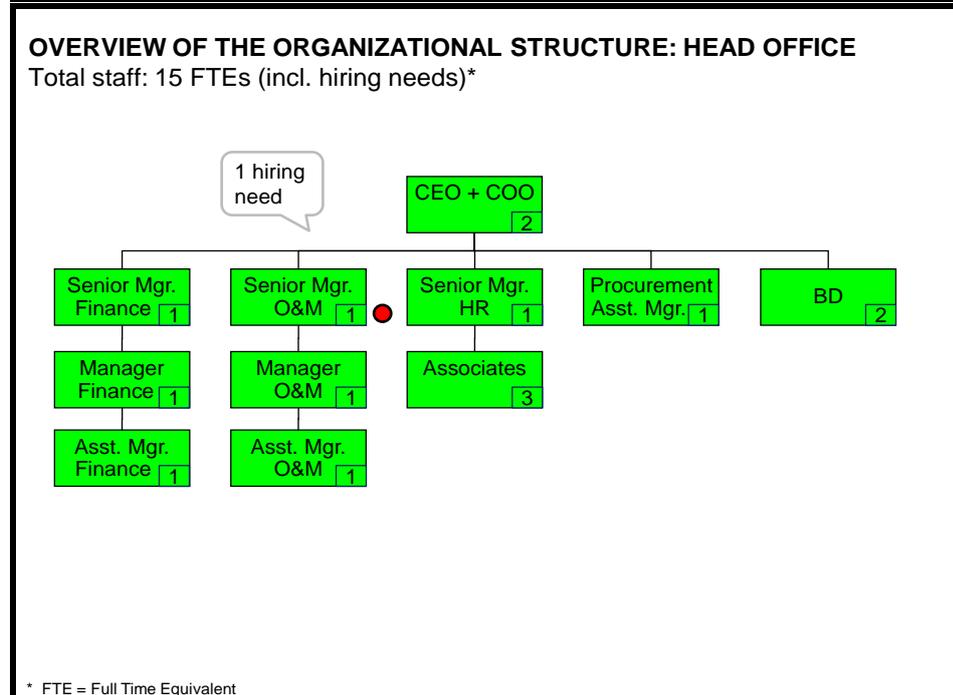
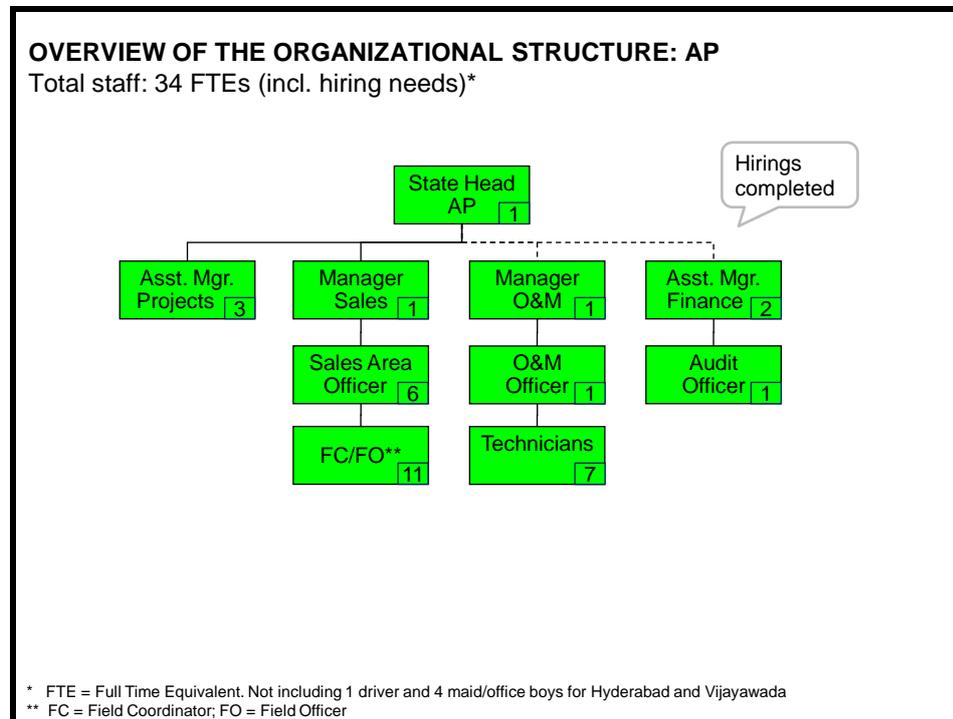
Figure 19: Naandi Foundation Water Team, March 2010.



**Key**

**Asst. Manager**= Assistant Manager  
**BD Head**= Business Development Head  
**CEO**= Chief Executive Officer  
**COO**= Chief Operating Officer  
**FA**= Field Assistant  
**FC**= Field Co-ordinator  
**MIS**= Management Information Systems  
**O&M**= Operations and Maintenance

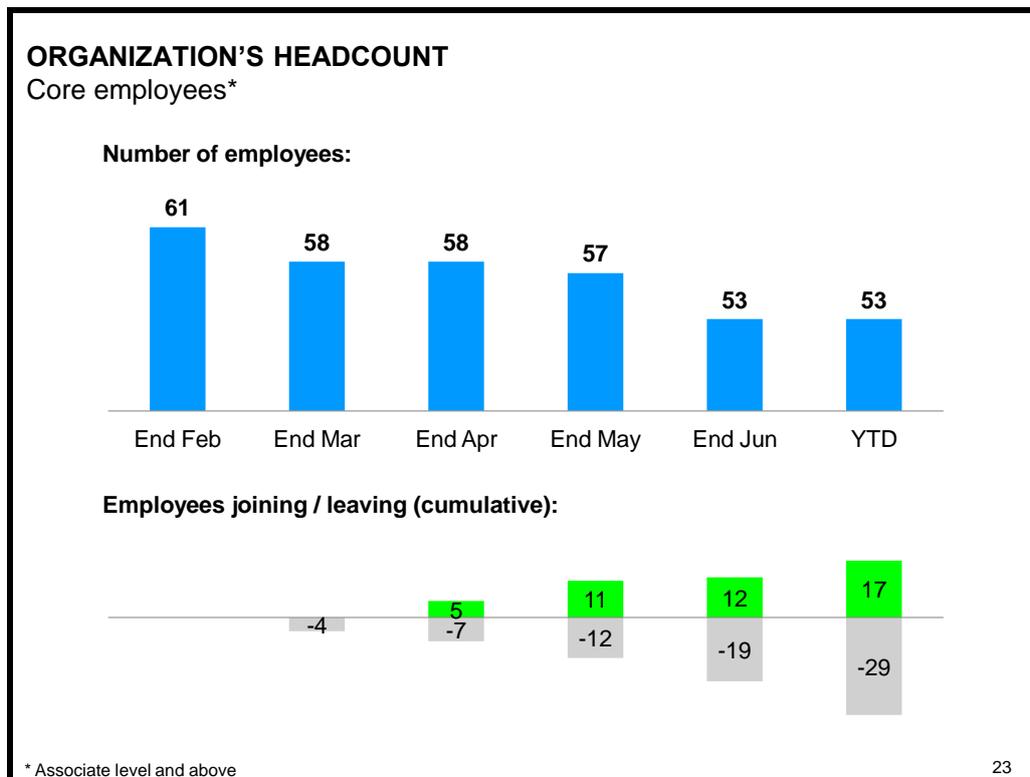
**Figure 20: Naandi Foundation Water Team, August 2010.**



- Key**
- AP**= Andhra Pradesh
  - Asst Mgr**= Assistant Manager
  - BD**= Business Development
  - CEO**= Chief Executive Officer
  - COO**= Chief Operating Officer
  - FC**= Field Co-ordinator
  - FO**= Field Officer
  - HR**= Human Resources
  - Mgr**= Manager

Source: NFDoc6.

Figure 21: Naandi Foundation Staff Turnover, August 2010.



## CHANGES IN CORE EMPLOYEES\* SINCE END JUNE

	Leaving	Joining
<b>Senior</b>	<ul style="list-style-type: none"> <li>National Water Director</li> <li>Projects: Manager, AP</li> </ul>	<ul style="list-style-type: none"> <li>State Head, Punjab &amp; Haryana</li> <li>Sales: Manager, Punjab</li> <li>Sales: Manager, Punjab</li> </ul>
<b>Middle</b>	<ul style="list-style-type: none"> <li>Projects: Assistant Manager, AP</li> <li>Projects: Assistant Manager, AP</li> <li>Projects: Assistant Manager, Punjab</li> <li>Sales: Area Officer, Haryana</li> <li>Sales: Area Officer, AP</li> <li>Sales: Area Officer, AP</li> <li>O&amp;M : Assistant Manager, AP</li> </ul>	<ul style="list-style-type: none"> <li>Sales: Area Officer, Haryana</li> <li>O&amp;M: Asst. Mgr., Haryana</li> </ul>
<b>Junior</b>	<ul style="list-style-type: none"> <li>O&amp;M: Officer, Punjab</li> </ul>	

\* Associate level and above

Source: NFDoc6.

The second tension was regarding reporting requirements. As described in the previous chapter, Frank's aim as a small organisation was to retain what they termed a "direct line of sight" to each of their projects (FWDoc6; FD01.09.10). This was an aim which brought the organisation cultural capital in the third sector. As noted by Frank's director, this addressed a widespread concern that "giving to big charities" was a problem because the donor "can't see where the money is going to" (K. Alcott, Founder and Managing Director, FRANK Water, FD17.08.09). For Frank, the aim was that donors should be able to fund an entire, named, project (FWDoc7). As the organisation grew, it became more difficult to retain this connection (FD17.08.09). Therefore what Frank asked for was a more formalised reporting structure: "What we really need from you guys, if at all possible, is an idea of time frames [...] photos of plants-getting started, being built. To see how real it is (for fundraising), possibly in a monthly update, so we feel a closer connection" (T. Moyle, FRANK Water Volunteer, FD20.02.08). In 2008, it was agreed that Naandi would provide regular updates, including photos and case studies (FWDoc8). In addition, because this would require resources, Naandi hired a dedicated project manager to report to Frank, whose salary would be shared between the two organisations (FWDoc8; FD20.02.08). At around the same time, Frank also hired a dedicated project manager in the UK to manage the relationship with

Naandi, which significantly increased the organisation's capacity (K. Alcott, per. com. 07.01.10). Nevertheless, reporting requirements continued to be a point of contention (K. Alcott, per. com. 06.10.09). For example, even in June 2010 Frank was concerned that they were not receiving regular updates from Naandi, whilst in December 2010, Frank asked Naandi not to "*fast track*" new sites, but to "*have thorough [feasibility studies] carried out*" (H. Sehambi, FRANK Water Project Manager, per. com. 16.12.10). This tension reflected the different ways of measuring results, associated with the different stakeholders of the two organisations. Thus Frank was concerned with providing reporting to its donors and customers in the North, whilst Naandi was to some extent more concerned with engaging with the immediate needs of the beneficiaries in the South. However, as will be seen later in this chapter, Naandi's focus had increasingly become on expanding their projects which was why Frank's reporting requirements were given lower priority. This was therefore perhaps more a tension between Naandi and Frank's respective donors, with Frank perhaps ultimately more concerned with the beneficiaries as Naandi "fast-tracked" projects.

The third tension was regarding the need for flexibility on the ground. Again, this reflected a tension over multiple stakeholders, with Frank requiring standardised processes to report to its donors, whilst Naandi was ostensibly concerned with the need for flexibility to meet beneficiaries' needs. For example, whereas Frank required specific timeframes for its projects, Naandi stressed that there were a variety of reasons that could cause delays (S. Sreeramula, per. com. 22.06.09). One reason was the project "inauguration", a ceremonial opening of which was held at each plant. Whereas Naandi stated that they would be happy to "*just break a coconut and then start*", the community was given the choice of an inauguration date (S. Sreeramula, FD22.03.10). According to one of Frank's project manager, this had to be on an "auspicious" day:

*"we always give the freedom for inauguration dates to community, because in indian tradition the people always prefers the best time and dates i.e. called "MUHURTHAM" for traditional inaugurations. We should wait for until they suggest*

*the chosen date. There is no solution for this delay, its most sensitive topic to pressurise/convince them.”* (S. Sreeramula, per. com. 22.06.09).<sup>15</sup>

A second example was regarding the cost of projects. Initially, Frank preferred a fixed sum per project. This was partly because the organisation could raise funds in the UK more easily by pledging, for example, that one litre of bottled water would fund the provision of 200 litres at project sites (T. Alcott, per. com. 16.11.12; FD07.02.09). For Naandi however, it was difficult to standardise the cost (ibid.). The needs of Northern consumers who wanted to “*see where the money is going*” (op. cit.) therefore clashed with the need for flexible funding on the ground. However, Frank agreed to vary its funding and, as noted in Chapter 5, changed its communications to state that 100% of bottled water sales would go to projects (FD07.02.09). For Frank, flexibility could be built into the projects provided that changes were clearly communicated in a regular system of reporting.

One of the reasons that Naandi found it difficult to standardise its costs however, was because the community contribution varied from village to village. This raised a fourth tension between the two organisations regarding the “community contribution” in each project. As per the original model, the aim was that Frank would fund the majority of the contribution in the poorest villages (FWDoc9; FD20.02.08). For Frank, this could be up to 100% of the community contribution, although they recognised that a small donation from the community would be necessary in order to ensure local ownership (FD20.02.08). From a Southern perspective however Naandi noted that: “*there is a problem that villagers when they hear that Frank Water wants to give 100% they are not comfortable. Immediately their national pride or something comes in. We don’t want charity, 100% from an overseas organisation*” (A. Jain, FD20.02.08). As a result, Frank agreed to fund up to 90% of the community contribution (H. Sehambi, per. com. 20.11.12). This meant that Frank’s contribution to projects varied, and in practice tended to be lower than 90% (ibid.). In one case, the contribution was only 23% (ibid.). This led to further debates between the organisations, with Frank asking for a higher percentage contribution. This therefore again

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<sup>15</sup> Cultural sensitivities also nominally played a part in other areas of the projects. For example, in one case the site of a project was moved because “*somebody said the shadow of the temple should not fall on it*” (NeKP1). In practice, however, the second site in this case was also more conveniently located close to a road (ibid.).

ostensibly represented a tension between Northern donors and Southern beneficiaries. However for Naandi it was also a means of increasing their number of projects. By drawing on Frank's funding primarily as a "*plug*" they could combine this funding with contributions from local donors (FWDoc9). As they noted to Frank, by combining funding from different donors, they would be able to fund more projects (ibid.). Frank, however, was concerned that this would override their original aim which was to fund those projects where local funds were not available (ibid.). This therefore also represented a tension over results measurement, with Frank concerned with generating a measurable impact on poverty, and Naandi more concerned with scale.

In addition to clashing over the percentage funding for the community contribution, the two organisations also clashed over how "the community" should be defined, reflecting a tension over funding sources. For Frank, the initial assumption was that the community contribution would be sourced as a contribution from each household (ibid.). The purpose of this was to ensure that local residents would have a stake in the project (ibid.). For Naandi however, the community contribution was also a concrete means of raising funds, and in practice it tended to be paid by a wealthier donor in the community, an influential political figure, or a third party such as another NGO (Naandi 2008). As Naandi saw it, poorer residents might question why they had to pay. In one village, for example, residents had said: "*no it's not possible to give money, we'll ask the MLA*" (Member of the Legislative Assembly) (S. Sreeraumla, FD 22.03.10). The project manager at the time thus stated that "[we] *have to give the option to the community. If they want to get money from the MLA that's their choice*" (ibid). Naandi also noted that interest from politicians was a positive sign of enthusiasm and that such individuals could garner local support (FD18.08.10; FWDoc9). However, Frank was particularly concerned that political funding could alienate users from opposing political parties (ibid.). On the one hand, local politicians could be used to provide support to the projects, but on the other hand working with such individuals could entrench their power and exclude some people.<sup>16</sup> This tension came to a head as it emerged that several of Frank's projects had been part-funded by a controversial politician. This conflict

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<sup>16</sup> For similar reasons, the World Bank had therefore specified in their projects with Naandi that they should not be dominated by locally powerful individuals (FD19.02.08).

will be discussed more in the next chapter, however the result was that these projects were “re-allocated”, with Naandi paying the shortfall (NFDoc4). Frank also requested a complete list of sub-donors at all of their projects, with a requirement that there should be no further political co-funding (H. Sehambi, per. com. 18.10.10).

A similar case occurred when it emerged that two projects had been part-funded by Coca Cola (FWDoc9). As outlined in Chapter 5, accepting funding from Coca Cola is problematic on the grounds that accepting funding from a corporation that has been accused of undermining the human right to water risks legitimising their operations (See e.g. Aiyer 2007; Drew 2008; Shiva 2002). As Marion Nestle notes in an analysis of partnerships between the third sector and business, “*partnerships and alliances with food corporations put agriculture, food, nutrition, and public health advocacy groups in deep conflict of interest*” (Nestle 2011). On the other hand, a charity perspective argues that the immediate needs of water users must take priority, and Naandi made this point quite clearly: “*do they take money from organisations they disagree with, such as coca cola, or do they let people die? He concluded that they take the money and save lives*” (H. Sehambi, per. com. 07.10.10). For Frank however, the connection to Coca Cola would undermine their organisational principles, and they therefore objected to this co-funding (H. Sehambi, per. com. 13.10.10). As a result, Naandi agreed to “re-allocate” the projects and apologised for the oversight (A. Couton, former Naandi Water CEO, per. com. 13.10.10)<sup>17</sup>. Whereas Frank had conceded to more flexible funding on the ground, Naandi conceded to remove sub-funding from other, more controversial, donors.

As such, the second set of tensions in the original partnership occurred between Frank and Naandi. These tensions centred on legal form, multiple stakeholders, measuring results and funding sources. Furthermore, the tensions over legal form were partly due to the difficulties Naandi was facing internally over staffing. Between the partners, these tensions partly reflected a broad tension between Northern and Southern approaches. However, the

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<sup>17</sup> WHI’s earlier funding from Dow Chemicals was also problematic. Dow Chemicals has ongoing liabilities related to the 1984 Bhopal disaster which killed 15,000 people (Gibson 2011). In 2011, Dow Chemicals was prevented from putting its logo on materials it provided to the UK 2012 Olympic games, which campaigners suggested should have extended to a complete refusal of their funding (ibid.).

tensions more often reflected an organisational difference between Frank, who preferred an in-depth direct line of sight to each project, and Naandi who preferred to expand the number of projects. By minimising its reporting requirements, combining funding from various sources, and delegating power to local elites, Naandi was able to roll out projects much more quickly. In effect, the previous tensions between Naandi and WHI had now been internalised within Naandi. This was because when Naandi stopped working with WHI, they took on board the financing role that WHI had previously played (MoU 15.06.10). They also took on responsibility for running the plants and collecting the user fees (Katz and Mahnat 2010). With hundreds of projects dispersed across the country, this required significant organisational capacity. Initially, Naandi met these increased costs from donations (ibid.). These funds were not, however, sufficient and they turned to more available sources of funding, including private loans from banks (ibid.). As discussed above, rapidly scaling up projects was therefore one way of meeting these financial obligations, but this ran contrary to Frank's goal which was to "stay small", in spirit even as funding increased.

In 2009, in order to resolve these tensions, Frank and Naandi began drafting an MoU. This MoU specified that Naandi would limit the number of projects that they set up at one time and that Naandi would report on these projects on a regular basis (FWDoc10). It also stipulated that Frank's funding could vary between 40-90% of the community contribution (ibid.). However, it was made explicit that Frank's funding should be directed to the poorest villages, and that there should be no co-funding from political donors (ibid.). Before this MoU was finalised however, Naandi revealed that they had brought in a new external partner, Danone. The next section will go on to look at how this significantly changed the nature of the partnership.

## **6.6 Danone Communities**

Whilst Naandi had always been an NGO that embraced the private sector, this was taken to a new level in 2010. As the CEO Manoj Kumar at the time noted:

*"It is time again to re-look at charity and replace its limitations with the agility of enterprise solutions if India is to wipe out the indignity of poverty and aid. A new,*

*more efficient service delivery template is needed. Some may call it the social or 'political' business model. I refer to it as Naandi 2.0" (Naandi 2010: 24).*

As noted above, Naandi had been facing internal difficulties regarding staffing. The organisation had also been facing tensions regarding funding sources. According to Kumar, 2010 was the first year in which Naandi's operations overall had broken even (ibid.). Previously, the organisation had been making a loss and this was especially true of the water division (ibid.). Kumar therefore approached Frank and explained that Naandi had decided to separate the water division and transform it into a "social for-profit" (NFDoc2). In order to do this they had secured an investment from a large (Northern) multinational, Danone (FD17.08.10). The social-for-profit, Naandi Community Water Services (Naandi Water), would be a joint venture between Naandi and Danone, with the board comprising four life trustees of the Naandi Foundation and four representatives from Danone (ibid.). For Naandi, the purpose of forming a social for-profit was two-fold. In the first instance, the organisation noted that they needed capital investment:

*"Even in cases where the government is committed to fund installation of a water treatment plant, Naandi needs to have working capital for setting up the plant as government payments happen on a reimbursement basis, and in most cases are significantly delayed. When the number of plants in question is 15 to 20, it is not much of a challenge. However, when the number is 100 plus, Naandi as a not-for profit finds it extremely challenging to source needed resources" (Mukherjee 2010: 214).*

Secondly, according to Naandi, the funding from Danone would enable the organisation to recruit a larger body of "quality professionals" to manage the process of scaling up (NFDoc2). In order to resolve its internal tensions regarding funding sources and staffing, the organisation therefore brought on board Danone. The challenges that the organisation faced on the ground will be discussed more in the next chapter. This chapter focuses on the partnerships at the transnational level, and for Frank, it was the solution to these tensions that caused problems. By partnering not only with Danone but also with state governments, Naandi had shifted closer to a more traditional PPP. Whilst it was possible for Frank's

funding to remain separate from the state contracts, the new model raised two serious concerns for Frank. The first was the association with Danone, and the second was the shift to a social for-profit model. This section will look at the implications for Frank of partnering with Danone, whilst the next will look more at the governance implications of the shift towards a for-profit model.

For Frank, the partnership with Danone in itself was problematic, reflecting tensions over funding sources and associated stakeholders. Danone is a large multinational, with its headquarters in France, whose brands include dairy goods, bottled water, and other food and drinks products (Danone 2011[a]). One major concern for Frank was that Danone was the parent company of both Evian and Volvic. As was seen in the last chapter, these were two companies that Frank had explicitly targeted in its anti-bottled water campaigns. In fact, Frank's "business philosophy" was critical of Danone's environmental impact:

*"It seems deeply ironic and odd that Evian (Danone) water in the French Alps ships water to Scotland to people who already have clean water to drink whilst Highland Spring ships water to people in the South of France – who also already have clean water to drink. (Huh?) [...] Evian is seeking to reduce its carbon footprint by 30% but still aims to increase exports of Evian to India. No we don't understand either"* (FRANK Water 2011).

As Frank pointed out to Naandi, Frank's customers bought Frank "*because it is NOT Evian or Volvic*" (FWDoc11, emphasis in original). A partnership with Danone would therefore not only run contrary to the organisation's values, but would have concrete reputational costs which in turn could negatively impact Frank's funding: "*The DC/Danone involvement compromises the reason to buy FRANK and alienates our UK community of customers and fundraisers*" (ibid.). The funding from Danone therefore not only represented a financial clash for Frank, but also brought back the tensions associated with the impact of bottled water which, as described in Chapter 5, Frank had sought to avoid.

Secondly, the staff at Frank were concerned about Danone's motives for getting involved in the provision of safe drinking water (FD17.08.10). In the first instance, Danone is the world's

second largest supplier of baby milk products (Baby Milk Action 2011[a]). Such products have come under criticism for undermining breastfeeding (WHO 1981). According to Unicef, 1.5 million children could be saved by improved breastfeeding and a reduction of substitutes (Unicef 2001). In addition, one study found that babies fed with substitutes that are diluted with contaminated water are up to 25 times more likely to be killed by diarrhoea than babies fed on breast milk (De Zoysa et al. 1991, cited by Baby Milk Action 2007). One concern that this prompted from Frank's director was that, by funding water purification projects, Danone could more legitimately sell its baby milk products in these areas (FD17.08.10). As Naandi responded, there was no evidence that Danone had any such malign intent (ibid.). However, just as with Volvic and Evian, there were reputational costs involved with being associated with the baby milk industry. For example, when Volvic decided to launch an ethical water in the UK they first approached Unicef to be their project partner. However Unicef UK specifically declined to work with them because of Danone's marketing of Aptamil baby milk (ibid; T. Alcott per. com. 16.11.12). There was thus a danger in becoming involved with a social venture which would help Danone "whitewash" its involvement in less social ventures elsewhere. As discussed above regarding Coca Cola's funding, such a decision would undermine broader issues of social justice.

Beyond the baby milk connection, Frank was concerned about Danone's strategic interests. In Danone's last annual report, the company recorded that almost half of their operations were now located in "*emerging markets*" (Danone 2010[b]). As was discussed in the previous chapter, the bottled water industry in particular was increasingly "*eyeing emerging markets*" due to the decline in the bottled water market in the North. Frank therefore asked Naandi what Danone's objectives were:

*"Is the danone goal to save lives (then why not grant - or do a CSR model - tax the middles classes to subsidise the poor) or to gain experience in emerging markets and then sell bottled water/baby products/yoghourts etc... Danone clearly dont have a distribution network in rural india and grameen/naandi do..."* (T. Alcott, per. com. 12.08.10)

Frank's concern, partly on behalf of Naandi, was that Naandi was under-valuing their local knowledge and expertise, placing "*a low value on intangible assets, IP [intellectual property] and past performance when this is the main part of the asset transfer*" (T. Alcott, FD17.08.10). For Frank, Danone had a strategic interest in gaining knowledge of how to operate in the Southern context. They would therefore be benefiting, at a small cost to them, from all of the experience that Naandi and Frank had acquired by taking risks in the past (ibid.). This was not to deny that Danone, and in particular the individuals working for the company, had social objectives in mind. Whilst the overt interests of Danone Communities, and its staff, were similar to both Frank and Naandi's (i.e. help provide safe drinking water to the poor), it was their underlying structural interests which concerned the staff at Frank (T. Alcott, per. com. 16.11.12).

Thirdly, part of Danone's role in the new social venture was to use its expertise in marketing to help increase the sales of safe water (FD17.08.10; Danone Communities 2011). However, Frank questioned Danone's track record of integrity in this field. In September 2009, Danone's US branch had paid \$35m (£22m) to settle a claim that the company over-stated the health benefits of its yoghurts (Canadian Broadcasting Corporation [CBC] 2009). As Frank's managing director noted, a \$35m (£22m) fine on a \$2 billion (£1.3b) market was not a significant sum for the company (T. Alcott, FD17.08.10). If their profits overrode the costs of breaking marketing regulations, then they would always, as Frank put it "*stretch the advertising*" (ibid.). In the same year in the UK, the Advertising Standards Agency banned one of Danone's adverts which suggested that Actimel yoghurt could protect pre-school children from illness (British Broadcasting Corporation [BBC] 2009). Similarly, in 2010, the European Food Safety Authority examined the health claims of a range of probiotic products (Lawrence 2010). Following negative rulings against other companies, Danone withdrew its claims that its products boosted the immune system and could reduce diarrhoea (ibid.).

With the shift to "*emerging markets*", the violation of marketing standards had even more serious consequences. The International Baby Food Action Network (IBFAN) recently reported that Danone was still in breach of its obligations under the International Code of Marketing of Breast-Milk Substitutes (Baby Milk Action 2011[a]). For example, in developing countries, Danone had been advertising that its baby formula products contained an

ingredient called “*immunofortis*” (represented with a symbol of a teddy bear and a shield), a claim which food safety and advertising authorities in Europe had prohibited (Baby Milk Action 2011[a]; Baby Milk Action 2011[b]). Only after IBFAN reported this did Danone agree to remove the advertising (Baby Milk Action 2011[a]). Similarly, as discussed in Chapter 5, Volvic’s 1-10 campaign was in violation of the Charity Commission guidelines which stated that products claiming to donate proceeds to charity should specify either the sum or the percentage of profits being donated (FD17.08.10). Again, there was therefore a concern that the new partnership would undermine Frank’s social objectives related to organisational ethics, as outlined in Chapter 5.

Finally, Frank Water questioned the success of Danone’s previous involvement in social ventures. In particular Frank pointed to another joint scheme which closely resembled the proposed Naandi Water. This was a project set up in 2006 between Danone and the Grameen Bank to sell fortified yoghurt to the rural poor in Bangladesh (Pozuelo-Monfort 2009). Frank was concerned about the appropriateness of this scheme, not least because a large proportion of Bangladeshi children over the age of three are lactose intolerant (FD17.08.10; T. Alcott, per. com. 16.11.12). Another report also revealed a number of problems (Hartigan [no date]). Firstly, Grameen’s original intention had been to provide a nutritious weaning food for young children, however Danone opted out of this because it was deemed “*too risky*”, and chose yoghurt instead (ibid., 7). Furthermore, initial trials of the product showed that “*children hated the yoghurt*”, and it was only made palatable by adding syrup (ibid., 10-11). In addition, the lack of refrigeration made distribution difficult, with customers reluctant to “*purchase a perishable product upfront*” (ibid., 11). It was also soon found that women who had been trained to sell the yoghurt could not make enough money: “*Most importantly, it turned out that the deal was not such a good one for the Grameen ladies. They have to sell 70 cups of Shokti Doi to make a profit of US\$0.70*” (£0.40) (ibid.). Finally, Grameen had initially proposed that the yoghurt should be sold at a higher price for the wealthier urban market, which would then subsidise the poorer consumers in the rural areas (ibid., 11-12). Danone rejected this proposal and the product therefore continued to be sold at a standard price that was still too expensive for poorer people (ibid., 12). Whilst the report still concluded that this was a successful example of a social business, Frank questioned the idea that there was a “*fortune*” to be made at the “*bottom of the*

*pyramid*" (Prahalad 2006). Not only would Danone's involvement undermine a range of social goals, it was not even clear that targeting "the poor" would make for a viable business model. The new partnership therefore raised concerns over funding sources, and the associated implications for wider stakeholders of legitimising Danone's wider operations, as well as more specific concerns that Danone's involvement would affect marginalised stakeholders at the project sites. The next section looks at some of these concerns in the context of how the new partnership altered Naandi's approach to projects.

## **6.7 Naandi Water Ltd.**

In addition to the concerns related to Danone, Frank was concerned that Naandi's water division was now a for-profit company, albeit a "social" for-profit. This transformation brought back many of the same tensions that had previously characterised Naandi's relationship with WHI. Firstly, Naandi Water adopted the very language its staff had previously criticised WHI for using. For example, they referred to "*customers*" rather than "*beneficiaries*" (FD16.08.10). To some extent, this private sector language had always been present in Naandi, particularly at the managerial levels (See Figure 19 which refers to "sales" and "business development"). However this was now under-pinned by structural changes to the organisation. Not only was the company now operating at a profit, it was also part-owned by a large, Northern, multinational. This internalised within the new Naandi Water the tensions over funding sources, multiple stakeholders, measuring results and staffing, which had previously affected the partnership between Naandi and WHI. For Frank, these tensions were manifested in three key areas: the price of the water, the target population and cost-cutting. This section explores each of these tensions in turn.

One of the first concerns with privatisation in any form is that prices will be increased. This in particular reflects a tension over multiple stakeholders, with private companies prioritising shareholders over stakeholders. As will be seen, to some extent, this also reflects different approaches to measuring results, and whether to prioritise financial sustainability over less tangible social goals, as well as a staffing tension, with staff from the private sector more accustomed to determining prices according maximum profitability. For Naandi

Water, however, increasing the price of the water was only a limited option. Naandi's business model was predicated on serving the "bottom of the pyramid" and high prices would therefore undermine its "customer base". As one economic analysis noted, it would also contravene the social "mission" of the organisation:

*"Raising prices could be viewed as antithetical to the overall mission of Naandi, eradicating poverty. Any price increase has an opportunity cost for the Naandi customers, who could have used those funds for another purpose. Or, if increased price means that certain customers can no longer afford Naandi's safe water, then again financial targets are in conflict with the mission. Pricing the poor out of the market does not eradicate poverty"* (Katz and Mahnat 2010: 13).

Naandi therefore approached this option cautiously. In 2009, Naandi had begun to gradually increase the price of the water from Rs 1.5 (£0.02) to Rs 3 (£0.03) per 20L (FD05.10.09). As one project manager noted, anything above this would cause difficulty: *"at Rs 4 people will be asking what's the difference between you and private organisations?"* (S. Sreeramula, FD21.03.10). Under the new model, this policy of minimal price increases was continued. Whilst retaining a relatively low price, however, the shift to a for-profit model meant that any price increase would raise two tensions, between shareholders and beneficiaries.

Firstly, whilst previously any surpluses from the projects were being reinvested in the social mission, a proportion of these funds would now be accruing to the investors. Hence private shareholders would be benefiting with *"opportunity cost"* consequences for the poor (Katz and Mahnat 2010: 13). There was also a North-South dimension to this. Even if, as Naandi insisted, Danone's return on investment was less than the interest on bank loans, Frank were adamant that *"we can't have money going to shareholders in Paris"* (T. Alcott, FD18.08.10). Secondly, in their 2008 annual report, Naandi had noted that even Rs 1.5 per 20 L (£0.02) was too much for the poorest households (Naandi 2008). At the time, they had therefore planned to introduce some form of subsidies: *"Since Naandi's object is not to sell the water but to make it accessible to all, their [i.e. poorer households] exclusion from such a basic facility raises issues of designing various forms of cross subsidies targeted specifically on such households"* (ibid., 38). Such subsidies would be difficult to introduce because there

would be conflict over who was eligible, however they suggested that a system of alternative payment through labour might be possible (ibid.). Ultimately, the “*bottom line [was] that no household should be denied water for want of payment*” (ibid.). Whereas previously, pricing had reflected a concern with “what was affordable”, pricing now became a question of “what was politically feasible” and “what other competitors were doing”. The issue of pricing is discussed in more detail in terms of equity in Chapter 7.

The second concern was regarding the target population. Whereas previously, Naandi stated that “*there must be an emphasis on eradicating poverty*” (J. Odedra, FD19.02.08), the primary concern was now that the projects should be financially viable (an aim which Naandi’s CEO termed “*operation clean up for sustainability*” [M. Kumar, Naandi CEO, per. com. 18.06.10]). Firstly, Naandi’s criteria for selecting new sites increasingly resembled those used by WHI. According to their new model, Naandi Water would now select villages based on: a) water quality, b) “*willingness to pay*” and c) the size of the village (A. Couton, per. com. 25.11.10]). The first criterion, water quality, specified that the water source should not be too highly contaminated with salts as this could damage the equipment (ibid; NFDoc6). This was in direct contradiction to Naandi’s earlier criterion, which had stated that there should be a clear need for a water project, i.e. a minimum rather than maximum level of contamination. In addition, an emphasis on “willingness to pay” without an assessment of need meant that wealthier and more educated areas would be more likely to be targeted. Finally, not only were projects now limited to larger villages, Naandi Water also specified that Panchayats should agree to sell the water to other villages (A. Couton, per. com. 25.11.10). Naandi’s business model was based on a strategy of “*low margins, high volumes*” (Naandi 2010: 5). This meant that rather than trying to ensure equitable coverage across a whole village, each plant only had to make a small profit. In effect, just as had happened with WHI, the aim shifted from providing safe water to all, based on need, to providing safe water to a financially viable population. This was spelled out in Naandi water’s new plan, which explicitly stated that the aim was to achieve 50% coverage within each village (A. Couton, per. com 25.11.10). This assumption was then translated into the calculations for plant capacity. Thus in a village of 589 households, Naandi would provide a plant which could provide sufficient water to only around 300 households (ibid.). By early 2011, Naandi had partnered with another NGO in the neighbouring state of Karnataka (FWDoc5). In this

partnership, Naandi acted as the consultant for the projects, and as can be seen in Figure 22, one of these projects was surrounded by barbed wire. Whilst this was not the case for Frank's projects, or Naandi's other projects, this was a symbolically significant move which reflected this new exclusion. This shift in the target population again reflected a tension between the new funding source for Naandi and associated stakeholders, as well as different approaches for measuring results, with Naandi increasingly focusing narrowly on the financial sustainability of the projects.

**Figure 22: Barbed Wire Surrounds Naandi-affiliated Project.**



*Source: Own Photo (March 2011)*

The third tension was regarding cost-cutting. Whilst shareholders and staff accustomed to business practices favour a reduction in costs, the beneficiaries and staff accustomed to working in the third sector favour cost-cutting only when social objectives are not hampered. In some cases, cost-cutting is therefore compatible with social objectives. For example, Naandi Water brought in organisational changes to reduce delays, improve procurement processes, and standardise sourcing for spare parts (NFDoc3; NFDoc6; A. Couton, per. com. 25.11.10). Such changes both reduce the costs of the projects and improve the intended social outcomes, for example by reducing delays for beneficiaries. It

could further be argued, as one local donor did, that reducing costs is also a social imperative. The donor complained when Naandi insisted on whitewashing a building, a finishing touch which he claimed caused unnecessary expense: *“you’re not doing business [...] You have to reduce the costs”* (NeKP1). However, at other times costs are cut at the expense of broader social objectives. For example, in their 2008 annual report, Naandi noted that the RO plants depended on a constant source of raw water (Naandi 2008). The implications of this are considered further in Chapter 7. However, in 2008 Naandi was exploring a number of options for recharging water supplies, such as rain water harvesting or rehabilitating existing water structures (ibid.). They also considered different options for *“handling the reject water from RO plants that has a high concentration of contaminants”* (ibid.). However, by 2010, such schemes had been dropped and the ensuing costs passed on to the community. For example, the responsibility for ensuring a constant supply of raw water and disposing of the reject water now lay with the Panchayat (A. Couton, per. com. 25.11.10).

Another tension related to costs was regarding the materials that were used for the projects. Increasingly, Naandi had shifted towards using prefabricated units for the building. According to Naandi, these had several advantages over civil constructions. Firstly, they reduced the time it took to install projects from 25 to 15 weeks (NFDoc4). In addition they were cheaper, easier to maintain, and made it easier to ensure that quality standards were being met (ibid.). They therefore stated that this was not purely a commercial decision (A. Couton, per. com. 03.12.10). However, the use of prefab raised at least three possible clashes between business and the charitable aims of the organisation. In the first place, Frank objected to prefab buildings on the grounds that they were less durable, did not use local materials and were less comfortable for operators (FWDoc9). Secondly, Naandi had noted that prefab buildings were better because they would reduce the need to vet and monitor local contractors (NFDoc4). This clearly contradicted one of Naandi’s and in particular Frank’s key social objectives, which was to help generate local employment (FWDoc6). A third, more fundamental, issue was that prefabs were partly being used by Naandi because of their *“mobility”*: *“prefabs can be moved if a location proves socially problematic, for example where a source dries up or becomes to [sic] saline, a growing risk in coastal areas where there are seawater infiltrations in the water table”* (NFDoc4: 27). Whilst

this could mean moving a project internally within a village, Naandi's contracts with the Panchayats now specified that if a plant was not making sufficient money, Naandi reserved the right to shut down or move it to a different community (A. Couton, per. com. 25.11.10). Not only did this place all of the risks on the community, it would also, in the long term, undermine trust in water schemes. As a report by WaterAid noted, donor agencies have an:

*“obligation to those whom we and our partners serve. Our work with communities raises expectations of better services, improved health and other benefits. On completion of our project work those expectations may largely be met – for a time. However, if services fail after a few months or years and remain in a state of disrepair, the hopes and expectations of communities are dashed. This is unacceptable”* (WaterAid 2011: 25).

More recently, staff at Naandi have taken this into consideration, and whilst they reserve the right to close plants, their intention is to make every effort to keep all of the projects operational (H. Sehambi, per. com. 15.11.12). This issue however, illustrate the tensions over cost-cutting created by multiple stakeholders associated with different funding sources, different approaches to performance measurement and the experience of staff from different backgrounds.

The tensions caused by the transformation to a for-profit company, along with the concerns of partnering with Danone, caused a more serious division between Frank and Naandi. This had two consequences for the partnership. Firstly, Frank Water sought to safeguard their own projects by separating them from the new governance structures implemented by Naandi. At a meeting discussing the new changes, Frank requested that their projects should remain separate from the new for-profit structure so that the profits would not accrue to Northern investors such as Danone's shareholders (FD18.08.10). They also requested separate selection processes for their sites, so that social rather than commercial criteria would take precedence (ibid.). In addition, Frank began to look for other partners. Whilst diversifying the range of partners had always been part of the organisation's strategy, the above changes gave this a renewed emphasis. By mid-2012, Frank had set up one other partnership with the organisation Bala Vikasa. Under this partnership, similar

water purification units were planned, but there were to be certain key differences between the new projects and those which had been set up with Naandi. This included a marked shift away from business and back towards the third sector. For example, the full set-up costs were paid either by donors or the community, rather than through loans, and a village committee was formed to take decisions regarding the project (Bala Vikasa 2012). Chapters 7 (*"The Indignity of Aid"*) and 8 (*"Conclusion"*) will explore in more detail some of the implications of the new partnership.

## 6.8 Conclusion

*"The public-private partnership vision is not easy to implement, but when it works, it works beautifully"* (A. Gadgil interviewed in Mau 2010: 215).

In 2004, Ashok Gadgil, inventor of WHI's UV Waterworks system, was interviewed by the designer Bruce Mau (Mau 2010). Mau was compiling a book about innovative *"world changing"* designs, and Gadgil's invention was featured amongst his case studies (K. Alcott, per. com. 17.11.11). In his interview, Gadgil noted that it was not only the design of the technology, but the partnership approach which made WHI's model innovative: *"The type of strategy draws on the best of both the private sector and the nongovernmental organizations' grassroots efforts"* (A Gadgil, interviewed in Mau 2010: 215). In the initial model, the aim was that WHI would provide the technology and part-funding, Naandi would act as the *"community interface"*, and the Panchayat would authorise the plant and provide local resources. Meanwhile, external donors such as Frank would assist with the capital set-up costs. It was presented as a *"win-win"* scenario (Naandi 2010: 24), which would bring about a *"Blue Revolution"* (op. cit.). However as Gadgil presciently noted, this *"vision [was] not easy to implement"* (op. cit.). The aim in this chapter was to explore this type of partnership, in order to answer the second part of the research question: *"When a social enterprise engages in a transnational partnership for development, what tensions affect the governance of the transnational partnership?"* As seen above, such partnerships face a range of tensions related to legal form, recruitment and staffing, funding sources, measuring results, and multiple stakeholders.

From a problem-solving perspective, these tensions were to some extent possible to resolve. The tensions between Naandi and its technology suppliers were resolved when Naandi took on board the roles that had previously been performed by WHI, and the technology company's role was reduced to being a supplier. This however, represents a return to a more traditional third sector model in which private companies supply goods or services but are not involved in the social aspects, except as, in the case of Tata, through their CSR. This illustrates that further work is required to overcome in particular tensions over funding sources, multiple stakeholders, measuring results and to some extent staffing. By contrast, Frank and Naandi were initially able to resolve a number of the tensions that occurred between them by explicitly spelling out roles and responsibilities in an MoU. This approach resolved the lack of legal form, tensions between multiple stakeholders, in particular donors in the North and beneficiaries in the South, as well as the different approaches of the two organisations to measuring results and funding sources. Nevertheless however, it soon became apparent that Naandi was not only responsible to beneficiaries, but to their own donors and this tension, between Naandi's donors and beneficiaries, was exacerbated when Naandi partnered with Danone and shifted to a social for-profit model. This tension was only overcome by Frank splitting its projects from the rest of Naandi's activities and seeking new partners. At the same time, Naandi had also entered into BOOT partnerships with state governments. This meant that the partnership had gone full circle, from an attempt to move away from traditional government and private sector models, to partnering with them in what is a more traditional PPP format. From a problem-solving perspective, this illustrates the difficulties that remain in creating a novel form of transnational partnership. In particular, the tensions over multiple stakeholders and funding sources continue to pose the most difficulties.

A problematising perspective meanwhile takes a step back to explore what "problem" this partnership sought to overcome, and whose interests this serves. As discussed above, this partnership was designed to help organisations from different professional fields to achieve together what they could not achieve alone. From a problematising perspective however, this "win-win" scenario overlooks the way in which the partners, although they appear to have a shared goal, may have framed this goal in very different ways. For example, all of the

partners sought to deliver access to safe water, but the private sector organisations sought to deliver access to safe water to a financially viable population over a large area, whilst the third sector organisations sought to deliver safe water to a more concentrated group of poorer beneficiaries. Furthermore, a problematising perspective brings in power analysis. In this case, as discussed in the context of social enterprise in Chapter 5, it is the private sector which is more powerful. Thus in the context of access to safe water, it will therefore be private sector approaches to delivering safe water which dominate, with consequences for particular groups of people. For example, as illustrated above, the interests of shareholders could predominate over those of beneficiaries. More specifically, those beneficiaries in smaller, poorer villages could be excluded in favour of larger and wealthier villages. A problematising approach therefore asks whether organisations in the third sector should partner with the private sector in the first place, and if not, what the alternatives are? Chapter 8 explores some of these options, however Chapter 7 will first look in more detail at the governance tensions faced by Naandi at the project sites.

## **Chapter 7: “The Indignity of Aid”**

### **7.1 Introduction**

In 2010 FRANK Water’s partner in India, the Naandi Foundation, transformed its water division into a “*social-for profit*” (NFDoc2). This shift was justified in the language of empowerment, with Naandi’s CEO Manoj Kumar calling for a “*new, more efficient service delivery template*” to “*wipe out the indignity of poverty and aid*” (Naandi 2010: 24). As discussed in Chapter 4 (“*Transnational Partnerships for Development*”), interventions aimed at increasing access to safe water have faced a number of tensions related in particular to measuring results, the role of institutions and behaviour change. As a result, such interventions have often been unsustainable and have failed to reach the most marginalised people (Mehta et al 2007). As suggested by Kumar, such interventions have also been disempowering for the recipients of aid. For Naandi, the solution was to adopt a social business approach to poverty alleviation. This chapter focuses on the tensions facing safe drinking water interventions at the project sites in India, and the extent to which these were addressed by a social business approach. As will be seen, the solutions implemented on the ground became increasingly narrow as Naandi became increasingly commercial, resulting in Frank splitting its mainstream operations from Naandi. The chapter will conclude by looking at Frank’s new operations with another, more traditionally charitably oriented organisation, and the extent to which the new model made further progress on overcoming the “*indignity*” of aid (op cit).

This chapter is based on research conducted in three villages: Kothapeta, Nellutla and Kanaganapalli. Further details about these sites can be found in Appendix T, which outlines key differences and similarities between the villages. In summary, the projects were set up at different points of time in the relationship between Frank and Naandi. The first case study, in Kothapeta, was the first project which Frank Water funded in 2005. The second project in Nellutla was set up in 2008 and the third project in Kanaganapalli was set up in 2010. The projects involved different purification technologies, and were each located in different regions of the state of Andhra Pradesh. Kothapeta had the smallest population,

followed by Kanaganapalli and then Nellutla. Nellutla was the most densely populated, followed by Kothapeta and then Kanaganapalli. All of the villages were to some extent segregated by caste, with Kothapeta having the highest proportion of lower caste groups, followed by Nellutla and then Kanaganapalli. All of the villages were affected by flooding and drought as well as depleting groundwater levels. In each of the villages, there was an existing public water system, generally consisting of a bore well leading to over-head tanks, from which water was distributed to communal taps and individual household connections. This was generally poorly maintained and there was a perception that the water was in particular too salty, hard and contaminated with fluoride. Available water testing records suggested that contamination was present in at least some sources in the villages beyond national standards, with Kothapeta the most contaminated followed by Nellutla and then Kanaganapalli. In Kothapeta a number of residents were previously collecting water from a handpump outside the village whilst in Nellutla a number of residents were purchasing water from private purification kiosks.

The existing governance structures in each of the three villages meanwhile was a mixture of formal and informal structures. Formally, rural villages are governed by the *Panchayati Raj* system. This local government structure divides states into three tiers: district (*Zilla*), block/sub-district (*Mandal*), and village (*Gram Panchayat*) (Srinivasulu 2002; FD12.03.10). Each *Gram Panchayat* comprises one village, or a group of smaller villages, and surrounding habitations, and is governed by an elected council (here referred to as the Panchayat). This is headed by a Chairperson/President, the *Sarpanch*, and Vice-Chair/Vice-President, the *UpaSarpanch* (Srinivasulu 2002). The rest of the council is composed of ward members who represent their locality within the village. In order to empower marginalised groups, these positions are reserved on a rotating basis for women and SC/ST and BC caste groups (FD 08.10.09; NeGP1). Intersecting with these formal structures, meanwhile, are unofficial power relations. Traditionally, villages would be ruled by “elders”, usually dominant caste groups, but generally whoever controls land and power (FD 08.10.09). When elected Panchayats were first introduced, these traditional rulers tended to be voted into office and so the traditional hierarchies coincided with the formal structures of governance (ibid.). Since reservations were introduced, however, marginalised groups such as women and lower castes have also been elected. In some areas, these actors have used their positions

to challenge traditional forms of authority and advocate on behalf of marginalised groups (Baviskar and Mathew 2009). In other areas, however, the phenomenon of shadow governance is common, whereby women's husbands or other dominant actors exercise decision-making authority in the background (ibid.).<sup>18</sup> As P. Kamala Rao and C. Ganesh at Osmania University put it, the traditional hierarchy can be so strong that "*whatever the traditional leaders decide, the democratic body implements*" (OU1). In the case study villages, elected *panchayats* (village councils) were most involved in local governance and accountable to the local population in Kothapeta, followed by Nellutla and Kanaganapalli. Whilst the main focus in this chapter is the changes that occurred over time as Naandi became increasingly commercialised, it will be seen that these factors also affected the governance of the projects in each of the villages.

## 7.2 Measuring Results

As discussed in Chapter 4, one of the first tensions facing interventions to increase access to safe water is over how access to safe water is defined. For example, progress towards achieving the Millennium Development Goal on water is measured according to the number of people who gain access to an improved source of drinking water (JMP 2013). However, water tests conducted at sources designated as improved found that such sources were often in practice still contaminated (Unicef and WHO 2011). In order to overcome this, the aim at the project sites was to use purification technology to secure "*uncompromised water quality*" (Naandi 2008: 35). As outlined in Chapter 6 ("*The Blue Revolution: a Transnational Partnership*"), this was initially to be achieved using WaterHealth International's (WHI) technology and later using technology supplied by the Indian multinational Tata. The first project, Kothapeta, was set up together with WHI, whilst the technology at the other two sites was from Tata. The key difference between the technology was that the central component of the WHI technology was an ultraviolet (UV) filter which was designed to remove microbial contamination commonly found in surface water, whilst the Tata technology centred on reverse osmosis (RO) filters which could remove fluoride commonly

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<sup>18</sup> See also: Jairath and Sajja 2009; Johnson, Deshingkar and Start 2003; KoGP3; KaLP4.

found in groundwater. As will be seen, the shift in technology had wider implications beyond the change in machinery. All of the projects, however, were similar in that they involved a series of filters which were designed to purify existing water sources to meet Indian standards of safe water (Mandri-Perrott 2008).

As noted in Chapter 4, however, the way in which access to safe water is defined faces a number of further contestations. Firstly, interventions which provide access to safe water at source run the risk that the water will be recontaminated before it is consumed. In order to overcome this, Naandi's initial education programme involved addressing aspects of sanitation and hygiene (Naandi 2006). In addition, in order to access water from the purification plant people had to pay a registration fee, and in return they received a standardised jerry can.<sup>19</sup> These jerry cans are illustrated in Figure 23. According to Naandi, they were specifically designed to keep the water from becoming re-contaminated (NFDoc3; FD22.03.10; FD07.10.09). The tensions around the registration fee will be discussed in Section 7.3 (*"The Role of Institutions"*). In the area of measuring results however, the lack of water testing at the point of use meant that it was unclear whether these measures were sufficient to prevent recontamination. This was particularly problematic as the purification process meant that chlorine was removed rather than added to the water. Chlorine has a residual effect which prevents recontamination (Sobsey 1989). By removing it, the kiosks were therefore potentially increasing the risk of recontamination.

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<sup>19</sup> At the three case study sites, these cost Rs 100 for a registration with a 12L can (£1.23), and Rs 150 for a registration with a 20L can (£1.84) (KoNS1; NeNS1; KaNS2).

**Figure 23: Image of Naandi Jerry Cans.**



*Source: Own Photo, Dharmavarem, February 2010.*

Furthermore, the shift from WaterHealth International's ultraviolet (UV) technology to Tata's technology using reverse osmosis (RO) created a further limitation in the area of water quality. Whereas previously the focus was on removing microbial contamination from surface water, the emphasis shifted to removing chemical contamination, in particular fluoride and salts, from groundwater. As can be seen in Appendix L, water quality tests began to exclude microbial tests, focusing instead on narrow chemical parameters. Whilst fluoride is a severe problem in AP, microbial contamination is still the most lethal (Naandi 2008). Section 7.4 ("*Behaviour Change*") looks at some of the further implications of this shift in the context of behaviour change. In addition, as outlined in Chapter 4, other aspects of the quality of service include the quantity, convenience, reliability and supply of water. Again, the projects to some extent sought to address these aspects. For example, in 2008,

Naandi began to raise the platforms that water collection taps were situated on to make these more convenient for users (Naandi 2008). However, as will be seen in Section 7.3.2.2 (*“Purchasing the water”*), both the supply and convenience of the water continued to raise tensions at the project sites.

Secondly, despite large investments in water and sanitation, services have often fallen into disrepair, raising concerns over sustainability (Mehta et al 2007). Adopting a commercial approach, Frank’s initial projects sought to address this by charging a user fee for the water. As noted above, users paid a registration fee to gain access to the projects. Households would then purchase a monthly card, which would allow them to collect water on a daily basis. Figure 24 illustrates one of these monthly “punch cards”, so-called because the staff operating the plant would punch a hole in the card each day that the user collected water. The cost of one monthly card at the case study sites was Rs 45 (£0.55) per month for 12L per day, or Rs 60 (£0.74) per month for 20L per day (KoNS1; NeNS1; KaNS2). The aim was that these funds would be used to pay for recurring operational expenditure (opex) at the project sites, thereby securing sustainability (Mandri-Perrott 2008). This however, in the first instance, represented a narrow measurement of sustainability, focusing on financial sustainability. To some extent, the projects also aimed to address wider aspects of social sustainability, for example by training local operators to run the plants and signing an agreement with the Panchayat. However, as will be seen in Section 7.3 (*“The Role of Institutions”*), this also represented a narrow approach to building up local institutions. Meanwhile, in terms of environmental sustainability the projects depended on on-going supplies of electricity and water. These considerations became particularly important following the shift to RO. As the name implies, RO works by reversing the natural process of osmosis by forcing a solution through a membrane from a low concentration to a high one (Holstad and Havig 2010; Practical Action 2011). This process, however, is both energy and water intensive (ibid). In addition, the reject water from the plants contains a highly concentrated solution of contaminants, including fluoride, which is released back into surrounding water systems (Holstad and Havig 2010; Naandi 2008). Rather than addressing the root causes of fluoride contamination, RO plants may therefore exacerbate the problem in the long run.

**Figure 24: Image of a Monthly "Punch-Card".**



*Source: Own Photo, Nellutla October 2009.*

Thirdly, the focus on the quality of water and financial sustainability also excluded considerations of equity. This affected the projects on two levels. In the first place, a measure of equity would involve selecting project sites primarily on the basis of need. As discussed in Chapter 6, Frank's initial project sites were selected in part according to the level of water contamination and poverty (J. Odedra Former Manager, Global Partnership on Output-Based Aid [GPOBA], Naandi Foundation, FD19.02.08). When Naandi became a social for-profit however, the emphasis was increasingly on feasibility rather than need, with project sites determined primarily according to whether or not there was a potential pool of customers, and whether the contamination levels were low enough to enable the machinery to operate at a low cost. This was reflected at the project sites with, as noted above, contamination levels higher in the earlier projects. Furthermore, a second consideration around equity is to what extent marginalised members of the population around each project were able to benefit from the increased access to safe water. Again, as outlined in Chapter 6, as Naandi became increasingly commercial, the emphasis shifted on to identifying a viable number of users across a larger area, rather than achieving equitable

or universal coverage within one area. Whilst exact poverty levels were not possible to determine, the proxy indicator of caste suggests that the earlier case studies were located in poorer villages.

Finally, the interventions focused on the provision of drinking water. As outlined in Chapter 4, diarrhoeal diseases are also dependent on range of other factors such as nutrition and, in particular, sanitation and hygiene, which were to some extent covered by Naandi's early education programmes. However, as will be seen in section 7.4 ("*Behaviour Change*"), these education programmes became increasingly narrow over time. Similarly the impact of fluorosis, whilst primarily dependent on fluoride levels in drinking water, is also dependent on other factors such as nutrition (WHO 2012). A narrow focus on measuring results such as the quality of water or financial sustainability, therefore excludes higher level outcomes and impacts such as changes in health. In addition, as outlined in Chapter 4, this also excludes other water uses which have an impact on wider development. Whilst Naandi also ran programmes on livelihoods, it was only in Kothapeta where these programmes accompanied the safe drinking water intervention (KoGP1). Section 7.5 ("*A new partner*") will look at to what extent these tensions were addressed when Frank formed a new partnerships with another not-for-profit organisation.

### **7.3 The Role of Institutions**

As outlined in Chapter 4, the second tension facing interventions to provide safe drinking water is over the role of institutions. For Naandi, traditional charitable solutions based on using donations to provide services would be unsustainable, as well as undignified for the poor (Naandi 2010). They therefore sought to implement a social business model which would "*wipe out the indignity of poverty and aid*" (ibid: 24).. This section explores this model on the ground with a specific focus on the role of local people in setting up and running the projects, and the extent to which they were empowered. As was noted in Chapter 3 ("*Literature Review*"), the way in which participation is framed varies in practice. Figure 8 in Chapter 3 illustrated Shelly Arnstein's "*ladder of participation*" in which she placed participatory approaches on a spectrum from "*manipulation*" through to "*citizen control*" (Arnstein 1969: 217). Full citizen control would be achieved through a transfer of power

from the “*haves*” to the “*have-nots*” (ibid.). This section explores in the first instance to what extent power was transferred from Naandi to the local communities. In addition, as noted by Arnstein herself, communities are not unitary. Secondly, therefore, the chapter explores to what extent this power was distributed within communities and in particular, to what extent marginalised groups were included. As will be seen, as Naandi became increasingly commercialised, participation moved closer to the bottom rung of the ladder, towards manipulation, and marginalised groups were increasingly excluded.

### **7.3.1 Setting Up the Projects**

This section begins by exploring the role of the local communities in the three case study villages in setting up the projects. As will be seen, there were three key aspects in which the community was involved. The first was in making the initial contact with Naandi and establishing their village as a project site. The second aspect was the funding of the projects, which in two out of the three case studies included a “community contribution” towards the set-up costs. Finally, the projects were formally approved by the Panchayat through two agreements: a Memorandum of Understanding (MoU) between the Panchayat and Naandi, and a Panchayat Resolution. This section explores the way in which participation was framed at each of these stages, with a view to establishing: a) the degree to which local communities were empowered in relation to Naandi, and b) which actors in particular were empowered. As will be seen, the degree to which local communities were empowered in relation to Naandi decreased over time. In addition, the projects increasingly favoured relatively privileged communities, and particular individuals within those communities who already held privileged positions. In one village in particular, this exacerbated political tensions within the village, which would have divisive consequences for the project.

#### **7.3.1.1 The Initial Stages**

In all three villages, the community participated in making the initial decision to install a Naandi project in their village. In the first village, Kothapeta, the Sarpanch explained that they had persuaded Naandi to locate a project in their village, rather than in the nearby town of Kanchikacherla: “[we said] you don’t think Kanchikacherla. We are suffer, very much suffering for water in Kothapeta. [...] What support you want, we are supporting you” (KoGP1). In the second village, Nellutla, it was again the community which approached

Naandi (NeKP1). In this village, the project was spearheaded by a former resident of the village, Narashima Reddy. Together with a group of other former residents who, as he put it, “*had come on with their lives*”, he sought to “*do something*” to help his home village (ibid.). Reddy and his associates found that several people were purchasing their drinking water from expensive private suppliers, so they decided to set up a drinking water project (ibid.). They considered various options for doing this before approaching Naandi (ibid.). In both Kothapeta and Nellutla, it was therefore the community who initially approached Naandi. Meanwhile, in Kanaganapalli it was Naandi who first approached the community (FD13.03.10; KAWU1). In this case, the community was interested in the project, but they said that they could not afford to make the financial contribution, which Naandi had asked for (ibid.). It was not until a local MLA (Member of the Legislative Assembly), Sunita Paritala, agreed to part-fund the project that they agreed to go ahead (KaWU4). This MLA had also been approached by other water providers and therefore had the power to make the decision to work with Naandi. Thus, in all three villages the community was active in making the decision to work with Naandi. From a business perspective, this was a form of empowerment which increased over time. In Kothapeta, the Panchayat were active in approaching Naandi, but in Arnstein’s terms they did so “*hat [...] in hand*” (Arnstein 1969: 222). In Nellutla, however, Reddy and his associates considered a range of options before approaching Naandi, whilst in Kanaganapalli, the local MLA had the power to choose between a range of “suppliers” who approached her, rather than the other way around.

There are however, two key limitations to this form of empowerment. Firstly as was noted in Chapter 3, placing the onus on communities to drive their own development often ends up favouring privileged communities (Arthur et al. 2006: 2). As noted above, whilst levels of poverty in the three villages were difficult to compare, Kothapeta had the highest proportion of SC/ST households, followed by Nellutla and then Kanaganapalli. Whilst not conclusive, this indicates that Naandi’s selection process increasingly favoured relatively wealthy communities. Secondly, and more tangibly, whilst the community was involved in the initial stages in all three villages, there were key differences in what constituted “the community”. In the first village, Kothapeta, it was primarily the Panchayat which had negotiated with Naandi. By contrast, in Nellutla and Kanaganapalli, it was particular key persons who negotiated on behalf of their communities. This suggests that it was not the

marginalised members of the community who were empowered, but those who already occupied powerful positions. This then has further consequences for the types of projects that are implemented. As will be seen in Section 7.4 (“Behaviour Change”), RO projects in particular are associated with a level of prestige. In cases where local elites are empowered to make decisions over water supply, there is therefore a danger that high status projects, such as those implemented by Naandi, will be selected at the expense of more appropriate or widely accessible solutions.

Once the site had been identified, it was subject to a feasibility study conducted by Naandi (FD22.03.10). Appendices J and K contain village surveys for Nellutla and Kanaganapalli, and Appendix Q contains a household survey that was also conducted in Kanaganapalli. In Kothapeta, a feasibility study was conducted (KoGP1), but a copy of the survey was no longer available. To some extent, the process of carrying out a feasibility study involved consultations with the community. As noted by one of Frank’s project managers: *“only if they [the community] feel it is a wonderful project then [we] go ahead”* (FD22.03.10). As was discussed in Chapter 6 and above, however, the surveys were primarily increasingly conducted in order to ensure the financial viability of the projects. This meant firstly that the emphasis was on selecting larger villages which would ensure a greater pool of potential customers, rather than villages with the greatest need. This was evident in the three case studies as Nellutla and Kanaganapalli, which were set up at a later stage than Kothapeta, have significantly higher, and relatively wealthier, populations (see Appendix T). In addition, as can be seen in Appendix Q, by the time that Naandi began to work in Kanaganapalli, they also carried out a household survey which asked how much people would be willing to spend on water. The consultation with the community was therefore primarily limited to questions over financial viability, rather than the extent to which support for the projects was widespread. This was reflected in the limited scope of the surveys. Thus one Naandi field officer stated that she primarily consulted the village secretary and other key persons (FD17.02.10). Furthermore, as can be seen in Appendices J and K, many parts of the forms were incomplete, whilst the form for Nellutla was in fact completed after the project was already underway. This indicates that the forms were treated primarily as a “box-ticking” exercise. As the next section discusses, it was the “community contribution” which was ultimately a more salient factor in determining the feasibility of a particular project.

### **7.3.1.2 A Community Contribution**

Once a site had been identified, the second aspect in which the local communities were involved was in funding the project. Whilst it was partly a means of reducing Naandi's costs, the contribution was justified on the basis that it would secure a sense of "*community ownership*" (FWDoc8; Changemakers 2008). This taps into the development discourse which suggests that giving people a financial stake in projects (sometimes in the form of labour or resources), means that they will take responsibility for maintaining the project in the future (Cornwall 2000). Furthermore, by contributing to the projects, local communities are no longer passive recipients of aid but active participants in their own development (ibid.). From this perspective, a "community contribution" therefore not only secures the social sustainability of a project, but empowers the local community. Table 2 and Figure 25 illustrate the funding for each of the three case study sites. In Kothapeta, which was a pilot project, the set-up costs were entirely provided by Naandi and Frank (NFDoc9).<sup>20</sup> At the other two sites, however, the community was required to pay for part of the project. In both villages, the amount that the community paid was the subject of negotiation. In Nellutla, Naandi initially asked the community to contribute Rs 500,000 (£6,156), which they refused (NeKP1). Eventually, they agreed to Rs 300,000 (£3,692), and Frank paid the remaining Rs 200,000 (£2,461). In Kanaganapalli, meanwhile, Frank's project manager at Naandi explained that the community had insisted on asking their MLA for funds: "*no it's not possible to give money. We'll ask the MLA*" (FD22.03.10). According to the project manager, this reflected a common expectation that politicians should provide certain services in return for votes (ibid. See also e-mail from S. Sreeramula, former Naandi Project Manager 13.05.09, citing an article entitled "No Safe Drinking Water, No Votes" [Khan 2009]). In Nellutla and Kanaganapalli, therefore, the community participated by not only paying, but negotiating, a financial contribution.

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<sup>20</sup> One Naandi staff member suggested that local farmers had contributed to the project, but it was not clear whether this was for the initial set-up costs or referred to other forms of support such as providing access to water supplies (FD15.03.10).

**Table 2: Funding for Case Study Projects**

<b>Village</b>	<b>Total Cost</b>	<b>Contributions</b>
<b>Kothapeta</b>	Rs. 24 Lakhs (£30,998)	<b>FRANK Water:</b> Rs.307,874 (£3,975) <b>Naandi:</b> Rs 2,092,126 (£27,022)
<b>Nellutla</b>	Rs 10 lakhs (£12,915.10)	<b>FRANK Water:</b> Rs 2 lakhs (£2,583) <b>Naandi:</b> Rs 5 lakhs (£6,456) <b>Community:</b> Rs 3 lakhs (£3,873) (of which Panchayat= 1 lakh [£1,291.10])
<b>Kanaganapalli</b>	Rs 10 lakhs (£12,915.10)	<b>FRANK Water:</b> Rs 3.25 lakhs (£4,195) <b>Naandi:</b> Rs 3 lakhs (£3,873) <b>Sunita Paritala:</b> Rs 3.75 lakhs (£4,840) (including Rs 1.75 lakhs [£2,259] for the building)

1 lakh= 100,000

Sources: *FWDoc8; FD15.03.10; KoGP1; Signage at Nellutla (See Figure 25); NFDoc8; FD22.03.10.*

**Figure 25: Cost Breakup in Nellutla**

Project Cost Breakup		
Nellutla's Naandi Community-based Safe Drinking Water Center		
<b>Breakup of Costs</b>		
Plant & Machinery	- Rs 6.00 lakh	
Civil Structure, Storage Tanks, Piping etc	- Rs 3.00 lakh	
Project Coordination & Community Mobilization	- Rs 1.00 lakh	
<b>Total</b>	<b>- Rs 10.00 lakh</b>	
<b>Contributions</b>		
Nellutla Grama Seva Samithi & Grama Panchayat	- Rs 3.00 lakh	
FrankWater Projects / HBOS plc	- Rs 7.00 lakh	
Naandi Foundation	- Rs 5.00 lakh	
<b>Total</b>	<b>- Rs 10.00 lakh</b>	
For suggestions :		
Contact Person	Phone / Mobile	Email
Naandi Foundation, Hyderabad	040 23326365 / 66	water@naandi.org
Mr Srinivas, Project Manager	99514 00540	nivas@naandi.org
Mr Anoop, Manager (Technical)	98480 26052	anoop@naandi.org
Mr Bibind Vasu, Assistant General Manager (Sales)	98480 34680	bibind@naandi.org

*Source: Own Photo, Nellutla (October 2009).*

From a business perspective, local communities were therefore increasingly empowered by not only contributing towards the costs of the project, but negotiating the parameters of this contribution. There are again, however, two limitations to this form of empowerment. Firstly, by framing participation in terms of providing a financial contribution, those communities which cannot afford to participate in this way will be excluded. For example, if the MLA in Kanaganapalli had not been able to pay for the contribution, then the village of Kanaganapalli would have been excluded. Secondly, what constituted “the community” was a point of contention in both Nellutla and Kanaganapalli. In Kanaganapalli, for example, it was the MLA who paid the entire “community contribution”. As was discussed in Chapter 6, Naandi’s Public-Private Partnership (PPP) model was specifically designed to curtail the political associations of government-funded projects. In this village however, the MLA paid

for the project out of her own funds, rather than government resources, thereby increasing rather than limiting her political influence (FD22.03.10). In Nellutla, meanwhile, Reddy and his associates first tried to set up a “*village service organisation*” to collect funds for the project (NeKP1). This, however, proved problematic. For example, whilst 80 women’s SHGs offered to contribute Rs 1000 per group (£12), they wanted to receive a free jerry can for every member of their group (ibid.). Furthermore, the SHGs were affiliated to political parties and they began to “*quarrel*”, each suspecting the others of wanting to control the project for their own interests (ibid.). On one level, this showed that there had been widespread community participation in negotiating the funding. When asked whether there had been a meeting about the project, for example, one ward member said that there had been “*so many meetings*” (NeGP2). In the end, however, the Panchayat contributed Rs 99,000 (£1,217),<sup>21</sup> but the remainder of the community contribution was paid for entirely by wealthier former residents from the village (NeKP1). What was dubbed a “community contribution” in practice was therefore primarily paid by the relatively wealthy, and already powerful, members of the community.

These key persons subsequently played a key role in setting up the projects. For example, in Nellutla, the donor Reddy described how he had brought tools and water for the construction workers on the site: “*And all these things I’ve taken from my home. Parcel of things I took. Otherwise I said who will give?*” (NeKP1). Similarly, in Kanaganapalli, the MLA paid for an elaborate inauguration ceremony, whilst her family was involved in overseeing the construction (NaKP1; FD22.03.10). The two donors however, brought with them different political interests. In Nellutla, Reddy and his colleagues played an almost reluctant role in the projects, and Reddy stressed that he and his colleagues were not trying to usurp the authority of the Panchayat: “*we don’t want to show prominence [...] And the domination. We want to help. We want to extend our helping hand*” (NeKP1). In Kanaganapalli, however, the MLA’s late husband had been involved in a party political feud and had been killed by a rival in 2005 (FD23.02.10; FD25.02.10. For further details see Kannabiran et al. 2005; Balagopal 2001; Reddy 2011; Kumar 2005). As the inauguration was

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<sup>21</sup> According to Naandi staff, this is the maximum amount the Panchayat can dispense for a project before requiring what was described as lengthy approval from higher levels of government (FD22.03.10).

funded by the MLA, it was held on the five-year anniversary of her husband's death (FD17.02.10; FD22.03.10). One of the consequences of this political association was that members of an opposition party set up a rival plant, which provided water for free (FD22.02.10). According to Naandi, this rival project was not financially sustainable and they said that they would simply continue to provide water according to their own procedures (FD17.02.10). For Frank, however, these political associations were problematic (FWDoc9). As a result Frank requested that Naandi "re-allocate" the projects, which they subsequently did (NFDoc4). The "community contribution" was therefore justified on the basis that it would ensure "community ownership". As it involved a financial contribution, however, it was primarily funded by wealthier local donors. These donors were subsequently involved in setting the projects, bringing with them their own sets of interests, with political consequences in Kanaganapalli.

### **7.3.1.3 Securing Ownership**

In addition to the community contribution, Naandi also explicitly secured "*community ownership*" in a formal sense by drafting a Memorandum of Understanding (MoU) with the Panchayat, and obtaining access to local resources through a "Panchayat Resolution" (NFDoc1). These agreements formally engaged the Panchayats in the projects, and could initially be seen as "partnerships" in Arnstein's terms because they explicitly spell out roles and responsibilities (Arnstein 1969: 221).<sup>22</sup> For Naandi, however, whilst the MoUs ensured local ownership, they were primarily a "*guarantee [...] of support*" and "*a necessity before setting up valuable equipment*" (A. Couton, former Naandi Water Chief Executive Officer, per. com. 08.04.11). As one Naandi staff member explained, without this guarantee, the Panchayat would have the right to shut down the plant (NF5). Thus, the MoUs were drafted by Naandi not only as a means of ensuring "*community ownership*", but as means of protecting their investment, by ensuring that the plant would not be taken over or closed down by the Panchayat. In addition, they played a role in legitimising the projects. As noted by Naandi and WHIn, "*Panchayat leaders, as democratically elected representatives of their communities, play a critical role in gaining community acceptance of the program*"

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<sup>22</sup> In addition, the documents specified a mutual dispute resolution mechanism, although they specified that "*each party shall bear its own costs*" (NFDoc16; NFDoc17; NFDoc18, Clause 7.1). The effectiveness of this mechanism as a means of establishing an equal relationship was therefore dependent on the resources that each party could bring to bear on legal advice.

(NFDoc1). From a social justice perspective, such agreements are therefore, in Arnstein's terms, more manipulative than empowering (Arnstein 1969). In addition, the terms of the MoU in each village were drafted by Naandi, and they increasingly reflected Naandi's interests. For example, the MoU for the first project in Kothapeta stipulated that the Panchayat owned the plant with immediate effect (NFDoc16, Clause 1.7). By contrast, in Nellutla and Kanaganapalli, it was Naandi rather than the Panchayat who owned the plant until the set-up costs had been paid (NFDoc17; NFDoc18, Clause 1.7). As Naandi increasingly adopted a commercial approach, the degree to which local communities were empowered through the MoU therefore decreased.

In addition to signing the MoU, the Panchayats were also required to provide land and a water supply. These were obtained by drafting a "Panchayat Resolution", in which the community agreed to provide the necessary resources (NaGP1).<sup>23</sup> Whilst this was again justified in terms of ensuring community ownership, it was also a means of avoiding immediate and future costs. For example, the requirement that the Panchayat should provide the land was justified on the basis that it would avoid disputes affecting the project later on (FD22.03.10). One of the consequences of this was that the location of the project was limited to spaces owned by the local Panchayat. In some cases, this meant that it was not possible to locate the project centrally. As can be seen in the maps in Appendix T, the Naandi plant at all three project sites was located to one side of the village. In Kanaganapalli in particular, the plant was located at some distance from the centre of the village, although this was partly due to a growing awareness that space was needed to dispose of the reject water from the purification process (KaWU1). Furthermore, the MoUs specified that the Panchayat was responsible for the supply of water (NFDoc16; NFDoc17; NFDoc18, Clause 1.8). As discussed above, all of the villages were affected by extreme weather patterns, as well as depleting groundwater sources. This meant that ensuring a constant supply of water was a significant responsibility. For example, in Kothapeta, the project was closed for over a year at one point because of problems with the water supply (KoGP1; FD20.08.02). In order to secure water for the plant, a new pipeline had to be built and, according to Naandi, this was delayed due to political disputes in the Panchayat (FD20.02.08). Whilst the Panchayat

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<sup>23</sup> Copies of the Panchayat Resolutions are only available for the three case studies in Telugu.

therefore played a role in the process of setting up the projects, this was limited to legitimising the projects and supplying the resources. This meant that the Panchayat were responsible for some of the most risky aspects of the projects, for example ensuring a continued water supply. Rather than empowering the Panchayat, the projects therefore to some extent manipulated or used their position in a way which privileged Naandi rather than the local community.

Over time therefore, the local community became increasingly engaged in the projects. This participation, however, was primarily framed in commercial terms. The project in Kothapeta was pilot and of the three case studies, it most closely resembled a traditional charitable project. The Panchayat approached Naandi to ask for a project, and the funding was entirely provided by Naandi, WHIn and Frank. Where the community was involved, however, this already represented a commercial form of participation. For example, the Panchayat was required to authorise the project and provide local resources. Meanwhile in Nellutla and Kanaganapalli, the local community increasingly participated in the project, by selecting Naandi as a water provider, taking part in initial consultations and part-funding the projects. This form of participation however had two key limitations. The first was a tipping of the balance between Naandi and the communities, in favour of Naandi. Initially, it was local communities who made the choice to work with Naandi, and they subsequently participated actively in negotiating the sum that they would be required to pay. Once an agreement had been made, however, the terms were largely set by Naandi. The MoU, for example, was offered to communities on a “take it or leave it” basis, on terms favourable to Naandi, for example by giving Naandi the power to determine the cost of the water. Secondly, framing participation in commercial terms meant that those who participated tended to be those with the greatest (particularly financial) capital. In the first place, this meant that those villages with greater resources and a proactive leadership were more likely to be selected. Within the villages, meanwhile, the projects similarly depended not only on a cohesive Panchayat, but on the key persons who provided the “community contribution”. As a result, participation tended to reflect existing power dynamics, which, as was seen in Kanaganapalli in particular, could have divisive consequences. The next section goes on to explore how these dynamics continued once the projects had been set up.

### **7.3.2 Running the Projects**

According to Frank, community participation extends beyond the set-up stages to the on-going operations at the plant: *“The projects are community owned and run”* (FRANK Water 2012[b]). This section explores how the communities were involved in running the projects on a day-to-day basis. As will be seen, there were two key ways in which local communities were involved. The first was in “staffing” the projects, whilst the second was in purchasing the purified water. As above, this section explores each of these aspects in turn, with a view to establishing: a) the degree to which local communities were empowered in relation to Naandi, and b) which actors in particular were empowered. As will be seen, whilst local people ran the projects on a daily basis, it was local elites who played the greatest role in overseeing these operations. In addition, their control over the projects decreased over time as Naandi became increasingly focused on ensuring that the projects generated a financial return. Furthermore, the commercial nature of the MoUs between Naandi and the Panchayats meant that the communities continued to depend on Naandi for maintenance and equipment for the projects. In addition, as “customers”, local people had little control over how the projects should be run, and a standardised user fee model was increasingly offered on a “take-it-or-leave it” basis. This in turn limited access to the projects to those who were conveniently situated and could afford the service.

#### **7.3.2.1 Staffing the Projects**

The first way in which Naandi engaged local communities in the running of the projects was by hiring and training staff from the local community to run the plants (NFDoc1; Wiltshire 2011). For Naandi, this “job creation” represented one of their key *“social impacts”* (NFDoc10). Figure 26 shows the staff who were hired at each of the three projects. In Kothapeta, there had originally been two operators but by 2010, one had left due to a salary dispute (KoNS1). In Nellutla and Kanaganapalli, meanwhile, the plants were run by two staff: an operator and a Safe Water Promoter (SWP). The operator was formally tasked with running the purification equipment, whilst the SWP was responsible for raising awareness of water-related issues, although in practice the two roles overlapped (NeNS2; NeNS1; KaNS2; KoNS1). In both Nellutla and Kanaganapalli, the staff were hired with the support of either the Panchayat or the local donors (NeNS1; NeNS2; KaWU1). In each of the three villages, the wider community also participated by overseeing the operators and SWPs. For example, in

Kothapeta, local teachers noted that the “community actively participate[d]” in monitoring the projects (KoLP1). In addition, the operator met weekly with the Sarpanch, out of respect for his position as the “village elder” (NeNS2). In Nellutla, meanwhile, the role of the community became very clear at one point when the operator neglected the plant because of his studies (FWDoc3). One of Frank’s project manager’s phone numbers was displayed on the front of the plant, and he reported that he had received 40 phone calls complaining about the operator, who was subsequently replaced (ibid.). In Kanaganapalli, the project had only been running for a short time so it was difficult to gauge whether the community were involved in monitoring its activities. In the MLA’s home village however, which was close to Kanaganapalli, a second plant had been installed. In this village the MLA’s family said that they were “very involved” in the project and “always helping” (NaKP1).

**Figure 26: Naandi Staff at Project Sites.**

<b>Kothapeta</b>  <b>(Operator)</b>	<b>Nellutla</b>  <b>(Left to Right: Safe Water Promoter, Operator, Field Co-ordinator)</b>	<b>Kanaganapalli</b>  <b>(Left to Right: Operator and Safe Water Promoter)</b>
		

Sources: Own Photos: Kothapeta March 2010; Nellutla October 2009; Kanaganapalli February 2010.

In all three cases, therefore, the community participated in overseeing the projects, in particular the Sarpanches and local donors. This however represented a limited form of participation. In the first place, it was primarily the Sarpanches and local key persons who were involved in selecting and monitoring the local staff. This therefore exacerbated, rather than addressed, local power relations. In addition, the role of the local community primarily extended to reporting problems to Naandi. As per the MoUs, Naandi was responsible for the maintenance of the projects for the first five years of project operation (NFDoc16; NFDoc17; NFDoc18, Clause 3.2). In order for problems to be resolved, the community therefore had to depend on Naandi for a response. This was well illustrated in Nellutla when it became apparent that the electricity connection at the project could not supply sufficient power to purify enough water to meet demand (NeWU2; NeGP2; NeNS4; NeGP1; NeNS1; NeNS2; FD14.10.09). On one occasion, one person came to collect water and complained that whilst they paid for the water, it was only available intermittently (FD05.10.09). As a result, several people asked the Sarpanch to install a second project (NeWU1; NeGP1; NeNS2; NeWU2). The Sarpanch agreed to this proposal, and offered to contribute Rs 1 lakh (£1,226) and a plot of land (NeGP1). The problem was that he could not get “*sanction*” from Naandi for a second set of purification equipment (NeGP1). In the end, the donor Narashima Reddy instead paid for a 24 hour electricity connection to improve the supply at the original project (ibid.). In this village, there was a high degree of involvement in the project. As noted by Reddy, whilst initially the project had been viewed with suspicion, local people became increasingly involved, to the extent that if the plant was shut down “*there will be uproar*” (NeKP1). Nevertheless, without the capacity to manage the plant, this participation was limited by the community’s on-going dependence on Naandi for equipment and maintenance.

Furthermore, as Naandi became increasingly concerned with recovering their costs, the degree to which they delegated responsibility to the community decreased. As one project manager explained, Naandi was increasingly concerned that funds were being lost through local corruption and a lack of “*close monitoring*” (S. Sreeramula, FD21.03.10). In one case, for example, one project manager sent an auditor to observe a project and found that an un-authorized person was operating the plant and “*pocketing*” the user fees (ibid.). A stringent monitoring system was therefore put in place. At each of the case study sites for

example, the SWPs and operators were required to phone Naandi daily with a record of their income and expenditures (KoNS1; NeNS1). These were subsequently verified by field co-ordinators (FCs) who were tasked with visiting each village on a regular basis (NeNS4; 23.02.10). Meanwhile, Naandi staff were sent to work *“in the field”* more often, and instructed not to *“hang around in the offices”* (S. Sreeramula, FD21.03.10). Formerly a genial figure, the project manager described how his role had become increasingly draconian to the point that *“I really am like the Saddam Hussein!”* (ibid.). Thus the community was initially empowered to monitor the projects themselves, which in the short term reduced Naandi’s costs. When it became apparent that a greater degree of control over the finances would be more lucrative in the long term, Naandi began to exercise increasingly formal oversight, in what could be seen as a reversal of community ownership. From a social justice perspective, the role played by the community in staffing the projects therefore represented a limited form of empowerment. In the first place, it was again primarily existing elites who participated in this aspect. Secondly, the capacity of the local community to exercise decision-making authority was limited by their dependence on Naandi for technical expertise and resources, and the increasingly draconian monitoring system put in place by Naandi.

### **7.3.2.2 Purchasing the Water**

In addition to setting up and staffing the projects, the final way in which local people could participate was by purchasing the purified water. As noted by one of Frank’s project managers, the water was sold at each of the projects according to a *“regular process”* (S. Sreeramula, FD22.03.1). By this, he meant that a similar user fee model was implemented across all of the villages. Firstly, as outlined above, in order to access the water, local residents had to register with the plant and purchase a standardised jerry can from Naandi. Households would then purchase a monthly card, which would allow them to collect water on a daily basis. These cards had to be used within the month that they were purchased, and users could not *“roll over any missed days”* (Chen 2010). Just as the community contribution above was justified in terms of *“community ownership”*, so a user fee was justified on the basis that it would not only ensure that sufficient funds were available for the on-going running of the plant, but would encourage local people to *“value”* the water:

*“Free water is also not advisable [because the] value of that product decreases [and then] groundwater is hugely affected”* (FD12.03.10. See also FD15.03.10). This argument was echoed by some people in the community who suggested that if water was provided for free, it would simply be *“wasted”* (KoGP2). Meanwhile, the standardised system was justified by Naandi on the basis that it would ensure that people were drinking enough water to maintain good health (ibid.).

Local communities were therefore engaged in the projects as *“customers”* rather than *“beneficiaries”*. From a social justice perspective, however, this form of participation again represented a limited form of empowerment. In the first place, local communities had little say over how the water should be sold. This became increasingly the case as Naandi became more commercial. For example, in Kothapeta, the MoU with the Panchayat specified that the user fee would be *“mutually agreed between Naandi and [the] Panchayat”*, although Naandi reserved the right to cover its expenses (NFDoc16, Clause 2.3). By the time that Naandi began working in Nellutla and Kanaganapalli, however, the MoUs gave full discretion to Naandi to set the price (NFDoc17; NFDoc18, Clause 2.3). Similarly, in Kothapeta and Nellutla, Naandi offered the choice of purchasing either 12L or 20L jerry cans (KoNS1; NeNS1). In Kanaganapalli, however, Naandi only offered 20L cans (KaNS2). This gave limited flexibility to local people, who were accustomed to using variable amounts of water (NeWU4; KoWU4; KoWU3; KaWU3). One group of residents in the SC colony in Kanaganapalli, for example, noted that they could collect *“however much they need”* from the nearby hand pump (KaWU3). Furthermore, the system of monthly payments clashed with the irregular nature of employment in the villages. As one SHG group in Nellutla stated, *“If they get work then only then will they have the money”* (NeWU1). As noted above, migration was also a common phenomenon, and migratory populations would have difficulty in subscribing to a regular payment. This form of commercial participation therefore did not represent a significant transfer of power from Naandi to the communities. Instead, Naandi set the terms by which communities could purchase the safe water.

Secondly, the commercial nature of this form of empowerment reflected, rather than addressed, existing inequalities. In the first place, the cost of the jerry cans presented an initial hurdle for the poor. This was recognized by Naandi, whose director of water projects

explained: *“You see in most of the villages we find that the poorest of the poor, they are willing to pay the price for the monthly subscription of water, but they have an entry barrier, and that entry barrier is the cost of the jerry cans”* (A. Jain, FD20.02.08. See also: KaWU3). In addition, not only the cost of the jerry cans, but the on-going user fees overlooked a number of inequalities both within and between villages. In the first place, as was noted in Chapter 6, the price of the water was determined by consulting with local communities in order to establish how much they were “willing to pay”. According to Naandi, this meant that the user fee would be affordable to all (Naandi 2012[c]). By imposing an average standard of affordability however, the user fee model failed to take into account the needs of the poorest villages and the poorest populations within villages. In Nellutla for example, a number of people had previously been purchasing water from private plants, and these residents were also most active in negotiations over the projects (NeKP1). Whilst a nominal user fee was “reasonable” for them (NeWU2; KaWU4), particularly in comparison to the rates charged by private suppliers, it was too expensive for others who were *“too poor”* (NeWU1. See also: NeWU6; KoWU2; KoWU5). Therefore, whilst local people were “empowered” to purchase the water, this empowerment was limited to those who could afford to do so. As one group of teachers in Kanaganapalli stated, *“even that two rupees is also very big amount for poor people”* (KaLP1). This reflects the literature in Chapter 4 which suggested that even nominal user fees could prevent poorer people from accessing services regularly (J-PAL 2011).

Beyond the unequal distribution of financial capital, the standardised user fee model also overlooked a number of other forms of inequality within the village. For example, as the SWP in Nellutla noted, the jerry cans were heavy (FD12.10.09). This meant that the projects were more convenient for households living close to the projects, those with, particularly male, able-bodied members and those with access to transportation. As can be seen in Appendix T, most of those collecting the water are men with bicycles or motorcycles. Thus in Nellutla, it was noted that most of those purchasing the water lived in the central part of the village (NeKP1; NeNS2). Meanwhile, it was often noted by Naandi staff that rural households, in particular male members of the household, spent money on products such as

tea, alcohol and cigarettes, which could be spent on water instead (KaWU4; FD22.03.10).<sup>24</sup> This suggestion however, crucially, overlooks the gender division in households. According to one study commissioned by Naandi themselves, when it came to financial matters, the “*woman of the house has a weak voice in decision-making*”, and would often defer to her mother-in-law and ultimately to her husband: “*the husband is the final decision maker when it comes to money matters*” (NFDoc15). Whilst women, who are in charge of the family, may therefore wish to purchase safe water, they may not have power over the finances. As one woman noted, “*I told my husband [about getting water from the center] but he was not interested... and I did not pester him*” (ibid.). A broader perspective on empowerment would entail engaging with some of these inequalities within and between villages. By contrast, however, the standardised commercial model imposed by Naandi exacerbated, rather than addressed, these existing internal inequalities.

In terms of outcomes, this limited form of participation affected the number of people who were purchasing water on a regular basis, which Naandi referred to as “uptake”. In order to measure this uptake, Naandi most commonly used three indicators: a) the number of households registered with the project, b) the number of monthly cards sold, and c) the revenue generated at each plant. Table 3 and Figures 27 and 28 illustrate the available uptake figures for the three case study sites.<sup>25</sup> The data for these calculations can be found Appendix P. Firstly, as can be seen in Table 3, at the time that the fieldwork was conducted, there were around 718 households (HHs) registered in Nellutla (or 11% of the population), 301 in Kothapeta (16% of the population) and 229 in Kanaganapalli (4% of the population). On average, the number of monthly cards sold was highest in Nellutla (360), followed by

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<sup>24</sup> This reflects a wider discourse which has its roots in Seebom Rowntree’s concept of “*secondary poverty*” (Rowntree 1901, cited in Glennerster et al. 2004: 23). This is distinguished from “*primary poverty*” or absolute poverty, by the fact that those in secondary poverty have an income that exceeds a minimum threshold (ibid.). For Rowntree, this was not a moral critique, but this discourse has been used to suggest that the poor are able to afford essential goods, however they chose to spend their income on contemporary luxuries such as mobile telephones or TVs (Moore 2012).

<sup>25</sup> This information has been collected from status reports which have been sent to Frank from Naandi. However, due to the high staff turnover described in the previous chapter, the format for status reports changed significantly over time and so there are gaps in the information. It should also be noted that in some cases, there were differing reports regarding the monthly sales. Where this was the case, an average has been taken from the two figures.

Kanaganapalli (261), and Kothapeta (166). According to Naandi, in order for a plant to break even, around 200 households needed to be purchasing the water on a regular basis (FWDoc12). Based on this calculation, Nellutla and Kanaganapalli were breaking even but Kothapeta was not. Relative to the size of the village however (excluding external habitations) this translates to an uptake of around 9% in Kothapeta, 5% in Nellutla, and 4% in Kanaganapalli.<sup>26</sup> Finally, as can be seen in Figure 28, Nellutla usually earned the highest revenue, followed by Kanaganapalli and Kothapeta.<sup>27</sup> It follows that the highest uptake was therefore in Nellutla, although the highest proportion of the village using the water was in Kothapeta. The majority of the population in all three villages however, were not purchasing the water. Meanwhile, at all three sites the levels of uptake varied over time and did not necessarily correspond to the number of registrations. This was contrary to the standardised model which, as seen above, was supposed to ensure that people regularly purchased between 12-20L of water per day.

**Table 3: Uptake at Case Study Projects**

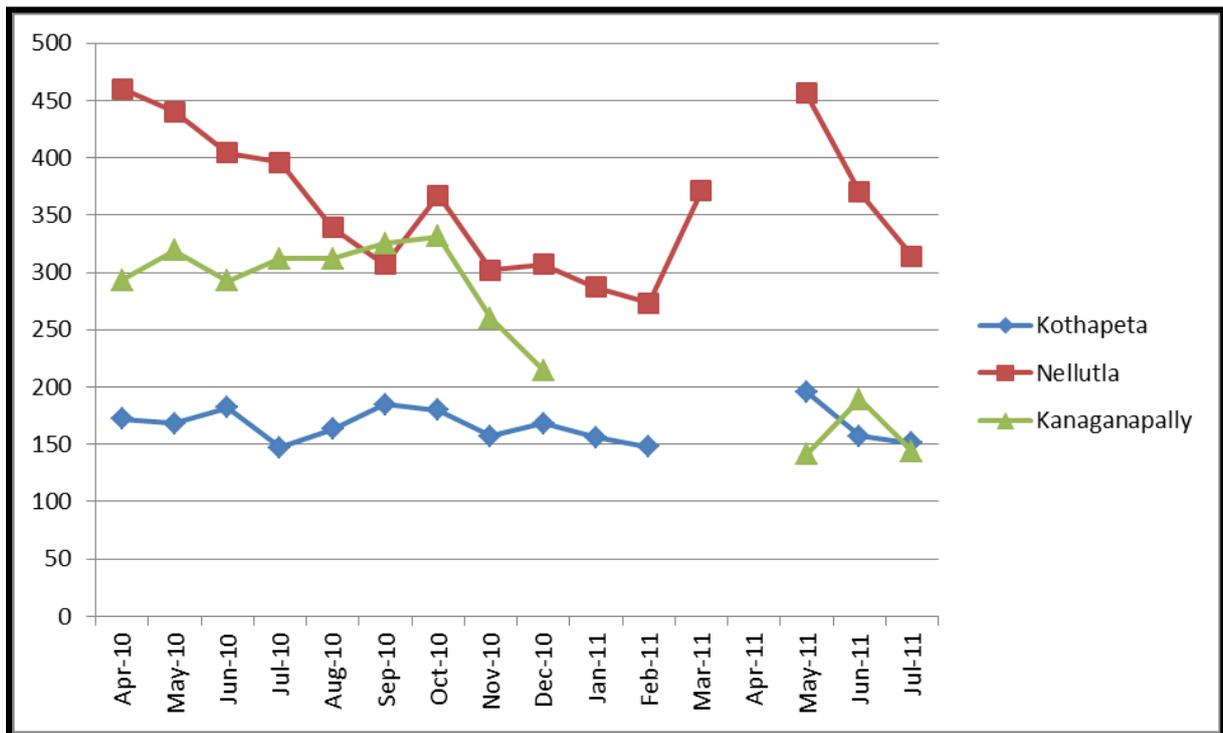
<b>Village</b>	<b>Population</b>	<b>No. of Registrations</b>	<b>No of Registrations as Percentage of Population</b>	<b>Average Monthly Card Sales (April 2010-July 2011)</b>	<b>Average Monthly Card Sales as Percentage of Population</b>
<b>Kothapeta</b>	1,878 <i>Source: KoLP2.</i>	301 <i>Source: FD12.03.10</i>	16%	166	9%

<sup>26</sup> In some status updates Naandi also calculated percentages. However, the populations sizes that Naandi used were much lower than the figures in the initial village surveys i.e. 420 households (HH) in Kothapeta, 650 HH in Kanaganapalli and 1000 HH in Nellutla (NFDoc5; NFDoc11).

<sup>27</sup> The exception to this was in February 2010 when the revenue in Kanaganapalli was over twice that in Nellutla. However as this was the month after Kanaganapalli was inaugurated, this was likely to be because new users were purchasing jerry cans as well as monthly coupons.

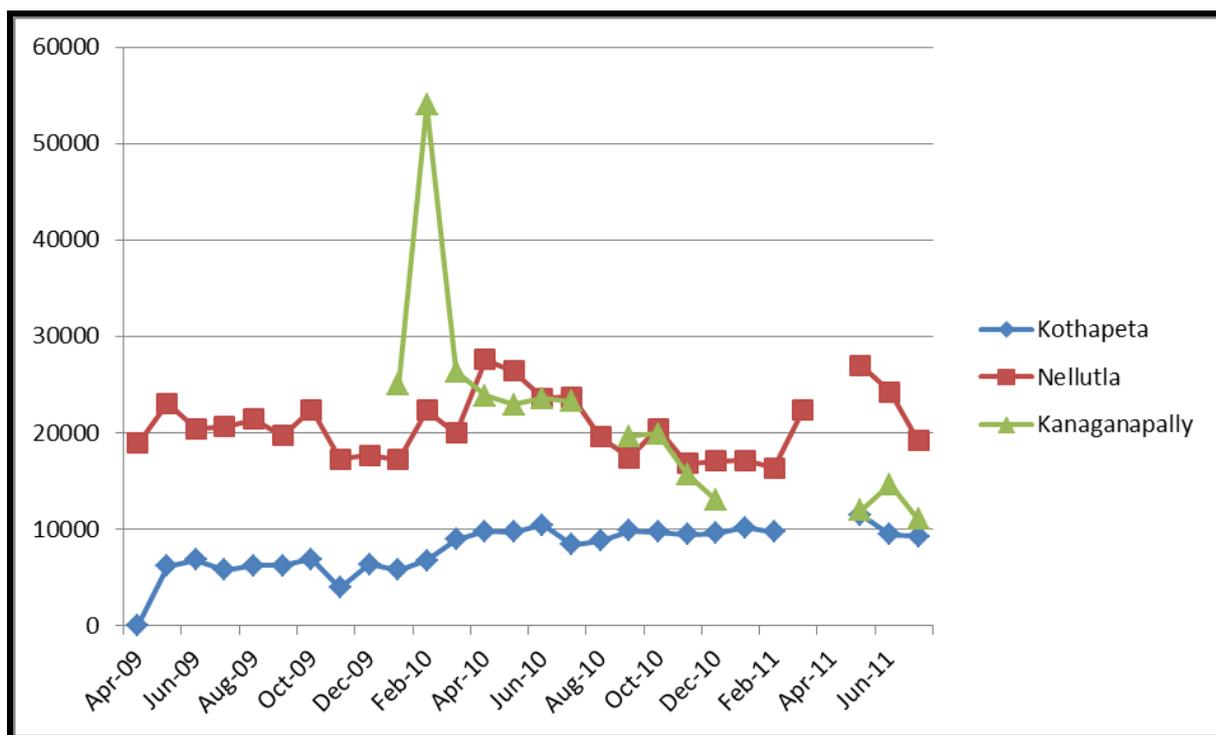
<b>Nellutla</b>	6,699 <i>Source: India Census 2001</i>	718 <i>Source: NeNS2</i>	11%	359	5%
<b>Kanaganapalli</b>	6,314 <i>Source: India Census 2001</i>	229 <i>Source: FD23.02.10</i>	4%	261	4%

**Figure 27: Monthly Card Sales at Case Study Sites**



Sources: NFDoc5; NFDoc11; NFDoc12; NFDoc13.

**Figure 28: Revenue at Case Study Sites (Rs).**



Sources: NFDoc5; NFDoc11; NFDoc12; NFDoc13.

Whilst it is not possible to draw definitive conclusions regarding the determinants of uptake at each of the three case study sites, some tentative comparisons can be made. In order to reflect the different population sizes of the villages, these comparisons can best be made according to the average monthly card sales relative to the size of the population. By this definition, Kothapeta had the highest uptake, followed by Nellutla and then Kanaganapalli. One factor which could contribute to the relatively high percentage uptake in Kothapeta could be the layout of the village and the location of the plant. As can be seen in Appendix T, the housing in Kothapeta is clustered around a central point, whereas Nellutla and Kanaganapalli are more dispersed. In addition, the plant is more centrally located in Kothapeta. The relative convenience of the project could therefore affect uptake. Another factor which could contribute to the relatively high uptake in both Kothapeta and Nellutla is the existing governance structure of the village. As seen in Appendix T, in both villages the Panchayat was cited as both the *de facto* and the *de jure* governing body, and in both villages the Panchayat was relatively inclusive, with a wide section of the population participating in its activities. As a result, the projects were more likely to have reflected the needs and interests of a wider section of the community. In addition, a number of residents in both villages were previously depending on sources of water located outside of the

village. As a result, the projects provided not only a safer, but a more convenient (and in Nellutla, cheaper), source of water. Paradoxically, Kothapeta, which had the highest percentage uptake, also had the highest proportion of SC households. This tentatively suggests that convenience and existing governance structures were more significant determinants of uptake than poverty. However, whilst some members of the SC/ST category were purchasing water in Kothapeta, it is not clear whether this was a majority or a minority. In addition, in all three villages, the percentage of people purchasing the water was a small minority. The next section goes on to look at how Naandi sought to increase uptake, and some of the further tensions that this caused.

#### **7.4 Behaviour Change**

The third tension at the project sites was over behaviour change. As noted above, even though the projects provided access to safe water, uptake levels were low and varied over time. In order to overcome this, Naandi adopted a range of methods for encouraging people to switch from their previous sources of water, to purchasing the purified water on a regular basis. As was seen in Chapter 6, Naandi staff initially preferred to do this by building up an informal rapport with local people, in contrast to WHIn who adopted a more centralised “marketing” approach. Increasingly, however, Naandi’s approach began to resemble that of WHIn. For example, the SWP and FCs began to be given targets, which were soon linked to their salaries (FD06.10.09). Furthermore, at the three case study sites, the SWPs and FCs had been given an “electrolyser” device which, when passed through the raw water at the project sites, turned the water green. When passed through the purified water however, the water remained clear. Figure 29 demonstrates this process. Whilst this was an effective visual tool, it did not provide an accurate representation of the health risks associated with contaminated water. The effect was due to the presence or absence of Total Dissolved Solids (TDS) or minerals in the water, and as noted by Naandi’s head of the quality team, a certain number of minerals are beneficial (P. Pankajan, per. com. 05.11.12). The device has therefore more recently been discontinued, and the projects in 2012 increasingly replaced the lost minerals in the product water (ibid.). Nevertheless, the device demonstrates that Naandi’s attempts to increase uptake shifted closer to a “marketing” model. This was taken

to a new level when Naandi Water became a private company in partnership with Danone. As part of the new venture, Danone was specifically brought on board for their expertise in marketing (FD17.08.10; Danone Communities 2011). As can be seen in Figure 30, one of their marketing drives included giving away free biscuits to children (NFDoc14). The aim was therefore to sell the water by adopting a range of different persuasive techniques, as per a commercial model.

**Figure 29: Electrolyser Demonstration.**



*Source: Own Photos, Kanaganapalli February 2010.*

**Figure 30: Marketing Campaign in Ullamparru.**



*Source: NFDoc14.*

This meant, in the first instance, that the methods that were adopted became less empowering. Whereas initially Naandi staff had stressed the importance of building up relationships with local people, the methods used to increase uptake became increasingly controlling, culminating in an attempt to sell the water by giving away free biscuits. In Arnstein's terms, this form of marketing represents a form of participation somewhere between "*manipulation*" and "*therapy*", or an attempt to change behaviour by telling people what is in their best interests (Arnstein 1969: 217). In addition, this represented a narrow approach to generating behaviour change. As outlined in Chapter 4, there is insufficient evidence to suggest that the provision of information is enough to generate a shift in behaviour (Lucas et al 2011). In the first instance, the extent to which information generates behaviour change depends in part on how the information is delivered and who delivers the information (ibid). Furthermore, a narrow approach to disseminating information overlooks the multiple wider factors governing behaviour (ibid). To some extent, by adopting a marketing approach, Naandi was looking to overcome these limitations by not only providing information, but making the product socially desirable. However, as will be seen, there were a number of factors which meant that this commercial model continued to provide a limited way of engaging with behaviour change.

Firstly, the shift from UV to RO was accompanied by a shift away from a concern with microbial contamination towards chemical contamination including fluoride. This tapped into widespread fears over fluorosis in the state of AP. For example, one study of water quality perceptions in AP, found that whilst microbial contamination was still widespread, it was fluoride and its associated disabling effects, which was most feared:

*“fluoride [...] can make one disable or the children born with deformed limbs, and precisely for this reason it is most feared. Since other contaminations are not considered so disabling, there is not much consciousness to prevent them [sic]”*  
(Colford et al. 2009: 86).

In some ways, this widespread fear of fluoride parallels the fears over tap water in the North, which has led to confusing messages regarding water contamination (See Chapter 5). As noted above, whilst fluoride is a severe problem in AP, microbial contamination is still the most lethal (Naandi 2008). However there is less popular understanding and demand for the problem of diarrhoeal diseases to be addressed. As one staff member at Naandi noted, *“everyone talks about fluoride because they know a little bit about that, but there are also a lot of other problems e.g. diarrhoea but no one knows about that”* (G. Raja, former Project Manager at Naandi, FD13.03.10). Hence the problem of fluoride becomes conflated with general issues of drinking water. This is well illustrated by a quote from a private medical practitioner in one village:

*“Due to excess fluoride in the water villagers used to suffer from fever, joint pains, etc. But now the situation has improved. The number of patients visiting my clinic has gone down after people started drinking water from the plant. I'm advising every patient to drink Naandi's Safe Drinking Water”* (Naandi 2012[b]).

When asked about why they purchased safe water, most people were concerned with problems associated with fluoride. For example, they referred to *“pains”* or *“joint pains”* (KaWU1; FD25.02.10; NaWU1; KoWU2) problems with *“bones”* (NeWU1) and *“knee problems”* (NeWU6). In one case, a group of women in a village close to Kanaganapalli

pointed to a four-year old child with knee problems as an example of fluorosis. Figure 31 illustrates the child's knees, which appear to be affected by fluorosis although this could not be verified. In one case, respondents also cited premature ageing as a side-effect of their existing supplies: *"they take that traditional water, they are looking like they are 25, they are looking like 35, 40"* (NaWU1).

**Figure 31: Child with Suspected Fluorosis, Nasanakota.**



*Source: Own Photo, Nasanakota (March 2010).*

In addition to playing on fears of fluoride, the water was also marketed on the basis of taste. When asked why they were purchasing purified water, a number of people thus responded that it was because it tasted better. For example, one group of people in Nellutla said that *"They used to get water [...] from the wells. [...] that water also a little bit saltish and it's too hard to drink it seems"* (NeWU2). Another group stated that they had been given some free water and were now *"addicted"* (NeWU1). Meanwhile, when asked why uptake gradually increased in Nellutla, one donor said that it was because word had spread that *"water is nice"* (NeKP1). Similarly to bottled water in the UK, the purified water was thus increasingly marketed on the basis that it tasted better than public supplies, and could improve users' health, particularly if a certain quantity was consumed each day (Chen 2010). In the first instance, this meant that crucial information on the nature of waterborne diseases, and in particular the on-going impact of diarrhoeal diseases, was omitted. Secondly, this marketing approach offers a narrow solution to the problem of behaviour change. Firstly, the wider

range of factors governing uptake that were outlined above, including cost, convenience and gender, were overlooked in favour of addressing concerns over desirability. Secondly, the way in which the purified water was marketed tapped into patterns of conspicuous consumption, with purified water, and in particular “RO water” increasingly associated with status. As Naandi’s water team noted, RO was seen as the best technology for water purification, and local donors in particular tended to demand RO (FD20.02.09). One of Frank’s former project managers similarly noted that people preferred the taste of RO water and would not accept anything else (FD14.02.10). Even WHI has now integrated RO into its WaterWorks system (See Appendix I). As a result, however, similarly to bottled water in the UK, purified water becomes seen as a “health-enhancing” good to be purchased by those who can afford it, as and when they can afford it. This not only undermines the discourse of water as a universal right, but means that behaviour change, in this case uptake, will be limited in terms of both the number of people accessing the water, and the regularity with which they use the water. Whilst Frank had sought to campaign against the bottled water industry in the North, some of the same tensions reappeared at the project sites in the South.

A marketing approach therefore attempts to go beyond the simple provision of information by recognising that patterns of behaviour are governed by wider social relations. However, such approaches overlook the power imbalances which structure such relations. This can be contrasted with a problematising approach which places the problem of behaviour change in broader context. As was outlined in Chapter 2, for example, for Bourdieu, behaviour is governed by the habitus. The habitus is shaped by an actor’s position in social fields which, crucially, are hierarchical (Webb et al. 2002). The habitus is also fairly durable (Maton 2008) and takes “*repeated exercises*” to shift (Bourdieu 2000: 172). For Bourdieu, changing patterns of behaviour therefore requires a long-term engagement with wider relations of power. Rather than addressing these structural issues, marketing approaches attempt to offer a “short cut” to behaviour change by tapping into patterns of conspicuous consumption. As a result, however, they offer an individual rather than structural response to behaviour change, which privileges those with the means to engage in conspicuous consumption, and excludes marginalised groups. This also fits with the findings of John Zietlow who, as outlined in Chapter 3, suggested that an undue emphasis on marketing to

increase the earned income aspect of an organisation increases the likelihood of “*mission drift*” (Zietlow 2001).

## **7.5 A New Partner**

As outlined in Chapter 6, Frank adopted a dual approach to dealing with these tensions. In the short term, the organisation specified that its remaining projects with Naandi should remain not-for-profit and that the project sites should be selected according to social rather than commercial criteria. In the long term meanwhile, the organisation began working with another partner, Bala Vikasa, which was also based in AP but was a not-for-profit entity. The organisation installed similar projects, involving a community filtration kiosk, however there were a number of differences in the way in which this was done. The new projects were therefore better able to overcome the tensions associated with measuring results, the role of institutions and behaviour change, however a number of limitations still remained. Firstly, in the area of measuring results, the new project sites were selected according to a minimum rather than maximum level of contamination in the existing water sources (FWDoc13). In addition, the capacity of the purification unit was calculated to ensure that there was sufficient capacity to serve the whole population of the village (ibid). Meanwhile, to some extent, the projects now included measurements of wider outcomes such as the gender composition of committees and the frequency with which committee members attended meetings (FWDoc14).

A number of limitations however remained. In the first place, the interventions remained focused on the provision of safe drinking water, excluding related interventions such as sanitation, nutrition, health and access to water for other purposes. In addition, projects were now only located in areas where a water test demonstrated that fluoride and hardness levels were above the levels permitted by Indian standards (FWDoc13). Whereas in some areas the levels of fluoride are just above the permitted standards, in other areas they are significantly higher (ibid). A minimal indicator does not distinguish between more or less highly affected villages. Secondly, as fluoride levels vary by source and by season, a single test is unlikely to give a clear picture of the extent of contamination. Thirdly, water testing

continued to be done at the source (ibid), thereby excluding a measure of recontamination. Finally, the water tests excluded other possible contaminants, in particular microbial contamination. Finally, measurements of health outcomes remained anecdotal, whilst wider outcomes, such as the proportion of lower castes accessing the water or environmental sustainability were excluded (FWDoc14).

In the area of institutions, the first way in which communities were involved continued to be to approach the NGO to request a project. In order to secure a project, the community then had to provide local resources, a water test and 20% of the set-up costs (FWDoc13). However, the initial costs of the new projects were shared between the community and external donors such as FRANK Water, and Bala Vikasa specified that the community contribution could not be sourced from politicians or wealthy individuals (ibid). In addition, a majority of the community had to be present at an initial motivation meeting, where these aspects were discussed and a committee elected to manage the project (ibid), and a minimum of 30% of the committee had to be women (S. Reddy, Executive Director Bala Vikasa, per. com. 31.10.13). The water committee in addition to the plant operator, were then trained to run the project, and ownership was handed to the community, as represented by the committee, upon inauguration (FWDoc13). The remainder of the community could participate by paying a membership fee to sign up to the scheme, and subsequently by paying for the use of the water at cost of 3 (£0.03) per 20L (ibid). Members could then hold the water committee to account, electing a new committee each year at an annual general meeting (ibid).

This therefore represented a greater degree of participation. Nevertheless, a number of key tensions remained. Firstly, projects were still selected largely on the basis of demand, rather than need. This meant that marginalised villages, with a less vocal leadership, were still more likely to be excluded. Secondly, the project model was designed in a top-down manner, with communities offered little choice over how to address the water situation in their village. Thirdly, as noted in Chapter 4, the degree to which decentralising power to a local agency increases inclusiveness and accountability depends on how accountable and inclusive the local agency is to local people. Thus, whilst the committee had to be composed of a minimum of 30% of women, further work would be required to ensure that the women

were able to vocalise and implement their concerns and to ensure that other marginalised groups, such as lower castes or people living further away, were included. In addition, as discussed in Chapter 4, there is a potential tension between voluntary committees and elected Panchayats. For two years between 2011 and 2013, however, Panchayats were not formally in place in AP due to election delays (*Times of India* 2013). There was therefore less of an imperative to integrate projects with Panchayats. However, once elections had been held in 2013, this created a potential on-going tension. Furthermore, as discussed above, the user fee model in itself does not ensure financial sustainability. Rather than increasing the capacity of people to pay for operational costs, introducing a fee means that projects must be located in areas where people already have the capacity to pay, and within those villages, will exclude those who cannot afford the fee.

Finally, in order to deal with behaviour change, the new model involved firstly selecting villages with a high level of existing demand and secondly, instituting educational programmes about the benefits of safe drinking water. This included hiring professional drama groups to perform motivational plays during the evenings when most people in the villages would be able to attend (FWDoc13). The new NGO also had a stronger base in the community, having worked in the local area on development issues for several decades (*ibid*), and as the organisation was not a for-profit entity it could more easily gain local trust. As a result, levels of uptake at the projects were much higher (FWDoc14). For example, as noted above, the number of people signed up to the case study projects with Naandi ranged between 4% and 16%. By contrast, in March 2013, the percentage of people signed up to Frank's projects with BV ranged from 67% to 100% (*ibid*). However, as noted above, uptake was contingent on not only awareness, but on other factors such as cost, convenience, and habit. Furthermore, whilst a range of waterborne diseases were mentioned, the education campaigns continued to be primarily focused on the issue of fluorosis, taste and a general message that water was better for health (FWDoc15). The water at the projects was therefore still framed as a "health-enhancing" good, to be purchased by those who could afford it, as and when they could afford it. As a result, a significant minority of the village did not use the water, whilst those who did, did not do so regularly (FWDoc14). A number of tensions therefore remained at the project sites and Chapter 8 will go on to look at what recommendations could therefore be made, for Frank as well as other similar organisations.

## 7.6 Conclusion

This chapter set out to answer the third sub-research question, namely “when a social enterprise engages in a transnational partnership for development, what tensions affect the governance of the development intervention?” As outlined in Chapter 4, such interventions have faced tensions associated with measuring results, the role of institutions and behaviour change. In order to overcome these limitations, Frank’s initial projects involved a social business model. In the first place, this involved deploying purification technology to produce water that would meet national standards. In addition, the financial sustainability of the projects was monitored to assess the extent to which sufficient funds were available to cover on-going costs. This however, excluded other dimensions of the quality of service, as well as wider outcomes in the areas of health, equity and sustainability. Secondly, by adopting a social business model, the aim was to go beyond a charitable approach by involving local people. However, as the projects became increasingly commercialised, this participation was framed increasingly narrowly, and increasingly excluded marginalised groups. This therefore again represented a narrow approach to the role of institutions. Finally, in the area of behaviour change, a commercial approach to marketing was not only further disempowering, but excluded wider determinants of behaviour, including in particular wider structural inequalities.

According to the STEPS Centre, safe drinking water projects have historically failed to reach the most marginalised groups in a sustainable way (Mehta et al 2007). They suggest that this has been due to a failure to recognise both the complexity and contextuality of water (ibid). To some extent interventions to provide access to safe drinking water and sanitation are therefore increasingly attempting to go beyond narrow, elite driven solutions (ibid). For example, Integrated Water Resource Management (IWRM) schemes attempt to integrate social, environmental and technical factors, however they continue to overlook local specificities (ibid). Similarly, commercial approaches attempt to go beyond technical interventions, however the narrow focus on financial aspects overlooks wider social and environmental factors, whilst failing to address the structural inequalities that shape conditions of marginalisation. For Frank, the solution was to return to a more traditional

charitable model. To some extent, this brought the focus back to marginalised groups however tensions associated with sustainability remained. In addition, elements of a commercial model were retained, such as the user fee, which continued to affect marginalised groups. Chapter 8 will go on to look at what lessons this offers organisations such as Frank, including exploring in more detail the issue over “willingness to pay”, and what alternative “*pathways*” are available for such organisations (Leach et al 2007).

## **8. Conclusion**

### **8.1 Introduction**

This thesis set out to explore the governance tensions facing social enterprises in transnational partnerships for development. The aim was to answer the following research question:

*“What are the governance tensions for social enterprises in transnational partnerships for development?”*

More specifically, in such partnerships:

*“a) What tensions affect the governance of the social enterprise?”*

*b) What tensions affect the governance of the transnational partnership?”*

*c) What tensions affect the governance of the development intervention?”*

As was discussed in Chapter 2 (*“Theoretical Framework”*), theories of governance are polarised between *“problem-solving”* and *“problematizing”* approaches (Bacchi 2009: xvi; Cox 1986: 208). Problem-solving approaches take existing social relationships as they are, and look at how they should best be ordered. By contrast, problematizing approaches ask how social interactions have come to be ordered in particular ways, and whose interests this serves. Drawing on Bacchi, this thesis suggests that rather than negating problem-solving, problematizing approaches can be used to broaden the range of options available to policymakers. In the context of governance, for example, problematizing approaches suggest that what constitutes good governance depends on the further question, good governance for whom? This broadens problem-solving by suggesting a range of wider alternatives, depending on whose interests are at stake. This thesis adopts this dual approach by firstly identifying specific governance tensions facing social enterprises in transnational partnerships for development, and then going on to look at the wider tensions surrounding such initiatives, which can help to broaden the range of possible directions or *“pathways”* to development (Leach et al 2007).

Chapters 3 (“*Social Enterprise*”) and 4 (“*Transnational Partnerships for Development*”) began by exploring the existing literature on the governance tensions facing social enterprises, transnational partnerships, and development interventions, in particular interventions focusing on the provision of safe drinking water. Common tensions facing social enterprises included tensions over legal structures, recruitment and staffing, funding sources, measuring results, and multiple stakeholders. Similar tensions affected transnational partnerships, with additional geographical tensions occurring in particular between Northern and Southern actors. Meanwhile, common tensions facing development interventions to provide safe water included tensions over measuring progress, the role of institutions and behaviour change. The literature exploring these tensions was found to be polarised between problem-solving and problematising approaches. Problem-solving approaches sought to overcome these tensions, whereas problematising approaches looked more broadly at how social enterprises, transnational partnerships and development interventions had been formed in the first place and whose interests this served. This thesis seeks to contribute to this literature with an empirical case study of FRANK Water, a social enterprise located in a small-scale transnational partnership for development. Chapter 5 (“*FRANK Water Ltd: ‘Insider Rebel’ in the Bottled Water Industry*”) explored the tensions facing the social enterprise in the UK. Chapter 6 (“*‘The Blue Revolution’: A Transnational Partnership*”) explored the tensions at the transnational level. Finally, Chapter 7 (“*The Indignity of Aid*”) explored the tensions at the project sites. In each chapter, the aim was to explore both the specific governance tensions facing FRANK Water and its partners, as well as the wider tensions shaping the context in which the partnership was embedded.

This chapter will draw together the lessons offered by this case study. The first section begins with a summary of the governance tensions that Frank and its partners have faced, and the attempts that they have made to overcome these tensions. The second section will then look at what lessons this offers other social enterprises wanting to engage in international development. More specifically, what lessons does the case study offer social enterprises in the North who want to increase access to safe drinking water in the South? As will be seen, from a problem-solving perspective, the Frank case suggests a number of specific solutions which can help to overcome some of the above tensions. However, these solutions remain limited. A problematising perspective therefore steps back and asks

whether organisations in the third sector should adopt a social enterprise approach in the first place and if not, what the alternatives are. It will be suggested that for organisations in the North, earned income models of social enterprise are appropriate for internalising funding streams, particularly when the product is integrated with the mission. However, in the South, if the aim is to increase access to sustainable services for marginalised groups, then it becomes necessary to go beyond social enterprise and engage with structural power relations. The chapter concludes by looking at how widely applicable the lessons from this specific case study are, and makes some recommendations for further research.

## **8.2 The Story So Far**

Chapter 5 began by exploring the tensions faced by Frank and other ethical bottled water brands in the UK. It was found that the need to balance the demands of the competitive bottled water industry with social aims (including organisational ethics, environmental standards and increasing access to safe drinking water), led to tensions over legal form, funding sources, multiple stakeholders and, to a lesser degree, measuring results and staffing. To some extent, the UK ethical water brands managed to overcome these tensions. Firstly, the brands used informal marketing underpinned by formal regulations to legitimise their claims to being ethical. They also harnessed the cultural capital associated with being ethical to overcome funding constraints and align the interests of shareholders and customers with those of beneficiaries, staff and the wider community. Finally, ethical waters developed a number of quantifiable metrics, and the staff at ethical water companies gained expertise over time in both the business and social aspects of their work. Nevertheless, these measures could only overcome the tensions to a certain extent and ethical waters have increasingly separated the business and social aspects of their operations, particularly as they have expanded. Frank retained a small-scale focus but also set up a separate charitable branch. The organisation also took the further steps of making the tensions that the social enterprise faced explicit, and campaigned against the bottled water industry, ultimately shifting into tap water products as the industry declined. In this way, the organisation resolved the tensions associated specifically with bottled water, although the wider tensions associated with ethical consumerism remain.

Meanwhile, at the transnational level, Frank first began to fund projects through a partnership with an Indian NGO and international technology company, who in turn worked with local communities through village councils. The aim was that by working together, these partners could harness their comparative advantages to bring about a “*blue revolution*” (NFDoc1). As was seen in Chapter 6, however, the differences between organisations located in different geographical spaces and from different professional sectors soon meant that tensions emerged between all of the partners. These tensions again centred on legal form, funding sources, multiple stakeholders and, to a lesser degree, measuring results and staffing. To some extent, the partners were able to overcome some of these tensions. Naandi and Frank in particular were able to overcome a number of tensions through an MoU, which largely addressed the tensions associated with geographical differences. Nevertheless, these tensions also created a number of divisions. Naandi split from the technology company, and began to hire technology companies as traditional contractors rather than the more embedded partner that the first company had been. Meanwhile, when Naandi formed a social for-profit in partnership with the French multinational Danone, this created further tensions between Frank and Danone, as well as between Frank and the new social-for-profit. As a result, Frank requested that its projects be split from the mainstream operations, and also began to work with a different NGO. This resolved the tensions over funding sources associated with Danone as well as the tensions between Frank and the new social for-profit. This represented a return to a traditional third sector model, with a Northern NGO partnering directly with a Southern NGO. The North-South tensions were therefore more easily overcome than the tensions between organisations in different sectors.

Chapter 7 then looked at the tensions at the project sites in India. As was discussed in Chapter 4, development interventions to provide safe drinking water are likely to face tensions in particular over measuring results, the role of institutions and behaviour change. For Frank, the initial model adopted at the project sites was seen to resolve some of these tensions. Firstly, access to safe water was not only identified as access to an improved source, but as access to purified, safe water. In addition, the user fee model was designed so that there would be funds available for on-going operations and maintenance costs, which in conjunction with the involvement of the Panchayat would ensure long-term

sustainability. Finally, the aim was that the education campaigns run by both Naandi and the technology supplier would generate behaviour change. However, these solutions represented a narrow, commercial approach to dealing with these tensions, which was exacerbated as Naandi became increasingly commercial over time. Thus the way in which results were measured increasingly excluded wider outcomes such as the quality of the water at point of use, health and equity, whilst sustainability was narrowly defined in financial terms. Meanwhile, participation became increasingly limited and confined to the more “*capable*” (Toner et al 2008: 9) or elite groups of people, whilst education campaigns tapped into patterns of conspicuous consumption rather than the wider range of factors governing access to water.

As noted above, Frank adopted a dual approach to dealing with these tensions. In the short term, the organisation specified that its projects with Naandi should remain not-for-profit and that the project sites should be selected according to social rather than commercial criteria. In the long term meanwhile, the organisation began working with another partner, which was a not-for-profit entity. This resolved the tensions associated with firstly, the partnership with Danone, and secondly, the shift to a social for-profit. Whilst this re-aligned the interests of the partners, a number of tensions remained at the project sites. In the first place, the interventions remained focused on the provision of safe drinking water, excluding related interventions such as sanitation, nutrition, health and access to water for other purposes such as for washing and livelihoods. Meanwhile, in the area of measuring results, whilst projects were now assessed according to a wider range of social objectives, these objectives tended to focus on immediate outputs. In addition, whilst community participation increased, projects continued to be designed and implemented in a top-down manner, with participation still framed primarily in commercial terms. Finally, whilst education campaigns were broader, they still excluded a wide range of factors, in particular structural factors, governing behaviour change. Even after the tensions between partners had been resolved therefore, significant tensions remained at the project sites. The next section will explore the lessons that the Frank case study offers other social enterprises, based on both the successes and limitations of the methods that Frank and its partners have adopted.

### **8.3 Policy Recommendations**

Frank's aim is to reduce global incidences of morbidity and mortality caused by the consumption of contaminated water, hence the slogan "*Drink Me, Save Lives*". In order to achieve this aim, the organisation began by raising funds in the UK through a social enterprise which sold bottled water in the UK: "*drink me*". These funds were then transferred to partners in India, who in turn set up social business ventures to increase access to safe drinking water: "*save lives*". As discussed above, as the organisation developed over time, it faced a number of tensions, in the UK, at the transnational level and at the project sites. This section looks at what lessons this case study offers other social enterprises looking to engage in international development, specifically those looking to increase access to safe drinking water. The first part looks at what such organisations should do in the North, whilst the second part turns to look at how such organisations should deliver their aims in the South. Each part first identifies specific problem-solving solutions based on the experiences of Frank and its partners. As will be seen, these solutions remain fairly limited. Each part therefore goes on to adopt a problematising approach to look at what broader solutions can be identified based on placing these tensions in wider context. This raises further questions such as whether an organisation looking to engage in development should adopt a social enterprise approach in the first place or whether, if the aim is to reduce waterborne diseases, increasing access to safe drinking water is sufficient and if not, what are the alternatives?

#### **8.3.1 "Drink Me"**

As noted above, Frank's experience of setting up a social enterprise reflects the literature outlined in Chapter 3, which suggested that such organisations are likely to face tensions over legal form, funding sources, multiple stakeholder, measuring results and staffing and recruitment. In the case of ethical water, the experience of Frank and the other ethical waters suggests that the first three tensions are particularly prevalent. What possible solutions then, can the experience of the UK ethical water brands offer other similar social enterprises? Firstly, in order to overcome the lack of a single legal form, Frank and the other ethical water brands creatively harnessed the "*shadow of the law*" (Galanter 1974; Herbert 1992; Mnookin and Kornhauser 1979; Morgan 2003) to legitimise their status as social

enterprises. Thus customers buying Frank's bottled water, for example, can verify the claim that the brand donates its profits to charitable projects, by comparing the organisation's accounts at Companies House with the records of Frank's charitable branch at the Charity Commission. Another ethical water brand, Belu, has further adopted a certification mark from Social Enterprise UK to attempt to demonstrate its status as the "*most ethical*" of the ethical water brands (Belu 2013[b]).

Other options available for such organisations include adopting the Social Enterprise Mark (Social Enterprise Mark 2013), or adopting a legal form such as becoming a Community Interest Company (CIC). For an organisation such as Frank, this would help to formalise the organisation's status as a social enterprise. This could be particularly beneficial in the long term, as this would ensure that the organisation continued to serve its social and environmental objectives even if its leadership changed. However, despite these benefits, it is notable that only one of the ethical water brands have as yet adopted even an informal certification mark. This suggests that there is still substantial contestation over what constitutes a social enterprise, to the point that most of the brands have continued to opt for informal mechanisms to legitimise their operations.

Meanwhile, the ethical waters were to some extent able to overcome both the tensions over funding sources and multiple stakeholders by harnessing the cultural capital associated with being ethical to carve a niche in the competitive bottled water industry, and reconcile the interests of diverse stakeholders. For example, the ethical water brands found that they were able to reduce the costs of production through the support of their suppliers who wanted to help further their social aims. Some of the ethical water founders also harnessed their social capital to build their business. For example, the founder of One Water used his network of contacts to identify new business opportunities. This suggests that social enterprises can, to some extent, harness different forms of capital to overcome the tensions associated with merging ethical social objectives with commercial imperatives. As ethical waters expanded however, they found that trade-offs had to be made. For example, in order to stock supermarkets, the brands had to compromise both the proportion of profits donated to projects as well as their environmental objectives. Meanwhile, ethical waters were to some extent able to overcome tensions associated with measuring results by

developing quantifiable metrics for their social and environmental objectives. Thus common indicators included the weight of bottles and the number of litres of safe water produced at project sites, although these represented narrow measurements of the organisations' ethical objectives. In order to build on these measurements, social enterprises such as ethical waters could draw on tools such as the Social Return on Investment (SROI) Framework (Trelstad 2008; Flockhart 2005). However, as noted in Chapter 3, such frameworks still require significant further development. Finally, in the area of staffing and recruitment, the experience of the UK ethical waters suggest that social enterprises can to some extent develop their capacity in both business and social objectives as they gain experience over time. However, several ethical waters ended up separating their business and social operations, either by setting up affiliated organisations or by partnering with other existing organisations. This represented a shift away from social enterprise and a return to a more traditional CSR model in which a business donates part of its proceeds to a charity.

The experience of Frank and the other ethical waters in the UK therefore suggests that whilst there are certain mechanisms available to overcome the tensions facing social enterprises, significant challenges remain. A problematising perspective therefore adopts a broader approach. Rather than exploring how social enterprises can overcome these tensions, a problematising approach asks whether social enterprise, and ethical bottled water in particular, represents an appropriate solution for organisations in the third sector in the first place. For Frank, the answer was ultimately that bottled water was not appropriate as it undermined the organisation's ethical objectives. Frank therefore stated that it would engage in the industry as long as it existed anyway, but would ultimately campaign for its demise. In order to prepare for this, the organisation branched into selling tap water products, and set up an affiliated charitable branch. By branching into selling tap water products, Frank continued to adopt what Alan Fowler terms a "*complementary*" rather than "*integrated*" form of social entrepreneurship whereby the aim of the commercial activities was to raise funds for, rather than deliver, social objectives (Fowler 2010: 647). Both bottled water and tap water products were loosely linked to the social objectives in that they played on the theme of water, however the destructive nature of bottled water meant that the product compromised rather than furthered the

organisation's social and environmental aims. By promoting tap water and shifting into tap water products, Frank was therefore taking a step closer to integrating its social aim into the product. This suggests that even social enterprises which adopt a complementary form face a decision over to what extent the product is integrated with their social aims. The decision will depend on the priorities of the organisation. If the aim is to raise immediate funds, whether for beneficiaries or shareholders, then this can be furthered by selling a wider range of products, even those that undermine long-term or wider social and environmental objectives. For organisations concerned with sustainability, however, the experience of Frank suggests it is more appropriate to integrate the product to the extent that the commercial activities align with, rather than undermine, the social aims. This fits with Fowler's suggestion that social enterprises which adopt a complementary activity, must pay closer attention to the nature of their product (Fowler 2010).

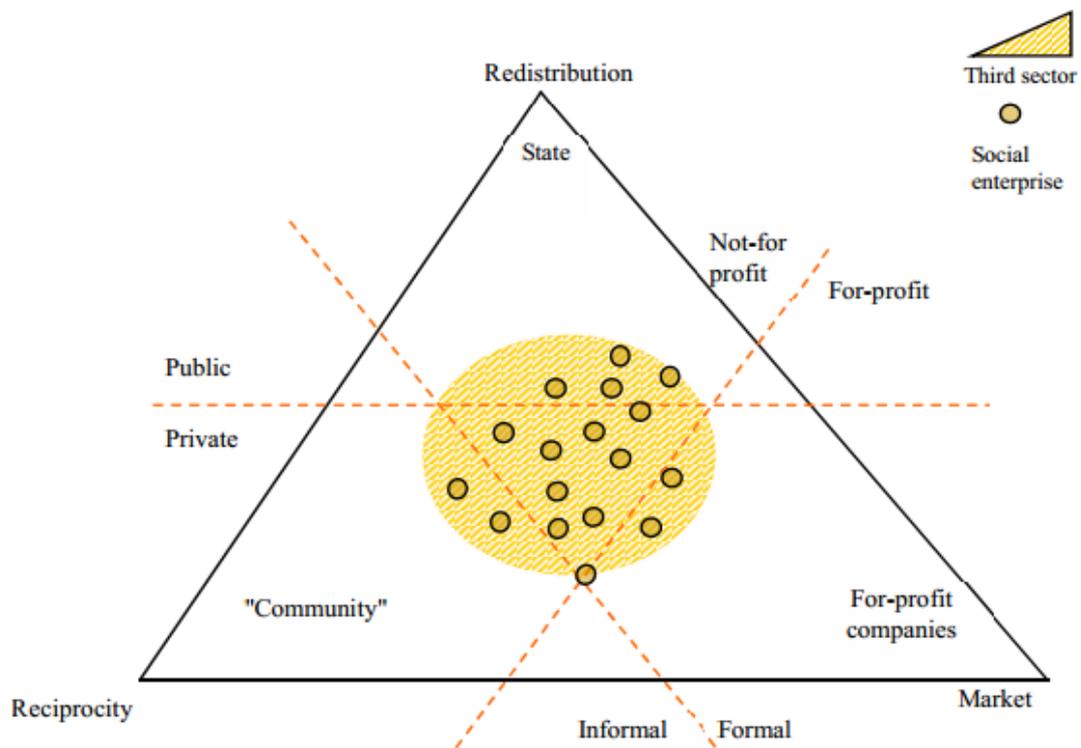
To some extent, Frank's shift into tap water products brought the organisation closer to the model adopted by the UK water charity, WaterAid. WaterAid was set up in 1981 by the UK's water service industry (Bristol Water 2012; WaterAid 2012[a]). When water services were privatised in 1989, the newly formed private companies continued to support the charity (WaterAid 2012[a]). WaterAid therefore earns part of its income from donations promoted through the sale of tap water. Frank operates on a smaller scale and, in distinction to the large tap water companies, has focused on providing tap water services at sites where bottled water has previously been popular, such as for example at festivals. In addition the organisation has raised funds from companies providing the equipment and expertise to install tap water systems in other locations such as businesses or schools. For example, Frank partners with two private water suppliers who sell water coolers, including units which can be plugged in to the public tap water system (Glastonbury Spring Water 2012, Thirsty 4 Water 2012). In order to continue to distinguish itself from WaterAid, Frank could continue to focus on those areas of tap water provision in the UK which are not covered by the large water service providers. This includes areas where temporary water solutions are required, such as at festivals and sporting events, as well as additional components which are required for providing tap water, such as water coolers and refill bottles.

Nevertheless, as found in Chapter 5, even when selling tap water alternatives, Frank continued to face a number of challenges. For example, critics of ethical consumerism suggest that by giving customers a product in exchange for a donation, ethical consumerism minimises the potential value of the donation whilst making it easier for customers to “buy” their “salvation” (Žižek 2009). From a problematising perspective, the wider question that this raises is whether a social enterprise approach is appropriate in the first place, and if not, what are the alternatives? In particular, for organisations such as Frank, what are the alternatives for third sector organisations looking to raise funds in the North? The economic triangle outlined by the EMES network illustrated here again in Figure 32 demonstrates a range of options. If the third sector is in the middle of the triangle, then organisations within the third sector can shift either closer or further away from each of the three points of “reciprocity”, “redistribution” and “market” (Defourny and Nyssens 2012: 11, based on Pestoff [1998 and 2005]). Social enterprises, as defined in the UK, represent a shift away from reciprocity and closer to the market. One alternative, which Frank adopted, was to return to a traditional charitable approach. Whilst initially an administrative necessity, the organisation’s affiliated charitable branch also provided an opportunity for those who wanted to donate directly to charitable causes to do so. However, this shift means returning to a traditional dependence on charitable donations. Unlike social enterprises, which internalise commercial activities within the organisation, charities are dependent on, for example, donations from businesses in the form of CSR which affects organisational sustainability. Furthermore, charitable donations continue to privilege the donor, rather than addressing wider, structural causes of deprivation and inequality.

Organisations in the third sector therefore face a third choice, which is to engage explicitly in advocacy. In the context of water provision, this approach is represented by the transnational solidarity movements which have formed to resist the privatisation of water services, particularly in urban areas (Morgan 2004). As noted by Bronwen Morgan, such resistance movements have as yet failed to translate into more institutionalised forms of service delivery (ibid.). The question is therefore whether it is possible to get beyond the “fleeting highs” of social activism towards global forms of solidarity which create institutional bonds between citizens across the world (ibid: 22). One possible solution, which emerged from the UN Sustainable Development Conference in Johannesburg in 2002, was

that every citizen in the North should pay a premium on their water bills which would be used to fund the provision of safe water and sanitation in the South (ibid.). Rather than raising funds, therefore a wider option for organisations such as Frank would be to engage in advocacy with the UK government to either resist the privatisation of water services or to institute a global solidarity tax. This would more explicitly involve engaging in structural issues however it would come at the expense of raising more immediate funds. A problematising approach thus not only opens up broader possibilities, but makes explicit the consequences of different routes or “pathways” of change (Leach et al 2007).

**Figure 32: Social enterprise as a combination of various actors, logics of action and resources.**



*Source: Defourny and Nyssens 2012: 11, based on Pestoff (1998 and 2005).*

The decision over which approach to adopt will depend on the priorities of an organisation. Thus as noted above, in broad terms, charitable organisations focus on providing immediate relief, whilst advocacy organisations engage with broader structural relations of power. Whilst social enterprises are often similarly portrayed as a means of going beyond charity, they do so by internalising funding streams within third sector organisations. They therefore

help to ensure organisational sustainability, however they do not represent an explicit engagement with structural issues. Furthermore, as seen in Figure 32, the lines between the different approaches are blurred and it is therefore possible for organisations to adopt a combination of approaches. For example, a social enterprise could move higher up the triangle, and closer to the redistribution point, by adopting a legal social form such as a CIC, as such entities are more formally regulated. Similarly a social enterprise that adopts a co-operative form is closer to the community point of the triangle. A problematising perspective therefore steps back and helps to illustrate that organisations in the third sector face a wider range of choices beyond adopting an earned income form of social enterprise, and more broadly, beyond adopting a social enterprise approach in the first place.

For Frank, the decision was ultimately to adopt an earned income social enterprise, in a more integrated form, and to set up an affiliated charitable branch. At the same time, the organisation also engaged to some extent in advocacy activities. For example, Frank campaigned against bottled water and in favour of tap water. In addition, the organisation made the tensions in ethical consumerism explicit, by stating for example that *“these issues are really serious, people are dying, it's not like they need to give us a pat on the back, we should be doing this anyway”* (Katie Alcott, Director and Founder of FRANK Water, cited in Oppenheim 2010). This suggests that whilst the Frank's primary concern was to provide immediate relief through raising funds, and to do so in a way that could secure organisational stability, the organisation was also concerned with addressing some of the structural issues shaping access to safe water and deprivation. One further step that the organisation could take in this direction, would be to institutionalise the donations made by funders and customers. For example, customers of the UK's major tap water providers are encouraged to provide a donation with each bill (See e.g. Anglian Water 2013). Whilst falling short of a universal water tax, this represents a form of “voluntary tax” on tap water, which to some extent frames donations as part of a duty to transnational citizens rather than as a gesture of benevolence. Similarly, Frank is considering incorporating the cost of a refill system into festival tickets, which would include a donation to the charity. This would bring the organisation closer to the goal of eliminating bottled water, whilst simultaneously making donations mandatory rather than voluntary. This would help the organisation to continue to destabilise the discourses of charitable giving which privilege the donor. Whilst

operating on a small scale, the organisation therefore could continue to highlight the importance of being “frank”, in order to make explicit the assumptions contained in different problematisations.

### **8.3.2 “Save Lives”**

Meanwhile, at the transnational level and at the project sites, Frank aimed to use the funds that they had raised to “*save lives*”. More specifically, the organisation set out to improve global health through the provision of safe drinking water. The way in which the organisation did this was by transferring the funds to Naandi, who in turn set up safe drinking water projects in rural villages, in partnership with local councils and an international technology provider. However, as outlined above, tensions between the partners led to technology companies being reduced to contractors, whilst the changes brought about by Danone meant that Frank separated their projects from their previous partner’s mainstream activities. The Frank experience therefore suggests that partnerships with organisations in the private sector risk undermining third sector objectives. This suggests that small-scale partnerships between organisations face similar tensions to larger, multinational public-private partnerships. Another alternative, which this case study did not explore, is for the third sector to partner directly with the public sector. In the Frank partnership, local councils were involved however this was at the project sites, rather than in direct partnership with Frank. The possible tensions between the third sector and public sector will therefore be explored below in the context of the projects.

Turning to the project sites, the literature on safe drinking water interventions suggested that such development interventions were likely to face tensions over measuring results, the role of institutions, and behaviour change. As noted above, Frank’s initial projects with Naandi adopted a commercial approach to overcoming these tensions. Ultimately however, this approach was too narrow for Frank. As noted by the STEPS Centre, narrow responses to these tensions have resulted in a failure to implement sustainable projects which benefit marginalised groups (Mehta et al 2007). Frank therefore took a step back and separated its projects from Naandi’s social for-profit-venture and partnered with a new not-for-profit agency. This broadened the scope of the projects, however there were still a number of tensions. The remainder of this section will look at what alternative approaches could be adopted to increase the capacity of the organisation to achieve its aim of “saving lives”. To

some extent, the slogan “save lives” implies humanitarian work which would involve saving lives in a more immediate sense, however waterborne diseases are also associated with mortality outside of humanitarian settings (J. Shepherd per. com. 11.12.13). A number of steps could therefore be taken to bring the organisation closer to at least achieving the aim of reducing incidences of waterborne diseases, in particular amongst vulnerable groups.<sup>28</sup>

#### *8.3.2.1 Measuring Results*

Firstly, in the area of measuring results, measures of the quality of water were limited to a narrow focus on fluoride and the taste of water at source. A more comprehensive approach would therefore include an assessment of a wider range of contaminants, in particular microbial contaminants, at the point of use as well as at source. In addition, a broader approach would involve going beyond water quality to look at further outcomes and impacts in the areas of health and well-being. This would not only help to determine whether the interventions were achieving their objective of reducing incidences of waterborne diseases, but would help to identify what measures could be taken to improve progress towards this objective. For example, one NGO in India, in conjunction with WaterAid, has developed a methodology for assessing the extent to which safe drinking water interventions reduce intake of fluoride (People’s Science Institute et al 2011. See also Gautam and Tripathi 2005). The study found that in some areas the effect of the intervention had been limited as people were continuing to use water contaminated with fluoride for cooking (ibid.). The study therefore recommended broadening education activities to include an emphasis on the importance of cooking with as well as drinking safe water. Meanwhile, as discussed in Chapter 4, an increasing number of studies have been conducted to determine the impact of different types of WASH interventions, in particular on incidences of diarrhoeal diseases (See also DfID 2012). Whilst the relative impact of water, sanitation and hygiene remains contested, these studies suggest that integrated

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<sup>28</sup> Update: This thesis is based on data from September 2007 to November 2012. As of November 2013, Frank had already implemented a number of these solutions. For example, Frank had funded training in participatory groundwater management for its partner in Andhra Pradesh, and had formed partnerships with other NGOs to set up integrated water, sanitation and hygiene projects as well as projects for fluoride mitigation using alternatives to reverse osmosis.

WASH interventions are more likely to address the various transmission routes of diarrhoeal diseases (ibid.).

Existing studies therefore suggest that in order to reduce incidences of diarrhoeal diseases, interventions to provide safe water at source could be improved by ensuring that water is provided and used for cooking as well as drinking, and ensuring that water is safe up to the point of use. This could be done through enhanced education programmes, as well as by adding chlorine to purified water to reduce the effects of recontamination. In addition, a broader perspective involves looking at whether safe drinking water alone is the most appropriate measure to tackle waterborne diseases, or whether such interventions should be combined with other interventions in areas such as sanitation and hygiene in particular. Whilst transmission routes in different contexts vary, estimates from the WHO and Unicef's Joint Monitoring Programme suggested that in 2011, 50% of people still had no access to even an unimproved sanitation facility (Unicef and WHO 2013[b]). This suggests that in the context of India, sanitation should be a priority if the aim is to reduce incidences of waterborne diseases. Furthermore, a broader approach would involve looking not only at the quality of the water but the quantity of water provided. In addition to measuring whether a sufficient supply was available for drinking and cooking, a broader approach would look at whether sufficient supply was available for washing, which in turn would again increase the impact on waterborne diseases. Furthermore, as suggested in Chapter 4, an approach concerned with overall well-being and development would involve looking at multiple water uses, including other household uses as well as commercial uses, in particular uses of water for supporting livelihoods (e.g. agricultural use).

As discussed in Chapter 4, a broader focus on measuring results would also go beyond looking at the effectiveness of particular interventions to also exploring their inclusiveness, equity and sustainability. Firstly, Frank's project sites tended to be selected primarily on the basis of demand. This placed at an advantage those villages where there was a committed and proactive leadership, but excluded those villages with less of a voice which would often be the case in marginalised villages (Toner et al 2008). In the first instance, therefore, a broader approach would involve more detailed baseline studies which would enable an organisation to target villages on the basis of need. This could be done by

surveying a particular area or using existing surveys to identify villages with the most severe water problems. In addition to measuring the levels of contamination in water sources, initial surveys could also explore factors relating to poverty such as caste groups and housing (e.g. the number of kutchha and possibly semi-pucca dwellings), which would mean prioritising those areas without access to alternative sources of funds. Alternatively, in the interim, a combination of need and demand could be used to select sites. For example, communities could continue to be encouraged to approach the NGO, but those villages with higher levels of contamination as well as poverty could be prioritised.

Meanwhile, within each village, whilst Frank's projects involved measuring the number of people accessing the purified water, a broader approach would also measure the number of people from marginalised groups who were accessing the water. This could include groups such as lower castes, older people and people living further away from the purification plants, in particular people living in surrounding hamlets. This would help to ensure that projects were not only delivering access to safe water, but doing so inclusively and equitably. A number of NGOs are increasingly adopting an approach based on "100% inclusion" or "full coverage" (See e.g. Gram Vikas 2011; Water for People 2013). Rather than covering pockets of people over a wide area, such an approach focuses on achieving 100% coverage within individual villages as well as regions, prioritising areas of greatest need. Similarly a narrow measure of financial sustainability could be broadened by exploring wider determinants of social sustainability as well as environmental sustainability. Given the intensive nature of reverse osmosis purification, measures of environmental sustainability are particularly important. In this area, lessons could be learnt from organisations such as WaterAid who are increasingly incorporating training for monitoring water resource levels into their projects (WaterAid 2013[b]). In India meanwhile, there is a growing Participatory Groundwater Management (PGWM) network which provides training opportunities for NGOs in monitoring and managing water resources (Arghyam 2013).<sup>29</sup>

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<sup>29</sup> This network was highlighted by Frank's in-country co-ordinator Praveena Sridhar in early 2013 who recommended that Frank's partner NGO link up with this network.

### ***8.3.2.2 The Role of Institutions***

Secondly, a number of changes would broaden the shift away from a focus on technical solutions towards a wider approach to considering the role of institutions. In the first instance, Frank's projects remained relatively top-down. Rather than offering communities a range of options or providing communities with the expertise to select a particular model for addressing water issues, a standardised model was implemented in each village. In terms of infrastructure this meant that communities had to adopt the standard set of filters offered by the NGO. Thus in villages where groundwater supplies were scarce communities could not opt for a model that would harness rainwater to increase supplies. Meanwhile, beyond the technology, communities were provided with a standard format whereby projects were to be managed by a water committee, governed by a standard set of regulations. This format for institutional management was not imposed, however no alternatives were offered. The community's choices therefore tended to be limited to narrow aspects such as the number of committee members or the dates on which meetings were to be held. Whilst this did provide communities with a degree of ownership, it continued to represent a narrow approach to dealing with institutions. A broader approach would adopt the STEPS Centre's recommendation to consider contextuality and develop solutions tailored to local contexts (Mehta et al 2007).

Furthermore, the literature in Chapter 4 suggested that even where power is devolved to local bodies, a further consideration is the relationship of local representatives to the wider community. A broader approach to institutions would therefore address the inclusiveness and accountability of the water committees. Thus, as outlined in Chapter 7, Frank's new projects specified that committees be composed of a minimum of 30% of women. An even broader approach would consider to what extent women who formed part of the committee felt able to participate and ensure that their concerns were addressed. As discussed in Chapter 7, whilst national regulations specify that women should form a minimum percentage of local councillors, in practice the extent to which women are empowered by this practice varies by village. Similarly, due consideration could be given to other marginalised groups such as lower castes by exploring the extent to which such groups are represented on committees and able to ensure that their concerns were also addressed.

In addition, a broader approach to institutions would consider the extent to which committees are accountable to the community. Thus under Frank's new projects, committees were encouraged to publicly post minutes of their meetings to provide transparency of their activities. Furthermore, members who signed up to the plant could hold committee members to account through annual elections. This approach, however, excluded non-members, which raises concerns over the appropriateness of membership-based schemes for universal services such as water. An alternative approach is for local government bodies to run the projects, which in the case of Frank's projects would involve engaging the local village councils. To some extent, the projects did involve securing the consent of councils. However, the projects were then run by parallel committees. The alternative would be for such committees to be integrated as sub-committees of local councils. This would firstly, provide a means of formalising an otherwise voluntary committee, thereby securing greater potential for long term sustainability. In addition, local council bodies would be accountable to the entire local electorate, rather than members of a particular scheme. However, the extent to which local councils are more accountable to the wider community than voluntary committees varies in practice. An approach based on engaging with the local government would therefore also necessitate empowering local people to hold government bodies to account.

As noted by the STEPS Centre, if the aim is to secure sustainable services to marginalised groups, it is therefore necessary to adopt a broader approach to the role of institutions, and address the wider power relations which structure societies (Mehta et al 2007). This is reflected in a growing recognition in the WASH sector that when it comes to access to basic services, the government has a responsibility to guide such interventions to ensure that they remain sustainable and equitable (WaterAid 2011; Unicef 2005). The role of the third sector, therefore becomes to strengthen the capacity of the government to, if not provide services, regulate services to ensure they are sustainable and reach the poor. Figure 33 for example, demonstrates Unicef's approach to the different roles and responsibilities in the provision of WASH services. Whilst the specific roles and responsibilities remain open to contestation (for example, this model excludes the role of the government in providing subsidies), it can be seen that the role of external actors is limited to strengthening the links between

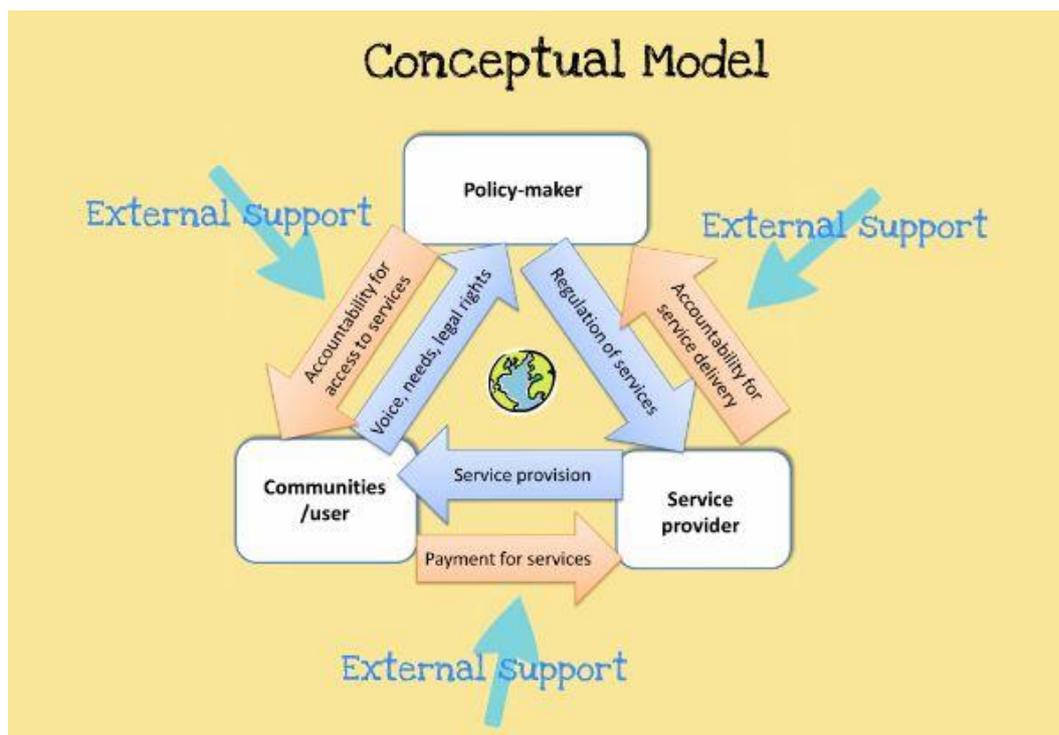
communities, businesses and governments. An alternative approach for organisations such as Frank, is therefore to engage in advocacy. However, this involves a shift away from meeting immediate need (Glennie 2011). As explained by Carla Montemayor:

*“This takes us to the stubborn knot in the struggle for water in developing countries. On one hand, the provision of water is located within a larger ideological struggle, which compels us to reject the injustice and inhumanity of the profit-driven model. On the other hand, it requires us to face up to the practical, immediate needs of the communities we work with – the poor need water now.”*

(Montemayor 2007: 215)

In addition to being time-consuming, engaging in advocacy brings with it new political tensions. In India, for example, regulations governing foreign contributions limit the extent to which NGOs with foreign funding can engage in campaigning activities (Lakshmi 2013). Whilst a shift in power relations is ultimately necessary for organisations that are concerned with equity and sustainability, intermediate options are also possible. For example, water committees could manage projects in the short term, whilst in the long term the aim could be to build the capacity of local government bodies to regulate services.

**Figure 33: Ensuring the Sustainability of Water and Sanitation Services (UNICEF).**



Source: Unicef 2013

#### **8.3.2.3 Behaviour change**

Finally, in the area of behaviour change, Frank's aim was to encourage people to sign up as members of the plant and regularly consume the purified water. This was done through education campaigns which also included an emphasis on maintaining the cleanliness of the plant, collecting and storing water safely and maintaining community cohesion. However, the benefits of safe water were narrowly framed in terms of reducing the effects of fluoride as well as a general message that drinking purified water could improve health. In the first instance, this could be broadened by including an emphasis on other waterborne diseases, including diarrhoeal diseases, and the associated benefits of wider hygiene and sanitation practices. This would not only make future interventions to provide sanitation easier to explain to an already-sensitised population, but would enhance the health benefits of providing safe drinking water. Furthermore, a narrow focus on awareness of the health benefits of purified water overlooks the multiple factors governing behaviour around water. As found in Chapter 7, there were a number of factors determining uptake of the purified water, including cost, convenience and gender.

A broader approach would therefore explore the affordability and format of not only the user fee but the initial membership fee. As was seen in Chapter 7, both the standardised format and the cost of the water were cited as potential barriers to uptake. This reflects the literature outlined in Chapter 4 which suggested that even nominal user fees deter the regular uptake of services by the poor. A model in which access to water is governed by the ability to pay, in particular the ability to pay for full cost recovery, therefore remains contentious. In the first place, this prioritises areas where the majority of users can afford to pay the necessary costs of purifying water. Furthermore, within such communities, there is a risk that marginalised groups will not be able to afford to access the water, or only be able to access the water sporadically. An alternative solution would be to harness government funding to pay for the costs of water services. In Levitas's terms, this would reflect a "*redistributionist*" discourse rather than "*social integrationist*" discourse of inclusion (Levitas 1998: 7). An intermediary option would be to provide flexible payment options, or to harness a proportion of government funding to subsidise the costs of the user fees. As noted in Chapter 4, this is the case in urban areas where citizens receive subsidised water services (WaterAid 2011). In addition, even where services were subsidised, further regulation would be required to ensure that users were not barred from access to safe water due to an inability to pay.

In Chapter 7 it was seen that another key aspect governing uptake was convenience. Another approach to changing behaviour would therefore be to increase not only the desirability but the convenience of purified water. One solution implemented by Frank's new partner was to install "Any Time Water" machines which automatically dispensed water at any time of day (*The Hindu* 2012). Another technical solution to deal with the distance and the weight of the cans would be to provide devices to transport the water (See e.g. Hippo Water Roller 2013). A broader approach, however, would be to review the centralised model and look at ways in which existing piped water systems could be improved to ensure access to safe water in the home, as per the Millennium Development Goal's definition of the best form of improved access (Unicef and WHO 2011). Finally, as noted in Chapter 7, the emphasis on taste and a vague message that purified water could improve health taps into patterns of conspicuous consumption which suggest that access to water may be determined by class. As a result, purified water becomes seen as a superior

product to be purchased by those who can afford it, as and when they can afford it, rather than a universal right. This is similar to patterns of consumption around bottled water, hence the emphasis that Naandi's staff placed on purified water being "*absolutely the taste of packaged water*" (A. Jain, FD20.02.08). A broader approach to behaviour change would therefore go beyond a narrow focus on increasing the desirability of purified water to take into consideration the wider power relations governing behaviour.

Overall, the case study suggests that if the aim is to deliver water and sanitation to the poor in a sustainable way, then it is necessary to adopt a broad approach to measuring results, the role of institutions and behaviour change. Initially, Frank sought to address each of these aspects by adopting a social business model at project sites. However, this resulted in a commercial approach which was ultimately too narrow for Frank. The organisation therefore began working with a not-for-profit organisation using a more traditional third sector approach. As noted in Chapter 2, processes of neoliberalisation have meant that even organisations within the third sector are increasingly adopting commercial approaches, including for example, models based on user fees and full cost recovery. Nevertheless, rather than adopting an earned income or social business model of social enterprise, the projects under the new framework were set up along the lines of a co-operative, or a European form of social enterprise which places more emphasis on the participation of members (Defourny and Nyssens 2012). This represented a shift towards the community point of the EMES triangle. As suggested in Chapter 4, such approaches challenge the concept of the "*tragedy of the commons*" by reviving traditional systems of community management (Hardin 1968, cited in Mehta et al 2007: 26). However, as reflected in the case study, the extent to which community systems encompass marginalised groups depends on local power relations. In areas where particular groups are excluded, the other alternative is therefore engage explicitly with structural power relations, for example by strengthening the accountability of local democratic institutions. This would involve a shift closer to the "redistribution" point of the EMES triangle. In between the two points, along the blurred line, is an interim approach whereby the local community or an NGO provides services in the short term, but in the long term looks to engage with power relations and integrate these services with the public sector. For an organisation such as Frank, seeking to "save lives" in a sustainable way, this seems to present the most appropriate approach.

The experience of Frank therefore contradicts the assumption that adopting a commercial approach is the best way of overcoming the *“indignity of poverty and aid”* (Naandi 2010: 24). In the North, where Frank’s aim was to raise funds, an earned income model of social enterprise was found to be appropriate for organisations looking to internalise funding streams, as long as the product was integrated with the social and environmental aims. If an organisation’s aim was to maximise donations however, then a traditional charitable approach was found to be more appropriate, whilst if an organisation’s aim was to address wider structural inequalities, it was found that it was necessary to adopt a more explicit advocacy-oriented approach. As demonstrated by Frank, combinations of different approaches were also possible, and particularly useful if the tensions in each approach were made explicit. In the South, however, it was found that a social enterprise model offered a narrow approach to increasing access to sustainable services, which exacerbated rather than addressed structural inequalities. More broadly, this suggests that, as long as the product does not undermine their wider aims, complementary social enterprises are more appropriate than integrated social enterprises for organisations looking to reach marginalised people in a sustainable way. Complementary social enterprises use commercial activities to subsidise rather than deliver social or environmental objectives. By contrast, integrated social enterprises attempt to achieve social or environmental objectives through commercial means, which privileges those with the means to engage in commercial activities. This fits with the conclusions of Sinead McBrearty who, as noted in Chapter 3, suggested that social enterprises were most appropriate in contexts characterised by particular features such as a market with the ability and willingness to pay for particular services (McBrearty 2008). In contexts where such conditions are missing, further work is required to create the necessary conditions by engaging with wider relations of power. As noted by Toner et al *“social enterprise can make an impact on specific excluded groups, [...] but they alone cannot tackle the structural conditions that shape deprivation and exclusion”* (Toner et al. 2008: 11). The next section will look at some of the limitations of this conclusion.

#### 8.4 Further Research

The conclusions and recommendations in this thesis are based on a single case study, and they could therefore be strengthened by further research. Firstly, further comparative research could be conducted of similar initiatives in different geographical contexts. Thus this case study was based on research conducted in the UK and in India. Whilst this represents one North-South relationship, the findings may not necessarily be transferable to other North-South partnerships. For example, the relationship between organisations in the UK and India are shaped by a specific historical context of British colonialism. In addition, the caste system represents a form of social structuring that is unique to India, whilst social enterprise has been a particularly significant aspect of government policy in the UK. Whilst both social inequality and social enterprise are widespread phenomena, the way in which they are manifested will therefore differ from country to country. Furthermore, the dynamics in partnerships between actors in countries within the North and within the South could also present new forms of governance tensions. For example, a partnership between a social enterprise in India and an NGO in another Southern country may present new challenges.

In this thesis however, the geographical tensions were found to be less salient than the tensions between organisations from different professional sectors. Again however, the thesis has been based on a single case study, which could be considerably strengthened through further comparative studies. This could specifically include a comparative study of different types of approaches to poverty alleviation, including more traditional charitable approaches, such as those adopted by WaterAid (WaterAid 2012[b]) (although the organisation also engages in advocacy), more explicit advocacy approaches, such as those adopted by organisations such as Action Village India or War on Want (Action Village India 2012; War on Want 2012), and alternative business models, such as that of the Water and Sanitation for the Urban Poor (WSUP) initiative (WSUP 2012[b]). More specifically, as noted above, this thesis was based on the earned income model of social enterprise. This included a complementary form of social enterprise in the UK and a social business model of social enterprise in India, which followed particular trajectories. Frank's social enterprise in the UK gradually adopted a more integrated product, set up an affiliated charity and engaged in campaigning activities, whilst in India, Frank shifted away from a social business model towards a co-operative model of social enterprise with greater community participation.

The lessons from this case study could therefore be strengthened through further comparative research of other forms of social enterprise and social enterprises that have followed different trajectories.

In addition, the thesis focused on the substantive issue of access to safe water, with a recommendation that this be broadened to include access to sanitation. As noted in Chapter 1, water has a physical and symbolic significance that sets it apart from other services, in particular less vital services. As noted by the STEPS Centre, water is also particularly complex, flowing across technical, environmental and social boundaries (Mehta et al 2007). The governance tensions affecting water are therefore likely to be more complex and more charged, than governance tensions over other services. For example, social enterprises have been set up to deal with issues such as the lack of electricity, using solar energy to provide lighting (See e.g. TERI 2013). Such social enterprises may find that they grapple with different sets of tensions. Finally, the thesis was based on a qualitative approach. Whilst this meant that it was possible to explore the tensions in this partnership in depth, comparative research or a wider quantitative study could explore the extent to which these tensions are more widely applicable. This is particularly important as multi-sector partnerships are becoming increasingly popular (See e.g. Damon and White 2013). By focusing in detail on the tensions in a small-scale partnership, this thesis has highlighted that “*[t]he public-private partnership vision is [still] not easy to implement*” (A. Gadgil interviewed in Mau 2010: 215). Rather than silencing the problematisations embedded in such visions, the case study has demonstrated the value in adopting a “frank” approach to the tensions involved in different governance frameworks.

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## Appendices

### Appendix A: List of Internal Documents

#### Key

Doc= Document

FW= FRANK Water

NF= Naandi Foundation

Code	Document
<b>FRANK Water</b>	
FWDoc1	Seshadri, S. and Moyle, T. 2008. "Report of Findings on Pilot Visit", 16 February-3 March 2008, field trip report for FRANK Water Projects.
FWDoc2	Flint, S., Samuel, V. and Seshadri, S. 2009. "Report on Visit to Frank Water Projects", 14-21 February 2009, field trip report for FRANK Water Projects.
FWDoc3	Seshadri, S. 2009. "Report on Field Research", 2-29 October 2009, field trip report for FRANK Water Projects.
FWDoc4	Seshadri, S. 2010. "Report on Fieldwork", 9 February- 25 March 2010, field trip report for FRANK Water Projects.
FWDoc5	Sehambi, H. and Seshadri, S. 2011. "NGO Field Trip Report", March 2011, field trip report for FRANK Water Projects.
FWDoc6	Project Selection Criteria, FRANK Water Projects, 09.10.07.
FWDoc7	FRANK Strategy 2010, 03.02.11.
FWDoc8	Matrix document of discussions with Naandi, 21.03.08.
FWDoc9	Sehambi, H. 2010. "Report of Project Field Trip (Issues)", 01-09 November 2010, field trip report for FRANK Water Projects.
FWDoc10	Memorandum of Understanding (draft) between FRANK Water Projects and the Naandi Foundation, 15.06.10.
FWDoc11	Alcott, T. "Questions for Naandi", Power-point presentation, 17.08.10.
FWDoc12	Fry, T. 2010. "Project Visit Findings", November 2010, field trip report for FRANK Water Projects.
FWDoc13	Bala Vikasa Social Service Society. 2011. "Community Water Purification Program: Project Proposal", submitted to FRANK Water Projects 21.02.11.
FWDoc14	Bala Vikasa. 2013. "Safe Drinking Water Supply to 25 Communities in Andhra Pradesh, India", Final Report, April 2012 to March 2013, submitted to FRANK Water Projects 29.04.13.
FWDoc15	Seshadri, S. 2013. "Notes from Meeting with Bala Vikasa, 11.04.13.
<b>Naandi Foundation</b>	
NFDoc1	Naandi Foundation and WaterHealth India (WHIn). 2008. "The Blue Revolution", brochure.
NFDoc2	"Why a social for-profit- Adaptations in the work of Naandi Foundation", July 2010, document produced for FRANK Water.

NFDoc3	Naandi Foundation. "Safe Drinking Water Project: Frequently Asked Questions", document for use in the field.
NFDoc4	Follow-up on FRANK Water team visit, 22.03.11.
NFDoc5	January 2011, FRANK Water Revised Master Spreadsheet, Project Status Report
NFDoc6	"Updating FRANK Water Projects on Naandi Work", Discussion document, Power-point presentation, 15.08.12.
NFDoc7	"Bring Safe Drinking Water to the Underprivileged in Rural India", Power-point presentation for FRANK Water 09.02.09.
NFDoc8	"Funding recap2 FW sites Feb 2011", Excel Spreadsheet.
NFDoc9	"Feb 2011 Funding recap FW sites", Excel Spreadsheet.
NFDoc10	Sales and Social Key Performance Indicators (KPIs) Scorecard, 13.07.11.
NFDoc11	August 2010, Revised2, Project Status Update.
NFDoc12	April 2011, Project Status Update
NFDoc13	September 6 2011 Andhra Pradesh, Project Status Update.
NFDoc14	"Social Marketing Campaign: the Ullamparru Campaign", June 20-22 2011, Power-point presentation.
NFDoc15	"User Immersion: Selected Findings for FW", Quantum Market Research, Power-point presentation, 08.04.11.
NFDoc16	Memorandum of Understanding between the Panchayat and the Naandi Foundation in Kothapeta (NB/ the original document was not available for Kothapeta, so this copy dates to the re-inauguration of the project in 2008 after a new pipeline was constructed), 16.09.08.
NFDoc17	Memorandum of Understanding between the Panchayat and the Naandi Foundation in Nellutla, 13.11.08.
NFDoc18	Memorandum of Understanding between the Panchayat and the Naandi Foundation in Kanaganapalli, 27.10.09.

## Appendix B: List of Interviews

See Chapter 3 (“*Methodology*”) for sampling strategy and full explanation of terms used.

### **Glossary**

BC= Backward Caste  
F= Female  
FM= Female and Male (mixed group interview)  
GP= Gram Panchayat (village council)  
KP= Key Person (non-elected elite)  
LP= Local Professional (e.g. teachers, health workers, civil servants)  
M= Male  
Non User= Local person not purchasing water from the project  
OC= Other (Forward) Caste  
RMP= Registered Medical Practitioner  
Sarpanch= Village President  
SC= Scheduled Caste  
SHG= Women’s Self-Help Group  
ST= Scheduled Tribe  
SCST= Scheduled Caste/Scheduled Tribe  
User = Local person purchasing water from the project  
VRO= Village Revenue Officer  
Ward Member= Representative on Village Council

### **Key**

#### **Village Sites:**

Ka= Kanaganapalli  
Ko = Kothapeta  
Na= Nasanakota  
Ne= Nellutla

#### **Respondents:**

GP= Gram Panchayat  
KP= Key Person  
LP= Local Professional  
NS= Naandi Staff  
WP= Water Provider  
WU= Water User

#### **Partners:**

NF= Naandi Foundation  
Tata= Tata Projects  
WHIn= WaterHealth India

**Academic Institutions:**

OU= Osmania University

SKU= Sri Krishnadevaraya University

Code	Interview	Recorded (R)/ Handwritten (H)	Approximate Duration <sup>30</sup>
<b>KOTHAPETA</b>			
KoGP1	Kothapeta Sarpanch 15.03.10	R	50 mins
KoGP2	Kothapeta Ward Member M 15.03.10	R	20 mins
KoGP3	Kothapeta Ward Member F and Sarpanch 15.03.10	R	35 mins
KoLP1	Kothapeta Teachers 17.03.10	R	35 mins
KoLP2	Kothapeta Village Secretary 17.03.10	H	30 mins
KoLP3	Kothapeta Health Worker (via phone) 17.03.10	H	10 mins
KoNS1	Kothapeta Operator 12.03.10	H	20 mins
KoWU1	Kothapeta User OC FM 14.03.10	R	15 mins
KoWU2	Kothapeta User SC FM 14.03.10	R	30 mins
KoWU3	Kothapeta Non-User OC FM 14.03.10	R	20 mins
KoWU4	Kothapeta Non-User SC FM 14.03.10	R	25 mins
KoWU5	Kothapeta SHG F OC 18.03.10	R	60 mins
<b>NELLUTLA</b>			
NeGP1	Nellutla Sarpanch 12.10.09	R	45 mins
NeGP2	Nellutla Ward Member F BC 13.10.09	R	20 mins
NeGP3	Nellutla Sarpanch 14.10.09	H	15 mins
NeKP1	Nellutla Donor M 28.10.09	R	45 mins
NeLP1	Nellutla Village Revenue Officer M 14.10.09	H	30 mins
NeLP2	Nellutla Veterinary Assistant F 14.10.09	H	15 mins
NeLP3	Nellutla RMP F 14.10.09	H	10 mins
NeLP4	Nellutla Primary School Teachers FM 21.10.09	R	15 mins
NeLP5	Nellutla High School Teachers FM 21.10.09	H	15 mins
NeLP6	Nellutla Village Revenue Officer M 23.10.09	H	15 mins
NeNS1	Nellutla Safe Water Promoter F 12.10.09	R	40 mins
NeNS2	Nellutla Operator M 12.10.09	R	15 mins

<sup>30</sup> The duration times of the interviews are approximations, based on the length of the formal portion of the interview (which was either recorded or transcribed by hand) plus the time spent explaining the fieldwork and securing consent. In practice, interviews were often longer, with informal discussion taking place both before and after the interview.

NeNS3	Nellutla Operator M 23.10.09	R	15 mins
NeNS4	Nellutla Field Co-ordinator M 23.10.09	R	20 mins
NeWU1	Nellutla SHG Meeting SCST 12.10.09	H	30 mins
NeWU2	Nellutla Users F SC/ST Plant Site 13.10.09	R	15 mins
NeWU3	Nellutla Users M Muslim Plant Site 13.10.09	R	10 mins
NeWU4	Nellutla Non-User F OC Srinivas Nagar 20.10.09	R	20 mins
NeWU5	Nellutla Non-Users F SCST Mulabhari 20.10.09	R	20 mins
NeWU6	Nellutla Users F SCST SC Colony 21.10.09	R	15 mins
NeWU7	Nellutla Non-Users F BC Vaddari Gudem 21.10.09	R	15 mins
NeWU8	Nellutla Non-Users FM BC Vaddari Colony 21.10.09	R	15 mins
NeWU9	Nellutla Non-User F BC RTC Colony 21.10.09	R	15 mins
NeWU10	Nellutla Users FM Plant Site 23.10.09	H	10 mins
<b>KANAGANAPALLI</b>			
KaGP1	Kanaganapalli Ward Member M 23.02.10	R	10 mins
KaLP1	Kanaganapalli Teachers FM 18.02.10	R	40 mins
KaLP2	Kanaganapalli RMP 1 M 23.02.10	R	30 mins
KaLP3	Kanaganapalli RMP 2 M 23.02.10	H	20 mins
KaLP4	Kanaganapalli Teachers FM 25.02.10	H	20 mins
KaNS1	Kanaganapalli SWP M 16.02.10	R	10 mins
KaNS2	Kanaganapalli Operator M and SWP M 16.02.10	R	40 mins
KaWU1	Kanaganapalli Users F, Sarpanch, Operator and SWP at Plant Site 16.02.10	R	60 mins
KaWU2	Kanaganapalli Non-Users M 23.02.10	R	10 mins
KaWU3	Kanaganapalli Non-Users FM SC Colony 25.02.10	H	20 mins
KaWU4	Kanaganapalli Users M, Sarpanch's husband, and former ward member, Plant Site 25.02.10	H	20 mins
<b>NASANAKOTA</b>			
NaGP1	Nasanakota Sarpanch 17.02.10	R	30 mins
NaKP1	Nasanakota Relatives of the MLA/Donor 17.02.10	H	20 mins
NaWU1	Nasanakota Water Users F Plant Site 17.02.10	R	30 mins
<b>NAANDI</b>			
NF1	Srinivas, Management Information Systems, Hyderabad Office, 06.10.09	H	30 mins
NF2	Pavan Kumar, Management Information Systems, Hyderabad Office, 07.10.09	H	30 mins
NF3	Madhavi, Administration, Hyderabad Office, 07.10.09	H	20 mins
NF4	Anoop Nambiar, Technical and Quality Department, Hyderabad Office, 08.10.09	H	20 mins
NF5	Naandi State Head (Phone Call) 15.04.11	H	15 mins

WATERHEALTH INDIA			
WHIn1	Aditya S Jaya Rao, Director of Projects (Technical) and Prasad Rettigant, Director of Marketing, WaterHealth India, Hyderabad Office 19.02.08	H	30 mins
WHIn2	Jai Dutt Sharma, Project Head, WaterHealth India, Vijayawada Office 20.02.08	H	30 mins
OSMANIA UNIVERSITY			
OU1	Professor P Kamala Rao and Professor C Ganesh, Department of Sociology, Osmania University 08.10.09	H	60 mins
OU2	Professor C Ganesh, Department of Sociology, Osmania University 09.03.10	H	60 mins
SRI KRISHNADEVARAYA UNIVERSITY			
SKU1	Professor MD Bavaiah, Department of Economics and Applied Economics 26.02.10	H	60 mins
SKU2	Head of Social Exclusion Centre 26.02.10	H	20 mins
SKU3	Head of Sociology 26.02.10	H	20 mins

## Appendix C: Interview Schedules October 2009

### **C.1 SREENIVAS (PROJECT MANAGER)**

**Key themes: decisions, social enterprise, partnerships, incentives, influential people, marginalised groups, social capital, uptake, key nodes, external stakeholders**

Key points to raise: identifying interviewees (key individuals and groups/categories), sensitive questions, water sources, process (village selection, timeline, construction time), IEC, delegation, priorities, handover after 5 years, women's groups/SHGs/other organisations in Nellutla, other water projects in the area, comparison to other donors

[\* = to ask first]

Sreenivas is Frank's project manager in India with whom they work quite closely, so the interview is likely to be more informal. However this schedule lists the main points that I would like to establish with him at some point. The first three sections (A-C) constitute background information that would be useful to have before conducting interviews in Nellutla. These questions may be answered by other interviewees or from other sources. The second two sections (D and E) include questions that may be raised in more general conversations, either before or after the fieldwork in the village. The last section lists practical aspects to be arranged with Sreenivas.

#### **Introduction**

I'd like to record this conversation so that I don't need to spend time writing everything down. Are you happy for me to do so?

This research aims to create a detailed case study of all the processes involved in setting up the plant at Nellutla. I'd like to ask you a bit of background about the project, Naandi's role there and your own opinions. This information will help me to write my PhD for the University of Bristol and to create a governance model for this kind of partnership (between Frank, Naandi, the technology partners and the community). If you'd like to keep anything confidential just let me know, I will keep all of the information on secure computers and you can tell me at any time if you want to stop taking part in the research or would like to change your mind about something that you told me.

Do you have any questions?

#### **A. Background on the Project**

##### **General history of the project**

1. Can you tell me the history of the project at Nellutla, from when it first started?

[Prompts]

- Who first approached Naandi about the project?
- Prompt for each stage of the project (how many households during the **baseline survey**, what factors did you take into account during the **feasibility study**, who spoke to as part of **community consultation**, what **meetings** held, who attends, when and what times of day meetings are held, what **formal contracts/legal obligations** are there, how work with the **Rural Water Supply** department, what is the RWS inspection, and how work with government, how decided to use RO

from Tata/**technology**, how level of **community contribution** decided, who contributed, how decided to work with **Frank** on this one, how decide **plant location** and **water source**, where **procure materials** from, how **hire workers**, **SWP** and **operators**, **inauguration** Nov 30<sup>th</sup>, how **monitor** projects and staff, is water level measured to ensure no corruption, how **evaluate** success of projects, by what criteria are they successful) .

[Further opinion prompts:]

- What do you think the most important **decisions** were that had to be made? And what do you think the most important decisions were that you personally had to make?
- What **changes** have you seen at the project? What has happened since it was inaugurated? (e.g. changes in electricity supply, schools, education programme)
- What **problems** have there been and how have they been resolved? (e.g. change of operator) Generally, if there is a problem at the plant, whom do people contact?
- What do you think the main barriers to uptake are?
- Do you think people in general are happy to **pay for the water**?
- How much **support** do you think there is in the community for the project?
- If a project failed in this village, what would be the **consequences**? E.g. if the plant broke down and was not repaired, who would people hold responsible?
- What do you think has **worked well**? What do you think has **not worked so well**, and what would you like to **improve**?

#### **Specific details (if not covered above)**

2. Can I ask a bit about the **auspicious days** (Muhurtham). When do they fall and who is responsible for determining this?
3. [It was previously said that there were some problems/**delays** with “a) releasing to contractor and equipment etc b) tech from Tata”. Could you tell me a bit more about this?
4. It was also mentioned during our last visit that there was a bit of a **delay** after the village first approached Naandi. Do you know why this was? ]
5. \* Who provided the **community contribution** (specific **donors** or general collection)? Records say that a Narasimha Reddy is the key donor? How much did he contribute and what else is his role in the village (retired professor)?
6. [Who else are the **influential people** in this village regarding water?]
7. \* Can I confirm the **project cost**? Is it right that Frank provided Rs 200000 (£2520.81)? And how much did the project cost overall (\$15000?)?
8. \* Can I also confirm the **cost of water** at the plant now? (cost of initial registration, cost per 12L and cost per 20L)
9. \* And how is this **money currently being used**? How much extra is Naandi contributing?
10. \* Would it be possible to have some more details on the proposed **price increase**?
11. \* Can I also confirm how many people are **registered** at the plant (initially 110?)?
12. \* What do people call the water plant? (**kiosk**?)
13. \* What is the situation with the **school** now? Last time we were there a donor gave Rs 1000 up-front on condition that Naandi waived the registration fee.
14. \* What stage is the **IEC** programme (Information, Education and Communication) at?
15. [On the **IEC** programme, what does a “Community Needs Assessment (CNA) process using community mapping and participatory rural appraisals” entail?]
16. \* Is there a **water user committee**/user group? Who is a member, how selected and what they do?

17. \* Who are the **operator(s)** (Still K. Rajesh?) and **SWP** (K. Latha)? How were they recruited and what do they do?
18. \* Does **Naandi employ other staff** in the village? Who are the **field co-ordinators**?
19. Can you confirm these **selection criteria** for the village, what they mean and how you assess this:
  - BPL, SC, ST and other backward classes population
  - Poor Social and Economic status of the village
  - Poor economic conditions of the families (employment, wage rates etc)
  - Availability and high contamination levels at present water source
  - High water related diseases – high health expenditure
  - Poor sanitation, health and hygiene practices
  - Non availability of external donor support
  - Community Need, willingness and participation
20. Can I also check which members of the community we met with on our **last visit**?

### **B. Background on Nellutla village (if not covered above)**

1. \* Can I confirm the **population** as 8,000 people, and 1805 households? Where was this data obtained from? (The 2001 census said population of 4800, is that right?)
2. \* And is it right that there are (in households?):
  - i) By income
    - 50 **APL** (and does this equate to an annual income of more than Rs 12000? Is there an upper limit on this?)
    - 1635 **BPL** (and does this equate to an annual income of less than Rs 12000?) (Are the remainder earning more than either designation?)
  - ii) By caste: 455 **SC**, 25 **ST**, 1100 **BC**, 225 **OC**?
3. \* What are the main **groups in Nellutla** that fit into these categories (e.g. is SC Mala and Madiga? And what do these refer to? Is ST Naik, and OBC barbers, washermen, goldsmiths?)
4. \* What is the process for obtaining a **ration card**? And what do the different categories entitle you to? Do you think this is reliable? If not, what other factors do you use to assess income?
5. \* What is the **religious** background in the village?
6. \* One of the things that I'm doing is looking at how these projects affect **marginalised groups**. Which groups would you consider to be a) particularly affected by water issues b) marginalised/disadvantaged in society? BPL/APL/SC/ST/women? Are there other groups?
7. \* There are some areas that I would like to ask about which might be **sensitive issues**. Is it possible to ask people about a) their income b) ration card income bracket c) religion d) caste (including how people in Hyderabad, at Naandi, and in the villages will respond to these questions) e) political affiliations and political parties f) health, and if so how should I ask? In particular, are there any political questions that may put people in danger?
8. \* What are the main **water sources** in the village? Which ones are used for **drinking water**? Is it possible to have a map?
- [9. What are the different **seasons** like? Do the water sources vary by season?
10. What is the main **income** in Nellutla? Agriculture (paddy and cotton)? What other employment opportunities are there?]
11. \* What other **development schemes** are being carried out in Nellutla? (housing? Sanitation? Government schemes?) And in AP and the region?
12. \* What self-help groups and **other organisations** are there?

### **C. Politics**

1. \* Who is the **Sarpanch** (still K RamaswamyGoud?)? Which party is he from? And how long has he served? Do you also know who the previous Sarpanch was and which party was he or she from?
2. \* Are there still 11 **ward members** (3SC, 4 women, all BPL? In practice, are elections held every 5 years, with one-third seats for women, and SCs/STs in proportion to population? What **reservations** does the state have for OBCs?)? Which parties are they from? What are the different wards? Is it possible to have a **map**?
3. \* Who is the **secretary** and what is their role? Are there other **official roles**?
4. Do Panchayat members get **paid**? How much? Are they **full-time** positions?
5. What are the main **parties** and what are the local issues that they represent?
6. How did most people vote in State Legislative Assembly and Lok Sabha **elections**? Was water a political issue?
7. \* Is there a body at the **mandal** level (Lingalaghanapuram)? Or **district** level (Warangal)? What are they called in AP (mandal and zilla?)? What interaction is there between the levels? How are members elected to those levels?
8. \* Are **Gram Sabhas** held? How often? What other political **meetings** are held? When are they held (date and time of day)?
9. Any other **political situation** I should be aware of?

#### D. [Background on Naandi

1. What is Naandi's main **role** in the water projects?
2. Who makes the **decisions** in the organisation?
3. What role do the board of **trustees** play?
4. When was Padmabhushan Dr Chiranjeevi appointed? What relationship does Naandi have with his political party **Praja Rajyam**? What are their goals? How does Naandi relate to the professions of the other trustees?
5. What **partners** does Naandi work with? How do they **select** them?
6. How does Naandi work with other **sectors** (the government/ private organisations/other charities and social enterprise organisations/donors/communities)?
7. Does Naandi have close ties to **international organisations**? (e.g. Chief Executive Officer Manoj Kumar Robert McNamara fellow of the WB) And how does Naandi work with international partners or organisations such as its branch in Norway?
8. What do you think the role is of Naandi and more broadly **social entrepreneurship/business** in development?]

#### E. **Role in the organisation**

1. [What is your official **title** in Naandi?
2. What made you **apply** for the job? How was it advertised?
3. What **department** are you based in?]
4. \* And apart from Frank, who do you **report** to in the organisation? How often do you meet?
5. \* Who else do you **work with** on the projects?
6. \* What work do you **delegate** to others and why? What decisions do staff on the ground have e.g. SWP, operators, field co-ordinators?
7. [What do you think is **important** about the water projects?
8. What are your **goals**? Personally, for Frank, for Naandi and in development?]

#### F. **Practical**

1. Translator
2. Driver
3. Time in Naandi office
4. Following Sreenivas on field visits
5. Access to documents
6. Who else do you think I should talk to?
7. Does Sreenivas stay in village? Feasibility of travelling each day/accommodation?

**Is there anything else you would like to add? Thank you.**

## **C.2 NAANDI MANAGERS**

(For the Safe Drinking Water Programme this includes the National Director, South Regional Head (Joe?), Business Development Team (Apa Rao), Quality Department, Donor Servicing (Sreenivas), Communications (Mr Satim), Sales, Operations (previously Madhusudan))

Key themes: **decisions, social enterprise, partnerships (how work with WB), incentives, influence, external stakeholders**

### **Introduction**

I'd like to record this conversation so that I don't need to spend time writing everything down. Are you happy for me to do so?

This research aims to create a detailed case study of all the processes involved in setting up the plant at Nellutla. I'd like to ask you a bit of background about Naandi's water projects, Naandi's role and your own opinions. This information will help me to write my PhD for the University of Bristol and to create a governance model for this kind of partnership (between Frank, Naandi, the technology partners and the community). I am especially interested in the projects that Frank Water has been involved with but I am being paid by a grant from the UK government, not by Frank Water. The research is an independent project. If you'd like to keep anything confidential just let me know, I will keep all of this information on secure computers and you can tell me at any time if you want to stop taking part in the research or would like to change your mind about something that you told me.

Do you have any questions?

#### **A. Professional role**

1. What is your role/job title in Naandi?
2. Can you tell me a bit about the work that you do? In what way are you involved in the process of setting up water projects?

[Prompts:

**Business development:** what criteria do you use to identify villages to work with?

**Quality department:** what constitutes good quality water? how do you monitor this?

**Donor servicing:** what requirements do donors have for the projects?

**Communications:** how do you communicate educational messages about water? and how do you communicate your work externally?

**Sales:** what are the main barriers to sales and how do you overcome these?

**Operations:** what kinds of problems does the operations department have to deal with?

**Business development/donor servicing:** The GPOBA funded some Naandi projects. What happened when Naandi ceased to work with WHIn? How were the WB involved/what criteria did they have?]

3. Do you work with Sreenivas? In what way?
4. Who else do you work with on water projects?
5. Who do you report to in your organisation?
6. Who reports to you? What decisions do you delegate to others?
7. What do you think the most important decisions have been that you've had to make?
8. Can you think of any examples of any problems that have come up and what happened then?
9. What changes have you seen in the water projects over the years?
10. What made you want to work with Naandi?
11. What do you think is important about the projects?
12. What are your goals (personally, for the projects, for development)?

## **B. Role of Naandi**

1. When did Naandi first get involved in providing clean water?
2. What is the role of Naandi in providing clean water? Why do you think there is a need for Naandi?
3. What are Naandi's goals?
4. What makes a successful development project?
5. Can you tell me about the Naandi model for providing clean water? Why was this model developed in this way?
6. What made Naandi decide to charge for the water?
7. What formal contracts are there and what legal obligations does Naandi adhere to?
8. Who makes decisions in Naandi? Who is in charge of which elements of implementation, monitoring, evaluation?
9. What role do the board of trustees have?

## **C. Partnerships**

1. Who does Naandi work with?
2. How do you decide whom to work with?
3. What is the relationship to:
  - i) Technology partners
  - ii) Donors (in particular, for the Business Development department and Donor Servicing, how do you relate to your donors? What role do they play?)
  - iii) Government
  - iv) The community
  - v) Civil society (and what kinds of institutions does this include?)
4. Does Naandi have ties to international organisations? Do you think that drinking water is an international issue?

5. What do you think the role of business in development is and/or should be? What do you think the role of social enterprise is?

**Is there anything else you would like to add? Thank you.**

### **C.3 ADDITIONAL QUESTIONS FOR APA RAO (NAANDI EXPERT ON POLITICAL CONTEXT)**

These questions are also applicable to development experts. They will also be put, if possible, to academics at Osmania University and/or the Hyderabad Centre for Economic and Social Studies).

Key themes: social enterprise, incentives, marginalised groups, influence, external stakeholders

#### **Introduction**

I'd like to ask you first a few questions about the work of the business development department [see above], and then wondered if you could explain to me some of the history and politics of development work in Andhra Pradesh.

##### **A. State**

1. Can you tell me a bit about how development projects work in Andhra Pradesh, especially clean drinking water projects, and how they have changed over the years?

##### **Prompts:**

2. What are the main development issues in the state?
3. What programmes are being run?
4. Specifically what is the history of drinking water?
5. Is there a debate over paying for drinking water?
6. What programmes does the state government run? How involved is the current state government in development?
7. What state legislation/policy has been enacted in development?
8. What does the death of Y.S. Rajasekhara Reddy (YSR) mean for development projects in the state?
9. What development programmes did he institute?  
[irrigation, pensions, jobs-for-work programmes? (BBC obituary)]
10. What would happen under K. Rosaiah? Or YSR's son Jagan Mohan Reddy? What other successors are likely?
11. The TDP Chief Minister, Chandrababu Naidu, introduced Janmabhoomi (In 1997, "Literally, 'Land of one's birth', a State-sponsored, people-centred participatory development programme in AP" Johnson ODI 2003). What did this involve? To what extent was this continued or changed under Congress government and YSR?
12. In what way was Chandrababu reformist, why were the programmes controversial, and how did YSR change this?
13. Through what vehicles are development programmes carried out (PRIs, NGOs, SHGs?)
14. (Apart from Naandi) who are the other actors in AP in a) development b) specifically drinking water?
15. How has AP carried out decentralisation? (last government accused of bypassing through separate groups- is this also the case under INC?)

## **B. National**

1. What national programmes and reforms (policies, legislation) have been introduced in drinking water?

### **Prompts:**

2. How have these affected Naandi's work?
3. Has the National Water Policy 2002 affected Naandi's operations?
4. Was Swajaldhara introduced in AP? What happened?
5. Do you know about the National Rural Drinking Water Quality Monitoring and Surveillance Programme? (Piloted in Andhra Pradesh?)
6. What are the main principles that development and drinking water provision are based on now? What principles do you think should be introduced?
7. What problems have there been with national programmes?
8. What do you think would improve policy in this area?

## **C. International**

1. Which international actors have been involved in development?

### **Prompts:**

2. Apart from Swajaldhara, how else has the World Bank been involved in shaping development policy in AP?
3. What other international organisations have been involved?
4. In 2003, the NDA government called for an end to all bilateral donor assistance apart from six key donors (UK Select Committee on International Development, Third Report). Why was this? What is your view on the decision? How have bilateral donors been involved?
5. What do you think the role of foreign private companies has been?
6. Which private companies have been involved in development in Andhra Pradesh?
7. To what extent are changes in water and development policy linked to international changes?

**Is there anything else you would like to add? Thank you.**

## **C.4 NAANDI FIELD STAFF**

Key themes: decisions, incentives, networks, marginalised groups

### **Introduction**

Would it be ok if I record the conversation? The reason I'm doing this is so that I don't have to write everything down as you speak.

I'm a student doing some research at a university in the UK on drinking water in this area. I'd like to ask you some questions about the project at Nellutla. I am especially interested in the projects that Frank Water has been involved with but I am being paid by a grant from the UK

government, not by Frank Water. The research is an independent project. You don't have to answer any questions if you don't want to and you can stop the interview at any time. All of the information will be kept on secure computers. If you later want to change your mind about something that you told me then you can contact [local representative/Sreenivas] who will let me know.

Do you have any questions?

### **Demographic information**

I would first just like to ask for a little bit of information about yourself and your family.

1. Gender (observed)
2. Can I ask where you live? And which ward is that in? Is it far from this plant?
3. Who do you live with?
  - i) If there are children, how old are they?
4. Have you lived here for a long time? If not, where did you live before?

### **A) OPERATOR**

1. How long have you worked here?
2. What made you apply for this job? What did you do previously?
3. What did you have to do to get the job? Interviews? Training?
4. Can you tell me a bit about what you do on a typical day? [prompt: what times of day is the plant open?]
5. What do you think that the most important decisions are that have had to be made about this project? What decisions do you yourself have to make?
6. What is the water source for this plant? Is it the same for every season?
7. How much electricity do you get? How much does it cost?
8. What is the money from the water used for?
9. How many registrations are there? Where do most of these people come from? What do you think would make more people sign up?/What prevents people from signing up?
10. What do people say to you about the water?
11. Do you think that people are happy to pay for water?
12. How do you check the water quality?
13. How do you check what people think of the water?
14. Do you do any other kind of monitoring?
15. Why do you think people buy this water?
16. Have there been any problems?
17. What do you think has worked well and what do you think has not really worked?
18. If there was a problem, who would you contact?
19. How often do you meet with other Naandi staff?

### **B) SWP**

1. How long have you worked here?
2. What made you apply for this job? What did you do previously?
3. What did you have to do to get the job? Interviews? Training?

4. What do you do for your job? Can you tell me a bit about what a typical day of work would be like for you?
5. Who do you speak to? (individuals, households, groups, institutions)
6. What do people say to you about water?
7. If people are not using clean water, why do you think this is?
8. Are there particular groups that are a) vulnerable b) not using the water?
9. Do you think people are happy to pay for water?
10. How do you persuade them to use it?
11. What communications material do you use? What do you think works well and what could be improved?
12. How are you involved in the new IEC plan? How has the educational element of Naandi's work changed over time?
13. How often do you meet with other Naandi staff? Who do you report to?
14. What do you think that the most important decisions are that have been made about the project?
15. What do you think are the most important decisions that you yourself have to make?
16. Have you had any problems?
17. If there was a problem, who would you contact?
18. What do you think has worked well? And what do you think has not worked well? How could the projects be improved?

### **C) FIELD CO-ORDINATOR**

1. How long have you worked here?
2. What made you apply for this job? What did you do previously?
3. What did you have to do to get the job? Interviews? Training?
4. What do you do for your job? Can you tell me a bit about what a typical day of work would be like for you?
5. Whom do you work with/speak to?
6. What do people say to you about the water?
7. What do you think that the most important decisions are that have been made about the project?
8. What do you think are the most important decisions that you yourself have to make?
9. Have you had any problems?
10. If there was a problem, who would you contact?

**Is there anything else you would like to add? Thank you.**

### **C.5 TATA PROJECTS**

**Key themes: decisions, governance, incentives, influence, marginalised groups, social capital, networks, key nodes, external stakeholders**

#### **Introduction**

I'd like to record this conversation so that I don't need to spend time writing everything down. Are you happy for me to do so?

This research aims to create a detailed case study of all the processes involved in setting up a clean water plant at [Nellutla]. I'd like to ask you a bit about your work with Naandi, the role of Tata, your CSR scheme and your own opinions on these projects. This information will help me to write my PhD for the University of Bristol and to create a governance model for this kind of partnership (between you, Frank, Naandi, and the community). If you'd like to keep anything confidential just let me know, I will keep all of this information on secure computers and you can tell me at any time if you want to stop taking part in the research or would like to change your mind about something that you told me.

Do you have any questions?

**A. Professional role of person being interviewed**

1. What is your role/title in Tata?
2. Can you tell me a bit about how you are involved in RO/water projects/your CSR schemes?
3. What made you apply for this job? What did you do previously?
4. What does this work entail?
5. Who do you work with (within Tata and externally)?
6. Who do you work with at Naandi?
7. Have you heard of Frank Water? Do you work with Sreenivas? What do you think the role of donors such as Frank Water is?
8. What do you think the most important decisions have been that you've had to make in this area?

**B. Relationship with Naandi**

1. When did Tata first start working with Naandi?
2. How did Tata come to the decision to provide RO machines at cost?
3. Is it part of a broader programme?
4. What other decisions do you think that Tata had to make about the programme?
5. Why did they choose Naandi?
6. How many machines have they provided so far?
7. How else is Tata involved? (Construction? Maintenance? Training operators?)
8. Have there been any problems?
9. If there was a problem, who would you contact?
10. What changes have you seen in these projects over the years?
11. What do you think the future potential is? There are at least 1,000 villages still without clean water that Naandi are aiming to cover. How far does Tata's CSR scheme extend?
12. What do you think would improve the scheme?
13. What formal contracts do you have?
14. What formal laws do you have to adhere to?

**C. Tata's CSR work**

1. When did Tata first start making R.O. machines? What was the target market at the time?
2. What is the nature of Tata's CSR work?
3. What makes Tata different from other global companies?
4. Your Chairman Ratan Tata has said that he doesn't want the company to grow "over everybody's dead bodies". What do you think he meant by this?
5. Who makes the decisions regarding CSR? Who are the most influential people?
6. What changes have you seen in Tata's CSR work over the years?
7. What do you think the role of the private sector is? (and role of social enterprise?)
8. Who else does Tata work with?
9. How are they selected?

**Is there anything else you would like to add? Thank you.**

## **C.6 WATERHEALTH INTERNATIONAL**

**Key themes: decisions, governance, incentives, influence, marginalised groups, social capital, networks, key nodes, external stakeholders**

### **Introduction**

I'd like to record this conversation so that I don't need to spend time writing everything down. Are you happy for me to do so?

This research aims to create a detailed case study of all the processes involved in setting up a clean water plant. I'd like to ask you a bit about your work with Naandi and Frank Water, the role of WHIn, and your own opinions on these projects. This information will help me to write my PhD for the University of Bristol and to create a governance model for this kind of partnership (between technology companies, donors such as Frank Water, Naandi, and the community). I am especially interested in the projects that Frank Water has been involved with but I am being paid by a grant from the UK government, not by Frank Water. The research is an independent project. If you'd like to keep anything confidential just let me know, I will keep all of this information on secure computers and you can tell me at any time if you want to stop taking part in the research or would like to change your mind about something that you told me.

Do you have any questions?

#### **A. Professional role of person being interviewed**

1. What is your title in WHIn?
2. Can you tell me a bit about your role/ your involvement in water projects?
3. Who do you work with (within WHIn and WHI and externally)?
4. What made you take this job? What did you do previously?
5. What do you think the most important decisions have been that you've had to make in this area?

#### **B. Water Projects**

1. When did WHIn first start working with Naandi/Frank/in India?
2. Can you tell me a bit about how the initial model worked? What made you decide to use this model? In particular, how was it decided that the model should run on a user fee?
3. What was WHIn's role in the projects?
4. Can you tell me a bit about some of the decisions that WHIn/you personally have had to make?
5. What were the financial problems last year? (find out also how much did the WaterHealth machines cost)?
6. What is the current situation and the current model for providing clean water?
7. Which partners does WHIn work with now? How were they selected?
8. Who makes decisions at WHIn? Who are the most influential people that you work with?
9. How does WHI work in other countries? What are the differences between work in India and in other countries?

10. What formal laws do you have to adhere to? Do you have formal contracts with other organisations?
  11. What problems have you encountered and how have they been resolved?
  12. What do you think about using business approaches in development? What advantages does it bring? And what are the potential disadvantages?
  13. What improvements would you like to see in how rural drinking water is provided?
- Is there anything else you would like to add? Thank you.**

## **C.7 SARPANCH AND PANCHAYAT**

(11 ward members, including 3SC, 4 women, all BPL + Secretary)

Sarpanch- K RamaswamyGoud

Secretary- Krishna

It might be possible to interview several ward members as a group interview. If interviews are separate then at least one male, one female and one representative from the scheduled caste and tribe group will be interviewed. The secretary and any staff from the district level who are available will also be included.

**Key themes: decisions, governance, incentives, influence, marginalised groups, social capital, networks, key nodes, external stakeholders**

### **Introduction**

I'd like to record this conversation so that I don't need to spend time writing everything down. Are you happy for me to do so?

I previously visited Nellutla in February with Frank Water. Thank you for your kind hospitality at the time. I'm doing some research on drinking water projects for a university in the UK. I am especially interested in the projects that Frank Water has been involved with but I am being paid by a grant from the UK government, not by Frank Water. The research is an independent project. What I would like to do is ask you for a detailed history of the project here at Nellutla and your opinions on it so far. This information will help me to write my PhD for the University of Bristol and to create an example of how governance works for this kind of partnership (between the community, Frank Water, Naandi and Tata). If you'd like to keep anything confidential just let me know, and you don't have to answer any questions that you don't want to. You can also tell me at any time if you want to stop taking part in the research or would like to change your mind about something that you told me.

Do you have any questions?

### **A. Professional role**

1. What is your official role?
2. What responsibilities does this entail?
3. Who do you work with? How often do you meet?
4. How long have you served in this role?
5. Which party are you from?

6. What does this party represent? Can I ask why you have chosen to represent this party?

## **B. Water projects**

### **History**

1. Can you tell me a bit about how the water project was set up?

### **Prompts:**

2. What made you decide to build a water plant?  
(Previously said that water was identified as a major problem. How was it identified?)
3. What was the water situation like before this?
4. What do you think the most important decisions are that you've had to make about water?
5. How did you then decide which technology to go for? (Said previously that visited other villages with different technology? The villagers there said that they were not satisfied-why were they not satisfied? Internal squabbling at World Vision?)
6. How did you first hear about Naandi? Who was it that contacted them?
7. And then what happened? (previous interview suggested 4 month delay?)
8. What meetings did you have before the plant was built?
9. How did you decide where the plant should go?
10. How did you decide water source?
11. How did you decide how much the community contribution should be?
12. Where did the contribution come from?
13. Where did the materials for construction come from?
14. How did you hire workers?
15. How long did it take for the plant to be completed?
16. Were there any problems and how were they resolved?
17. How did you decide when the plant was to be inaugurated?
18. How did you hire operator and SWP?
19. How do you monitor the plant?
20. Do you think people are happy to pay for water?

## **C. Update**

1. What's the current situation with the electricity supply?
2. And what is the situation with the borehole? Does it supply sufficient water in all seasons? How long will it last? If it won't last, what will be the solution?
3. What is the situation with water being provided to the school?
4. How do you think it is going so far?
5. What could be improved?
6. What would allow more people to have clean water?

## **D. Local governance and politics**

1. What is the structure of the PRIs? (number of Gram Panchayat members, how often are elections held?, relationship to mandal and district level?)
2. What happened during the last election?
3. How often does the GP meet? And how often is GS held? What is discussed and who attends and speaks? What other meetings are there?[Can I attend one (is there one whilst I'm there?)?]
4. How often do you speak to your constituents? What concerns do they raise?
5. Do you ever take problems to the mandal, district, state or national level?

### **E. Local development**

1. What are the main issues in the village?
2. What is the main employment?
3. Why do you think there are so many people below the poverty line?
4. What other development work is being done? By whom?
5. What do you think the government/business/charities/donors/international organisations/the community here/people in India and abroad should do?

### **F. Demographic**

1. Gender (observed)
2. Which ward do you represent?
3. Where do you live? How long have you lived here?
4. Who do live with?
  - i) If there are children, how old are they?
5. Can I ask whether you have a ration card and whether you represent any particular group
6. What do you do for income? Can I ask how much you earn? Does this vary seasonally?
7. Do you have ration card? Can I ask whether you would identify yourself with a particular caste, income group, religion or other group?

**Is there anything else you would like to add? Thank you.**

## **C.8 REGISTERED WATER USERS**

Five water users will be selected from the water collection point. If it is found that people don't have time to speak whilst they are collecting water then I will schedule a time that is convenient to them to hold the interview. By selecting people from the collection point it might skew the interviews to those that live close by. If water is also delivered to locations on the outskirts of the village then I will also arrange to do interviews with registered users from those areas at their homes. The aim is for the interviews to last approximately half an hour. If they are longer then I will need to check with participants if this is convenient, or leave some questions out.

**Key themes: decisions, governance, social enterprise, incentives, influential people, marginalised groups, networks, social capital, key nodes, external stakeholders**

**[\*= key question]**

**Approximately 14 key questions= 10 mins x 2 for translation= 20 mins + 10 mins for q. 4**

### **Introduction**

Is it ok if I record the conversation? The reason I'm doing this is just so that I don't have to write everything down as you speak.

I'm a student doing some research at a university in the UK on drinking water in this area. I'd like to ask some questions about this water kiosk and about the water here in Nellutla. The interview will take approximately half an hour, do you have time to talk now or is there a time that would be convenient for me to visit and talk to you later on?

[If convenient] You don't have to answer any questions if you don't want to and you can stop the interview at any time. Your identity will be anonymous and I will keep this information on secure computers. If you later want to change your mind about something that you told me then you can contact [local representative/Sreenivas] who will let me know.

Do you have any questions?

### **A. Involvement in the project**

1. \* How long have you been buying water from this kiosk?
2. \* Where did you get water from before?
3. \* What made you decide to buy water from here?  
( health, taste, location, medical bills, persuasion?)
  
4. \* Can you remember when you first heard about the plant? What did you think? Then what happened? Can you tell me a little bit about the history of the project?  
- If necessary prompt:
  - i) Why was it decided that a water plant was needed in the village?
  - ii) \* Were there any meetings in the village about the project? When were they held? Did you go? If so, can you tell me a bit about what was discussed at the meeting and who was there?
  - iii) What decisions had to be made about the plant?
  - iv) Were you asked to contribute money or labour to the plant? Did you? Why or why not?
  - v) Do you know how the money was raised for the plant?/Who paid for the plant?
  - vi) Do you recognise the name Frank Water? What do you think of them? (If not aware, explain that they raise money from selling water in UK. What do you think of this idea?)
  - vii) How was it decided where the plant should be built?
  - viii) How was it decided which water source to use?
  - ix) Who do you think have been the most influential people?
  
5. \* What do you think of the price of the water?
6. \* Are you a member of the user group? What do they do?
7. Have there been any problems at the plant? What happened? If there was a problem at the plant now, what would you do? Who would you speak to? Do you think it would get sorted out?
8. What do you think would improve the project? What do you think has gone well and what do you think has not worked so well?

### **B. Educational element**

1. Do you know the SWP [K. Latha]? How often do you speak to her and what about?
2. \* What kind of educational programmes have there been in the village about water?
3. What have you learnt from these?
4. Once you have collected this water, what do you do with it when you take it home?/ Have the programmes made you change how you use water at home?
6. Do your neighbours buy the water? Do you know people who do not buy this water? Do you talk to them about it?

### **C. Involvement in local governance and social networks**

1. Can I ask if you voted? [And for which party (this will be kept anonymous)? Why?]
2. \* How often are Gram Sabhas held? Do you attend? What is discussed? What other meetings are there and when are they held?
3. Do you ever speak to your elected Panchayat representative? What do you speak about?
4. If you asked the Panchayat for something, do you think it would get done?
5. Who else is influential in the village?
6. If you had a problem, e.g. with water supply, who would you trust to sort it out?
7. Do government officials ever visit your village? e.g. from the district, state or national level?
8. What does the government do about drinking water? What is the water from the Rural Water Supply like?
9. \* What groups/organisations/associations are there in the village? Are you a member of any?
10. What social events are there in the village? Who do you mostly socialise with? Do you meet people from other wards? How do you find out about what is happening in the village? Do you often come into contact with people from other areas in the village?

### **D. General**

1. Why do you think that the water is polluted?
2. What do you think would help most with water problems in the village?
3. Are there any groups of people who are more affected by water problems than others?
5. What other problems are there in the village? What would help improve them? What is the most important problem?
6. Why do you think there are a lot of people below the poverty line here?

### **F. Demographic information**

I would also just like to ask for a little bit of information about yourself and your family.

[\*gender, address, income, caste/religion]

1. Gender (observed)
2. Can I ask where you live? And which ward is that in? How far is it from this plant?
3. Who do you live with?
  - i) If there are children, how old are they?
4. What do you do for income? Can I ask how much you earn? Does this vary seasonally?
5. Do you have ration card? [If yes, how did you go about getting one and do you find it useful?] What kind of card do you have?
6. Would you say that you are from a particular caste, religion or other group? If so, which one?
7. Who normally collects the water in your household? Has it always been so?

**Is there anything else you would like to add? Thank you.**

**I would like to come and visit to ask some more general questions about how things work in Nellutla. Could I arrange a time to come and speak to you?**

## **C.9 NON-REGISTERED WATER USERS**

**Key themes: decisions, governance, social enterprise, incentives, influential people, marginalised groups, networks, social capital, key nodes, external stakeholders**

There are in Nellutla 2 overhead tanks, 10 open wells, 19 (functioning) handpumps, 15 public taps and 660 individual connections. At least five interviews will be conducted at one of each type of source. The aim is to interview people who are not registered users of the Naandi water. The first question will therefore be whether they also collect water from the Naandi plant. If they do then the interview will either be cancelled or revert to the above schedule VIII. If they are not a registered user then the interview will proceed as follows:

### **Introduction**

Is it ok if I record the conversation? The reason I'm doing this is just so that I don't have to write everything down as you speak.

I'm a student doing some research at a university in the UK on drinking water in this area. I'd like to ask some questions about the water situation in Nellutla, and your opinions on water projects and schemes in the local area. The interview will take approximately half an hour, do you have time to talk now or is there a time that would be convenient for me to visit and talk to you later on?

[If convenient] You don't have to answer any questions if you don't want to and you can stop the interview at any time. Your identity will be anonymous and I will keep this information on secure computers. If you later want to change your mind about something that you told me then you can contact [local representative/Sreenivas] who will let me know.

Do you have any questions?

### **B. Water use and knowledge of the project**

1. \* How often do you collect water from this source? [prompts: every day, morning/evening?]
2. \* How much water do you collect?
3. \* What will you use the water for that you have collected here today?
4. \* How long have you been using this source for? Did you collect water from anywhere else previously?
5. \* What do you think of the quality of the water?
6. \* Do you have any concerns about this source?
7. \* Do you collect water from anywhere else?
8. \* What other sources are there in the village? Do you use any other sources for e.g. washing? Does this change with the seasons?
9. \* Do you know about the Naandi plant at the centre of the village?
10. When did you first hear about it? What did you think?
11. Can you tell me a little bit about how it was set up? Were there any meetings and did anybody speak to you about it? Do you know anybody who worked on building it or who was involved in deciding where it should go?
12. \* Have you ever registered to use it? Why or why not (and why stopped)?
13. \* What would make you change to a different source/to the Naandi water?
14. Do you recognise the name Frank Water? What do you think of them? (If not aware,

explain that they raise money from selling water in UK. What do you think of this idea?)  
15. What do you think of the other water schemes in this area (if there are others)?

### **C. Educational element**

1. Do you know the SWP [K. Latha]? How often do you speak to her and what about?
2. \* What kind of educational programmes have there been in the village about water?
3. What have you learnt from these?
4. Once you have collected this water, what do you do with it when you take it home? /Have the programmes made you change how you use water at home?
5. Are you involved with any water user groups? What do they do?

### **D. Involvement in local governance and social networks**

1. Can I ask if you voted? [And for which party (this will be kept anonymous)? Why?]
2. \* How often are Gram Sabhas held? Do you attend? What is discussed? What other meetings are there and when are they held?
3. Do you ever speak to your elected Panchayat representative? What do you speak about?
4. If you asked the Panchayat for something, do you think it would get done?
5. Who else is influential in the village?
6. If you had a problem, e.g. with water supply, who would you trust to sort it out?
7. Do government officials ever visit your village? e.g. from the district, state or national level?
8. What does the government do about drinking water? What is the water from the Rural Water Supply like?
9. \* What groups/organisations/associations are there in the village? Are you a member of any?
10. What social events are there in the village? Who do you mostly socialise with? Do you meet people from other wards? How do you find out about what is happening in the village?

### **E. General**

1. Why do you think that the water is polluted?
2. What do you think would help most with water problems in the village?
3. Are there any groups of people who are more affected by water problems than others?
5. What other problems are there in the village? What would help improve them? What is the most important problem?
6. Why do you think there are a lot of people below the poverty line here?

### **F. Demographic information**

I would also just like to ask for a little bit of information about yourself and your family.

[\* gender, address, income, caste/religion]

1. Gender (observed)
2. Can I ask where you live? And which ward is that in? How far is it from this plant?
3. Who do you live with?
  - i) If there are children, how old are they?
4. What do you do for income? Can I ask how much you earn? Does this vary seasonally?
5. Do you have ration card? If yes, how did you go about getting one and do you find it useful? What kind of card do you have?

6. Would you say that you are from a particular caste, religion or other group? If so, which one?
7. Who normally collects the water in your household? Has it always been so?

**Is there anything else you would like to add? Thank you.**

**I would like to come and visit to ask some more general questions about how things work in Nellutla. Could I arrange a time to come and speak to you?**

## **C.10 DONORS**

**Key themes: decisions, incentives, marginalised groups, influential people, networks**

### **Introduction**

I'd like to record this conversation so that I don't need to spend time writing everything down. Are you happy for me to do so?

I previously visited Nellutla in February with Frank Water. Thank you for your kind hospitality at the time. I'm doing some research on drinking water projects for a university in the UK. I am especially interested in the projects that Frank Water has been involved with but I am being paid by a grant from the UK government, not by Frank Water. The research is an independent project. What I would like to do is ask you for a detailed history of the project here at Nellutla and your opinions on it so far. This information will help me to write my PhD for the University of Bristol and to create an example of how governance works for this kind of partnership (between the community, Frank Water, Naandi and Tata). If you'd like to keep anything confidential just let me know, and you don't have to answer any questions that you don't want to. You can also tell me at any time if you want to stop taking part in the research or would like to change your mind about something that you told me.

Do you have any questions?

#### **A. Involvement in Water Projects**

1. What made you decide to donate to the water project?
2. Can you tell me a bit about how the water project was first set up? (prompt for involvement in deciding on the Naandi model and how involved they have been in the project)
3. What you think the most important decisions were that had to be made?
4. Where did the rest of the money come from?
5. Do you know the name Frank Water? What do you think of the partnership?
6. Have there been any problems? How have they been resolved?
7. What do you think has worked well? What do you think has not worked so well?
8. Do you buy the water yourself? What do you think of it?
9. What do you think will make more villagers buy the water?
10. What improvements would you like to see?

#### **B. Village background**

1. What are the other main problems in the village?
2. Why do you think the water is polluted?
3. Why do you think there are a lot of people below the poverty line?
4. How often are Gram Sabhas held? Do you attend? What is discussed?
5. Are meetings held about water? What other meetings are held?
6. Are there any other groups or organisations? Are you involved with these?

### **C. Demographic information**

1. Gender (observed)
2. Can I ask where you live? And which ward is that in? How far is it from the water plant?
3. Who do you live with?
  - i) If there are children, how old are they?
4. Can I ask what your profession is?
5. (Key donor), I understand that you were a professor and currently living in Hyderabad?

**Is there anything else you would like to add? Thank you.**

## **C.11 DOCTORS**

**Key themes: decisions, incentives, marginalised groups, influential people, networks**

### **Introduction**

Is it ok if I record the conversation? The reason I'm doing this is just so that I don't have to write everything down as you speak?

I'm a student doing some research at a university in the UK on drinking water in this area. I'd like to ask some questions about the water situation in Nellutla, and your opinions on water projects and schemes in the local area. You don't have to answer any questions if you don't want to and you can stop the interview at any time. I will keep all of the information on secure computers. If you later want to change your mind about something that you told me then you can contact [local representative/Sreenivas] who will let me know.

Do you have any questions?

### **A. Water Issues**

1. What are the main health problems in the village?
2. What water related illnesses are there in the village? (open question to talk about effects of contaminated water on health)
3. How many cases of these illnesses do you see?
4. Have you noticed changes over time in the number of these cases? In the past? Since the plant was built?
5. Are there particular groups of patients that are most affected?
6. Do you discuss water issues with your patients? What do you say?
7. What do you think is causing the contamination of the water?
8. Have you been involved with the project? In what way? What changes have you seen and what could be improved?
9. Do you notice a change in any particular patients who switch to the clean water source?

10. What do you think would encourage more people to have clean water? What do you think is preventing people from registering at the plant?
11. Who do you think the most influential people in the village are, in particular regarding water and health?
12. When did you first hear about Naandi? Have you heard of Frank/Tata and what do you think of the partnership?

**B. General and involvement in local governance**

1. What do you think the main issues are during elections? Particularly do you think there was debate over health, children and/or safe drinking water?
2. Do you attend Gram Sabha or other local government meetings?
3. Are there other organisations related to water that you or local doctors are involved in?
4. What improvements would you like to see with water issues and health?
5. Who do you think the most influential people are regarding water, health and education?
6. What do you think has worked well and not so well with the Naandi water?

**C. Demographic**

1. Gender (observed)
2. How long have you been working as a doctor here?
3. Do you live locally?

**Is there anything else you would like to add? Thank you.**

**C.12 TEACHERS**

Key themes: decisions, incentives, marginalised groups, influential people, networks

**Introduction**

Is it ok if I record the conversation? The reason I'm doing this is just so that I don't have to write everything down as you speak.

I'm a student doing some research at a university in the UK on drinking water in this area. I'd like to ask some questions about the water situation in Nellutla, and your opinions on water projects and schemes in the local area. I am especially interested in the project that Frank Water has been involved with but I am being paid by a grant from the UK government, not by Frank Water. The research is an independent project. You don't have to answer any questions if you don't want to and you can stop the interview at any time. I will keep all of the information on secure computers. If you later want to change your mind about something that you told me then you can contact [local representative/Sreenivas] who will let me know.

Do you have any questions?

**A. About the school**

1. Can I confirm the number of children enrolled? Last February there were about 190 girl students and 158 boy students. Is this correct and has it changed?

2. What ages are they? (from primary to secondary?)
3. What are the school terms?
4. How long is a school day?
5. How many pupils per class?
6. Are there any other schools nearby?
7. What proportion of children in the village would you say attend school?
8. Which subject area/class do you teach?

## **B. Water issues**

### **Health**

1. For what reasons do students miss school? What health problems do you think affect children? Are any of these related to contaminated water?
2. Does contaminated water affect particular children? Which groups do you think are most affected?
3. Which groups of children are absent most or drop out of school? Why is this? If this happens what do you and/or others do?
4. Do you notice a difference between children who drink safe water and those who do not?
5. Apart from absenteeism, how else does contaminated water affect children?
6. Does the school now buy water from the plant? How was this arranged? Why did the school decide to do this?
7. Have you noticed a difference in the children's health?

### **Education**

8. Does the school run any educational programmes on water or is it taught as part of the curriculum?
9. Do other organisations run any programmes in schools?
10. What do the children know about drinking water?
11. What changes have there been in children's behaviour?

## **C. General, and involvement in local governance**

1. What do you think are the main issues during elections? Particularly do you think there is a debate over education, children and/or safe drinking water?
2. When did you first hear about Naandi? Have you heard about Frank/Tata and what do you think of the partnership?
3. Last time we were here Hand of Hope were running a health programme. What were they doing?
4. Did World Vision dig a well here earlier? When was this and is it still used?
5. Do you attend Gram Sabha or other political meetings?
6. What other groups are you or other teachers members in the local area?
7. What improvements would you like to see with water issues for children?
8. If you had a problem who would you report it to?
9. Who do you think the most influential people are regarding water, health and education?
10. What do you think has worked well and not so well with the Naandi water?

#### **D. Demographic and teaching role**

1. Gender (observed)
2. How long have you been working as a teacher here?
3. Do you live locally?

**Is there anything else you would like to add? Thank you.**

### **C.13 HEALTH WORKERS**

**Key themes: decisions, incentives, marginalised groups, influential people, networks**

#### **Introduction**

Is it ok if I record the conversation? The reason I'm doing this is just so that I don't have to write everything down as you speak.

I'm a student doing some research at a university in the UK on drinking water in this area. I'd like to ask some questions about the water situation in Nellutla, and your opinions on water projects and schemes in the local area. You don't have to answer any questions if you don't want to and you can stop the interview at any time. I will keep all of the information on secure computers. If you later want to change your mind about something that you told me then you can contact [local representative/Sreenivas] who will let me know.  
Do you have any questions?

#### **A. Professional role**

1. Who do you work for?
2. What does your work entail?

#### **B. Water Issues**

1. What are the main health issues in the village?
2. What water related illnesses are there in the village? (open question to talk about effects of contaminated water on health)
3. What do you think is causing the contamination of the water?
4. How many cases of these illnesses do you see?
5. Have you noticed changes over time in the number of these cases? In the past? Since the plant was built?
6. Are there particular groups of people that are most affected?
7. Do you discuss water issues with people? What do you say?
8. Have you been involved with the project? In what way? What changes have you seen and what could be improved?
9. Have you heard of Naandi (and/or Frank and Tata)? What do you think of the project?
10. Do you notice a change in any particular people who switch to the clean water source?
11. What do you think would encourage more people to have clean water? What do you think is preventing people from registering at the plant?

### **C. General and involvement in local governance**

1. What do you think the main issues were during the last election? Particularly do you think there was debate over health, children and/or safe drinking water?
2. Do you attend Gram Sabha and other local meetings?
3. What other groups are you or health workers involved with?
4. What improvements would you like to see with water issues and health?
5. Who do you think the most influential people are regarding water, health and education?
6. What do you think has worked well and not so well with the Naandi water?

### **D. Demographic**

1. Gender (observed)
2. Do you live locally?
3. How long have you been working as a health worker?

**Is there anything else you would like to add? Thank you.**

## **C.14 SENIOR CITIZENS**

**Key themes: decisions, incentives, marginalised groups, influential people, networks**

### **Introduction**

Is it ok if I record the conversation? The reason I'm doing this is just so that I don't have to write everything down as you speak.

I'm a student doing some research at a university in the UK on drinking water in this area. I'd like to ask some questions about the water situation in Nellutla, and your opinions on water projects and schemes in the local area. You don't have to answer any questions if you don't want to and you can stop the interview at any time. If you later want to change your mind about something that you told me then you can contact [local representative/Sreenivas] who will let me know.

Do you have any questions?

### **A. Water Issues**

1. Can you tell me a bit about the history of water in this village? (open-ended question to talk about changes in drinking water provision in the UK?)

#### **Prompt:**

2. What was the water situation like before the plant was built?
3. What are the water sources in the village?
4. Where do they come from?
5. Are the sources permanent and/or seasonal?
6. What is causing the water pollution?
7. What have government schemes/other organisations done in the past?

### **B. Project**

1. Can you tell me a bit about the history of the plant? (see above for prompts)

**Prompts:**

2. What made the village decide to build a water plant?  
(Previously said that water was identified as a major problem. How was it identified?)
3. What was the water situation like before this?
4. What do you think the most important decisions are that have had to be made?
5. How did the community decide which technology to go for? (Said previously that visited other villages with different technology?)
6. How did you first hear about Naandi? Do you know about Frank and Tata?
7. What meetings were held before the plant was built?
8. How did the community decide where the plant should go?
9. How was the water source decided?
10. How was the community contribution raised?
11. How long did it take for the plant to be completed?
12. Were there any problems and how were they resolved?
13. How was it decided when the plant was to be inaugurated?
14. How were the operator and SWP hired??
15. Do you think people are happy to pay for water?

**C. Involvement in local governance**

1. What are the major problems in the village?
2. What are the major decisions that have to be made? Who makes them? Do you get involved?
3. Are you involved in local politics?
4. Who are the most influential people in the village? How has this changed?
5. How has the Panchayat changed over the years?
6. How has government involvement changed?
7. What other issues have changed over the years?

**D. Demographic**

1. Gender (observed)
2. Can I ask where you live? And which ward is that in? Is it far from this water point?
3. Who do you live with?
  - i) If there are children, how old are they?
  - ii) What do the members of your family do for income? Can I ask how much the household earns? Does this vary seasonally?
5. Do you have ration card? If yes, how did you go about getting one and do you find it useful? What kind of card do you have?
6. Would you say that you are from a particular caste, religion or other group? If so, which one?
7. Can I also ask your age?

**Is there anything else you would like to add? Thank you.**

**Other possible groups: employees transporting water, self-help group leaders or members, other community groups (to be identified from other interviews), GP secretariat, district panchayat.**

## Appendix D: Interview Schedules February-March 2010

### I) OFFICE INTERVIEWS: HYDERABAD

#### D.1 SREENIVAS (PROJECT MANAGER)

##### **Introduction**

I'd like to record this interview. If at any time you'd like to stop please let me know. Would that be ok?

This research involves creating a detailed case study of all the processes involved in setting up three different projects. The first one, in Nellutla, I carried out last October. Thank you very much for your help then. I would now like to do the same for two more projects, one that you think is more successful and one that you think has been less successful than Nellutla. I would first like to ask you a few practical questions about which two case studies you think I should study, and if I can get a translator, transport and accommodation nearby. I would then like to ask you a little bit about updates at Naandi and your work, and finally I would like to ask you for some background about the two projects that I will be studying. This information will help me to write my PhD and to learn about a suitable governance model/business model for this kind of partnership (between Frank, Naandi, the technology partners and the community). If you'd like to keep anything confidential just let me know, and you can tell me at any time if you want to stop taking part in the research or would like to change your mind about something that you told me.

Do you have any questions?

##### **A. Practical**

- 1. Case studies:** Which two villages do you think would be feasible to study? I would like to be close to Hyderabad but is that possible? I need one successful and one not so successful project to look at.
  - Would the new project in Karimnagar for the Rikshaw run be a good one? How far away is it? If it is far away, do you think there would be a hotel or somewhere nearby to stay?
  - Or would it be better to go to Vijayawada or Kodad and stay there to study a project there? If so, would it be possible to get a driver and translator there?
- 2. Staying overnight in villages:** I would like to spend one night in each village, so that I can see and speak to people when they are collecting water in the evening and early morning. Do you think it would be possible to arrange for me (and translator, and driver?) to stay with someone for one night, e.g. the SWP? Sarpanch or donor's family?
- 3. Translator**
- 4. Transport**

##### **B. Updates from Naandi**

1. So by end of March, will have 58 projects funded by Frank. Is that correct? What stage are they all at?
2. What is the new staff structure? Is it the same as the previous diagram that you drew for me (See report to trustees)?
3. Division of labour between Project Manager and District Co-ordinators: how do you choose which projects to keep and which ones to delegate to your district co-ordinators? How many DCs are there, and how many projects do they each have?
4. Who takes care of inaugurations? Is it you, or Grace or the DCs?
5. How do projects normally get started? (demand-driven or Naandi approach? I.e. do people approach you asking for a project or do you go to villages and then tell them about the projects (or is it a mix?)) If/when they approach you, who is it that normally approaches you? And if/when you approach them, how do you decide which villages to go to?)
6. Price increase- Rs 4 for 20L. Is this for old projects as well?
7. What is happening to the 12L can?
8. Are you concerned about pilferage?
9. Are you introducing a system for metering the water use?
10. Affordability- do you think the up-front cost (registration plus one month in advance) is also affordable?
11. Are you still working on ways to re-use the waste water?
12. Are you still considering allowing labour instead of cash contributions?
13. What does the SWP do for continuing the education programme once the plant is built? And in fact, what do they do before the plant is inaugurated?/ What is the official IEC programme now? (Note: what does a “Community Needs Assessment (CNA) process using community mapping and participatory rural appraisals” entail?)
14. Do Naandi staff have contracts? Do the SWP and operator? Are they paid by the hour?
15. What does the Panchayat Resolution consist of?
16. What kind of approval do you need to get from RWS?
17. What other projects is Naandi working on? What other partners?
18. How much was the Ashoka award? And how does to Coca Cola funding relate to that?
19. How are Frank projects different to the GPOBA ones?
20. And how are they different to other partnerships?
21. You mentioned that Frank systems are now being copied for other partners. What are the particular changes (governance features) that Frank is influencing other projects on?
22. I learnt last time that the AP government approached Naandi to fund their schemes but that the government did not offer enough money. What happened with that government contract? Which organisations are doing it now?
23. Who is relevant in government to speak to about this?
24. Where does Naandi get it's funding from (which other sources, apart from Frank)? (ho sustainable are these funding sources?)
25. What is happening with the MoU with Frank?
26. Timeline- what would be a realistic timeline from identification to inauguration?
27. NREG- is there a choice for the type of work that people undertake in this? Is this a national programme?
28. For the initial PIR- how long does this take? How many households do you go to? How is this done? [can I accompany someone who is doing this to learn how it is done?]

29. How will water user committees be formed and what will they do?
30. Are there any updates from Nellutla? What is the situation with electricity?

**31. GPS Co-ordinates**

32. How are Naandi's projects different from Byrraju and RSA?

**C. Background on the Projects (once decided on case studies):**

1. Could I have the names, contact details and a bit of information on the DC, FC, SWP, Operator, Sarpanch, other Panchayat members, donors, other key persons?
2. Population, broken down by APL/BPL and caste (SC/ST) (and other PIR info)
3. Other water sources and service providers/history of water in the area
4. Number of registrations and revenue
5. Cost breakdown by contributors
6. Caste- what are the groups in the village? How segregated?
7. Politics- what are the political dynamics in the village?
8. Self-help groups, and any other groups e.g. water user committees
9. GPS location
10. Any other development programmes being carried out?
11. Any problems, particular features that I should be aware of?

**D. History of the Projects:**

1. Can you tell me how the project at [x] started?
2. And then what happened [prompt for: factors taken into account in order to approve, who approved it, technology/water quality, community contribution, decision to work with Frank, water source, site, legal documentation (MoU, Panchayat Resolution, other), construction, RWS inspection, electricity, inauguration, hiring staff, education]
  - see timeline (ask about each stage)
3. What do you think the most important decisions were that had to be made? And what do you think the most important decisions were that you personally had to make?
4. Who have been the most important people?
5. How has it gone since it was inaugurated?
6. Have there been any problems?
7. What do you think has worked well?
8. And what would you like to improve?
9. What are future plans at the plant? (monitoring and evaluation)

**E. Documents**

1. Could I have a copy of the documents pertaining to each of the villages:
  - MoU between Panchayat and Naandi
  - Panchayat resolution
  - PIR (Primary information report)
  - PIR (Progress Information report), registrations and revenue
2. Is there a job description for the FCs (like for DCs?), operator, SWP or any other roles?
3. Could I also get an update of the registrations and revenue for Nellutla?

Do you have anything else to add?

Thank you very much.

## **D.2 GRACE RAJA (ASSISTANT PROJECT MANAGER)**

### **Introduction**

I'd like to record this interview. If at any time you'd like to stop please let me know. Would that be ok?

I'm a student from the UK writing a thesis in collaboration with Frank Water. What I'm interested in studying is the partnership between Frank Water and Naandi. I'm here to learn more about the projects, and I'd like to study in detail three Frank Projects as examples of how the projects work. I came here last October and spent one month learning about Naandi and studying one project in Nellutla in Warangal. I would now like to study two more projects here. I would like to ask you a bit about your job, what you do, and a little bit about the projects that I'm studying. If you'd like to keep anything confidential just let me know, and you can tell me at any time if you want to stop taking part in the research or would like to change your mind about something that you told me.

Do you have any questions?

1. Can I check that I've got your name and title correct? Is it Grace Raja and Assistant Project Manager?
2. How long have you been working here?
3. What did you do before?
4. What kinds of things do you have to do for your job?
5. Which projects do you deal with?
6. Can you tell me about how projects get set up? How do you decide which villages to work in? And then what happens? [see prompts above]
7. What kinds of problems do you have to resolve?
8. Who else do you work with?

Background to projects: See above.

Do you have anything else to add?

Thank you very much.

## **D.3 JOE (NATIONAL DIRECTOR)**

### **Introduction**

I'd like to record this interview. If at any time you'd like to stop please let me know. Would that be ok?

This research involves creating a detailed case study of all the processes involved in setting up three different Frank Water projects. The first study, in Nellutla, I carried out last

October. Thank you very much for your help then. I'm now here to do the same for two more projects and find out a bit more about Naandi's work. I was wondering if I could ask you, as National Director, a bit more about Naandi's work in other states, and I'm also interested in what the government is doing about water provision and how Naandi works with the government. This information will help me to write my PhD and to create a governance model/business model for this kind of partnership (between Frank, Naandi, the technology partners and the community). If you'd like to keep anything confidential just let me know, and you can tell me at any time if you want to stop taking part in the research or would like to change your mind about something that you told me.

Do you have any questions?

1. What is your title? National Director of water division?
2. Which areas is Naandi now operating water projects in?
3. What are the differences between projects in different areas? Between/within states?
4. Who do you work with in other states? How did you first start working with them?
5. (following on) How do you find working with governments/ international organisations/ private organisations/ individuals/ other NGOs?
6. What is the nature of your agreements with these organisations? Do you have contracts?
7. How would you compare working with a government contract to working with private organisations?
8. Do you have contact with the government in Andhra Pradesh?
9. What water schemes are being run in the state? What do you think of them?
10. And what water schemes are being run nationally?
11. Where does Naandi get its main funding from?
12. And finally, the reason I'm asking about contracts and so on is because I'm interested in how partnerships become more formal over time, and especially how partnerships at first are based on personal relationships and then get scaled up and formalised through contracts and so on which makes them more sustainable over a long time. What are the formal legal obligations of Naandi? Do you have to meet any national charity laws, or any laws on water quality for service providers?

Anything else?

Thank you very much

#### **D.4 NAANDI STAFF**

(General interview schedule from last time)

##### **Introduction**

This research involves creating a detailed case study of all the processes involved in setting up three different projects. The first one, in Nellutla, I carried out last October. Thank you very much for your help then. I would now like to do the same for two more projects. This will help me compare which successful features I think could be copied for other projects in future. I would like to ask you a bit more about your work at Naandi and the projects. This information will help me to write my PhD and to create a governance model/business model for this kind of partnership (between Frank, Naandi, the technology partners and the community). If you'd like to keep anything confidential just let me know, and you can tell me at any time if you want to stop taking part in the research or would like to change your mind about something that you told me.

Do you have any questions?

**A. Professional role**

1. What is your title in Naandi?
2. What do you do?
3. Can you talk me through your involvement in the process of setting up a clean water project?
4. What do you think the most important decisions have been that you've had to make in this area?
5. Can you think of any examples of any problems that have come up and what happened then?
6. What changes have you seen in the water projects over the years?
7. Who else do you work with on water projects?
8. What made you want to work with Naandi?
9. What do you think has worked well and what would you like to change?
10. What are your goals?

**B. Role of Naandi**

1. When did Naandi first get involved in providing clean water?
2. What is the role of Naandi in providing clean water? Why do you think there is a need for Naandi? What are Naandi's goals in the future?
3. Can you tell me about the Naandi model for providing clean water. Why was this model developed in this way?
4. What decisions have to be made during the process of setting up a plant?
5. Who makes decisions in Naandi?
6. Who is in charge of implementation, monitoring, evaluation?
7. What role do the board of trustees have?

**C. Partnerships**

1. Who does Naandi work with?
2. How do you decide whom to work with?
3. What is the relationship to:
  - vi) Technology partners
  - vii) Donors (in particular, for the Business Development department, how do you relate to your donors? What role do they play?)
  - viii) Government

- ix) The community
- 4. Does Naandi have ties to international organisations? Do you think that drinking water is an international issue?

Do you have anything else to add?

Thank you very much.

## **D.5 ACADEMICS AND LOCAL EXPERTS**

(General interview schedule from last time on history and politics of development work in Andhra Pradesh)

### **A. State**

1. Can you tell me a bit about how development projects, and especially clean drinking water projects, work in Andhra Pradesh and how they have changed over the years?

Prompts:

2. The previous Chief Minister, Chandrababu Naidu, introduced Janmabhoomi (In 1997, “Literally, ‘Land of one’s birth’, a State-sponsored, people-centred participatory development programme in AP” Johnson ODI 2003). What did this involve? To what extent has this been continued or changed under Congress government and Y.S. Rajasekhara Reddy?
3. What other state-sponsored schemes are there?
4. How involved is the current state government in development?
5. Through what vehicles are development programmes carried out (PRIs, NGOs, SHGs?)
6. (Apart from Naandi) who are the other actors in AP in a) development b) specifically drinking water?
7. What is the state policy on rural drinking water?
8. What is the history of rural drinking water in AP? How has it changed? (and urban?)
9. How has AP carried out decentralisation? (last government accused of bypassing through separate groups- is this also the case under INC?)

### **B. National**

1. What national programmes and reforms have been introduced in drinking water?
2. Has the National Water Policy 2002 affected Naandi’s operations?
3. Was Swajaldhara introduced in AP? What happened?
4. Have Naandi’s operations been affected by any policies?
5. How does Naandi’s work tie in to that of other organisations? How does it relate to the state and national governments?
6. Do you know about the National Rural Drinking Water Quality Monitoring and Surveillance Programme? I think it was piloted in Andhra Pradesh. What happened?
7. What are the main principles that development and especially drinking water provision are based on now?
8. What principles do you think should be introduced?
9. What do you think would improve policy in this area?

### **C. International**

1. Apart from Swajaldhara, how else has the World Bank been involved in shaping development policy in AP?
2. The GPOBA funded some Naandi projects. What happened when ceased to work with WHIn? What conditions do other donors place on aid? How were they involved in the process of setting up the projects?
3. What other international organisations have been involved?
4. In 2003, the NDA government called for an end to all bilateral donor assistance apart from six key donors (UK Select Committee on International Development, Third Report). Why was this? What is your view on the decision?
5. To what extent are changes in water and development policy linked to international changes?

Do you have anything else to add?

Thank you.

## **D.6 TATA PROJECTS AND TECHNOLOGY PARTNERS**

(Interview schedule from last time)

### **A. Professional role of person being interviewed**

1. What is your title in Tata?
2. Can you tell me a bit about your role?
3. Can you talk me through your involvement in RO/your CSR schemes?
4. What do you think the most important decisions have been that you've had to make in this area?
5. Who do you work with (within Tata and externally)?
6. What made you take this job?

### **B. Relationship with Naandi**

1. When did Tata first start working with Naandi?
2. How did this relationship come about?
3. What made Tata provide RO machines at cost? Is it part of a broader programme?
4. What do you think the most important decisions that Tata had to make about the programme?
5. Why did they chose Naandi?
6. How many have they provided so far?
7. How else is Tata involved? (Construction? Maintenance? Training operators?)
8. Have there been any problems?
9. If there was a problem, who would you contact?
10. What changes have you seen in these projects over the years?
11. What do you think the future potential is? There are at least 1,000 villages still without clean water that Naandi are aiming to cover. How far does Tata's CSR scheme extend?
12. And what formal contracts do you have? What formal laws do you have to adhere to?

### **C. Tata's CSR work**

1. When did Tata first start making R.O. machines? What was the target market at the time?
2. What is the nature of Tata's CSR work?
3. What makes Tata different from other global companies?
4. Your Chairman Ratan Tata has said that he doesn't want the company to grow "over everybody's dead bodies". What do you think he meant by this?
5. Who makes the decisions regarding CSR? Who are the most influential people?
6. What changes have you seen in Tata's CSR work over the years?
7. What do you think the role of the private sector is? (possibly ask for opinion on social enterprise as well)
8. Who else does Tata work with, and how are they selected?

Anything else to add?

Thank you

## **D.7 WATERHEALTH INTERNATIONAL**

(Interview schedule from last time)

### **A. Professional role of person being interviewed**

1. What is your title in WHIn?
2. Can you tell me a bit about your role?
3. Can you talk me through your involvement in water projects?
4. What do you think the most important decisions have been that you've had to make in this area?
5. Who do you work with (within WHIn and WHI and externally)?
6. What made you take this job?

### **B. Water Projects**

1. When did WHIn first start working with Naandi/Frank/in India?
2. How was the relationship formed?
3. What do you think the most important decisions are that WHIn have had to make?
4. Can you tell me a bit about how the initial model worked?
5. What was WHIn's role in the projects?
6. What were the financial problems last year? (how much did the WaterHealth machines cost)?
7. What is the current situation and the current model for providing clean water?
8. Which partners does WHIn work with now?
9. Who makes decisions at WHIn? Who are the most influential people that you work with?
10. How does WHI work in other countries?
11. What formal laws do they have to adhere to?
12. What contracts do they have with partner organisations?

13. What other problems have they encountered and how have they been resolved?
14. What do they think about the role of business in development? What advantages does it bring?
15. What improvements would they like to see in how rural drinking water is provided?

## **II) PROJECT INTERVIEWS: NASANAKOTA/KANAGANAPALLI AND KOTHAPETA**

### **D.8 TEAM LEADER**

I'd like to record this interview. If at any time you'd like to stop please let me know. Would that be ok?

I'm a student from England, and I'm studying Frank Water. I'm being paid by a grant from the UK government to study their projects in this area. I would like to ask you little bit about your work and the projects here in Anantpur, especially in Nasanakota and Kanaganapalli. You don't have to answer any questions if you don't want to and you can stop the interview at any time. All of the information will be kept on secure computers. And if you later want to change your mind about something that you told me you can contact me or Sreenivas, who will let me know.

Do you have any questions?

#### **A. Professional role**

1. What is your name?
2. What is your title in Naandi?
3. What do you do for your job?
4. Who do you work with?
5. How long have you been working here?
6. What did you do before?
7. Why did you decide to work here?
8. What are your aims for the future?
9. Can I also ask if you have a contract? (I'm studying this from what's termed a Socio-Legal perspective, which is a combination of Sociology and Law, which means that I'm interested in whether legal contracts are important or if most of the work is based on personal relationships and so on).

#### **B. Work with Government**

1. I understand that you engage with MPs and MLAs? What work do you do with them?
2. Why do you engage with them?
3. How else is the government involved in the projects?
4. How do you find working with the government?
5. Is there a difference between working with the government and working with private organisations or other NGOs?
6. Which other organisations do you work with?

### C. Projects

1. How many villages do you work with?
2. Can you tell me a bit about how you first started work in this area?
3. How many projects are there in this area? What stage are they at?
4. What kinds of problems have there been?
5. What are the future plans for this area?
6. What is the agriculture and weather of this area like? Has it changed over time? How have people responded to this?

### D. Nasanakota

**(Mandal: Ramagiri, District: Anantapur, Technology: RO, Capacity: 1000, inaugurated 24.01.10)**

Could I ask for some background information on the project at Nasanakota?

#### I) Basic Statistics

1. Could I have the names, contact details and a bit of information on the FC, SWP, Operator, Sarpanch, other Panchayat members, donors, other key persons?
2. Population, broken down by APL/BPL and caste (SC/ST) (and other PIR info)
3. **Other water sources and service providers**/history of water in the area
4. Number of registrations and revenue

From Sales:

*Jan- 94*

*Feb- 147*

5. Cost breakdown by contributors
6. Caste- what are the groups in the village? How segregated is the village?
7. What is the layout of the village? Could I get map from the village registry office?
8. Politics- what are the political dynamics in the village?
9. Self-help groups, and any other groups e.g. water user committees

#### II) History of the project

1. Can you tell me how the project at Nasanakota started?
2. And then what happened [prompt for: factors taken into account in order to approve, who approved it, technology/water quality- **especially why chose RO-**, community contribution, decision to work with Frank, water source, site, **legal documentation** (MoU, Panchayat Resolution, other), construction, RWS inspection, electricity, inauguration, hiring staff, education/outreach]  
- see timeline (ask about each stage)
3. What do you think the most important decisions were that had to be made? And what do you think the most important decisions were that you personally had to make?
4. Who have been the most important people?
5. How has it gone since it was inaugurated?
6. Have there been any problems?
7. What do you think has worked well?
8. And what would you like to improve?
9. What are future plans at the plant? (monitoring and evaluation)

### E. Kanaganapalli

**(Mandal: Kanaganapalli, District: Anantapur, Technology: RO, Capacity: 1000, inaugurated 24.01.10)**

Could I ask for some background information on the project at Kanaganapalli?

**I) Basic Statistics**

1. Could I have the names, contact details and a bit of information on the FC, SWP, Operator, Sarpanch, other Panchayat members, donors, other key persons?

*Sarpanch- J. Jaylaxmi*

*Village secretary- A. Manorama*

2. Population, broken down by APL/BPL and caste (SC/ST) (and other PIR info)

*Total population= 11800*

*SC- 2700*

*ST- 1800*

*BC- 5500*

*OC- 1800*

*Households*

*Total= 1930*

*SC- 550*

*ST- 350*

*BC- 680*

*OC- 350*

*APL cards*

*Total- 555*

*SC- 25*

*ST- 5*

*BC- 225*

*OC- 300*

*BPL cards*

*Total- 1105*

*SC- 450*

*ST- 300*

*BC- 350*

*OC- 5*

*See PIR Form for further details*

**Questions (From PIR)**

- *What is an APL card?*
- *Why are BPL figures so low?*
- *How did you collect this PIR info?*
- *Availability of work: is six months based on NREG?*
- *Where does the RWS water come from?*
- *What is the history of water provision in the area? Are there any private providers?*
- *What is the source of contamination? What is the level of TDS? Is it above the permissible level?*

3. Number of registrations and revenue

(From Sales)

Jan- 126 cards

Feb- 74 cards

4. Cost breakdown by contributors
5. Caste- what are the groups in the village? How segregated is the village?
6. What is the layout of the village? Could I get map from the village registry office?

*Habitations (household/population):*

- *Kanaganapally (1200/6000)*
  - *Ramapuram (150/1000)*
  - *Konapuram (300/2500)*
  - *Balapuram (280/2300)*
7. Politics- what are the political dynamics in the village?
  8. Self-help groups, and any other groups e.g. water user committees

## II) History of the project

1. Can you tell me how the project at Kanaganapalli started?
2. And then what happened [prompt for: factors taken into account in order to approve, who approved it, technology/water quality- **especially why chose RO-**, community contribution, decision to work with Frank, water source, site, **legal documentation** (MoU, Panchayat Resolution, other), construction, RWS inspection, electricity, inauguration, hiring staff, education/outreach]
  - see timeline (ask about each stage)
3. What do you think the most important decisions were that had to be made? And what do you think the most important decisions were that you personally had to make?
4. Who have been the most important people?
5. How has it gone since it was inaugurated?
6. Have there been any problems?
7. What do you think has worked well?
8. And what would you like to improve?
9. What are future plans at the plant? (monitoring and evaluation)

Anything else?

Thank you very much.

## D.9 OPERATOR(S)

### Introduction

Is it ok if I record this conversation? The reason I'm doing this is so that I don't have to write down everything as you speak.

I'm a student from England. I'm being paid by a grant from the UK government to study water projects in this area. I would like to ask you little bit about your work and the project here in Nasanakota/Kanaganapalli. You don't have to answer any questions if you don't want to and you can stop the interview at any time. All of the information will be kept on secure computers. And if you later want to change your mind about something that you told me you can contact me or the Team Leader/Sreenivas, who will let me know.

Do you have any questions?

**Technical issues:**

1. What is the source of water for the plant?
2. Can you show me the process of how it gets treated? [ask to see all the different parts of the plant and how it works]
3. What do you have to do for your work? i.e. What do you do on a typical day of work?
4. Do you ever have any problems that you have to deal with? Who would you speak to if there was a problem?
5. Do you need to do any maintenance? What happens if you need to replace a part?
6. Do you test the water? How often? Does the water quality change?
7. How often do you speak to Naandi staff? Who do you meet? Do people come to visit here?
8. Who else do you speak to about the plant?

**Registrations:**

9. How many registrations are there at the plant? (how much does it cost to register? And how much does it cost per can?)
10. What times of day do people collect water?
11. What is the money from selling the water used for?
12. What do people say to you about the water?
13. What do you think would make more people buy the water?
14. Did you know about this water plant before it was built? How did you hear about it? How long did it take to get built? And after it was first announced, then what happened? (Tell me about the process of constructing the plant...)

**The job:**

15. How long have you worked here?
16. What did you do before?
17. Why did you decide to apply for this job?
18. How did you apply for the job? Did you have an interview? Who interviewed you?
19. What training did you do?
20. What times do you work?
21. How many days per week?
22. Do you have any holidays?
23. Do you have a contract with Naandi?

**Involvement in the community**

24. Are you a member of any groups in the village?
25. Do you go to any meetings in the village? How often does the Panchayat have a meeting?

**Demographic information**

I would also just like to ask for a little bit of information about yourself and your family.

26. What is your name?
27. Gender (observed)

28. Can I ask where you live (as specific as possible)? How far away from the plant is that?
29. Who do you live with
- i) If there are children, how old are they?
30. Have you lived here for a long time? If not, where did you live before?

Do you have anything else that you would like to add?

Thank you very much.

## **D.10 SAFE WATER PROMOTER(S)**

### **Introduction**

Is it ok if I record this conversation? The reason I'm doing this is so that I don't have to write down everything as you speak.

I'm a student from England. I'm being paid by a grant from the UK government to study water projects in this area. I would like to ask you little bit about your work and the project here in Nasanakota/Kanaganapalli. You don't have to answer any questions if you don't want to and you can stop the interview at any time. All of the information will be kept on secure computers. And if you later want to change your mind about something that you told me you can contact me or the Team Leader/Sreenivas, who will let me know.

Do you have any questions?

**Registrations** (Some of these questions might already have been answered by the Operator. If so, skip them)

1. How many registrations are there at the plant? (how much does it cost to register? And how much does it cost per can?)
2. What times of day do people collect water?
3. What is the money from selling the water used for?
4. What do people say to you about the water?
5. What do you think would make more people buy the water?
6. Do you ever have any problems? Who would you speak to if there was a problem?
7. Do Naandi staff visit here? Who else do you speak to about the plant?
8. Did you know about this water plant before it was built? How did you hear about it? How long did it take to get built? And after it was first announced, then what happened? (Tell me about the process of constructing the plant...)

### **Promoting safe water:**

9. What do you have to do for your work?
10. How do you teach people about safe water?
11. Who do you teach about safe water?/Who do you speak to about safe water?
12. Which areas of the village do you go to?
13. Who do you think is most vulnerable to water problems?

**The job:**

14. How long have you worked here?
15. What did you do before?
16. Why did you decide to apply for this job?
17. How did you apply for the job? Did you have an interview? Who interviewed you?
18. What training did you do?
19. What times do you work?
20. How many days per week?
21. Do you have any holidays?
22. Do you have a contract with Naandi?

**Involvement in the community**

23. Are you a member of any groups in the village?
24. Do you go to any meetings in the village? How often does the Panchayat have a meeting?

**Demographic information**

I would also just like to ask for a little bit of information about yourself and your family.

25. What is your name?
26. Gender (observed)
27. Can I ask where you live (as specific as possible)? How far away from the plant is that?
28. Who do you live with
- ii) If there are children, how old are they?
29. Have you lived here for a long time? If not, where did you live before?

Do you have anything else that you would like to add?

Thank you very much.

**D.11 FIELD CO-ORDINATOR(S)****Introduction**

Is it ok if I record this conversation? The reason I'm doing this is so that I don't have to write down everything as you speak.

I'm a student from England. I'm being paid by a grant from the UK government to study water projects in this area. I would like to ask you little bit about your work and the project here in Nasanakota/Kanaganapalli. You don't have to answer any questions if you don't want to and you can stop the interview at any time. All of the information will be kept on secure computers. And if you later want to change your mind about something that you told me you can contact me or the Team Leader/Sreenivas, who will let me know.

Do you have any questions?

**The Field Co-ordinator's role:**

1. How many villages are you working with?
2. Which areas are they in?
3. How often do you visit villages?
4. When you get to each village, what do you do?
5. What do you think would make more people buy the water?
6. Have you ever dealt with any problems? If there was a problem, who would you speak to?
7. What kind of differences are there between the villages?
8. How do you think Nasanakota/Kanaganapalli compares to the other villages?

**The job:**

9. How long have you worked here?
10. What did you do before?
11. Why did you decide to apply for this job?
12. How did you apply for the job? Did you have an interview? Who interviewed you?
13. What training did you do?
14. What times do you work?
15. How many days per week?
16. Do you have any holidays?
17. Do you have a contract with Naandi?

**Demographic information**

18. What is your name?
19. Gender (observed)
20. Can I ask where you live? Have you lived there for a long time? If not, where did you live before?

Do you have anything else that you would like to add?

Thank you very much.

**D.12 SARPANCH**

**Introduction**

Is it ok if I record this conversation? The reason I'm doing this is so that I don't have to write down everything as you speak.

I'm a student from England. I'm being paid by a grant from the UK government to study water projects in this area. I would like to ask you little bit about your work and the RO project here in Nasanakota/Kanaganapalli. You don't have to answer any questions if you don't want to and you can stop the interview at any time. All of the information will be kept on secure computers. And if you later want to change your mind about something that you told me you can contact me or the Naandi Team Leader/Sreenivas, who will let me know.

Do you have any questions?

**A. Water projects**

1. How did the project of building a water plant first start? Why was it decided that a water plant was needed?
2. Where did people get water from before?
3. What was the problem with this water? Why do you think this was?(i.e. why are pipes broken and where is the pollution coming from etc?)
4. Can you tell me a bit about the process of setting up the water plant?

[Prompts, if necessary:

5. Who decided to build a water plant?
6. So after it was decided that a water plant needed to be built, then what happened?
7. How did you decide which technology to use?
8. How did you first hear about Naandi?
9. What meetings did you have before the plant was built?
10. What documents had to be completed?
11. How did you get the community contribution? Where did that money come from?
12. How did you decide the water source?
13. How did you decide the location of the plant?
14. How long did it take for the plant to be completed?
15. Were there any problems and how were they resolved?
16. How did you decide when the plant was to be inaugurated?
17. How did you hire the operator and SWP?]

18. Who are the other main people who have been involved in the water project?

19. How many people are buying the water?
20. Which groups are not buying the water? Why do you think this is?
21. What do you think would make more people have clean water?
22. Where do you get your water from yourself? Why?

#### **B. Professional role**

23. How long have you been Sarpanch in this village?
24. What did you do before?
25. What made you decide to run for Sarpanch?
26. What are your main responsibilities as Sarpanch?/ What do you do?
27. Before this plant was built, did you speak to other people in government about the water situation? What did they do?
28. Who else do you work with? Do you have someone to help you with your work?
29. How often do you have meetings with your ward members? What do you discuss?
30. How often do you have Gram Sabha meetings? What do you discuss?
31. Do you interact with the Mandal/Zilla/District/other levels of government? What other meetings do you have?

#### **C. About the village?**

32. What do people in the village do for a living?
33. What are the main problems in the village?
34. What things do people come to see you about?
35. How many people below poverty are there? Why do you think these people are below poverty?
36. Apart from the Naandi water project, are there any other development schemes in this area?

#### **D. Demographic**

37. What is your name?
38. Gender (observed)
39. Can I ask where you live? How long have you lived there? Where did you live before?
40. Who do live with?
  - ii) If there are children, how old are they?
41. Can I ask which political party you represent?
42. And can I also ask if you would identify yourself with a particular religion, caste, income group or other group? / Do you have a ration card and if so which one?

Do you have anything else that you would like to add?

Thank you very much.

### **D.13 VILLAGE REVENUE OFFICER (VRO)/VILLAGE SECRETARY**

#### **Introduction**

Is it ok if I record this conversation? The reason I'm doing this is so that I don't have to write down everything as you speak.

I'm a student from England. I'm being paid by a grant from the UK government to study water projects in this area. I would like to ask you little bit about your work and the RO project here in Nasanakota/Kanaganapalli. You don't have to answer any questions if you don't want to and you can stop the interview at any time. All of the information will be kept on secure computers. And if you later want to change your mind about something that you told me you can contact me or the Naandi Team Leader/Sreenivas, who will let me know.

Do you have any questions?

#### **A. Data**

1. Could I check the demographic data of this village with you? [See PIR form]
2. When were these records collected?
3. How were they collected?
4. Could I have a map of the village? And could you explain the different areas of the village to me?

#### **B. Issues in the village and water**

5. What do you think the main problems in the village are?
6. What do people come to see you about?
7. What is the water situation like in the village?
8. When did you first hear about the new water plant?
9. Where do you get your water from? Why?

#### **C. Professional role**

10. What is your official job title?
11. How long have you been working here

12. What did you do before?
13. What made you decide to do this job?
14. What are your main responsibilities?/ What do you do for your work?
15. Who else do you work with?
16. What meetings do you have?

**D. Demographic**

17. What is your name?
18. Gender (observed)
19. Can I ask where you live? How long have you lived there? Where did you live before?
20. Who do live with?
- iii) If there are children, how old are they?
21. Can I ask if you represent a political party?
22. And can I also ask if you would identify yourself with a particular religion, caste, income group or other group? / Do you have a ration card and if so which one?

Do you have anything else to add?

Thank you very much.

**D.14 DISTRICT/ZILLA/MANDAL-LEVEL OFFICER**

**Introduction**

Is it ok if I record this conversation? The reason I'm doing this is so that I don't have to write down everything as you speak.

I'm a student from England. I'm being paid by a grant from the UK government to study water projects in this area. I would like to ask you little bit about your work and water projects in the district of Anantapur. You don't have to answer any questions if you don't want to and you can stop the interview at any time. All of the information will be kept on secure computers. And if you later want to change your mind about something that you told me you can contact me or the Naandi Team Leader/Sreenivas, who will let me know.

Do you have any questions?

**A. Development and Water Issues**

1. What do most people in this mandal/district do for an income?/What is the main source of employment?
2. What are the main agricultural crops?
3. What do you think the main problems of this area are?
4. What kind of programmes has the government been implementing for them?
5. What changes have there been over the years?
6. Which government body is responsible for drinking water?
7. What programmes have there been for drinking water?
8. What have been the main problems in the area of drinking water?
9. Apart from the government, who else provides drinking water?
10. What do you think of the role of NGOs?

**B. Professional role**

11. What is your name?

12. What is your official job title?
13. How long have you been working here?
14. What did you do before?
15. What made you decide to do this job?
16. What are your main responsibilities?/ What do you do for your work?
17. Who else do you work with? Which other government bodies do you co-ordinate with?

Do you have anything else to add?  
Thank you very much for your time.

## **D.15 WARD MEMBERS**

### **Introduction**

Is it ok if I record this conversation? The reason I'm doing this is so that I don't have to write down everything as you speak.

I'm a student from England. I'm being paid by a grant from the UK government to study water projects in this area. I would like to ask you little bit about your work and the project here in Nasanakota/Kanaganapalli. You don't have to answer any questions if you don't want to and you can stop the interview at any time. All of the information will be kept on secure computers. And if you later want to change your mind about something that you told me you can contact me or the Naandi Team Leader/Sreenivas, who will let me know.

Do you have any questions?

### **A. Water projects**

1. How did the project of building a water plant first start? Why was it decided that a water plant was needed?
2. Where did people get water from before?
3. What was the problem with this water? Why do you think this was?(i.e. why are pipes broken and where is the pollution coming from etc?)
4. Can you tell me a bit about the process of setting up the water plant?

[Prompts, if necessary:

5. Who decided to build a water plant?
6. So after it was decided that a water plant needed to be built, then what happened?
7. How did you decide which technology to use?
8. What do people think of Reverse Osmosis?
9. How did you first hear about Naandi?
10. What meetings did you have before the plant was built?
11. What documents had to be completed?
12. How did you get the community contribution? Where did that money come from?
13. How did you decide the water source?
14. How did you decide the location of the plant?
15. How long did it take for the plant to be completed?
16. Were there any problems and how were they resolved?
17. How did you decide when the plant was to be inaugurated?
18. How did you hire the operator and SWP?]

19. Who are the other main people who have been involved in the water project?

20. How many people are buying the water?
21. Which groups are not buying the water? Why do you think this is?
22. What do you think would make more people have clean water?
23. Where do you get your water from yourself? Why?

**B. Professional role**

24. How long have you been a ward member in this village?
25. What made you decide to be a ward member?
26. What are your main responsibilities as a ward member?/ What do you do?
27. Which ward do you represent?
28. Do you speak to people in your ward about problems? What problems do they tel you about?
29. What do they tell you about drinking water?
30. What do they tell you about the new RO plant?
31. How often do you have meetings?
32. Do you get paid?
33. What do you discuss at these meetings?
34. How often is there a Gram Sabha? What is discussed at the Gram Sabha?

**C. About the village?**

35. What do people in the village do for a living?
36. What are the main problems in the village?
37. How many people below poverty are there? Why do you think these people are below poverty?
38. Apart from the Naandi water project, are there any other development schemes in this area?

**D. Demographic**

39. What is your name?
40. Gender (observed)
41. Can I ask where you live? How long have you lived there? Where did you live before?
42. Who do live with?
- iv) If there are children, how old are they?
43. Can I ask which political party you represent?
44. And can I also ask if you would identify yourself with a particular religion, caste, income group or other group? / Do you have a ration card and if so which one?

Do you have anything else that you would like to add?

Thank you very much.

**D.16 DONORS AND KEY PERSONS**

**Introduction**

Is it ok if I record this conversation? The reason I'm doing this is so that I don't have to write down everything as you speak.

I'm a student from England. I'm being paid by a grant from the UK government to study water projects in this area. I would like to ask you little bit about the project here in Nasanakota/Kanaganapalli. You don't have to answer any questions if you don't want to and you can stop the interview at any time. All of the information will be kept on secure computers. And if you later want to change your mind about something that you told me you can contact me or the Naandi Team Leader/Sreenivas, who will let me know.

Do you have any questions?

**A. Water projects**

1. How did the project of building a water plant first start? Why was it decided that a water plant was needed?
2. Where did people get water from before?
3. What was the problem with this water? Why do you think this was?(i.e. why are pipes broken and where is the pollution coming from etc?)
4. Why did you decide to donate to the water plant?
5. Can you tell me a bit about the process of setting up the water plant?

[Prompts, if necessary:

6. Who decided to build a water plant?
7. So after it was decided that a water plant needed to be built, then what happened?
8. How did you decide which technology to use?
9. What do people think of Reverse Osmosis?
10. How did you first hear about Naandi?
11. What meetings did you have before the plant was built?
12. What documents had to be completed?
13. How did you get the community contribution? Where did that money come from?
14. How did you decide the water source?
15. How did you decide the location of the plant?
16. How long did it take for the plant to be completed?
17. Were there any problems and how were they resolved?
18. How did you decide when the plant was to be inaugurated?
19. How did you hire the operator and SWP?]

20. Who are the other main people who have been involved in the water project?

21. How many people are buying the water?
22. Which groups are not buying the water? Why do you think this is?
23. What do you think would make more people have clean water?
24. Where do you get your water from yourself? Why?

**B. Demographic**

25. What is your name?
26. Gender (observed)
27. Can I ask where you live? How long have you lived there? Where did you live before?
28. Who do live with?
  - If there are children, how old are they?
29. Can I ask what you do for an income?

30. And can I also ask if you would identify yourself with a particular religion, caste, income group or other group? / Do you have a ration card and if so which one?

Is there anything else you would like to add?

Thank you very much.

## **D.17 TEACHER(S)**

### **Introduction**

Is it ok if I record this conversation? The reason I'm doing this is so that I don't have to write down everything as you speak.

I'm a student from England. I'm being paid by a grant from the UK government to study water projects in this area. I would like to ask you little bit about the school, children and drinking water here in Nasanakota/Kanaganapalli. You don't have to answer any questions if you don't want to and you can stop the interview at any time. All of the information will be kept on secure computers. And if you later want to change your mind about something that you told me you can contact me or the Naandi Team Leader/Sreenivas, who will let me know.

Do you have any questions?

### **A. About the school**

1. How many schools are there in this area?
2. And how many children are enrolled here?
3. What ages are they?
4. What proportion of children in the village would you say attend school?
5. When they are absent, why is this?
6. Which children are absent most?

### **B. Water issues**

7. What health problems do you think affect children?
8. Are any of these related to contaminated water?
9. Which children are most affected by contaminated water?
10. Does the school buy water from the plant? Why or why not?
11. How did you first hear about the plant?
12. Why was it decided to build a plant here?
13. How long did it take to build?
14. Where did people get water from before?
15. Who have been the key people involved in the plant?
16. Who else is influential in the village?

### **C. Education**

17. What do the children learn about water?
18. Do any organisations come and do workshops in the school?
19. Have you met with any of the Naandi staff? Do they come here?

### **D. Local governance**

20. What are the main problems that affect children?
21. If there is a problem affecting children, who would you speak to about it?
22. Do you interact with the Panchayat or local government?
23. What do you talk to them about?
24. Are you a member of any other groups?

**E. Demographic and teaching role**

25. What is your name?
26. Gender (observed)
27. How long have you been working as a teacher here?
28. Which class do you teach?
29. Do you live locally?

Do you want to add anything else?

Thank you very much.

## **D.18 DOCTOR/REGISTERED MEDICAL PRACTITIONER (RMP)/HEALTH WORKER**

### **Introduction**

Is it ok if I record this conversation? The reason I'm doing this is so that I don't have to write down everything as you speak.

I'm a student from England. I'm being paid by a grant from the UK government to study water projects in this area. I would like to ask you little bit about health and drinking water here in Nasanakota/Kanaganapalli. You don't have to answer any questions if you don't want to and you can stop the interview at any time. All of the information will be kept on secure computers. And if you later want to change your mind about something that you told me you can contact me or the Naandi Team Leader/Sreenivas, who will let me know.

Do you have any questions?

### **A. Water Issues**

1. What are the main health problems in the village?
2. Which of these are related to water?
3. How many people are affected by these?
4. Which groups of people are most affected? Why?
5. Have you noticed any changes in the number of cases?
6. Do you discuss water issues with your patients? What do you say?
7. Where do most people get their drinking water from?
8. Do they treat it? If so, how do they treat it?
9. Do you know about the RO plant here?
10. When did you first hear about it?
11. What do you think is causing the contamination of the water here?
12. Who are the most influential people here in the village?

## **B. Demographic**

13. What is your name?
14. Gender (observed)
15. How long have you been working as a doctor here?
16. Do you live locally?
17. Do you work in other villages?
18. Are there any differences between those villages and here?

Do you have anything else to add?

Thank you very much.

## **D.19 REGISTERED WATER USERS**

At least five water users will be selected from the water collection point. If it is found that people don't have time to speak whilst they are collecting water then I will schedule a time that is convenient to them to hold the interview. By selecting people from the collection point it might skew the interviews to those that live close by. If water is also delivered to locations on the outskirts of the village then I will also arrange to do interviews with registered users from those areas at their homes. The water users should also be a representative mix of caste, gender and religion.

### **Introduction**

I'm doing some research on drinking water here. Do you have time to answer a few questions? If not, could I arrange a time to speak to you later? If you do not want to that's ok.

Is it ok if I record this conversation? The reason I'm doing this is so that I don't have to write down everything as you speak.

I'm a student from England. I'm being paid by a grant from the UK government to study water projects in this area. I would like to ask you little bit about drinking water and Nasanakota/Kanaganapalli. You don't have to answer any questions if you don't want to and you can stop the interview at any time. All of the information will be kept on secure computers. And if you later want to change your mind about something that you told me you can contact me or the Naandi Team Leader/Sreenivas, who will let me know.

Do you have any questions?

### **A. Water use**

1. How long have you been buying water from the Naandi plant?
2. Where did you get your drinking water from before?
3. Why did you decide to buy your water from here instead?
4. How often do you collect water from here?
5. [What time of day do you normally come?
6. How much do you collect?
7. What will you use this water for?]
8. Have you had any health problems in your household from drinking water?

### **B. Involvement in the project**

9. [When did you first hear about the plant?

10. Were there any meetings about it? What did you discuss?
11. Why was it decided to use RO technology?
12. How was the location decided?]
13. What do you think about the project and this water?
14. Who do you think have been the key people involved in this project?
15. If you had a problem with water, who would you speak to?
16. Who else do you speak to about water? Do you discuss drinking water with your friends or neighbours?
17. Have there been any educational campaigns in this village about drinking water?
18. [Are there some people not buying the water? Why do you think they don't buy it?]

**C. Local governance**

19. Are you a member of any groups? If so, what groups? How long have you been a member?
20. What other meetings are there in the village? When did you first start going to these meetings?

**D. Demographic**

21. Where do you live?
22. What do you do for work?
23. How many people are there in your household?
24. And can I also ask if you would identify yourself with a particular religion, caste, income group or other group? / Do you have a ration card and if so which one?

Do you have anything else to add?

Would you mind if I take your name so that I can contact you again if I have further questions?

Thank you very much.

**If there is extra time:**

Could you tell me a bit about the history of the project:

- i) Why was it decided that a water plant was needed in the village?
- ii) Were there any meetings in the village about the project? Did you go? If so, can you tell me a bit about what was discussed at the meeting and who was there?
- iii) Were you asked to contribute money or labour to the plant? Did you? Why or why not?
- iv) Do you know how the money was raised for the plant?/Who paid for the plant?
- v) How was it decided where the plant should be built?
- vi) Who worked on construction/building the plant?
- vii) Did you attend the inauguration? Can you tell me a bit about what happens at the inauguration?
- viii) Who do you think have been the most influential people?
- ix) Have there been any problems at the plant? What happened?

- xi) If there was a problem at the plant now, what would you do?
- xii) What do you think would improve the project?

## **D.20 NON-REGISTERED WATER USERS**

At least five interviews will be conducted with people who are using different water sources, including at least one interview in each habitation in and around the village. The interviews should also be a representative mix of caste, gender and religion. The aim will be to interview people who are not registered users of the Naandi water. The first question will therefore be where they collect their drinking water from. If they are buying from the Naandi plant, then the interview will revert to the above schedule. If they are not a registered user then the interview will proceed as follows:

### **Introduction**

I'm doing some research on drinking water here. Do you have time to answer a few questions? If not, could I arrange a time to speak to you later? If you do not want to that's ok.

Is it ok if I record this conversation? The reason I'm doing this is so that I don't have to write down everything as you speak.

I'm a student from England. I'm being paid by a grant from the UK government to study water projects in this area. I would like to ask you little bit about drinking water and Nasanakota/Kanaganapalli. You don't have to answer any questions if you don't want to and you can stop the interview at any time. All of the information will be kept on secure computers. And if you later want to change your mind about something that you told me you can contact me or the Naandi Team Leader/Sreenivas, who will let me know.

Do you have any questions?

### **A. Water use**

1. Where do you get your drinking water from?
2. How far away is that from your home? How long does it take to get there?
3. Do you always collect water from there? Do you get drinking water from anywhere else?
4. [What time of day do you normally collect water?
5. How much do you collect?
6. What will you use this water for?]
7. Have you heard about the Naandi plant? When did you hear about it?
8. Why do you not collect water from there?
9. If there was a problem with this water, who would you speak to?
10. Which other people in the village are influential?
11. Who else do you speak to about water?
12. Do you discuss drinking water with your friends or neighbours?

### **B. Health and Education**

13. Have you had any health problems in your household from drinking water?

14. Have there been any educational campaigns in the village about drinking water?

**C. Local governance**

15. Are you a member of any groups? If so, what groups? How long have you been a member?

16. What other meetings are there in the village? When did you first start going to these meetings?

**D. Demographic**

17. Where do you live?

18. What do you do for work?

19. How many people are there in your household?

20. And can I also ask if you would identify yourself with a particular religion, caste, income group or other group? / Do you have a ration card and if so which one?

Do you have anything else to add?

Would you mind if I take your name so I can contact you if I have any further questions?

Thank you very much.

## **D.21 SELF-HELP GROUP**

### **Introduction**

Is it ok if I record this conversation? The reason I'm doing this is so that I don't have to write down everything as you speak.

I'm a student from England. I'm being paid by a grant from the UK government to study water projects in this area. I would like to ask you little bit about your self-help group and drinking water in Nasanakota/Kanaganapalli. You don't have to answer any questions if you don't want to and you can stop the interview at any time. All of the information will be kept on secure computers. And if you later want to change your mind about something that you told me you can contact me or the Naandi Team Leader/Sreenivas, who will let me know.

Do you have any questions?

### **Self-Help Groups**

1. How often do you meet?
2. What do you discuss during your meetings?
3. When was this group formed? Did you have any groups before that?
4. How many members do you have?
5. How many other groups are there?
6. What are the differences between the groups?
7. Do you have meetings with the Panchayat/Mandal/Zilla/District officials? What do you discuss?
8. Have there been any changes to the SHGs over the years?

### **Village Issues**

9. What do you think the main problems of the village are?
10. Who do you speak to about these problems?
11. What has been done?
12. Who else is influential in the village?

### **Water Issues**

13. What are the main sources of drinking water in the village?
14. What are the problems with those sources?
15. Are you buying water from the Naandi plant now? Why or why not?
16. Which groups are not buying the water?
17. What do you think would make more people buy the water?

### **And history of the plant:**

Could you tell me a bit about the history of the project:

- i) Why was it decided that a water plant was needed in the village?
- iii) Were there any meetings in the village about the project? Did you go? If so, can you tell me a bit about what was discussed at the meeting and who was there?
- iv) Were you asked to contribute money or labour to the plant? Did you? Why or why not?
- v) Do you know how the money was raised for the plant?/Who paid for the plant?

- vi) How was it decided where the plant should be built?
- vii) Who worked on construction/building the plant?
- viii) Did you attend the inauguration? Can you tell me a bit about what happens at the inauguration?
- ix) Who do you think have been the most influential people?
- x) Have there been any problems at the plant? What happened?
- xi) If there was a problem at the plant now, what would you do?
- xii) What do you think would improve the project?

Do you have anything else to add?  
Thank you very much.

**Other possible groups: senior citizens, employees transporting water, other community groups (to be identified from other interviews).**

## **D.22 UPDATE ON NELLUTLA**

[To check with Sreenivas- directions, and who is going to be there and will they be able to translate?]

- PHOTOS

Health camp

1. What is happening at this health camp today?
2. Any issues related to water?
3. How did this partnership between Dr Reddy's laboratories and Naandi begin?
4. Why did you decide to come to this village?

Plant

5. How much electricity is there now?
6. What difference has this made?
7. How many registrations do you have?
8. Have you had any problems?
9. What are your plans for the future now?

Additional

10. What education/outreach work have you been doing?/how will you try to increase the number of registrations?
11. Is water being provided for the school?
12. Why was it difficult at the beginning to get a community contribution? What led to the resolution in the end?)
13. Have there been any more meetings about the plant?
14. Which Naandi staff have you been speaking to recently?
15. Has Nageshwar Rao (FC) been here? How often does he come? What does he do?

## Appendix E: Tree Nodes on NVivo

### Tree Nodes

Name	Sources	Referenc	Created On	Created By
A. Background	0	0	14/02/2011 11:50	SS
Village Information	0	0	14/02/2011 12:27	SS
Population	8	10	14/02/2011 11:50	SS
Geography	7	8	14/02/2011 11:50	SS
Facilities	8	13	14/02/2011 11:50	SS
Environment	2	2	14/02/2011 11:51	SS
Changes over last 25 yrs	3	4	14/02/2011 11:51	
Coping strategies	4	4	14/02/2011 11:51	
Pollution	2	2	14/02/2011 11:52	
Water sources	12	15	14/02/2011 11:51	
Weather and flooding or droughts	16	22	14/02/2011 11:51	
Employment	17	22	14/02/2011 11:50	SS
Agriculture	16	21	14/02/2011 11:51	SS
Stats on drinking water	2	3	02/03/2011 12:02	SS
Political context	1	1	04/03/2011 14:55	SS
Development context	1	1	04/03/2011 14:49	SS
B. Incentives	0	0	14/02/2011 11:52	SS
Technology partners	0	0	14/02/2011 11:58	SS
Technology	3	5	16/02/2011 17:35	SS
Tata new plant	1	1	25/03/2011 13:13	SS
Role in projects	5	9	14/02/2011 11:58	SS
Relationship with Naandi	3	4	14/02/2011 11:58	SS
Relationship with Frank	3	3	14/02/2011 11:58	SS
Reasons for involvement	2	2	14/02/2011 11:58	SS
Quality	2	5	17/02/2011 15:03	SS
Innovation	2	4	14/02/2011 11:58	SS
CSR	3	8	17/02/2011 14:48	SS
Cost	1	1	14/02/2011 11:59	SS
Company overview	2	6	17/02/2011 14:37	SS
Projects	0	0	24/02/2011 18:31	SS
Use of water	24	37	14/02/2011 11:55	SS
Reasons for not buying water	24	32	14/02/2011 11:55	SS
Reasons for involvement	8	14	28/02/2011 11:45	SS

## Tree Nodes

Name	Sources	Refer	Created On	Created By
Reasons for buying water	16	23	14/02/2011 11:55	SS
Paying for water	18	25	17/02/2011 14:52	SS
Outcomes	1	1	14/02/2011 11:56	SS
Health	43	66	14/02/2011 13:49	
Knowledge	3	3	27/02/2011 10:12	
Revenue	1	1	28/02/2011 16:29	
Schools	0	0	14/02/2011 15:01	
Ages	5	6	14/02/2011 15:01	
Attendance	3	3	14/02/2011 15:01	
Demographics	1	1	14/02/2011 15:01	
Drinking water	6	7	14/02/2011 15:01	
Education	3	5	14/02/2011 15:01	
Health	4	5	14/02/2011 15:01	
Number of children	4	5	14/02/2011 15:01	
Other	5	8	14/02/2011 15:01	
Other schools	4	5	14/02/2011 15:01	
Timetable	1	1	14/02/2011 15:01	
Uptake	22	28	14/02/2011 14:21	
Water quality	3	3	28/02/2011 13:28	
Who collects water	7	8	14/02/2011 11:57	
Feedback	18	31	14/02/2011 11:55	SS
Competing or other water sources	45	82	14/02/2011 11:55	SS
Alternative models of water provision	14	21	17/02/2011 14:04	SS
Naandi	0	0	14/02/2011 11:57	SS
Water division	13	18	17/02/2011 16:41	SS
Training	7	7	17/02/2011 10:20	SS
Staff turnover	4	5	25/02/2011 11:45	SS
Staff issues	8	12	28/02/2011 11:28	SS
Role	11	24	14/02/2011 11:57	SS
Research	1	1	01/03/2011 13:09	SS
Reporting	4	7	01/03/2011 13:05	SS
Relationship with Frank	8	17	28/02/2011 11:30	SS
Reasons for joining Naandi	10	12	14/02/2011 11:57	SS
Previous employment	13	23	14/02/2011 11:58	SS
Other divisions	3	3	27/02/2011 13:46	SS
Organisational structure	12	30	14/02/2011 11:58	SS
Organisational history	1	3	17/02/2011 16:40	SS

## Tree Nodes

Name	Sources	Refer	Created On	Created By
Interaction between departments	4	6	25/02/2011 10:36	SS
Incentives and goals	7	12	17/02/2011 16:37	SS
How long worked for Naandi	11	12	14/02/2011 12:21	SS
Financing	1	1	01/03/2011 12:00	SS
Delegating to other NGOs	1	1	01/03/2011 14:01	SS
Changes over time	1	2	25/03/2011 14:01	SS
Accounting	1	1	25/03/2011 14:27	SS

Name	Sources	Referenc	Created On	Created By
FRANK Water	0	0	02/03/2011 11:17	SS

Name	Sources	Refer	Created On	Created By
Trustees	2	4	25/03/2011 11:08	SS
Strategy and objectives	4	6	04/03/2011 14:12	SS
Staffing	5	11	02/03/2011 11:18	SS
Project criteria	2	2	04/03/2011 14:50	SS
Links to other orgs	2	2	25/03/2011 12:22	SS
History	1	1	02/03/2011 11:15	SS
FWP	0	0	02/03/2011 10:02	SS

Name	Sources	Referenc	Created On
Evaluation	1	2	02/03/2011 11:52
Events	1	3	02/03/2011 10:41
Fundraising	2	2	02/03/2011 10:06

Name	Sources	References	Created On
Concept of giving	2	2	02/03/2011 12:02
Donors	4	14	02/03/2011 10:05
Jerry Christmas	2	2	02/03/2011 11:42
Sporting events	2	2	02/03/2011 10:30

Name	Sources	Referenc	Created On
New NGOs	1	1	02/03/2011 11:51
Project visits	3	8	02/03/2011 11:22
Relationship with Naandi	6	45	02/03/2011 10:03
Sub-donors	3	6	25/03/2011 11:38

Name	Sources	Refer	Created On	Created By
FWL	0	0	02/03/2011 10:38	SS

Name	Sources	Referenc	Created On
Bottled Water	6	12	25/02/2011 11:03
Feedback	1	1	25/03/2011 11:20
Festivals	1	3	25/03/2011 11:08
Marketing or publicity	3	15	04/03/2011 14:06
Other ethical waters	4	9	02/03/2011 11:50
Products	2	2	04/03/2011 14:11
Refill	2	2	02/03/2011 11:42
Social enterprise	5	7	02/03/2011 11:43

## Tree Nodes

Name	Sources	Refer	Created On	Created By																																			
<table border="1"> <thead> <tr> <th>Name</th> <th>Sources</th> <th>Refer</th> <th>Created On</th> <th>Created By</th> </tr> </thead> <tbody> <tr> <td>Communications</td> <td>2</td> <td>3</td> <td>25/03/2011 11:26</td> <td>SS</td> </tr> <tr> <td>Changes over time</td> <td>2</td> <td>3</td> <td>04/03/2011 13:54</td> <td>SS</td> </tr> <tr> <td>Campaigns</td> <td>1</td> <td>1</td> <td>02/03/2011 11:43</td> <td>SS</td> </tr> <tr> <td>Accounts</td> <td>1</td> <td>1</td> <td>04/03/2011 14:14</td> <td>SS</td> </tr> </tbody> </table>	Name	Sources	Refer	Created On	Created By	Communications	2	3	25/03/2011 11:26	SS	Changes over time	2	3	04/03/2011 13:54	SS	Campaigns	1	1	02/03/2011 11:43	SS	Accounts	1	1	04/03/2011 14:14	SS														
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Accounts	1	1	04/03/2011 14:14	SS																																			
C. Role of the state	2	3	14/02/2011 11:59	SS																																			
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Partnerships	1	1	27/02/2011 13:43	SS																																			
Local governance	2	2	14/02/2011 14:52	SS																																			
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## Tree Nodes

Name	Sources	Referenc	Created On	Created By
Panchayat agreements	8	8	17/02/2011 10:34	SS
MoU Naandi Frank	2	3	02/03/2011 11:44	SS
MoU Naandi Danone	1	1	25/03/2011 11:11	SS
Employment contracts	1	1	25/02/2011 16:18	SS
Construction agreements	1	1	01/03/2011 14:06	SS
Certification and standards	6	10	14/02/2011 11:59	SS
Communication	0	0	02/03/2011 10:04	SS
D. Social Networks	1	1	14/02/2011 11:59	SS
Tom's work	2	4	04/03/2011 13:51	SS
Social capital	3	4	14/02/2011 12:00	SS
Questions	0	0	17/02/2011 12:55	SS
Go to any meetings	13	16	14/02/2011 12:00	
Gram Sabhas	10	10	14/02/2011 12:00	
How long been attending meetings	8	8	14/02/2011 12:00	
How often visit centre of village	2	3	14/02/2011 12:00	
Member of any groups	16	17	14/02/2011 12:00	
SHGs	19	25	14/02/2011 12:00	
Speak to friends or neighbours	2	2	27/02/2011 11:41	
Process tracing	0	0	14/02/2011 11:53	SS
Water testing	11	15	14/02/2011 11:55	SS
Water source	10	13	14/02/2011 11:54	SS
Waste water	4	5	24/02/2011 18:31	SS
Transport	18	20	14/02/2011 11:55	SS
Time frame	1	1	25/03/2011 14:23	SS
Technology	8	12	25/02/2011 15:02	SS
Staffing	13	15	14/02/2011 11:54	SS
Records	4	8	17/02/2011 16:32	SS
Recontamination	3	3	17/02/2011 16:22	SS
Pricing	8	9	14/02/2011 11:55	SS
Power supply	18	29	14/02/2011 11:54	SS
Ownership	3	5	25/02/2011 17:41	SS
Other	12	19	14/02/2011 14:24	SS
Operation	3	4	25/02/2011 15:52	SS
Opening hours	6	8	14/02/2011 11:55	SS
Monitoring	16	23	14/02/2011 11:55	SS
Maintenance	9	16	14/02/2011 11:54	SS

## Tree Nodes

Name	Sources	Refer	Created On	Created By
Location	12	15	14/02/2011 11:54	SS
Interaction with Naandi	9	14	14/02/2011 13:56	SS
Initiation	12	23	14/02/2011 11:53	SS
Inauguration	7	8	14/02/2011 11:55	SS
IEC	22	36	14/02/2011 13:49	SS
Funding	21	38	14/02/2011 11:54	SS
Feasibility	14	25	17/02/2011 16:11	SS
Expenditure	4	4	14/02/2011 14:21	SS
Evaluation	1	1	28/02/2011 11:36	SS
Construction	11	18	14/02/2011 11:54	SS

Name	Sources	Referenc	Created On	Created By
Personal	0	0	14/02/2011 12:27	SS

Name	Sources	Refer	Created On	Created By
Residence	11	11	14/02/2011 12:28	SS
Place of origin	5	5	14/02/2011 12:28	SS
Occupation	15	17	14/02/2011 12:28	SS
Name	21	26	14/02/2011 12:28	SS
Income	11	14	14/02/2011 12:28	SS
Family	21	22	14/02/2011 12:28	SS
Education	7	9	17/02/2011 10:27	SS
Caste or religion	15	16	14/02/2011 12:28	SS

Name	Sources	Referenc	Created On	Created By
Key people	0	0	14/02/2011 11:59	SS

Name	Sources	Refer	Created On	Created By
Questions	0	0	14/02/2011 13:42	SS

Name	Sources	Referenc	Created On
How heard about Naandi	6	7	14/02/2011 12:00
How heard about project	11	12	14/02/2011 12:00
Who speak to if have a problem	16	17	14/02/2011 12:00

Name	Sources	Refer	Created On	Created By
People	0	0	14/02/2011 13:43	SS

Name	Sources	Referenc	Created On
Doctors and health workers	7	11	16/02/2011 17:46
Donors	22	38	14/02/2011 13:44
Elders	5	5	17/02/2011 12:52
Key people	9	11	17/02/2011 16:13
Naandi staff	15	24	25/02/2011 15:53
Operator	7	9	25/02/2011 14:53
Sarpanch	27	53	16/02/2011 17:43
Sowndarya	6	6	28/02/2011 11:33
Sreenivas S	12	21	25/02/2011 10:14
SWP	6	8	14/02/2011 13:44

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Maps	3	3	28/02/2011 12:15	SS																																																																	
Logistics	5	6	28/02/2011 09:45	SS																																																																	
Literacy	1	1	28/02/2011 09:46	SS																																																																	
Interpreter	4	4	14/02/2011 13:37	SS																																																																	
Consent	6	6	27/02/2011 10:09	SS																																																																	
Confidentiality	1	1	25/02/2011 10:58	SS																																																																	
Case study selection	2	3	28/02/2011 09:49	SS																																																																	
G. Other	5	5	17/02/2011 10:14	SS																																																																	
H. Analysis	0	0	24/02/2011 18:37	SS																																																																	

## Tree Nodes

Name	Sources	Refere	Created On	Created By
Trust	4	4	17/02/2011 15:24	SS
Transparency	5	6	28/02/2011 13:12	SS
Sustainability	7	12	28/02/2011 16:28	SS
Standardisation	1	1	01/03/2011 13:25	SS
Social incentives	2	7	25/02/2011 10:25	SS
Risk	2	2	18/02/2011 14:08	SS
Reputation	2	2	17/02/2011 15:09	SS
Profit	5	6	25/02/2011 10:10	SS
Political incentives	8	8	24/02/2011 19:03	SS
Participation and consultati	14	21	17/02/2011 13:02	SS
Non-political and caste neu	2	3	01/03/2011 13:31	SS
Integration	3	3	17/02/2011 13:00	SS
Informal governance	2	4	17/02/2011 16:44	SS
Catalyst	1	1	25/02/2011 11:26	SS
Business and social mix	8	15	25/02/2011 10:31	SS
Aquatest	2	2	01/03/2011 10:39	SS
I. Photos		2	01/03/2011 11:49	SS
J. Quotes		22	25/02/2011 09:40	SS
K. To follow up		2	28/02/2011 11:40	SS

## Appendix F: Themes for Analysis

### **Background**

- Population
- Employment
- Environment
- Governance
- Water Provision
- Health
- Other NGOs (Non-Governmental Organisations)
- SHGs (Women's Self-Help Groups)
- Other

### **Process-tracing**

- **Setting up the projects:**
  - Identifying the village (including water test)
  - Funding
  - Documentation
  - Technology
  - Construction
  - Staffing
  - Water Source
  - Location
  - Power Supply
  - Inauguration
- **Running the projects:**
  - Opening hours
  - Cost of the water
  - Operations
  - Maintenance
  - Record keeping
  - Monitoring
  - Education/Sales
  - Schools
  - Recontamination and jerry cans
  - Transport
  - Water testing
  - Other

### **Water Users**

- **People who are buying water from the project (Users):**
  - (Interview code)
  - How long have you been buying water from here?
  - How much water do you collect?
  - What purpose do you use the water for?
  - When do you collect the water (how often and what time?)?
  - Where did you get water from before?
  - How did you find out about the water plant?
  - Why did you decide to buy water from the plant?

- Which person in your household collects the water?
- If you had a problem with the water, who would you speak to?
- Are you a member of any groups?
- What is your feedback on the plant?
- Where do you live?
- Demographic information
- Other

**Summarised as:**

- (Interview Code)
- Respondent Details
- Water Use
- Previous Source of Water
- Reason for Purchasing Safe Water
- Feedback on the Project
- Social Networks 1: How did you find out about the project?
- Social Networks 2: Who do you talk to if you have a problem with your water?
- Social Networks 3: Are you a member of any groups?
- Other
- (Comments)

● **People who are not buying water from the project (Non-Users):**

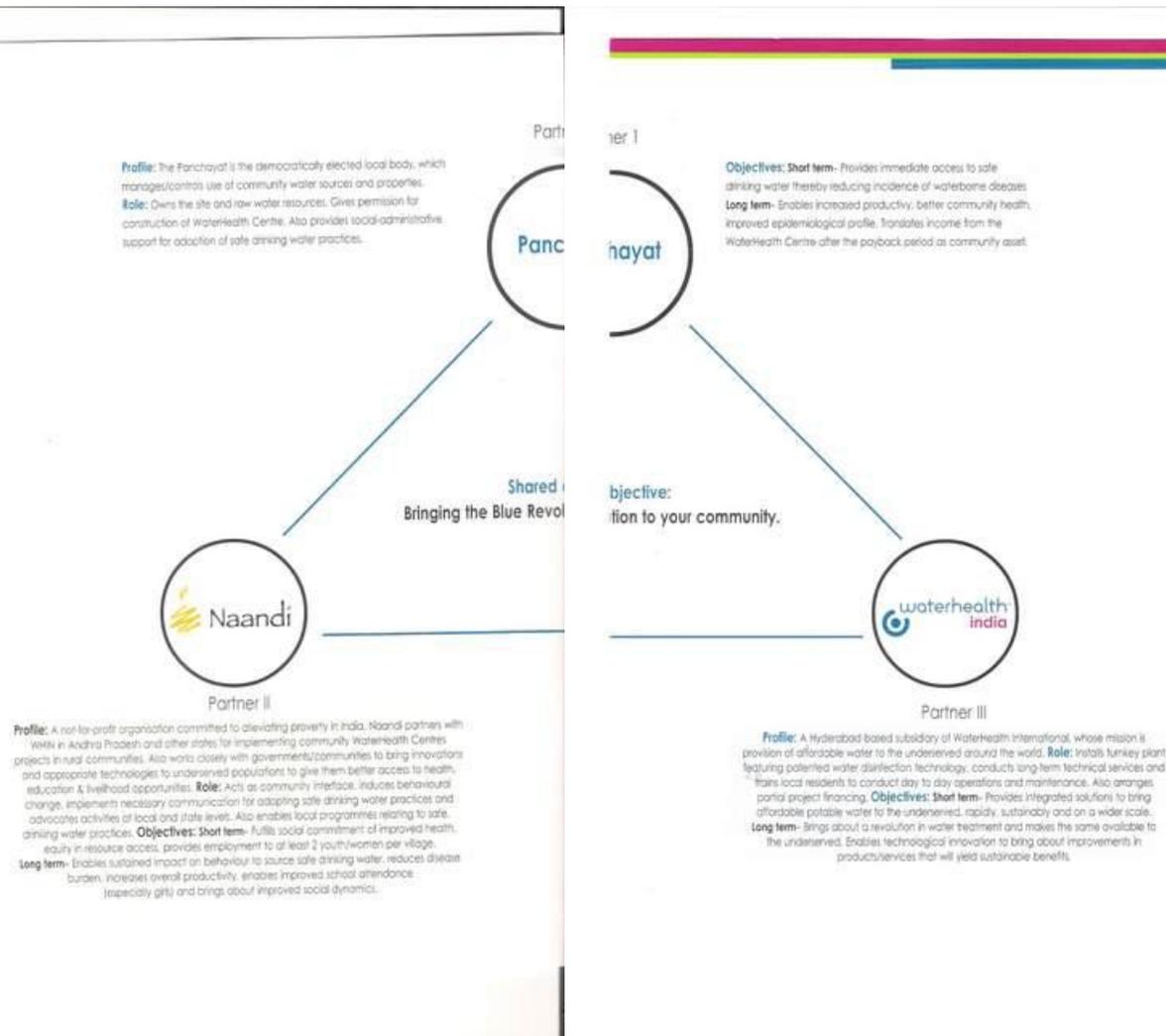
- (Interview code)
- Where do you collect drinking water from?
- When do you collect water (how often and what time?)
- Which person in your household collects the water?
- How much water do you collect? What do you use it for?
- What do you think about the quality of your water?
- What other sources are there in the village?
- Do you know about the Naandi plant? If yes, why do you not collect water at the Naandi plant? What would make you change to use the Naandi water?
- If you had a problem with your water source, who would you speak to?
- Are you a member of any groups?
- Do you attend any meetings?
- Where do you live?
- Demographic information
- Other
- Comments

**Summarised as:**

- (Interview Code)
- Respondent Details
- Water Source
- Perceptions of Water Source
- Water Use
- Reasons for not buying water from the Naandi plant
- Social Networks 1: Who do you talk to if you have a problem with your water?
- Social Networks 2: Are you a member of any groups?
- Social Networks 3: Do you attend any meetings in the village?
- Other
- Comments



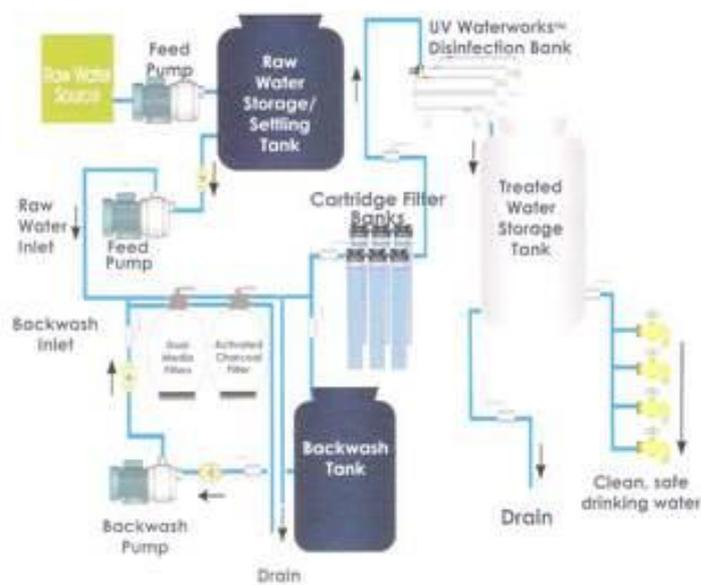
## Appendix G: Tripartite Partnership Model



Source: NFDoc1 (Please note: This is a scanned version of the document. The gap in the diagram is due to a fold in the original copy)

## Appendix H: WaterWorks Purification System

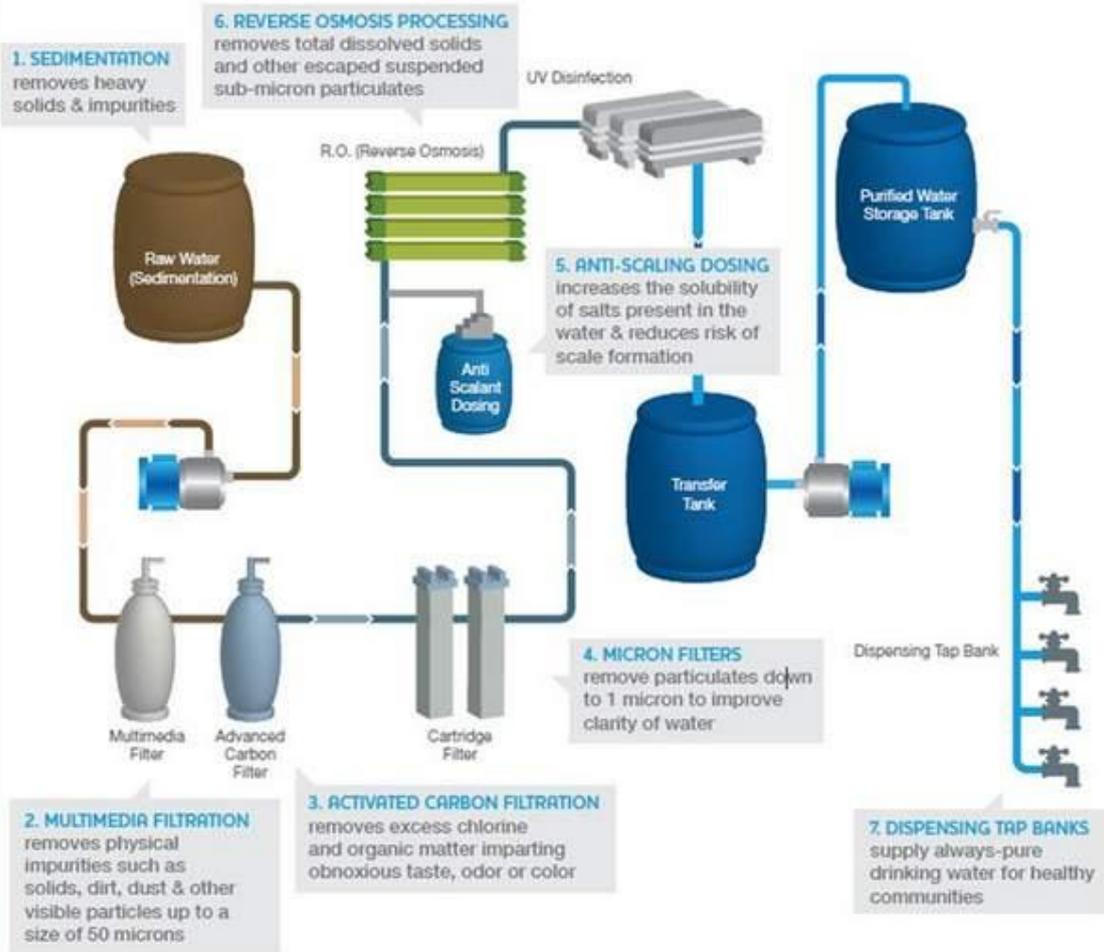
### Water purification flow process



Source: NFDocl.

## Appendix I: WaterWorks Purification System with RO

## How we reach WHO-quality drinking water standards:



Source: WaterHealth International 2011.

## Appendix J: Naandi Feasibility Report for Nellutla



**Reporting Date:** 8<sup>th</sup> September, 08  
**Report From:** Sreenivas Sreeramula

- 1) Name of the Village:** Nellutla
- 2) Name of the Mandal:** Lingala Ghanapuram
- 3) Name of the District:** Warangal
- 4) Habitations:**

S.No.	Name of the Habitation	HH	Population
1	Sreenivasanagar Colony	40	0
2	RTC Colony	45	0
3	Voddera Colony	40	0
4	Mula Bavi	30	0
5	VodderaWada	35	0

### 5) BASIC STATS OF THE VILLAGE:

Description	SC	ST	BC	OC	Total
Village Population (2001 Census)	0	0	0	0	(4800) 8000
Number House Holds	455	25	1100	225	1805
APL Cards	0	0	0	0	50
BPL Cards	0	0	0	0	1635
ISL	0	0	0	0	800
HH Panchayat Water Connections (RWS)	0	0	0	0	660
Public Toilets					0
Primary Schools					MPSS 2
Upper Primary School/High School					ZPSS 1
Colleges Private/Govt					0
Primary Health Centers (PHC)					1
Anganwadi Kendra/Literacy%					48%
Doctor RMP/MBBS/Other					At 4kms distance

### 6) TYPE OF HOUSE HOLDS:

Type	No. of H	Govt.Aid	Own	Remarks
Thatched				
Asbestos				
Tiled				
Slab				

**7) Primary Employment:** Agriculture, Agriculture labour and other Livelihood sources

**8) Wage Charges in Rs:**

	Season	Un Season	Period of work availability	LH Source in remaining period
Men	150	80	7 months	Secondary/alternated LH dependence (Masonry etc)
Women	150	50	6 months	

**9) Major Crops:** Paddy and Cotton

**10) Drinking Water Sources:**

Description	Existing No.	Quality Status	Availability period	Remarks
Pond	0	0	0	
Canal	0	0	0	
River	0	0	0	
Over Head Tanks	2	C	12 months	120000ltrs 2nos. & 69000ltrs 2nos.
Open Wells	10	D	7/8months	
Bore wells/Hand pumps	11/28	D	12 months	19 is in working conditions
Public Taps	15	C	12 months	
Individual Tap connections	660	C	12 months	

**Quality Status:**

**A-Excellent B- Good C-Average D-Poor/Bad E-Don't Know**

How many times a day would a HH access	One time
How much time a HH access in one time	30 mints.
Purpose of water Using (1-Drinking, 2-Cooking, 3-Non-drinking)	1-Drinking
In what way is this water treated before usage (1-Chlorination, 2-Boiling, 3-Cloth Filtration, 4-Using plastics/steel filters, 5-Sand filtration, 6-Using alum 7-Direct use)	7

Observation (Narrative Message)

Most of the people know the purification methods i.e. boiling, cloth filterization etc. but they are not adopted any methods to filter the drinking water. In the village most of the people are (99%) direct using for drinking purpose. It affecting their health conditions then around 50 HH is purchasing the mineral water by a private plant @ Rs.10 to 14 per 20 liter.

**11) MAJOR ILLNESSES AFFECTING IN THE VILLAGE:**

S.No.	Health problem	Mostly who is affecting		
		Male	Female	Children
1	Fever	✓	✓	✓
2	Persistent Cough & Cold			✓
3	Stomach/abdominal pain			
4	Head/body ache			
5	Skin problems/Swelling			
6	Worms			
7	Dizziness			
8	Diarrhea			✓
9	Fits/disability			
10	Bones related – Joint pains			✓
11	Others (Specify)			

**12) SDWP – PROJECT RELATED DETAILS:**

- a) Water Source for Plant: Bore well  
 b) Perimeter fencing of source: N/A  
 c) Estimated Registrations: 500+

**13) Community Contribution (Rs.5 Lakhs)**

Description	Amount in Rs.
Source A – Mr. Narsimha Reddy – Donor	201000
Source B – Gram Panchayat	99000
Source C	
Source D	
Remaining amount to be mobilized	200000

**14) STATUS OF PROPOSED PLANT: (tick mark)**

Ground Breaking	✓
Civil construction	✓
RWS Inspection (if required)	
Electricity at pre-tariff connection	✓
Plant Inauguration	13-11-08
Start date of Plant Operations	
Number of Registrations	
BPL Registrations	
Transportation facility in the village	
Transportation out side the village	

**15) Action Points**

The plant civil construction, Water Test etc already completed. Now the Naandi – Frank Water Project organizing to inaugurate put it to in full functional mode.

Name of the Surpunch:	Ramaswamy
Name of the Village Secretary	Krishna
Name of the Donor(s)	Narasimha Reddy

Interviewed by: Sreenivas Sreeramula

**Case Study VII**

Balya Yadamma is 45 years old and has one son and two daughters. She was born and raised in Nellutla. She working as an agricultural labourer, as there is no male member of the family in the village. Her husband passed away in 2005 since then she has been bringing up her family. She earns Rs.60 per day. However, work is not available all year round. They are using the Rural Water Supply (RWS) drinking water; they are using it directly without following any filtration methods. She stated that they are suffering with joint pains, motions, vomiting etc. by using this water. She is purchasing the mineral water from private plant @ of Rs.7 to 10 per 20liter. After the discussion with her that Community Safe Drinking Water plant is starting in Nellutla village, she said "it is very help to protect the child and their families from fluoride contamination".

**Case Study VIII**

Poraboina Sujatha is married and has two young boy children age of 5yrs and 3years. Her husband Anjaneyulu's main occupation is agriculture; she is a daily wage labour. She is earning Rs.50 per day. They are able to find work for seven to eight months of the year. Sujatha was born and raised in this village. She said "my family economic condition is not support me to purchase the mineral water from private plant – if the

plant started in our village it will helps more and more people, those were suffering with water related diseases – because the water condition is very bad”

## Appendix K: Naandi Feasibility Report for Kanaganapalli



**Reporting Date:** 12/09/2009

**Report From:** Anantpaur

**1) Name of the Village:** Kanaganapally

**2) Name of the Mandal:** Kanaganapally

**3) Name of the District:** Anantapur

**4) Habitations:**

S.No.	Name of the Habitation	HH	Population
1	Kanaganapally	1200	6000
2	Ramapuram	150	1000
3	Konapuram	300	2500
4	Balapuram	280	2300
5			

### 5) BASIC STATS OF THE VILLAGE:

Description	SC	ST	BC	OC	Total
Village Population (2001 Census)	2700	1800	5500	1800	11800
Number House Holds	550	350	680	350	1930
APL Cards	25	5	225	300	555
BPL Cards	450	300	350	5	1105
ISL					500
HH Panchayat Water Connections (RWS)					250
Public Toilets	0				
Primary Schools	3				
Upper Primary School	1				
Colleges Private/Govt	1				
Primary Health Centers (PHC)	2				
Anganwadi Kendra	4				
Doctor RMP/MBBS/Other	2				

### 6) TYPE OF HOUSE HOLDS:

Type	No. of H	Govt.Aid	Own	Remarks
Thatched	400			
Asbestos	230			
Tiled	200			
Slab	1100	500	600	

**7) Primary Employment:** Agriculture

**8) Wage Charges in Rs:**

	Season	Un Season	Period of work	LH Source in remaining period

			availability	
Men	150	120	6 months	
Women	100	80	6 months	

**9) Major Crops:** Paddy, Red chilly and Groundnut

**10) Drinking Water Sources:**

Description	Existing No.	Quality Status	Availability period	Remarks
Pond				
Canal				
River				
Over Head Tanks	2	C		
Open Wells				
Bore wells/Hand pumps	50	C		
Public Taps	100			
Individual Tap connections	500	C		

**Quality Status:**

**A-Excellent B-Good C-Average D-Poor/Bad E-Don't Know**

How many times a day would a HH access	1 time
How much time a HH access in one time	1 hr
Purpose of water Using (1-Drinking, 2-Cooking, 3-Non-drinking)	1 and 2
In what way is this water treated before usage (1-Chlorination, 2-Boiling, 3-Cloth Filtration, 4-Using plastics/steel filters, 5-Sand filtration, 6-Using alum)	1 and 5

**Observation (Narrative Message)**

Verified that in the village RWS water supply is not good and pipelines are broken at many places. Depth of the Bore well is 300 feet and Water TDS is 1200. In the summer drinking water is available twice a week.

**11) MAJOR ILLNESSES AFFECTING IN THE VILLAGE:**

S.No.	Health problem	Mostly who is affecting		
		Male	Female	Children
1	Fever	Yes	Yes	Yes
	Persistent Cough & Cold			Yes
	Stomach/abdominal pain			
	Head/body ache	Yes		
	Skin problems/Swelling			Yes
	Worms			
	Dizziness			
	Diarrhea			
	Fits/disability			
	Bones related	Yes	Yes	
	Others (Specify)			

**12) SDWP – PROJECT RELATED DETAILS:**

a) Water Source for Plant: Bore

b) Perimeter fencing of source: Yes

c) Estimated Registrations: 1500

**13) Community Contribution (Rs.5 Lakhs)**

Description	Amount in Rs.
Source A	
Source B	
Source C	
Source D	
Remaining amount to be mobilized	

**14) STATUS OF PROPOSED PLANT: (tick mark)**

Ground Breaking	
Civil construction	
RWS Inspection (if required)	
Electricity at pre-tariff connection	
Plant Inauguration	
Start date of Plant Operations	
Number of Registrations	
BPL Registrations	
Transportation facility in the village	
Transportation out side the village	

**15) Action Points**

Name of the Surpunch:	J. Jaylaxmi
Name of the Village Secretary	A.Manorama
Name of the Donor(s)	

Interviewed by: P. Grace Raja

# Appendix L: Water Test Reports, Kanaganapalli

## A) Water Test Report Kanaganapalli 22.09.09



# MICRO TESTING LABS™

Recognized by Ministry of Environment & Forests, Govt. of India.

A.P. Govt. Regd. No./09481/95, SEA (INDIA) Regd. No. A-1678

H.O.# 2-19-104/1/4, IInd Floor, Bank Colony Extn., Kalyanpuri, Opp. to Survey of India, Uppal, Hyderabad-500 039. A.P., India. Tel (Fax) : 040-27206600, 27207215, Cell : 9849695438.

E-mail : microtestinglabs@yahoo.com, microtestinglabs@gmail.com.

### TEST CERTIFICATE

Lab Ref No	: MTL/W/6510-1794/09	Report Issue Date	: 22.09.2009				
Name of the Sample	: WATER	Sample Receiving Date	: 16.09.2009				
Name of the Party	: M/s. NAANDI FOUNDATION, 602,603, 6 <sup>th</sup> Floor, Golden Green Apartment, Irramanzil Colony, Punjagutta, Hyderabad - 82.						
SAMPLE DETAILS							
Naandi Regi.No:	Code No:	Village	Source Collection	District	State	Sample Category	Date of Sample Collection
1945	--	KANAGANA PALLY	GP BORE	ANANTHAPUR	ANDHRA PRADESH	RAW WATER SURVEY	14.09.2009

### TEST RESULTS / నీటి సమానా పరీక్ష ఫలితాలు

S.No:	CONSTITUENTS		UNITS	VALUES	STANDARDS IS:10500 ప్రమాణాలు ఐఎస్ : 10500
	నీటిలో ఉండే మూలకాలు				
1.	pH	ఉదాహరణ (పి హెచ్)		7.45	6.5 - 8.5
2.	Colour	రంగు		Colorless	-
3.	Electrical Conductivity (E.C)	ఎలక్ట్రికల్ కండక్టివిటీ (ఇ.సి.)	micro mohs	657	-
4.	Turbidity	టర్బిడిటీ	NTU	1.32	5.0
5.	Total Dissolved Solids	లవణాలు (టి.డి.ఎస్.)	Mg/l	439	500
6.	Total Hardness as CaCO <sub>3</sub>	హార్డ్నెస్	Mg/l	152	300
7.	Non Carbonate Hardness as CaCO <sub>3</sub>	నాన్ కార్బోనేట్ హార్డ్నెస్	Mg/l	NIL	-
8.	Calcium Hardness as CaCO <sub>3</sub>	కాల్షియం హార్డ్నెస్	Mg/l	96	-
9.	Alkalinity to Phenolphthalein as CaCO <sub>3</sub>	ఆల్కలైనిటీ టు ఫెనోల్ ఫతాలిన్	Mg/l	NIL	-
10.	Alkalinity to Methyl orange as CaCO <sub>3</sub>	ఆల్కలైనిటీ టు మిథైల్ ఆరెంజ్	Mg/l	240	200
11.	Calcium as Ca	కాల్షియం	Mg/l	38.4	75
12.	Magnesium as Mg	మెగ్నీషియం	Mg/l	13.44	30
13.	Sodium as Na	సోడియం	Mg/l	65.78	-
14.	Potassium as K	పొటాషియం	Mg/l	0.78	-
15.	Silica as SiO <sub>2</sub>	సిలికా	Mg/l	08	-
16.	Iron as Fe	ఐరన్	Mg/l	NIL	0.30
17.	Chloride as Cl	క్లోరైడ్స్	Mg/l	35.46	250
18.	Sulphates as SO <sub>4</sub>	సల్ఫేట్స్	Mg/l	127	200
19.	Nitrates as NO <sub>3</sub>	నైట్రేట్స్	Mg/l	15	45
20.	Fluoride as F	ఫ్లోరైడ్	Mg/l	1.20	1.0



MICRO TESTING LABS

### TESTING SERVICES :

Water, Food Materials, Oils, Cakes, Rice Bran, Poultry & Animal Feed, Soil, Chemicals, Metals, Ores, Industrial effluents & Environmental Consultancy.

B) Water Test Report Kanaganapalli 24.01.10

Micro testing labs	Sample collection: 24.01.2010	
Raw Water	Kanaganapalli	
<b>Constituent</b>	<b>Value</b>	<b>Standards (IS: 10500)</b>
TDS	1160	500
Chloride	212.76	250
Fluoride	1.6	1.0
Nitrates	46	45

*Source: FD 23.02.10 (Copied from Field Co-ordinator's Document)*

Appendix M: Water Quality Test Reports, Nellutla

State: AP	District: Warangal	Block: Lingalaghanpur	Lab: WARANGAL/DISTRICT Lab	Lab Testing Date: 21/06/2010		
<b>row</b>	<b>PanchayatName</b>	<b>VillageName</b>	<b>Habitation Name</b>	<b>TypeOfSource</b>	<b>AboveP</b>	<b>BelowP</b>
202	NELLUTLA(04)	NELLUTLA(003 )	NELLUTLA	Delivery Point		Nitrate[0.00 mg/l],Fluoride[0.80 mg/l],Iron[0.00 mg/l],Chloride[196.00 mg/l],Calcium[52.00 mg/l],pH[7.60 pH],TDS[1400.00 mg/l],Hardness[528.00 mg/l],Alkalinity[96.00 mg/l]
203	NELLUTLA(04)	NELLUTLA(003 )	NELLUTLA	Delivery Point	Hardness[612.00 mg/l]	Nitrate[0.00 mg/l],Fluoride[1.20 mg/l],Iron[0.00 mg/l],Chloride[220.00 mg/l],Calcium[52.00 mg/l],pH[7.40 pH],TDS[1380.00 mg/l],Alkalinity[88.00 mg/l]

204	NELLUTLA(04)	NELLUTLA(003 )	NELLUTLA	Delivery Point	Hardness[620.00 mg/l]	Nitrate[0.00 mg/l],Fluoride[0.80 mg/l],Iron[0.00 mg/l],Chloride[212.00 mg/l],Calcium[80.00 mg/l],pH[7.50 pH],TDS[1540.00 mg/l],Alkalinity[96.00 mg/l]
205	NELLUTLA(04)	NELLUTLA(003 )	NELLUTLA	Delivery Point	Fluoride[2.20 mg/l]	Nitrate[0.00 mg/l],Iron[0.00 mg/l],Chloride[152.00 mg/l],Calcium[80.00 mg/l],pH[7.30 pH],TDS[1380.00 mg/l],Hardness[524.00 mg/l],Alkalinity[88.00 mg/l]
206	NELLUTLA(04)	NELLUTLA(003 )	NELLUTLA	Delivery Point		Nitrate[0.00 mg/l],Fluoride[0.80 mg/l],Iron[0.00 mg/l],Chloride[192.00 mg/l],Calcium[104.00 mg/l],pH[7.40 pH],TDS[1600.00 mg/l],Hardness[524.00 mg/l],Alkalinity[88.00 mg/l]
207	NELLUTLA(04)	NELLUTLA(003 )	NELLUTLA	Delivery Point	Calcium[220.00 mg/l],TDS[2240.00 mg/l],Hardness[854.00 mg/l]	Nitrate[0.00 mg/l],Fluoride[1.40 mg/l],Iron[0.00 mg/l],Chloride[358.00 mg/l],pH[7.60 pH],Alkalinity[148.00 mg/l]

208	NELLUTLA(04)	NELLUTLA(003 )	NELLUTLA	Delivery Point	TDS[2430.00 mg/l],Hardness[1150.00 mg/l]	Nitrate[0.00 mg/l],Fluoride[1.20 mg/l],Iron[0.00 mg/l],Chloride[312.00 mg/l],Calcium[144.00 mg/l],pH[7.60 pH],Alkalinity[112.00 mg/l]
209	NELLUTLA(04)	NELLUTLA(003 )	NELLUTLA	Delivery Point		Nitrate[0.00 mg/l],Fluoride[1.40 mg/l],Iron[0.00 mg/l],Chloride[48.00 mg/l],Calcium[44.00 mg/l],pH[7.20 pH],TDS[520.00 mg/l],Hardness[192.00 mg/l],Alkalinity[72.00 mg/l]
210	NELLUTLA(04)	NELLUTLA(003 )	NELLUTLA	Delivery Point	Fluoride[2.20 mg/l]	Nitrate[0.00 mg/l],Iron[0.00 mg/l],Chloride[148.00 mg/l],Calcium[52.00 mg/l],pH[7.30 pH],TDS[1360.00 mg/l],Hardness[428.00 mg/l],Alkalinity[80.00 mg/l]
211	NELLUTLA(04)	NELLUTLA(003 )	NELLUTLA	Delivery Point		Nitrate[0.00 mg/l],Fluoride[1.00 mg/l],Iron[0.00 mg/l],Chloride[188.00 mg/l],Calcium[60.00 mg/l],pH[7.30 pH],TDS[1200.00 mg/l],Hardness[500.00 mg/l],Alkalinity[88.00 mg/l]

212	NELLUTLA(04)	NELLUTLA(003 )	NELLUTLA	Delivery Point	Hardness[612.00 mg/l]	Nitrate[0.00 mg/l],Fluoride[1.00 mg/l],Iron[0.00 mg/l],Chloride[192.00 mg/l],Calcium[52.00 mg/l],pH[7.10 pH],TDS[1420.00 mg/l],Alkalinity[88.00 mg/l]
213	NELLUTLA(04)	NELLUTLA(003 )	NELLUTLA	Delivery Point	Hardness[720.00 mg/l]	Nitrate[0.00 mg/l],Fluoride[0.80 mg/l],Iron[0.00 mg/l],Chloride[220.00 mg/l],Calcium[112.00 mg/l],pH[7.30 pH],TDS[1660.00 mg/l],Alkalinity[96.00 mg/l]
214	NELLUTLA(04)	NELLUTLA(003 )	NELLUTLA	Delivery Point		Nitrate[0.00 mg/l],Fluoride[0.60 mg/l],Iron[0.00 mg/l],Chloride[144.00 mg/l],Calcium[100.00 mg/l],pH[7.20 pH],TDS[1560.00 mg/l],Hardness[520.00 mg/l],Alkalinity[88.00 mg/l]
215	NELLUTLA(04)	NELLUTLA(003 )	NELLUTLA	Delivery Point	Hardness[628.00 mg/l]	Nitrate[0.00 mg/l],Fluoride[1.20 mg/l],Iron[0.00 mg/l],Chloride[224.00 mg/l],Calcium[108.00 mg/l],pH[7.40 pH],TDS[1660.00 mg/l],Alkalinity[96.00 mg/l]
216	NELLUTLA(04)	NELLUTLA(003 )	NELLUTLA	Delivery Point	Hardness[720.00 mg/l]	Nitrate[0.00 mg/l],Fluoride[1.00 mg/l],Iron[0.00 mg/l],Chloride[220.00 mg/l],Calcium[128.00 mg/l],pH[7.30 pH],TDS[1730.00 mg/l],Alkalinity[96.00 mg/l]

217	NELLUTLA(04)	NELLUTLA(003 )	NELLUTLA	Delivery Point	Hardness[620.00 mg/l]	Nitrate[0.00 mg/l],Fluoride[1.40 mg/l],Iron[0.00 mg/l],Chloride[200.00 mg/l],Calcium[84.00 mg/l],pH[7.30 pH],TDS[1810.00 mg/l],Alkalinity[96.00 mg/l]
218	NELLUTLA(04)	NELLUTLA(003 )	NELLUTLA	Delivery Point		Nitrate[0.00 mg/l],Fluoride[1.00 mg/l],Iron[0.00 mg/l],Chloride[144.00 mg/l],Calcium[52.00 mg/l],pH[7.30 pH],TDS[950.00 mg/l],Hardness[316.00 mg/l],Alkalinity[80.00 mg/l]
219	NELLUTLA(04)	NELLUTLA(003 )	NELLUTLA	Delivery Point		Nitrate[0.00 mg/l],Fluoride[0.80 mg/l],Iron[0.00 mg/l],Chloride[136.00 mg/l],Calcium[72.00 mg/l],pH[7.40 pH],TDS[850.00 mg/l],Hardness[328.00 mg/l],Alkalinity[80.00 mg/l]
220	NELLUTLA(04)	NELLUTLA(003 )	NELLUTLA	Delivery Point		Nitrate[0.00 mg/l],Fluoride[0.80 mg/l],Iron[0.00 mg/l],Chloride[136.00 mg/l],Calcium[52.00 mg/l],pH[7.40 pH],TDS[850.00 mg/l],Hardness[324.00 mg/l],Alkalinity[96.00 mg/l]

221	NELLUTLA(04)	NELLUTLA(003 )	NELLUTLA	Deep Tubewell	Nitrate[0.00 mg/l],Fluoride[0.80 mg/l],Iron[0.00 mg/l],Chloride[32.00 mg/l],Calcium[20.00 mg/l],pH[7.20 pH],TDS[420.00 mg/l],Hardness[172.00 mg/l],Alkalinity[56.00 mg/l]
222	NELLUTLA(04)	NELLUTLA(003 )	NELLUTLA	Deep Tubewell	Nitrate[0.00 mg/l],Fluoride[0.80 mg/l],Iron[0.00 mg/l],Chloride[52.00 mg/l],Calcium[32.00 mg/l],pH[7.10 pH],TDS[450.00 mg/l],Hardness[212.00 mg/l],Alkalinity[68.00 mg/l]
223	NELLUTLA(04)	NELLUTLA(003 )	NELLUTLA	Deep Tubewell	Nitrate[0.00 mg/l],Fluoride[0.80 mg/l],Iron[0.00 mg/l],Chloride[32.00 mg/l],Calcium[20.00 mg/l],pH[7.30 pH],TDS[350.00 mg/l],Hardness[136.00 mg/l],Alkalinity[68.00 mg/l]

224	NELLUTLA(04)	NELLUTLA(003 )	NELLUTLA	Deep Tubewell	Nitrate[0.00 mg/l],Fluoride[0.80 mg/l],Iron[0.00 mg/l],Chloride[44.00 mg/l],Calcium[24.00 mg/l],pH[7.20 pH],TDS[350.00 mg/l],Hardness[148.00 mg/l],Alkalinity[72.00 mg/l]
225	NELLUTLA(04)	NELLUTLA(003 )	RTC COLONY	Delivery Point	Nitrate[0.00 mg/l],Fluoride[1.00 mg/l],Iron[0.00 mg/l],Chloride[136.00 mg/l],Calcium[72.00 mg/l],pH[7.30 pH],TDS[800.00 mg/l],Hardness[324.00 mg/l],Alkalinity[88.00 mg/l]
226	NELLUTLA(04)	NELLUTLA(003 )	RTC COLONY	Delivery Point	Nitrate[0.00 mg/l],Fluoride[0.60 mg/l],Iron[0.00 mg/l],Chloride[188.00 mg/l],Calcium[88.00 mg/l],pH[7.40 pH],TDS[950.00 mg/l],Hardness[412.00 mg/l],Alkalinity[112.00 mg/l]
227	NELLUTLA(04)	NELLUTLA(003 )	RTC COLONY	Deep Tubewell	Nitrate[0.00 mg/l],Fluoride[0.80 mg/l],Iron[0.00 mg/l],Chloride[60.00 mg/l],Calcium[44.00 mg/l],pH[7.30 pH],TDS[470.00 mg/l],Hardness[212.00 mg/l],Alkalinity[80.00 mg/l]

228	NELLUTLA(04)	NELLUTLA(003 )	WADDERIGUEDEM	Delivery Point	Fluoride[1.80 mg/l]	Nitrate[0.00 mg/l],Iron[0.00 mg/l],Chloride[52.00 mg/l],Calcium[44.00 mg/l],pH[7.20 pH],TDS[640.00 mg/l],Hardness[280.00 mg/l],Alkalinity[80.00 mg/l]
229	NELLUTLA(04)	NELLUTLA(003 )	WADDERIGUEDEM	Delivery Point		Nitrate[0.00 mg/l],Fluoride[1.00 mg/l],Iron[0.00 mg/l],Chloride[104.00 mg/l],Calcium[52.00 mg/l],pH[7.30 pH],TDS[850.00 mg/l],Hardness[312.00 mg/l],Alkalinity[80.00 mg/l]
230	PATELGUIDEM(05)	NELLUTLA(003 )	MULABAI	Delivery Point		Nitrate[0.00 mg/l],Fluoride[1.00 mg/l],Iron[0.00 mg/l],Chloride[148.00 mg/l],Calcium[72.00 mg/l],pH[7.20 pH],TDS[800.00 mg/l],Hardness[300.00 mg/l],Alkalinity[88.00 mg/l]
231	PATELGUIDEM(05)	NELLUTLA(003 )	PATELGUIDEM	Delivery Point		Nitrate[0.00 mg/l],Fluoride[1.00 mg/l],Iron[0.00 mg/l],Chloride[144.00 mg/l],Calcium[68.00 mg/l],pH[7.50 pH],TDS[800.00 mg/l],Hardness[328.00 mg/l],Alkalinity[96.00 mg/l]

232	PATELGUDEM(05)	NELLUTLA(003 )	PATELGUDEM	Delivery Point	Nitrate[0.00 mg/l],Fluoride[0.80 mg/l],Iron[0.00 mg/l],Chloride[168.00 mg/l],Calcium[60.00 mg/l],pH[7.40 pH],TDS[950.00 mg/l],Hardness[412.00 mg/l],Alkalinity[88.00 mg/l]
233	PATELGUDEM(05)	NELLUTLA(003 )	PATELGUDEM	Delivery Point	Nitrate[0.00 mg/l],Fluoride[0.80 mg/l],Iron[0.00 mg/l],Chloride[196.00 mg/l],Calcium[80.00 mg/l],pH[7.30 pH],TDS[1200.00 mg/l],Hardness[528.00 mg/l],Alkalinity[96.00 mg/l]
234	PATELGUDEM(05)	NELLUTLA(003 )	PATELGUDEM	Delivery Point	Nitrate[0.00 mg/l],Fluoride[0.80 mg/l],Iron[0.00 mg/l],Chloride[148.00 mg/l],Calcium[80.00 mg/l],pH[7.20 pH],TDS[850.00 mg/l],Hardness[328.00 mg/l],Alkalinity[72.00 mg/l]

235	PATELGUDEM(05)	NELLUTLA(003 )	PATELGUDEM	Delivery Point		Nitrate[0.00 mg/l],Fluoride[0.60 mg/l],Iron[0.00 mg/l],Chloride[212.00 mg/l],Calcium[52.00 mg/l],pH[7.20 pH],TDS[1350.00 mg/l],Hardness[528.00 mg/l],Alkalinity[80.00 mg/l]
236	PATELGUDEM(05)	NELLUTLA(003 )	PATELGUDEM	Delivery Point		Nitrate[0.00 mg/l],Fluoride[1.00 mg/l],Iron[0.00 mg/l],Chloride[104.00 mg/l],Calcium[52.00 mg/l],pH[7.20 pH],TDS[1180.00 mg/l],Hardness[512.00 mg/l],Alkalinity[88.00 mg/l]
237	PATELGUDEM(05)	NELLUTLA(003 )	PATELGUDEM	Delivery Point	Hardness[612.00 mg/l]	Nitrate[0.00 mg/l],Fluoride[0.40 mg/l],Iron[0.00 mg/l],Chloride[152.00 mg/l],Calcium[52.00 mg/l],pH[7.30 pH],TDS[1480.00 mg/l],Alkalinity[96.00 mg/l]
238	PATELGUDEM(05)	NELLUTLA(003 )	PATELGUDEM	Delivery Point		Nitrate[0.00 mg/l],Fluoride[0.80 mg/l],Iron[0.00 mg/l],Chloride[52.00 mg/l],Calcium[40.00 mg/l],pH[7.30 pH],TDS[880.00 mg/l],Hardness[312.00 mg/l],Alkalinity[80.00 mg/l]

239	PATELGUDEM(05)	NELLUTLA(003 )	PATELGUDEM	Delivery Point	Hardness[620.00 mg/l]	Nitrate[0.00 mg/l],Fluoride[0.60 mg/l],Iron[0.00 mg/l],Chloride[216.00 mg/l],Calcium[152.00 mg/l],pH[7.40 pH],TDS[1560.00 mg/l],Alkalinity[96.00 mg/l]
240	PATELGUDEM(05)	NELLUTLA(003 )	PATELGUDEM	Delivery Point		Nitrate[0.00 mg/l],Fluoride[0.40 mg/l],Iron[0.00 mg/l],Chloride[212.00 mg/l],Calcium[72.00 mg/l],pH[7.50 pH],TDS[2000.00 mg/l],Hardness[588.00 mg/l],Alkalinity[112.00 mg/l]

Source: Department for Drinking Water and Sanitation (DDWS) 2012(b).

Appendix N: Water Quality Test Reports, Kothapeta

State: AP	District: Krishna	Block: Kanchikacherla	Panchayat: Ganiatukuru				
row	VillageName	Habitation Name	Type Of Source	Lab	LabTesting Date	AboveP	BelowP
30	GANIATUKURU	GANIATUKURU	Delivery Point	PARVATHIPURAM / DISTRICT Lab	11/06/2010	Fluoride[2.00 mg/l],Chloride[1400.00 mg/l],Nitrate[150.00 mg/l],Calcium[420.00 mg/l],pH[8.60 pH],TDS[4020.00 mg/l],Hardness[1200.00 mg/l],Alkalinity[680.00 mg/l]	Turbidity[2.00 NTU],Iron[0.21 mg/l],Sulphates[250.00 mg/l]

Source: Department for Drinking Water and Sanitation (DDWS) 2012(b).

## Appendix O: Indian Standards for Drinking Water (IS: 10500)

### INDIAN STANDARD SPECIFICATIONS FOR DRINKING WATER IS: 10500

S.NO.	Parameter	Requirement desirable Limit	Remarks
1.	Colour	5	May be extended up to 50 if toxic substances are suspected
2.	Turbidity	10	May be relaxed up to 25 in the absence of alternate
3.	pH	6.5 to 8.5	May be relaxed up to 9.2 in the absence
4.	Total Hardness	300	May be extended up to 600
5.	Calcium as Ca	75	May be extended up to 200
6.	Magnesium as Mg	30	May be extended up to 100
7.	Copper as Cu	0.05	May be relaxed up to 1.5
8.	Iron	0.3	May be extended up to 1
9.	Manganese	0.1	May be extended up to 0.5
10.	Chlorides	250	May be extended up to 1000
11.	Sulphates	150	May be extended up to 400
12.	Nitrates	45	No relaxation
13.	Fluoride	0.6 to 1.2	If the limit is below 0.6 water should be rejected, Max. Limit is extended to 1.5
14.	Phenols	0.001	May be relaxed up to 0.002
15.	Mercury	0.001	No relaxation
16.	Cadmium	0.01	No relaxation
17.	Selenium	0.01	No relaxation
18.	Arsenic	0.05	No relaxation
19.	Cyanide	0.05	No relaxation
20.	Lead	0.1	No relaxation
21.	Zinc	5.0	May be extended up to 10.0
22.	Anionic detergents (MBAS)	0.2	May be relaxed up to 1
23.	Chromium as Cr <sup>+6</sup>	0.05	No relaxation
24.	Poly nuclear aromatic Hydrocarbons	--	--
25.	Mineral Oil	0.01	May be relaxed up to 0.03
26.	Residual free Chlorine	0.2	Applicable only when water is chlorinated
27.	Pesticides	Absent	--
28.	Radio active	--	--

**DRINKING WATER SPECIFICATION: IS: 10500, 1992  
(Reaffirmed 1993)**

**TOLERANCE LIMITS**

S.No	Parameter	IS: 10500 Requirement (Desirable limit)	Undesirable effect outside the desirable limit	IS: 10500 Permissible limit in the absence of alternate source
<b>Essential Characteristics</b>				
1.	pH	6.5 – 8.5	Beyond this range the water will effect the mucous membrane and / or water supply system	No relaxation
2.	Colour (Hazen Units), Maximum	5	Above 5, consumer acceptance decreases	25
3.	Odour	Unobjectionable	--	--
4.	Taste	Agreeable	--	--
5.	Turbidity, NTU, Max	5	Above 5, consumer acceptance decreases	10
<b>Following Results are expressed in mg/l :</b>				
6.	Total hardness as CaCO <sub>3</sub> , Max	300	Encrustation in water supply structure and adverse effects on domestic use	600
7.	Iron as Fe, Max	0.30	Beyond this limit taste/appearance are affected, has adverse effect on domestic uses and water supply structures, and promotes iron bacteria.	1.0
8.	Chlorides as Cl, Max	250	Beyond this limit tast, corrosion and palatability are effected	1000
9.	Residual, Free Chlorine, Min	0.20	--	--
<b>Desirable Characteristics</b>				
10.	Dissolved solids, Max	500	Beyond this palatability decreases and may cause gastro intentional irritation	2000
11.	Calcium as Ca, Max	75	Encrustation in water supply structure and adverse effects on domestic use	200

12.	Magnesium as Mg, Max	30	--	100
13.	Copper as Cu, Max	0.05	Astringent taste, discoloration and corrosion of pipes, fitting and utensils will be caused beyond this	1.5
14.	Manganese as Mn, Max	0.1	Beyond this limit taste/appearance are affected, has adverse effect on domestic uses and water supply structures	0.3
15.	Sulphate as SO <sub>4</sub> Max	200	Beyond this causes gastro intentional irritation when magnesium or sodium are present	400
16.	Nitrates as NO <sub>3</sub>	45	Beyond this methanemoglobinemia takes place	100
17.	Fluoride, Max	1.0	Fluoride may be kept as low as possible. High fluoride may cause fluorosis	1.5
18.	Phenolic compounds as C <sub>6</sub> H <sub>5</sub> OH, Max	0.001	Beyond this, it may cause objectionable taste and odour	0.002
19.	Mercury as Hg, Max	0.001	Beyond this, the water becomes toxic	No relaxation
20.	Cadmium as Cd, Max	0.01	Beyond this, the water becomes toxic	No relaxation
21.	Selenium as Se, Max	0.01	Beyond this, the water becomes toxic	No relaxation
22.	Arsenic as As, Max	0.05	Beyond this, the water becomes toxic	No relaxation
23.	Cyanide as CN, Max	0.05	Beyond this, the water becomes toxic	No relaxation
24.	Lead as Pb, Max	0.05	Beyond this, the water becomes toxic	No relaxation
25.	Zinc as Zn, Max	5	Beyond this limit it can cause astringent taste and an opalescence in water	15
26.	Anionic detergents as MBAS, Max	0.2	Beyond this limit it can cause a light froth in water	1.0
27.	Chromium as Cr <sup>6+</sup> , Max	0.05	May be carcinogenic above this limit	No relaxation
28.	Ploynuclear aromatic hydrocarbons as PAH, Max	--	May be carcinogenic	--

29.	Mineral Oil, Max	0.01	Beyond this limit undesirable taste and odour after chlorination take place	0.03
30.	Pesticides, Max	Absent	Toxic	0.001
31.	Radioactive materials	--	--	0.1
	a) $\alpha$ emitters Bq/l, Max	--	--	1
	b) $\beta$ emitters Pci/l, Max			
32.	Alkalinity, Max	200	Beyond this limit taste becomes unpleasant	600
33.	Aluminum as Al, Max	0.03	Cumulative effect is reported to cause dementia	0.2
34.	Boron, Max	1	--	5

## Appendix P: Calculations for Charts in Chapter 7

### 1. BPL Ration Card Holders in Case Study Villages

	<b>Kothapeta</b>	<b>Nellutla</b>	<b>Kanaganapalli</b>
<b>Total Number of Households</b>	756	1805	1930
<b>BPL Cards</b>	526	1635	1105
<b>Percentage BPL Card Holders</b>	70%	91%	57%

**Key:**

BPL= Below the Poverty Line

*Sources: Nellutla and Kanaganapalli: Naandi Village Information Forms (See Appendices J and K). Kothapeta: KoLP2.*

### 2. SC/ST Population in Case Study Villages (2001 Census)

	<b>Kothapeta II (Ganiatukuru)</b>	<b>Nellutla</b>	<b>Kanaganapalli</b>
<b>Total Population</b>	4,522	6,699	6,314
<b>SC Population</b>	1,204	1,236	983
<b>ST Population</b>	69	123	27
<b>Percentage SC/ST</b>	28%	21%	16%

**Key:**

SC= Scheduled Caste

ST= Scheduled Tribe

*Source: 2001 Census*

### 3. Groundwater Levels in AP Regions

Average depth of water level (in metres)			
	Nov 10	Nov 11	Fluctuation
Andhra Pradesh	5.97	8.5	2.53
Telangana	6.64	9.33	2.69
Coastal Andhra	4.15	6.68	2.53
Rayalaseema	8.33	10.75	2.42

Source: Suchitra 2012.

### 4. Total Hardness (as CaCO<sub>3</sub>) in Water Sources in Case Study Villages (mg/l)

	Nellutla	Kanaganapalli	Kothapeta
Source 1	528	152	1200
2	612		
3	620		
4	524		
5	524		
6	854		
7	1150		
8	192		
9	428		
10	500		
11	612		
12	720		
13	520		
14	628		
15	720		
16	620		
17	316		
18	328		
19	324		
20	172		
21	212		
22	136		
23	148		
24	324		
25	412		
26	212		
27	280		
28	312		
29	300		
30	328		
31	412		

32	528		
33	328		
34	528		
35	512		
36	612		
37	312		
38	620		
39	588		

Sources: DDWS 2012 (b); Water Test Report Kanaganapalli 22.09.09; Water Test Report Kanaganapalli 24.01.10 (FD32.02.10).

### 5. Total Dissolved Solids (TDS) in Water Sources in Case Study Villages (mg/l).

	Nellutla	Kanaganapalli	Kothapeta
Source 1	1400	439	4020
2	1380	1160	
3	1540		
4	1380		
5	1600		
6	2240		
7	2430		
8	520		
9	1360		
10	1200		
11	1420		
12	1660		
13	1560		
14	1660		
15	1730		
16	1810		
17	950		
18	850		
19	850		
20	420		
21	450		
22	350		
23	350		
24	800		
25	950		
26	470		
27	640		
28	850		
29	800		
30	800		
31	950		
32	1200		
33	850		
34	1350		
35	1180		
36	1480		

37	880		
38	1560		
39	2000		

Sources: DDWS 2012 (b); Water Test Report Kanaganapalli 22.09.09; Water Test Report Kanaganapalli 24.01.10 (FD32.02.10).

### 6. Fluoride in Water Sources in Case Study Villages (mg/l).

	Nellutla	Kanaganapalli	Kothapeta
Source 1	0.8	1.2	2
2	1.2	1.6	
3	0.8		
4	2.2		
5	0.8		
6	1.4		
7	1.2		
8	1.4		
9	2.2		
10	1		
11	1		
12	0.8		
13	0.6		
14	1.2		
15	1		
16	1.4		
17	1		
18	0.8		
19	0.8		
20	0.8		
21	0.8		
22	0.8		
23	0.8		
24	1		
25	0.6		
26	0.8		
27	1.8		
28	1		
29	1		
30	1		
31	0.8		
32	0.8		
33	0.8		
34	0.6		
35	1		
36	0.4		
37	0.8		
38	0.6		
39	0.4		

Sources: DDWS 2012 (b); Water Test Report Kanaganapalli 22.09.09; Water Test Report Kanaganapalli 24.01.10 (FD32.02.10).

## 7. Monthly Card Sales at Case Study Sites

Month	Number of Cards Sold		
	Kothapeta	Nellutla	Kanaganapalli
Apr-10	172	460	293
May-10	168	440	319
Jun-10	182	404	292.5
Jul-10	147	396	312
Aug-10	163	339	312
Sep-10	185	307	325
Oct-10	180	367	331.5
Nov-10	157	302	260
Dec-10	168	307	214.5
Jan-11	156	287	
Feb-11	148	273	
Mar-11		371	
Apr-11			
May-11	196	456	141
Jun-11	157	370	189
Jul-11	151	314	144
<i>Total:</i>	2330	5393	3133.5
<b>Average:</b>	<b>166</b>	<b>359</b>	<b>261</b>
<b>Number of Households in the Village</b>	<b>756</b>	<b>1805</b>	<b>1930</b>
<b>Average % of Population (to the nearest 1%)</b>	<b>22</b>	<b>20</b>	<b>14</b>
<b>Plant Capacity (number of households)</b>	<b>360-600 (average=480)</b>	<b>400-667 (average=533.5)</b>	<b>400</b>
<b>Average % of Plant Capacity (to the nearest 1%)</b>	<b>35%</b>	<b>67%</b>	<b>65%</b>

## 8. Revenue at Case Study Sites (Rs)

	Kothapeta	Nellutla	Kanaganapalli
Apr-09	0	18900	
May-09	6130	23056	
Jun-09	6780	20410	
Jul-09	5775	20590	
Aug-09	6210	21395	
Sep-09	6235	19670	
Oct-09	6900	22365	

Nov-09	3920	17235	
Dec-09	6325	17670	
Jan-10	5725	17180	24960
Feb-10	6705	22315	54000
Mar-10	8925	19935	26295
Apr-10	9740	27575	23820
May-10	9700	26420	22920
Jun-10	10450	23565	23565
Jul-10	8390	23690	23205
Aug-10	8790	19545	
Sep-10	9810	17390	19605
Oct-10	9670	20385	19905
Nov-10	9430	16800	15705
Dec-10	9585	17055	12975
Jan-11	10185	17145	
Feb-11	9700	16335	
Mar-11		22365	
Apr-11			
May-11	11455	26990	11910
Jun-11	9410	24235	14640
Jul-11	9245	19180	11040
Total	205190	559396	304545
Average	7891.923	20718.37	21753.21429

## Appendix Q: Naandi Household Study in Kanaganapalli



### Individual HH Study Format

1. Village: Kanaganapally      2.Mandal: Kanaganapally      3.District: Anantapur

4. Name of the interviewee: Gudugunta China Srinu

5. Family Members:

S.No	Name of the Member	Sex	Age	Education				
				Illiterate	I - V	VI - X	XII+	Grad +
1	Gudugunta China Srinu	M	43	Yes				
2	G. Laxmi	F	36	Yes				
3	G. Suranna	F	18			Yes		
4	G Rantnam	F	16			Yes		
5	G Murali	M	13		Yes			
6								

6. Ration card details: White / Pink / don't have Ration Card: White

7. Number of Family Members on Ration Card? Five

8 Occupations: (tick mark)

Agricultural Farmer		State Employee	
Agricultural Labourer	Y	Self Employed	
Construction Worker		Unemployed	
Factory Worker		Other	

#### **For only Agricultural Labourers/Construction workers:**

8i. Do you migrate? Yes/No:      No      8ii. Who will migrate?  
Family/Individual

8iii. Period of migration:      8.iv. Duration:

9. How many months of work is available      12/9/6/3 months : 9 months

10. Monthly Income: Rs.      2000      11. Is this your main income source? Y  
/ N : Y

12. Other Income Sources: Labourer

Y	Schedule Castes		Other Castes
---	-----------------	--	--------------

13. Caste: (tick 

	Schedule Tribes	
	Backward Castes	

 mark)

14. House: (tick mark)

House		Type			Govt. Aid	
Y	Own	Y	Thatched		Asbestos	Yes
	Rented		Tiled		Slab	No

15. Do you have a piped water connection at home? Y / N

16. Water Usages: (tick mark)

Type	Source	Requirement liters per day	Distance from HH Meters	Who fetches water:		Daily time involved:	Quality of water		Availability of Water			
									Y			
Drinking Water	Open well	30lts	2 kms	<b>Mostly</b>		Minutes:		Excellent	Y	12 Months		
	Hand pump (Pvt)				Males		Y	Good		9 Months		
	Hand pump (Pan)			Y	Females			Average		6 Months		
	Pond			Y	Children			Poor/Bad		3 Months		
	Canal			<b>Sometimes</b>				Don't Know				
	Y Public Tap				Males							
	HH Connection				Females							
	Vendor			Y	Children							
	Other								2 hr			
Non Drinking Water	A Open well	F	2Kms	<b>Mostly</b>		Minutes		Excellent		12 Months		
	B Hand pump (Pvt)				Males		Y	Good		9 Months		
	C Hand pump (Pan)			Y	Females			Average		6 Months		
	D Pond				Children			Poor/Bad		3 Months		
	E Canal			<b>Sometimes</b>				Don't Know				
	F Public Tap				Males							
	G HH Connection				Females							
	H Vendor				Children							
	I Other								2 hrs			

17. What are your criteria for drinking water to be safe? Taste

18. What are the major illnesses affecting your family members? (Tick mark)

S. No	Problem	Present			S. No	Problem	Present		
		M	F	C			M	F	C
1	Fever	Y	Y	Y	8	Swelling			
2	Persistent cough & cold		Y	Y	9	Worms			
3	Stomach/abdominal pain				10	Dizziness			
4	Headache/body ache	Y			11	Loss of weight			
5	Skin problems			Y	12	TB			
6	Not being able to see/hear/speak properly				13	Blood in dysentery			
7	Fits/ Disability				14	Diarrhea			
	<b>Others:</b>								

19. Sanitation:

A	ISL	
B	Community Toilets	
C	Open Defecation	Y

20: Hands washing after defecation?

A	Water	Y	D	Mud	
B	Soap		E	Sand	
C	Ash		F	Other	
			G	None	

21. How much money would you spend on drinking water per day? 2 Rs

22. How much additional would you pay for transport per day? No

Interviewer: P. Grace Raja

Signature:

Date: 12/09/2009

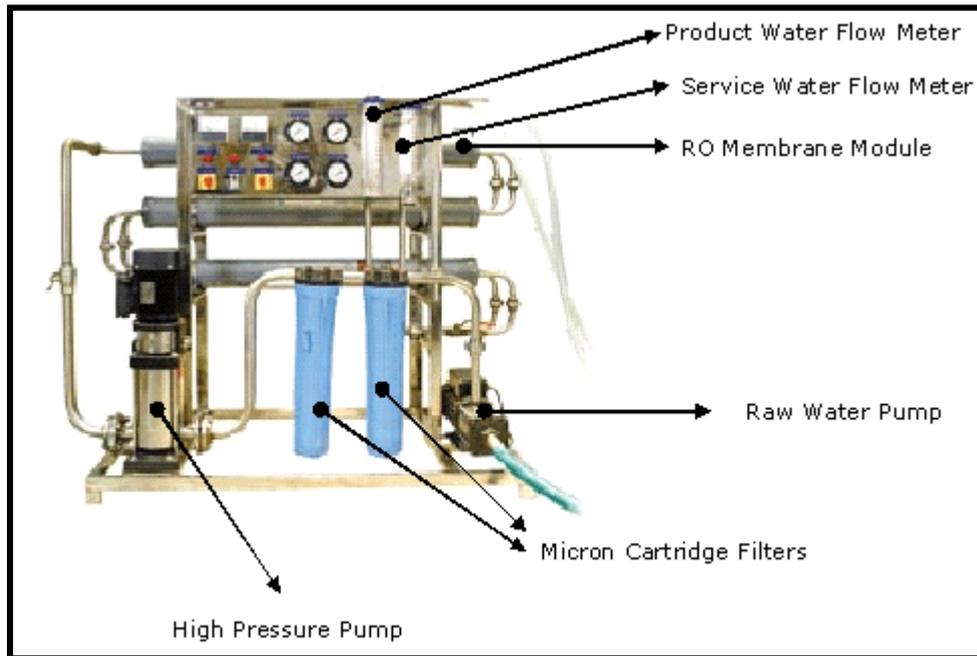
## Appendix R: Legal forms for Social Enterprise

Legal structure	Summary: most typical features	Ownership, governance and constitution	Is it a legal person distinct from those who own and/or run it?	Can its activities benefit those who own and/or run it?	Assets 'locked in' for community benefit?	Can it be a charity and get charitable status tax benefits?	Differences in the law as it applies in Scotland or Northern Ireland?
<b>Unincorporated association</b>	Informal; no general regulation of this structure; need to make own rules.	Nobody owns - governed according to own rules.	No, which can create problems for contracts, holding property and liability of members.	Depends on own rules.	Would need bespoke drafting to achieve this.	Yes, if it meets the criteria for being a charity.	No specific differences.
<b>Trust</b>	A way of holding assets so as to separate legal ownership from economic interest.	Assets owned by trustees and managed in interests of beneficiaries on the terms of the trust.	No, which means the trustees are personally liable.	Not usually. Trustees/directors can only benefit if trust, court or Charity Commission give permission.	Yes, if trust established for community benefit.	Yes, if it meets the criteria for being a charity.	No, subject to differences between English and Scots trust law.
<b>Limited company (other than Community Interest Company)</b> <a href="http://www.companieshouse.gov.uk">www.companieshouse.gov.uk</a>	Most frequently adopted corporate legal structure; can be adapted to suit most purposes.	Directors manage business on behalf of members. Considerable flexibility over internal rules.	Yes, members' liability limited to amount unpaid on shares or by guarantee.	Yes, but no dividends etc to members if it is a company limited by guarantee.	Would need bespoke drafting in articles, which could be amended by members.	Yes, if it meets the criteria for being a charity.	Scotland: no. Northern Ireland: separate but similar legislation.
<b>Community interest company (CIC)</b> <a href="http://www.cicregulator.gov.uk">www.cicregulator.gov.uk</a>	An effective limited company structure for social enterprise with secure 'asset lock' and focus on community benefit.	As for other limited companies, but subject to additional regulation to ensure community benefits.	Yes, members' liability limited to amount unpaid on shares or by guarantee.	Yes, but must benefit the wider community. Can pay limited dividends to private investors and directors can be paid.	Yes, through standard provisions which all CICs must include in their constitutions.	No, but can become a charity if it ceases to be a CIC.	Scotland: no. Northern Ireland: legislation not yet in place.
<b>Industrial &amp; Provident Society (IPS) (Co-operative)</b> Not time-limited	For bona fide co-operatives that serve members' interests	Committee / officers manage on behalf of members. One member, one	Yes, members' liability limited to amount unpaid on	Yes, but should do so mostly by members trading with society, using its facilities etc, not as a result	Would need bespoke drafting in articles, which could be	No, would have to be constituted as communi	Scotland: no. Northern Ireland: separate but similar legislation.

	by trading with them or otherwise supplying them with goods or services.	vote (regardless of size of respective shareholdings).	shares.	of shareholdings.	amended by members.	ty benefit type of IPS.	
<b>Industrial &amp; Provident Society (IPS) (Community Benefit Society (BenComm))</b>	Benefit community other than just own members and have special reason not to be companies.	Like Co-op type, but new legislation provides option of more secure form of 'asset lock'.	Yes, members liability limited to amount unpaid on shares.	Must primarily benefit non-members - 'asset lock' applies.	Yes, asset lock only survives dissolution if new statutory form of asset lock adopted.	Yes, if it meets the criteria for being a charity.	Scotland: no. Northern Ireland: legislation not yet in place.
<b>Charitable Incorporated Time-limited</b>	First ready-made corporate structure specifically designed for charities.	Similar to company but with different terminology, eg 'charity trustee' instead of 'director'.	Yes, members either have no liability or limited liability.	Members are not permitted to benefit and charity trustees are only able to benefit if constitution, court or Charity Commission give permission.	Yes.	Cannot be anything but a charity, and must meet the criteria for being a charity.	Scotland: separate but similar legislation and regulator. Northern Ireland: legislation not yet in place.

Source: *Business Link 2013*.

## Appendix S: Tata Reverse Osmosis Technology



Source: Naandi 2012(b).

## Appendix T: Case Study Villages

The three case studies in this chapter each represent a different stage of development in the relationship between Frank and Naandi. The first case study, in the village of Kothapeta, was the first project which Frank Water funded in 2005.<sup>31</sup> The second case study project in Nellutla was inaugurated in November 2008 and the third project in Kanaganapalli was inaugurated in January 2010. Figures 1-2 illustrate the projects at these three case study sites. As can be seen, one of the first changes that occurred over time was that the technology and design of the projects changed. The first project in Kothapeta was built using prefabricated materials from WaterHealth India (WHIn), and the purification equipment was based on Ultra Violet (UV) filters. The other two projects, by contrast, used reverse osmosis (RO) technology from Tata Projects, and were housed in civil constructions. In addition, each of the three case studies is located in a different region of Andhra Pradesh (AP). This was partly as a result of changes over time as Naandi's operations moved further inland. Figures 3 and 4 illustrates the regions and districts of AP. The first project, Kothapeta, is located in the Krishna district of the coastal Andhra region. The second project, Nellutla, is in Warangal in the Northern Telangana region. The third project, Kanaganapalli, is located in Anantapur district in the interior Rayalseema region.

### Figure 1: Images of Case Study Projects.

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<sup>31</sup> As this project was later closed and then re-inaugurated, some of the earlier records had been lost and it was not possible to identify in which month the project was first set up.

Case Study 1: Kothapeta (2005)	Case Study 2: Nellutla (November 2008)	Case Study 3: Kanaganapalli (January 2010)
		

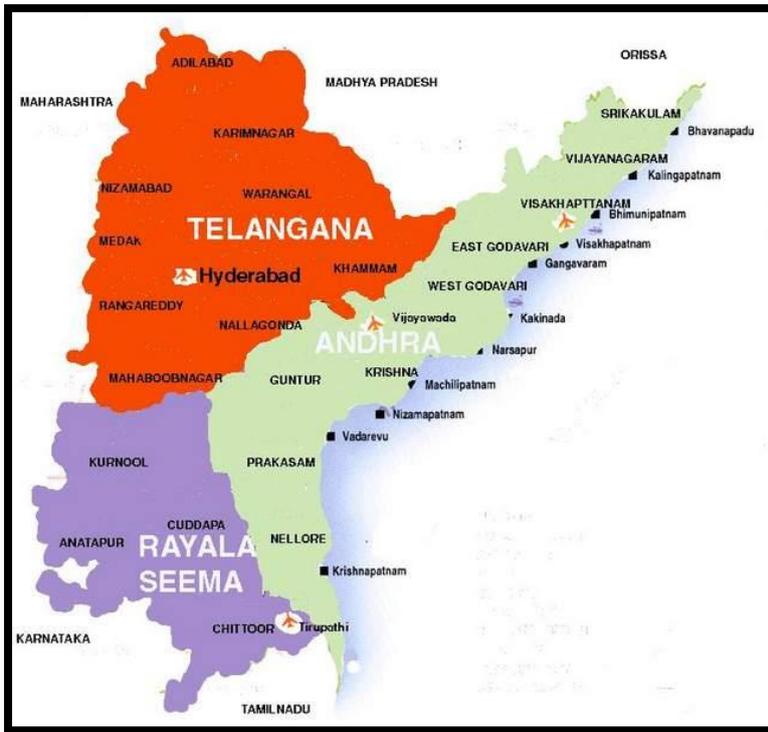
Sources: Own photos: Kothapeta (photo taken in March 2010), Nellutla (photo taken in October 2009), Kanaganapalli (photo taken in February 2010).

**Figure 2: Images of Purification Equipment at Case Study Sites.**

Kothapeta (WHIn UV)	Nellutla (Tata RO)	Kanaganapalli (Tata RO)
		

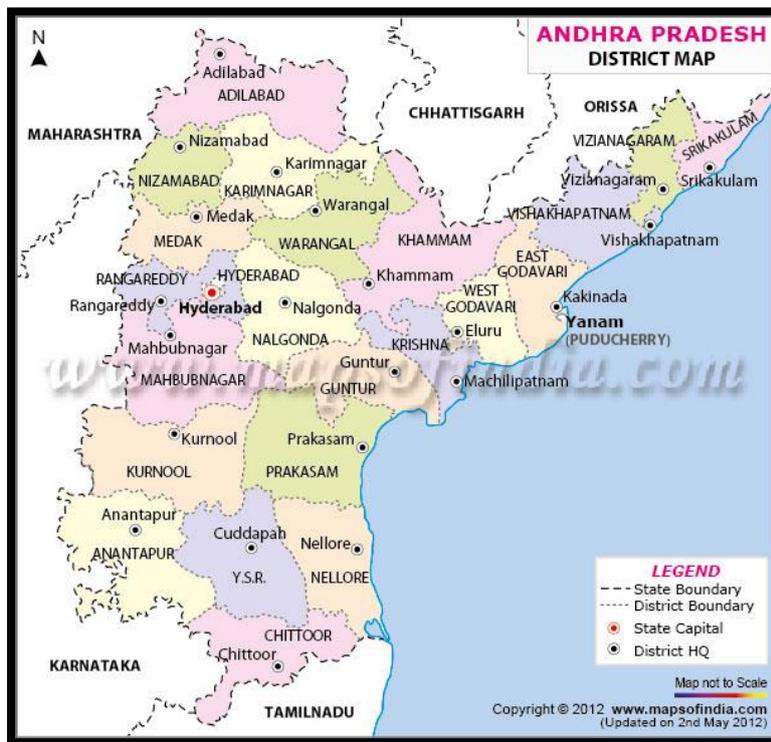
Sources: Own photos: Kothapeta (photo taken in March 2010), Nellutla (photo taken in February 2009), Kanaganapalli (photo taken in February 2010).

Figure 3: Regions of Andhra Pradesh.



Source: Vepachedu 2012.

**Figure 4: Districts of Andhra Pradesh.**



*Source: Maps of India 2012.*

### **1. Population**

Table 1 illustrates the population and geographical spread of each of the three villages, based on data from the 2001 Census. Whilst the 2001 Census classified Nellutla and Kanaganapalli as main villages, Kothapeta was grouped together with another nearby village under the name of Ganiatukuru. Table 1 therefore shows both the overall data for Kothapeta/Ganiatukuru, as well as disaggregated data for Kothapeta which was provided by the local village secretary. As can be seen, Kothapeta is a smaller village than the other two sites, with a population of 1,878 people, compared to 6,699 in Nellutla and 6,314 in Kanaganapalli. Whilst Nellutla had a slightly higher population than Kanaganapalli, Kanaganapalli was also the mandal (sub-district) headquarter. As one Naandi staff member noted, this meant that it was a regional hub for commercial activities (FD16.02.10). Kanaganapalli was also the largest village in terms of geographical size. Table 1 shows that Kothapeta/Ganiatukuru and Nellutla covered around 2,000 hectares, whilst Kanaganapalli was spread over more than 7,000 hectares. Kanaganapalli was therefore the least densely populated, at around 88 people per 100 hectares, compared to 239 in

Kothapeta/Ganiatukuru and 333 in Nellutla. Figures 5-8 illustrate the layout of the three villages. In Kothapeta, most of the houses were clustered in a single area. Nellutla and Kanaganapalli however were more dispersed. Both villages were built around main roads, and comprised a main village as well as a series of surrounding hamlets or *habitations*. These habitations often reflected caste hierarchies (See Chapter 4 [*Transnational Partnerships for Development*], Section 4.4.2.3 [*Behaviour Change*] for an overview of caste categories). For example, Kanaganapalli had two *BC Colonies*, whilst all three of the villages had distinct *SC Colonies* or *Harijanawadas*.<sup>32</sup>

**Table 1: Population in Case Study Villages (2001 Census).<sup>33</sup>**

	<b>Kothapeta I</b>	<b>Kothapeta II (Ganiatukuru)</b>	<b>Nellutla</b>	<b>Kanaganapalli</b>
<b>Total Population</b>	1,878	4,522	6,699	6,314
<b>Area of village (in hectares)</b>	(not available)	1,889	2,014	7,150
<b>Population density (persons per 100 hectares)</b>	(not available)	239	333	88

*Sources: Kothapeta I: KoLP2. Kothapeta II (Ganiatukuru), Nellutla and Kanaganapalli: Census India 2001.*

<sup>32</sup> The SC Colony is not evident on the map in Kothapeta, however the Department of Drinking Water and Sanitation explicitly splits the village into main Kothapeta and the Kothapeta Harijanawada (DDWS 2012 [a]).

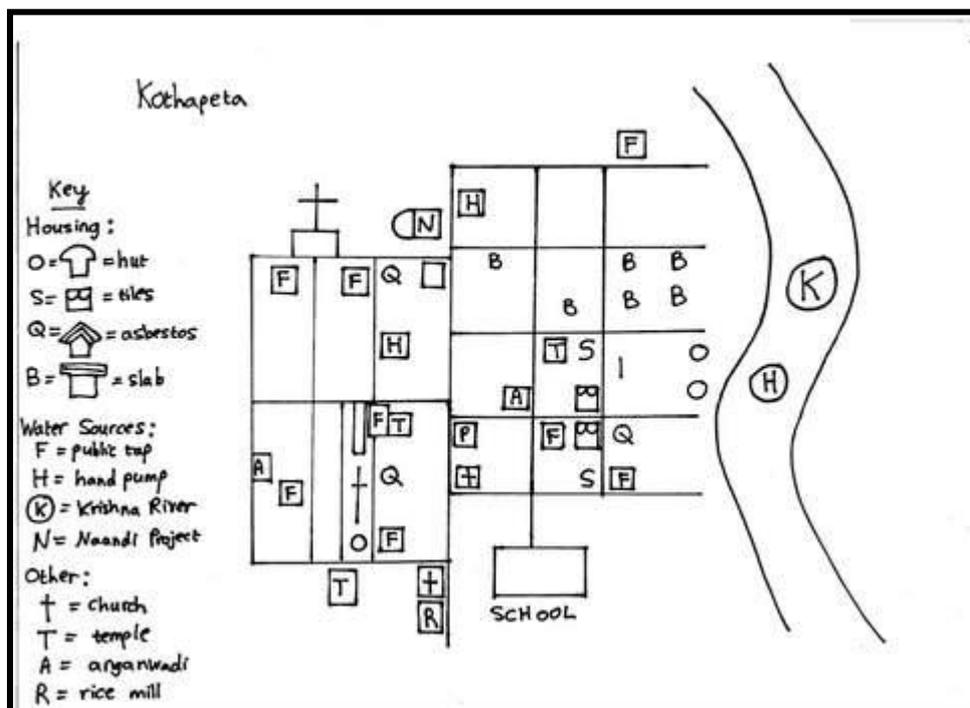
<sup>33</sup> In the 2001 Census, Kothapeta was grouped together with the nearby village of Ganiatukuru. The second column in this table therefore illustrates the population figures for Ganiatukuru in the 2001 Census, and the first column illustrates the population figure for Kothapeta itself which was provided by the village secretary.

Figure 5: Map of Kothapeta I (Photo).



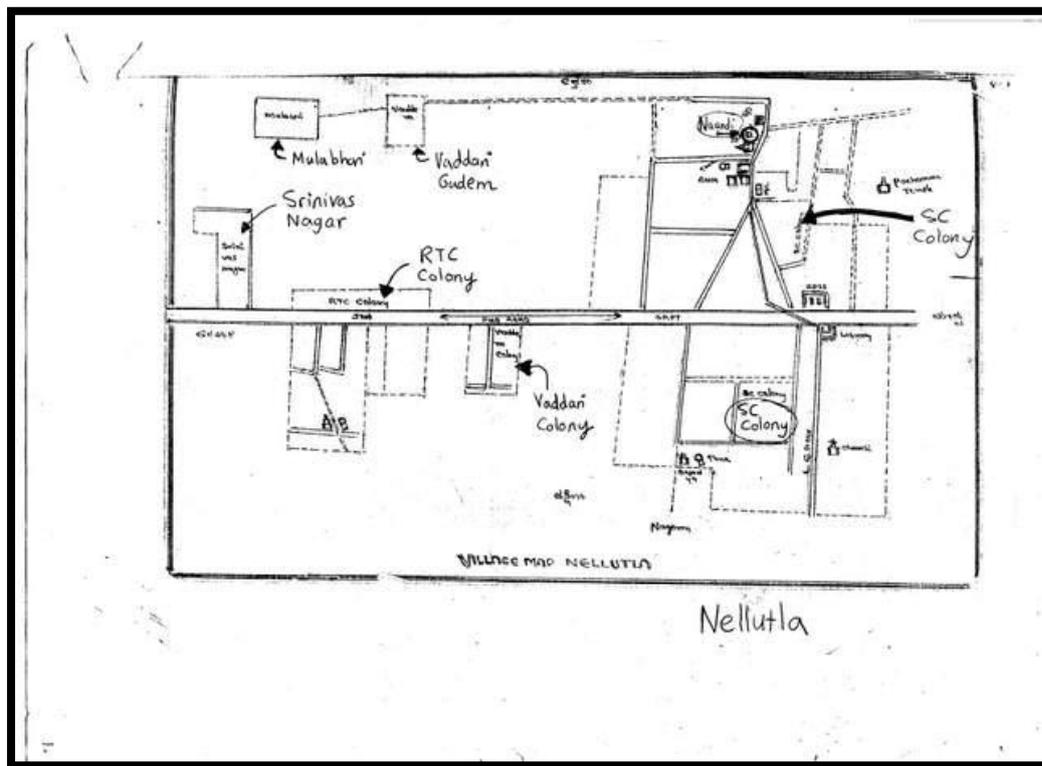
Source: Participatory Map Drawing Exercise in Kothapeta, March 2010 (own photo).

Figure 6: Map of Kothapeta II (Diagram).



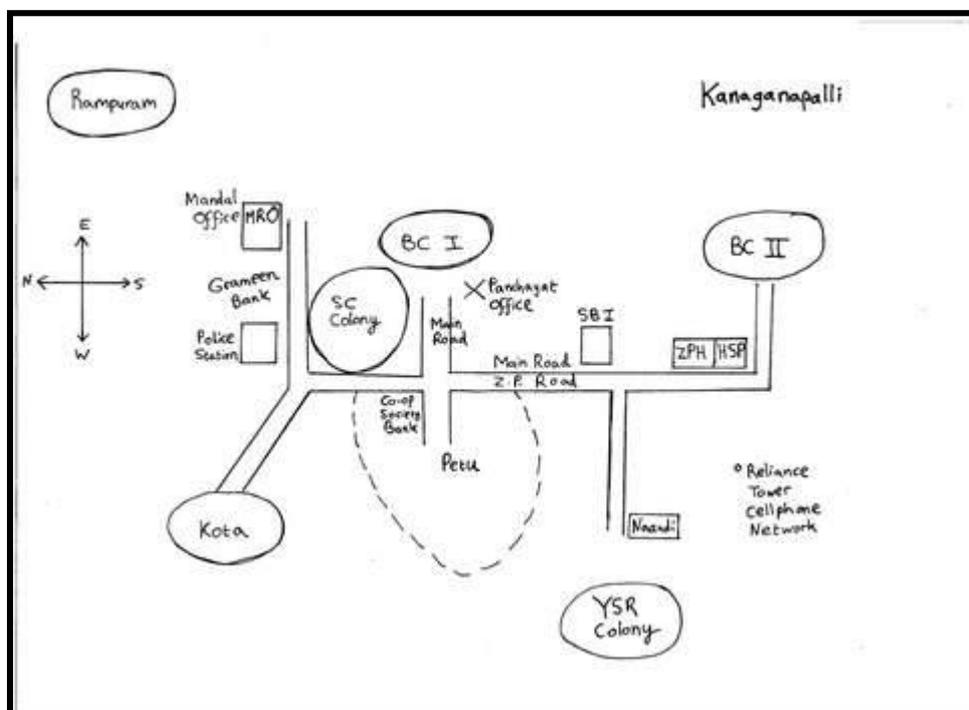
Source: Participatory Map Drawing Exercise in Kothapeta, March 2010.

Figure 7: Map of Nellutla.



Source: Village Revenue Office, October 2009.

Figure 8: Map of Kanaganapalli.



Source: Map originally drawn by Nagabushanam, Kanaganapalli March 2010

In all three villages, the majority of the population held Below the Poverty Line (BPL) ration cards. These are part of a central scheme that provides access to subsidised goods for households below a certain income level (FD24.02.10; FD12.03.10; NeLP6; NeWU2).<sup>34</sup> As Table 2 and Figure 9 show, the highest proportion of BPL households was in Nellutla at 91%, compared to 70% in Kothapeta and 57% in Kanaganapalli. The distribution of BPL cards is not however, necessarily an accurate representation of poverty. A variety of factors, including the need for a fixed address, the requirement to purchase in bulk and bribes charged by local officials, mean that these ration cards do not always confer benefits on the poorest households (Dutta and Ramaswamy 2001; Jha 1992). A proxy indicator of poverty is the percentage of SC/ST households (Nayar 2007) (See Chapter 4 “*Transnational Partnerships for Development*” for overview of caste categories). Table 3 demonstrates the link between poverty and caste in AP, using data from the National Family Health Survey (NFHS 2008). In 2005-06, approximately 16% of SC households were in the lowest wealth quintile, compared to 4% of OCs. The figure was even higher for STs, with 35% in the lowest quintile. At the other end of the spectrum, 34% of OCs were in the highest quintile, compared to 11% of SCs and only 6% of STs. As one Naandi field officer noted, SC/ST groups represent the “*poorest of the poor*” (FD12.03.10). As can be seen in Table 4 and Figure 10, Kothapeta had the highest proportion of SC/ST households in 2001, at around 28%.<sup>35</sup> This was followed by 21% in Nellutla and 16% in Kanaganapalli. In all three villages, this proportion was primarily comprised of SC groups, with tribal groups representing a small minority. Whilst Nellutla therefore had the highest number of BPL cards, Kothapeta had a higher proportion of SC households, followed by Nellutla and then Kanaganapalli.

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<sup>34</sup> The parameters for this income level change depending on government policy (FD24.02.10; KoGP3). In early 2012, the measure in AP was a monthly income of less than Rs 11,000 (£129) (Government of India 2012), although other factors, including assets held by the household, were also taken into consideration (KoGP3).

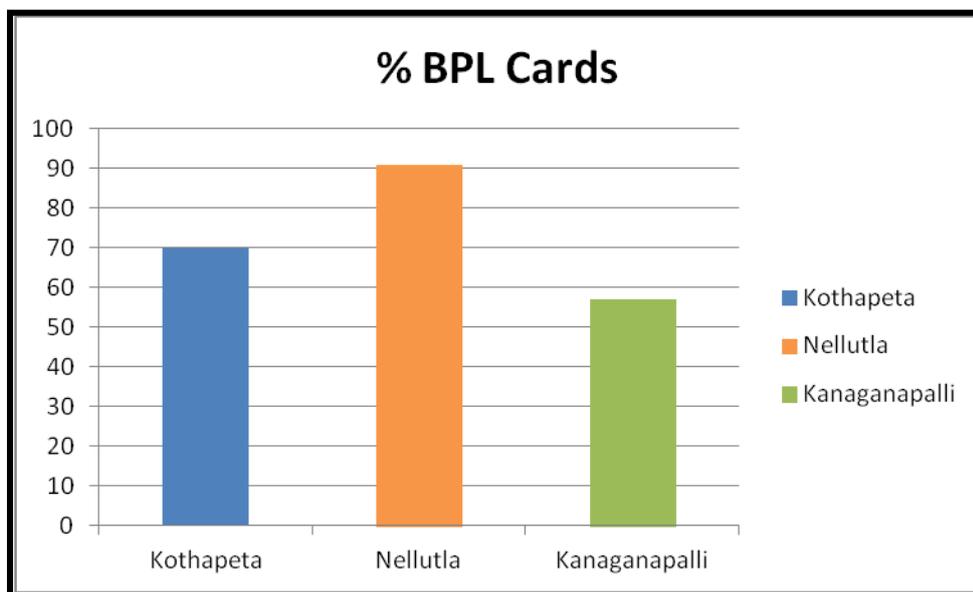
<sup>35</sup> Disaggregated data for Kothapeta was not available in the 2001 Census. However data from a village survey in 2011 by the Department of Drinking Water and Sanitation suggests that the SC/ST population in Kothapeta was around 25% (compared to 22% in Nellutla and 11% in Kanaganapalli) (DDWS 2012 [a]).

**Table 2: BPL Ration Card Holders in Case Study Villages.**

Village	% BPL Card Holders
<b>Kothapeta</b>	70
<b>Nellutla</b>	91
<b>Kanaganapalli</b>	57

Sources: Nellutla and Kanaganapalli: Naandi Village Information Forms (See Appendices J and K). Kothapeta: KoLP2.

**Figure 9: BPL Ration Card Holders in Case Study Villages.**



BPL= Below the Poverty Line

Sources: Nellutla and Kanaganapalli: Naandi Village Information Forms (See Appendices J and K). Kothapeta: KoLP2.

**Table 3: Caste/tribe by wealth index (AP 2005-06)**

Caste/tribe of household head	Wealth Index				
	Lowest	Second	Middle	Fourth	Highest
<b>Scheduled caste</b>	16	20	33	20	11
<b>Scheduled tribe</b>	35	27	19	14	6
<b>Other backward class</b>	9	20	34	25	12
<b>Other</b>	4	8	21	33	34
<b>Total</b>	11	18	29	25	17

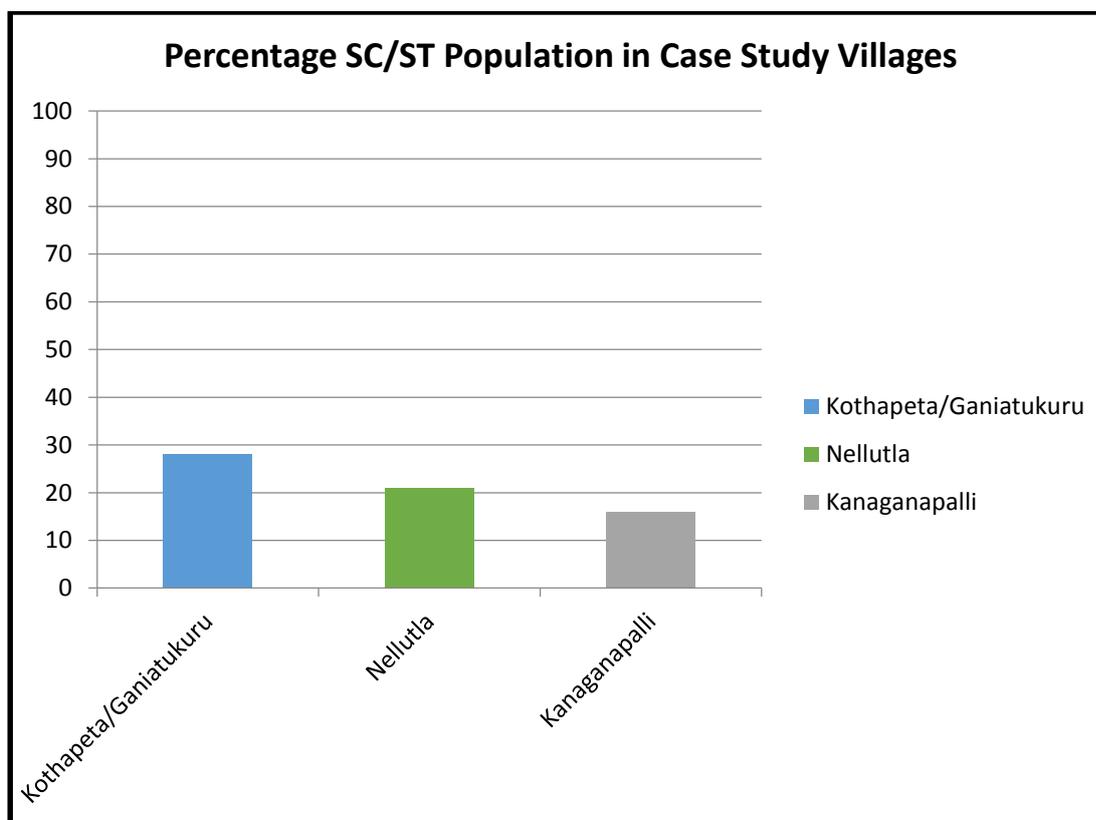
*Source: National Family Health Survey (NFHS), AP 2005-06: 37.*

**Table 4: SC/ST Population in Case Study Villages (2001 Census)**

Village	% SC/ST Population
<b>Kothapeta/Ganiatukuru</b>	28
<b>Nellutla</b>	21
<b>Kanaganapalli</b>	16

*Source: Census India 2001*

**Figure 10: SC/ST Population in Case Study Villages (2001 Census)**



Source: Census India 2001

In all of the villages, agriculture was the primary occupation (KoGP1; KaWU1; NeNS3; KoGP2; KaNS2; KaLP2; NeWU10; NeWU5). Whilst many people had some land of their own (between 0.5-5 acres of land according to one Naandi field officer [FD15.03.10]), they mainly depended on daily wages from landlords (FD12.03.10; KaNS2; NeWU6). This was a vulnerable occupation because all three villages were affected by extreme weather. Flooding had affected both Nellutla and Kothapeta, particularly Kothapeta which was severely flooded in October 2009 (KoWU5; KoWU1). In addition, all of the villages were affected by drought (KoGP2; NeLP6; NeWU6; NeNS3; KaGP1; KaWU1; FD15.03.10; FD16.02.10; FD12.03.10). As one Naandi field officer noted, there was little or no water storage, so any water which fell during the Monsoons would just “flow into the sea” (FD15.03.10). The whole state of AP is also affected by depleting groundwater sources (Suchitra 2012; World Bank [WB] 2009; WB 2011[b]). This was particularly the case in the Rayalaseema region in which Kanaganapalli was located (FD16.02.10; KAGP1; FD12.03.10). Table 5 and Figure 11 illustrate the average depth of groundwater in each of the three regions of AP. As can be seen, the water table has sunk in all three areas, and the level was lowest in Rayalaseema,

followed by Telangana and then coastal Andhra.<sup>36</sup> The depleting groundwater sources meant that crops were more vulnerable to drought (WB 2011[b]). In Kothapeta and Nellutla, migration was cited as a common phenomenon (KoGP2; NeWU7; NeWU8; NeWU4; FD12.03.10). As crops failed rural populations, particularly younger people, would migrate to cities or travel seasonally to find work where it was available (ibid.). In Kothapeta this included digging for sand in the nearby river basin, whilst several people in Nellutla worked as construction workers or in quarries (ibid.). In Kanaganapalli, by contrast, it was noted that there was little work available, even elsewhere: *“This is a dry area. Totally dry [...] no irrigation, no industrial, no service providers, no opportunity”* (KaGP1).<sup>37</sup> Whilst poverty levels therefore varied, the widespread dependence on agriculture and a lack of regular employment meant that the populations in all three villages were vulnerable to poverty. As one group of residents in Nellutla noted: *“It’s too hard to survive now. Nowadays. Because of no rains and all those things”* (NeWU6).

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<sup>36</sup> Groundwater sources have not yet been extensively mapped in India, although the national government is currently considering a large-scale programme in this area (Chaudhary 2012).

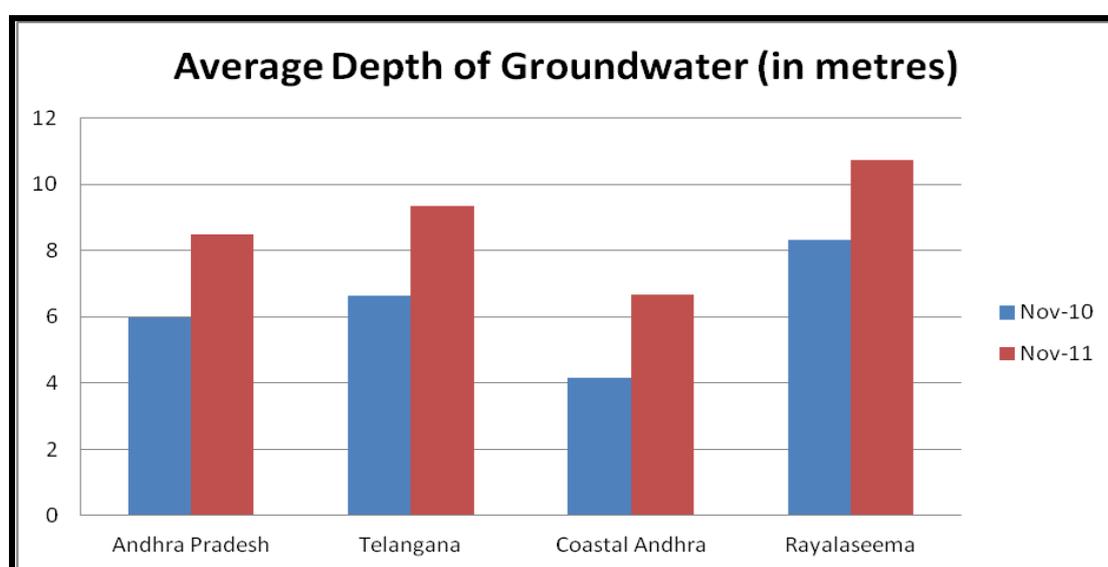
<sup>37</sup> The National Rural Employment Guarantee Act (NREGA) is supposed to provide 100 days of unskilled labour for each household (NREGA 2012), and whilst it was mentioned in all three villages, it was patchily implemented. As one group of women in one Anantapur village noted, they had not received a *“bill”* of work from NREGA for two months (NaWU1).

**Table 5: Groundwater Levels in AP Regions.**

Region	Average depth of groundwater (in metres)		
	November 2010	November 2011	Fluctuation
AP	6.0	8.5	2.5
Telangana	6.6	9.3	2.7
Coastal Andhra	4.2	6.7	2.5
Rayalaseema	8.3	10.8	2.4

Source: Suchitra 2012.

**Figure 11: Groundwater Levels in AP Regions.**



Source: Suchitra 2012.

## 2. Water Sources

In each of the villages, there was an existing public water system, generally consisting of a bore well leading to over-head tanks, from which water was distributed to communal taps and, in some cases, individual household connections (See Appendices J and K, and Figures 5 and 6). Other sources of water within the villages included (often privately owned) hand pumps and open wells (ibid.). Figure 12 illustrates some of the water sources in the three villages. As can be seen, several of these sources were poorly maintained, leading to a risk of microbial contamination as well as water shortages in some areas of the villages (NeWU9;

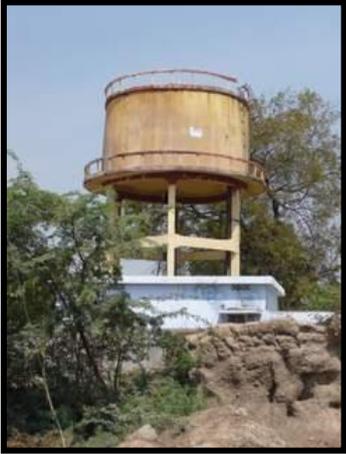
NeWU7; FD18.03.10; FD26.02.10;KaWU4; KoGP3).<sup>38</sup> For example, both of the hand-pumps in Figure 12, in Kothapeta and Nellutla, were broken, whilst one of Naandi's field officers suggested that a pipeline in Kanaganapalli was leaking and mixing with water from a drainage ditch (KoWU5; NeWU7; FD12.03.10). Additionally, in all three villages there was a perception that the groundwater was "too hard", "salty" and contaminated with fluoride (KoLP1; KoGP3; NeGP1; KaWU4; FD12.03.10; FD16.02.10). As described in Chapter 7, concerns over chemical contamination were more prevalent than concerns over microbial contamination. In Kothapeta, the water sources within the village were therefore generally not used for drinking. Instead, residents would collect water from a hand pump in the bed of a nearby river, around 1.5 km from the village (KoWU5; KoWU4; KoWU3; FD18.03.10). In Nellutla, meanwhile, several residents were buying water from private plants outside of the village (NeLP1; NeNS2; NeKP1). These private operators were selling water at cost of between Rs 4-10 per 20L (£0.05-£0.26) (ibid.). In Kanaganapalli, meanwhile, a couple of people had small RO filters in their homes (See Figure 36) (KaLP1; KLP3). At a cost of around Rs 12-15,000 (£155-£194), however, these were not affordable for the majority of the population. Although there was therefore some form of drinking water in all three villages, there was a widespread perception that these sources were not suitable for drinking and several people were relying on alternative sources, particularly in Kothapeta and Nellutla.

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<sup>38</sup> The water system in Kanaganapalli had been set up 15 years previously by the spiritual organisation the Sri Satisaye Trust (FD26.02.10; KaWU4). The agreement was that the Trust would maintain the system for two years, after which time it would pass over to the district government (ibid.). However, the district government lacked the funds to maintain it and by 2010 it had fallen into disrepair (ibid.).

**Figure 12: Water Sources in Case Study Villages.**

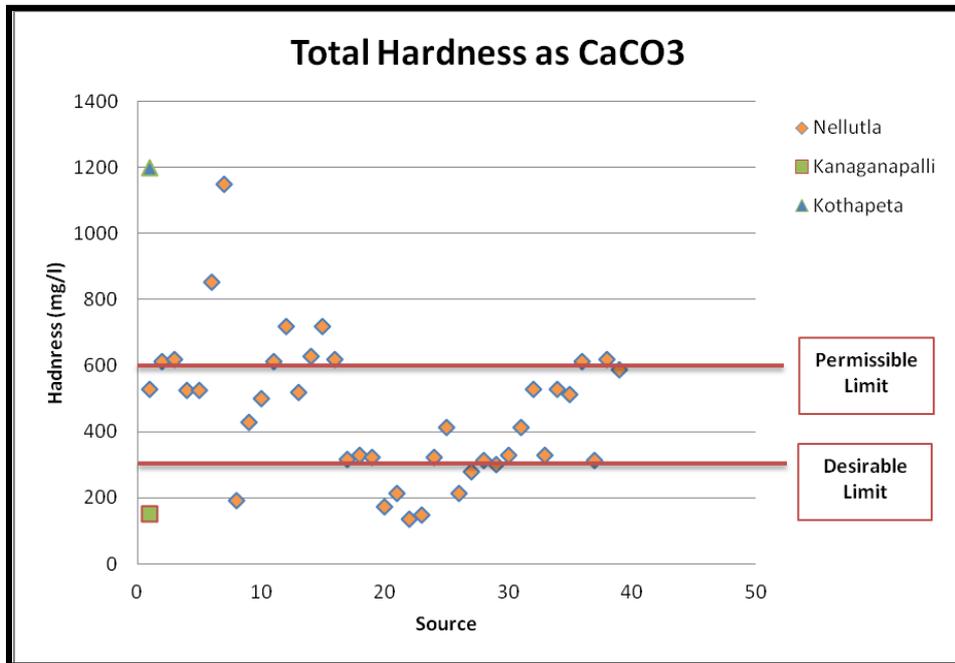
Kothapeta	Nellutla	Kanaganapalli
 <p data-bbox="188 779 544 853">Boy demonstrating broken hand-pump</p> <p data-bbox="188 875 544 949"><i>Source: Own Photo, Kothapeta (March 2010)</i></p>	 <p data-bbox="563 779 919 853">Broken hand-pump in Vaddari Gudem</p> <p data-bbox="563 875 919 949"><i>Source: Own Photo, Nellutla (October 2009)</i></p>	 <p data-bbox="938 779 1294 891"><i>“Kanaganapally village drinking water taps and people collecting water”</i></p> <p data-bbox="938 936 1294 1122"><i>Source: Photo courtesy of G. Raja, former Project Manager at Naandi, on behalf of Frank (received 13.03.10).</i></p>
 <p data-bbox="188 1659 544 1688">Water Tower in Kothapeta</p> <p data-bbox="188 1697 544 1771"><i>Source: Own Photo, Kothapeta (March 2010)</i></p>	 <p data-bbox="563 1518 919 1592">Open well in Vaddari Gudem</p> <p data-bbox="563 1615 919 1688"><i>Source: Own Photo, Nellutla (October 2009)</i></p>	 <p data-bbox="938 1518 1294 1666"><i>“Kanaganapally village drinking water pipe line leakage is mixing to drainage lane”</i></p> <p data-bbox="938 1688 1294 1877"><i>Source: Photo courtesy of G. Raja, former Project Manager at Naandi, on behalf of Frank (received 13.03.10).</i></p>

 <p>Hand-pump in Krishna River. Source: <i>FRANK Water 2006</i></p>	 <p>Overhead tank Source: <i>Own Photo, Nellutla (February 2009)</i></p>	 <p>“Kanaganapally village Panchyat RWS finished Water Tank inside view” Source: <i>Photo courtesy of G. Raja, former Project Manager at Naandi, on behalf of Frank (received 13.03.10).</i></p>
 <p>Women washing clothes in Krishna River. Source: <i>FRANK Water (reference TM)</i></p>	 <p>Hand pump in Nellutla Source: <i>FRANK Water 2009</i></p>	 <p>Household RO Purifier in Kanaganapalli Source: <i>Photo courtesy of G. Raja, former Project Manager at Naandi, on behalf of Frank (received 13.03.10).</i></p>

The levels of contamination in water sources vary over time (NeWU10. See also: Holstad and Havig 2010). It was therefore difficult to verify the extent to which the sources in the village were contaminated. Furthermore water test reports from Naandi were only available for the village of Kanaganapalli. These reports can be found in Appendix L. However, in

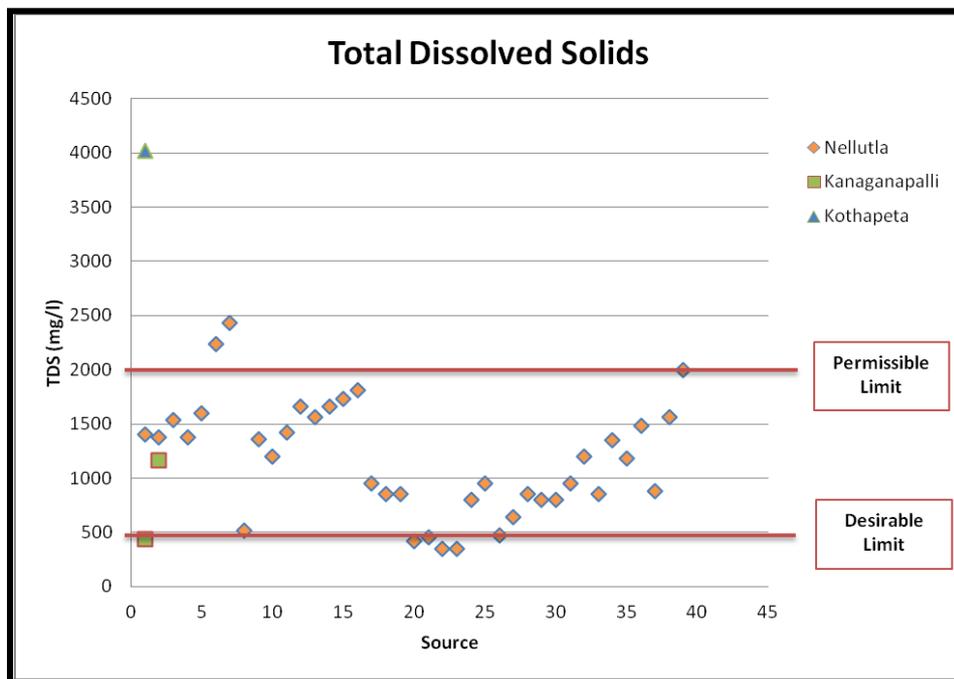
Nellutla, the Department for Drinking Water and Sanitation (DDWS) had carried out 38 tests of different sources in 2010. The DDWS had also conducted one test in Ganiatukuru. These reports can be found in Appendices M-N. Based on this data, Figures 13-15 compare the levels of CaCO<sub>3</sub> (a measure of hardness), Total Dissolved Solids (TDS: a measure of the potability of water, associated with salinity) and fluoride in the water sources of the three villages. The Bureau of Indian Standards (BIS) sets both desirable limits for each of these elements, as well as permissible levels when no other sources are available. A full list of these standards can be found in Appendix O. Calculations for all of the charts in this chapter can be found in Appendix P. In Ganiatukuru, all three elements (CaCO<sub>3</sub>, TDS and fluoride) were present in the water, at levels beyond those permitted by the BIS standards. In Nellutla, most sources had levels of these elements between desirable and permissible limits, although some sources were beyond the permissible limits. Meanwhile in Kanaganapalli, both CaCO<sub>3</sub> and TDS were below the permissible level, but the fluoride in one source was higher. In all three villages, therefore, there were cases where the water was in fact contaminated beyond levels permitted by the BIS standards, although these levels varied depending on which source was tested. No tests were available for microbial contamination. This again reflects the imbalance in public perceptions regarding fluoride over microbial contamination, which is described in Chapter 7.

**Figure 13: Total Hardness (as CaCO<sub>3</sub>) in Water Sources in Case Study Villages (mg/l).**



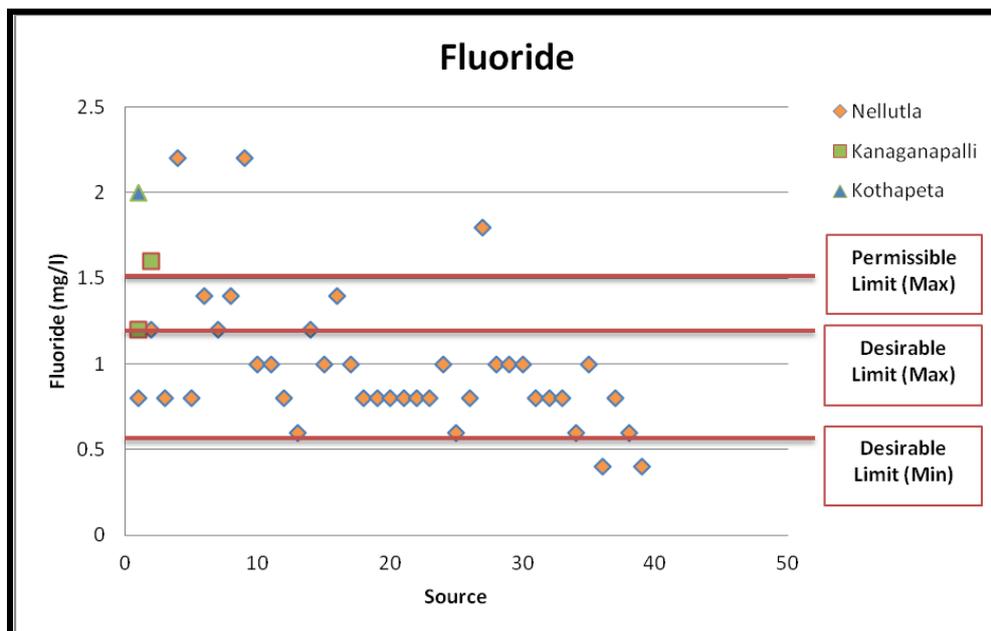
Sources: DDWS 2012 (b); Water Test Report Kanaganapalli 22.09.09; Water Test Report Kanaganapalli 24.01.10 (FD32.02.10).

**Figure 14: Total Dissolved Solids (TDS) in Water Sources in Case Study Villages (mg/l).**



Sources: DDWS 2012 (b); Water Test Report Kanaganapalli 22.09.09; Water Test Report Kanaganapalli 24.01.10 (FD32.02.10).

**Figure 15: Fluoride in Water Sources in Case Study Villages (mg/l).**



Sources: DDWS 2012 (b); Water Test Report Kanaganapalli 22.09.09; Water Test Report Kanaganapalli 24.01.10 (FD32.02.10).

### 3. Governance

Formally, rural villages are governed by the *Panchayati Raj* system. This local government structure divides states into three tiers: district (*Zilla*), block/sub-district (*Mandal*), and village (*Gram Panchayat*) (Srinivasulu 2002; FD12.03.10). Each *Gram Panchayat* comprises one village, or a group of smaller villages, and surrounding habitations, and is governed by an elected council (here referred to as the Panchayat). This is headed by a Chairperson/President, the *Sarpanch*, and Vice-Chair/Vice-President, the *UpaSarpanch* (Srinivasulu 2002). The rest of the council is composed of ward members who represent their locality within the village. In order to empower marginalised groups, these positions are reserved on a rotating basis for women and SC/ST and BC caste groups (FD 08.10.09; NeGP1). Intersecting with these formal structures, meanwhile, are unofficial power relations. Traditionally, villages would be ruled by “elders”, usually dominant caste groups, but generally whoever controls land and power (FD 08.10.09). When elected Panchayats were first introduced, these traditional rulers tended to be voted into office and so the traditional hierarchies coincided with the formal structures of governance (ibid.). Since reservations were introduced, however, marginalised groups such as women and lower castes have also been elected. In some areas, these actors have used their positions to challenge traditional forms of authority and advocate on behalf of marginalised groups (Baviskar and Mathew 2009). In other areas, however, the phenomenon of shadow governance is common, whereby women’s husbands or other dominant actors exercise decision-making authority in the background (ibid.).<sup>39</sup> As P. Kamala Rao and C. Ganesh at Osmania University put it, the traditional hierarchy can be so strong that “*whatever the traditional leaders decide, the democratic body implements*” (OU1).

These dynamics were reflected in the three case studies, to varying degrees. Figure 16 shows some of the elected representatives at the three case study sites. In Kothapeta and Nellutla, the Panchayat members were not only formally, but in practice referred to as the “*key persons*” or “*elders*” in the village (KoNS1; KoLP1; NeNS4). In Kothapeta, the Sarpanch was a man, but half of the ward members were women. One of these ward members specifically stated that she made her own decisions, rather than depending on her husband

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<sup>39</sup> See also: Jairath and Sajja 2009; Johnson, Deshingkar and Start 2003; KoGP3; KaLP4.

(KoGP3). The capacity of the Kothapeta Panchayat however, was limited by resources. As a “*minor Panchayat*”, they received little central funding and depended mainly on taxes, which as the Sarpanch noted “*poor people*” could not pay (KoGP1). In Nellutla, the Sarpanch was a man from the BC category, and several residents confirmed that he was the responsible authority for village affairs (NeWU5; NeWU6; NeWU7; NeWU8; NeWU9; NeKP1). Another key person was the local Village Revenue Officer (VRO), a centrally appointed civil servant (NeGP3; NeNS4). The Sarpanch described him as a “*fair man, good person*”, who had won an award for his service (NeGP3). In Kanaganapalli, meanwhile, the Sarpanch said that she was assisted by her husband, who was often introduced as the Sarpanch himself (KaWU1; KaLP4). Whilst the Panchayat were therefore key actors in all three villages, the authority of the Sarpanch in Kanaganapalli was shared with her husband. In addition, political parties were influential in all three villages (KoGP3; NeKP1; FD22.02.10). Kanaganapalli in particular was located in a district which had a history of party political violence and “*factional killings*” (FD22.02.10). Due to the sensitive nature of these disputes, party politics were not directly part of the research, however it will be seen that they affected all of the projects in a variety of ways.

**Figure 16: Panchayat Members in Case Study Villages.**

Kothapeta	Nellutla	Kanaganapalli
 <p>Left to right: Ward Member T. Venkatrama, Ward Member Rapna Kumar and Sarpanch Pratiparthi Narshima Rao (the picture in the background is of the late Chief Minister, Y.S. Rajashekar Reddy)  <i>Source: Own Photo, Kothapeta (March 2010)</i></p>	 <p>Sarpanch Ramaswamy (pictured on the right)  <i>Source: Own Photo, Nellutla (February 2009)</i></p>	 <p>Sarpanch Jayalakshmi in front of RO Plant.  <i>Source: Own Photo, Kanaganapalli (February 2010)</i></p>

The degree to which the Panchayats were inclusive of the wider community varied across the three case studies. In Kothapeta, the Panchayat had been awarded the title of an *Adasha Gramma* (a model Panchayat) (KoGP3). According to one ward member, open meetings with the whole electorate, known as *Gram Sabhas*, were held around once or twice a year (KoGP2). In addition, one SC household noted that they frequently attended *Janmabhoomi* meetings (KoWU4), a state level scheme designed to encourage peoples' participation in local development (Ayyangar 2003). Meanwhile in Nellutla, the Panchayat met once every three months (NeGP2). Gram Sabhas were also held, although on an irregular basis: "*Whenever they call, they'll go it seems. To attend the meeting*" (NeWU8). Those residents on the outskirts of the village, however, felt that they were excluded: "*No person is available here to talk to [about their] problems*" (NeWU7). In Kanaganapalli, one ward member said that they only had meetings when there was a problem (KaGP1). In

addition, just as residents on the outskirts of Nellutla felt excluded, so the residents of the SC colony stated that the Panchayat did not engage with them: *“This is a separate area so they don’t come here”* (KaWU3). As can be seen in Figure 8, the SC colony was located close to the main part of the village. Despite their geographical proximity, however, these residents were excluded from the formal governance processes. Instead, they reported that they were entirely dependent for their survival on an external NGO (KaWU3). Popular participation in local decision-making was therefore most widespread in Kothapeta, followed by Nellutla and then Kanaganapalli. In all three villages, however, there were prominent networks of women’s self-help groups. In Kothapeta there were around 33 SHGs (KoWU5), in Nellutla there were between 80-120 (NeWU1; NeKP1) and in Kanaganapalli over 200 (KaWU1). Governance in the villages was therefore a mixture of formal and informal structures which intersected with the projects in a variety of ways.

## Appendix U: Social Enterprise in Global Context

Whilst most of the literature has focused on the European and US contexts, there is also a growing body of social enterprise literature in other regions. In Australia and New Zealand, there has been increasing interest in this concept (See e.g. Barraket 2008, Barraket and Crozier 2008, Cook et al 2003, Frances 2008, Grant 2008, and Tapsell and Woods 2010). In this context, the literature on social enterprise has drawn on both the European and US traditions, leading to debates and divisions within the emerging social enterprise sector (Barraket 2008). In addition, the debate is influenced by the local context, including tribal and post-colonial discourses (See e.g. Tapsell and Woods 2010). In Canada, social enterprises are similar to their US counterparts, but Canadian social enterprises are more strongly rooted in a co-operative tradition (Defourny and Nyssens 2012: 18). Meanwhile, leading Latin American business schools and the Harvard business school have jointly created the Social Enterprise Knowledge Network, and there is a body of literature looking at social enterprise in Latin America where there is a strong tradition of the social economy or “*solidarity economy*” (Corragio 2011 and Razeto 1998, cited in Defourny and Nyssens 2012: 12 and 19). In Eastern Asia, social enterprise has also gained growing prominence, and the models of social enterprise adopted in Eastern Asian countries include both those which conform to European and US definitions, as well as new forms of community partnerships and initiatives (Defourny and Nyssens 2012: 19). In South Asia, the emphasis has primarily been on the concept of social enterprise as “social business”, or poverty alleviation measures which draw on commercial strategies (see e.g. Ghalib and Hossain 2008, Ghalib et al 2009, Handy et al 2002, Handy et al 2011 Islam 2007, and Jonker 2009). These examples simply illustrate the diverse ways in which the concept of social enterprise has been deployed across the world, and there are further divisions and variations both within and across different countries and regions.

## Appendix V: Methodology

### 1.1 Introduction

The aim of this research was to explore the governance tensions facing social enterprises in transnational partnerships for development. This was done through a qualitative case study of FRANK Water. This chapter explores the rationale for adopting this approach, the methods of data collection that were used and the limitations of both the approach and the particular methods. As was noted in Chapter 1 (*“Drink Me, Save Lives”*) this research was a joint venture with Frank. Drawing on elements of participatory action research, the aim was that the research would explicitly have social applications, specifically applications which would be useful for Frank. Frank was therefore more than a research *“subject”* (Lewin 1946, cited by Silver 2008: 103). Frank’s director was involved in formulating the research and the organisation was involved throughout the course of research, providing feedback on emerging findings, which in turn fed into the organisation’s own processes. As will be seen, the research methods that were adopted reflected the collaborative nature of this work. The first section in this chapter will explore the rationale for adopting a qualitative, case study approach. The next section goes on to look at how this was carried out using participant observation and some of the advantage and disadvantages of adopting this method. The chapter then turns to the tools of data collection that were used and in particular focuses on the overseas fieldwork that was structured around case studies of three project sites. Section 4.5 (*“Ethics”*) explores the ethical dilemmas raised by this research. Section 4.6 (*“Analysis”*) looks at how the data were analysed. The final section then concludes with a summary of the research methods that were adopted and the rationale for selecting these methods.

### 1.2 A Small Case Study

Drawing on E.F. Schumacher’s, Frank trades on the slogan *“small is beautiful”* (Schumacher 1993 [first published 1973]). The methodology adopted in this thesis also reflects this ethos, by using a small case study to explore the governance tensions in cross-sector, transnational partnerships for development. This section explores the reasons for adopting this approach and some of the limitations of doing so. Firstly, the decision to conduct an empirical case

study was partly due to the collaborative nature of the research with Frank. At the time that the research was formulated, the organisation was looking to formalise and expand its operations, and an investigation into its governance processes was particularly timely. The aim was therefore firstly that an empirical study would prove useful to Frank. In addition, as discussed in Chapters 2 and 3 (*"Theoretical Framework"* and *"Literature Review"*), the existing literature on cross-sector, transnational partnerships is polarised between problem-solving and problematising approaches. Despite this, there is a lack of empirical research into how such partnerships are governed in practice, particularly partnerships involving small-scale social enterprises. The objective therefore was that a case study of Frank would contribute to this literature with a detailed account of the governance tensions facing such ventures. Rather than verifying either a problem-solving or problematising perspective, the aim was that a study of governance in practice, in Bourdieu's sense of the term, would help to relate the two sets of literature to each other. Similarly, the qualitative approach of the research was due to the contested nature of the concept of governance. Whilst Chapter 3 indicated a number of likely governance tensions, the aim was to explore in as open-ended manner as possible, how these tensions were manifested in the Frank partnership. The aim was therefore to understand *"in depth"* how governance tensions were manifested in one small-scale partnership (Innes 2001: 212).

To some extent, the methodology was influenced by Bourdieu, in that he stresses the importance of conducting empirical research in order to understand the workings of fields (Webb et al. 2002). For Bourdieu however, research should not be defined as either quantitative or qualitative (Bourdieu 1990, cited by Fries 2009). Just as his concept of habitus relates the agency of individuals to broader structures, so his empirical work favoured mixed-methods approaches (ibid.). In this case study the objective was not to map a particular field. Instead, Bourdieu's work has primarily provided a way of theorising the tensions faced by the Frank partnership in terms of intersecting fields. Nevertheless, two key limitations can be identified with the single-method, qualitative approach adopted here. Firstly, criticisms from a quantitative perspective suggest that lessons derived from qualitative studies cannot be generalised (King et al. 1994; Gilbert 2008). One way to address this is to adopt a comparative approach, either between cases or between different internal dimensions of one case study (King et al. 1994). In this thesis, the governance

tensions for Frank and its partners are compared internally across different points in time. In addition, another means of increasing the applicability of a case study is to adopt a process-tracing approach. This involves studying particular processes in great detail, often in order to establish causality (Falleti 2006). In this research, a process tracing approach was adopted, although the objective was to explore how particular decisions were reached and what tensions this involved, rather than establish causality. Whilst this approach to some extent provides grounds for generalisation, this research does not claim to be representative. Instead, the aim has been to provide an “*in depth*” analysis (op cit.) of how governance tensions are manifested in one small-scale partnership, in order to shed new light on a highly polarised debate.

A second concern regards the concept of validity. Whereas in quantitative studies findings can be judged according to widely recognised criteria, qualitative studies are often said to lack not only a means of verification, but transparency and objectivity (Bryman 2008). One way of addressing such concerns is to adapt the means of verification used in quantitative studies to qualitative research. From this perspective, qualitative research should be judged according to its internal and external reliability and validity (ibid.). Such criteria, however, are difficult to prove in qualitative research unless more than one researcher is involved. A range of alternative criteria have therefore been developed for assessing qualitative research. For example Yvonna Lincoln and Egon Guba suggest that qualitative research should be assessed according to “*trustworthiness*” and “*authenticity*” (Lincoln and Guba 1985; 1994, cited by Bryman 2008: 377). This research sought to adhere to these standards of good practice in qualitative research by keeping transparent records, triangulating information, verifying information with respondents, selecting a wide range of respondents and sources of data, privileging marginalised sources and providing “*thick description*” wherever possible (Geertz 1973, cited by Bryman 2008: 387). The next few sections will look at how the data collection was carried out in practice, and as will be seen, there were a number of difficulties involved in ensuring that the data was as valid as possible. This research therefore does not claim to be widely applicable or verifiable. Instead, the aim has been to offer as thorough and “*frank*” an account of the findings from this study as possible.

### 1.3 Participant Observation

The aim of this thesis was to study the governance tensions in Frank's operations at three different sites: in the UK, at the transnational level and in India. As noted above, this was done by adopting a process tracing approach, exploring key decision-making moments at each of the three governance sites. According to Oisin Tansey, a process tracing approach requires a great deal of data (Tansey 2006). Similarly, Tulia Falletti suggests that it requires an in-depth familiarity with the subject and therefore recommends spending time at the sites of study, in particular for less experienced researchers (Falletti 2006). Meanwhile, Ashutosh Varshney suggests that a longer period of study is necessary in order to avoid accusations of elite bias which have characterised process tracing in the past (Varshney 2001). In order to gain this level of understanding, this research adopted a participant observation approach. The term participant observation is here used to refer to an approach whereby the researcher is immersed in a particular social setting. This can range from what Alan Bryman terms "*complete participation*", where the researcher takes an active role in the social setting being observed, and the research element is covert, through to "*complete observation*", in which the researcher is primarily a passive observer (Bryman 2008: 410-11). In between these two poles are "*participation as observer*", where the researcher takes an active role but acknowledges that he or she is a researcher, and "*observation as participant*", where the researcher is a more active observer, conducting interviews and engaging with the social setting (ibid.). As noted by Bryman, the term participant observation is often used inter-changeably with ethnography (ibid.). Ethnography however, has wider connotations, implying an emphasis on culture, and the experiences of actors from their perspectives (ibid.). Whilst the aim here has been to adopt a qualitative and open-ended approach, this research focuses on the tensions between different fields, rather than the experiences of the actors themselves. The term participant observation is therefore used rather than ethnography.

In this case, participant observation consisted of working closely with Frank over a period of five years, from September 2007 to November 2012, including during a preparatory MSc year. The aim was to engage in the organisation's activities using a "*boardroom to grassroots*" approach (T. Thieme, Cambridge University Business and Society Research

Group, per. com., 23.05.09). At the boardroom level, this meant attending trustee meetings throughout the five-year period. Initially, trustee meetings provided an opportunity to observe the workings of the organisation, but as the research progressed they also provided an opportunity to present and discuss emerging findings from the research. The emphasis therefore shifted over time from what Bryman terms "*observer as participant*" to "*participant as observer*" (op. cit.). Meanwhile, participating as a member of Frank also included becoming involved in a range of grassroots activities, both in the UK and in India. In the first three years this included volunteering on an ad hoc basis with the organisation, assisting with a variety of daily activities in the office in the UK and at events such as music festivals where Frank sold water. In the first and second years, it also included joining two Frank field visits to project sites in India. The first visit was an introductory trip to meet with Frank's partners and see the projects that were being implemented. The second visit built on this, with a specific emphasis on assessing the feasibility of carrying out more targeted fieldwork. This targeted fieldwork was then carried out in the third year, and will be discussed in more detail in the next section. In the fourth year, the volunteering role at Frank Water was formalised to spending one day per week in the office, assisting primarily with a search for new partner NGOs. This included a further field visit to India to meet with potential new partners. Whilst this final visit was primarily carried out on behalf of Frank, it helped to inform the analysis of the research. By mid-2012, this voluntary role with Frank was transferred into a part-time paid position. As noted above, the aim was that the research would feed into Frank's activities and the method of participant observation helped to ensure that this was the case.

Working closely with Frank in this way brought with it both advantages and disadvantages. In addition to the opportunities for social impact, the two key methodological advantages were access and understanding. Firstly, as an organisation trading on the basis that it is "frank" and transparent, Frank provided access to data such as status reports from project sites. Working closely with the organisation meant that this data was not only available, but easy to access on a regular basis. Meanwhile, spending time with the organisation meant that it was possible to observe governance decisions "in action" and to speak to the actors involved. These observations and conversations were then recorded in the form of field notes, which could be built on through further conversations. Similarly, in India, Frank

provided access to their partners, who in turn assisted with visits to project sites. Secondly, as noted by John Scott in his work on document analysis, documents are “*socially situated products*”, and the same applies to other forms of data (Scott 1990: 34). By participating in an organisation’s activities, documents and other forms of data were easier to place in their social context. In particular, for Scott, data such as documents must be assessed according to four criteria: credibility, authenticity, representativeness and meaning (ibid., 6). Spending an extended amount of time with an organisation facilitated this process of verifying whether or not documents, as well as interview responses and observations, were credible, authentic, and representative, and what meaning this data held for the actors in the organisation. In Bourdieu’s terms, greater familiarity with a particular field brings with it a greater understanding of the habitus of its actors.

There were also a number of disadvantages to this form of collaboration. Firstly, the emphasis for a practitioner organisation such as Frank is on problem-solving rather than problematising. As discussed in Chapter 2, the aim was to bridge this by demonstrating how the structural issues raised by problematising theories affect daily problem-solving activities. There was still however an on-going dissonance between the immediate practical concerns of Frank and the longer-term concerns of the research. This reflected, in Bourdieu’s terms, the different interests of academia and the NGO field. One clear example of this was when it emerged from the research that one of Frank’s projects had been co-funded by a potentially controversial political figure. As will be seen, from the research perspective this was an example of the tensions between a business and third sector view of empowerment, with business favouring commercial forms of participation involving local elites. From a research perspective, therefore, this was a case which raised questions over long-term strategy. From Frank’s perspective, however, this was an immediate problem which could affect not only the project, but Frank’s reputation and therefore relationship with funders. It therefore required immediate resolution.

A second concern raised by this form of close collaboration is that the research will not be objective. As noted by anthropologists such as Nancy Scheper-Hughes, no research is apolitical and the aim is therefore not to be objective but to “*take sides*” with those who are oppressed (Scheper-Hughes 1995: 419). Again this could be seen as part of a divide between

problem-solving and problematising approaches in research methods. Problem-solving methodology accepts the relationship between researcher and subject as given. Problematising approaches, by contrast, question this relationship and instead explore how these categories have come to be defined. Bourdieu once again bridges the two approaches, by suggesting that researchers themselves can be understood as the product of, and producer of, social fields. For Bourdieu, the aim is therefore to adopt what he terms “*participant objectivation*” (Fries 2009: 332; Bourdieu 2003: 281). This refers to a particular form of reflexivity which goes beyond a “*narciss[istic]*” focus on the individual researcher, to explore the position of the researcher in wider social fields (Bourdieu 2003: 282).

An in-depth analysis of the position of the researcher was beyond the scope of this thesis. However, Bourdieu’s suggestion that researchers not be exempt from an analysis of fields serves as a useful caution against an un-reflexive methodology. An attempt has therefore been made to recognise firstly, the position of the researcher at the intersection of the academic and NGO fields. As noted above, this caused a number of tensions. Secondly, participant observation meant that the researcher was part of the Northern third sector field. As will be seen, this affected interactions with Frank’s partners in India, who were aware that the research was affiliated with a Northern funding body. Meanwhile at the project sites the very different experience or doxa of the researcher had to be literally translated into the language of the local field. Bourdieu’s approach therefore helps to suggest that not only governance tensions in the Frank partnership, but tensions within the research itself, could be understood in terms of intersecting social fields.

#### 1.4 The Fieldwork

The research was therefore broadly characterised by a participant observation approach. This section explores the specific data collection methods that were used. This included recording observations and face-to-face or telephone conversations in the form of field notes, exchanging e-mails, collecting documents and conducting semi-structured interviews. A full list of the internal documents used in this thesis can be found in Appendix A. Each document has been coded according to the organisation to which it pertains. For example, the first document regarding FRANK Water has been given the code FWDoc1. These codes

will be used to refer to the relevant documents throughout the remainder of the thesis. Similarly, a full list of the semi-structured interviews which were conducted can be found in Appendix B, along with further details pertaining to each respondent. These interviews have also been coded according to the type of respondent, and these codes will be used to refer to interviews throughout the remainder of the thesis. For example, the first interview to be conducted with a member of the Gram Panchayat (village council) in the village of Kothapeta will be referred to as KoGP1. The interview schedules that were used can be found in Appendices C and D. These schedules will be discussed further below. Field notes and e-mails are not included in the body of this thesis, but are available on request. Field notes will be referred to as Field Diary or FD followed by the relevant date. For example FD16.02.10 refers to field notes from the 16<sup>th</sup> February 2010. E-mails will be referred to as personal communications.

This section will explore how this data was collected in more detail. In the UK, the primary methods of data collection included recording observations and conversations in the form of field notes, exchanging e-mails and collecting documents. Similarly, during the field trips to India that were conducted with members of the Frank team, participant observation primarily took the form of collecting documents and making observations. In one case, a meeting with Frank's NGO partner was recorded and transcribed, but otherwise the data from these trips was in the form of documents and field notes. This time spent working with Frank, both in the UK and in India, was useful for exploring the governance tensions facing social enterprises in the UK (sub-research question one). This process also helped to clarify Frank's role in its transnational partnerships, as well as Frank's involvement in the projects themselves (sub research questions two and three). In order to further explore the governance tensions at the transnational level and at the project sites, however, it was necessary to conduct more targeted fieldwork overseas. This targeted fieldwork was carried out in the third year of research, during a one-month trip in October 2009 and a two-month trip in February-March 2010 to the Indian state of Andhra Pradesh (AP) where Frank's projects were located. This section explores the data collection methods that were used during these two field visits and some of the difficulties that were encountered.

#### 1.4.1 Overseas Fieldwork

Whereas the research with Frank, particularly in the UK, was relatively un-structured, the overseas fieldwork was carried out more systematically. This was because whilst there was on-going access to Frank in the UK, the time spent with Frank's partners in India and at the project sites was limited. The overseas fieldwork involved conducting a series of semi-structured interviews, as well as collecting documents, observing the activities of the actors involved, and speaking to them on an informal basis. As noted above, a full list of the semi-structured interviews can be found in Appendix B. Prior to commencing the fieldwork, an interview schedule was prepared. This was done using information from the earlier overseas visits with Frank, which had helped to identify possible questions, as well as appropriate wording. Appendix C contains the schedule for the first set of overseas fieldwork in October 2009. This schedule was then modified for the second period of fieldwork in February-March 2010, and Appendix D contains this modified schedule.

All of the interviews were semi-structured in order to pick up on new points raised by the respondents, as well to adapt *"to the respondent's level of comprehension and articulacy, and handle the fact that in responding to a question, people often also provide answers to questions [that were going to be asked] later"* (Fielding and Thomas 2008: 246-7). In addition, this more flexible approach meant that that the interviews could be personalised. Personalising the discussion draws on feminist methodology which stresses that information, and therefore power, should not be one-sided and the interview should in this way be made more equal (McCarry 2003). The final interviews were therefore loosely based on the interview schedules, but they often took on new directions in practice. In some cases these interviews were recorded but at other times they were handwritten, either because a recording device was not available, there was a shortage of time, or it would have made the respondent uncomfortable. In some cases, particularly at the project sites, the interviews were conducted in groups as people gathered to share their views. In practical terms, these group interviews were relatively straightforward because working with an interpreter meant that only one person's response had to be recorded, either by hand or using an audio recorder.

The overseas research was divided into three parts, conducted simultaneously rather than in a linear fashion. The first part involved carrying out background research at local universities, in order to locate the Frank partnership in the local development context. The second part was to explore the governance tensions facing Frank's NGO and technology partners (with a focus on sub-research question two). The third part was to explore the governance tensions at the project sites themselves (with a focus on sub-research question three). The last part was done by conducting case studies of three project sites, which will be explored in more detail below. The first aspect of research was therefore to collect background information at local universities. In October 2009, this included meeting informally with staff and students from Osmania University (OU) in Hyderabad. In February-March 2010, a more formal overseas university visit was arranged at OU. This included meetings with staff from the Sociology department, the use of the university library and a chance to present and discuss emerging findings as part of the Sociology department's seminar series. In March 2010, a one-day visit was also carried out on an informal basis at Sri Krishnadevaraya University (SKU) in Anantapur. This included meeting with an expert on social exclusion and other members of the sociology and economics departments, who provided insights into local social dynamics as well as the state of water provision in the area. As will be seen later, party political tensions in the state were high. Whilst it was initially hoped that interviews with local academics would help to provide insights into these tensions, it soon became apparent that party politics were also sensitive at the university level. The nature of these disputes has therefore been largely omitted from the research, although as will be seen, party political tensions implicitly affected the governance of the partnership.

The second part of the overseas fieldwork was to learn more about Frank's NGO and technology partners. When this research first began in September 2007, Frank had two partners overseas: the NGO the Naandi Foundation, and the Indian subsidiary of a US-based technology supplier, Water Health India (WHIn). The first visit to India, along with a member of the Frank team, took place in February 2008. This trip included two meetings with WHIn, one in the state capital of Hyderabad and the other at one of WHIn's field offices in the regional hub of Vijayawada. By 2009, when the more targeted fieldwork was conducted, Frank's projects were being installed together with technology from the multinational Tata

Projects. The fieldwork in October 2009 therefore included a visit with staff from Tata to see a new project that they had set up. This project was separate from Frank and Naandi's work, but was an interesting example of a new type of water purification unit. This visit provided an opportunity to observe Tata's work and speak to some of the staff. It was then followed up by a formal interview with two of Tata's staff members in their offices in Hyderabad, which focused on Tata's role in the partnership and their interests in pursuing safe drinking water projects. In addition to the technology partners, the aim was to learn more about the role of Frank's NGO partner, the Naandi Foundation. During both field visits, this involved spending time in the organisation's offices, collecting relevant documents and speaking to staff members. Most of the conversations with staff were conducted on an informal basis, although some formal interviews were also conducted. Again, the aim was to understand the role of the organisation, in the partnership with Frank and in the projects, and how this had changed over the years.

The third part of the fieldwork was to explore the governance tensions at the project sites. This was done by conducting three case studies of Frank projects, one in October 2009 and two in February-March 2010. Initially, the aim was to compare projects which were deemed relatively more or less successful. The projects involved selling purified water at a low cost to local people. One measure of success was therefore the number of people who were regularly purchasing the safe water, a figure which is here referred to as "uptake". For Frank, a comparison between sites with relatively high or low uptake would have been useful in order to assess possible determinants of success or failure. It soon became apparent that Frank's project manager at Naandi, who was responsible for providing access, was reluctant to specify where the less successful projects were located. In the end three sites were therefore selected according to the date at which the project was inaugurated. The aim was that this would make it possible to explore how governance at the project sites developed over the years. In addition, whilst all deemed relatively successful by Naandi, the three sites had different levels of uptake which made it possible to make some tentative comparisons on this count. Whilst two case studies would have been sufficient for some comparative element, a third project was added to strengthen these comparisons. Although it was still a small sample size, these case studies were supplemented by observations from other project sites, which were visited during the first pilot trips with Frank and on the way

to and from the case studies. Whilst these projects were not studied in depth, the visits made it possible to place the three case studies in a broader context.

#### 1.4.2 Case Studies

The three case study villages are described in more detail in Chapter 7 (*"The Indignity of Aid"*). This section focuses on the methods of data collection that were used. In each of the three villages, the aim was to explore the process of setting up the projects, which actors were involved in these processes, in what capacity and what their interests were in becoming involved. In order to establish this, data collection included carrying out observations, acquiring relevant documents and conducting interviews. In each village, interviews were carried out with four groups of people: the village council, local elites, Naandi staff and a sample of local residents. The aim was that interviews with the local council would focus on the history of the project, the role of local government and their interests in pursuing the project. Similarly, local elites were asked to describe the governance processes of the project as they occurred on the ground and their own role in the projects. Health professionals and teachers were interviewed in order to explore their role in the projects, as well as to discuss the health implications of contaminated water. This was partly on behalf of Frank, because whilst the research focused on processes, Frank was also interested in the outcomes of the projects. As will be seen, however, these interviews also provided useful information regarding the governance tensions at the project sites, as these actors were usually well informed about the projects. Meanwhile, at each site, Naandi employed one or two local staff members to run the project, who were interviewed about on-going governance processes at the plant. Finally, there was a concern that elites and Naandi staff would have an interest in over-emphasising the success of the projects and the inclusion of marginalised groups. The final stage of interviews therefore included interviews directly with water users and in particular marginalised groups, to determine their involvement and perceptions of the project. In addition, Frank was interested in the question of why local people were or were not purchasing the purified water, and so questions also focused on uptake. In particular, Frank was interested in whether the nature of social networks in the area affected uptake, and the interview questions therefore focused on the nature of social interactions in the village. This was also useful for the research in terms of mapping the relationship between different actors in the local field.

The definition of marginalised groups was established using existing literature and discussions with local academics and Naandi staff. It was found that women, older people, poorer people, minority religions and lower castes were most likely to be marginalised. Whilst gender, age, income and religion are relatively universal categories of marginalisation, caste is a form of marginalisation that is manifested in a way that is particular to India. The caste system in Hindu tradition divides the population according to occupations and degrees of “pollution” and “purity” (Srinivasulu 2002: 30). The nature of this hierarchy is highly contested. As noted by Dipankar Gupta, there are “*probably as many hierarchies as there are castes in India*” (Gupta 2000; 1). The system has resulted in violent oppression of lower castes, and discrimination based on caste is now illegal under the Indian Constitution (Rajagopal 2007). However, as caste discrimination continues in practice, the central government records caste according to official categories in order to confer benefits to disadvantaged groups (Borooah et al. 2007). These categories are: a) Scheduled Tribes (ST), tribes which are traditionally outside of the Hindu caste system yet often the most disadvantaged groups; b) Scheduled Castes (SC), previously (now illegally) known as “untouchables”, a term replaced by “Dalits” (the oppressed) or “Harijans” (children of god); c) Other Backward Castes or Backward Castes (OBC/BC), traditionally artisans and farm labourers, and Other Castes (OC)/ Forward Castes (FC), wealthier and, in rural areas, generally landowners (Deshingkar et al. 2003). Whilst caste and class often coincide, they are not synonymous and there are cases where wealth and power cut across caste boundaries (OU1). Whilst gender and age could to some extent be determined visually, caste and religion were determined by asking water users whether they identified with a particular religion or caste, as per the official government categories. Meanwhile, poverty was further assessed by asking respondents whether or not they owned a Below the Poverty Line (BPL) ration card. Chapter 7 discusses the extent to which these indicators provide reliable information.

In order to ensure that marginalised groups were included in the interviews with water users, a different approach was adopted in each case study village. In the first village, interviews were first conducted with water users close to the project site. In this village, however, most of those who lived close to the project were purchasing the purified water. In order to speak to people who were not purchasing the purified water, a map was

obtained from the Village Revenue Officer (VRO), which showed the different areas of the village. Interviews were then conducted in each of these areas. Once at least one interview had been conducted in each area, the interviews were checked to ensure that each of the marginalised groups described above had been included. In the second village, a map was more difficult to procure. However, a rudimentary map was drawn with the assistance of a local resident and interviews were then conducted specifically in the Scheduled Caste “*colony*” (area) of the village, where the more marginalised castes lived. In the third village, Naandi staff helped to identify households that represented different caste groups. In each village, interviews were therefore conducted with members of the local council, local elites and professionals, including at least one health worker and teacher, the local Naandi staff and a representative sample of water users. For the first case study, interviews were also conducted with the VRO, a local vet and a former resident of the village who had retired in Hyderabad. In the second case study, three interviews were also conducted in a neighbouring village. In total, this amounted to 51 interviews in the case study villages or nearby villages, plus 14 interviews with Frank’s partners and local academics. Full details of these interviews can be found in Appendix B. The next section goes on to look at some of the limitations of the overseas fieldwork.

#### 1.4.3 Limitations

The overseas fieldwork provided a number of useful insights into the governance tensions affecting the transnational partnership and the project sites. As will be seen, the research also raised a number of parallels between the governance tensions in India and the tensions that affected Frank as a social enterprise in the UK. There were however, a number of limitations to this fieldwork, including: a dependence on interpreters and guides from Naandi, a lack of time and issues over credibility. Firstly, for most of the interviews at the case study sites it was necessary to work with an interpreter in order to understand the local language of Telugu. In the first case study, the interpreter was recommended by Naandi, but not officially associated with the organisation. In the other two case studies, however, it was not possible to find an independent interpreter, and Naandi staff therefore acted as interpreters and guides. In some respects this was useful as it provided an opportunity to spend an extended amount of time with Naandi staff and learn more about the organisation and the projects. In addition, it was essential to have a local guide, not only for safety, but to provide introductions, advice on local customs and knowledge of transport

links to the villages. There were therefore a number of advantages involved in working with interpreters, including interpreters provided by Naandi.

There were also however, a number of limitations. Firstly, the interpreters often steered the direction of the research according to their view of what was required. In some cases, this enhanced the research, as in the example given above. In other cases, this affected the nature of the research adversely. For example, interpreters were often reluctant to conduct semi-structured interviews, preferring structured survey questions, which limited the scope for open discussion. This was partly due to language barriers and partly due to, in Bourdieu's terms, the *doxa* of staff working for an NGO who were accustomed to asking questions in the form of surveys. To some extent this could be mitigated by spending time discussing the research with the interpreters in advance, in order to reach a mutual understanding. Nevertheless, the research was the subject of on-going negotiation with the interpreters. For example, when asked to recommend a second case study, Naandi staff initially recommended two villages. As a compromise, one day was spent in each village, before it was established that the remainder of the time would be spent studying only one village in depth. Another limitation was that the research was dependent on the availability of these interpreters. Whereas in the first case study, the interpreter was formally hired and paid for her time, in the other villages, the interpreters were provided by Naandi, and assisted in the research during the course of their other duties. Whilst they were willing to provide any necessary assistance, it seemed ethically problematic to request too much of their time. This meant that it was not always possible to visit the projects as often as necessary. A further practical consideration was that as the interpreters were not hired on a professional basis, the language was not always clear. This will be seen later on when quotes are used from interviews. As there were frequent irregularities with the language, errors have not been marked with "*sic*". Instead all quotes should be taken as verbatim.

The second limitation, which is related to the first, was that of time. This lack of time to some extent affected the research with Frank's partners, particularly Naandi. As will be seen, the organisation was in a state of flux throughout the period of research, and it was therefore difficult to reach senior staff. An unintended benefit, however, was that this provided an opportunity to spend time in Naandi's offices and speak to a variety of different

actors. For example, this made it possible to speak to staff who managed Naandi's information systems in the office, and these staff members were able to explain in detail the formal processes of the organisation. Whilst time was therefore partly a practical obstacle when researching Frank's partners, it was even more problematic at the project sites. Firstly, for a variety of reasons, including concerns over becoming associated with particular elites and concerns over safety, it was not possible to stay in the villages, nor was it possible to travel after dark. With the villages all some distance from the nearest towns, this meant that there was limited time available to spend in each village. In addition, as noted above, the language barrier meant that interviews took longer when interpretation was required, whilst the dependence on Naandi staff meant that there were limited times when it was possible to visit the villages. In the end, six days were spent in the first case study village, four days at the second site and four days at the third. In order to adapt to these limitations, the interview schedules were shortened in the field, and numbered according to priority. This proved useful not only for the planned interviews, but for conducting more spontaneous interviews when the opportunity arose.

The third limitation was that of credibility. Firstly, as noted above, there was a dependence on Naandi staff. This meant that there was a chance that data would be skewed to show projects in a favourable light, particularly when it was clear that the research was associated with a funding body such as Frank. In the first case study, this was mitigated by working with an interpreter who was largely independent from Naandi. At the second and third case study sites this was not possible. However, in both villages at least two different Naandi staff members acted as interpreters in each village, which provided some diversity. In addition, at the second case study, one day was spent in the village with a student who was not associated with Naandi, and this made it possible to speak to the more marginalised SC community without a Naandi staff member present. Furthermore, in each of the villages, some respondents spoke English, and were therefore able to communicate directly. Nevertheless, there were cases where the interpreters clearly did not convey verbatim the responses of the people being interviewed. For example, in some cases a respondent would provide a long answer to a question which would be interpreted either as "yes" or "no". This may not necessarily have been an attempt to skew information, and in fact was more likely

to be a summary on the part of the interpreter according to what he or she believed to be necessary information.

One way of mitigating this influence was firstly, as noted above, to structure interviews around visiting various parts of the village. This meant that there was a better chance of speaking to a wide variety of participants. In addition, a positive relationship was built up with Naandi staff which meant that it was easier to share information. Nevertheless, the presence of Naandi staff may also have affected the responses given by local people, particularly as they were dependent on Naandi for the on-going functioning of the projects. Finally, information was triangulated wherever possible. This was necessary not only in order to address the imbalance caused by the relationship with Frank and Naandi, but in order to verify information which was often inaccurate or out of date. For example, village records regarding demographics were often out of date. Village records were therefore supplemented with interviews with local officials as well as data from the 2011 census when it became available. This data will be discussed further in Chapter 7.

#### 1.4 Ethics

During exchanges with the Bristol University's ethical review commission, a number of ethical concerns were discussed, particularly regarding the overseas fieldwork. This included concerns over: coercion, vulnerable participants, sensitive information, the use of an interpreter and the implications of time constraints. This section will look at each of these concerns in turn. Firstly, there was a concern that Naandi staff would feel compelled to participate because the research was associated with a funding body, and that they in turn would put pressure on local people to participate. During the first case study, for example, Frank's project manager provided access to one of the local Safe Water Promoters (SWPs) who ran the project. The SWP in turn provided access to local people, despite the fact that she was pressed for time. Similarly at the other case study sites, Naandi field officers were told by senior staff that they had to assist with the research, and they in turn sought the assistance of the local people who ran the projects. In each case, two measures were taken to mitigate this. Firstly, the time constraints of Naandi staff, as well as the time constraints of people that were living in the villages, were taken into consideration. Thus the number of

days spent in the village was usually the subject of compromise, taking account of the wishes of Naandi staff and local people to postpone fieldwork during holidays and festivals. Secondly, the nature of the research was explained in detail to interpreters and Naandi staff, along with the importance of informed consent. Each interview was therefore prefaced by explaining the research to the participant and explaining that they did not need to participate, and could change their minds at a later date by contacting a member of Naandi. Due to low levels of literacy, this was done verbally rather than through a written statement of informed consent through the interpreter.

Secondly, there was some concern that older people who would be interviewed could be considered vulnerable, depending on their mental or physical state. In order to address this it was decided that if a person appeared vulnerable they would not be interviewed in person. Instead, information regarding older people would be collected from other sources in the village such as health workers. Similarly, children and people who were ill would not be interviewed directly, and information about them would be sought from schools and health workers instead, with any confidential data anonymised and stored securely. In the end, local professionals were able to provide general information on the incidences of water-related diseases and the problems affecting marginalised groups without identifying particular individuals. Some interviews were conducted with people who were older, but they were active, not in a vulnerable state and willing to give their views on a range of issues. Interviewing these people directly was of great benefit as they provided useful insights into the social dynamics in the village. One problem occurred in the second case study village, when one Naandi staff member insisted on visiting a woman who was particularly ill. It was claimed that she was suffering from water-related jaundice although this was not possible to verify. The Naandi staff member insisted that her photograph be taken. It took several attempts to insist that her permission had to be sought in order to do so. In the end, she confirmed that she was happy to have her photograph taken, but as this permission appeared coerced the photo has not been used in the research or for Frank's purposes. Instead, an interview was conducted with her son. In this case, the Naandi staff member was filling in for another member of staff who had been more involved in the research, and so there had not been an opportunity to discuss research methods with him in more depth.

Other sensitive areas of discussion include income, religion and caste. Early visits had suggested that income and caste were openly discussed through the ration-card system in the local area. In addition, members of SCs or STs lived in a separate hamlet or colony outside of the village which were generally openly identified as such. Income and caste therefore appeared to be openly discussed in terms of ration cards and caste categories, and it appeared to be common NGO practice to discuss marginalisation in these terms. Nevertheless, interviews with local water users were anonymous in order to give people more confidence to speak. In some cases, the interpreter did ask for names, and in other cases the respondents volunteered their names, however these have not been used. Only the council members, Naandi staff and local elites and professionals were formally asked to give their names. Furthermore, participants were not required to discuss caste or income if they do not wish to do so. In addition, the aim was that they would be asked in an open-ended manner whether they considered themselves to be part of a particular caste or religion. The need for interpretation however caused some problems with this. Often, it appeared that interpreters simply translated the question into “what is your caste?” or simply “caste?” In most cases, this was a common question that respondents were accustomed to hearing from NGO staff, yet in some cases they appeared uncomfortable. In particular, in one case in the first village, the respondents did not understand that they simply had to respond with the formal category, and said that they were from a particular beggar caste, but that it was illegal to ask them this question. Following this incident, the question of caste was approached more cautiously.

In addition to concerns over misinterpretation, there was a concern that the use of an interpreter would add a further power dimension to the research, particularly when the interpreter was affiliated with Naandi. In order to mitigate this, it was necessary to establish a good working relationship with the interpreter, and ensure that he or she be made aware of the ethical implications of the research. In the pilot study, the interpreter, who was the wife of an NGO worker known to staff at Naandi, was sent a copy of the interview schedule and fieldwork plan a week in advance, and discussions were held regarding the nature of the research on the two-hour journey to the projects. On the whole, the interpreter was an approachable woman, familiar with NGO work, so she easily built a rapport with

participants, which it seemed increased their ease with the interviews. The ethical implication of this was that she may have withheld information, however in this case the problem is caused for the researcher rather than the participants which is less problematic in terms of power relations. Similarly, at the other two case study sites, the interpreters seemed to be more closely affiliated with the participants than with the researcher who was seen as foreign to the local area. Again, this posed more of a problem for the researcher than the respondents. Some of the concerns that this raised over credibility have been discussed above.

Finally, concerns were raised that the volume of research given the time constraints would make it difficult to ensure that proper procedure was followed for each interview and that informed consent might not be established. One way in which this was addressed, as noted above, was by shortening the interview schedules and prioritising the questions. In addition, respondents were always asked whether they had time to answer some questions and all interviews were conducted in the shade with attention to the comfort of participants. In addition, interpreters were asked to secure informed consent verbally before commencing interviews. In practice, however, this formal aspect of consent was less important than broader considerations of ensuring that people did not feel compelled to participate. For example, in the first case study village, an interview was arranged by the local SWP with a health worker. This health worker specialised in health problems affecting women and children and only visited the village on certain days. There was therefore a long queue of people waiting to see her, which was held up for the purposes of the interview. The SWP, interpreter and health worker insisted that the interview should go ahead, and so the interview was significantly shortened to only a couple of key questions. Following this incident, the need for informed consent was explained in more detail to both Naandi staff and interpreters.

## 1.5 Analysis

By the end of the fieldwork, both in the UK and in India, a body of data had been collected including documents, interviews and a set of field notes. The interviews which had been recorded were transcribed, and the interviews which were hand-written were word-processed. The field notes from the two main overseas visits were also word-processed,

although the notes from working with Frank remained in hand-written form as they were too copious, and not always relevant. The notes from overseas field trips with Frank also remained hand-written, although formal reports were written up for Frank's trustees, and these formed part of the wider body of documents. The analysis of this data took place in three parts. Firstly, a process-tracing approach was adopted to identify the key governance "moments" in the partnership. In order to do this, the word-processed field diaries and interviews were stored on the qualitative software package NVivo (version 8), along with a body of e-mail exchanges. This data was then coded according to key governance moments. Some of these moments had already been established prior to commencing the analysis. For example, timelines from Naandi suggested that there were a certain number of stages involved in setting up the projects. Other moments were identified during the process of coding. In addition to identifying key moments, certain themes also began to emerge and these were also coded. Furthermore, certain aspects which were of interest to Frank were also coded, such as the reasons why local people were or were not purchasing the water. This process-tracing exercise produced an index of nodes and sub-nodes consisting of key governance moments, emerging themes and points of interest for Frank. These codes are included in Appendix E. As part of this process, any missing data was also noted, and where possible, procured either directly from Frank, or via e-mail or phone conversations with Frank's partners.

The second stage was to compare the three case studies. As discussed above, the three case studies had been selected according to the date at which they were inaugurated. The aim was that by comparing the three case studies, it would be possible to see not only how the governance of the projects had changed over time, but how the role of Frank and their partners in the projects had also changed. In addition, on behalf of Frank, a secondary aim was to explore the different outcomes at the projects, in order to assess whether there were any clear determinants of success or failure. The data regarding the projects was therefore sorted in a systematic manner, drawing on "*Framework*" methodology (Spencer et al. 2003; Ritchie et al. 2003). Firstly, the data were coded according to an index. Secondly, the data pertaining to the three case studies were sorted and then summarised in three Excel spread-sheets. One focused on the specific characteristics of the three villages, including population, water supply and local governance. Another focused on the processes

involved in setting up and running the projects, comparing the projects according to who was involved and in what capacity at each stage. Finally, the projects were compared according to uptake, namely the number of people purchasing the safe water, and the reasons that people gave for purchasing or not purchasing this water. These themes can be found in Appendix F. According to the Framework methodology, the next stage would be to draw on this data to create typologies according to which the three villages could be categorised. The aim in this case was not however, to classify the three case studies themselves. Instead, the aim was to explore how the governance of the projects changed over time.

The third and final stage was therefore to use this data to explore the governance tensions that occurred at each governance “site”: in the UK, at the transnational level, and in India. This was an iterative process. Firstly, the key governance “moments” at each “site” were identified. The tensions surrounding each moment were then explored, using the material coded using Nvivo, and building on this with the documents and other material which had been collected. In some cases, further research was necessary in order to understand the tensions which had occurred. For example, when discussing with Frank staff the governance tensions that had affected Frank in the UK, it soon became clear that these were tensions which also characterised other UK-based ethical water brands. Some further online research was therefore conducted in order to compare Frank’s experience with the other UK-based brands. These governance tensions were then explored theoretically in terms of intersecting fields. In some cases, this again required further research. For example, whilst Frank was initially compared with other UK brands according to descriptive elements such as the price of the water and the donations made to projects overseas, it soon became apparent that it would be more useful to locate the various brands according to their position in either the field of business or the third sector. In some cases, this required further research regarding the origins of each brand. Working closely with Frank facilitated this iterative process as it was possible to access data on a continuous basis. One limitation however, was that it was difficult to “draw a line” under the research. In the end, a formal cut-off point for new data was drawn at the end of September 2011, although on-going developments at Frank shaped the direction of the analysis through the final year.

## 1.6 Conclusion

This thesis explores the following research question: *“what are the governance tensions for social enterprises in transnational partnerships for development?”* More specifically: *“when a social enterprise engages in a transnational partnership:*

- a) What tensions affect the governance of the social enterprise?*
- b) What tensions affect the governance of the transnational partnership?*
- c) What tensions affect the governance of the development intervention?”*

In Chapter 3, it was found that whilst there was extensive literature on the governance tensions in each of these three areas there was a lack of empirical studies, in particular studies of small-scale transnational partnerships involving social enterprise. In addition, the existing literature is polarised between problem-solving and problematising approaches. Chapter 3 therefore suggested that this thesis could contribute to this literature with an empirical study of the governance tensions affecting a small-scale partnership. Drawing on Bourdieu, the aim was to explore these tensions as part of the broader workings of fields, and therefore link some of the concerns of the problematising literature to those of problem-solving. This chapter has explored the methods that were adopted in order to do so. This section will conclude by reviewing the rationale for selecting these methods, with a view to explaining why these were the most appropriate methods to answer the above question and sub-questions.

Firstly, this chapter looked at the decision to conduct an empirical study. As noted above, this decision was based on grounding the debate between problem-solving and problematising approaches. In addition, at the time that the research was formulated, Frank was looking to explore its own governance processes. This offered a rare opportunity to not only conduct research which would have a direct social impact, but to gain in-depth access to an organisation and its partners. This thesis therefore adopted an empirical, case study approach. Within this case study, the aim was to explore the governance tensions between Frank and the other actors in its partnership. Rather than applying a pre-ordained model of governance, the objective was to explore how actors from within different fields

approached governance, and what the ensuing tensions were. This necessitated a qualitative rather than quantitative approach. The aim was not to produce widely applicable findings, but to explore in-depth the governance tensions in the Frank case study. However, in order to ensure that these tensions were explored thoroughly, a detailed process-tracing approach was adopted.

Secondly, the chapter looked at how participant observation was used in order to gain the necessary familiarity for process-tracing. This involved engaging in Frank's activities at all levels from "*boardroom to grassroots*" (op cit.). Whereas documents and interviews can provide some insight into an organisation, they cannot provide as much depth as participating in the organisation's activities itself. In Bourdieu's terms, understanding the habitus of actors necessitates becoming part of the field. In this way, documents and interviews can be placed within the broader context of the field, and interpreted according to the actors' frames of reference. As noted by Bourdieu however, acquiring a particular habitus takes a long period of time, and whilst participant observation provided some insight into the organisation, it did not provide the degree of immersion that would have been necessary for ethnography. In this case however, the focus was not on mapping the practices of a particular culture, but on exploring how governance tensions could be understood in terms of the workings of fields. It was therefore not necessary to attempt to entirely embody a particular habitus. Furthermore, as noted by Bourdieu, even if such an attempt had been made, the location of the researcher in the (Northern) scholarly field would necessitate a degree of reflexivity regarding the researcher's own habitus.

Thirdly, this chapter looked at the tools that were used to collect the necessary data. This included recording observations and conversations, exchanging e-mails, collecting documents, and carrying out semi-structured interviews. In the UK, where on-going access was available to Frank, the data collection primarily involved recording observations, exchanging e-mails and collecting documents. In India meanwhile, where time was limited, the fieldwork was more targeted. This included conducting formal interviews in order to build on, and contextualise, documents and observations. These interviews were semi-structured in order to guide the conversations to topics of relevance, whilst allowing for a degree of flexibility which was particularly important given language barriers. Whilst

interviews were often held with groups of people, they were not conducted as focus groups as the emphasis was on the governance tensions affecting the projects, rather than on the dynamics of the respondent groups. As was noted above, there were a number of limitations with both the approach and the methods of data collection that were adopted. Following the “frank” ethos, the aim has been to recognise these limitations explicitly, and where possible, ensure that such limitations affect the researcher rather than respondents. The following three chapters will look at the findings at each governance site, beginning with the tensions facing Frank as an ethical water in the UK.