REGULATION IN A FLUX: THE DEVELOPMENT OF REGULATORY INSTITUTIONS FOR PUBLIC UTILITIES IN GHANA AND JAMAICA

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Abstract

Since the latter part of the 1980s, regulation as a mode of governance has received a lot of scholarly attention in the public policy literature. In particular, initial theoretical and empirical explorations have tended to establish whether there is indeed a 'regulatory state' in the advanced industrialised countries. Centres of regulatory studies have been established at the University of Manchester and the London School of Economics to further the theoretical development of the field. In connection with these developments, the review of the role of the state in national development which took place in developing countries in the 1980s has necessitated a parallel re-examination of regulatory institutions in the South. Indeed, since the World Bank's initial exposition of the governance agenda in 1989[1] developing countries have been encouraged to establish reliable regulatory frameworks while they minimise their direct involvement in economic production in order to facilitate participation by the private sector and civil society.

This paper does not seek to establish whether there is a regulatory state in Ghana or Jamaica, but it represents an initial attempt to map out the development of regulatory institutions for the governance of public utilities in the two countries. It discusses the groaning of the two governments as they grappled with policy choice as to which institutions to adopt and the teething problems in the processes towards institutional refinement. Also in this paper, the issue of regulatory independence is explored, and a number of observations made about how to improve institutional choice and refine the workings of existing ones.

[1] The exposition of the governance agenda began with the World Bank's Long Term Perspective Study called *Sub-Saharan Africa: From Crisis to Sustainable Growth*, in which the Bank advocated for the establishment of regulatory frameworks for the private sector and civil society groups to participate in development (c.f. pp.59-62).

INTRODUCTION

Since the 1980s there have been numerous studies in public policy, both in developed and developing countries, contending whether the growth in the use of government regulation in public affairs has resulted in what is now called a 'regulatory state'. Regulation has become an important aspect of public governance. McGowan and Wallace (1996), and Baldwin, Scott and Hood in an edited reader on regulation (1998) have grappled with the concept of 'regulatory state' and the current emphasis given to regulation as an instrument in contemporary policy-making in many European Community states. Midwinter and McGarvey (2001) however do not seem to share in much of the enthusiasm surrounding what has come to be known as the emergence of a regulatory state in Europe. They argue that evidence from Scotland only corresponds to a 'modest' proof of growth of a regulatory state in that country than UK-wide research seems to suggest. Indeed, emergent research on privatisation and regulation of public utilities, based at the Centre on Regulation and Competition at IDPM University of Manchester does not pretend to have discovered a regulatory state in developing countries. But there is growing evidence that the partial withdrawal of the developing country state from mainstream economic ownership of production seems to be leading to an increased use of regulatory instruments as tools of economic and social governance (Aryeetey 2001; www.crc.idpm.ac.uk; World Bank 2002).

REGULATION: A CONCEPTUAL DISCUSSION

Regulation is regarded a part of the traditional role of government in which public officials set standards and rules to guide the operation of private business (Hood 1994: 19; Breyer and MacAvoy 1987). From the Anglo-American literature the word 'regulation' has been used in two distinct, but not mutually exclusive, senses. The Europeans have used 'regulation' as a synonym for 'governance, whereas the Americans have used it more in the sense of 'control' of business interest in the name of 'public interest'. Indeed, Breyer and MacAvoy note of regulation in America as consisting of "governmental actions to control price, sale and production decisions of firms in an avowed effort to prevent private decision-making that would take inadequate account of the 'public interest' (1987: 128). Used in this sense, regulation is political, and its efficacy, to a significant degree may be reflected in the nature of power relations between state actors and private (business) actors in the political economy at any particular time. Hood (1994: 19) argues that regulation is "a specific kind of policy-making', *which* 'can take many different detailed forms, in the way standards are set and compliance obtained".

The policy and practice of regulation have a long history, but for purposes of modern governance, the USA is said to have established its first national regulatory agency (the Interstate Commerce Commission) in 1887 to control railroad freight rates and passenger fares (Breyer and MacAvoy 1987: 128). Regulatory policy has continued to blossom and evolve since that initial experiment, both in America and other continents. The 1980s, in particular, saw intensified regulatory reform not only in America, but in Europe and

Japan. Most of this was ideologically propelled and driven by the resurgence of neo-liberalism. However, much of the reform pursued under the notion of 'deregulation' in that period, did not involve the complete withdrawal of government interest in telecommunications and aviation. It rather involved "a change in the way public authority was used to shape these markets" (Hood 1994: 19-20). What is equally interesting is that these changes did not remain an item of consumption for developed countries alone, but for developing countries as well. In international development co-operation, globalising forces, in the shape of neo-liberal structural adjustment policies (SAPs) foisted on developing countries by the World Bank and International Monetary Fund, have been conduits through which ideas and institutions of regulation have been diffused.

Alongside SAPs has been the parallel development and dissemination of New Public Management (NPM) reform policies, the main thrusts of which have tended to reinforce a minimalist view of the state. In the evolving reformed role of the state in developing and transitional economies, direct state participation in aspects of the economy has been discouraged in favour of establishing new regulatory institutions for certain privatised public infrastructural services.

Neo-liberal development theory and policy have posited that development can come about largely through the marketisation of the economies of developing countries. Hence, even though a fundamental rethink of development has been underway since 1999- in the form of "partnerships for development" (World Bank 2000), the private sector-led growth orientation still continues to feature prominently in the World Bank's new strategy called the Comprehensive Development Framework. In the World Development Report 2002 entitled "Building Institutions for Markets", the Bank notes that "…the increase in private provision during the 1990s, although large by historical standards, has been smaller than might be possible" (2002: 151). Regulatory reforms are an integral part of the supportive institutions being advocated as an imperative for the effective functioning of markets by the Bank. Lip service has been paid to the newly evolving comprehensive framework but the Band and the IMF through their wielding of control of a substantial proportion of overseas development assistance (ODA), can and have continued to employ conditionalities as leverage in their relationships with hapless poor developing countries. Indeed, the Bank admonishes that for developing countries to do well in attracting foreign investment, they need to pay attention to two important prerequisites. These are (1) "political and regulatory reform particularly in pricing', and (2) 'efforts to enhance the credibility in the government's new regulatory framework" (World Development Report 2002: 151). To this source of coercion can be added the stringent requirements from the World Trade Organisation for countries to adopt Western style institutions of which regulation is one.

Regulatory governance, however, contains a complex set of policies and ideas including the need for governments to pursue policies that encourage competition, the unbundling of enterprises that were until recently held as 'natural monopolies', the setting up of institutions to oversee competition, agencies to police the award of procurement contracts, as well as agencies for regulating privatised public utilities. This list is not exhaustive. Capitalist 'world systems' theoreticians might consider this a tall order meant

to ensure the proper integration of the periphery in contemporary global capitalist system. However these requirements are viewed, governments are being called upon to make fundamental changes to their systems of rule. This is not an easy undertaking. A reading of chapter 8 of the World Development Report 2002 on "Regulation of Infrastructure" gives an account of some novel experiments in this policy area in developing countries, but most of all it conveys a sense of how little these countries have done in their efforts to mimic developments in the industrialised countries. It is reflective of a continued sense of psychological siege which have been forged, mainly through adherence to remnants of modernisation theory that is still upheld in these powerful international institutions against poor countries. A good example of this allegation can be found in the requirements for participation in global governance institutions, for instance, the World Trade Organisation's regulations on sanitation and quality of goods and services which were set mostly according to standards accustomed to the industrialised countries, and which developing countries are more or less coerced to comply with. Policy convergence has therefore been forged at a higher cost to developing countries.

But is there room for manoeuvre, in the midst of conditionalities, for developing countries in the fashioning of their own developmental institutions? The experiences of Ghana and Jamaica which are recounted below indicate a learning process and an eclectic approach to the adoption and designing of regulatory institutions for public utilities.

EXAMINING GHANA'S PUBLIC UTILITIES REGULATORY COMMISSION ACT, 1997 (ACT 538)

Ghana's Public Utilities Regulatory Commission (PURC) Act, 1997 is just one example, among others, of recent emphasis on the use of regulatory instruments as a mechanism of governance in an African setting. In this section we examine Ghana's PURC Act (Act 538) in light of international experience. The institutions delivered by the Act are described briefly, and the adequacy or otherwise of the powers given to the PURC (henceforth, the Commission) are assessed. An analysis is also done later on in the paper in view of comparable institutional development in a Caribbean country like Jamaica. Of particular interest in the Ghanaian case is that we examine recent public debates surrounding increments in tariffs approved by the PURC in Ghana in July 2002 and tease out some general lessons that can be drawn about the independence and efficacy of regulatory bodies in developing countries.

1. Provisions of ACT 538

The Public Utilities Regulatory Commission (PURC) is a body corporate with perpetual succession and a common seal. As such, it can sue and be sued in its corporate name (Sec 1.2). The commission can acquire and hold both movable and immovable property for the discharge of its functions (Sec. 1.3). In a situation where there is a hindrance to the acquisition of property, same property can be acquired for it by government under the State Property and Contracts Act of 1962, (Act 125).

The commission is composed of 9 members. This includes a chairman, one person each nominated by the trades union congress (TUC) and the Association of Ghana Industries; one representative of domestic consumers, one Executive Secretary appointed by the President of Ghana in accordance with the advice of the commission in consultation with the Public Services Commission (Sec. 2e and Sec. 33). Membership of the commission also includes "four other persons with knowledge in matters relevant to the function of the commission" (Sec. 2f). Functionary officers and other employees may also be appointed by the President acting in accordance with the advice of the commission and in consultation with the Public Services Commission.

In terms of the tenure of office holders in the commission, Section 5 of the Act stipulates that apart from the chief executive, members of the commission shall hold office for five years, and shall be eligible for re-appointment on expiration of that period. What is not clear from reading the Act is whether the Executive Secretary is the same person addressed as Chief Executive (Sec. 5).

The Act is silent about the qualifications of the Executive Secretary, and equally vague about the terms and conditions of his/her appointment. The public has to be content with this short hand because the conditions of service of the executive secretary "shall be specified in the letter of appointment" (Sec. 33.3). This ambiguity is therefore likely to affect the security of tenure of the executive secretary in a way that is incomparable with say the Commissioner of Human Rights and Administrative Justice or the Administrator of the District Assemblies Common Fund, which are also executive posts. For example, neither is the executive secretary's pay or the expenses of the commission charged on the consolidated fund. This exposes the commission to sustenance on government subventions without a diversified funding arrangement. On the surface of it, it is possible to surmise that the commission would be susceptible to meddling by the President.

The executive secretary is responsible for the day-today administration of the commission in addition to ensuring that the decisions of the commission are implemented with efficiency. There is a provision for discretion on the part of the executive secretary to delegate aspects of his/her functions to any officer, but he is ultimately responsible for the discharge of those delegated functions. The Act was not specific about what the utilities were in Ghana. However, water, electricity, telecommunications, and perhaps transport are the main ones. Like in Jamaica, gas is used but it is not distributed in a network. Although the Act established the PURC as a centralised institution, the commission made plans in 2002 to *deconcentrate* its operations by establishing branches in the 10 regional capitals and Tema (www.ghanareview.com, accessed on 30/9/2002).

2 Functions and Financing of the PURC

The allowances of the chairman and other members of the commission are determined by the President (Sec. 7). At the same time, Section 4 of the Act notes that "the commission shall not be subject to the direction of any person or authority in the performance of its functions". This may sound farcical initially because under normal circumstances in the patrimonial administrative state of Ghana, the President is highly likely to influence the

work of the commission since he appoints its executive secretary and most of the functionaries, and also determines the allowances they receive. However, an interesting episode occurred in July 2002 during the process of changing existing tariffs for water and electricity, which went to indicate that the independence of the commission cannot be tampered with very easily as one might be led to think. This development is given fuller treatment later on in this paper.

EVOLUTION AND DEVELOPMENT OF REGULATORY INSTITUTIONS FOR JAMAICAN PUBLIC UTILITIES

Jamaica has a utilities sector made up of the telecommunications industry, water, electricity, and a transport sector. Regulatory institutions for regulating the telecommunications industry has a long history dating back to 1892 when regulation of the sector was predicated on the issuing of *non-exclusive* licence to the newly incorporated Jamaica Telephone Company. The development of regulatory institutions therefore has its origins in colonial development. From those early days until 1965, the telecom industry was regulated by licences and rate boards. The responsibility for policing the quality of service went to an inspector who was appointed by the governor. Because of their ad hoc nature, the rate boards were criticised for lacking institutional memory and permanent staff (Betty 1999: 10).

The development of a regulatory institution received an added boost in 1962 when Jamaica attained its independence from colonial rule. In 1925 the first *exclusive* licence was granted to the Jamaica Telephone Company to provide telephone services to a limited area of the country covering the Kingston and St Andrew for 40 years. In 1945, however, the JTC's mandate was expanded and extended when it was granted a 20 year all exclusive licence to operate island-wide. In a continuous development of the regulatory system in 1965 the JTC was granted a 25-year licence which was subject to renewal for a further 10 years. However, a Jamaica Public Utilities Commission (JPUC) was formally established in 1966. As a result of this, the exclusive licence granted in 1965 had to be amended to reflect the instrument of establishment of the newly formed JPUC (Betty 1999: 11). Betty observes a particular change in terms of the licence granted over the years and argues that "in contrast to the 1945 and 1988 licences, the 1965 licence did not provide for a minimum rate of return on the base, but rather 'a fair return' (1999: 11).

Contemporary development in regulation of utilities, however, has evolved in tandem with changes in international political economy since 1979 when the debt crisis of the country compelled the Government of Jamaica to turn to the Bretton Woods institutions- the International Monetary Fund (IMF) and the World Bank- for budgetary assistance and balance of payments support. The Structural Adjustment Programmes (SAPs) of the IMF and World Bank which the country adopted included policy conditionalities which compelled government to reform state-owned enterprises using instruments such as privatisation and divestiture. As indicated in the literature review earlier on in this paper, the fundamental review of the role of the state which occurred with the adoption of SAPs

were instrumental in charting new inroads into institutional learning from the developed countries in order to build modern regulatory institutions for the utilities in Jamaica.

It is important to note that the choice of institutional framework for regulating the utilities in Jamaica has developed similarly to the Ghanaian experience. This is because Jamaica also adopted a fused model whereby a single regulatory body was established for all the utilities by the Office of Utilities Regulation (OUR) Act in 1995. This new regulatory body, the Office of Utilities Regulation (OUR) is characteristically a centralised body based in Kingston, but it has departments within it that cater for the various utilities. The choice of regulatory instruments have however, reflected successful experiences especially from the United Kingdom and the United States which have a rather decentralised approach to regulation of utilities. The decentralised approach implies that in the UK and the US separate regulatory bodies have tended to be established for each utility. For example, the UK has the following institutions: Office of Telecommunications Regulation (OFTEL), the Office of the Electricity Regulator (OFFER), Office of the Water Regulator (OFWAT) and so on.

Comparative institutional development

The borrowing of regulatory instruments in terms of pricing and monitoring the quality of services provided by the divested utility companies does not necessarily mean that the act of diffusion included a transfer of administrative technologies from the developed countries. Ghana and Jamaica have had to develop their own local institutional capacities, a process that has been imbued with many teething problems. The two countries are quite poor economically, and their economies have experienced severe cash shortages for development purposes. To a significant degree, the dire budgetary situation obtaining in these countries were instrumental in influencing their choice of the defused model of regulation. This has meant that the OUR and the PURC have had to operate within very stringent financial policies thus, severely limiting their capacity to marshal resources for research and keep up with accessing and utilising best practices from the international system. Yet these capacity building requirements are needed in order to ensure that the two regulatory bodies are not subjected to capture by the, at times, well endowed multinational companies which dominate the utilities sector in developing countries. Comparatively, however, the OUR seems to have an advantage over its Ghanaian counterpart in the sense that its funding, for the time being, has depended on fees extracted directly from the regulated industries, whereas the latter has depended on subventions from government.

But it is also important to note that the above reference to weak finances as a source of risk is by no means meant to simplify the topic of regulatory capture. Indeed, regulatory capture is a more complex phenomenon which includes issues to do with access to information and knowledge, ethics, politics and power relations among government, regulatory bodies and the regulated industry rather than a narrow focus on material support.

In both Ghana and Jamaica, the development of modern regulatory institutions has met with enormous challenges. There have been two main challenges, which can be categorised in terms of the influence of the changing dynamics of politics, and policy-based changes. Let us look at these two challenges in detail.

The changing dynamics of politics

The changing dynamics of politics referred to here have the most relevance for Ghana. By changing dynamics, we are referring to political succession- the replacement of one political regime by another. The recent general elections of December 2000 saw the departure of the Provisional National Defence Council (PNDC)/National Democratic Congress (NDC) - the administration that had dominated Ghanaian politics since December 31, 1981. The current membership of the PURC was appointed under the auspices of the former President Jerry Rawlings and his NDC. Curiously enough, former allegiances did not seem to have been severed with the ushering in of the New Patriotic Party administration in January 2001. The PURC had tried to maintain a semblance of political autonomy by seeming to be indifferent to the economic programme of the government in 2002. At least, that was what government reactions seemed to portray in light of a recent hike in water and electricity tariffs in July 2002. The increase in tariffs for water and electricity were 60 and 40 per cent respectively and were due to take effect from August 2002. In addition to this, in the same policy proclamation, a further increment of 12 per cent had been granted to the two utilities in question which had been scheduled to take effect in March 2003.

What was striking about this increment that was negotiated by the PURC was the conflict it generated. It caused a huge public outcry and led to a national debate on the role and responsibility of the agency in national development. Lobbyist groups from industry, as well as the Ghana Bar Association called for a downward adjustment of the utility tariff increases proposed by the PURC to reflect the existing levels of pay and remuneration in the economy (*Daily Graphic* 29 July 2002). The government was left high and dry and was desperate to find some temporary relief for the poor by looking for extra budgetary resources- resources which were very hard to come by because Ghana had earlier on in the year declared itself as a *highly indebted poor country* (HIPC). Apparently, the NPP administration inherited from the NDC a huge national debt and an empty state coffers. In international development, for a state to declare itself a HIPC means that it has debt levels that are unsustainable considering the current growth rate of the economy. The charge of the government was that the PURC announced the new tariffs without exhausting the full consultative process. By this claim, government had distanced itself from the new tariff policy. The government's reaction was buttressed by its argument that although its representatives took part in the initial negotiations, it was not involved in reaching the policy that had been announced by the regulatory agency. If this was true, then it is possible to discern a certain level of cynicism or even malice in intergovernmental relations. A pertinent question to ask is was the PURC hoping to exact a revenge on the new government? Or one can also ask the question as to what happened to the notion of 'regulating in the interest of the public' (Lodge and Stirton 2001; Dunn 1994), since this is one of the cornerstones of regulation.

In terms of strategy, however, the PURC had announced early in 2002 that it had developed a transitional plan to assist the utility companies to operate at full cost recovery levels within the next two years. The Chairman of the PURC, Dr S. K. B. Asante had argued that the commission would ensure that cost recovery levels were accompanied by commensurate improvements in the quality of service. Asante's argument also contained a nostrum which suggested that the commission had "carefully assessed the needs and requirements of the utilities and decided that utility prices should be adjusted and that this should be done gradually to economic and efficient rates rather than the one-time steep increase being demanded by the utilities" (www.ghanareview.com, accessed on 30/9/ 2002). The analysis then should focus on whether the transitional policy announced by the PURC in July 2002 negated their original plan, thereby resulting in a pathology or what Sunstein (1990) has termed 'a paradox of regulation'. Sunstein defined "paradoxes of the regulatory state" as meaning "self defeating regulatory strategies – strategies that achieve an end precisely opposite to the one intended, or to the only public-regarding justification that can be brought forward in their support" (1990: 407).

Policy-based changes

What I consider as policy-based changes is an important variable in the institution building and institutional adoption processes in Jamaica. We have already indicated that the Act that established the Office of Utilities Regulation (OUR) was passed in 1995. The OUR was given a mandate to regulate the telecom industry, water, electricity and the transport sectors which are Jamaica's main utilities. Gas is consumed as a fossil fuel but it is not networked. The OUR's work has developed farthest in the telecom sector where unprecedented advancements in technology have been made around the globe since the 1980s. The Government of Jamaica divested its majority share in the Telecommunications of Jamaica in 1979. By 1988 Cable and Wireless, a British multinational corporation had acquired 79 per cent of the TOJ. Together with its newly acquired economic power, Cable and Wireless gained management control of the company as they have done in many other Commonwealth Caribbean islands (Dunn 1994). What was formerly a public monopoly has practically been turned into a private monopoly. And with the initial gracious terms offered the company- an exclusive 25-year licence to own and operate domestic land lines and international telephony, and a rate of return of between 17 and 20 percent, Cable and Wireless's dominant position in the telecoms market was assured and sealed.

However, as the World Bank has acknowledged in its 2002 World Development Report, knowledge and understanding of the utilities industries worldwide, and their regulation in particular has increased in the last decade. It cannot be gainsaid, that Jamaica has benefited immensely from these emergent knowledge and regulatory know-how. As a sequel, renegotiations of the original Cable and Wireless agreement have been done. A certain level of liberalisation was the result of these negotiations. This has seen a certain level of competition mounted up in the mobile service sector by new companies including Digicel, Centennial Company. This new environment is gearing up for full

liberalisation. Considerations for this policy upgrade to a fully liberalised telecom sector has been underpinned by initial consultancy studies by InfoCom and Management Consulting commissioned by the Ministry of Industry, Commerce and Technology and the Telecommunications Advisory Council of Jamaica (JTAC) in 2002. Institution building efforts towards good public management of the sector and establishing efficacious regulatory structures have also included a public participatory element. The JTAC took a lead role in this by organising public forums to which stakeholders and consumer groups, citizens and academicians have made their input. It is important to note, however, that because of the specialised nature of these sectors, and the advanced knowledge required for effective participation, this means that a large majority of the citizenry is excluded by default.

The policy development towards full liberalisation has required an examination of a number of technical issues and governance processes. The technical issues include looking at the concept of convergence. The term 'convergence' has been define by the International Telecommunications Union as the "technological, market or legal/regulatory capability to integrate across previously separated technologies, markets or politically defined industry structures" (quoted in the Executive Summary of the Telecommunications Policy Reform Project (TPR) report, June 2002: 3). In the same report, it is emphasised that technological convergence was fundamental to these processes because it is the primary driver of the underlying economics of service provision and delivery. We are also cautioned to look at liberalisation as very different from 'de-monopolisation'. Whereas complete de-monopolisation refers to the de-integration of formerly consolidated markets, as well as the existence of more than one provider in each market, liberalisation refers to "the transfer of decision-making responsibility from the purview of regulators to that of the market" (Executive Summary TPR report, June 2002: 3). This has been explained to mean that the greater the degree to which decisions concerning entry, market structure, investment, service provision, mode of provision, standards and pricing, are transferred to the market, the greater will be the degree of liberalisation (Executive Summary TPR report, June 2002: 3).

Viewed in this light, liberalisation has huge implications for economic and regulatory governance, and this is where fused model of regulation has been considered to be inadequate to deal with a relatively fluxed environment. Adequate attention is yet to be paid to the preparedness of present structures of regulatory governance. Of fundamental importance has been the question regarding the efficacy and logic of maintaining the OUR as separate from the regulator of competition- the Fair Trading and Competition Commission. The other significant policy consideration has to do with the imperative for government to examine the present status of the OUR as a fused/centralised regulatory agency, to determine whether it would be propitious to create a separate regulatory agency for the telecom sector. Here, there would be room to consider whether to bring cable TV and internet services under the purview of the new institution. There seem to be a strong political support for a fundamental rethink of institutions. The unrelenting Minister of Industry, Commerce and Technology, Phillip Paulwell, at a public policy forum on the telecom sector that was held at the Jamaica Conference Centre in June 2002, declared his support for a separate regulatory agency for the telecom sector. A

horizontal development in the debate has been the review of the Telecommunications Act, 2000 which is currently taking place with a view to amending the Act to take of rapid technological developments in the sector.

It is important to recognise that the world in which the OUR started operating in 1995 has changed beyond recognition. The water sector has experienced a nascent privatisation, with two licences having been granted to two operators of water and sewerage services in Ocho Rios and Montego Bay. This discovery came to light at a recent policy development meeting under the Commonwealth Foundation's Tri Sector Dialogue on Non-State Participation in the Water Sector at the Mona Campus in Jamaica. In addition to this, the electricity generator of the country- the Jamaica Public Sector Company- formerly a public monopoly, has been sold to the Mirant Corporation, a US-based company. There has also been a looming court battle between Cable and Wireless and its fiercest competitor Digicel, over allegations by the latter of unfair regulation by the OUR in favour of the former. An evaluation of the performance of the OUR in regulating water, electricity, transport and telecom sectors is therefore long over due and needs to be done as a matter of expediency. A study of this nature will yield vital information that would feed into the process of institutional refinement that is required for effective regulatory governance.

CONCLUSION

We have explored the experiences of Ghana and Jamaica in managing the economics and governance of public utilities. It was recognised that the review of development theory since the latter part of the 1970s engendered a fundamental rethink of the role of the state, and that as part of this policy review came increased private sector involvement in public enterprises which were predominantly state-owned. In this mixed economy, the governments of Ghana and Jamaica took on a modified role which involved designing and managing regulatory institutions. The foregoing discussion is evident that the environment in which these states have had to regulate has for some of the industries, changed with lightning rapidity. It is only through continuous institutional learning, lesson drawing and appropriate adaptation from international experience and efficacious management can these two countries make any meaningful headway the governance of their changing economies.

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