



New Perspectives on Corruption Reforms in the Electricity sectors of Kenya and Ghana

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Abstract

Massive corruption is often seen to be pervasive in major development projects, even when good outcomes are being achieved. To what extent is development progress in such situations achieved despite the ongoing corruption, or even because of it? Or is corruption reform also taking place that is in some way not being recognised? In this article, the author examines corruption reforms related to major investments in improving electricity access for citizens in Kenya and in Ghana. In both countries, the country's electricity companies are perceived by the public as systemically corrupt, yet the electricity access rate has risen spectacularly in both countries: to 75% of all citizens in Kenya and to 84% in Ghana by end 2018, up from 16% and 45% respectively in 2000.

The author finds that there were numerous improvements in the way electricity programmes were rolled out, leading both to better access and to reduced abuse through corruption. Successful reforms included many 'problem-solving' measures, such as the frequent monitoring of electricity infrastructure, introduction of pre-paid metering systems, improved revenue collection/tariff payment mechanisms, establishment of legal frameworks to punish criminals involved in power thefts, effective oversight roles of civil society organisations and vibrant media engagement in the procurement of electricity infrastructure.

The author concludes that anti-corruption progress in such complex and politically charged infrastructure developments is always likely to comprise a co-mingling of both successful and failed reforms. However, the condemnatory nature of the public discourse surrounding corruption means that the successful measures will not be recognised or will be downplayed. After years of despondency in anti-corruption campaigns and endless reports of pervasive and persistent corruption in Africa, the author proposes that this new perspective, in which improved development outcomes are understood as a mix of corruption reform successes and failure, offers a more accurate interpretation.

Key words: *Bittersweet success; Anti-corruption; Corruption reform; Electricity sector; Ghana; Kenya; Africa.*

1. Introduction

The author has been carrying out research on corruption and corruption reform in the electricity sectors in Ghana and Kenya for some years and has published on this elsewhere.¹ This paper originates from the author's desire to make sense of the apparent paradox that development projects can have positive outcomes whilst being beset with large-scale and ongoing corruption. To what extent is the reporting of the corruption overdone and with what consequence? To what extent are successful reforms unrecognised? To what extent and in what ways are ongoing systemic corruption issues and incentives for corrupt behaviour being addressed or ignored in the electricity sector? This paper, based on data from the author's extensive fieldwork in Ghana and Kenya on their electrification programmes, attempts to disentangle these 'blind-spots' in the corruption literature.

Corruption is undoubtedly deeply ingrained in the power sector across Africa – driven by a dangerous combination of centralised organisation and distribution of electricity, governmental pressure to achieve universal electricity access, high societal demand for electricity, as well as highly opportunistic political office-holders (Boamah and Williams forthcoming; Cuesta-Fernandez 2013; Miescher and Tsikata 2010; Degani 2017, Barnes and Floor 1996; Trotter 2016). Under such conditions, it comes as no surprise that corruption thrives in multiple forms. The mainstream debate on corruption and anti-corruption is thus tilted towards the 'pervasive' and 'unbridled' character of corruption in Africa's electricity sector and consequently reinforces feelings of despondency in anti-corruption campaigns, whilst successful reforms are either obscured or not thoroughly examined for improvement and adaptation to specific contexts.

Yet many anti-corruption approaches focus on managing outcomes of corruption rather than detailing incentives to guide the formulation of preventive measures. Boamah and Williams (forthcoming) draw on the 'problem-solving' perspective of corruption to emphasize a focus on the planning stages of electrification initiatives to minimise corrupt practices by proactively tying up loose ends that usually provide a leeway for people to engage in corruption in Africa's electricity sector. Corruption as problem-solving perspective involve analysis of incentives for engagement in corruption by circumventing 'problematic' situations such as bureaucratic red-tape (Marquette and Peiffer 2015; Degani 2017; Williams and Le Billon 2017; Pless 2014). However, such 'problems'

¹ See <https://www.bevsozgeo.uni-bayreuth.de/de/team/Festus-Boamah/index.php#tabPublikationen>

are also sometimes engendered by strong societal perceptions of unbridled corruption even if there is no ‘problem’ to circumvent. The drivers and implications of both *real* and *perceived* corruption deserve a serious academic discussion and the paper seeks to draw attention these issues.

2. Kenya

In the 1990s, corruption in the Kenyan energy sector reached a point so extreme that it prompted a donor embargo of the energy sector from 1991 to 1999. New policies had to be urgently implemented to attract private sector participation to complement the state’s efforts.

Kenya initially focused on supplying urban areas where grid extension costs are relatively cheaper (Parshall 2009). The change from an “incremental” planning approach to “transformational” energy planning, via amendment of the Electricity Act and National Energy Policy to allow for private sector players and “Open Access” to the National Grid and in 2013, ended power supply deficits in Kenya and created a significant energy surplus of approximately 600 Mega-watts.

Until 2004 Kenya Power and Lighting Company (KPLC) had annual grid connection figure of approx. 45.000 customers and there came proposals to increase annual electrical grid connections. Annual connection targets became very ambitious especially after successfully achieving the 2005/2006 connections target, and KPLC had to outsource grid construction activities to private contractors. When outsourcing of grid construction became a normal practice, some KPLC workers set up their own companies in order to benefit from the new opportunities. After reaching 120.000 connections, the KPLC increased the target to 160.000, then to 200.000 and 400.000 in the subsequent years. These figures even doubled to 800.000 connections in 2013/2014 and even to 1.38 million in 2016. In the process of this huge expansion public curiosity and attention to the related corruption grew greatly.

Meanwhile, in rural areas, grid electricity had previously been either unavailable or unreliable in rural locations and this drove the uptake of solar Photo-Voltaic (PV) systems in the peripheral areas (Winther et al. 2018). The new initiatives have focused predominantly on subsidized rural electrification initiatives under the auspices of Kenya’s electricity distributor (called Kenya Power or KPLC) and Rural Electrification Authority (REA)². The Kenyan government’s commitment to rural electrification has been published in its economic transformation vision (Vision 2030) and its universal electricity access vision (Vision 2020). The results so far have been impressive: Kenya has raised its electricity access rate from 16% in 2000 to 75% by end 2018³.

Corruption in Kenya’s electricity sector

The following corruption types are examined in the Kenyan electricity system. The reforms that were used to address each corruption type problem are also described where necessary.

² The REA was created in 2007 to accelerate the pace of rural electrification in Kenya.

³ See <https://www.capitalfm.co.ke/business/2018/05/kenya-has-highest-access-to-electricity-in-east-africa-wb-research/> and <https://www.worldbank.org/en/news/feature/2018/12/06/kenya-charts-path-to-achieving-universal-access-to-electricity>

a. 'Unjust' grid connection costs and corruption avenues

Until 2004, prospective electricity customers in Kenya paid the full cost of grid electricity access and electricity connection estimates varied significantly between individual customers depending on the proximity of a prospective customer to a transformer and the cost of the materials required for new grid connections. Households self-financing their grid connections need a new transformer and currently the cost of a power transformer ranged between KES 540.000 and 800.000. A wooden Low voltage (LV) pole, for example, costs KES 10.000 and concrete LV pole KES 18.000. Self-organised initiatives for grid connections was extremely expensive and there were also disputes and claims of unfairness when a single customer paid a large amount for a power line to reach his site and subsequently his neighbours along the transmission line were facilitated to connect to that power line at much lower costs. Design engineers also differed widely in cost quotations they produced for prospective applicants. Besides, connection process was and even still slow too. A standard grid connection cost of KES 35.000⁴ was introduced for consumers located within an optimal distance of 600 meters radius from the existing/nearby transformer. The location of customers within 600 meters radius from power transformers gives the highest allowable voltage drop and therefore marks a step towards energy efficiency. There were still claims of exorbitant connection costs especially for low-income social groups in very remote locations compared with poorer residents in slum in urban areas.

Reform: When Uhuru Kenyatta's government assumed office in 2013, different grid connection costs were set for different categories of customers according to location and socio-economic conditions, such as 'premium' customers and Last-mile-Connectivity customers. The premium refers to customers located far away from transformers and could gain grid access by fully financing their own connections. That means, such parties ought to either submit applications individually or in groups for connection estimates comprising the cost of transformers, LV poles, etc. prospective customers are assured of expeditious grid connection.

This categorisation of customers and the design of electrification of initiatives to reflect socio-economic conditions of different social groups was decidedly innovative.

Ongoing corruption issues: The implementation approach, nonetheless, created avenues for unbridled and endless corrupt practices. Evidence of grid connection in nearby residential facilities created perceptions of collusion between KPLC officials or grid contractors and grid-connected households and hence the need to do same by whatever means possible. One local elite successfully got an approval for a so-called "premium category grid connection" and yet still convinced prospective electricity customers in the rural area to pay additional money as an "appreciation package" to the middle-man who facilitated the application process. Reading between the lines, this attitude of prospective customers was based on collective/public perceptions that following due processes in grid connection applications is an aberration from the 'norm' and hence the necessity to cut corners or reward 'intermediaries' in the process, even if the laws frown upon such practices.

⁴ KES or Ksh refers to Kenyan Shillings. KES 100 is equivalent to USD 1.

b. Collusion in rampant transformer theft

Unscrupulous persons break down transformers to steal components such as precious liquids and copper wires inside the machine. Informants explain that the precious wires are sold to scrap metal dealers. Also, transformer oil is often stolen and sold to unscrupulous restaurants allegedly for frying food and also for making petroleum jelly products like Vaseline. The perpetrators allegedly work in cooperation with some KPLC officials because technical knowledge and special tools are required for the execution of such corrupt practices. KPLC records show a high incidence of transformer vandalism and sale of stolen transformer parts to scrap metal dealers in the 1990s.

Reform: After 2000, laws banned the export of scrap metal and punitive measures were introduced against culprits and consequently the cases reduced considerably. In the 1990s over 100 transformers were vandalized in a single month but this dropped to about 85 per month in 2010, about 45 per month in 2014 and currently to an average of 11 per month countrywide as of 2017 (KPLC 2017)⁵.

c. Cartels taking advantages of urban clusters

In urban areas particularly locations noted for clustered settlement patterns, syndicates or corruption cartels took advantage of exorbitant grid connection costs and specialized in illegally connecting customers who could not afford the standard charges.

d. Power theft in slum areas

Slum areas emerged as 'hot-spots' of power theft in the power sector for a long time and constituted a major component of commercial power losses. Power loss surveys estimated commercial losses at the time ranging from 5% to 7%. Slum residents would fight off KPLC staff and accompanying security crews trying to disconnect illegal connections to KPLC transformers.

Reform: Strenuous efforts made by KPLC to stop these illegal and dangerous electrical connections. Around year 2005 KPLC introduced a "Ready Board" technology with accompanying low cost distribution infrastructure that allowed slum dwellers to connect to power and pay monthly bills at rates considerably lower than what they were paying the syndicates. This initiative was later supplanted by the GPOBA program in 2015 financed by the World Bank and the criminal syndicates were gradually driven out of business in major urban areas.

e. Unfair tariffs and extensive defaulting

Exorbitant tariffs and convoluted tariff estimation procedures persisted for years and led to massive defaulting by electricity customers using post-paid metering systems. Corrupt manoeuvres to avoid the tariffs and to avoid penalties for the defaulting were rife.

Reform: The introduction of pre-paid metering systems in 2011 which minimized the incidence considerably. Particularly innovative was the sensitivity of the policy to electricity consumer classes and place of residence. Meter reading is expensive in rural locations where demand is low,

⁵ Information was accessed from KPLC Data Section in 2017.

defaulting is high due to frequent out-migration and financial challenges, diesel-powered motorbikes are required for KPLC meter readers to do house-to-house reading of post-paid meters in remote locations where customers live homesteads. Out of the over 6 million KPLC customers, approximately 2 million customers are on pre-paid meters – the majority of these are residents of remote areas who usually (or potentially) have a history of defaulting.

The effectiveness of pre-paid meters in combating defaulting was clearly evident. Also, grid electricity customers who had allegedly accused KPLC of cheating via post-paid meters saw pre-paid meters as timely remedial measures, especially for granting them the opportunity to proactively self-regulate and monitor electricity consumption patterns.

Ongoing corruption issues: There were problems with perceived abuse of the tariff system by the electricity company. It appeared that reduced charges were being cunningly and indirectly re-integrated into the electricity charges without public notice. Sadly, this perception of corruption negatively influenced the thoughts of urbanites who were seeking to connect their private homes in remote locations to the national grid, even though the underlying policy was highly innovative. The perception thus persists that corruption is pervasive and prospective grid electricity customers desperately needing electricity connection even offer bribes to allegedly corrupt KPLC officers even sometimes without any attempts or signs of making such demands.

f. Corrupt ‘tenderpreneurs’ in Kenya’s electricity sector

Tenderpreneurship is a portmanteau word for tenders and entrepreneurship. Originally, the term ‘tenderpreneur’ referred to a South African colloquialism for a businessperson who uses political contacts, networks or affiliations to facilitate and secure government procurement contracts often called ‘tenders’ often as part of reciprocal exchange of favours or benefits (Piper and Charman, 2018:1). ‘Tenderpreneurs’ is now associated with corruption, nepotism and clientelism as the award of tenders are usually driven by informal interests and/or political affiliation, rather than the adherence to requirements of formal legal procedures and standard practices (ibid.). Tenderpreneurship is gaining prominence in Kenya’s electricity sector.

The upsurge in grid electricity connections to achieve ambitious electrification targets meant that the rate of outsourcing correspondingly kept soaring and so did the rise of these mushrooming unqualified contractors and ‘tenderpreneurs’. The former and current Managing Directors of KPLC and 19 other officials are facing legal prosecution for procuring low-quality transformers worth over KES 409 million, outsourced line construction and other related services such as emergency jobs, change of rotten poles, underground cabling, etc. to non-qualified/un-registered firms, and widespread conflict of interest during the last 6 years. (Fieldwork interviews, See also The Star, 2018; The Standard, 2018). Reports show that KPLC approved over 200 transformers from their suppliers despite obvious defects detected during the testing process. The internal Auditor report of 2016-2017 financial year also uncovered Staffs of KPLC who colluded with unregistered supplier companies, and in some cases where the supplier companies are owned or associated with the staff to facilitate the approval of tenders in the procurement process.

Reform: KPLC has, since July 2018, abrogated contracts to these private entities and reverted to using its limited engineers for grid constructions to clean-up the system, win back public trust and

prevent similar scandals in the future. Contractors and middle-men associated with the case have now been blacklisted from participating in KPLC tenders in the future. At least 18 employees have been dismissed for breach of their employment contracts by illegally assisting over 350 labour and transport contractors who never met the criteria of getting tenders (Fieldwork interviews, 2018; see also Upesi News, 2018). The Chairman of KPLC intends to implement a new system whereby prospective employed will be engaged on a 3-year contract to determine their suitability via periodic assessments and hopefully reduce corruption or prevent recurrence of similar scandals in the future (Upesi News, 2018).

g. Institutional distrust - Ongoing failure example “Kenypowerless”

Kenya’s Energy Regulatory Commission (ERC) lost public trust by implementing massive increases of tariffs. On 30. July 2018 Kenya’s ERC made over 100% increase in tariffs on the grounds of increases in revenue requirement by KES 10.1 billion for system expansion and maintenance. The public perceived the tariff review as a cunning approach to shift unfair power generation costs to innocent consumers. More frustrating for the population was an earlier petition in the Kenyan High Court to prevent the implementation of the proposed tariff review. The legal confrontation was initiated by a renowned Kenyan activist (Lawyer Apollo Mboya) on behalf of Electricity Consumers Association of Kenya. The court verdict dated 12 January 2018 upheld the petition of ELCOS and instructed the ERC and KPLC to “cease the billing of electricity consumers with the inflated backdated bills to recover Ksh 10.1 Billion contained in their Annual Report and Financial Statements for the year ending 30. June 2017 until 30. January 2018”⁶. Customers vented their grievances on Twitter platforms by inventing a satirical slogan “Kenypowerless” to ridicule the state’s electricity distributor.⁷

Ghana

Ghana has made strides in electricity provision with an enviable electricity access rate of 84%⁸. The country’s great success is partly evident by a high electricity access rate and good spatial distribution of electricity through the national territory. As in Kenya, Ghanaians treasure grid electricity access. The quality of electricity sector management is thus a significant factor in presidential and parliamentary election outcomes.

Several parastatals are responsible for the generation, transmission, distribution and regulation of electricity. In general, they have collaborated quite well in the delivery of energy services to the population:

- Volta River Authority is responsible for power generation
- Electricity Company of Ghana (ECG) – currently taken-over by Power Distributor Services (PDS) – distributes electric power to majority of customers in southern Ghana

⁶ This was a direct quotation contained in the court verdict which was widely circulated on Twitter by the ELCOS and the lead counsel for the petition Lawyer Apollo Mboya.

⁷ Follow the discussions here: <https://twitter.com/MboyaApollo/status/1026364498586812416>

⁸ See <https://data.worldbank.org/indicator/EG.ELC.ACCS.ZS?locations=GH-KE> and <http://www.energycom.gov.gh>

- Northern Electricity Department (NEDCo) is responsible for electricity distribution to the northern-most parts of Ghana⁹.
- The Ghana Grid Company Limited (GRIDCo) manages power generation whereas Public Utilities Regulatory Commission (PURC) regulates tariffs.
- Ghana set up the National Electrification Scheme (NES) in 1990 to provide electricity to *all parts of Ghana* primarily to achieve universal electricity access by 2020. The NES and complementary programmes such as Self-help Electrification Program contributed to Ghana's high electricity access rate.

The corruption issues examined are the following:

a. Sole-sourcing of controversial Power Purchasing Agreements

Numerous controversial emergency power purchasing agreements have been signed, usually as a consequence of election promises and high social prestige attached to electrical grid access, with the hope of swiftly meeting the soaring energy demand.

The deployment of emergency power plants was argued to allow hydro-power dams to recover to appreciable levels, enable the major thermal plants to undergo mandatory maintenance without blackouts, and also make room for necessary long-term re-structuring of the existing power sector market among others (Ghana Energy Commission, 2016). Strong perceptions of corruption and deceit during the procurement of a major thermal plant created controversies and a heated public debate in Ghana. The Ghanaian government signed a sole-sourcing agreement with Africa & Middle East Resources Investment Group LLC (henceforth called AMERI deal) in 2015 for a rental 250-MW Thermal power generation facility when power supply worsened (Ministry of Energy 2017).

Investigative media impact: After a series of corruption allegations by energy policy institutes, energy experts and the vibrant Ghanaian media, investigations revealed that the cost of the power plants was inflated by USD 150 Million (Ministry of Energy, 2017) and that a similar project in Indonesia comprising even 20 pieces of equipment costed only USD 435 Million (IMANI Ghana, 2017; Africa Center for Energy Policy, 2017). A 17-member committee advised the Ghanaian government to either re-negotiate terms of the contract to protect public finances or abrogate it entirely.

b. Corruption issues in multiple power purchasing agreements

The Ghanaian government (led by President Akufo-Addo) claims to have saved USD 300 million by reviewing approximately 20 existing power purchasing agreements and further set a policy that future private/independent power producers can at most charge 10 Cents per kWh contrary to previous high rates charged by private power producers in the country (Government of Ghana,

⁹ Power Distributor Services (PDS) has, since February 2019, taken over from the ECG primarily to ensure efficiency in the distribution of electrical power and improve revenue collection and so ECG and PDS may be used interchangeably in the subsequent sections of the paper.

April 2017). In fact, the Energy Minister's pledge to improve future power deals¹⁰ is a clear admission of inefficiencies in the sector. The new government was advised that the cancellation of the deal could worsen power supply situation and also attract judgement debts for the embattled power generator, AMERI. An amicable negotiation was recommended to generate mutually beneficial outcomes. Preliminary interventions by the new government seemed spot on and this inspired the confidence of the populace.

Under the proposed re-negotiation, a Greece-based Mytilineos International Trading Company was to take-over from the AMERI and extend the original outsourcing agreement by ten more years. The new President received a briefing on the new deal and subsequently gave it executive approval on July 31 2018. The public was later informed that the President had been 'misled' to believe that the re-negotiated had been thoroughly assessed by appropriate state institutions.

Reform: After series of public criticisms by individuals, activist groups and civil society organisations, the President fired the Energy Minister and the successor Minister was charged to come up with a 'better' contract re-negotiation. The media and civil society organisations kept an 'eagle-eye' to follow-up on the AMERI deal and eventually 'an enhanced renegotiation' was presented to the Ghanaian parliament for re-consideration. The enhanced re-negotiated deal is claimed to have caused financial savings of at least USD 51 million and ACEP expressed appreciation for the results achieved through diverse forms of political activism and media oversight roles. In a Press Release published by ACEP dated 11. November 2018, the report stated:

"The addendum presents a more favorable liability for government than the original contract terms; proposing a saving of \$51.3 million ... ACEP commends Government for bringing closure to the disagreements. We recommend that the payment schedule of debts be duly followed to allow government benefit from the full cost saving of the \$2.8million waiver by AMERI. We also recommend that similar closures should be brought to all contracts under renegotiation to allow for proper planning of the power sector which is inundated with many challenges" (ACEP, 2018).

The USD 51 million savings from the enhanced deal is an enviable success story driven by a series of fierce anti-corruption campaigns in a democratic governance setting. Civil Society Organisations and the media issued subtle threats to the new Energy Ministry that a repeat of the 'mess' could cause his dismissal too. The new Minister of Energy (Hon. Peter Amewu) has pledged further support to achieve 100% electricity access by 2020 whilst making electricity tariffs even more affordable (Ghana's Ministry of Energy 2018). According to the Energy Minister, Ghana's installed power generation capacity (approx. 5,000MW) far exceeds the peak demand of 2,600 MW. The Ghanaian government was spending approximately USD 30-35 million for excess power generation capacity and the cost is projected to reach USD 400 million per annum by 2020 (ibid.). The Minister has therefore placed moratorium on 11 Power Purchasing Agreements until a decision on favourable rates are reached. These success stories are registered through due diligence

¹⁰ These remarks were made by Ghana's former Energy Minister and the new Ghanaian President (Nana Akufo-Addo) during a series of public forums that sought to assure the public of better management of the energy sector.

and caution in the oversight responsibility of the new Energy Minister – a situation decidedly caused by strong anti-corruption measures.

Ongoing corruption issues: The contract re-negotiation phase and the introduction of emergency power generator beg many questions. The power crisis did not occur overnight. In fact, the government cannot claim to be oblivious to the deteriorating equipment at the hydro-power stations that initiated the power crisis. A proper energy planning could have pre-empted financial losses that resulted from the deployment of numerous emergency power plants. Second, it is quite intriguing that a successor government could supervise re-negotiation deal that was even more expensive than an existing one and the President would claim being “misled into signing” the contract. These undesirable situations still contain a seed of hope and positive transformation because they prompt accountable governance and an overarching urge to allay public fears of corruption, thereby producing even a more effective, unique and context-specific anti-corruption framework. “Bittersweet success” is clearly evident here.

c. Tariff defaulting and power theft

The World Bank projected that Ghana’s VRA would face imminent collapse without adequate electricity tariff increases (Ministry of Petroleum, 2016). Power thefts and defaulting are easily perpetrated via post-paid metering systems which had until recently been the dominant electricity revenue collection system by both the ECG and NEDCo¹¹. The post-paid tariff system required customers to pay for energy service after use – usually at the end of every month. Customers could bribe officials of the ECG or electricians to adjust meters to read slower than usual and hence record lower tariffs or even evade payment of electricity tariffs. For example, Tariff Recovery exercise conducted by the ECG in 2018 generated revenues totaling GHS 95 million (Author Interviews, 2019). Ghana’s Newspaper *The Daily Guide Network* (2019) reported that in the Eastern Region of Ghana alone, a routine Monitoring and Inspection of 9,802 meters by the ECG in 2018 led to the discovery of 98 meter by-passes, 5 unauthorized service connections, 4 tampered meters and the team was able to recover electricity units worth GH¢1,052,580, excluding defaulting of tariffs. Revenue Protection Taskforce of PDS arrested persons for illegally drawing out power and further issuing a meter connection to a prospective customer and promised reward schemes for persons who would kindly report such illegal activities to the company (PDS 2019).

Reform: ECG has set up a utility court, as well as Prosecution and Revenue Protection Units that ensures that utility thieves are swiftly dealt with by the court and some ECG employees and customers have been prosecuted over power theft (Joy News TV, 2013; CitiNews 2019; Author interviews, 2019).

d. Pre-paid meters

The introduction of further sophisticated measures to prevent or reduce defaulting, power thefts and improve revenue collection was thus necessary. This led to the introduction of pre-paid meters.

¹¹ It has a total active customer population of approximately 1,100,064 and 338,776 are on pre-paid metering systems (PURC, 2019). Many customers of NEDCo have very low energy demand, and in such settings where power theft case are considerably low, installation of pre-paid metering systems are not economically viable for the utility distributor. For this reason, the paper focuses on the PDS serving locations in the southern Ghana where electricity demand and power thefts are very high.

The idea of pre-paid meters in Ghana emerged in 1994 but massive implementation started around 2012 when defaulting and financial challenges of the ECG reached unbridled heights. The pre-paid meters are erected outside residential facilities – usually in public spaces – to prevent meter by-pass or tampering compared to post-paid meters which were usually installed inside homes. By March 2016, customers using pre-paid meters in both residential and non-residential facilities had reached 1,224,517 (representing 37.4%) of the total ECG customers of 3,271,184 (ECG Customer Information March 2016). As of early 2019, the number of pre-paid customers had reached a little over 50% of ECG’s 3.6 million customers (Author interviews, 2019).

Ongoing problems and ‘Usain Bolt’ meters: The massive introduction of pre-paid meters in 2016 coincided with tariff increases and limited understandings of the new tariff systems led to perceived faulty meters claimed to be reading faster than units of power consumed. Customers perceived the pre-paid meters were either not well-calibrated and therefore giving incorrect readings or deliberately calibrated to subtly extort money from customers. This happened at the time Usain Bolt’s sterling performance in the 2016 global athletic showpiece made him a household name in Ghana and hence the invention of the term ‘Usain-Bolt’ pre-paid meters’.

The satirical term ‘Usain Bolt Meters’ was widely used in the media and in informal conversations to denote the ‘hyper-speed’ in the recording of electricity units by the new pre-paid meters. The term described allegedly cheating metered out customers by the Ghana’s electricity company. Energy experts argue that some pre-paid meters had defects, but tests run by the Energy Commission disputed such claims. Revenue collection has improved after the introduction of pre-paid metering systems to deal with defaulting or power thefts. Interactions with customers during fieldwork, nonetheless, reveal perceptions that the ECG cheats customers via ‘Usain-Bolt’ pre-paid meters and customers expressed preference for the previous post-paid meters.

4. Discussion

The material presented above suggests different manifestations of corrupt practices in the electricity sectors of both countries driven by interlocking set of factors on one hand, and on the other hand anti-corruption initiatives producing success stories yet bundled with failures.

Measures such as the introduction of pre-paid metering systems, utility courts and special punitive measures against transformer culprits effectively reduced incidence of power theft, defaulting and transformer vandalism. The cancellation of grid expansion contracts, legal prosecution of allegedly corrupt officials and fierce public criticism of Ghanaian governments in the controversial AMERI deal registered some successes, however marginal. These curative measures are related to principal-agent anti-corruption approaches and can be considered great feats in the anti-corruption initiatives in the electricity sectors of Ghana and Kenya.

On the other hand, in situations where corrupt practices are deliberately crafted, ‘normalised’ and collectively maintained to undermine the effectiveness of anti-corruption institutions (Marquette and Peiffer, 2015) initiatives such as monitoring and sanctioning corrupt behaviour may not yield

any promising results or even be counter-productive. The AMERI Power deal in Ghana is case in point. The media, energy experts and the population were justifiably curious because how could power-purchasing agreement promised to be reviewed favourably generate such paradoxical outcomes? Despite financial savings made during the enhanced re-negotiation of the AMERI deal, there were still huge financial losses to the state.

Similarly, the transformer scandal in Kenya represents another case of collective-action corruption and despite the timely interventions to avoid further financial losses, the systemic corruption issues seemed not to have been tackled. For example, updates from Kenya suggest the legal prosecution is alleging that KPLC insiders – obviously either accomplices or cliques of the accused persons – have deliberately hidden incriminating documents against the 19 accused, thus slowing down the prosecution process just like it happened during the past decades.

Marquette and Peiffer (2015) argue that understanding the functions that corruption performs for those who engage in it provides an important step in combating certain types of corruption. The GPOBA partnership represents an interesting case where a key ‘problem’ (i.e. exorbitant connection costs) in the electricity sector, which incentivised engagement in power theft as the ‘problem-solver’, was effectively reduced. This suggests perhaps that getting rid of key problems of the population could cast out motivations for engaging in corruption. Adequate public education regarding grid connection modalities, removal of bureaucratic bottlenecks in application processes, expeditious processing of grid connection applications could discourage offer of bribes, render the services of corruption cartels redundant, change societal perceptions of public corruption, and break incentives for employing self-organised manoeuvres in accessing grid electricity.

The government’s desire to expand grid connections without planning carefully for the availability of skilled engineers and contractors clearly contained the seed of new avenues for opportunistic officials to corrupt themselves. Similarly, in Ghana, poor planning around the provision of electricity to meet the soaring demand initiated the deployment of corrupt-riddled emergency power purchasing agreements. None of the government officials complicit in the corruption-riddled AMERI deal has been prosecuted to serve as a deterrent measure to potentially corrupt state institutional actors. Corrupt persons may easily escape punishment, or corrupt practices could be easily covered up by political protégés. This leaves behind enduring perceptions that corruption is the systemic norm. The safe havens for corruption cartels were created at the outset due to the structural weaknesses in the planning and implementation stages of the project.

In the case of Ghana, some pre-paid customers expressed preference for post-paid meters because of the perception of institutionalised corruption in the electricity sector and so defaulting or deferring tariff payments via post-paid metering systems provided a means of some ‘compensation’. In this sense, so-called problems that are visualised via perceptions of widespread corruption result in partial success, yet the narrative is inseparably bundled with the stories of enduring corruption.

5. Conclusions

Performance reforms and anti-corruption reforms in the electricity sectors of these two countries have generated a whole mix of partially successful reforms bundled with partial failures. Several

anti-corruption initiatives, such as the frequent monitoring of electricity infrastructure, the introduction of pre-paid metering systems, establishment of legal frameworks to punish criminals involved in power thefts, effective oversight roles of civil society organisations and vibrant media in the procurement of electricity infrastructure have had a measurable impact on electricity access rates, protection of electricity infrastructure, improved revenue collection/tariff payment mechanisms, and reduction in commercial losses. This is a feat worth celebrating after years of despondency in anti-corruption campaigns and alarming reports of corruption.

At the same time, the increasing sensitivity of governments and political actors to corruption scandals, evidence of negative political consequences of corruption and the “therapeutic effect” of accountable governance have led to the emergence of, at least, some positive responses to public activism on corruption.

Many other anti-corruption initiatives have, nonetheless, registered limited success, failed, or have been counter-productive, because certain types of corruption are still so institutionalised. Some corruption cartels are almost ‘unbreakable’ and some corrupt practices are so entangled in daily life that they keep re-producing themselves over time, particularly in contexts characterised by ‘red-tape’ and continual institutional inefficiencies. Such types of corruption are so visible and difficult to tackle that they have obscured major improvements in the delivery of specific services.

The nature of the media reporting and the public discourse surrounding corruption, which focuses exclusively on the negative experiences and the failed reforms, further means that national progress against corruption is not recognised or downplayed by the public. These findings warrant further studies to investigate comingling of success stories and failures in anti-corruption initiatives and provide avenues for reforms that are better suited to specific geographical, political and socio-institutional landscapes.

Author bio

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