

Institutional analysis of condominium management system in Amhara region: the case of Bahir Dar city

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Abstract

This study analyses the condominium management system in Amhara region in Ethiopia. Bahir Dar, which is the capital city of the Amhara National Regional State, was selected as a case to illustrate the issue under study. The paper used an institutional analysis and development (IAD) framework. The study revealed that post-occupancy management is one of the most pressing challenges that the implementation of Integrated Housing Development Programme faced in Bahir Dar city. It also revealed that, although Ostrom's design principles are incorporated in the institution responsible for condominium management, they are not well configured and practised. Furthermore, the results show that, although Ostrom's design principles are basic, they require proper interpretation in the context of condominium management.

Key words: *Bahir Dar; Condominium; Institution Analysis; Management system*

1. Introduction

Housing is one of the basic necessities for human beings. However, it is a critical problem for millions of poor people in developing countries, and Ethiopia is no exception (Bihon, 2007). Ethiopia's urban centres are characterized by poorly developed economic base. Like most urban centres of developing countries, most cities and towns in Ethiopia face a plethora of problems, including an acute and ever-worsening housing shortage (Solomon & McLeod, 2004).

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Until recently, in Ethiopia, there was no specific legislation that recognized citizens' right to housing or which imposed a duty on the government to recognize that right. Nevertheless, there were few national coordination policies regarding housing and urban development. During the first half of the 20th century, land and housing in Ethiopia were controlled by a few individuals and groups. Housing supply was controlled by the landowning elite who constitute less than one per cent of the population but own more than 70% of the arable land (UN-HABITAT, 2007).

When the Derg regime came to power in 1974, it declared (Proclamation No. 47/1975) government ownership of urban lands, and rental dwellings or extra houses (a person is not allowed to have more than one house). Consequently, ownership of all urban land and extra houses were transferred to the government in an effort to enforce a fair distribution of wealth across the country. During the Derg regime (1974–1991), housing supply was controlled by the central government and urban residents were allowed to keep one residential house and another business house, if necessary. Housing supply was insufficient to meet the large demand and all cities in Ethiopia experienced acute housing shortages and ever-deteriorating housing conditions (Teshome, 2008).

In the late 1980s, the Derg regime loosened its control on the supply of housing by allowing private house owners and tenants of public premises to sell and exchange their houses. The government declared (Proclamation No. 292/1986) that specified “residential buildings could be produced only by state enterprises, municipal governments, housing cooperatives and individuals who build dwellings for their personal consumption”. This declaration was an opportunity for large-scale private sector housing developers to cater for the large demand among high-income earners and there was little incentive to construct low-income housing (Mulugeta, 1995).

The Ethiopian People's Revolutionary Democratic Front (EPRDF) that overthrew the Derg regime in 1991 designed a new tenure system for urban Ethiopia. Leasehold as a land tenure system was introduced in 1993 and then revised in 2002 and 2011. It is believed that transferring the tenure of urban land through fair-priced leases is helping the expansion of the housing market. In order to support the housing market, the government has also provided

various incentives, including the allocation of urban land at highly subsidised rates or free of charge, and subsidies to offset the cost of building materials. Nevertheless, these incentives ultimately helped to satisfy only a small portion of the housing demand, and the private sector failed to deliver affordable housing at large scale (UN-HABITAT, 2010).

By the mid-2000s, however, changes started to take place in the governing and planning of urban areas. Pressures were increasing to improve the coordination of urban policy and to re-create some form of strategic planning approach. Consequently, the Ministry of Works and Urban Development (MWUD) was established in 2005 and it developed the Integrated Housing Development Programme (IHDP). The IHDP has four major objectives: 1) to increase housing supply for the low-income population, 2) to address the problem of urban slum areas and mitigate their expansion in the future, 3) to increase job opportunities for micro and small enterprises and unskilled labourers, which will, in turn, provide income for their families and enable them to afford their own housing, and 4) to improve wealth creation and wealth distribution for the nation (MWUD, 2007).

Since 2005, Ethiopia has been implementing an ambitious government-led low- and middle-income housing programme. The programme involves a radical shift from the single-storey detached housing typology (government-owned rental housing) to a new condominium typology (private homeownership). According to the programme, all slums would be cleared within ten years of the programme's introduction. To make the programme feasible, the state transferred the overall responsibility for the housing sector at the regional level to city administrations or municipalities. At the regional level, the Bureau of Works and Urban Development (BWUD) is responsible for urban management and development issues. One way to assess the government housing programme is by studying condominium commons. Understanding the concept of condominium commons and their management is also essential for dealing with a wide variety of issues, particularly the need for residents in condominium houses to live in peace and security.

A small number of empirical studies (Haregewoin, 2007; Sema, 2010; Ingwani, Gondo, Gumbo, and Mazhindu, 2010) have examined the quality and management of the currently supplied residential condominiums houses.

The methods adopted in these studies to evaluate the quality of housing have measured quality by using indicators such as availability of adequate space for privacy and mobility and the physical condition of the houses. Concerning the physical condition of housing, these studies find that many condominium buildings, which are less than a decade old, are dilapidated and obsolete due to a lack of training related to production and construction techniques and construction management. Till date, there has not been an institutional analysis of the management system for condominium houses.

This aspect of housing is worth of study because, in Ethiopia, there is a national law on how condominiums should be established and regulated and how they should function. Normally, the ownership of condominium housing is also regulated. Similar laws are now in force in many regions of the country. Concerning the issue of governance, both the federal and Amhara regional legal regulations require the establishment of an owners' association in each privatized multi-dwelling residential building, or group of buildings, to act on behalf of all the owners in legal matters of common ownership. Membership of owners' associations is also a legal requirement (FDRE Condominium Proclamation No. 370/2003; ANRS Condominium Proclamation No. 144/2006). However, the present day post-occupancy management set up, on the basis of collective management, is often fraught with difficulties. For example, a study conducted by UN-HABITAT (2010) revealed problems in post-occupation management and monitoring in Addis Ababa. This study showed that, while some self-organized resident associations have taken over the ownership and management of common facilities in condominium units, the majority of them remain locked and thus unusable until agreement is reached between residents and the government. Yet, in response to post-occupancy issues, this study also failed to recognise the importance of analysing the governing rules.

In the case of Bahir Dar city, self-organized resident associations have taken over the ownership and management of common facilities in condominium units (ANRS Condominium Proclamation No. 144/2006). The governing rules in matters of common ownership closely resemble Ostrom's famous design principles for managing common property resource regimes. In relation to the condominium management system in the Amhara region, one

of the major challenges facing the IHDP concerns post-occupation management, which has received very little attention to date. This study, therefore, analyses the condominium management system in Bahir Dar city. In particular, this study examines the relationship between institutional structures, collective action and the performance of owners' associations in relation to Ostrom's design principles. The Institutional Analysis and Development (IAD) framework was used for the analysis of linkages between livelihood outcomes of the common resource users, and delivery and governance results, together with additional linkages in the institutional context. This institutional context can help to clarify the pathways by which particular interventions at the field level might contribute to wider change at the policy and institutional level.

Following this section, the rest of the paper is structured in the following manner: Part 2 examines the IAD framework advantages over others and why it is appropriate to explain the situation in this paper; Part 3 looks at research methods including all techniques/ methods adopted for conducting this paper; Part 4 considers results and discussions, and finally part 5 deals with conclusion, policy implications and recommendations.

2. Analytical Framework

There are several models that can be used for institutional analysis (Gordon, 1954, Hardin, 1968; Oakerson, 1986; Ostrom, 1990; Ostrom, Gardner, & Walker, 1994). Based on theoretical and empirical evidence gathered from a variety of sources, Ostrom (1998) argues that various models and institutions for the analysis of common property problems can be useful in helping to conceptualize some of the incentives in simple situations involving various forms of commons. However, Ostrom states that the relevance of most of the models, and institutions is limited since they do not apply to complex and dynamic real world situations. Ostrom also carefully distinguishes the notion of a model from that of a framework. While a model is understood as anything used in any way to represent anything else. The development and use of models involve making precise assumptions about a limited set of variables and parameters to derive precise predictions about the results of combining these variables using a particular theory. A framework is fluid and

dynamic and is diagnostic tool used to investigate any broad subject where humans repeatedly interact within rules and norms. The development and use of frameworks are the most general forms of theoretical analysis. Frameworks identify the elements and general relationships among these elements that one needs to consider for institutional analysis and they organize diagnostic and prescriptive inquiry (Ostrom, 2011).

The Institutional Analysis and Development (IAD) framework that was developed by scholars at the Workshop in Political Theory and Policy Analysis, Indiana University (Ostrom 1990; Ostrom et al. 1994) has been found to be an inclusive framework which is not limited to a few disciplines but instead solicits contributions from the entire range of social sciences disciplines. Therefore, this study used the institutional analysis development (IAD) framework (Ostrom, 1990; Ostrom et al., 1994) for the following four reasons. First, it obviates the need to invent a new framework for different research questions related to the study of human decision making in repetitive situations. Second, it is a viable conceptual framework for studying the relationship between institutional structure and collective action. Third, it is useful for analysing the rules that are crafted to cope with new situations of condominium housing management and a large community of users. Fourth, it has been successfully applied in a wide variety of research projects (Hess and Ostrom, 2007).

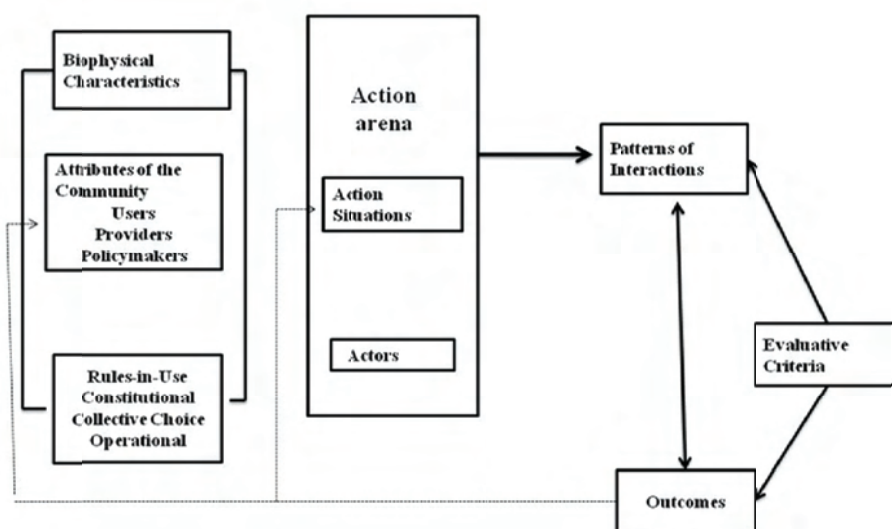


Figure 1: Institutional analysis and development framework: Ostrom (1990); Ostrom et al. (1994)

This IAD framework posits three very broad clusters of variables affecting institutional design and the patterns of interaction occurring within action arenas. The three interrelated components are (1) the underlying factors (the physical/material characteristics, the attributes of the relevant community, and the rules-in-use at several levels); (2) the action arenas; and (3) patterns of interaction and outcomes. Based on the IAD framework, Ostrom (1990) and Ostrom et al. (1994) argue that, for robust and enduring institutions for common property resource management, if the physical, user and institutional characteristics are substantially changed, it is reasonable to expect that the actions and the patterns of behaviour will change in order to achieve successful and sustainable outcomes. Thus, to investigate how different governance systems enable individuals to solve problems by using the IAD framework, analyst first start the analysis with understanding how attributes of the physical, community and rules affect action situations. A key part of the analysis is then focuses on action arena by examining the component parts of it and investigates the resulting patterns of interactions and outcomes, and evaluating these outcomes.

As indicated, in institutional analysis, the first component examined by IAD stipulates the physical, users' and institutional characteristics. According to Ostrom (1990), the analysis with the physical/technical and community characteristics is important to understand the nature of the resource being shared, the culture and history of the community, its social and political characteristic, underlying reason for the collective-action problem and effectiveness of community organization. The attributes of institutions/rules are also the central focus of the institutional analysis. Ostrom (1990) defines institutions as formal and informal rules that are understood and used by a community. The term 'institution', in this study, therefore, means the rules that establish the working "dos and don'ts" for condominium owners.

The second component of the IAD framework focuses on action arena contained an action situation and actors. Ostrom explains the 'action arenas' as rules and authority relationships that specifies who decides what in relation to whom. Action arenas can occur throughout all levels of rule and decision making, including the operational-choice, collective-choice, and

constitutional-choice levels. An important aspect of action arena is that, the problem could be at an operational tier where actors interact in light of the incentives they face to generate outcomes directly in the world. The problem could also be at a policy (or collective-choice) tier where decision makers repeatedly have to make policy decisions within the constraints of a set of collective-choice rules. The problem could as well be at a constitutional tier where decisions are made about who is eligible to participate in policymaking and about the rules that will be used to undertake policymaking. Thus, a key part of the institutional analysis is identification of an action situation and actors. The analysis needs to look at the specific participants and the roles they play within the action situation. In analysing action situations, particularly concern with understanding the incentives, value and beliefs facing diverse participants is also critical.

The third component of IAD framework explores patterns of interaction and their associated outcomes. According to Ostrom (1990), 'patterns of interaction and outcomes' refers to the way how users of common resource interact and predicts outcomes that are more or less likely to result from a particular type of situation. The patterns of interaction are intricately linked to the action situations. Thus, depending upon the analytical structure of action situation and the particular assumptions about the actor used, the institutional analyst can make strong or weak inferences about outcomes. In addition to predicting outcomes, the institutional analyst need to evaluate the outcomes that are being achieved as well as the likely set of outcomes that could be achieved under alternative institutional arrangements. Although institutional analysts may use many evaluative criteria, Ostrom et al. (1994) suggested that, the essential evaluative criteria for any commons analysis are inevitably equity, efficiency, and sustainability.

The institutional analysis and development (IAD) framework is based on the assumption that most problems in development arise because people cannot take the necessary collective action. Post-occupancy management of condominium houses are among the major causes of problems faced during the implementation of development projects such as IHDP. Examining rules that condominium unit owners play at differently level is relevant to understand problems associated with the likely consequences of institutional

arrangement. Because, the strategic structure of the institutions may provide weak or perverse incentives to individuals and groups to act collectively in matters of condominium management. However, limited attention has been paid to many institutional issues at the level of trouble shooting, project supervision, monitoring and evaluation of IHDP. Therefore, it is unlikely that a complete institutional analysis can be performed as part of the monitoring and evaluation of an on-going IHDP. In order to have a complete institutional analysis, there must be analysis applied to specific sets of issues or problems that arise in the course of implementation. According to Ostrom et al. (1994), a project or programme should be appraised and its implementation needs evaluated and analysed in the following sequence: context, action arenas, pattern of interaction and outcomes. Thus, the institutional analysis of condominium development in Bahir Dar city in general and the implementation of IHDP in particular, can also be analysed in the sequence recommended by Ostrom (1990).

Employing the IAD framework in this study is essential not only to examine the above basic variables affecting institutional design, but also to understand the relationships between these variables. Moreover, in this study, the IAD framework was used to identify, describe and analyse the relationship between institutional structure, collective action and the performance of ownership associations in relation with Ostrom's design principles. IAD involves most of the variables within the institutions designed for condominium management in Bahir Dar city that affect the action situation and the participants involved. Changes to these variables result in varying patterns of interaction and outcomes.

It has to be stressed, however, that the IAD framework does not address the question of how to craft the laws governing commons and who should do so. Experiences from developed countries such as Australia, Canada and New Zealand which have undertaken reform in housing management indicate that a lack of resident participation in the formulation of laws is one of the problems associated with housing management (Lau, 2002). Therefore, this study first needs to examine the evolution of the institution and then conduct an institutional analysis by using IAD as the analytical framework for the investigation.

In this paper, therefore, by using IAD framework, institutional analysis started by gaining an understanding of the context of physical situation associated with the condominium housing project. This involved examining nature of the commons in condominium houses, the attributes of the residents, identifying problems related with residents organization and implementation of the rules-in-use/institutions. After understanding the context, the paper focused on analyses of collective action decisions which are affected by the physical, community, and institutional characteristics which, in turn, result in various patterns of interactions and outcomes. In this case, the paper tried to identify actors and their roles to play within the action situation. In addition, the analysis attempted to identify an action situation/ the social spaces/ where residents interact, exchange goods and services, solve problems, and dominate one another. This analysis utilized to describe, analyze, predict, and explain behaviour within institutional arrangements. After making an effort to understand action arena, the paper analysis proceeded toward examining details of pattern of interaction and associated outcomes.

Within the broad spectrum of condominium management, there are a myriad number of competing outcomes that require evaluation; some of them are considered negative, while others are seen as positive. While analysing outcomes in this study, evaluative criteria suggested by Ostrom et al. (1994) have been used. This study uses Ostrom's (1990) eight predefined variables as a base for describing the institution governing the use of condominium houses in Bahir Dar city.

3. Methodology

In this study, the IAD analysis attempts to understand one of the most fundamental social questions: how residents of condominium houses cooperate or do not cooperate with each other in various circumstances. The analysis also tries to identify the specific participants and the roles they play. This study used a qualitative descriptive case study to understand the issue from the point of view of the participants and to understand its particular social and institutional context (Flick, 2002). Based on the purpose of the study, the first criterion in selecting a case should be to maximize what we can learn (Stake, 1995), because profound understanding of a phenomenon

depends on choosing the best possible case (Yin, 2009). Therefore, from several cities in the Amhara region where condominium construction and distribution have taken place, Bahir Dar was selected because condominium construction and distribution started there first and thus better information on condominium management can be obtained. Moreover, as it is the capital city of the regional state, it is easy to get first-hand information from people who actively participate in law making and condominium projects.

Document reviews, interviews, and a questionnaire were used to collect data. Document review was used to collect data from the IHDP on condominium proclamations, by-laws, rules and other relevant regulations, particularly on condominium management issues in both printed and electronic form. In fact, collections of data from documents were made before any other sources. Interviews were intended to elicit views and opinions from the key informants selected based on their close link to the preparation and implementation of institutional arrangement for condominium management and experiences of working in ownership associations. As a result, interviews were used to collect data from: selected board members of owners associations who are responsible for managing the condominium on behalf of unit owners; elected technical committees and local elders who are responsible for social activities including conflict resolution; and Bahir Dar city administration and condominium housing project directors and managers who are responsible for construction, allocation for condominium ownership and for setting up the rules and regulations which govern their use. The interviews were semi-structured because this makes it possible to focus on the main issues and to incorporate other issues which may arise during the interviews. The interview guide was designed to guide the interviews in a focused, yet flexible and conversational manner (Minichiello, Aroni, Timewell, & Alexander, 1990). In order to get detailed information and adapt questioning to the answers of the informants; face-to-face qualitative in-depth interviews were used. Data collection from interviews was entirely conducted in Bahir Dar city from 15 July – 3 August 2011.

The questionnaire was used to collect data about collective actions, residents and their unit characteristics, cooperation towards collective action (resident's values, preferences and motivations), and also to comprehend the

relationship between diversity of respondents and their unit attributes and post-occupancy management issues. The total number of condominium units distributed to beneficiaries in Bahir Dar city is 1,618, of which 1,513 are residential units (305 studios, 681 are single bedrooms, 439 are double bedrooms and 88 are triple bedrooms) and 105 are commercial units. For the purpose of selecting participants from residential unit users, first, based on each type of condominium unit user, stratified sampling was employed and then simple random sampling was used to select participants to represent each type of residential user. On the other hand, in order to select participants from commercial unit users, simple random sampling was used.

The questionnaires were administered to 405 condominium houses residents residing in 10 *kebeles* of Bahir Dar city (*kebele* refers to the smallest administrative unit in Ethiopia). And 328 questionnaires were filled and returned which is a response rate of about 81%. There are three main reasons for the high response rate. First, before the actual data collection, a pilot study was undertaken in two condominium blocks using questionnaires prepared in English. The rate of response was relatively low, it was about 34%. Through an informal discussion with the respondents, I realized that they had difficulties fully understanding and responding to questions. Participants preferred to be communicated to in a language which they could easily understand. Hence, questionnaires were translated into Amharic, the local language used in the study area. Second, people living in condominium houses reported several problems and they believed the outcome of this study would be seriously considered by stakeholders and be part of the solution. Third, questionnaires were administered house-to-house and collected in person by the researcher himself and trained assistants. Collections of data from questionnaires were started and finalized on 5 August 2011 and 23 August 2011 respectively.

All the collected data were transcribed and then analysed. Thematic analysis was used to provide a rich thematic description of the data set. Themes were derived from the data in the light of the research objectives and framework.

4. Results and Discussion

The presentation and analysis of the findings are categorized into five thematic sections. The first section deals with the assessment of the historical evolution of institutional arrangements for condominium housing management, the nature of the commons, the attributes of users and the community, and rules-in-use. The second section discusses the decision-making arrangements by using the IAD framework which helps to organise and explain behaviour in policy systems. The third section deals with the institutional characteristics of an action situation and the behaviour of unit users in the resulting structure. The fourth section discusses the pattern of interaction, and the fifth section focuses on analysing outcomes.

4.1 Evolution of institutions

The Amhara National Regional State (ANRS) established proposed model rules and regulations on condominium ownership under the umbrella of ANRS Condominium Proclamation No. 144/2006. These model rules were prepared by a housing committee formed under the city administration. According to the director of the city administration, the main roles and responsibilities of the committee in crafting institutions are the following:

Selected committees have responsibility for reviewing overall national and regional housing, particularly condominium housing policy and strategies; reviewing the practice of the condominium housing sector in both developing and developed countries where multi-flat housing estates have become the dominant type of tenure; and proposing a legal framework for the effective establishment and operation of owners' associations that shall apply only in the Amhara region.

Unless there is a long-term effort to help condominium unit owners understand and be involved in formulating new regulations, it may be difficult for them to fully understand them. This study included two important interview questions for informants who were responsible for and had actively participated in the establishment of model condominium rules and regulations: (1) why had authorities failed to identify potential condominium house owners and failed to allow owners to participate in formulating regulations? (2) what assurance mechanisms have been used to overcome

these difficulties and ensure learning and commitment by condominium unit users? In response to the first question, the Director of the City Administration said:

I believe that inclusion and participation of unit owners in the preparation of new institutional arrangements for condominium houses engenders trust and acceptance, particularly among potential unit owners and it reduces the risk of conflict. However, while establishing the institution it was impossible to identify potential purchasers of condominium units and we never attempted to come together to negotiate and formulate institutional arrangements with potential purchasers.

According to the director it was not easy to know who already had a house and who did not. Thus, identifying potential purchasers may have taken longer and there would have been much disagreement about how the condominium houses had to be managed.

Concerning the second question, the Director said, “the proposed institutional arrangements were introduced along with conditions favourable for the success of collective action, learning and adaptation to changing socioeconomic, ecological, and policy environments”. The manager had two justifications: 1) “the need for resident participation in condominium housing affairs originates before buyers decide to buy a unit, because condominium unit buyers have the right to be informed of all laws, rules and regulations and to be advised by experts before they decide to buy a condominium unit”. He also recognized an outsider may find it difficult to formulate successful institutional arrangements and buyers may not be fully satisfied with the regulations. However, to overcome these difficulties and to ensure a good living environment, he said, “a particular point in the agreement model covers the voting rights of the owners at general meetings to adopt or amend the declaration, description by-laws, and rules according to the interest of the majority of residents”. According to this argument, if residents are dissatisfied with condominium housing management under the existing conditions, the statutory provisions give them the right to change, modify or amend the laws, declarations, by-laws and rules, but changes need to be approved by a two-thirds majority vote of unit owners.

In relation to this issue, residents were asked whether they had enough information on how condominium ownership was managed and how they

could exercise their rights. Surprisingly, the study found many features of institutions that were assumed to be known by the users were not even known by original purchaser of the units, let alone by renters. Most respondents (97%) confirmed that neither the City Administration Registrar nor the owners associations informed them about such laws. However, it was found that purchasers of condominium units had been declaring their registered building to be governed under ANRS, 2006 Condominium Proclamation No. 144/2006 together with a declaration, description and model rules. Documentary analysis of laws on condominiums shows that normative instructions are merely written in proclamations and are not known by the owners of the condominiums. Thus, these institutional arrangements were considered to be rules-in-form not rule-in-use. Furthermore, the documentary analysis showed that the city administration enthusiastically proposed blueprint, cookie-cutter approaches to community condominium management. Hence, the details of these approaches were based on Ostrom's design principles that have been applied across multiple contexts.

Regarding the jointly owned parts of condominiums – commons, the ANRS model agreement document (2006) defines 'commons' as all parts of the condominium except the units. This common property is owned jointly by the owners of the units and includes the roof, staircases, exterior walls and windows, building foundations, and infrastructure such as water pipes and electric cables which are outside the units. The rules also define unit users' rights over their units and commons. The latter rights are undivided and are attached to the unit ownership. The principles of the nature of the commons in condominium management discussed above clearly link to the design principles through the fundamental idea that there is a clear demarcation of what constitutes commons and individual units. Moreover, ANRS (2006), proclamation No. 144/2006 stipulates that without prejudice to other provisions of this proclamation, unit owners shall contribute to covering common expenses in proportion to their undivided interest in the common elements and that the share of such undivided interests shall be determined in accordance with the standards set in the declaration for the particular unit. This also indicates congruence between the rules that assign benefits and

those that assign costs. The crucial thing here is that these rules should be considered as fair and legitimate by the unit users themselves.

Ostrom's (1990) first design principle refers to clearly defined boundaries. As Agrawal (2002) notes, the presence of well-defined boundaries around a community of users and boundaries around the resource system helps to internalize the positive and negative externalities produced by participants, so that they bear the costs of appropriation and receive some of the benefits of the resource. Concentration on boundaries highlights the need in development for clear administrative arrangements. Turner (1999) states that practitioners tend to expect the community to be an immutable group of people jointly managing a delimited common resource through uncontested, clearly defined rules of access. The practice in condominium management showed that up to the final date of data collection, 23 August 2011, despite a law which clearly demarcates what is deemed to be individual property and jointly owned property, there is no legal requirement that any expense be allocated according to ownership percentage. This study gives an example of how a system of fluid boundaries can persist, and the boundaries between different groups of condominium unit users in Bahir Dar city are fuzzy. It also indicates that jointly managed common areas to which ownership fractions and responsibility for the costs of maintaining and repairing the common parts of the property is negotiated temporarily among interested parties.

Some literature (ECE, 2003; Yip *et al*, 2007) empirically suggests that if residents of condominiums reflect a high degree of social, economic and cultural homogeneity and they exclusively use commons elements whose availability is uncertain or limited, users are more likely to facilitate collective action to deal with the problem. This study tried to identify what constituted the unique characteristics in each set of condominiums through a pilot study and then questions were developed on some specific attributes that contributed to problems. In this study, owners' associations characterized by homogenous attributes were defined as "those building blocks with a high proportion of owner occupiers in which the majority of the residents are married and have children", whereas heterogeneous communities were defined as "those building blocks whose renters/owners/ occupiers ratio is low and the majority of the residents are single". There is an assumption that

owners' associations characterized by homogenous communities will do well since there would be a high incentive to cooperate in collective action.

To identify the impacts of community attributes, residents were asked about the presence of cooperation in such buildings. If cooperation was lacking, they were also asked to explain why. Although this study found only two associations to be homogeneous, their responses clearly proved that there was no cooperation among residents and indicated the poor performance of owners' associations similar to that of owners' associations in heterogeneous communities. The major reasons for this poor cooperation, evidenced by both types of condominium resident respondents, had nothing to do with the community attributes as identified by this study. Rather, the reasons for non-cooperation were found to be a lack of socialization about life in a condominium, a lack of guidance and instruction on how to manage condominiums properly, the absence of detailed regulations as a legal protection for regulating the management of the condominium, the lack of a prudent balance of the rights and obligations of owners, and a failure to enforce reasonable rules and regulations.

Ostrom's (1990) second design principle refers to the congruence between appropriation and provision rules and local conditions. Agrawal (2002) recognizes this principle and stipulates that both appropriation and provision rules should conform in some way to local conditions. Congruence needs to exist between appropriation and provision rules. Some scholars have highlighted the negative consequences that result when externally imposed rules do not match local customs and livelihood strategies (Gautam and Shivakoti, 2005). In this regard, the study found that the existing institutions did not match with the local situation. This was shown through an analysis of the law that stipulates that owners or their official agents are the only ones who are allowed to participate in general meetings to decide on matters related to payments for covering the cost of condominium commons. However, the survey's results indicated that most buildings are dominated by renters (83%) who are not being given decision-making powers. Owner-residents constitute a smaller proportion (17%). This has significant implications for the current condominium management system of the city.

One member of owners' association, based on his practical experience said, "many of the renters have an interest in carrying out or being responsible for activities in the condominium, which are not even specified in the law. On the other hand, renters are not allowed to deal with the issues at general meetings and it is possible that some of the rules are not well-matched with the current practical conditions". According to him, both the owners and renters should be charged with the cost associated in the day-to-day management of the owners' association, which has to see to the maintenance and operation of the condominium commons and all matters of common interest.

Congruence between appropriation and provision rules is frequently described in the literature as congruence between costs incurred by users and the benefits they receive via their participation in collective action (Cox, et al, 2010). Some scholars state that in successful systems, individuals have an expectation that the benefits to be derived from participation in and compliance with community-based management will exceed the costs of their investment in such activities (Pomeroy, Katon, & Harkes, 2001). This study found that, although there are appropriation rules that determine benefits to owners of condominium units, there is no provision rule that determines each owner's responsibility for the costs of maintaining and repairing the common parts of the property, or for the operating costs of the owners' association.

Representatives from the owners' associations were asked about the assumptions upon which each owner's responsibility for the costs of maintaining the commons and the operating costs of the owners' association are based. The study found that due to the absence of provisions in the legal framework that specify each unit owner's share of the common property and their share of the responsibility of paying the costs, in all associations the owners' contributions had to be determined in general meetings. The study also found that the calculation of condominium fees varies from one owner's association to another since they depend on agreements reached at general meetings. However, under the current system, each owner in a given association makes "an equal monthly payment" to the group bank account regardless of the type of unit they own. One of the important elements missing in the institutional arrangement that requires urgent reform is the

provision of clear information for residents about their specific rights and obligations in their units and commons and the concept of a share of undivided interest in the commons.

For the question of why a declaration of division of ownership has not yet become a legal requirement in the Amhara region, the director of the Bahir Dar city housing development agency said: “the main reason is that when transferring condominium units, the price of the communal buildings was not included in the unit purchase price and this has created problems for coming up with declarations about divisions of ownership. However, we are thinking about it.” This implies the unit owners do not own a share of the commons. With respect to individual unit owners’ rights to use condominium commons, there is no boundary at all. Each owner has full and unlimited ownership rights to commons, even if their shares of the common property of the condominium are not equal.

It has to be stressed, however, that the ownership fraction applies only to the common property of the condominium and cannot be the only factor that determine each owner’s charges with the costs of maintaining, repairing, as well as for the operating costs of the owners’ association. Difference in intensity of use (number of households per unit) and characteristics of the condominium unit (commercial or residential (studios, single bedrooms, double bedrooms and triple bedrooms) embedded in the condominium building are also very important to determines each owner’s responsibility and have encouraging or discouraging effect on participation of owners/residents in condominium management. For example, higher intensity of use tends to be associated with high changes in the use of the unit and common. This problem requires an immediate response from the responsible body. Specific solutions based on problems must therefore be adapted to condominium management system of the city.

4.2 Decision-making arrangements

Ostrom’s (1990) third design principle is that collective-choice arrangements are needed. This principle means that most individuals that are affected by operational rules should be able to participate in modifying them (Ostrom, 1990). The lack of a functional collective-choice arrangement is frequently

correlated with common pool resources management failure. For example, discussing communal land use and management practices and related problems in Ethiopia, Asemamaw (2010) describes a case of failure wherein residents of South Achefer Woreda village were members of the decision-making village assembly, but the assembly was ineffective as a decision-making body.

The data obtained from condominium laws of the Amhara region indicate the existence of a rule consistent with the third design principle through the fundamental idea that unit users of condominium houses have the right to participate in collective decisions and in modifying rules for regular operation of the resource over time. The law clearly states that each unit owner has a right to elect board members of the association and to stand for elections (ANRS, 2006), proclamation No. 144/2006). Based on this law, it seems that the institutions that govern condominium management in Bahir Dar city are consistent with Ostrom's third principle regarding collective action management. It has to be stressed, however, that the rules governing condominiums are assumed and used in a manner that implies solidarity and homogeneity among unit users. Hence, the laws allow only the owners (buyers) or their agents to participate in decision making and to take collective actions, forbidding renters from exercising such a privilege. In fact, laws on condominium in Amhara region shows that, in the condominium housing the positions of renters are insignificant in term of status and power. This implies that renters' participation in decision making about condominium housing has been limited and organised on an ad-hoc basis. Furthermore, it implies that 'actually existing principles' may differ significantly from the rhetoric contained in the policy documents.

Although owners do not interact with each other, they are responsible for making rules governing day-to-day activities and collective actions. The implication is that, in condominium buildings, the rules decided by owners will affect the behaviour of renters and their ability to develop mutual respect. Thus, in order to determine whether the rule in use helps to develop mutual respect or not, residents were asked a wide range of questions on how the rules were affecting their motivation, interactions, and actions. Most of the renters (92%) felt that the rules should be amended or adopted by the mutual

involvement of renters and owners. Similarly, most owners (87%) stated that they do not understand the true nature of the problems in condominiums since they rent out their units. Also, the owners added that it is the renters who should have the right to make decisions as they are the ones who are really experiencing the problems. Only a few owners (13%) opposed these views. The main reason for this latter group was that they thought most of the renters were unlikely to stay in condominiums for long and they might adopt laws that are not in the interests of the owners. A more philosophical issue is whether current renters have the legal and moral authority to bind future renters by the present actions and decisions

To complement these findings, interviews were conducted with board members of the associations and committees. The interviewed informants affirmed that in order to create effective institutional design, rules need to be amended and changed by the participation of both renters and owners. And that the decision makers should have adequate information, awareness, or understanding of the nature of problems involved. The board members also strongly argued that if renters were allowed to participate in making decisions, the common values of the community would be improved and shared, which, in turn, would substantially affect the strategies adopted within action arenas and the resulting patterns of interaction.

Although incentives to cooperate might exist in the law, this does not guarantee that users will cooperate, particularly in situations where the real users involved in common use are not taking part in decision making. Renters, who are inhibited from involving in modifying rules and making proposals for change, may simply begin to cheat whenever they have the opportunity. Once cheating on rules becomes more frequent for some renters, others will follow suit. In this case, enforcement costs become very high or the system fails. Thus excluding renters from participation in collective action is against Ostrom's principles, which contend that those involved in common use should take part in decision making about the commons. In relation to this issue, one of the board members said, "it is important to stress that the board and the manager cannot operate successfully if they only have the support of the owners when the condominium block is dominated by renters". According

to him, renters who are not aware of the rules and regulations do not show the same pride of ownership and sense of community and security as owners.

In support of the above views, another board member said, “one of the most challenging situations for the association is the fact that the associations do not have the opportunity to meet with renters and deal with the real problems and provide possible solutions”. Since it is the owners who do not have much information about the actual situations and who are allowed to participate and deal with the issues at general meetings, decisions are being made to address short-term dilemmas and long-term solutions are not being sought.

Regarding the question of the rights and obligations of renters in condominium buildings, data collected through questionnaire showed that most of them (84%) were only responsible for paying rent according to the contract and few renters (16%) officially have delegated rights and obligations as owners. According to the renters, the city administration condominium housing authorities, as well as owners’ associations, consider them as people who have severely limited rights. They felt this orientation is the reason awareness and sensitivity of housing officials and owners associations about renters’ dissatisfaction was very low.

Most owners (94%) believed that renters’ participation in collective action is inevitable because it is renters who are most affected by changes that might affect service provisions and are worried about increases in management fees. Consistent with this finding, most owners’ agents (93%) reported that they have obtained a high degree of trust from their owners’ associations. It is no surprise, therefore, that most owners felt that letting renters participate in the general meetings will create greater incentives for developing trust and mutual respect.

Regarding this issue, some of the board members believed that helping renters to get involved in managing condominium affairs is a way to create incentives to cooperate. One of the board members said, “no matter how high the level of agreement stated in the rules, it is unwise to think that all unit users will act according to the rules since experience indicates that creating mutual respect among residents and encouraging them to cooperate is not enough”. When the owners’ association board asked about what mechanisms

should be introduced to involve renters in collective action, they affirmed that, although ownership of a unit and membership of the association is inseparable, owners need to transfer their membership of the association to renters when they rent out their unit and the renters should not be able to refuse this membership or avoid the responsibility of participating in general meetings.

4.3 Institutional characteristics of an action situation

The other three most important ingredients for successful collective action identified by Ostrom (1990) are effective monitoring, graduated sanctions and low cost conflict resolution mechanisms. According to Ostrom (1990) effective monitoring is, making those who do not comply with rules visible to the community, which facilitates the effectiveness of rule enforcement mechanisms and informs strategic and contingent behaviour of those who do comply with rules. The graduated sanctions ingredient holds that to deter participants from excessive violations of community rules by taking graduated sanctions which increase incrementally based on either the severity or the repetition of violations. According to Ostrom (1990), low cost conflict resolution mechanisms suggest that conflicts among unit users or between users and association members should be mediated in local arenas at low cost.

Without compliance with such principles, Ostrom suggests that it could be difficult to expect the existence of enduring condominium commons. With this understanding, this study tried to address these principles in the context of condominium management. The empirical evidence indicated that these principles were not adhered to. The data from the review of policy documents indicated that a particular point in the condominium agreement covers the issues of monitoring and gradual sanctions. The condominium agreement clearly states that the general responsibility for monitoring and undertaking gradual sanctions shall be taken by Technical Committee Members (TCM) elected by the owners at the annual general meeting. This study tried to compare the actual practice to what is written in the agreement. For this purpose, in-depth interviews were conducted with elected TCMs, members of the boards of owners associations, and residents. Most of the residents were deeply dissatisfied with the performance of the TCM. The owners'

association TCM also indicated that effective monitoring and taking measures against those who were breaking the rules did not always occur. This view implies that, although the regulation is over-ambitious regarding the monitoring mechanism and the gradual sanctions, the research indicated that requirements of the agreement are ignored or are not given enough attention by the owners' associations.

Data obtained through questionnaire showed that monitoring of local norms/rules/ in the management condominiums is ineffective. Most questionnaire respondents (96%) confirmed that, although there have been violations of the rules by owners and/or tenants, the association has never monitored them and has not taken appropriate actions or studied the extent of violations. Most of the TCMs and board members agreed. However, there were differences in opinions given by TCMs, board members, and residents regarding the possible reasons for the failure. According to the TCM, the major problems that resulted in a poor monitoring system emanate from the condominium agreement itself. In particular, they mentioned that provisions that deal with powers and duties of TCMs were too general in what they said about monitoring and lacked clarity on how it was to be implemented. Some of the TCM members remarked that specific, separate and clear rules or frameworks about monitoring the commons and compliance of collective action must, therefore, be adapted to the specific needs of the TCM. On the other hand, residents stated that the problem is associated with TCMs' lack of awareness and sensitivity about monitoring and that their failure to take action on many occasions was evidence that TCMs had not given adequate attention to monitoring.

According to the TCM and the members of the association board, most of the residents do not know the rules and are not committed to working with the association. Consequently, residents failed to inform the association the types of violations being committed and who is committing them. The TCM and the board members also expected that the problem would continue unless residents were willing to cooperate and work with the association. They stated that residents should maintain a high level of awareness regarding owners' associations as well as TCMs' objectives since apathy and a lack of interest on the part of residents toward TCM has been experienced. Regardless of the

reasons, Ostrom's principle on monitoring and taking appropriate sanctions on those who violate operational rules are not practised. This finding shows that an improved commitment to monitoring, better mechanisms for doing so, and clear decisions about this issue are essential ingredients for improving condominium management in Bahir Dar city.

Ostrom argued that rapid access to local arenas for resolving conflicts among resource users is very important for successfully managing commons. The institutional arrangements for condominium management in the Amhara region seem to fit with Ostrom's principle of having readily available, low-cost dispute resolution mechanisms. Data regarding the laws on condominiums showed that this task is assumed to be accomplished by representative user committees, local elders or associations. The law clearly specifies that whenever conflicts arise neither the board nor the association management members are the main bodies responsible for initially dealing with the problem. Conflicts are to be dealt with by the concerned parties themselves. If they are not able to solve the problem, the next step is to communicate in writing with a standard technical committee that is selected at a general meeting for compliance monitoring. This technical committee is given the power to delegate the case to local elected elders other than the technical committee or the courts.

With regard to the practice of conflict resolution, data gathered from the residents indicated that using simple delegation to resolve a dispute requires interpretation and extrapolation processes, making dispute resolution difficult, time-consuming and costly. The study underlined that an intervention by local elders or a technical committee's agreement is unlikely to directly address the main problems. According to most residents, the main reasons that conflict resolution is difficult are that members of technical committees and local elders lack skill and experiences in resolving the real-life problems. They also remarked that both local elders and TCMs often failed to make definitive decisions, and instead postponed the resolution of both simple and difficult issues to avoid uncomfortable confrontations.

Representatives of technical committees and selected local elders were asked about what kinds of legal procedures they follow and apply to resolve disputes over condominium ownership. Surprisingly, not all associations have

clear and binding procedures for dispute resolution. According to owners' associations, the TCM and local elders only acted as basic information providers and observers. TCM and local elders would not give any concrete support and assistance to owners in addressing conflicts. Instead, owners dealt with disputes by themselves. According to owners' associations, TCMs and local elders, this is because there are no clear local norms/rules concerning conflict resolution procedures that would give them better protection for their decisions. In addition, in Ethiopia in general and in Bahir Dar city in particular, there are no standard contracts performing a service to both owners' and renters. As a result, owners' associations do not have the right to intervene in contractual relations between individuals in order to provide simplicity, clarity, and order. If conflicts arise on issues associated with who determine what should be agreed on - the initial rent, rent adjustments, date of payment, penalty for delays, conditions for eviction, both owners and renters are not helped by the owners' associations TCMs and local elders.

Apart from the existing too general regulations that cannot accommodate all the conflicts that may arise while living in condominium, there is a lack of guidance and instruction on how to resolve conflicts. Most of the TCMs stated that the major reasons for avoiding confrontations and failing to deal with trivial issues are: a lack of experience, an absence of sufficient information about the structure of conflict resolution mechanisms by TCMs and unit residents, and an absence of detailed regulations as a legal protection for their decisions. Furthermore, there is also another gap in regulation, not yet mentioned, that must be considered for effective management of condominium. This implies that a strategy of governance that enables holistic thinking and action is one of the missing factors and this is a significant obstacle to implement the laws.

4.4. The patterns of interaction

The pattern of interaction relates to the last two principles of Ostrom - minimum recognition of rights and nested enterprises. The first of these stipulates that external government agencies should not challenge the right of local users to create their own institutions. The second principle confirms that there should be sets of rules established within a hierarchy of users'

institutions. In this regard, the documentary analysis of the laws on condominiums showed that unit owners are allowed to have their own institutions. At the same time, provision, monitoring and sanctioning, conflict resolution, and other governance activities are organized in a nested structure with multiple layers of activities. It has to be emphasised, however, that the empirical evidence for these principles was not available in the city.

This study indicated that the principle of minimum recognition of rights failed in part as a result of a failure to recognize local knowledge and existing institutions in the early stages of the devolution process and during the implementation period. It also showed that, although there are chains of command and governance activities which are organized in multiple layers of nested enterprises, the nested activities are not working well. This implies that instructions are written in administrative procedures, laws and legislations but they are not known by the residents and have never been enforced.

Therefore, providing nested enterprises for the management of commons does not necessarily result in good patterns of interaction among residents. In this area, the most important problems in condominium management are (1) not realizing that the success of associations depends on the amount of information provided to user residents, (2) a failure to create incentives for unit owners to coordinate with each other, and (3) a failure to develop trust, certainty and respect in the owners' associations. This implies that the city administration needs not only to craft institutional arrangements but also to ensure that they are effectively communicated to, and internalized by, users. Similarly, owners' associations need to strive not only to implement management procedures that are developed by owners through a representative form of self-government but also to develop community spirit and address quality of life issues, because self-governance requires collective action combined with information.

A board member said, "patterns of interaction can be robustly conflictual, especially when there is no fair and legitimate allocation of rights and obligations in the community of users and in their values and goals". So there should be clear local norms/rules for the elected members of the association concerning monitoring, decisions on sanctions, and conflict resolution mechanisms. Without such specific strategies and actions,

implementing a nested structure with multiple layers of activities will be difficult.

4.5 Analyzing outcomes

This study had the objective of establishing institutions as a baseline for the analysis of outcomes. The three main objectives of institutions in condominium management are providing fair distributional equity, optimal management and use of the commons, and encouraging sustainability through innovation and adaptation in response to change. Therefore, the analysis of the performance of institutions focuses on fiscal equivalence, efficiency, and sustainability.

Fiscal Equivalence

In principle, beneficiaries need to pay reasonable and proportional payments for the services they receive. Based on this principle, those who receive greater benefits should pay more than those who receive fewer benefits and all unit owners should get their own share of common property. In situations where there is diversity among residents of condominium houses, the costs and benefits should vary accordingly. In the current study, however, there was no such arrangement, and thus shares are not defined according to the unit(s) owned. This study found that one of the major reasons for negative patterns of interaction was the lack of a fair and legitimate allocation of rights and obligations in the community of users. The current institutional arrangements lack clear distribution of rights and obligations that determine each owner's responsibility for the costs of maintaining and repairing the common parts of the property, as well as for the operating costs of the owners' association.

Problems in carrying out collective action in condominium houses can occur when there is unfair distribution of rights and obligations held by the parties involved. The willingness of owners to accept the need to pay higher costs for their housing is a crucial element in securing and strengthening the advantages of condominium ownership. This paper finding demonstrates that applying the concept of ownership associations and sustainability in carrying out collective action relationships is, in practice, quite difficult. The analysis shows that unfair distribution of benefit and cost are very deeply embedded in

condominium houses. These difficulties have generated incentives that prevent residents from getting together to resolve the collective-action problem. These perverse incentives lead owners / renters not to participate in democratic decisions on what costs levels are acceptable and for what purposes the accumulated income should be spent. They have no full insight into how the money was actually used.

Efficiency

In relation to institutional performance, this study focused on the extent to which the institutional context facilitates low-cost information sharing or transparency in some areas such as the relative capacity or skill of users to evaluate the actions of others in the policy situation and the extent to which users have access to mechanisms that permit them to monitor and sanction one another. The study found that most of the laws, rules and regulations on condominiums were merely written in administrative procedures and were not known by the users. It is known that all effective governance systems at multiple levels depend on good, trustworthy information about institutions, commons, and processes within the entities being governed and within the institutions themselves (Hess and Ostrom, 2007). In the case of Bahir Dar city, most residents are ignorant of the laws and this means the capacity of users to evaluate the actions of others in policy situations is poor.

Concerning the extent to which users have access to mechanisms that permit them to monitor and sanction one another, as discussed above, there are no effective and transparent legal procedures for monitoring, or for handling conflicts and imposing modest sanctions on offenders. Imbalances were also observed in relation to responsibility and accountability. This implies that all unit users and communities are not involved in such activities and as a result the existing monitoring, sanction and conflict resolution mechanisms are not operational. In general, those who monitor behaviour, handle conflict and impose sanctions were not perceived as effective and legitimate by residents and there were no crosschecks on the opportunistic behaviour of residents.

Sustainability

In relation to sustainability, the condominium proclamation clearly state that, the unit owners' association is responsible for repairing the commons and the assets of the association damaged by accident. The unit owners' association is responsible for maintaining the commons and units if unit owners fail to maintain them within a reasonable period of time. Furthermore, the unit owners' association may improve the buildings and their surroundings when necessary. However, the practice indicated that condominium management systems do not meet the current needs of many unit users. The TCMs reported that the absence of renter involvement in decision making has had negative effects on attempts to enhance the quality of condominium management. The analysis shows that the principal outcomes against lack of renters participation in decision making unit is that, it tends to distort social, economic and political incentives, leading to inefficient use of condominium property. Most owners' associations also agreed that renters are not interested in making efforts to sustain the use of condominiums. This disincentive is because of a lack of certainty about owners' association decisions and poor incentive mechanisms. The study also showed that there is no information about controlling systems that should be available to all unit owners at owners' meetings, and objective criticism of owners' performances became difficult.

5. Conclusion and Recommendations

In Bahir Dar city, an external government agency (the city administration) has developed and implemented its own rules on how owners' associations should be established and should act on behalf of all the owners of the condominium, but do not challenge the right of condominium unit owners to create their own institutions. The study also revealed that local and formal institutions' involvement in assisting, teaching and creating awareness to improve the knowledge of condominium unit users on how to use and manage jointly owned property has been very weak.

The study finding indicated that Ostrom's design principles are incorporated in the institutions crafted for condominium management, but they are not well configured and practised. Furthermore, the study revealed

that there are clearly defined boundaries for the resource and user groups and communities. Such clarity is important for efficient management of condominiums, but there is no clear identification of rights to resources and rules about each unit owner's share of the commons. In addition, there is no congruence between residents' aspirations, provision rules, and local conditions. Hence, owners and occupants do not have equal rights and obligations. The adverse impacts of imbalances in decision-making arrangements in general meetings have contributed to the failures in the management of condominium.

The rules about what a participant in a position must, must not, or may do in a particular action situation are not known by residents. Rules in use are merely written in administrative procedures and legislation, but they are not known by the unit users. Indeed, most of the rules are not enforced. This study also revealed that the monitoring system is not effective in maintaining condominium commons, and it also failed to make condominium commons a public affair and it failed to facilitate effective decentralized monitoring. Graduated sanctions are not implemented to maintain community cohesion and there is no effective punishment system to check severe breaches of rules. Furthermore, conflict resolution mechanisms are not available or easily accessible, and this makes successful management of condominium commons more difficult. More importantly the study found that fundamental problems in condominium management resulted from a lack of knowledge about condominium laws and operations on the part of residents and managers (owners' associations).

Based on the findings of the study, the following recommendations are made for future policy, advocacy and research. In general, the recommendations relate to three issues, namely institutional structures, implementation and evaluation of owners' association performance.

Formal institutional arrangements are an essential tool to facilitate management in complex and multiple-use condominium commons. The establishment and regulation of condominiums, their function, and details of the inner workings of the condominium should be clearly understood and internalized by all condominium owners and unit users. Institutional arrangements for condominium ownership should be accompanied by special

guidelines covering the different aspects of establishing and operating condominiums. There should be a mechanism that allows resident to participate in modifying or changing the institution according to their mutual interest. Inspectors may not perform satisfactorily if they do not directly benefit from improved resource conditions. Thus, it may be important to publicise information about the conditions of the condominium commons. There should be also an incentive for each unit user to engage in supervising the actions of others and to help the owners' associations to control the use of the commons. Graduated sanctions should be devised for non-compliance with collective rules, and there should be mechanisms to inform all condominium unit users that acting against the rules is a major offence. To resolve disputes in a low-cost and orderly manner, there should be a mechanism that enables residents to elect users who are experienced and skilled in such matters. Furthermore, training on the subject and awareness creation among users needs to be provided. The possibility of institutional improvement or changes to rules should not be cosmetic. Rather, there should be a mechanism to provide information on conditions, requirements and related criteria for the practical improvement of the institution. The existing institutions should allow the managements of condominiums to take care of the interests of all beneficiaries rather than focus on some users (owners) and ignore others (renters). Specialised decision-making arrangements involving all unit users are required. Coordination of condominium commons use is also required to balance their multiple uses and interests. Collective action in the multiple uses of condominium houses needs to be further researched. Despite the difficulties involved in controlling the quality of work and providing objective criticism of performance, outcome indicators should be developed and used to evaluate the performance of management. Evaluation results should be used to change goals, objectives, management strategies and desired outcomes, if necessary.

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