

**A CRITICAL ASSESSMENT OF DEVELOPMENTAL LOCAL GOVERNMENT  
AND ITS RELEVENCE TO THE DEMOCRATIC SOUTH AFRICA:  
A CASE STUDY OF AMATHOLE DISTRICT MUNICIPALITY**

**BY**

**MBAMBO WB**

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**SUPERVISOR: Prof D.R. THAKHATHI**

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**DECLARATION.**

I declare that “A critical assessment of the Developmental Local Government and its relevance to the democratic South Africa: A case study of Amathole District Municipality” is my own original work, that it has not been previously submitted to any other university, and that all the sources I have used or quoted have been indicated and acknowledged as complete references.

.....

(Mr) William Bongile Mbambo

July 2014

## DEDICATION

I dedicate this thesis to my late mother Vivian Mbambo, who passed away in 1997, may the Almighty God rest your soul in loving peace.

## ACKNOWLEDGEMENTS

The writing of this project was a monumental task that required commitment, patience, discipline and a great degree of tolerance for frustration. I wish to express my sincere gratitude to my Heavenly Father who provided me with the mental capacity, wisdom, strength, guidance and resilience throughout my studies. Further gratitude goes to the following persons:

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## **LIST OF ACRONYMS**

ANC- African National Congress

CED- Community Economic Development

DBSA-Development Bank of Southern Africa

DLG- Developmental Local Government

DPLG- Department of Provincial and Local Government

ETU- Education and Training Unit

GEAR- Growth Employment and Redistribution

IDP- Integrated Development Plan

LED- Local Economic Development

LGNF- Local Government Negotiating Forum

LGTA- Local Government Transition Act

SALGA- South African Local Government Association

RDP- Reconstruction and Development Programme

## **ABSTRACT**

The notion of developmental local government has become part of the South African local government dispensation as from the year 2000. According to Smith and Vawda (2003:28) the idea of developmental local government (DLG) emerged from the fusion of the social interventionist goals of the Reconstruction and Development Programme (RDP) and the market driven economic strategies of the Growth Employment and Redistribution policy (GEAR); the two main national policies of the post-apartheid era for addressing economic growth and poverty eradication. The RDP and GEAR represented different visions for how to bring about equity and redistribution in a deeply divided state and economy. In itself South Africa as a state has 283 municipalities which are wall to wall in terms of demarcation. However, despite the fact that local democracy is deeply entrenched in South African society and furthermore, a very futuristic local government policy framework has been introduced, there is no guarantee that the new local government system will be financially viable and capable of discharging its democratic and developmental mandate. There are major challenges that have to be addressed, namely promoting job-creation, local economic development, capacity development and civic education which, in the final analysis, will ensure that the concept of developmental local government becomes a reality for the majority of South Africans.

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## **CHAPTER 1: BACKGROUND AND RESEARCH LAYOUT**

### **1.1. Introduction and Background of the study**

Local government in South Africa has undergone significant and far-reaching changes since 1995. In terms of the new mandate given to it by the Constitution of the Republic of South Africa Act 108 of 1996, local government is no longer expected to render basic services only, but also to serve as an agent of development. These expanded responsibilities coincide with the new status conferred on local government. In a departure from the former centralised tier system of government, local government now constitutes an independent sphere, embedded in a context of co-operative government with the national and provincial spheres, in terms of the Constitution of the Republic of South Africa, Act 108 of 1996. Local government is, therefore, no longer simply an extension of the national and provincial spheres of government; it has become an independent sphere in its own right. Any intervention by either of the aforementioned two spheres may occur only in terms of the constitutional principle of co-operative government. The above-mentioned extended mandate of local government requires it to play a key role in development initiatives, hence the coining of the term of developmental local government. Local government is now expected to contribute to economic growth, job creation, social development and community participation within its area of jurisdiction, in addition to its traditional service delivery role. However, the White Paper on Local Government (Government Gazette No. 18739, 13 March 1998) has expressed concern that there seems to be a lack of common understanding, both within and outside local government, of what developmental government really means. The White Paper on Local Government (1998), cautions that the reality of South African cities, towns and rural areas differs dramatically from this ideal of developmental local government. Many communities are still divided. Millions of South Africans live in dire poverty, isolated from services and opportunities.

The Constitution of the Republic of South Africa, Act 108 of 1996 stipulates that local government should give priority to the basic needs of all people and promote the social and economic development of the community. The White Paper on Local Government (1998) states that developmental local government need to find sustainable ways of addressing service delivery needs and improving the quality of resident's lives.

Amathole District Municipality is amongst one of the municipalities in South Africa challenged with a higher demand for basic services, where limited development has taken place over a number of years. The Amathole District Municipality was established after the first transformed local government elections in December 2000. The district lies at the heart of the Eastern Cape Province and is presently home to about 1.7 million people. The economy of the district is dominated by Buffalo City, which comprises the coastal city of East London, King William's Town, and the provincial administrative capital of Bhisho (Van donk, 2008:275).

The district has eight local municipalities, each containing at least one urban service centre. These are Amahlathi Municipality, Buffalo City Municipality, Great Kei municipality, Mbhashe municipality, Mnquma municipality, Ngqushwa municipality, Nkonkobe municipality, and Nxuba municipality. Buffalo City accounts for 42 per cent of the district's population, per cent of the district's economic output, and 72 per cent of the district's formal employment. The city is clearly important to the growth and development fortunes of the district and critical to realising an integrated district growth and development agenda.

Sectors that provide formal employment in the district are public services (75,000 jobs); manufacturing (27,000 jobs); trade (25,000 jobs); and agriculture (17,000 jobs). Tourism is the most important sector in the Amathole economy; with the Wild Coast, the Sunshine Coast, the Amathole Mountain Escape and the Friendly N6 popular tourist destinations. Three tourist routes overlap the Amathole District, including the Sunshine Coast (Port Elizabeth to East London), the Wild Coast (East

London to Port Edward), the Friendly N6 (East London to Bloemfontein) and a fourth route, the Amathole Mountain Escape, falls wholly within the district in the northern reaches. Nevertheless, unemployment and poverty levels are high, particularly in those local municipalities which were formerly in Ciskei and Transkei (Van donk, 2008:275).

The region is challenged with a higher demand for basic services as well as housing. There has been a growth in informal settlements in Amathole which negatively influences the health and environmental status of the district. Services such as education, reproductive health, youth development and development projects to address poverty remain a challenge for local government and government departments. The District Municipality is made up of a few former homelands where limited or no development has taken place over a number of years. This has translated in Amathole experiencing high levels of poverty across the District. The public sector dominates the region's economy, which indicates the challenge of a limited production base in the area, and limited private investment growth into the ADMs economy. Economic situation in terms of lack of income and unemployment of the population is increasing (Van donk, 2008:275).

It is against this background, with local government still not stable, that the researcher decided to conduct a critical assessment of the Developmental Local Government and its relevance to the democratic South Africa, using the Amathole District Municipality as a case study. This chapter will take account of the concepts and some definitions of Developmental Local Government. Chapter two will provide with legislative and policy framework on Developmental Local Government. A thorough literature review is undertaken on chapter three so as to bring clarity on the subject and also give a broad appreciation of the related subjects under review. Owing to the nature of the study qualitative approach is employed to validate this work. To enable one to appreciate how conclusions of the study were arrived at, data analysis is also discussed. It is hoped that this study will assist the identified Municipality and other municipalities, both in the Eastern Cape Province and in the country in general.

## **1.2 Definitions of Developmental Local Government**

Developmental Local Government (DLG) is defined by the White Paper on Local Government as “local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives” (PACD, 1998: 1). According to Section 40 (1) of the Constitution, “government is constituted as national, provincial and local spheres of government which are distinctive, interdependent and interrelated.” The roles of local government are outlined as the following:

- To provide democratic and accountable government for local communities;
- To ensure the provision of services to communities in a sustainable manner;
- To promote social and economic development;
- To promote a safe and healthy environment; and
- To encourage the involvement of communities and community organisations in matters of local government (DCD, 1996: S152).

In order to achieve this objective of developmental local government, local authorities are now expected to maximize both social development and economic growth and to work with communities to ensure the local economic and social conditions are conducive for the creation of employment opportunities (Nel and binns, 2001).

Hence, local government in South Africa has been earmarked to play a pivotal role in the “overall developmental ambitions” (Pieterse, 2008: 3) of the developmental state. Therefore, DLG refers to creating local government systems that will meet the aforementioned objectives of local government through working together with the community (PACD, 1998). Further, the DLG concept in South Africa was strongly influenced by the broader context of the international policy focus on good governance.



Edigheji, 2005 seen developmental local government as an improvement of the quality of life for citizens in the modern state, development has specific imperatives for example, the existence of governmental institutions, including the poor to promote in governance processes. Though the concept development is different from developmental, the vision of developmental local government appears to have been founded on, inter alia, efforts to deepen local democracy and socio-economic development to improve the quality of life.

The actual meaning of Developmental Local Government is elusive, extremely imprecise, passing for manifold phenomena, and underpinned by vague theory. Against this backdrop, Bagchi (2000:398) defines Developmental Local Government as one “that puts economic development as the top priority and is able to design instruments to promote such an objective. The instruments identified include, *inter alia*, forging new formal institutions, the weaving of formal and informal networks of collaboration between citizens and officials, and the utilisation of new opportunities for trade and profitable production. Developmental local government is not constrained by ideology, but is rather able to switch gears effortlessly from market to government directed growth, or vice versa depending on the contingent circumstances. Often it combines both market and state direction in a synergic manner when opportunity beckons. Bagchi’s characterisation of developmental local government is best captured by sentiments contained in the White Paper on Local Government.

### **1.3 Concepts of Developmental Local Government**

In the previous paragraphs an attempt was made to provide an ideal of developmental local government. The overview was made to explain the state or context in which the South African local government needs to reflect within a relevant sphere to become developmental. It is, however also important to define some concepts of developmental local government. In conceptualising developmental local government it is important to present development as a concept first, followed by conceptualisation of developmental local government as provided for in the 1998

White Paper on Local Government (DPLG: 1998), followed by a number of important concepts such as, developmentalism, decentralisation of local government, public management, governance, good governance, building blocks of development, and sustainable development. These concepts were chosen because they provided some of the original intellectual roots to developmental local government and are also closely related and interdependent.

#### **1.4 Development**

Teune and Mlinar (1978:29) refer to development as the integrated diversity of systems and their scale. It is by definition a characteristic of all systems with interdependent components such as organisations, institutions, human beings, societies, and other related processes within the society. Development must be seen as a complex process which is not located, controlled, or even manipulated by human actors (Leroke 1996:229). On this basis development is beyond a single actor such as a municipality. It is argued that development takes place at the level of the state as it is a characteristic of all systems with interdependent components. In the case of dispensations like South Africa with the whole territory covered by municipalities, it is apparent that those interactions take place throughout the state. The question to be asked is at what stage does such development become developmental? The moment developmental can be located within either the local government or the state as a whole, contextualisation of the developmental state is in sight.

On the one hand, Nel (2000:49) argues that development involves both 'doing' and 'being'. It involves doing in that emphasis is usually placed on designing and managing programmes and projects to bring about visible and significant changes in the circumstances of the people. On the other hand, it involves being in the sense that it aims to increase the capacity of the people to influence their future. This implies that development programmes and projects do not only need to accomplish physical and concrete changes, but need to do so in such a way that people have an increased capacity to respond to and even shape these changes (Nel 2000:49-50).

## 1.5 Developmental

Developmental instead is adjectival and refers to relating to or constituting development (Hornby 2006:400). It can be understood through its characteristics or a range of activities instead of a once off explanation. Parnell et al. (2002:80) relate to a number of implicit poverty strategies that impact on settlement issues and problems, and the changes that extend beyond the deracialisation of the planning dispensation and the number of fundamentally different systems of local governance and development. Teune and Mlinar (1978:15) refer to developmental as increases in the scale of social systems change and such scale is development and increases in scale are more than simple increases in size or quantity. If the state can ensure the increases in the scale of social systems change is developmental.

Teune and Mlinar (1978:27) further outline developmental from a system perspective. They (Teune&Mlinar) assert that a developmental system can be defined by its capacity to generate new properties and to integrate them which results in changing the nature of the components and their relationships. A question can be posed as to whether South Africa as a state is able to generate new properties and integrate them so as to change the nature of the components and their relationships. Maybe the integration as espoused in local government planning is a possible route towards conceptualising South Africa as a developmental state.

Based on Teune and Mlinar's (1978) conception of developmental local government or a developmental state must have a capacity to generate new properties and be able to integrate them which will result in a changing nature of the components and their relationships. In the context of local government it means that such local government should in its being ensure development in the sense of progress and evolution. Such local government is not static; it will be progressing continuously and evolving to a better state so as to achieve development. In terms of the White Paper on Local Government (1998) such local government should be committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives.

## **1.6 Developmental state (and developmental local government)**

According to Van Dijk and Croucamp (2007: 664), the developmental state can be defined as "...states where politics has assured that power, autonomy and capacity are centralised in order to achieve explicit developmental goals". Taylor (in Van Dijk and Croucamp, 2007:665), noted that "the focus of the development state is to either direct or enable economic growth", whilst Leftwich (cited by Van Dijk and Croucamp, 2007:665-666), defines the developmental state in terms of six key components:

- A determined developmental elite;
- Relative autonomy;
- A powerful, competent and insulated bureaucracy;
- A weak and subordinate civil society; and
- Effective management of non-state economic interests, together with
- Legitimacy and performance.

Although the emphasis of the developmental state is economic growth, the trend since the 1990s has been towards realising the strong correlation between the quality of government and economic growth (Pekkanen in Van Dijk and Croucamp, 2007:668).

The development state places the responsibility for development as a state responsibility. As such, emphasis is placed on institutional and infrastructural effectiveness and efficiency, whilst institutional capacity is built up by a strong bureaucracy committed to the goals of development. Fakir (quoted by Van Dijk and Croucamp, 2007:669) makes provision for the balance between democracy and developmentalism by stating that the developmental state should emphasise performance, managerialism, technical and bureaucratic efficiency and effectiveness, as well as institutional rationalisation and transformation.

The democratic state should create a voice for the poor and marginalised, protect and accrue the rights of citizens, promote institutional separation of powers and functions, transparent decision-making, accountability and effective monitoring and control.

The concept of administrative efficiency, in relation to the notion of the developmental state, therefore, seems to call for the increased intervention of the state in determining the competence of its bureaucracy, structure and responsibility, while the oversight function of government is still emphasised.

In the conceptualisation of the developmental state, the purpose of realising economic growth (as a prerequisite for sustainable development) can only be realised by a committed and competent bureaucracy that carries out the functions given to it. Realising the developmental state will, therefore, be dependent on the ability of the bureaucracy to efficiently and effectively respond to the challenges of productivity, i.e. the capacity of the state to, via its executive and legislative arms, direct and implement development in all its spheres (a key consideration of the research problem formulated), whilst simultaneously ensuring a balance between developmentalism, interventionism and democracy.

Fakir (in Van Dijk and Croucamp, 2007:673) writes that the (elusive) search for a developmental state may well mean that effective management (governance) comes at the expense of better (responsive) governance, whilst Pekkanen (2004:35) contests that South Africa has neither the social history nor the political efficiency to institutionalise authoritarianism – a prerequisite for the developmental state as experienced in the East Asian countries and China. These arguments led to Van Dijk and Croucamp arguing that references to a developmental state for South Africa may well be more normative than empirical.

The South African developmental state, therefore, has to be seen in the context of the socio-economic developmental goals set in the Reconstruction and Development Programme (RDP), embedded in the Constitution and subsequent legislation, policy frameworks and government programmes (including the strategies for GEAR - Growth Employment and Redistribution and the JIPSA - Joint Initiative for Preferential Skills Acquisition).

### **1.7 Developmentalism**

The notion of developmentalism is closely related to discussions and debates on globalisation, neo-liberalism and the role of the state. Globalisation refers to the growth and expansion of international flows related to goods and services, finance, information, individuals, technology and capital goods in a manner that considerably limits the ability of individual nation-states, or current multilateral and bilateral bodies, to control or regulate them adequately (Mhone&Edigheji 2003:4). Globalisation is an inevitable consequence of the development of human society and that its benefits are positive and need to be promoted. Furthermore, that it will increase integration, prosperity, democracy and development provided that governments pursue market based growth paths and take advantage of international trade and attracting capital (World Bank 1995, quoted in Mhone 2003:27).

Joseph Stiglitz (2002), in his seminal work *Globalization and its discontents*, states that abandoning globalisation is not the answer, since it has brought opportunities for trade and increased access to markets and technology. Stiglitz argues that globalisation should be reshaped to realise its potential for good and that international economic institutions should similarly be reformed. These include the role of governments in mitigating the effects of market failure and ensuring social justice; and reforming global financial system, the World Bank and development assistance and the World Trade Organization. This is the view supported in this project

In a similar vein is the notion of developmentalism, which holds that the state is not a passive recipient or respondent but an active player in shaping the processes of globalisation (Edigheji 2003:73). More clearly, it is the conscious and strategic position taken by the state to promote economic growth, structural transformation, social development and the repositioning of the economy in the international division of labour by consciously influencing the performance of the market (Mhone 2003:38). Developmentalism has since been refined to developmental democracy to take into account good governance and state capacity as the major determinants of developmental performance (Mhone 2003:40).

### **1.8 Decentralised Local Government**

The need for sub-national government including local government, according to Lemon (2002:18), stems from three aspects of the modern state: the bureaucratic nature of the central state requires decentralisation of functions that can be better administered locally; the state's legitimacy may be assisted by acceptance of local autonomy and the need to address uneven development.

Mabin (2002:46) argues that the concept of decentralisation is "really a way of shifting development and management responsibility from national governments to local governments perhaps based on the charitable concern that if national government could not do the job, then local governments provided the alternative." Lemon (2002:18) however argues, "There is a potentially important role for local government in development both from its use by central government as a developmental tool, and from its own enterprise and initiative."

Another considered rationale for decentralisation is found in Oldified (2002:93) who basis her argument on the concept of 'embedded autonomy'. She argues that to fulfil its developmental mandate within the context of resource constraints, the national state attempts to 'embed' the key constituents (other spheres of government and civil society) into the reconstruction project. Decentralisation is therefore understood as a

process of embedded autonomy where local government is afforded autonomy and responsibility to undertake local development.

Decentralisation of local government is difficult to achieve in practice. A number of conditions need to be satisfied to ensure a decentralised system of local government (adapted from Lemon 2002:20; and Pieterse 2002:2): First, local government should be constitutionally entrenched. Second, national government should not limit financial resources or transfer its functions without sufficient resources. Third, it should have sufficient financial resources to accomplish its tasks and adequate administrative capacity to administer those tasks.

Decentralised local government is important because it would enable municipalities to exert influence in their localities and provide the point of accountability for the service delivery and development of the locality.

### **1.9 The Genealogy of 'Good Governance' and the Emergence of New Public Management**

Schalkwijk argues that “effective democratic local government can, in theory, contribute to poverty alleviation through a chain of causal relationships, starting with increased participation by the urban poor which should lead to increased representation and thus to empowerment, in turn leading to the poor having increased access to resources” (Schalkwijk in Gilbert, 2006: 401). Theron, Van Rooyen and Van Baalen (2000:29) define governance as a process in which power and authority are exercised between and within institutions in the state and civil society around the allocation of resources. The Foundation of Contemporary Research (FCR) (2002) suggests that governance is actually the act or manner of governing, of exerting control or authority over the actions of subjects, a system or regulations. Good governance as explained by Gildenhuis and Knipe, (2000: 9) is the attainment by government of its ultimate goal in creating conditions for good and satisfactory quality of life for each citizen.



Good governance is usefully defined as “the achievement by a democratic government of the most appropriate developmental policy objectives to develop its society, by mobilising, applying and co-ordinating all available resources in the public, private and voluntary sectors, domestically and internationally, in the most effective, efficient and democratic way.” (Cloete 2002:278)

Swilling (1997) and Theron et al. (2000) cite four fundamental dimensions of good governance: transparency in public action and decision-making, supremacy of the law, openness to institutional pluralism and popular participation and respect of legal standards by those involved. In order to ensure the above, a certain amount of confidence and trust needs to be gained between authorities and the organisations of civil society (Swilling, 1997; Theron et al., 2000). Gutto (1996: 10) agrees by alluding to the principles of good governance as set out in Section 178 of Act 108 of 1996, which underpins the prime responsibility of local government to remain accountable to its communities.

The growing dominance of democracy as the ideal political ideology is promoted by the shift away from earlier technocratic institutions to new practices of good governance. Cheema and Rondinelli (2007: 6) define governance as “the exercise of political, economic and administrative authority in the management of a country’s affairs.” Against this background, good governance can be understood as the shift from “authoritarian, totalitarian, and dictatorial” forms of governance to a system that adheres to democratic values through the inclusion of various stakeholders in government’s decision making (Cheema and Rondinelli, 2007: 2).

Against this backdrop, the concept of governance expanded from the definition that envisaged the state as the “dominant source of political and legal decision making” to one which opened up channels for other stakeholders in society (NGOs, civil society, private sector) to have a say in issues of governance. From this perspective, good governance encompasses a government that is transparent, representative, and participatory (UN-Habitat in Devas, 2004) hence the push towards

decentralisation. Decentralisation was a way of bringing government closer to the people not only to ensure participation, democracy and representative but also to position government so that it is more responsive to the needs of the people.

The alternative radical version makes the point that governance should imply a strong role for the state, which has a number of key features that distinguishes this conception of governance from the mainstream view. First, the bedrock of good governance is formal democracy that entails representative government with periodic elections based on universal adult suffrage (Edigheji 2003). Second, it is focused on the interaction of a multiplicity of actors aimed at civil society empowerment and state democratisation (Pieterse 2002:8). Third, that it comprises institutional and political power that ensures effective management of resources for development and the means for legitimating allocation and distribution decisions (Hassen 2003:121).

### **1.9.1 Cornerstones to good governance in the local government**

The following cornerstones constitute this approach to good governance in the local government sphere: strengthening formal democracy, and facilitating deliberative development.

***Strengthening formal democracy*** encompasses constitutionally and legally entrenched protection of human rights. Stoker (2002:32) believes that democracy triumphed as an ideology in the twentieth century precisely because its arrangements treat all as free and equal and protects the basic rights of citizens by insisting on the popular authorisation of public power. It is assumed in the South African context that certain mechanisms of formal democracy such as regular elections and basic human rights are constitutionally guaranteed and are essentially in place. However, formal democracy can be strengthened by the nature of the democratic arrangements and in terms of openness, accountability and transparency, so that democracy goes beyond the periodic, ritual exercise of the franchise.

**Democratic arrangements** encompass the mechanisms that deepen representation of the electorate and ensure that the exercise of power is subject to the appropriate checks and balances. Key among these is the electoral system and separation of powers between the legislature and executive.

**Openness** refers to an open society in which citizens are able to express themselves freely; especially when they believe that representative politics or other forms of political engagement are not serving their interests. The key is to prevent barriers for the expression of interests by poor and marginalised communities and their representative organisations. Indeed, community based organisations should be provided with information and accorded adequate resources to participate in the open democracy.

Political representatives exercising political power in public office must hold themselves accountable and be held to account for their policies, development trajectories and use of public resources on an on-going basis, since accountability strengthens legitimacy of leadership and legitimacy is required if leadership is to have any capacity. The closely related idea of transparency means that the actions and processes of public representatives and their institutions should be visible and that information on their activities should be reasonably accessible (Stoker 2002:38).

**Facilitating deliberative development**, Khan (2004:24) argues that participation based on the neo-liberal model involves a group of empowered individuals who voice their opinions and offer their expertise, which results in the poor being excluded and marginalised. An alternative approach to participation, which is used here, is called deliberative development. Deliberative development endeavours to facilitate development through vibrant politics involving a wide range of social actors in the locality. It defines shared objectives to address key social and economic challenges and strives to consolidate resources and capacities through political interaction.

In this approach, politics becomes a mechanism for achieving social co-ordination, and the locality provides the space for political interface. Although politics is a complex process that involves competing discourses of development and notions of governance (Oldfield 2002:98), deliberative development enables cooperation through flexible decision-making and the achievement of a common purpose (Stoker 2002:33).

Closely tied in to deliberative development is the need to formulate a development vision, strategy and programme. The key issues here include the process of formulation, multifaceted needs and priorities that encompass the wide range of societal stakeholders and a distinctively progressive or pro-poor orientation.

### **1.9.2 Three components of Good governance**

Good governance in this framework comprises three related components: strengthening formal democracy, facilitating deliberative development and building development-oriented institutions, which are explored below by (Harrison 2003:21)

***Strengthening formal democracy*** entails the regular exercise of the vote along with ensuring openness, accountability and transparency. The propositions for strengthening formal democracy are set out as follows: Democratic arrangements, Accountability, and Transparency.

*Democratic arrangements:* Mechanisms that deepen representation of the electorate and ensure that the exercise of power is subject to the appropriate checks and balances such as the electoral system and separation of powers between the legislature and executive.

*Accountability:* Elected representatives should hold themselves to account and be held to account for policies, development paths and use of public resources on an on-going basis. *Transparency:* Actions and processes of elected public representatives and their institutions should be visible and information should be readily accessible.

**Deliberative development** seeks to facilitate development through vibrant politics involving a wide range of social actors in the locality. The propositions for deliberative development are set out follows: Centrality of local government, Collaboration for the common good, Developmental and good governance outcomes

*Centrality of local government:* Elected representatives and their institutions (such as the mayor, councillors and the municipality) by are central to the development process due to the constitutional duty to facilitate development, legitimacy of democratically elected leadership and their stewardship of the institutional and resource bases for implementation of development programmes.

*Collaboration for the common good:* The purpose of bringing together local interests is to work towards the equitable allocation of resources, formulation and buy-in of a vision, drive socio-economic transformation for the common good.

*Developmental and good governance outcomes:* The outcomes of such processes should enable all parties to reach consensus and concentrate and synergise their efforts on shared priorities; ensure effective coordination and management of development and service delivery; and enable local government to judiciously manage public resources and be held accountable for its initiatives.

**Formulating a developmental vision, strategy and programme**, the formulation of a development vision, strategy and programme is closely tied into deliberative development, covering the following propositions: Inclusive formulation process  
Integration, Progressive,

*Integration:* It needs to be integrated in the broad sense of the word, including intra-municipal integration, inter-municipal integration (in conjunction with adjacent municipalities), intergovernmental integration (integration with other spheres of government), inter-stakeholder integration (integration with the relative needs and priorities of different interest groups e.g. business and the unemployed).

*Inclusive formulation process:* This element is closely linked to the deliberative development, where the development programme needs to be formulated. On the other hand progressive: The developmental vision, strategy and programme need to be progressive, meaning that it should prioritise the needs of poor, vulnerable marginalised groups.

**Building development-oriented institutions**, the challenge in the South African local government context is to build development-oriented institutions that are capable of facilitating development (overcoming the legacy of apartheid) as well as delivering quality public services. The specific propositions for these institutions are set out as follows: Economy, efficiency and effectiveness, Development orientation, Citizen and customer orientation.

*Economy, efficiency and effectiveness:* Ensure that local government institutions are not only focused on optimising the use of resources (inputs and outputs), but also concerned with the results and outcomes.

*Development orientation:* Transform institutions towards a development orientation such that it is clearly reflected in strategic plans, values and impact, which is reflected in development focused on excluded, vulnerable and poor people and marginalised localities.

*Citizen and customer orientation:* Segmentation of the diverse interests served needs to be taken into account to improve delivery. Municipalities serve citizens who are entitled to constitutionally entrenched socio-economic rights such as housing, water and sanitation. But municipalities also deliver services to specific customers such as business customers that use the municipal solid waste in preference to private providers.

Heller (2008) argues that there are two components to good governance. On the one hand, “technocrats” promote efficiency, believing that too much participation can overwhelm institutions. On the other hand, “associationalists” emphasise the need for increased participation, arguing that “an over-emphasis on institution building crowds out civil society” (Heller, 2008: 153). This distinction between the technocrats and associationalists is embedded in the different interpretations of good governance. For technocrats, good governance involves building government institutions that are able to meet the needs of the people, whilst the interpretation by the associationalists entails a more inclusive and consultative way of delivering government services.

The two-fold interpretation of good governance is rooted in the early 1980s, when there was a shift from the political decentralisation in the good governance agenda. According to Beard et al. (2008: 3), the 1980s saw a shift in the good governance agenda from the “logic of political devolution and democratisation to neo-liberal economic policies.” This was fuelled by the rise of neo-liberalism and closely associated with the New Public Management (NPM) of the 1980s. The first wave of NPM swept through countries such as Australia, New Zealand, the United Kingdom and the United States of America (Rondinelli, 2007). Under NPM, governments were

encouraged to adopt a handful of free market policy principles, including the following:

- Catalytic - governments should steer rather than row and see that services are provided rather than always delivering them directly;
- Mission-driven rather than rule-bound, setting goals and allowing employees to find the best ways of meeting objectives;
- Customer-driven in meeting the needs of citizens rather than those of the bureaucracy;
- Enterprising - in earning revenues rather than just spending tax resources;
- Decentralised - working through participation and teamwork among government agencies at different levels and with groups outside of government; and
- Market-oriented in solving problems through market forces rather than larger government programmes (Rondinelli, 2007: 5).

According to Harrison (2006: 35) NPM introduced a “corporate culture to public sector management.” As a result, the idea of strategic planning, which is mainly used in the private sector (Rondinelli, 2007), has become synonymous with public sector policies. Blackerby (in Myeza, 2009: 25) defines strategic planning as “a continuous and systematic process where people make decisions about intended future outcomes, how outcomes are to be accomplished, and how success is measured and evaluated”. According to Harrison (2001) the second wave of NPM of the mid-1990s differs from that of the 1980s. Unlike the first wave of NPM, the second wave shifts away from the single-minded focus on economic rationality to a system that conflates the ideals of neo-liberalism and the progressive stance on “inclusion, participation and poverty alleviation” (Harrison, 2001: 189). Promoted by leaders such as Bill Clinton (USA), Tony Blair (UK), Jean Chretien (Canada) and Thabo Mbeki (South Africa), this came to be known as the Third Way approach.



Public sector efficiency has its beginnings in changes in public management in the 1980s, acquiring the label new public management (NPM) by the 1990s. Five megatrends in public policy and administration for the 1990s were identified by Hood (1989:346-350, quoted in Thynne 1995:1): attempts to peg back the growth of government, the internationalisation of public administration, automation in public administration, the privatisation of public administration and the rise of the new public management.

The key values underpinning a number of these developments especially the NPM and privatisation include individual choice, responsiveness to market forces, management responsibility for organisational outputs and resource frugality and avoidance of waste and inefficiency (Thynne 1995:2).

The critique of the NPM is that it is an attempt to roll back the state, cut back on services and marketise service provision (Mackintosh 1993 in Pieterse 2002:8) in terms of its impact on the system of governance in society. It also reduces political risks because many state responsibilities are shifted to other actors; and its frameworks provide simple answers for complex issues and define clear procedural steps to solve specific problems, thereby creating a false sense of achievement (Pieterse 2002:8).

Lowndes (1997) states that although the political significance of the NPM lies in its correspondence with a new right policy agenda, the specific aspirations of the NPM hold a political significance of their own. The statements of intent and principle of the NPM amounts to a major challenge to traditional patterns of public-service management based on rule-following, specialism, hierarchy and line-management. Whereas traditional bureaucracies focused on inputs (rules, staff and budgets), the NPM focuses on performance, standards and customer satisfaction. New structures are designed to facilitate client-contractor splits, decentralisation of provider units, consumer choice and feedback and service monitoring. The NPM also undermines the traditional forms of accountability such as elected representatives' democratic

mandate, which is institutionalised through elections with individual consumer style rights and choices.

Clarke (1994:20) advances the position that change in government should be driven by the need to find ways of making the public sector more efficient and responsive by emulating the results orientation of the private sector, but within the ethical framework of accountability and ethical commitments of the public sector. Thus development-oriented public management should not simply reproduce the NPM and its prescriptions. It should use certain techniques, methods and structures of management that would enable effective management of resources, public accountability and enhanced capacity for service delivery and development.

Under the umbrella of Third Way, NPM sought to promote economic modernisation whilst emphasising the need for government to be inclusionary in nature (Harrison, 2006: 194). While the Third Way is “broadly acceptable to global capitalism and global development agencies it could also be regarded as an approach of the left because Third Way scholarship makes references to inclusion, community building and poverty alleviation” (Harrison, 2006: 194). In the case of South Africa, the Third Way was adopted as a progressive policy trajectory during the early days of the democratic era as part of the government/institutional restructuring process following apartheid.

### **1.10 Sustainable Development**

Sustainability has been defined as “the ability of a system to adapt to change and continue to function over a long time span” (Maclaren, 1996; United Nations Division for sustainable development, 2005 cited in Milman & Short, 2008). The World Commission on Environment and Development (WCED) defined sustainability as “the level of human consumption and activity which can continue into the foreseeable future, so that the systems which produce goods and services to humans persist indefinitely” (WCED, 1987). Sustainability is also deemed as either weak or strong (Du Plessis & Landman, 2002; Hattingh, 2003).

Weak sustainability is the view that different kinds of capital can be fully interchanged, and that natural capital can be used up as long as it is converted to manufactured capital (Roseland, 2000). According to this view, economic activity should not be confined to predetermined environmental limits. Strong sustainability is the view that the environment performs certain functions that are essential for the survival of human and ecosystems and therefore economic activity should be confined to the carrying capacity of the environmental limited resources (Du Plessis&Landman, 2002; Hattingh, 2003).

Hattingh (2003) further described different concepts of sustainability and sustainable development that are used to suit particular ideological needs of people, organisations, or governments. In defining SD, Hattingh (2003) noted that issues are prioritised depending on the urgency of the subject in question. For example, this could be an emphasis on the degree of environmental protection (in developed countries), equity and participation (in developing countries), or the scope of the subject area. Thus, SD may be viewed as commitment to living within the earth's carrying capacity, or it could be viewed as social development where concerns like resource use, pollution, biodiversity and meeting local needs are crucial.

Hattingh (2003) also explained that a conservative model of sustainable development emphasised the conservation of the environmental resources whereas a radical model of sustainable development generally advocated structural changes in the economy, politics, institutions and individual lifestyles for fair distribution of resources while living within the ecological limits (Hattingh, 2003).

Governance in the context of sustainable development comprises democratic and active participation of the public in decisions making processes (Roseland, 2000). Governance contributes to improved communication and understanding between different stakeholders about common issues affecting them and ways to resolve the issues. Governance implies that the government does not make decisions for communities but rather allows communities be part of the planning process, taking

into consideration all the values and interests of stakeholders. Governance should therefore promote accountability and collective shift in individual and political actions that promote SD (Roseland, 2000).

Sustainable governance is also considered as the integrative evaluation of policy inputs, conversion processes, outputs and outcomes towards delivery of public services (Cloete, 2005 & 2007). Sustainable governance relates to institutional durability of public policy programmes as well as continuous assessment of policies and implementation plans and programmes at project level. Resources (i.e. financial, human, technology) for effective policy design and implementation are essential to achieve policy goals and enable durability of government programmes over time. Sustainable governance implies that institutions have the capacity required to deliver public services, can adapt to dynamic systems, and can improve service delivery in the long term. In addition, institutions should be flexible in order to address new challenges as they emerge (Cloete et al 2003; Cloete, 2005 & 2007).

The importance of the Brundtland Report was that it asserted that equity, growth and the maintenance of environmental integrity are simultaneously possible as long as the key principles are applied namely, satisfaction of basic human needs for food, shelter, water and energy; conservation of biodiversity and maintenance of ecological integrity, including environmental carrying capacity; social justice and equity, including inter- and intra-generational equity; and participation of individuals and communities in activities and decisions that affect them (Sowman 2002:184).

Implicit in this notion of sustainable development are the rejection of an ecology-oriented paradigm and the acceptance of a human centred path. Thus, sustainable urban and rural development in South Africa should strive to balance social equity, urban and rural economic growth and environmental conservation.

### **1.10.1.Environmental conservation**

Environmental conservation sits at the centre of the sustainable development agenda. Two key concepts need to be applied in the context of sustainable cities and human settlements, namely, resource limits and sink limits.

Resource limits entail the finite resource base for key inputs to maintaining cities and buildings such as land, natural habitats, energy, water, construction materials and raw materials for economic purposes; while sink limits refer to the finite capacity of air, land and water to process waste generated from production and consumption (Irurah&Boshoff 2003:247).

### **1.10.2Urban economic growth**

Social equity is a key element of the sustainable development agenda. It focuses on meeting basic needs, reducing poverty and ensuring the rights of vulnerable groups such as women, children, the aged and the disabled.

### **1.10.3 Urban economic growth**

On opposite ends of the spectrum, deep ecologists believe that economic growth can never be sustainable while the mainstream view believes that the diversity of nature, the ingenuity of people and new technologies will be able to address emerging problems (Sowman 2002:184).

The view taken here is that economic sustainability is not only desirable, but also possible, provided that economic growth is accompanied by employment creation and social equity and the mitigation of negative environmental externalities resulting from production.

## 1.11 Public Participation

When discussing the word 'public participation', it is important to establish during which period of modern development it was discovered. Sachs (1993: 117) and Abbott (1996: 6) are of the opinion that, although the words 'participation' and 'participatory' were rejected and neglected by developing countries, these same words appeared for the first time in the 1950's in the development environment. Davidson (1998: 14) echoed the sentiments of the previous two authors by saying that involvement and participation of the public in the planning systems were first mentioned with the publication of two influential documents. The first was the Skeffington Report and the second was Arnstein's 'Ladder of citizen's participation' in the 1960's. These words became popular in modern democracies due to their contribution to development.

The elementary question that needs to be answered is, 'what is public participation?' The concept is a rich one and has different meanings for different people in different settings, often leading to confusion. However, there is far less agreement about what participation in development planning is, although not a single universally accepted definition of participation exists (Arnstein, 1969; Davidson, 1998; and Meyer and Theron, 2000). These authors' arguments are based on the elusiveness of concepts such as 'public', 'citizen', 'people' or 'community' which have become umbrella terms for the idea of development intercession. Davidson (1998: 14) is of the opinion that 'few people would disagree that public involvement in development planning is a good thing' and it is for this reason that public participation is becoming increasingly important.

Sachs (1993: 119) says that participation is currently perceived as an instrument for greater effectiveness as well as a new source of investment. Therefore the participatory process is a new paradigm to be used by development practitioners in order to avoid the pitfalls and failures of the past (Sachs, 1993: 119). According to the World Bank (1992), The United Nations in 1975, in a publication called, popular participation in decision making in development, gives a redefinition of the word

'participation' by aiming to save development and thereby regenerate people's life spaces.

Citizen participation is citizens power (Arnstein (1969: 216). It is the redistribution of power that enables the have-not citizens presently excluded from the political and economic processes to be deliberately included in the future. Participation is merely a strategy by which the have-nots join in determining how information is shared, goals and policies are set, tax resources are allocated, programs are operated, and benefits such as contracts and patronage are parcelled out (Arnstein, 1969: 216).

But despite repeated calls for people's participation in development, the term 'participation' is generally interpreted in ways, which cede no control to local people (Pimbert, July 2003: 23). Thus, in pursuing the involvement of communities, the development planning system, according to Davidson (1998: 14), has proved something of a disappointment. Davidson (1998: 14); SAAPAM (September 2000: 212) and World Bank (1992: 4), argue that some people would point to community involvement as one of the causes of delay in the planning system, while others suggest that a tokenistic approach is too often taken with real power being retained by planning officials and council members.

Pimbert (July 2003: 23) adding to the tokenistic approach referred to by Davidson (1998), by saying that while officials recognise the need for people's participation, they place clear limits on the form and degree of participation that they are prepared to tolerate in the local context. But another view would suggest that the promotion of public participation is a waste of resources as the response is often too apathetic (Davidson, 1998: 14). Participation is a costly exercise, which raises premature expectations (Ballard, 1994: 86; World Bank, 1992: 4).

Participation can easily be transformed into manipulative designs which in the end do not meet the people's needs (Sachs, 1993: 118). Arnstein (1969: 217) refers to manipulation as a level of 'non-participation'. This form of participation is conducted in a disguised manner in order to substitute genuine participation. Technical knowledge could substitute local knowledge instead of complimenting it (World Bank, 1992: 4). Manipulation takes place when people or community or civil society members are placed on rubberstamp advisory committees or boards for the express purpose of 'educating' them or engineering their support by officials (Arnstein, 1969: 218).

The other form of participation that is also troublesome is consultation. Consultation could be viewed as a process proffered by power-holders as the total extent of participation (Arnstein, 1969: 217). Citizens may indeed hear and be heard, but they lack the power to ensure that their views are headed by the powerful (external agents). These external agents, according to Pimbert (July 2003: 25), define both the problems and the solutions and tend to modify them in the light of people's responses. When participation is restricted to this level, with no follow through', there is no assurance that the status quo will change.

However, the possibility is greater that participation through consultation could end up as a window-dressing exercise when communities are perceived as statistical abstractions, and when participation is measured by how many come to the meeting, take home brochures, answer a questionnaire or take part in surveys (Arnstein, 1969: 219; Pimbert, July 2003: 25). All that the communities achieve through all this activity is to be able to say that they 'participated in participation'. On the other hand, local government officials have the evidence that they have gone through the required motions of involving the citizens.

These forms of participation could be misused by state officials in order to further their own agenda but at the same time they are fulfilling statutory requirements in the context of the IDP. Officials present at these participatory forums as mentioned by



Pimbert (July 2003: 25), do not concede any share in decision-making and they are not under any obligation to acknowledge people's views. Although the community-based participatory structure should be representative of all and is regarded as essential in development planning, there is the possibility that the dominant elitists could exclude the majority of the disadvantaged groups from issues of community concern (Ballard, 1994: 86).

On the other hand, excessive participation of people 'less experienced' in project management and municipal finances, can also be a potential stumbling block as these communities are not held accountable for the failure of projects which they helped to design and implement (Davids, September 2002). Davids (September 2002) further mentioned that public participation in the local government process also provides the conditions for the emergence of alternative power bases to elect structures of local government, thereby representing the interests of a given community. These forms of behaviour could derail the participation process of the IDP's and in so doing hamper service delivery.

Irrespective of the critical stance of some authors, local government officials should ultimately acknowledge that participation as the first building block of development could 'improve the voice of local people' and empower communities with resources and authority.

Despite economic and political cost, municipalities will find that participatory development can produce benefits, both short and medium term. Through public participation in the IDP, councillors could be held accountable by communities to deliver better quality and demand-responsive services, to improve utilisation and maintenance of governmental facilities and services (Bekker, 1996: 153) and to increase public recognition of governmental achievements and legitimacy (World Bank, 1992: 4). This in turn promotes sustainability (Ballard, 1994: 86). Public participation could influence the behaviour of opponent-citizens to contribute to programmes by co-opting them and reduce psychological suffering and apathy by

increasing the citizen's sense of efficacy in the development planning process (Bekker, 1996: 75). Conflicts would be limited or totally phased out as a result of participation (Bekker, 1996: 76).

We must note that the assumption that participatory planning is a costly time consuming or drawn-out process is therefore not necessarily true. Provided that the community trusts its officials, participation can be a very efficient process. Also, there appears to be consensus in the international community that the benefit of community participation outweighs its costs (SAAPAM, September 2000: 212).

## **1.12 Building Blocks of Development**

Related research conducted by Du Mhango (1998); Rowan-Campbell (1999) and the World Bank Resource Book (February 1996) on development planning highlights the significance of public participation in the developmental local government process. Burkey (1993), the World Bank Resource Book (February 1996) and Rahman (1993), explored the interrelatedness of public participation with the rest of the building blocks of development. According to these authors, the building blocks of development are: empowerment, self-reliance, capacity-building, sustainability and social learning.

### **1.12.1 Empowerment as a building block of development**

Empowerment is the sharing of knowledge and the transformation of learning in the service of people's self-development. Rowan-Campbell (1999: 91) suggests that 'people's participation enhances equity and social equality and it encourages democratic realms'. The method prescribed by Rowan-Campbell (1999: 91) which aims to achieve empowerment for successful development, is the Participatory Development Management (PDM) approach which entails principles such as sustainability, participation and empowerment. Local communities are therefore urged to be actively involved in the participation of the decision-making process of the IDP in order to manipulate resources for the fulfilment of basic needs. Turok

(1993: 21) purports that it is crucial to build a community's capacity through participation, keeping in mind the background of South Africa's past.

Empowerment is the essential tool in moving towards a basic human-centred development strategy. We need to bear in mind that growth for locals should occur as a consequence of reconstruction and development, with a high level of people participation and consumption of goods and services (Turok, 1993: 23).

### **1.12.2 Self-reliance as a building block of development**

Du Mhango (1998: 6) states that public participation gives people or communities at lower or grass root level full legal powers to determine and decide for them what they want, in a self-reliant manner, with little outside interference. According to Burkey (1993: 31) and Rahman (1993: 150), self-reliance as a conscious process, is synonymous with participation. An important statement made by Burkey (1993: 50) is that nobody can make people self-reliant but that only their own efforts can be the driving force in obtaining self-reliance.

As the name stated, 'self-reliance' is about doing things for one's self, maintaining self-confidence and making independent decisions, either individually or collectively (Burkey, 1993: 50; Rahman, 1993: 21-71), to the maximisation of one's own human, financial and material resources. External contributions to self-reliance can be made only when communities cannot manage situations. Through skills development, an important apparatus in this building block, communities learn how to manage and form their own organisations so that they can gain access to resources and services and adapt to new knowledge (Burkey, 1993: 50).

As a result, communities build confidence by learning how to deal with complex problems in order to improve their own lives. Self-reliance must be seen as a deliberate process and not as a quick solution to deal with social needs raised by community members and organisations in the public participation meetings for the

IDP. It must also be viewed as a participatory learning process, during which government and development agencies assist communities.

### **1.12.3 Capacity-building as a building block of development**

Capacity-building is seen by Warburton (2000) as a key strategy in sustainable development policies to increase the participatory driven approach. Local agenda 21 is crucial in the contribution of capacity building in development planning as it gives high priority to its calling for the requisite international, financial and technological support. This support is needed to enhance local development in order to improve the living conditions of the poor. In searching for ways to build local capacity, it is useful to think in terms of a continuum along which the poor are progressively empowered (Peninsula Technikon, June 2000).

The World Bank (February, 1996) argues that communities become more capacitated as the capacity of poor people is strengthened and as their voices start to be heard. Communities become 'clients', capable of demanding and paying for goods and services from governmental and private sector agencies. This notion of the World Bank (February 1996) could be compared to community participation in the IDP, which is the local government development planning strategy. As a result, a high level of participation could be reached through continuous involvement in development planning (World Bank, February, 1996). This support is needed to enhance local development in order to improve the living conditions of the poor.

### **1.12.4 Sustainability as a building block of development**

Sustainability could be ensured when quantitative assessments indicate that more poor people are involved upstream in the planning and decision-making process. If the IDP is concerned with satisfying the needs of poor people as a mechanism for service delivery, the expectation is surely that this service be delivered in a sustainable way. Liebenberg and Stewart (1997: 126) states that one of the most commonly used definitions for sustainable development as used by the World

Commission on Environment and Development from the Brundland Report, 1987, is as follows: 'sustainable development is development which meets the needs of the present without compromising the ability of future generations to meet their own needs'. Liebenberg and Stewart (1997: 126)

Williams (April 2003: 2) contribute to the latter argument by defining sustainable development as a holistic development strategy that is multi-sectorial, and which links environmental, social and economic integration in order to ensure the long-term well-being of citizens. Sustainable development, as stated by the DBSA (2001:4; SAAPAM, 2001: 64), is an essential requirement for redressing the past and normalising the economy in order to achieve economic growth. Sustainability can thus be seen as a 'partner' in the development process together with the rest of the building blocks. In order to assure sustainability, joint awareness and action of government, communities and individuals are needed (Carew-Reid et al., 1994: 53).

It is clear that sustainability can be achieved through continuous participation in the development planning activities of local government. Korten(1990: 217),states that the fundamental role of communities in ensuring sustainability lies in caring and sharing for the environment and its livelihood through relationship-building in development (1990: 218-219).Sustainability as a building block of development highlights the long-term improvement of living conditions of communities.

#### **1.12.5 Social learning as a building block of development**

Learning on the part of the poor and disadvantaged in the local system is a prerequisite to master the necessary skills for future development. Specifically, how can people in a local system learn the value and rationale of new social behaviours and methodologies specified by experts? It is logical to think that presenting people with a plan is enough to enable them to take new actions effectively. And if the

actions taken turn out to be ineffective in practice, then we believe it is necessary to go back and reconstruct the strategy or project or plan (World Bank, February 1996).

However, over time, development experience has shown that when experts alone acquire, analyse and process information and then present this information, social change usually does not take place. But when does social learning take place, especially during a complex process such as the IDP? The learning part takes place when the increasing support of stakeholders through public participation in the IDP starts coming to the fore.

To ensure a successful social learning process through development planning, the process needs to follow these steps: generating, sharing, and analysing information; establishing priorities; specifying objectives; and developing tactics. Also, when the experiences of both the experts and stakeholders are put together in a single basket during the development programme phases, will we be sure that social learning is acquired (World Bank, February, 1996).

Developmental local government as a development reform process is established on the basis of these five building blocks of development namely, empowerment, self-reliance, social learning, capacity building, and sustainability. These building blocks of development explained in this Chapter makes a significant contribution towards the development of local government and the promotion of participation in the IDP.

### **1.13 Definition of Key terms and Acronyms**

This section defines a couple of terms that are key to this work, so as to help ensure that the intended meaning is the one that reaches the reader. This is done so as to clear any ambiguity as words may carry different meanings to different people.

### **1.13.1 Developmental Local Government**

The White Paper on Local Government (1998) defines “developmental local government” as local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs, and improve the quality of their lives.

### **1.13.2 Governance**

Theron, Van Rooyen and Van Baalen (2000: 29) define governance ‘as a process in which power and authority are exercised between and within institutions in the state and civil society around the allocation of resources’

### **1.13.3 Integrated Development Planning (IDP)**

Integrated Development Planning is an approach to planning that involves the entire municipality and its citizens in finding the best solutions to achieve good long-term development. It looks at existing conditions and facilities, at the problems and underlying issues, and at the resources available for development. This kind of information can be obtained through the public meetings or workshops with all the stakeholders within that municipality (White Paper on Local Government, 1998:30)

#### **1.13.4 Local Economic Development (LED)**

The term is used to refer to the partnership between key actors in a locality, where the local authority is either the driver or facilitator of the process. It involves the use of local resources, ideas and skills to stimulate growth and development (Abrahams in Nel and Rogerson 2005:134).

#### **1.13.5 Local government**

Cameron and Stone (1995:100) suggested that local government is the sphere which interacts most closely with citizens through service delivery and can respond speedily and effectively to local problems. Commonly speaking, local government is a dynamic system of governance whereby power resides with the people of that locality and the municipal authorities.

#### **1.13.6 Public participation**

Community participation is a concept that can be defined as a “process through which stakeholders influence and share control over development initiatives and the decisions about resources which affect them” (World Bank, 2000:8). Also community participation can be defined as a process by which public concerns, need, and values are incorporated into governmental decision making.

#### **1.13.7 Project**

Generally a project may refer to any work that is undertaken, it is a sequence of tasks planned from beginning to end bounded by time, resources and required results. In this study the word is used to refer to any Local Economic Development undertaking in which case the issue of specific end time or defined lifespan is not applicable. Throughout the study the word project is used interchangeably with the word initiative referring to any local economic undertaking.



## **1.14 Conclusion**

The chapter reaches a number of important conclusions: First, through the notion of developmentalism, it has been shown that the state has an active role to play in mitigating the processes of globalisation, intervening in the economy and interceding in favour of social equity. Both developmental and development connotations are beyond the realm of local government in contextualisation and reflect the need to contextualise beyond a municipality.

Second, that decentralised local government is important because it enables municipalities to exert influence in their localities and provides the point of accountability for the service delivery and development of the locality.

Third , that the concept of good governance enables the strengthening of formal mechanisms of democracy, promotes deliberative development, ensures formulation of an inclusive and progressive development programme and builds appropriate development institutions.

Fourth, that the public sector should use certain techniques, methods and structures of management that would enable effective management of resources, public accountability and enhanced capacity for service delivery and development.

Fifth, sustainable development comprising environmental conservation, social equity and urban economic growth needs to be balanced to ensure a development trajectory that provides for improved economic performance, improved incomes and access to urban and rural services without compromising the natural environment.

Sixth, the conceptualisation of public participation stresses the important features integral to the participatory democracy process in development planning.

Lastly, the building blocks of development such as empowerment, self-reliance, capacity-building, social learning and sustainability form an essential part in the development discourse in the sense that it requires that communities be well informed as to what is required from them when participating in decision-making for development planning at local government level.

## **CHAPTER 2: LEGISLATIVE AND POLICY FRAMEWORK**

### **2.0 Introduction**

This chapter is made up of two distinct sections: the local government legislative and policy framework. This chapter traces the formulation of the concept of developmental local government within the emergent legislative and policy framework. Also the researcher consider some policy documents dealing with developmental local government, namely The Reconstruction and Development Programme (RDP, 1994), Growth Employment and Redistribution (GEAR), Integrated Development Planning, Local Economic Development, and the Local Government White Paper (RSA, 1998). It will also clarify on the following legislations, Development Facilitation Act, Constitution of the Republic of South Africa, Act 108 of 1996, Local Government Transition Act, Second Amendment Act, 97 of 1996, Municipal Structures Act, 1998 (Act 117 of 1998), as well as the Local Government: Municipal Systems Act, 32 of 2000.

### **2.1 The Reconstruction and Development Programme (RDP), (1994)**

The Reconstruction and Development Programme (RDP) as explained by the ANC (1994) and the White Paper on Reconstruction and Development, 1994 is 'an integrated, coherent socio-economic policy framework that seeks to mobilize all people and resources of the country towards the building of a democratic, non-racial and non-sexist future'. It presents a visionary framework for social transformation.

In the Reconstruction and Development Programme, this was designed to tackle such inequality and poverty, the first of the so-called six basic principles- identified to achieve development is the need for an integrated and sustainable programme which is motivated by the recognition that: The legacy of apartheid cannot be overcome with piecemeal and uncoordinated policies. The RDP brings together strategies to harness all our resources in a coherent and purposeful effort that can be sustained into the future. These strategies will be implemented at national,

provincial and local levels by government, parastatals and organizations within civil society working within the framework of the RDP (ANC, 1994: 4–5).

The RDP was promoted essentially as a people-driven process focusing on our peoples most immediate needs and in turn on their energies to drive the process of meeting these needs (ibid,:5). The RDP also placed much emphasis on grassroots empowerment, suggesting that: ‘development is not about the delivery of goods to a passive citizenry. It is about active involvement and growing empowerment’ (ibid: 5).

The ANC government believes that these objectives can be achieved by giving much more responsibility for development to local government, which is viewed as the primary level of democratic representation through what is referred to as ‘developmental local government’. As the RDP stresses: ‘The democratic government will reduce the burden of implementation which falls upon its shoulders through the appropriate allocation of powers and responsibilities to lower levels of government and through the active involvement of organizations of civil society (ibid., :140).

Whilst these are understandable and admirable objectives, they have placed a considerable burden of responsibility on the local tier of government, a situation aggravated by very real capacity and financial constraints experienced by most of the smaller local authorities (NEL, 2001).

Four years after the publication of the RDP document, the new developmental role of local government was further articulated in the White Paper on Local Government, which stressed that ‘the central responsibility of municipalities is to work together with local communities, to find sustainable ways to meet their needs and improve the quality of their lives’ (RSA, 1998, :17). In order to achieve ‘developmental local government’, local authorities are now expected to maximize both social

development and economic growth and to help ensure that local economic and social conditions are conducive for the creation of employment opportunities (Nell and Binns, 2001).

In addition, local government is required to take a leadership role, involving citizens and stakeholder groups in the development process, to build social capital and to generate a sense of common purpose in finding local solutions for sustainability. Local municipalities thus have a crucial role to play as policy makers and as institutions of local democracy, and they are urged to become more strategic, visionary and ultimately influential in the way they operate. Building upon the strategies of the RDP, developmental local government is charged with promoting empowerment and redistribution, and delivering four significant outcomes found in the White Paper on Local Government (1998), namely:

- The provision of household infrastructure and services. Local government renders direct services that are needed for survival. This includes the provision of infrastructure such as roads, water, electricity and sanitation. Apart from the fact that basic services are a constitutional right, these services are needed to promote the wellbeing of individuals. Basic services should be provided and extended to those people who were either denied these services before, or who are still not receiving them. National government, job creation initiatives and the establishment of community based contractors to assist in service delivery can serve to expand and improve service delivery
- Creation of Liveable Integrated Cities, Towns and Rural Areas. Apartheid separated communities along racial lines, thereby creating segregated communities. Spatial structures in South Africa are characterised by townships being located far away from towns and places of work. This is the reason why the development of a new integrated Spatial Development Framework is so crucial. An integrated Spatial Development Framework enhances social and economic development, and reduces community costs.

Unfortunately, the poor and the previously disadvantaged are particularly affected by the existing spatial structures. Integration must ensure affordable mobility between work, home and recreation; combat crime, pollution and congestion; and promote the participation of the previously disadvantaged in the social and economic life of a municipality.

Rural areas should benefit from rural development programmes that seek to create liveable environments. Forced removals and the homeland policies of the apartheid government aggravated poverty in rural areas, which needs to be rectified through developing and investing in these areas. Sustainability should include environmental sustainability, as an integral part of integrated development plans.

- The achievement of local economic development, Local government plays an important role in developing local economies, thereby creating jobs. Stimulating the local economy should start with rendering quality cost-effective services and providing an environment favourable for investors. Regulations and policies should not be rigid, but flexible. Supply Chain Management Policies and the Expanded Public Works Programme can all assist in job creation. Municipalities should expedite and simplify processes and procedures around the evaluation and approval of tenders, building plans and rezoning applications.

Furthermore, user-friendly one-stop shops for both customers and investors should be established. Incentives can also be offered to attract investment and increase competitiveness. Investment in human capital should be given priority, because the availability of local skills plays an important role in attracting potential investors

- Community empowerment and redistribution (RSA, 1998).

## **2.2 Growth Employment and Redistribution (GEAR)**

By 1996 the RDP, while not abandoned as official government policy, was superseded by the Growth Employment and Redistribution (GEAR) strategy as the government's macro-economic framework. GEAR has been described by Nattrass as a neoclassical economic growth theory, with a Keynesian concern for investor confidence and an active and redistributive role for the state (Nattrass, 1999: 76).

The switch from the RDP to GEAR represents recognition of the inescapable influence of global economic forces as South Africa seeks to attract foreign investment and to promote exports (Pycroft, 1999). To be successful within the global economy, according to GEAR, requires a reduced budget deficit, market oriented growth, fiscal discipline, labour-market flexibility and reduced government intervention all of which reduce the government's ability to influence poverty alleviation and income redistribution (Nattrass, 1999: 76–7).

The results of the GEAR strategy to date have not been encouraging. Economic growth rates, job creation and inward investment have all been significantly lower than GEAR predicted (Nattrass, 1999: 89). It is highly unlikely, however, that the policy will be changed. The GEAR strategy has reassured the international financial community of South Africa's economic credentials in the face of weakening economic performance.

The GEAR strategy seeks to position South Africa within the global economy. South Africa's emerging macro-economic framework, including taxation, national debt management, fiscal and monetary policy, is designed to achieve this objective (Abedian and Biggs, 1998:98). The changes in South Africa's economic management are being mirrored by changes within its approach to the role and function of the state.

South Africa is now seeking a mode of administration that changes the role of government from being the principal vehicle of socioeconomic development to one of guiding and facilitating that development (Kaul, 1997: 14). The characteristics of this new approach include the transfer of state-owned enterprises to the private sector, a reduction in the size of bureaucracies, the introduction of managerialism, decentralization, greater public service accountability, an emphasis on service delivery and the implementation of performance management (Kaul, 1997: 14–15).

The tensions between GEAR and the RDP are acutely felt at local level. National government sees municipalities as the main delivery agent for the government's ambitious (RDP-inspired) development programmes. At the same time, municipalities face tight financial constraints that restrict the capacity of councils to deliver effective services. Municipalities' ability to borrow (both domestically and internationally) is tightly controlled in an effort to reduce overall government borrowing. The constraints municipalities confront as a result of the macro-economic environment are compounded by a range of structural and systems weaknesses, many inherited from the former regime, that have undermined the ability of the new councils to fulfil their development mandate (Pycroft, 1999).

Consequently, South Africa's monumental developmental backlog remains largely unchanged. This study explores South Africa's efforts to restructure and reorganize local government. The study analyses the new municipal legislation that has emerged from the March 1998 White Paper on Local Government assessing whether the legislation can provide the necessary framework to overcome the structural and systems weaknesses of the existing form of local government. The extent to which the proposed municipal restructuring can be seen as part of the broader strategy to restructure South Africa's public administration to complement the GEAR macro-economic strategy and position South Africa within the global economy ( DLG, : 144)



### **2.3 Integrated Development Planning (IDP)**

An important element of the developmental local government responsibility is for each of the new municipalities to produce an integrated development plan (IDP). The Local Government Municipal Systems Act (No. 32 of 2000) Section 25 deals with Integrated Development Planning (IDP) which describes a single, inclusive and strategic plan that guides and informs all decisions with regard to management and development of the municipality. This means that local municipalities in South Africa have to use IDP as a method to plan future development in their areas. Rural areas were left underdeveloped and largely not serviced.

Integrated Development Planning is an approach to planning that involves the entire municipality and its citizens in finding the best solutions to achieve good long-term development. It looks at existing conditions and facilities, at the problems and underlying issues, and at the resources available for development. This kind of information can be obtained through the public meetings or workshops with all the stakeholders within that municipality (White Paper on Local Government, 1998:30)

Through the process of integrated development planning a municipality has to identify the needs of the community, prioritise projects and programmes as a five-year strategic plan for service delivery. The integrated development planning processes provide additional responsibilities and opportunity for municipalities to undertake activities differently for obtaining more effective and efficient outcomes.

According to Education and Training Unit (ETU) IDP is a super plan for an area that gives an overall framework for development. It aims to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all people living in the area. It should take into account the existing conditions and problems and resources available for development.

According to De Visser (2005:118) housing, which lies at the heart of people's development, and is the most salient element of development as a process of enlarging people's choices, standard of living and access to resources, remaining at the periphery of the function of local government. Though this, to De Visser (2005:159), represents a mismatch between the visions of developmental local government and creates organisational challenges, Brynard(2006:844) notes that the question is not one institution of government possessing sufficient authority and resources over policy implementation, instead a network of institutions could be critical for successful implementation of policy.

The statutory mandate for the centrality of integrated planning relates its management, budgeting and planning functions to the objectives of alleviating poverty and inequality giving a clear indication of the intended purposes , i.e. to (Local Government: Municipal Systems Act, 2000)

- ensure sustainable • provision of services;
- promote social and economic development;
- promote a safe and healthy environment;
- give priority to the basic needs of communities; and
- encourage community involvement.

What is required, is the creation of an appropriate environment to ensure access for the poor and neglected sectors of community to meaningfully participate at political level and thus to hold councillors to account. There must also be a responsive administration to facilitate participation in other initiatives such as Local Economic Development.

Also the plan should look at economic and social development for the areas as a whole. It must set a framework for how land should be used, what infrastructure and services are needed and how the environment should be protected. The municipality is responsible for the co-ordination of the IDP and must draw in other stakeholders in the area who have an impact on and or benefit from development in the area. Communities have the chance to participate in identifying their most needs. They must participate in the preparation and implementation of the development plan.

#### **2.4 Local Economic Development (LED)**

An important feature of developmental local government is local economic development (LED) policy based on the concept of mobilisation of resources and communities to build convergence of interest in the competitive advantage of localities, thus creating the capacity of or empowering communities and individuals including the poor to access these opportunities (Hindson 2003:145). LED is defined as a process in which partnerships between municipalities, community and civic groups and the private sector are established to manage existing resources to create jobs and stimulate the economy of a well-defined area. It emphasises local control, using the potentials of human, institutional and physical and area natural resources. LED initiatives mobilise actors, organisations and resources, develop new institutions and local systems through dialogue and strategic actions (Helmsing 2003:69).

According to Bennett (1988:50) local economic development is a sub-national action that occurs within the context of a local labour market. It is aimed at increasing and accelerating economic growth and employment, and achieving a more equitable distribution of development. The policies and strategies followed by municipalities are considered additional and complementary to national economic growth and development goals. The assumption is that the intervention by a municipality, and its community and private sector partners can assist in creating an environment conducive to investment, and can provide seed funding. In this case, intervention is seen as a better option than leaving the development of the local economy purely to market forces. The key areas of intervention that municipalities select are often

based in part on the perceived existence of market failures and the need to militate against them. Bennett (1988:50) identifies some of the market failures of concern as follows: physical site externalities (including environment, appearance, security, and desirability); physical infrastructure that covers utilities, transport and communications; supportive economic and social environment and human capital.

Bovaird (1988:53) provides some theoretical justifications or economic rationale for intervention to be any of the following: redistribution of benefits among areas (e.g. spatial mismatch between areas of high poverty and unemployment and local economic growth nodes); redistribution of benefits within areas (e.g. addressing inequitable access to economic and social infrastructure between former white and Black areas); addressing market failures specific to a local area (e.g. lack of private sector participation in housing provision due to non-payment of bonds); market failure in the regional or national sphere which is inadequately corrected in those spheres (e.g. subsidy policies that prejudice the potential of a province or area to attract investments); and the stabilisation of local, regional and national disequilibrium (e.g. plant or factory closures due to tariff or other changes in the structure of the national or regional economy).

Rabie (2011:209) provides three reasons why municipalities embark on the process of formulating a local economic development strategy. The first reason relates to development of the formal economy and local markets. This motivation is more prevalent in Northern, developed nations as well as bigger centres in South Africa and is characterised by formal, structured LED strategies (Nel and Rogerson in Nel and Rogerson 2005:1). LED strategies have their origins in the high-income and developed countries. They emerged in the last 30 to 40 years as a response to the social and economic problems they were faced with (Nel 2001:1004) The disappointing results of traditional top-down, supply-side sectorial development strategies in combating the resulting rise in unemployment and regional inequality prompted the search for alternative development strategies that would offer opportunities for growth to all areas (Roberts 1993).

The second reason arises from a motivation to develop the local community in order to address poverty and improve local people's chances of access to employment and business opportunities. This motivation is more glaring in Southern, developing nations where LED is often initiated through community efforts and an empowered local government (Nel and Rogerson in Nel and Rogerson 2005:1). The third motivation for embarking on LED initiatives is to fulfil legislative and development mandates of municipalities and therefore South Africa is a case in point. Mokale and Scheepers (2006:134) note that LED means more than economic development in poverty alleviation as it connotes a process of improving the economic dimensions of lives of communities in a municipal area.

The purpose of local economic development is to build up the economic capacity of a local area to improve its economic future. It is a process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation. Local economic development offers a municipality, the private sector, the not-for-profit sectors and the local community the opportunity to work together, and aims to enhance competitiveness and thus encourage sustainable growth that is inclusive (Malefane 2009:160).

Currently, many municipalities are engaged in LED initiatives, particularly in the context of programmes developed by the national government to promote developmental local government. During the transitional phase of municipalities, LED initiatives in rural areas were generally limited, as these areas lacked local capacity for such activities and had to rely on external support. Such support has been provided by community-based non-governmental organisations and religious organisations, which have initiated several rural local economic development projects. The thrust of these initiatives has been to meet basic community needs (DBSA Development Report 2000:103).

In Sub-Saharan Africa, LED is often identified with self-reliance, survival, and poverty alleviation rather than participation in the global economy, competitiveness, and finding market riches (Binns and Nel 1999:390). LED thus becomes assimilated in Sub-Saharan Africa with what is more appropriately referred to as community or local development. These pro-poor LED strategies are basically about achieving social rather than economic goals. They address important problems, but tend to concentrate on short-term survival issues and on remedial action for the alleviation of social problems, leaving many of the economic issues at the basis of underdevelopment virtually untouched (Rodriguez-Pose &Tijmstra, 2005:5).

In South Africa, for instance, these so-called pro-poor LED strategies are relatively widespread. In most instances, municipalities do not even involve the local business community in the process of developing these strategies, and instead initiate much more limited pro-poor initiatives, such as sewing schemes or craft production. As these strategies are generally presented as LED, their successes are often measured both in terms of social and economic indicators. Therefore, the results of these efforts in the areas of job creation and economic growth are often judged as disappointing (Hindson 2003).

The inclusive character of the LED process encourages the creation of strategies to strike a balance between the interests of local firms and highly skilled, easily-employable individuals and other stakeholders such as informal enterprises, the poor, women, and traditionally marginalised groups (Rodriguez-Pose &Tijmstra 2005:5).

## **2.5 The White Paper on Local Government, 1998**

The White Paper on Local government (1998) recognizes the need for tackling historical socio-economic backlogs through acceleration of service delivery to local communities. The White paper mandates the local Government to assume a leadership role, involving and empowering citizens and groups within the community

in the development process, to build social capital and a sense of common purpose in finding local solutions for sustainability. The concept of developmental local government outlined in the White paper obliges the local government to work with the citizens and groups within the community to meet their social, economic and material needs and improve the quality of life. It is the local government's duty to ensure that service and infrastructure is supportive of local economic development.

In order to achieve developmental local government, local authorities are now expected to maximize both social development and economic growth and to help ensure that local economic and social conditions are conducive for the creation of employment opportunities. In addition, local government is required to take a leadership role, involving citizens and stakeholder groups in the development process, to build social capital and to generate a sense of common purpose in finding local solutions for sustainability. Local municipalities thus have a crucial role to play as policy makers, and as institutions of local democracy, and they are urged to become more strategic, visionary and ultimately influential in the way they operate (NEL and BINNS, 2001).

The White Paper strengthened the idea of integrated development planning. It was conceived as the mechanism for coordinating and integrating the work of the municipality in terms of revenue raising, service delivery, community participation and institutional arrangements. It was also the tool for integration with adjacent municipalities and other spheres of government. IDPs were intellectually influenced by participatory development planning that emanated from the writings of theorists such as Mumford, Faludi and Habermas, who advanced notions such as diversity, collaboration, communication and integration (Mogale 2003:220).

It is also the responsibility of the local government to attract and support business in the area; in this case the Amathole municipality has the obligation to promote business in this municipality. Local businesses especially small business ventures need the local government's support in terms of skills, markets and access to

financial assistance like soft loans. The building of a strong synergic partnership between the local government, civil society organisations and the private and donor communities can give a concerted effort in dealing with local development. This calls for alignment of plans so as to maximize whatever resource is available to transform the lives of the citizens.

## **2.6 The characteristics of developmental local government**

The required state of developmental local government as sought in South Africa has characteristics provided for in terms of the White Paper on Local Government of 1998 (DPLG 1998). Smith and Vawda (2003:29) present those characteristics as four core elements for putting developmental local government in practice, namely, cultivating citizens through participation in service delivery, good governance, democratising development, and fostering economic growth. Those characteristics are maximising social development and economic growth; integrating and coordinating; democratising development; and leading and learning (DPLG 1998:18). These characteristics are interrelated. Each characteristic is in one way or another related to the others.

### **2.6.1 Maximising social development and economic growth**

It can be argued that social development is a planned process, and is an approach to the transformation of society that allows a holistic development process to take place towards the reduction or eradication of poverty, inequality and uneven development or underdevelopment (Van Donk et al. 2008:224).

By itself social development stems from more than one dimension which makes it impossible to be reduced to a single local municipality. Thin (2002) as cited in Van Donk et al. (2008:225) states that inclusive to social development are aspects such as health, education, demography, basic needs, informal sector activities, poverty, crime, unemployment, culture, relevant civil society organisations, and empowerment. These aspects, to help clarify social development must be analysed



from the perspective of including the society but in South Africa this society is beyond a single local government or municipality.

The powers and functions of local government should be exercised so as to maximise the impact on the social development of communities, particularly in meeting the basic needs of the poor and stimulating the local economy. Through its traditional responsibilities (service delivery and regulation), local government exerts great influence over the social and economic well-being of local communities. The closeness of local government to the community makes it an ideal agent of social and economic growth.

Local government is responsible for rendering quality services and should redistribute wealth through its preferential supply chain policies and a progressive taxation policy. Furthermore, local government employs many people, thereby providing jobs as well. Local government is also strategically located to boost black economic empowerment and facilitate the development of small businesses. Aspects of Local Economic Development (LED), therefore, become important for local government (White Paper on Local Government, 1998:23).

Economic growth is a complex and controversial phenomenon (Gylfason 1999:13). Economic growth refers to a positive change in the level of production of goods and services by a country over a certain time. In the developmental local government context it may refer to such growth taking place within the municipal sphere. Economic growth may also be defined in terms of nominal growth, which includes inflation. It is usually brought about by technological innovation and positive external forces. The theory of economic growth has deep roots that extend as far back in time as economics itself (Gylfason 1999:29; Colomatto 2006:244). The characteristic of social development and economic growth put South African local government in a position to shape up the context of a developmental state as such characteristic can be realised beyond the boundaries of a municipality.

### **2.6.2 Integration and Co-ordinating**

The White Paper on Local Government (1998) states explicitly that developmental local government must provide a vision and leadership for all those who have a role to play in achieving local prosperity. Poor co-ordination between service providers could severely undermine the developmental effort. Municipalities should actively develop ways to leverage resources and investment from both the public and private sectors to meet developmental targets.

The desired co-ordination and integration can be achieved through Integrated Development Plans (hereinafter referred to as IDPs), which constitute powerful tools for municipalities to facilitate integrated and co-ordinated delivery within their localities. Local government should therefore establish co-ordinating structures, systems and processes to regulate joint planning (DPLG 1998:19).

Follett (in Mosley et al. (1996:58) refers to integration as a method of constructive conflict resolution whereby the people involved look for ways to resolve their differences so that everyone gets what he or she wants. On the one hand, integration is thus a characteristic of the relationships among the components of a system (Teune&Mlinar 1978:40). Coordination on the other hand, as defined by Smith and Cronje (2004:195), means that all departments, sections, and individuals within the organisation should work together to accomplish the strategic, tactical, and operational goals of the organisation. It entails integrating all organisational tasks and resources to meet the organisation's goal.

It is clear that the establishment of sustainable and liveable settlements depends on the co-ordination of a range of services and regulations, including land-use planning, household infrastructure, environmental management, transport, health and education, safety and security, and housing. Municipalities therefore need to work closely with other spheres of government and service providers and assume an active integrating and co-ordinating role (White Paper on Local Government, 1998:25).

### **2.6.3 Democratising Development, Empowering and Redistributing**

Municipal Councils play a central role in promoting local democracy (DPLG 1998:20). According to Swilling (1990) and Bond (2000) democratising development requires moving beyond a representative democracy to participatory democracy (Smith & Vawda, 2003:30). In addition to representing community interests within the Council, municipal councillors should promote the involvement of citizens and community groups in the design and delivery of municipal programmes. According to Birch (1993:47), understanding democracy from the dictionary definition that means rule of the people, one immediately runs into a problem of how, in practical terms, to define the people and how to define the meaning of rule.

According to Birch (1993:47), the term democratic is used to indicate a degree of social equality, not a form of government. Social democracy is a political ideology which advocates socialist economic and social policies to be carried out within a society which has democratic political institutions and processes, so the concept of social democracy is parasitical upon the concept of political democracy.

Rusen (in Van Beek 2005:337) refers to democracy as a form of political organisation guided by the idea that political domination and government should be grounded in the will of the ruled people. The ruled should also be rulers, and political power should be rooted in, and legitimated by, the will of the people (Van Beek 2005:337). Democracy as characterised in the South African developmental local government goes beyond the single meaning and takes place at various levels of governance. For example, there is no clear reason why the elite competition for popular vote should be called democracy rather than elite pluralism.

Van der Waldt and Helmbold (1995:4) outline democracy in the South African context from a philosophical basis and divide it up in terms of liberal democracy, social democracy and consensus democracy. Liberalism rests on the assumption that the long-standing social, economic and political problems of the day can be quickly and permanently smoothed out by the complete dismantling of the “old order” and transformation of society in accordance with the new guidelines.

The principles of liberal democracy might be summed up as legitimately governing structures, respect of human rights and elected representation. Consensus democracy presupposes willingness on the part of all the significant political groupings represented in the legislative and executive bodies to work together in protecting and promoting the interests of the country while at the same time also taking one another's interests into account (Van der Waldt 1995:6).

#### **2.6.4 Leading and Learning**

Local government operates in a global and ever-changing environment. New and unique challenges arise from time to time, and they need to be addressed. Furthermore, local government needs to be sustainable to fulfil the principles of development local government. Local governments should, therefore, be innovative and become learning institutions. Social and economic growth and knowledge management must become key issues. This should include investing in human capital, which also accommodates citizens. New ways should be found to create sustainable economies and preserve the environment. Internal human resources ward committees and councillors should be empowered so that all stakeholders are mobilised to build developmental institutions (White Paper on Local Government, 1998:26).

Developmental local government requires that municipalities become more strategic, visionary and ultimately influential in the way they operate (DPLG, 1998:22). Local Municipality council have a crucial role as policymakers, as thinkers and innovators, and as institutions of local democracy. Northouse (2007:3) defines leadership as a process whereby an individual influences a group of individuals to achieve a common goal. Developmental local government therefore must be characterised by ensuring that processes are in place to influence all agents and stakeholders towards achieving the common goal.

According to Vickers (1995:128) learning takes place only in individual minds, and its possibilities are closely linked with the human life cycle. Individual learning may, however, be differentiated from organisational learning (Fitzroy & Hulbert 2005:311). Organisations learn via their individual members but organisational learning is not dependent on a single individual. For organisational learning to become a source of competitive advantage, knowledge must become structural or organisational, even though it may start as individual or tacit. If a specific individual leaves an institution or organisation, all the learning knowledge possessed by that individual does not leave at the same time. Organisational learning is typically captured in the routines and processes of the institution (Fitzroy & Hulbert 2005:311). In the context of developmental local government learning goes beyond the institutional or organisational setup.

Elaborating on the above four characteristics, the White Paper on Local Government (1998) states that municipalities are, for instance, not responsible for job creation, but rather for ensuring economic and social conditions conducive to the creation of employment opportunities (Van Dijk and Croucamp, 2007:672). The municipality is therefore considered developmental if it is able to deliver basic services such as water, sanitation, local roads, storm water drainage, refuse collection and electricity. Service delivery by a municipality remains the core priority to South African government agenda to equalize the previously excluded local communities (Vyas-Doorgapersad, 2008) but it is a challenge to improve “where large sections of these communities are afflicted by unprecedented high levels of unemployment and poverty, historical backlogs in infrastructure services and the uneven spread of economic resources. Notwithstanding, pro-poor basic needs approach by local government remains at the centre of government efforts to finance infrastructure development and to provide a minimum level of services to the poor. Despite paucity in resources, South African local governments have been striving to meet basic needs of the poor by providing free basic services” (DPLG, 2002) to fulfil the objectives of developmental local governance.

## ***2.7 Development Facilitation Act, 1995 (Act No. 67 of 1995).***

The Development Facilitation Act is concerned with the formulation of general principles for land development and conflict resolutions and the establishment of both a Development and Planning Commission and Development Tribunals. Additionally, land development and tenure matters are considered, perhaps most significantly as far as IDP is concerned, with what are referred to as Land Development Objectives (LDOs). The Act is aimed principally at encouraging efficient and integrated land development, by promoting the integration of social, economic, institutional and physical aspects of development and also promoting integrated land development in urban and rural areas.

According to the Act, land development should result in security of tenure, and should prevent beneficial occupiers of homes or land from being deprived of these (RSA, 1995). Chapter 4 of the Act requires each local authority to formulate a set of Land Development Objectives, which involves producing a vision statement on possible land use developments in the relevant area. Municipalities are also required to develop a framework and a series of priorities which identify development standards, strategies and targets for performance monitoring (RSA, 1995). The Development Facilitation Act regards the integrated development planning process as the main organizing device for encouraging municipalities to identify key delivery targets such as Land Development Objectives.

## ***2.8 Local Government Transition Act, Second Amendment Act, 97 of 1996***

Also in 1996, the Department of Constitutional Development piloted the Local Government Transition Act, Second Amendment Act, 97 of 1996 through Parliament, which introduced the new idea of integrated development planning. Section 10(c) required municipalities to promote integrated economic development, equitable redistribution of municipal services and the equitable delivery of services that were to be defined within an IDP. In one sense, the notion of the IDP sought to supersede land development objectives as the principal planning instrument for local government. But elaboration of the idea only occurred in the form of the Green Paper

on Local Government in 1997 and particularly the White Paper on Local Government in 1998.

Although the more recent legal provisions pertaining to the developmental role of local government have been based on the 1998 White Paper on Local Government, pre-1998 Acts have also helped to lay a key basis for this new role. The Local Government Transition Act (1996) assigned various powers and duties to local governments relating to service provision and required metropolitan councils specifically to promote integrated economic development, the equitable distribution of municipal resources and the delivery of services, with a developmental focus in mind. Metropolitan councils are also required to formulate and implement a metropolitan Integrated Development Plan, a provision subsequently extended to all local authorities incorporating land use, transport and infrastructure planning and the promotion of integrated economic development.

Though the Act has a focus on metropolitan areas, non-metropolitan councils have their powers and duties assigned on an individual basis, in terms of the 1993 Constitution and the original Local Government Transition Act of 1993.

### ***2.9 Constitution of the Republic of South Africa, Act 108 of 1996***

The constitution is the supreme law of the country, and is the first development-orientated constitution of the country. The constitution is the crucial component of the legal system of South Africa and of legal institution framework within which development has to take place. The constitution established three spheres of government are distinctive, yet interdependent and inter-related. The constitution (section 152 and 153) place a vision for developmental local government, where a municipality must structure and manage its administration and budgeting and planning process to give priority to the basic needs of the community and to promote the social and economic development of the community.

Also section 152 and 153 of the constitution contains the following objectives for developmental local government:

- To provide democratic and accountable government for local communities
- To ensure the provision of services to communities in a sustainable manner;
- To promote social and economic development
- To promote a safe and healthy environment; and
- To encourage the involvement of communities and community organisations in the matters of local government.

Municipalities are now provided with developmental duties in two senses. Firstly, they are expected to structure and manage their administration, and plan in a manner that gives priority to the basic needs of the communities, and to promote the latter's socio-economic development. Secondly, municipalities are to participate in both national and provincial development programmes in the spirit of co-operative governance (Ismail & Mphaisha1997:10)

Its significance is that local government is specifically enjoined to promote social and economic development, provide services and ensure participation. Since it is a rights-based constitution, it means that local government as an organ of the state is required to progressively address socio-economic rights of its citizens or what Mhone (2003:20) calls the realisation of 'emancipatory democracy'.

### **2.10 *Municipal Structures Act, 1998 (Act 117 of 1998)***

The mandate for local government is encapsulated in the preamble to the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998) as:

...a vision of democratic and developmental local government in which municipalities fulfil their constitutional obligations to ensure sustainable effective and efficient municipal services, promote social and economic development, encourage a safe



and healthy environment by working with communities in creating environments and human settlements in which all our people can lead uplifted and dignified lives.

A statutory obligation is placed on municipalities to deliver sustainable services and promote socio-economic conditions as part of the efforts to improve the quality of life with the alleviation of poverty and inequality in communities as the central focus (Anti- Poverty Strategy for South Africa, 2008:2).

This Act requires that municipalities be transformed to create a truly democratic and developmental local government. The Municipal Structures Act (Act 117 of 1998) requires municipalities to engage in consultation with civil society so that they can meet their objectives. According to Section 19 of the Municipal Structures Act (Act 117 of 1998), each municipality is required to develop a method by which to consult the community and community organisations in order to perform their functions and exercise power (Houston, 2001: 210).

According to the Municipal Structures Act (Act 117 of 1998), Ward Committees should be set up in terms of Section 72 (3) in order to enhance participatory democracy in local government. These Ward Committees should mobilise a variety of community interests behind progressive goals. Representation should be inclusive of civic, business, women and youth, religious, cultural and other organisations.

Importantly, the Act recognizes and allows for the participation of traditional leaders within local government administration in the areas in which they reside. It also mandates district councils to assist local municipalities falling under their jurisdiction through integrated development planning, bulk infrastructural development, capacity development and the equitable distribution of resources.

### **2.11 The Local Government: Municipal Systems Act, 32 of 2000.**

This Act specifies in more detail how local government is to work, including the principle of popular participation in local governance and local-level development. The Municipal Systems Act (2000) provides for 'the core principles, mechanisms and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of communities, and ensure universal access to essential services that are affordable to all'. The Act goes on to state that it describes the core processes or elements that are essential to realising a truly developmental local government system. These include participatory governance, integrated development planning, performance management and reporting, resource allocation and organisational change'.

This particular Act has defined implications for local economic development in terms of the operational procedures, powers and management systems, which are mechanisms to promote pro-poor development. Municipalities are specifically required to involve communities in the affairs of the municipality, to provide services in a financially and sustainable manner and to 'promote development in the municipality'.

In terms of service provision, municipalities are required to prioritise the basic needs of the community and to ensure that all residents have access to a minimum level of basic services. Local economic development may be promoted through the provision of special tariffs for commercial and industrial users. A further local economic development-related provision is that municipalities may establish service utilities or acquire ownership of a company which renders a municipal-type service. The parallel White Paper on Municipal Service Partnerships provide details on how municipalities can enter into partnership arrangements with the private, public, community and NGO sectors to improve service delivery in a specific area.

According to Binza (2009:249) it is the responsibility of the municipality to ensure that the partnerships are structured so as to flourish through continuous training and development, and a coaching and mentoring system. He further states that the aim is to improve the human capacity of the local sphere of government to manage LED initiatives and programmes effectively and efficiently, and to redistribute economic resources equitably.

A key facet of the Act is the detail provided on the Government's commitment to the encouragement of participation. The Act spells out the same powers and duties as detailed in the Structures Act and obligates municipalities to undertake developmentally orientated planning, requiring municipalities to develop 'Integrated Development Plans. These plans should involve widespread consultation with communities and other stakeholders and should link and coordinate all municipal development plans, municipal resources, capacity and budgets and be compatible with national and provincial planning requirements. In terms of service provision, municipalities are required to prioritise the basic needs of the community and to ensure that all residents have access to a minimum level of basic services. The Act clearly provides the mandate for participatory governance in local government affairs and development matters. These principles clearly have critical pro-poor objectives.

## **CHAPTER 3: LITERATURE REVIEW**

### **3.1 Introduction**

The aim of this chapter is to review literature on Developmental local government. This literature review encompasses a number of discourses on developmental local government, which will be discussed shortly. These discourses were chosen because they provided some of the original intellectual roots to developmental local government and are also closely related and interdependent. They are also critical for formulating a conceptual framework for developmental local government. The review undertaken in this chapter will be a qualitative study of recent and authoritative academic and other scholarly writings, as well as legislation and policy directives (statutory and regulatory frameworks) that have given rise to the notion of developmental local government in South Africa since the inception of the new democratic dispensation that commenced in 1994.

### **3.2 Origins of developmental local government**

The genealogy of developmental local government can be traced back to the civic struggles against apartheid of the 1980s. A powerful civic movement had emerged in response to the appalling conditions in black townships and the government's attempts to establish black local authorities in townships without conceding full citizenship rights to blacks. The civic struggles linked local grievances to the cause of national liberation (Steytler & De Visser, 2009:1-13).

After 1990, civics and local authorities in towns and cities across the country began to negotiate local settlements to rent and service boycotts and the amalgamation of racial local authorities. These initiatives established the place of local actors at the national negotiating table the role of local government under the democratic order and the founding concepts of developmental local government, when the final national negotiations process got underway in 1993. Local actors negotiated a new democratic dispensation for local government in the Local Government Negotiating Forum (LGNF). One of the outcomes of the LGNF was the Local Government

Transition Act, 203 of 1993 (LGTA) which outlined the pathway for the transition to full local democracy (Steytler& De Visser, 2009:1-13).

The LGTA set out three phases for local government transition. The first, pre-interim phase (1993-1995) started with the negotiated settlement in 1993 and concluded with the election of transitional local councils in 1995 and 1996. Local governments of unity were established and consensus seeking was promoted through measures such as a two-thirds majority vote to adopt the budget and proportional representation on the executive committee (Steytler& De Visser, 2009:1-13).

The Act provided for provincial commissions to demarcate the boundaries of the transitional urban, rural and metropolitan municipalities, which led to the creation of 842 municipalities governed by transitional councils elected in 1995 and 1996. The elections inaugurated the second, interim phase (1995-2000), which coincided with the term of the Mandela government and the adoption of the new constitution in 1996 and concluded with the first fully democratic local elections in 2000, which would launch the third and final phase. Although the LGTA provided the basis for the democratisation of local government, it did not specifically seek to fashion local government as an agent for development (Steytler& De Visser, 2009:1-13).

With the demise of the apartheid system and its concomitant replacement by a democratic form of local government, the challenge for the newly established structures and elected councillors was to transform deep-rooted socio-political aspirations, particularly those of the poor and marginalised, into tangible, material improvements in living and working conditions. For these social groups, the struggle to dislodge the apartheid system and its practices and the promise for a better life for all could sound hollow were it not to be followed by the elimination of physical and economic discrimination, the creation of opportunities and consequent poverty eradication (Mogale 2003:231).

The municipalities created during the transition phase were confronted with numerous complex problems. Many of these problems are related to overcoming the legacy of the past. Most municipalities have, to a greater or lesser extent experienced a range of problems associated with their administrative staff. Many municipalities have reported skills shortages as some of the more skilled and experienced municipal managers have left council employment. The amalgamation of former white municipalities with their surrounding Black townships brought with it the challenge of creating a unified administration. The unification of administrative structures has frequently led to the over-staffing of municipalities, placing a severe burden on the finances of the council. The other challenges that faced municipalities included inadequate training of municipal staff, lack of disciplinary measures, lack of performance management systems as well as financial crises as a result of non-payment of services (Pycroft 2000:146).

### **3.3 Changing the spatial framework of apartheid**

Pieterse (2002:81), writes that the work of revising the principles and legislation governing the development of land has taken place largely within the Department of Land Affairs. Despite the fact that this ministry has generally not given overt attention to urban areas there is powerful legislation, most notably the Development Facilitation Act (DFA), which promises to transform the spatial legacy of repression. Pieterse, further explore on three major respects in which the DFA is crucial to the changing landscape in South Africa.

Firstly, the overt purpose of the DFA is to provide a mechanism for the rapid delivery of land to historically disadvantaged communities. As such the law supersedes apartheid regulations pertaining to the registration and development of land. Significantly the DFA does not apply only to the development of land for residential purposes but to any land developed in accordance with the principles of the DFA.

Secondly, the DFA establishes that all local authorities will establish Land Development Objectives (LDOs) which must be overtly committed to redressing apartheid injustices. For example, the DFA stipulates that LDOs must develop the skills and capacities of disadvantaged people, promote the establishment of viable communities, meet the basic needs of all citizens in an affordable way and give further content to the fundamental rights set out in the Constitution. Once agreed to, these LDOs will assume statutory power. Application of the LDOs will be monitored by the Development Tribunals. LDOs will be used as a blueprint for Development Tribunals to approve or amend specific Integrated Development Plan (IDP) proposals which is the mechanism that local governments must adopt for planning action, including the eradication of poverty.

Thirdly the DFA establishes a Planning Commission that will review the legislative and institutional framework of planning in South Africa. The terms of reference for the Planning Commission include establishing the mechanisms against which the acceptability of local governments IDPs will be measured. These guidelines will inform the drawing up of LDOs. Crucial to the deliberation of the Planning Commission is negotiating a workable framework for interpreting physical, social, environmental and economic planning. The outcome of the crucial and extensive list of tasks falling to the Planning Commission will ultimately give substance and texture to the municipal planning process and will be crucial determinant of the success of Developmental Local Government (DLG). As in the case of spatial planning, this always had a key place in the activities of local government but has now been reconceptualised and expanded to conform to the goals of developmental local government, so too has the place of local government finance been reinvented.

### **3.3.1 Local government finances**

The increasingly central place given to financial issues in municipal reconstruction connects with the state adoption of the Growth Employment and Redistribution (GEAR) strategy in 1996. The policy is aimed at job creation and economic growth through strict fiscal control and a tough deficit reduction schedule. There is also an

explicit commitment to modernise industries, enhance the competitiveness of exports and encourage technological innovation. Growth Employment and Redistribution has a major implication for the management of local authorities. These include the privatisation of services, the rationalisation of the civil service, the issuing of bonds for municipal investments, and the introduction of principles of budget accountability in local project management. The tension between Growth Employment and Redistribution, and the reconstruction and development planning will be contested at local level within the context of Developmental Local Government (DLG). Crucially, Growth Employment and Redistribution places higher priority on debt reduction than on social spending.

In the municipal context, this means privatisation and the promotion of the principle of cost recovery, which may result either in reduced subsidies targeted at the poor or the introduction of the lifeline tariffs to ensure that the constitutional obligations to providing the poor with basic services are met. In terms of the shift to developmental local government, the principles of Growth Employment and Redistribution are institutionalised insofar as all municipal priorities have to be formulated within the context of a budget that cannot be overspent, and in the context of locally generated revenue (Wooldridge&Pieterse (2002: 82).

What is further at stake is that will also be the local councils could lose their political and administrative autonomy if they are deemed to be mismanaging their finances. In practice the budget will also be arbitrating mechanism for deciding on municipal priorities, thus forcing intersect oral or interdepartmental assessment of local needs for the first time (Department of Constitutional Development 1998).

### **3.3.2 Integrated local government management**

Parnell (2002: 82-3), believes that the post-apartheid state has radically transformed and extended the role of local government. Parnel elucidate that, now the municipality becomes the primary development champion, the conduit for poverty



alleviation, the guarantor of social and economic rights, the enabler of economic growth, the principal of agent of spatial planning and watchdog of environment justice. Under the rubric of developmental local government, the social, environmental, economic and physical challenges and aspirations of communities are to be simultaneously confronted in a holistic vision of sustainable development that will be operationalized at the municipal scale. Although accountable to national and provincial government, the local authority assumes enormous responsibility both for defining and implementing development priorities.

Institutionally, development responses such as the Integrated Development Planning required of all South African local authorities are tools for achieving integrated planning by democratically elected local government structures. The scale of the tasks associated with reorienting the spatial framework of development, of upholding a balanced budget and achieving integrated management has put the spotlight firmly on the fourth pillar of developmental local government that of local autonomy and community based decision- making (Parnell 2002: 82-3)

### **3.3.3 Democracy and local government**

Institutionally, transforming the spatial grid of apartheid and introducing financially accountable, integrated development depends on an active, autonomous but accountable sphere of local government. The notion of wall to wall local government means that every South African will have direct access to democratically elected representatives involved in the management of the local area. Although National legislation co-ordinates individual actions of municipalities (e.g. through the various subsidies or LDOs), the principle is that local community participation and experience will feed back into the revision of legislation and procedure where necessary, thus ensuring the ultimate power of community voice in development. This issue of the autonomy of the local state is thus one of many aspects that set the South African model of development apart. In line with the reformed vision of the tasks of local government, a number of new tools have been proposed for the management of post-apartheid settlements (Parnell 2002: 83)

### **3.4 Aims and Objective of the Local Government Transformation Process**

The Three Phases that categorise the transformation of local government in South Africa are structured in terms of a number of specific aims and objectives (Department of Cooperative Governance and Traditional Affairs, 2004:24):

- Democratising and legitimising the South African system of local government that was previously segregated along racial lines.
- Establishing representative “wall-to-wall” local government for all communities and geographical areas in South Africa.
- Integrating previously segregated local government administrations and budgets in terms of the principle: “One city, one tax base”, in order to achieve a greater degree of social equity.
- Rationalising the total number of municipalities (1262 in 1993 to 284 in 2001), in order to improve local financial sustainability and the redistribution of resources.
- Developing the capacity of local government and managerial leadership.
- Promoting increasing access to resources for local government; and
- Ensuring the participation of communities in all the affairs of local government.

The transformation process required substantial changes to the institutional framework that existed prior to the 2000 elections. The most important of these changes are listed below (Department of Cooperative Governance and Traditional Affairs, 2004:24):

- Good governance and cooperative government with national and provincial spheres.
- A strong focus on service delivery at local level.
- Developing efficient and effective administrative systems.
- Strengthening institutional systems, and
- Ensuring that local government would fulfil its developmental mandate.

The 2003/2004 Local Government Review (2004:24-25) concluded that transformation ultimately rests with each municipality, whilst national and provincial government can enable and support them in a number of ways. These include the following interventions: Establishment of an enabling legal framework; development of a performance management system; increased financial certainty; skills development; and capacity building.

During the sustainability phase (2005-2010), the systems and practices of developmental local government were to be enhanced and consolidated in municipalities. This was to be achieved through comprehensive programmes of support and monitoring, by means of which national and provincial government would stimulate and guide local government towards a more developmental approach.

### **3.5 Vision of Developmental Local Government**

The notion of developmental local government, as being fundamentally developmental in nature and intent, is enshrined in the 1996 Constitution. The White Paper on Local Government (Department of Cooperative Governance and Traditional Affairs, 1998:17) assisted in clarifying exactly what this vision entails in practice. In essence, it defined developmental local government as involving a new approach to govern locally, and a new set of tools which local government could use to foster this approach.

#### **3.5.1 A new approach**

Developmental local government entails an entirely new culture or orientation for local government (2004:25-26). This culture (or orientation) requires of municipalities to start focusing on a clear set of developmental outcomes. These outcomes would include, amongst others: Provision of household infrastructure and services, specifically to those previously disadvantaged; creation of liveable, integrated cities,

and rural areas; local economic development (LED); and community empowerment and redistribution.

### **3.5.2 Exploring new ways**

The Department of Cooperative Governance and Traditional Affairs, in its Local Government Review (2004:25), stated that "... in the drive toward achieving the vision of *developmental local government*, municipalities are continuously required to structure and manage their administration, planning and budgeting processes, differently from the prescript in the past".

The new administrative systems that municipalities must adopt in their developmental approach include: Integrated Development Planning (IDP); performance measurement and management; and the development of structures and systems to enable the active involvement of citizens and communities in the affairs of municipalities (participative democracy and development).

The DBSA in its Development Report (2000:1-2) contributed towards efforts by various institutions (including the Department of Cooperative Governance and Traditional Affairs and the Centre for Development and Enterprise) to enhance our understanding of the concept of *developmental local government*. In this regard the Report stated that "... understanding the concept of developmental local government is not easy".

It further explored this aspect related to the concept *developmental local government* and concluded that the concept had been used in different ways in support of several different objectives. It, therefore, argued that a common understanding of the concept was critical if all stakeholders are to be collectively successful in its implementation and evaluation.

The Report provided the following definition of *developmental local government* to assist in bridging the divide and on reaching consensus on the concept of developmental local government: “*Developmental local government* is a vision for the future form of local governance in South Africa. It points to a system of democratic local government in which the needs of all, but especially those of poor and vulnerable communities, are met by efficient and effective municipalities” (DBSA, 2000:1).

### **3.6 Key Elements of Developmental Local Government**

Developmental Local Government is a relatively new concept within the South African landscape (DBSA; 2000:8). In order to fully comprehend the concept, it is important to *first*, understand the unique context within which the local government sphere was shaped and functioned during the apartheid era, and *second*, the impact and influences that global developments and other elements in the development field (global context) have had on the local government system and its subsequent transformation under a new democratic dispensation.

The Development Bank of Southern Africa (DBSA, 2000:8) argues that South Africa is faced with complex challenges, stemming from both its apartheid past and globalisation. These challenges include (amongst others) the transformation of the institutions of government at all levels, the eradication of the legacy of apartheid, and the facilitation of the integration of South Africa into the global economy.

The 1994 transition to democracy brought about fundamental institutional and operational changes at the national and provincial spheres of government. These challenges were first attended to at the local level; government first focused on restoring local democracy through the municipal elections of 1995, and only thereafter on the transformation of local government structures and systems.

Since the first local government elections held in 1995, government has engaged in a comprehensive evaluation of the role and functioning of the local sphere. This culminated in the White Paper on Local Government (1998) and subsequent legislation (including the Municipal Demarcation Act the Municipal Structures Act the Municipal Systems Act and the Municipal Finance Management Act), which set out the vision for the future of local government according to the Constitutional mandate (DPLG, 2004:27).

This vision *i.e.* developmental local government aims to combine the positive elements of the South African local government system with international best practice (DBSA, 2000:1), whilst it further aims to ensure that local government should be accountable, viable, and capable of delivering sustainable services that meet the needs of communities, especially of people in poverty (Department of Cooperative Governance and Traditional Affairs, 1998:17).

The DBSA in its Development Report (2000:4-8) indicated that this vision of developmental local government encompasses key elements that, when unpacked, provide the historical context of local government in South Africa, whilst simultaneously illuminating the concept, its goals and objectives, as well as the complex challenges confronting municipalities in attempting to realise these goals and objectives.

These elements are listed and then followed by a brief discussion of each: Democracy and delivery; globalisation; intergovernmental relations; settlement patterns; and delivering services:

### **3.6.1 Democracy and Delivery**

The Development Bank of Southern Africa indicates that the conceptual framework established for developmental local government does acknowledge the constraints

and weaknesses of both the transitional local government structures, as well as the inadequacies and failures of the apartheid local government system (DBSA, 2000:15).

During the transitional phase, First and Second Generation Issues (Atkinson, 2002:4-5), the concept of democracy was equated only with the act of voting. This created municipal structures that disregarded (to a greater or lesser extent) the needs and aspirations of their respective communities. Many of the transitional municipalities did not have the capacity to implement either service delivery or infrastructural development.

This inability to initiate and attain development outcomes posed a risk which would ultimately undermine the democratic process and transformation envisaged in the (Department of Cooperative Governance and Traditional Affairs, 2004:5). According to the DBSA (2000:6), the notion of developmental local government is an implicit acknowledgement that frequent local government elections are in themselves inadequate mechanisms for ensuring local democracy.

Developmental local government seeks not only to provide municipalities with an electoral mandate, but also to ensure that the council's mandate is constantly challenged and refreshed through oversight by local communities. To ensure that the new municipalities have the capacity to effect meaningful change, new techniques and working methods are needed to subject the municipal decision-making process to scrutiny by local communities (DBSA, 2000:80).

Developmental municipalities will be required to consult with their respective communities on key municipal policy and decision-making issues. The most important of these are the municipality's annual budget, which determines how a community's resources are allocated and its Integrated Development Plan (IDP) the municipality's strategic planning document against which the council's performance

is measured (Department of Cooperative Governance and Traditional Affairs, 2004:64).

The White Paper on Local Government envisaged that encouraging community participation in municipal decision-making would enhance transparency and accountability, strengthen local democracy and build council responsiveness to local developmental demands (DBSA, 2000:80).

The Department of Cooperative Governance and Traditional Affairs (2004:16-17) stated in its 2003/04 Local Government Review that *developmental local government* must also focus on meeting the needs of poor people. In this regard it states that in the apartheid system, the poor and vulnerable members of society were systematically and institutionally ignored.

Through the segregation of towns and rural areas, apartheid restrictions sought to prevent poor (black) people from encroaching on the consciousness of the privileged white population (DBSA, 2000:6). By preventing the emergence of a black entrepreneurial class and instituting job restrictions, apartheid also prevented black people from accumulating wealth.

As a result, South Africa has a large poor population and also one of the most pronounced disparities of wealth in the world. The Development Bank of Southern Africa, in its Development Report, states that such a disparity is not only morally indefensible, but it is also a major contributor to social instability, which may threaten the newly established democracy in South Africa (2004:17).

Meeting the basic needs of all South Africans is not only an essential requirement for redressing the inequities of the past, but it is also important in normalising the economy in order to achieve the economic growth necessary for sustainable development (DBSA, 2000:35). *Developmental local government* is the key delivery



agent in the provision of many of the basic services - most notably Core Municipal Functions, i.e. the provision of water, sanitation, refuse removal, electricity and housing - that are fundamental to both social and economic development (Department of Cooperative Governance and Traditional Affairs, 2004:17).

Through the promotion of Local Economic Development (LED), municipalities are able to support national economic growth (DBSA, 2000:33). The local sphere of government has been unable to achieve this objective during the transitional phase.

Developmental local government seeks to overcome this weakness and the structural constraints that have prevented the transitional authorities from fulfilling their developmental mandate (DBSA, 2000:2). Developmental local government further aims to restructure and transform municipal governance to meet the demands of the 21st century (DBSA, 2000:2). To this end, the architects of transformation have drawn on South Africa's local government tradition and have also analysed examples of best practice in local governance from around the globe.

Municipal government has witnessed significant transformation throughout both the developed and developing worlds, as new techniques have been introduced to deliver local public goods. These techniques are collectively known as "new public management" (DBSA, 2000:2). They draw on private sector management techniques and introduce them into the public sector.

These techniques include (amongst others) the following concepts: tools and management approaches, concepts of quality, customer orientation, performance management and privatisation (DBSA, 2000:2; Atkinson, 2002:9).

### **3.6.2 Globalisation**

Developmental local government is also concerned with facilitating South Africa's reintegration into the global economy. In its Development Report, the Development Bank of Southern Africa (2000:17) argued that the country's reintegration into the global economy required the reorganisation of its governance system at all levels.

Globalisation requires that national governments adapt the management of their economies to take advantage of new opportunities and reduce any harmful impacts. In developing countries, this usually requires both economic and state restructuring. The introduction of developmental local government is presented as the state's initiative to restructure local government as part of a strategy to facilitate the country's development and integration into the global economy (Department of Cooperative Governance and Traditional Affairs, 2004:25).

### **3.6.3 Intergovernmental relations**

Section 151 of the 1996 Constitution defined the position of local government within the system of intergovernmental relations, as that of a "sphere" of government rather than that of a "tier". This simple assertion has had enormous ramifications for developmental local government (DBSA, 2000:29). Rather than being administered as a subordinate tier of national government, Section 151(1&2) provides for local government to exercise a degree of autonomy, i.e. being independent from both national and provincial spheres.

However, in terms of Section 156(3) of the 1996 Constitution the national level of government has the overall responsibility for ensuring that national policy priorities are addressed. According to Sections 151 and 156(3) of the Constitution, striking a balance between autonomy and interdependence, will require political leadership and guidance at every level of government, regardless of mechanisms provided for in the Constitution to overcome any differences that might arise.

The Intergovernmental Relations Framework Act 13 of 2005 envisages effective intergovernmental coordination through the establishment of new forums that tie together the three respective spheres of government.

The Development Bank of Southern Africa has reasoned that the 1996 Constitution positions local government at the cutting edge of developmental activities. This central position assigned to local government implies four structural changes to the status of local government (2000:35):

- Functions should be decentralised to the municipal sphere to ensure that local councils have the necessary power and responsibility to support development.
- The demarcation of new municipal boundaries must overcome the structural weaknesses of the transitional phase.
- Municipalities should have appropriate administrative capacity to reach their developmental goals. This can be achieved through restructuring the existing staff complement to ensure that municipal posts (particularly managerial positions) are filled by appropriately trained and experienced staff. Restructuring can be augmented by capacity-building initiatives.
- As more powers and functions are devolved to municipalities, experienced staff at the two higher levels of government could be redeployed to strengthen the administrative capacity at local level. And
- Developmental municipalities need to be funded equitably to supplement income derived from local revenue sources through the equitable share and grant mechanisms.

In its Development Report, the Development Bank of Southern Africa states that the response to the development of a local “sphere” (as opposed to a third “tier”) of government has been received with varying responses and results (2000:34). The most noticeable example of this assertion by the DBSA is addressed in the 2003/2004 Local Government Review: During the transitional phase, when legitimate

local government had yet to become fully functional, national and provincial departments developed delivery mechanisms that tended to bypass the municipal structures.

In this way institutionalised national programmes required limited involvement by municipalities. The Departments of Provincial and Local Government argued in their 2003/2004 Local Government Review that the principles of developmental local government endeavoured to overcome this top-down approach and ensure that municipalities should become the “drivers” of government initiatives (2004:17).

The Development Report (DBSA, 2000:3) highlighted the importance of the demarcation process in the creation of viable municipalities. Although the Demarcation Board (established in terms of Act No. 27 of 1998) did not consider financial viability to be a key determinant in establishing new boundaries, the creation of larger municipalities that captured greater economic activity might have the potential to address some of the constraints on their viability.

Demarcation is, however, only one of a number of factors that need to be considered when evaluating the viability of municipalities (Department of Cooperative Governance and Traditional Affairs, 2004:18-21). Others include property taxation, municipal service delivery options, borrowing and equitable shares, all of which will determine whether the developmental municipalities will be able to overcome their financial vulnerability.

#### **3.6.4 Settlement patterns**

The Development Bank of Southern Africa argued that the new municipal structures should not operate in a static environment (DBSA, 2000:3). South Africa is a rapidly changing and dynamic society. The decisions people take about where they live

whether to move from one town to another or from rural to urban areas are all influenced by a complex set of macroeconomic, localised and personal factors.

Recognising the interaction of these factors and their impact on settlements is of crucial importance to municipalities if they are to utilise their limited development resources effectively (DBSA, 2000:55).

The Development Report (2000:53) scrutinised the factors that determine where people might choose to live, and the impact that municipalities can have on such choices. In the Development Report, it is argued by the DBSA that, in response to the current rapid rate of urbanisation, policy and development efforts tend to focus on the metropolitan areas.

These areas do admittedly require careful consideration. They can attract economic migrants who perceive employment opportunities, housing, education and social welfare services as being concentrated in urban areas. However, a rapid influx of people can undermine the ability of a municipality to meet the development needs of both the new arrivals and its existing population.

The DBSA (2000:58) underlined the need to focus on smaller towns and on urban rural linkages to improve opportunities in non-metropolitan areas. The Report, therefore, argued that the enhancement of sustainable livelihoods in small towns and rural areas would stimulate more balanced development, and afford metropolitan municipalities the opportunity to develop their infrastructure and address the needs of their poorer communities.

### **3.6.5 Delivering services**

The legislative framework initiated by the White Paper on Local Government (1998) process aimed at creating the basis for viable local government, thus ensuring that individual municipalities would become responsible for service delivery to meet the development needs of their communities (Department of Cooperative Governance and Traditional Affairs, 2004:24).

Municipalities are now, more than ever, the delivery-arm of the government, and are committed to meeting the basic needs of all South Africans (White Paper on Local Government, 1998:17-21). The national sphere initiates and promulgates the legislative framework within which service delivery can operate.

In terms of Chapter 7 of the 1996 Constitution, the national sphere of government is aiming to decentralise service delivery to the local sphere. This matter was reiterated by the former President of the Republic (President Mbeki) in the State of the Nation Address delivered to Parliament on 6 February 2004, when he emphasised the critical role that local government must assume in this regard.

“Delivering development” to its communities requires that municipalities explore the nature of municipal service delivery in order to establish its core service delivery function. The Development Report argued that South Africa is moving away from the basic needs approach in which national departments determined needs and made provision for a basic level of services (2000: 62). This approach was unsustainable, as many low-income households could not afford the minimum level of services, and those that could afford services demanded a higher level of provision. The basic needs approach may have contributed to some municipalities not being viable. Developmental local government requires that it be replaced by a “demand-responsive” approach, in which the level of services is negotiated between the consumer and the provider (White Paper on Local Government, 1998:15).

The DBSA is in agreement and argues that such interaction is best achieved at local level, with the municipality being directly involved in the negotiations as service arbiter or service provider (2000:70).

As part of various interventions, two new management tools for improving municipal service delivery, the Integrated Development Plan (IDP) and the Municipal Performance Management System, are the keys to more effective and efficient service delivery (Department of Cooperative Governance and Traditional Affairs, 2004:52 & 59). The IDP is a strategic planning tool that enables municipalities to coordinate the activities of all development agencies in their own areas of jurisdiction.

In theory, the IDP should coordinate the municipality's capital expenditure, the investment activities of the private sector, and the development expenditure of the provincial and national spheres (Department of Cooperative Governance and Traditional Affairs, 2004:60). The DBSA argued that these objectives, integrated planning and measuring performance are laudable, but that municipalities currently have insufficient capacity for achieving them (2000:95-99).

Municipal performance management is being introduced to enable municipalities to establish whether or not their service delivery methods provide optimum value for money and efficiency (Department of Cooperative Governance and Traditional Affairs, 2004:59). The Department of Cooperative Governance and Traditional Affairs indicated in the 2003/2004 Local Government Review that performance management was neglected during the early stages of the transitional phase, and added that it was impossible to determine whether individual municipalities were performing well (2004: 22).

A uniform approach to performance management allows for a comparison of municipal performances, enabling provincial governments to direct their capacity

building initiatives towards underperforming councils (Department of Cooperative Governance and Traditional Affairs, 2004:26).

One of the main debates around developmental local government concerns the methods of service delivery (DBSA, 2000:4). According to its Development Report, the Development Bank of Southern Africa argues that the transitional phase has demonstrated that the country lacks sufficient resources for the public sector to deliver all public services.

The Report concluded that, without the financial and managerial capacity of the private sector, developmental local government would be unable to address service delivery backlogs and infrastructural needs (2000:99). The Report further advocated a pragmatic, common sense and non-ideological approach to Municipal Service Partnerships (MSP), based on efficiency and value for money (2000:46). These partnerships should be entered into on terms favourable to the municipality and the local community respectively, where value for money is clearly demonstrated and the standard of service ensured.

Municipal Service Partnerships do not, however, relate only to service delivery (DBSA, 2000:73). Municipalities should actively coordinate and promote Local Economic Development (LED). The Development Report discusses the role of LED and how to ensure enhanced LED. In this regard the role of municipalities in actively encouraging inward investment, by providing services and sites to the private sector, is emphasised (2000:74).

Various municipal services (roads, electricity, water and sanitation) can significantly affect the investment decisions of both large and small companies. Municipalities can also stimulate LED by designing purchasing and procurement policies that support local companies and emerging contractors and, in this way, grow the local economy. According to the DBSA, Local Economic Development is one of the



objectives of developmental local government, but it is argued that LED planning remains significantly underdeveloped among the non-metropolitan municipalities (2000:73- 74).

### **3.7 Nature of Developmental Local Government**

According to Craythorn (1997:13), developmental local government is multidimensional because it operates in a number of dimensions, and is a living and dynamic organism. The dimensions in which it operates include political, economic and legal or statutory dimensions.

#### **3.7.1 Political Dimension**

Cloete (1993: 33), points out that politics played a role in developmental local government, because decisions taken, although in some cases purported to be the non-political were always political. Fox and Van Rooyen (2004:121), then aver that, because of that it is required to ensure that local politicians adhere to the tenets of democracy, that is local politicians in rural areas must be transparent in and accountable for their actions. Rural local politicians' failure to adhere to or uphold these tenets can lead to a proportionally elected councillor being removed from office. Traditional leaders are not elected into office but hold office by virtue of birth that is only children born of royal family can ascend the throne can be held accountable. Thus resistance could be developed to traditional leader's participation in rural local politics in a democracy. (Ministry for Provincial Affairs and Constitutional Development and White Paper on Political committee, 1997:28)

#### **3.7.2 Economic Dimension**

In terms of Section 152(1) of the Constitution of the Republic of South Africa, 1996, one of the roles and functions of developmental local government is local economic development (LED). This is a rural local initiative intended to stimulate rural economy. LED's role and function is to create a rural local economy that is capable of creating employment required for development, and will enable rural local communities to pay for their services. This will in turn create a revenue base for the

developmental local government. Developmental municipalities with a strong economy will result in fewer municipal dependants on the Amathole District Municipality and South African National governments. That will further more be capable of delivering essential services to the rural communities.

According to the White Paper on Local Government (1998:18) states that municipalities are not directly responsible for creating jobs, they can however, provide good quality, cost-effective services and make the rural municipal areas pleasant places to live decent lives in and work to attain an acceptable livelihood. It is deduced that the developmental municipalities such as the Amathole District Municipality, can adopt policies such as affirmative procurement policies wherein municipal contracts are linked to social responsibility, speeding up approval procedures, or pro-actively identify and realise land for development. These are activities that boost investor confidence and, thus promote local economic development.

The International Republic Institute and the National Initiative (1998:v), in its introduction to the developmental roles and functions of municipalities in economic development, indicate that changes in South Africa, and the world as a whole, should challenge municipalities to play a more active role in supporting rural local economic growth and development. This mandate is also provided for by the Constitution of the Republic of South Africa, 1996, in which developmental local government is mandated to promote the social and economic development of municipalities serving rural communities.

In his opening address to Parliament on 7 February 1997 (Mandela, 1997:3), the former President of South Africa, reiterated the need to train elected municipal councillors so that they could appropriately, effectively, and efficiently engage in matters of rural local government development, such as attracting investment, housing and the provision of infrastructure.

The International Republic Institute and National Business Initiative (1998:3), also provide that local economy is necessary because it will create needed jobs for the relevant municipal communities. This in turn will create a revenue base for developmental local government because residents will be able to pay for services provided. A strong revenue base for developmental local government will enable developmental procedures and actions in the municipalities of Amathole to provide more, better and more appropriate, efficient and effective services. It will also enable developmental municipalities to focus on developmental duties. In order to stimulate the local economy, developmental locally oriented municipalities should provide political leadership, adopt policies to promote economic development; explore the economic potential of their resources; promote their area; and take the initiative in creating an environment that attracts investment.

### **3.7.3 Legal or Statutory Dimension**

Chapter 7 of the Constitution of the Republic of South Africa, 1996 makes provision for the establishment of local government as a third sphere of government. This provides a framework for the roles and functions of local government, which are implemented through inter alia the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998).

Chapter 12 of the Constitution of the Republic of South Africa, 1996 recognises traditional leaders, but fails to define their roles and functions in developmental local government because section 212 of the Constitution does not provide for the specific roles and functions for traditional leaders in matters affecting rural communities. According to Craythorne (1997:13), under pre-1994 provincial legislation, municipalities were classified as corporations. These classifications gave municipalities the status of a corporate body i.e. a juristic person. In terms of the provisions of the Constitution of the Republic of South Africa, 1996, municipalities no longer considered as corporate bodies, they are entrenched in the Constitution as a sphere of government.

### **3.7.4.1 Constitutional status**

The Constitution of the Republic of South Africa, 1996 does not explicitly mention the right to development. However, Chapter 2 of the Constitution, 1996 inter alia recognises and protects the right to human dignity, equality, democracy, equity and justice. These form part of the right to development. Therefore, it can be argued that the right to development forms part of the constitutional law of South Africa. The preamble to the Constitution issues a mandate to the elected representatives to, inter alia; improve the quality of life of all residents to free the potential of each person, and to build a united and democratic South Africa, enabling it to take its rightful place as a sovereign state in the family of nations. The preamble also reflects the values on which the right to development is based. The elected representatives are the leaders of the people of South Africa. Their mandate is to ensure the development of South Africa and its people.

In terms of Section 151 of the Constitution, 1996 the local sphere of government is made up of municipalities, which cover the whole territory of South Africa, each with its own initiatives, subject to national as well as provincial legislation, and the relevant provisions of the Constitution. The Municipal Structures Act, 1998 read with the Local Government: Municipal Demarcation Act, 1998, (Act 27 of 1998) especially sections 24 and 25, further explain and define the nature and scope of the developmental functions and expected outcomes of these activities.

Every municipality should, within the limits of prevailing resource constraints, strive to achieve the general objectives in terms of section 152 of the Constitution. These include: to encourage the involvement of communities and community organisations in the matters of developmental local government; to provide democratic and accountable government for communities; to promote a safe and healthy environment; ensuring the provision of services to communities in a sustainable way; and promoting social and economic development.

### **3.7.4.2 Involvement of community**

In the new system of developmental local government, municipalities are meant to be firmly embedded in the residents. A defining feature of the new system of local government is the space it offers to ordinary people to become actively involved in local governance. In fact, the legal definition of a municipality, in terms of the Local Government: Municipal Systems Act 32 of 2000 is that it comprises not just the councillors and the administration, but the local community as well (Carrim, 2001:32).

The system of developmental local government is not complete without effective public participation structures and systems. Good governance requires civil society to participate in decision-making at all spheres of government, most notably at local government sphere, because of its closeness to the people at grass-roots level. This citizenry includes the poor, the illiterate, rural people, and people with disabilities, women, workers, and the business community. Matters of governance should not be left in the hands of a small elite group. True democracy is demonstrated by the way the leaders in government manage to pull along with them the voting public, especially in testing and difficult times.

In South Africa, public participation is not a privilege, but a constitutional right. This is given more prominence by the fact that Chapter 1 of the Constitution of the Republic of South Africa, Act 108 of 1996, emphatically states that the Constitution is the supreme law of the Republic and that any other law or conduct in conflict with it is invalid and that the obligations imposed by it must be fulfilled. The need for public participation in government, as required by the Constitution, must therefore be met. This constitutional provision puts an obligation on government to establish public participation structures and systems. However, public participation must be pursued, not only to comply with legislation, but also to promote good corporate governance.

For effective community participation to take place, the community must understand how government operates; not only local government, but all spheres of government. All spheres of government must, therefore, empower communities to ensure effective and meaningful participation in matters of government.

But despite repeated calls for people's participation in development, the term 'participation' is generally interpreted in ways, which cede no control to local people (Pimbert, July 2003: 23). Thus, in pursuing the involvement of communities, the development planning system, according to Davidson (1998: 14), has proved something of a disappointment. Davidson (1998: 14); FCR (2002:5), SAAPAM (September 2000: 212) and World Bank (1992: 4), argue that some people would point to community involvement as one of the causes of delay in the planning system, while others suggest that a tokenistic approach is too often taken with real power being retained by planning officials and council members. Pimbert (July 2003: 23) adding to the tokenistic approach referred to by Davidson (1998), by saying that while officials recognise the need for people's participation, they place clear limits on the form and degree of participation that they are prepared to tolerate in the local context

But another view would suggest that the promotion of public participation is a waste of resources as the response is often too apathetic (Davidson, 1998: 14). Participation is a costly exercise, which raises premature expectations (Ballard, 1994: 86; World Bank, 1992: 4). Participation can easily be transformed into manipulative designs which in the end do not meet the people's needs (Sachs, 1993: 118). Arnstein (1969: 217) refers to manipulation as a level of 'non-participation'. This form of participation is conducted in a disguised manner in order to substitute genuine participation. Manipulation takes place when people or community or civil society members are placed on rubberstamp advisory committees or boards for the express purpose of 'educating' them or engineering their support by officials (Arnstein, 1969: 218).

These forms of participation could be misused by state officials in order to further their own agenda but at the same time they are fulfilling statutory requirements in the context of the IDP. Officials present at these participatory forums as mentioned by Pimbert (July 2003: 25), do not concede any share in decision-making and they are not under any obligation to acknowledge people's views. Although the community-based participatory structure should be representative of all and is regarded as essential in development planning, there is the possibility that the dominant elitists could exclude the majority of ultimately acknowledge that participation as the first building block of development could 'improve the voice of local people' and empower communities with resources and authority. Despite economic and political cost, municipalities will find that participatory development can produce benefits, both short and medium term. Through public the disadvantaged groups from issues of community concern (Ballard, 1994: 86).

On the other hand, excessive participation of people 'less experienced' in project management and municipal finances, can also be a potential stumbling block as these communities are not held accountable for the failure of projects which they helped to design and implement (Davids, September 2002).

Davids (September 2002) further mentioned that public participation in the local government process also provides the conditions for the emergence of alternative power bases to elect structures of local government, thereby representing the interests of a given community. These forms of behavior could derail the participation process of the IDP's and in so doing hamper service delivery. Irrespective of the critical stance of some authors, local government officials should ultimately acknowledge that participation as the first building block of development could 'improve the voice of local people' and empower communities with resources and authority.

Despite economic and political cost, municipalities will find that participatory development can produce benefits, both short and medium term. Through public participation in the IDP, councilors could be held accountable by communities to deliver better quality and demand-responsive services, to improve utilization and maintenance of governmental facilities and services (Bekker, 1996: 153) and to increase public recognition of governmental achievements and legitimacy (World Bank, 1992: 4). This in turn promotes sustainability (Ballard, 1994: 86).

We must note that the assumption that participatory planning is a costly, time-consuming or drawn-out process is therefore not necessarily true. Provided that the community trusts its officials, participation can be a very efficient process. Also, there appears to be consensus in the international community that the benefit of community participation outweighs its costs (SAAPAM, September 2000: 212).

#### **3.7.4.3 Providing democratic and accountable government**

This study proposes that accountability should be based on an overall concept of government. This approach emphasises not only political representation and the supremacy of political structures in the accountability process, but also the interactive processes with civil society. Within the holistic conceptualisation of democratic accountability, the strategies for ensuring democratic accountability would be expanded beyond the formalistic preoccupation with legal and financial accountability.

Accountability should at least include structures that maximise community participation in the use and allocation of resources, organisational structures and service processes, which in turn should ensure transparency, and structures and mechanisms that protect communities against the alleged non-delivery of services by the developmentally oriented municipalities (Sing & Moodley, 2003:101).



#### **3.7.4.4 Promoting a safe and healthy environment**

One of the challenges of contemporary's developmental local government, according to Venter (2001:215), is to strike a proper balance between economic development which often means industrialisation and its concomitant, negative impact on the environment and the promotion of a safe and healthy environment.

The interests of people with disabilities should be addressed since people with disabilities are members of society and have the right to remain within their communities (Ministry for Provincial Affairs and Constitutional Development, 1998:32). Developmental municipalities such as ADM should provide an environment accessible for people with disabilities, by means of enacting by-laws that facilitate development; ensuring equal opportunities; and protecting communities against discrimination and any violation of their human rights. People with disabilities should be represented on municipal councils to make the legislative and policy making process more conducive to the needs and interest of people with disabilities.

Municipalities should provide an accessible environment for disabled people to facilitate their independence, by means of: accessible lower socio-economic housing, the accessibility of existing buildings, pavements, recreational and sport facilities. Municipalities should assist the process of empowering people with disabilities to enable them to provide in their own needs, by training in the field of economic empowerment (establishment of home industries); the provision of suitable land and or venues for the establishment of economic activities, waiving of property taxes; and the employment of people with disabilities on a non-discriminatory basis (Ministry for Finance, 2005:11).

#### **3.7.4.5 Provision of sustainable services to communities**

According to Venter (2001:215); Fox and Van Rooyen (2004:121) and section 17 of Municipal System Act, 2000 sustainable service delivery illustrates that municipalities are service rendering institutions. Such services are rendered to satisfy the needs of

the people. Sustainability in assuming the developmental mode of operation could mean that, once commenced, the service should continue into the future and not be easily abandoned. A service is also only sustainable if it is affordable and addresses a real need of the community.

#### **3.7.4. 6 Promoting social and economic development**

According to the Ministry for Provincial Affairs and Constitutional Development (1998) (now Department of Co-operative Governance and Traditional Affairs), the aspects of social and economic development are relatively new to developmental local government and have not been part of their traditional functions in the past. Social developments include parks and recreational services as a function of developmental local government. Economic development can only take place if a municipality has adopted its own Local Economic Development plan (LED). This could be a strategic plan or, alternatively, part of its Integrated Development Plan (IDP) (Venter, 2001:217; Cloete, 1998:305; Institutional of Republic Institute, 1995:195; Fox, 2004:60).

Section 153 of the Constitution, 1996 provides that municipalities should manage and structure its administration budgeting and planning processes to give priority to the basic needs of the community; to promote the social and economic development of the communities; and participate in national and provincial development programmes. The duty to develop, as envisaged in the Constitution, 1996 should enjoy priority when managing the administration of municipalities. Not only should traditional leaders and elected municipal councillors focus on the basic needs of the communities, but they should also actively promote the social and economic development of those communities. It is part and parcel of the development duty of municipalities to participate in national and provincial development projects.

### **3.8 Local Government and Their Developmental Role in South Africa**

#### **3.8.1 The Role of Local Government in Poverty Reduction Process)**

Van Rooyen (2003) is of the view that South Africa does not have a culture of actively engaging communities in Local Government development affairs and in the poverty alleviation process. Democracy has brought a new emphasis to transparency in government activities, greater accountability and the notion of respect for human rights through creating the atmosphere for achieving human and social development and poverty alleviation (Van Rooyen, 2003).

This approach significantly differs from the old style paternalistic approach to managing development where community information and consultation was limited. Development planning, Local Economic Development projects, various forms of municipal partnerships, municipal taxation and service rating issues aimed at poverty reduction and alleviation all require effective community participation processes (Van Rooyen, 2003). This involves decentralisation as well as efforts to mobilize and strengthen civil society structures, processes and institutions at lower levels of government. This has to be done in such a way that will allow their relationship with the central and subnational government to be more interactive and mutually reinforcing, in which the challenge of poverty reduction will not be reduced to a government or individual responsibility but will be joint responsibility (Mogale, 1995).

Municipal government has undergone a difficult transition since 1999, which witnessed the amalgamation of urban areas and their rural hinterlands and the combining of several urban areas within which single municipalities thus reducing the duplication of senior staffs, the consolidation of municipalities into uniform spatial areas that make sense from an economic, topographical and infrastructural point of view and the inclusion of richer and poorer areas, thus making some redistribution possible (Atkinsons, 2002).

Local Government should play a pivotal role in reshaping and strengthening local communities, by intensifying service delivery, especially to the poor and thereby deepening the foundation for the democratic, integrated, prosperous and non-racial local community (Mogale, 2005).

Local government authorities are challenged to develop programmes and design services to address the needs of people with different experiences and status because it is at this tier of government that close and trusting relationships have to be built between municipalities, individuals, interest groups and the whole communities (Mathye, 2002). This has been made obligatory of the South African Municipal Systems Act of 2000, which obliges local authorities to clearly determine explicit development strategies, which can reduce poverty, and to consult with communities (RSA, 2000). Vanderschueren et al (1996) repeat that approaches to poverty reduction at the municipal level should be designed in ways that are meant to strengthen and complement (rather than replace) those anti-poverty strategies implemented at macro- and micro-levels.

The National Government in its quest to bring the Government closer to the people has sought to use Local Government as a key to achieve this (White Paper, 1994). Local Governments, according to the Constitution of the Republic of South Africa (Act 108 Of 1996), are required to serve a political representative function with active community participation in order to achieve service delivery, social and economic development and a healthy environment. In other words, they are to give priority to meet local needs through service delivery, local economic development, spatial planning and health care planning (RSA, 1996[a]: 153).

The needs of the communities are addressed through a variety of approaches and mechanisms by the different spheres of government. Developments such as Integrated Development Planning (IDP) and Local Economic Development (LED) have been and continue to be experienced in the local sphere of government and as

such local communities should be afforded the opportunity to articulate their expectations and to prioritize their needs (Mathye, 2002; Van Rooyen, 2003).

Van der Walt & Knipe (1998) and Coetzee et al, (2001) however reiterate that it is necessary that communities be informed and made aware of and even be educated on the basis of what developmental role of local government could afford them, and that they are made stakeholders in municipal affairs in one way or the other. In the same vein, Korten (1990:67-680) emphasizes that the process of development is based on '... personal and institutional capacities that acknowledges the fact that only people themselves can define what they consider to be improvement in the quality of their lives'. Mathye (2002) stressed that the community also need to be aware that in reality resources constraints are prevailing and therefore in most cases, projects and resources allocation are provided on the basis of priority.

As revealed by Moser (1998, 1996), the greater asset of the poor is their capacity for labour. Accordingly, municipal actions towards employment creation can represent important options for poverty alleviation. Indeed, it is stressed that 'employment generation as the means for alleviating urban poverty has historically been one of the major strategies for alleviating poverty in the developing world' (Stren and Gombay, 1994: 16). A range of local government interventions in the developing world have facilitated job creation and assistance to poor communities. The key area for policy consideration relates to support for the activities of the survivalist informal economy, including a range of home-based enterprises, and of micro-enterprise activities (Stren&Gombay, 1994).

The essential task of poverty programmes or initiatives introduced at any level of government is to enhance the asset based of poor communities, households and individuals by improving their access to physical and social assets (Stren&Gombay, 1994). Mokate (2001) is one of the view that the key issue for local government in meeting the basic needs of the people is to ensure that their own service provision prioritises are in line with the national framework of meeting basic needs, which

include health care, basic education, housing, social security, water and sanitation. The importance of providing social and economic infrastructure for poverty alleviation cannot be over-emphasized. Local authorities have an important role to play in the proper targeting of services and programmes that will reduce and alleviate poverty (Bird et al., 1995).

### **3.8.2 The role of Developmental Local Government**

Municipalities in South Africa are at a critical juncture in their developmental mandate Atkinson (2002) hinted that since 1994, when the transition to democracy took place in South Africa, South Africa inherited a dysfunctional local government system, based on inappropriate jurisdiction, structure and programmes. Municipalities are now required to become the foremost development agencies within the government system. It is pertinent to state that, municipalities must not only undertake a variety of infrastructural projects, they must also define and implement complex social and economic development projects (Atkinson, 2002), which many is a very real challenge given capacity and resource constraints.

International and national experiences indicates that the activities of local government, rather than national programmes, may be the most critical interventions for local level poverty reduction, for addressing inequality and, more specifically for providing an environment that maximises the potential and short-circuits the tendencies of the informal sectors (Isandla Institute, 1999). Mathye (2002) echoes the same view that several mechanisms in the local sphere are meant to facilitate transformation in the way services are delivered. She also identified other mechanisms aimed at facilitating participatory and inclusive development.

Atkinson (2002) highlighted the importance of local government in this regard, based on several key factors; firstly local government is intrinsically multi-sect oral. It is the only sphere of government that has the mandate to bring together a variety of sectoral issues within one developmental policy, programme or project;

Secondly, local government is closest to the people. The municipal officers in most cases located closer to the residents than other levels of government, which makes it easier for access. More importantly, the ward system of representation, unlike the proportional representation system at the provincial level and national level, indicates that councillors must attend to the needs and interest of specific neighbourhoods.

Thirdly, real development requires on-going involvement with beneficiaries and communities, whether in the form of leadership development, institutional, capacity-building, public participation in planning or project implementation and more frequently conflict management.

In a real sense for development activities to succeed, they must be based at a level of government that is staffed by people who are physically accessible to residents and who preferable live within the local community (Mathye, 2002). Mogale (2005) concurs with the above view that local governance reinforces the opportunities for citizen-state interaction and potentially better address concerns close to the hearts of the local poor.

Bagchi (2000: 398) argues that a developmental local government is one 'that puts economic development as top priority and is able to design effective instruments to promote such an objective'. The instrument identified include, forming new formal institutions, the weaving of formal and informal networks of collaboration among citizens and officials and the utilization of new opportunities for trade and profitable reduction (Mogale, 2005). Atkinson (2002) pointed out that government is a means and not an end. It should however be seen as the tool and instrument to achieve a desired (developmental) end. She stressed that a development-oriented government is one that has designed its internal relationships in a way that specific developmental goals are achieved

The past ten years in South Africa has witnessed greater progress in designing municipal system and governmental principles intended to promote sustainable development, through development oriented government structures and governance systems in South Africa (Atkinson, 2002). Based on the issues outlined above, Atkinson, Pycroft and s host of other authors highlighted that local government has a key role to play within the development renaissance in Africa, which has already begun in South Africa.

### **3.8.3 Developmental Local Government: The Experience thus Far**

According to Heller (2008: 153), “there are two desiderata of DLG: efficiency and participation”. Both desiderata are pivotal to development. In the context of South Africa, both efficiency and participation are central to the reconstruction process. On the one hand, service delivery has to be fast tracked if municipalities are to eradicate poverty and service backlogs. On the other hand, participation has to be encouraged and nourished to realise ‘people’-driven development. Thus, the two desiderata should be prioritised.

Heller states that (2008: 153) technocrats, as advocates for efficiency believe that too much participation can overwhelm new and fragile institutions. Equally, association lists, as advocates of participation believe that an over-emphasis on institution building crowds civil society (Heller, 2008). These contrasting positions capture the “fault line” of South Africa’s DLG programme (Heller, 2008: 154). As it has happened, DLG in South Africa has tended to be driven by efficiency, hence the formalisation of participation through a series of legislation (Heller, 2008). This has culminated into various power struggles and tensions between top-down directives and bottom-up implementation (Pieterse and van Donk, 2008: 62).

Comparatively speaking, this differs from the case of Kerala (India) and Porto Alegre (Brazil) where participation is not guided by legislation but emerges as a genuine process from grassroots level (Heller, 2008). The expectation was for South Africa’s



DLG to follow the same pattern as that of Kerala and Porto Alegre because the apartheid legislation had disabled the majority of people from participating in governance issues. However this was not to be the case; “a once strong social-movement sector has been incorporated and or marginalized by the ANC’s political hegemony, with the result that organized participation has atrophied and given way to a bureaucratic and commandist logic of local government reform” (Heller, 2001: 134). Thus, the institutionalisation of participation for Heller (2008: 159) is part of the political logic to consolidate power.

The move to institutionalise participation is a product of NPM and the political calculation to consolidate power by the ruling ANC party. Thus, over the years the South African government has enacted legislation to formally institutionalise participation. This means that participation as envisaged for DLG is procedural. The RDP White Paper (1994) began to show the influence of NPM in ANC policy (Harrison et al., 2008: 48). Similarly, traces of NPM were also evident in the 1995 White Paper on the Transformation of Public Service.

The Development Facilitation Act (DFA) of 1995 is one of the first pieces of legislation. The DFA called for all local authorities to embark on a participatory process of establishing Land Development Objectives (LDOs), which must be overtly committed to redressing apartheid injustices (Parnell, van Donk and Pieterse, 2002: 81). It also creates two centres of power. For example, in the case of the LDOs, the DFA calls for a people-driven process. This means that officials involved in the formulation of LDOs are accountable to communities. But, the DFA also states that local authorities are accountable to Provincial Development Tribunals. In this instance, the maximisation of participation is unlikely because local authorities will be driven by the need to meet key deliverables as prescribed by the Development Tribunals. Institutionalising the participatory process, however, also tends to limit the creativity of civil society (Heller, 2008).

Like the LDOs, IDPs are instruments for DLG. Although IDPs were presented as a bottom-up approach to development, this was not to be the case. According to Harrison et al. (2008), IDPs were devised by national government to direct local government towards national objectives. This is different from a perspective that sees IDPs as a locally negotiated product that is based on dynamics and priorities of a certain locality. IDPs are expressions of governmental investment and activities in a given locality, and the DPLG has referred to them as Intergovernmental Relations (IGR) impact zones (Pieterse and van Donk, 2008: 62). Under the IGR thinking, strategic priorities of municipal IDPs are informed by the plans from national and provincial government.

Harrison (2008) argues that the IDP has a narrow focus of efficiency as it is mainly concerned with introducing a corporate culture to the public sector management (Harrison, 2008: 352). This is because good governance as expressed in Third Way politics is contradictory. The Third Way administrative model is based on three key elements: joined-up government, performance management and participatory governance (Harrison, 2006: 189). Joined-up governance entails: inter-governmental planning; performance management emphasises the imperative to set up monitoring process that will ensure rational budgeting and outcome based performance evaluation; and participatory governance seeks to establish a culture of collaborative governance as prerequisite to promote a more participatory of citizenship (Harrison, 2006: 191-2).

Harrison (2006) states that there are contradictions between the idea of collaborative governance and the performance management culture, which places officials under enormous pressure to attain targets within specified timeframes. This is because the complexity associated with community participation makes it difficult for officials to pin down timeframes. Pieterse and van Donk (2008) also note that there is tension between the technical and political accountability. In this regard, officials tend to give impetus to Key Performance Indicators (KPIs) instead of participation.

Performance under NPM is driven by “indicators and targets expressed in contracts” (Schmidt, 2008: 117). The South African NPM experience is one wherein the goal for efficiency has seriously hampered participation. The international case studies of Kerala and Porto Alegre show that this does not have to be the case. Lessons from both case studies nullify the belief that participation and efficiency cannot co-exist as desiderates of DLG.

Heller (2008: 168) argues that it is possible to create institutions that nurture meaningful forms of citizen engagement. In turn, this leads to a nuanced DLG. For example, in Kerala and Porto Alegre, increased citizenry participation contributed positively to the DLG agenda. In this vein, Heller (2008) argues that participation has led to the creation of new forms of institutions (thus, contributing to the institutional building) and has also led to socially cohesive communities. Therefore, there is an urgent need to improve the desideratum of participation in order to consolidate DLG. The 2009 State of Local Government Report has also highlighted that of participation is missing in South Africa’s DLG system.

However, seventeen years after laying the basic foundations for DLG, its aims have not been realised. There is general agreement that municipalities are a long way from achieving the objectives of DLG as set out in the 1998 WPLG. Instead of leading to a balance between the two desiderata of efficiency and participation, decentralisation under Third Way politics in South Africa has prioritised the technocratic and institutionalist imperatives of NPM over that of democracy, inclusion and participation. Participation is seen by the ruling party as a complementary process to national plans that are formulated by central government (Heller, 2008).

Little space exists for communities to influence the development agenda. The South African case is one whereby the over-institutionalisation of the participatory process has empowered the bureaucracy and politicians at the expense of civil society (Heller, 2008: 162). It can be described as a technocratic form of DLG. It is different from the case of Kerala and Porto Alegre where a participatory form of DLG

occurred. Schmidt (2008) captures the different approaches to public administration that characterise the post- apartheid era in South Africa.

The problem with DLG as it has occurred in South Africa is the limitation of citizen participation. To make matters worse, government has been unable to adequately reverse the tide of apartheid insofar as alleviating poverty and providing basic services. For Some (Heller, 2008; Pieterse and van Donk, 2008) suggest that the top-down approach to development is to blame for the lack of progress. From this perspective, the argument is that the 'one size fits all' approach has failed because different localities have different challenges and require different solutions.

Nevertheless, the limited space for citizen participation is evident through service delivery protests illustrating the frustrations experienced on the ground. To fix these weaknesses, government has introduced the LGTAS. In the LGTAS it is assumed that better participation will lead to better development and hence improved service delivery. The cases of Kerala and Porto Alegre have shown that a people-centred development yields positive results.

The LGTAS is premised on the notion that Local Government is Everyone's Business (COGTA, 2009b, 3). It sought to correct the criticism levelled against South Africa's DLG experience, that is, the tendency of municipalities to focus more on the efficiency imperative of the NPM. As argued earlier this narrow focus has resulted in the neglect of the participatory imperative and has proved to be detrimental to the overall DLG project. Does the LGTAS present an opportunity for government to consolidate the missing pieces of the DLG puzzle?

### **3.9 Current Challenges**

Despite significant progress in the rationalisation and modernisation of municipal governance, there are specific challenges inherent in the new systems which are possibly hampering the successful transformation of local government. What follows is an examination of some of the most pertinent institutional difficulties that have arisen in the first decade of democratic local government in South Africa.

#### **3.9 1 Size**

A significant challenge is the size of the average South Africa municipality. The country has 283 municipalities that serve a population size of 52, 98 million and cover a landmass of 1,220,813 square kilometres (Statistics South Africa 2013). Quick comparisons with Spain (50 provinces and 8,108 municipalities), and Germany (323 districts and 12,477 municipalities), show that South Africa's municipalities are vast in size and population. In fact, municipalities are actually charged with a regional mandate. Not only are municipalities slowly emerging from the painfully difficult amalgamation of varied previous municipal administrations, but the management of often very diverse communities is itself a difficult task.

Furthermore, it is suggested that the size of the South African municipality is a considerable challenge for that municipality when it wants to realise effective community participation. This challenge relates specifically to rural areas. In the quest for economically viable municipal units with redistributive potential, the norm is that a number of towns are demarcated into one municipality together with their rural hinterlands, which are thus very extensive and, again, often diverse in character.

#### **3.9 2 Executive Mayors**

As stated above, strong municipal executive leadership is a characteristic of the new generation of municipalities. Many municipalities have executive mayors. This means that municipal executive powers are concentrated in one councillor who is

elected by the council as its executive mayor (Municipal Structures Act 1998, ss. 55 and 56). The executive mayor in turn hand picks a mayoral committee (Municipal Structures Act 1998, s. 60). This system stands in contrast to the conventional collective executive system that obtained in all municipalities prior to 2000, and which is still practiced in those municipalities that do not have an executive mayor. The collective executive system entails the election by the council of an executive committee that broadly 'mirrors' the composition of the municipal council (Municipal Structures Act 1998, ss. 43 and 44).

It is suggested that the introduction of the indirectly elected executive mayor has been particularly successful in large cities, where it has contributed to visible executive leadership. In general, stakeholders appear to be relatively satisfied with the system. There are however, concerns around potential exclusionary effects. The executive mayor system appears to have created a wide gap between executive councillors (i.e. councillors on the mayoral committee) and ordinary councillors who are not part of the mayoral committee. (Atkinson 2007:64).

These councillors feel increasingly disadvantaged due to the lack of access to documentation and information flows. A report on the functioning of the mayoral executive system remarked that: it is clear that the relationships between the mayoral executive committee and nonexecutive councillors are not based on democratic values, but display a lack of transparency; autocratic decision-making; and accountability. This is expressed by stakeholders as a lack of respect for one another, a culture of secrecy, and perceptions of marginalisation (Atkinson 2007:64).

### **3.9 3 Role Definitions**

The issue of the division of responsibilities and powers among political office-bearers in a municipality has proved to be a persistent source of tension and contestation. As stated above, the speaker's office was a novelty when it was introduced in 2000. Generally, municipalities have not found it easy to adapt to this new political office-

bearer. A persistent source of tension and conflict can be found in the role definition of the speaker vis-à-vis the municipal executive, or more specifically, the mayor. “Self-defeating patterns of behaviour characterise interaction between the executive mayor and the speaker. Both act in a way that is detrimental to themselves and the municipality and there is little understanding and concern about the consequences of the poor relationship between them and the negative impact this has on the municipality.” (De Visser, Baatjies and Akintan 2008).

Mostly, tensions arise from an unclear definition of roles. By law, municipalities must define the roles and responsibilities in written terms of reference for each political office-bearer, and provide for internal conflict resolution mechanisms. Research indicates that most municipalities have not adopted such ‘job descriptions’ for their speakers and do not have standing procedures for resolving these possibly debilitating conflicts (De Visser, Baatjies and Akintan 2008).

### **3.9 4 Council Appointees**

As stated earlier, the role of the most senior municipal official, now called the municipal manager, has changed significantly. Since 2000, the municipal council has had the authority to appoint the municipal manager as well as those managers that report directly to him or her (Municipal Structures Act 1998, s. 82; Municipal Systems Act 2000, s. 56). This configuration was designed to produce a senior management team in the municipality that understands, and operates in sync with its political principals in the municipal executive.

Whilst this objective is supported, there appear to be a number of important side-effects. Firstly, political instability in a municipal council now has an immediate knock-on effect on senior management. A change in local political leadership, shifts in a ruling coalition, or even a reform within a ruling party, often leads to the dismissal of the municipal manager and sometimes even to the dismissal of managers reporting to the municipal manager (Wooldridge 2008:475). This is

evidenced by the large number of unfilled vacancies in the top two echelons of municipal administration. In 2006 and 2007, 15 per cent of the posts in senior municipal management stood vacant (National Treasury 2008:184). Municipal administrations are thus suffering from a lack of continuity at senior management level (Municipal Demarcation Board 2007:89).

Secondly, the highly charged political profile of these positions has contributed to a shift in control over appointments from the municipal council to the internal workings of political parties. There is widespread concern that the need for political suitability is starting to eclipse the need for qualified and skilled senior managers in the municipality (Atkinson, 2007:67).

It is suggested that this is partly the result of excessive political involvement in what should be appointments on the basis of merit. In order for local government to further improve its performance, a new balance needs to be struck between the need for political alignment of top management with the municipal executive on the one hand, and an insistence on quality on the other. Serious consideration should be given to removing the appointment of the second layer of management from the realm of the municipal council and leaving this to the municipal manager. It is suggested that this will assist in reducing political involvement in the administration, whilst leaving the political alignment between the municipal manager and the municipal executive intact (SALGA, 2007:59).

### **3.9 5 Improving Community Participation**

The involvement of communities in municipal affairs is not only a key objective of local government but also one of the main reasons for South Africa's choice of developmental local government. Success in this area is thus of paramount importance. Government's recognition of this importance is evidenced by an elaborate and progressive legal framework for participatory governance at municipal level.



Municipalities are tasked to involve communities in the drafting of their integrated development plan, their budget, and in the taking of decisions regarding service delivery and development. Furthermore, the law contains a legal framework for ward committees. These committees generally comprise ten representatives of various sectors or geographical areas in the ward. They are elected by the voters in the ward. The committee is chaired by the ward councillor. Its role is to advance participation of the community in the affairs of the municipality, particularly in relation to development planning. The concept of a ward committee follows similar practices elsewhere, such as the village development committees in Botswana (Serema 2002:1).

However, an apparent contradiction exists between the progressive legal framework for community participation and persistent incidences of protest targeting councillors and municipal administrations. Although government has created ample spaces, platforms and procedures for community engagement with local government, it is clear that communities still elect to take their grievances to the streets. These protests expose not only the current shortcomings in service delivery but also the presence of untapped local energy and involvement with municipal governance. Atkinson suggests that the frustrations of communities are threefold. They relate to poor service delivery, unresponsive decision-making and conspicuous consumption by councillors and officials (Atkinson 2007:58). It rather emphasises the need for adequate strategies at municipal level for translating this potential and the enabling framework into genuine engagement.

### **3.10 New Tools for Integrated Local Government**

Local government holds the promise of being the crucial sphere of state action to extend democracy to all South Africans and to change the traditional relations of power and wealth to this end, the Local Government Transition Act 97 of 1996 and the White Paper on Local Government ushered in a number of fundamental changes to the laws controlling the running of municipalities: the role of traditional leaders is circumscribed; the number of municipal authorities is to be reduced with the aim of

containing the costs of local government and professionalising political office; the principle of financial accountability is introduced as local authorities obtained the power to raise their own funds.

Most importantly the functions of local government are expanded to include eradicating poverty, local economic development, and sustainable management of the environment. The institutionalised mechanism for local authorities achieving these responsibilities is a planning tool known as the Integrated Development Plan (IDP). The IDP is a mechanism for both co-ordinating and integrating the numerous bits of municipality's' business. An IDP is a process.

Local authorities are required to produce an IDP that conforms to the Provincial LODs. The aim is that through the IDP mechanisms the post-apartheid objectives of restitution, redevelopment and growth will be achieved at the local level. Integrated Development Planning embodies the core purpose of local government and guides all aspects of revenue-raising and service delivery, interaction with the citizenry and institutional organisation. It is also a primary tool to ensure the integration of local government activities with other tiers of development planning at provincial, national and international levels. In this sense, the integrated development planning serves the basis for communication and interaction between the different tiers of government and sphere of government. The IDP is thus the gearing mechanism through which the national constitutional obligations are matched with the autonomous prioritisation of locally generated development agendas (Parnell, Pieterse, Swilling & Wooldridge, 2002:83-84)

Parnell, Pieterse, Swilling & Wooldridge, (2002:83-84) believe that an integrated development planning is a process through which a municipality can establish a development plan for the short, medium, and long term. It enables a municipality to:

- Assess the current reality in the municipal area, including economic, social, and environmental trends, available resources, skills and capacities;

- Assess the varied needs of the community and different interest groups;
- Prioritise these needs in order of urgency, importance and constitutional and legislative imperatives;
- Establish frameworks and set goals to meet these needs;
- Device strategies to achieve the goals within a specific time frames
- Develop and implement projects and programmes to achieve key objectives;
- Regularly monitor and adapt development programme based on the underlying development framework and development indicators.

This is developmental local government as enshrines in the White Paper and the Municipal Systems and Structures legislation. IDPs therefore spells out a vision for transforming South African settlement that relies on both the latest technical procedures of environmental, economic and physical planning, and democratic political process at the local scale.

Integrated development essentially recognises the complex interrelationship between various aspects of development: political, social, environmental, ethical, infrastructural and spatial. Given their interrelationship, it is impossible to address one dimension only and expected to make an impact on inequality or poverty. In fact, IDPs recognise that any sustainable and successful strategy must address all of these elements in a coordinated way, based on an analysis of the underlying structural factors that sustain economic growth, poverty and inequality.

In theory at least, the IDP also makes it essential for a local community to identify development needs and, simultaneously, to execute agreed anti-poverty and growth strategies which emanate from a common vision that spells out how local needs will be reached. To achieve maximum impact, the integrated development planning and budget process need to be linked. The best most integrated plans without dedicated resources will come to naught. The prioritisation reached through the technical and

political processes of deciding on the integrated development planning therefore needs to be reflected in resource allocation.

Many ideas encapsulated in the integrated development planning process will be familiar to international development professionals who have followed the move towards a more management driven local government process. The South African government has also drawn extensively on global trends in urban and regional planning, policy and governance to formulate its agenda. Unlike the previous regime, however the government is committed to justice, participatory democracy, and poverty alleviation, physical development of underprivileged zones of the city and countryside and racial redress.

The model of developmental local government adopted in South Africa thus also draws from the literature on democracy and development, and is of course reflecting of the experience of the anti-apartheid struggle. As an approach to sustainable governance, the new developmental local government is a dynamic and uneasy fusion of global and local ideas. (Parnell, Pieterse, Swilling & Wooldridge, 2002:83-84)

### **3.10.1 The IDP as an Integrated Tool for Development**

Integrated Development Plan is aimed at the integrated development and management of the area of jurisdiction of the municipality concerned in terms of its power and duties. Municipalities prepare a five-year strategic plan that is reviewed annually in consultation with communities and stakeholders. The IDP seeks to promote integration by balancing the social, economic and ecological pillars of sustainability without compromising the institutional capacity required in the implementation (Akani, 2002; Visser, 2001).

The IDP is seen as the pathway to sustainable development in South Africa, is used to foster more appropriate service delivery by providing the framework for economic and social development within the municipality. The process is meant to arrive at decisions such as municipal budgets, land management, the promotion of local economic development and institutional transformation in a consultative, systematic and strategic manner (Akani, 2002).

This will allow for the creation of infrastructure such as housing, water, sanitation, public toilets, roads, electricity, transport, community and social service that will meet the basic needs as well as encourage the support and participation of people in making key decisions about where the project should be located and how to manage them so that it will serve its purpose optimally (Burton, 1997).

Mathye (2002) reiterates that the IDP is the principal strategic instrument for local councils, which informs planning and development, all decisions and management and development in the municipality. She goes further to say that service provision in any sphere is about meeting the basic and strategic needs of individuals, groups and communities. IDPs are built on a consultative process through which local government structures engage with local residents to understand their needs and priorities. As such IDPs can have a fundamental impact on poverty.

The efficacy of the IDP is that they provide a benchmark according to which goals can be set and pursued and the monitoring and evaluation of anti-poverty interventions can be undertaken (Aliber, 2002). Aliber (2002) stated that IDP process could provide a potent vehicle for the pursuit of sustainable development. It is reasonable to expect that, with time, the IDP process will become more effective provided there is adequate local government capacity and community organization. In view of the above there is a need for proper planning and the implementation of projects as well as monitoring and assessment of success on the part of the local government in order to be more developmental.

These IDPs are intended to be multi-sectoral programmes, including a wide variety of development, ranging from hard services such as provision of water, sanitation, electricity, housing and road to soft or human development issues such as land reforms, poverty alleviation, tourism and local economic development (Atkinson, 2002). An integrated development however is not stagnant and represents ever-changing policy and strategy that must grow and evolve with the local authority and its people. Many aspects influence the objectives, projects, indicators and programmes that are proposed in the IDP and therefore annual review is critical to ensure the implementation of plans, measure their development impact, ensure the efficient use of resources and measure the council's performance (Makana Municipality, 2004).

### **3.10.2 Local Government Challenges Regarding IDPs Implementation**

There are challenges, which might hinder the proper implementation of the IDP. Atkinson (2002) and Harrison (2001) highlighted three of such issues, which include the level of project management capacity within the local governments, the design of municipal organizations and the redefinition of existing functions. There is glaring lack of project management capacity skill within most local governments, which has often been identified as a crucial blockage in delivery (Atkinson 2002 & Harrison 2001). Harrison (2001) argues that many local governments in South Africa are so weak institutionally that they cannot perform the most basic functions of management and service delivery and a sophisticated level of integrated and coordinated planning remains a long way off.

Reddy (2000:293) however asserts that 'the restructuring of the local government training system has to be pursued within the wider context of challenges facing local government to transform it from narrow service delivery orientated character to one that is developmentally orientated, participatory and responsive to the community in which it has to take place within the context of stability and continuity in local government'. Atkinson (2002) is of the view that various grants address various aspects of the developmental challenges facing municipalities, none of them provide

financial support for the new developmental role of local government i.e. to implement a variety of programmes and projects identified in the IDPs. There are important new overhead costs which municipalities will need to bear, in order to implement their IDPs. The implications of implicating the IDPs are now becoming evident. If additional funding streams are not provided, municipalities will experience their new developmental role as nothing other than a huge mandate unfunded mandates (Atkinson, 2002).

In building up of municipal developmental capacity, a great deal of effort needs to be expended by the national and provincial departments, which would include;

- The assessment of the content of municipal IDPs and a draft preliminary estimate of the developmental capacity to implement the various programmes and projects by the national and provincial line departments
- The costing of municipal development management should be done (e.g. funding development officers posts), and the finance and fiscal commission should be approach to investigate possible additional intergovernmental transfers to pay for these additional municipal overheads (Atkinson, 2002).

Harrison (2001) highlights some of the challenges facing a successful implementation of the IDP to include; the failure of many local councils to accept ownership of the consultant prepared IDPs, and to use them directly budgeting process; the continued lack of integration and linkages between the IDP and planning within other spheres of government; the poor quality of and reports produced by many ill-prepared planners, whose traditional focus was on spatial planning rather than development planning; poorly constructed participatory process; institutional conflict around planning issues involving official (often resistant to change and the newly elected and inexperienced councillors; poor linkages between the IDPs, broader spatial frameworks and details of land use management systems; poor linkage between planning process at district and local scale; and the difficulties in linking planning and budgeting processes with varying time horizons (Harrison, 2001).

The critical question asked by Atkinson (2002) is whether the municipalities have the capacity to implement their IDPs? Or will the IDPs become dust-covered tomes that grace municipalities' bookshelves?

### **3.11 Planning for Development in Local Government**

Theron and Barnard in (Lieberberg and Steward 1997:38), assert that, planning is both a means and an end in the process of development. The involvement of participants at the planning level will largely influence the success of development plans. The level of commitment to development by the community and other role players is dependent upon their influence on the crafting of those plans. The emphasis of development plans in the locality like Amatole ought to be anchored by the philosophy of development by the people with the people and for the people. Planning is very central to effective participation of all the possible players.

Planning is understood in this context to mean the continuous process, which involves making decisions about alternative ways of using the available resources to achieve particular goals at some time in the future (ibid: 37). Community participation has, as its strong foundation involvement of community in mapping of development plans. In view of this, community based planning has become increasingly paramount and has to be linked to the Integrated Development Plan (IDP).

The Municipality Systems Act section 16(1) obligates the local government to develop a culture of governance that complements formal representative government with a system of participative governance. This should be achieved by encouragement and creation of conditions for the local community to participate in the affairs of the municipality, including in the preparation, implementation and review of its integrated development plan.



The local government has an obligation to incorporate ideas from other development players in the LED section of the IDP. This would be a way of registering their support for the economic development of the locality. As local government brings together ideas of the community members in the plan the community will begin to own the outcomes of the process.

According to the World Bank (ICPS newsletter, Volume 29, (2006:333) there are five key stages in Development planning and these include:

### **3.11.1 Organising the effort**

The first stage in this planning process is to establish proper institutional arrangements and stakeholder involvement. A broad base of local participants is required so as to establish plans that are realistic and that meets everybody's needs. It is at this stage where the local economic development planning team is to be formed within the municipality to ensure that from the onset there is participation.

### **3.11.2 Local economy assessments**

Strategic planning for LED has to be based on the proper assessment of the economic features of the area and its position in the regional and national level. The effective assessment of the area helps identify the economic forces at play so as to make informed decisions.

### **3.11.3 Strategy-making**

When strategies are being drawn it is important for the local Government and the key actors to balance up economic needs with environmental and social needs.

#### **3.11. 4 Implementation of strategy**

Good plans can be as good as no plan at all if no effort is directed at implementation. After the first stages of coming up with strategies the respective actors should then put the plans into tangible work on the ground. So the fourth level in this process entails the tackling of actual work by the appropriate players.

#### **3.11. 5 Strategy Review**

This involves regular assessment of progress, noting the success and failure of the strategy so as to determine what changes are needed to achieve set goals. Having done the review of the strategies stakeholders have to determine the core areas of local economic development in their locality.

While the framework for participation in LED planning is in place in the form of the IDP process, practice show that the process is adhered to as a way of conformity rather than a useful tool for achieving goals. The plans that are crafted in some IDP documents may never be tried on ground till newer projects are brought up for the following period. Some of the reasons for such occurrences being that plans are ambitiously drawn, without considering what is feasibly attainable for the period in question.

#### **3.12 Conclusion**

Local government in South Africa came from a long way where it was oppressed by apartheid system. The advent of democracy in South Africa has brought better changes in many localities through the implementation of new legal and policy framework, such as Local Government Transition Act, 203 of 1993, which outlined the pathway for the transition to full local democracy, also The concept of developmental local government outlined in the White paper, 1998 which obliges the local government to work with the citizens and groups within the community to meet their social, economic and material needs and improve the quality of life.

However, seventeen years after laying the basic foundations for DLG, its aims have not been realised. There is general agreement that municipalities are a long way from achieving the objectives of DLG as set out in the 1998 WPLG. Instead of leading to a balance between the two desiderata of efficiency and participation, decentralisation under Third Way politics in South Africa has prioritised the technocratic and institutionalist imperatives of NPM over that of democracy, inclusion and participation. Participation is seen by the ruling party as a complementary process to national plans that are formulated by central government (Heller, 2008). Little space exists for communities to influence the development agenda. The South African case is one whereby the over-institutionalisation of the participatory process has empowered the bureaucracy and politicians at the expense of civil society (Heller, 2008: 162). It can be described as a technocratic form of DLG. But the effective implementation of development planning seems to largely influence the success of development plans in local government

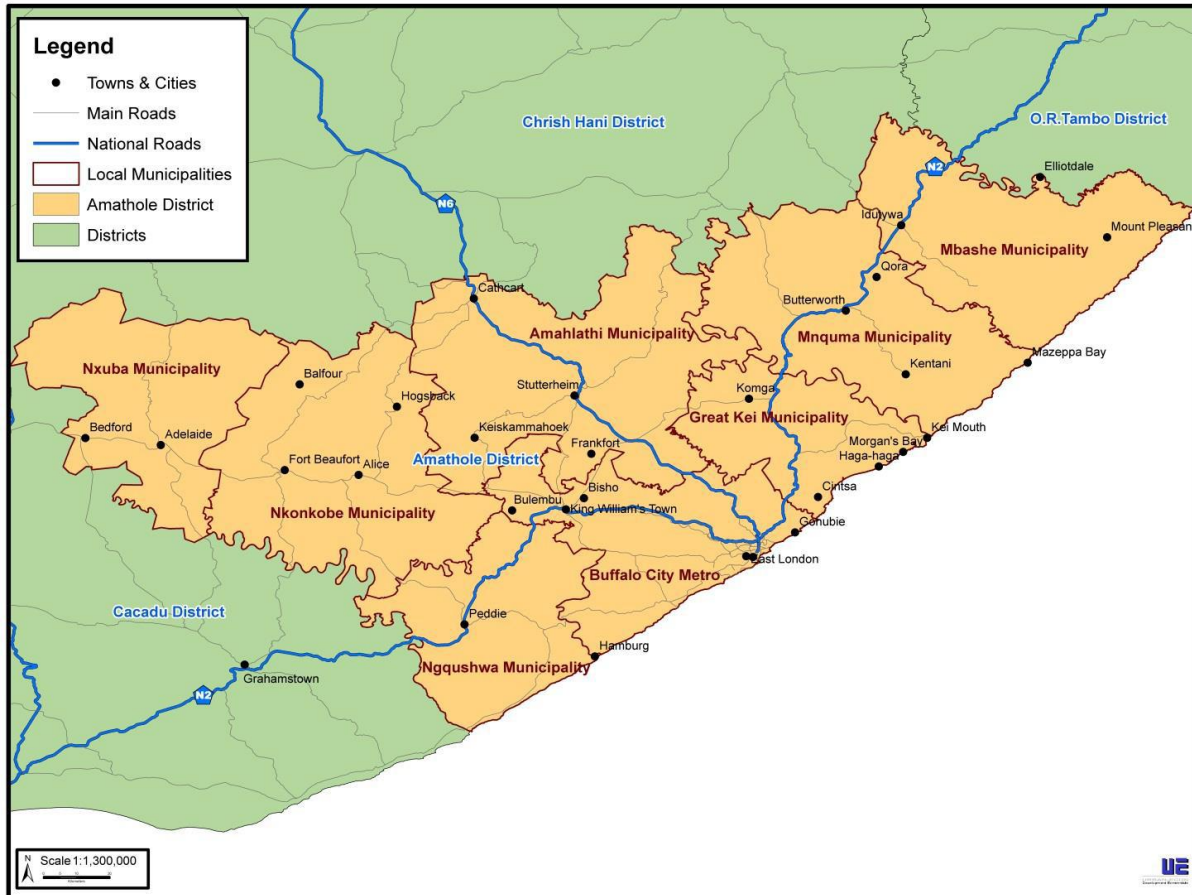
## CHAPTER 4: RESEARCH METHODOLOGY

### 4.0 Introduction

Strauss and Corbin (2000:1) writes that research methodology can be described as a scientific process that seeks to provide answers to questions through a systematic approach with the support of credible data. It is a way to systematically value the research problem. This chapter describes the specific research methodologies and procedures used in this study. It is in this chapter also that the route taken in data analysis is explained; the data collection method and instruments. An overview and context of the Amathole District Municipality including its locations, demographic trends, administrative structure, and operating budget will be presented.

The Amathole District Municipality is the selected municipality for the study. Amathole District Municipality is situated within the Eastern Cape Province, between Port Alfred and Port St John's. The district stretches from the Indian Ocean coastline in the south to the Amathole Mountains in the north. The District includes the large parts of the former Ciskei and Transkei homeland areas, which means the district has large disparities within its borders. It is bordered by the Cacadu, Chris Hani, and OR Tambo municipalities. The District covers a land area of roughly 21 229km<sup>2</sup>.

## Map of Amathole District Municipality



The Amathole District Municipality's area of jurisdiction is made up of 7 local municipalities, as follows:

- Amahlathi Municipality, comprising the towns of Stutterheim, Cathcart, Keiskammahoek and Kei Road, numerous peri-urban and rural settlements;
- Nxuba Municipality, comprising the towns of Bedford and Adelaide and surrounding rural areas;
- Nkonkobe Municipality, comprising the towns of Alice, Fort Beaufort and Middledrift, the smaller towns of Hogsback and Seymour, numerous peri-urban and rural settlements;
- Ngqushwa Municipality, comprising the town of Peddie, the coastal town of Hamburg, numerous peri-urban and rural settlements;

- Great Kei Municipality, comprising the town of Komga, the small coastal towns of Kei Mouth, HagaHaga, Morgan Bay and Cintsa, and a number of rural settlements;
- Mngquma Municipality, comprising the main town of Butterworth, the small towns of Ngqamakwe and Centani, numerous peri-urban and rural settlements; and
- Mbhashe Municipality, comprising the towns of Idutywa, Elliotdale and Willowvale, and numerous peri-urban and rural settlements.

According to information from the 2011 Census, the population of the Amathole District Municipality was estimated at 892 637 in 2010. The population is unevenly distributed among the 7 Local Municipalities. The number of households was estimated at 252 252. The majority of the Amathole District population reside Mbashe Local Municipality (28.6%), followed by Mngquma Local Municipality (28.3%) The two Local Municipalities with the smallest percentages of the Amathole District population are Great Kei Local Municipality (4.4 %) and Nxuba Local Municipality (2.7 %).

#### **4.1 Data Collection Methods**

The researcher made use of qualitative or desktop research method. Qualitative research involves the studied use and collection of a variety of empirical materials such as case study, personal experience, introspective, life story, interview, observational, and visual texts that describe routine and problematic moments and meanings in people's lives. The collection of information will be based on development in local government.

Therefore the nature of the research is qualitative in approach and it will be based on a case study. One of the advantages of using a case study is that this method allows in-depth research (Sarantakos, 2005). Amathole District Municipality has been selected as a case study because, as indicated above, it represents one of those municipalities challenged with a higher demand for basic services, where limited

development has taken place over a number of years. The most used method in gathering data is document review.

#### **4.1.1 Document review**

Primary documentary sources emanating from the municipalities such as Council reports, the Integrated Development Plans, the Mid-term Report and Annual Reports; national legislation such as the Municipal Systems Act and the Municipal Finance Management Act; and national and provincial policies such as the White Paper on Local Government were immediately available to the researcher. Articles concerning developmental local government have been collected by the researcher over time were also readily available. These primary documents provided the main source of data and information for the analysis contained in this study.

Secondary sources in the form of local and international books and journal articles on local government, developmental local government, civil society, sustainable development, national government policy, public management and related topics were sourced and consulted. This provided the material for the background chapter, the literature review and formulation of the conceptual framework.

The researcher also had access to primary electronic databases such as budgets, demographic data, socio-economic data, citizen satisfaction surveys and the like. These assisted on the analysis component of the study. The Internet was utilised to source specific data or information from websites for government, local government, statistical agencies and international experience. Although the Internet was used, much of the data was ultimately not utilised in the final writing of the study.

## **4.2 Analysis of Amathole District Municipality**

This chapter presents an analysis of activities during the collection of data. The demographic trends, administrative structure, and operating budget will be presented.

### **4.2.1 Demographic trends**

The Amathole District Municipality population is predominantly female dominated at 52 per cent, with males constituting 48 per cent of the population. The Amathole District Municipality currently has a population of children from age 0-14 constituting 34 per cent while it has a teen and early adult-hood population of age group between 15 - 24 constituting 23 per cent of the total population in all its demographic forms. The working population of age group between 25- 64 constitutes 36 per cent whilst the older population of 65 and above constitutes 7 per cent of the population.

The current age profile implies that the active labour-force 25-64 which constitutes 36 per cent of the population has to work and support 64 per cent of the population as the age group of 0-14, age group 15-25 and age group of 65 and above are an economically dependent burden in the sense that they are non-productive members of the society and must be supported by the economically active labour force and the state in the case of old age grant earners.

The region is challenged with a higher demand for basic services as well as housing. There has been a growth in informal settlements in Amathole which negatively influences the health and environmental status of the district. The total population living in poverty was seating at 48 per cent of the estimate population, with Black Africans counting for 53 per cent and Coloureds at 1 per cent. Services such as education, reproductive health, youth development and development projects to address poverty remain a challenge for local government and government departments.



Social grant dependence is higher in Amathole 66 per cent than the average for the Eastern Cape 64 per cent as a whole. The District Municipality is made up of a few former homelands where limited or no development has taken place over a number of years. This has translated in Amathole experiencing high levels of poverty across the District. The public sector dominates the region's economy, which indicates the challenge of a limited production base in the area, and limited private investment growth into the ADMs economy. Economic situation in terms of lack of income and unemployment of the population is increasing. (ADM, IDP Review,2013-2014:17).

#### **4.2.2 Analysis of trends in the various sectors**

***Agriculture:*** The land use patterns and land ownership in ADM are diverse. The latter varies from communal land ownership, particularly in the former homelands, to private commercial land ownership. Agriculture in most parts of the ADM has not yet developed beyond subsistence because of constraints facing agriculture in rural areas. The prospects of agriculture currently look dim because of the lack of inputs, resources and a lack of interest from the youth.

***Mining:*** The mining sector is the lowest performing sector in the ADM. Furthermore the sector has been struggling over the past 9 years, suffering a continuous downward trend. As a result of its small share in the ADM economy, the mining sector has no meaningful impact on overall growth. The mining sectors employment trend is consistent with its decreasing low performance output trend as it accounted for 0.1 percent of total employment in the district.

***Finance and Business Services:*** As the second largest contributor to GGP, the sector has shown increasingly positive growth in the period from 1996 to 2011. Currently this sector contributes 19 percent to the GGP of the ADM economy. This sector however only contributes 4 percent of the formal jobs in the ADM. This can be attributed mainly to the intellectual as well as high tech nature of finance and business services.

***Community and government services:*** This sector has dominated the ADM economy between in the period under review from 1996 to 2010. Currently this

sector contributes about 44 percent to the GGP of the ADM. This sector is also the largest contributor to formal jobs in the ADM, contributing about 43 percent of the formal jobs in ADM. Even though this municipality has yet developed there are strategic goals and objectives which may play a role through development (ADM, IDP Review, 2013-2014:23).

#### **4.2.3 Development Objective and Strategies**

The institutional strategic planning session conducted on 20<sup>th</sup>- 23rd February 2013 confirmed the following strategic goals and objectives for the key performance areas, these goals and objectives include: the municipal transformation and institutional development; service delivery and infrastructure development; Local Economic Development; municipal financial viability and management; and good governance and public participation.

The institutional Strategic planning contains an interesting goals and objection for the key performance areas. Firstly, **in *municipal transformation and institutional development***, its strategic goal is to improve organizational cohesion and effectiveness as to improved organizational stability and sustainability. Its strategic objective is to ensure ADM performs optimally in all its assigned powers and functions by 2017; to attract, retain, build capacity and maximize utilization of ADM human capital by 2017; ensure integrated development of new and review of existing sector plans, policies and by-laws by 2017; and to ensure ADM has a fully operational and effective Fleet Management function by 2017.

Secondly, **in *service delivery and infrastructure development***, its strategic goal is to eradicate backlogs in order to improve access to services and ensure proper operations and maintenance as to provide sustainable delivery of improved services to all households. Its strategic objective is the provision of adequate, potable and sustainable water services infrastructure by 2018; provision of sustainable and environmentally friendly sanitation and services to all communities by 2018; facilitate development of sustainable and viable settlements by 2014; and ensure efficient and effective procurement of goods and services by 2017.

Thirdly, ***in Local Economic Development***, its strategic goal is to create an environment that promotes the development of the local economy and facilitate job creation as to improved municipal economic viability. Its strategic objective is to promote holistic sustainable regional economic development by 2030; and to promote compliance with the Municipal Health Legislation within ADM by 2017.

Fourthly, ***in municipal financial viability and management***, its strategic goal is to improve overall financial management in the municipalities by developing and implementing appropriate financial management policies, procedures and systems as to improved financial management and accountability. Its strategic objective is to ensure 43 percent recovery of costs incurred to provide water and sanitation services by 2017; to ensure ADM Assets are adequately managed and monitored by 2017; obtain 100 percent funding to perform all unfunded mandates, including operational costs; and to increase internal and external project spending to 100 percent of projected expenditure by 2017.

Lastly, ***in terms of good governance and public participation***, its strategic goal is to promote a culture of participatory and good governance in order to entrenched culture of accountability and clean governance. Its strategic objective is to ensure clean and accountable governance in the district by 2017; to facilitate coordination, cooperation and joint planning between the spheres of government by 2017; To ensure a district-wide coordination of integrated planning, implementation, monitoring and evaluation by 2017; to ensure that Local Municipalities are empowered to render services that are within their powers and functions by 2017; to promote effective communication of ADM's business to its stakeholders by 2017; and to deepen local democracy through community participation by 2017 (ADM, IDP Review,2013-2014: 56).

#### **4.2.4 Key issues emanating from the socioeconomic profile of the Amathole District Municipality**

- Unemployment, inequality and poverty remain the major economic challenges in the District. The close link between these three social ills means that interventions from Government and other developmental partners should directly and indirectly tackle these issues. The causes of this situation are mainly structural in nature.
- The economy of the District is over-reliant on the community services sector (government) to provide jobs. There is thus a need to diversify the economy of the region.
- Outside of the Buffalo City Municipality, there is very little investment in economic infrastructure that can lead to economic growth and development in these areas. Initiatives designed to attract investment into these areas should therefore be regarded as a priority
- The de-industrialization that happened in the mid 1990s in Dimbaza and Butterworth has reduced the manufacturing base of the area. While not seeking to resuscitate these areas in their old form, attention needs to be given to broadening and building the industrial base of the area. This will lead to economic growth and development of the area.
- Retail services and finance are sectors of economic importance as illustrated by their contribution to the economy of the District. Efforts should therefore be made to understand and exploit the advantages and niche markets that come with these sectors.

Reading on municipal IDP draft of 2013 and 2014, the researcher found that, the District has a programme on economic research to constantly update and improve on the economic statistics that it uses for economic planning purpose. As demonstrated by the socio economic profile, unemployment, poverty and inequality continue to characterize the economic landscape of the District. The research programme is thus designed to understand the causes of this situation as well as recommend measures that will improve the situation. The research thus focuses on the constant update and review of the LED Strategy to ensure its relevance to the prevailing economic climate. The prioritization of competitive industries is also a new area of focus with the release of industrial strategies by both the national and provincial government. It is important for the District Municipality in the development arena to upgrade the competitive and comparative advantage of industries in its area of jurisdiction, hence its intention to develop an industrial strategy.

The Amathole District Municipality is also characterized by significant levels of underdevelopment, especially in the Eastern side of its region. The cause of this has been that there is very little if any investment in these areas. To improve this situation, the Amathole District Municipality has begun a process of identifying catalytic projects, which if implemented can improve the economic situation of the inhabitants of the District. The identified projects were packaged and sold to investors via an investment conference held on 25-26 April 2012. More investment means more jobs and an improvement in the socio economic problems, like, poverty and unemployment that face the people of the District.

The conferences and the meetings are held by local government several times but still people are living in poverty, protesting for basic service. The question is what seems to go wrong to those meetings and conferences? The next chapter will elaborate more on this question.

## **CHAPTER 5: RESEARCH RESULTS**

### **5.0 Introduction**

Research results focuses on the presentation of data collected during the course of the research. Key findings will be made in respect of the information obtained and presented in each of the chapters.

Despite the advances in service delivery since 1994, the pace of improvement in services and the quality of services provided do not in many cases match the expectations of a significant number of citizens. Problems at municipalities include poor governance and accountability, weak financial management, high vacancies in critical senior management positions, high infrastructure backlog and in some instances an inability to deliver even a core of basic municipal services efficiently and effectively. Quite clearly, the past attempts by the national and provincial governments responsible for overseeing the performance of local government to address these problems have yielded only limited success. The Implementation Lessons of the Local Government System since 2000 will elaborate more on this background.

### **5.1 Implementation Lessons of the Local Government System since 2000**

It is clear that no one fully anticipated the institutional complexity associated with a long-term process of institutional unbundling and amalgamation. In the early years of the permanent phase, most municipal leaders (political and administrative) were completely swamped with the technical dimensions of trying to make numerous contradictory and often inequitable institutional systems such as payrolls, conditions of service, asset registers, etc. work properly. This left very little time or energy to attend to higher order objectives such as poverty eradication, spatial integration, etc. Against this background, by the time of the second fully democratic elections for local government took place in March 2006, a number of core lessons crystallised.

Firstly, most municipalities failed to produce IDPs that were truly strategic and genuinely premised on meaningful community participation processes. Also, most municipalities lacked the data, analytical and planning skills, and leadership to develop and drive IDPs rooted in the making of hard choices once suitable options have been weighed up with the benefit of evidence and against particular development principles. Due to the failure of producing meaningful IDPs, the result was that municipal budgets and service delivery programmes remained more or less consistent with old practices and habits, resulting in very little transformation of space economies, livelihood prospects and social inclusion of the poor in most municipal territories across the county.

Secondly, and closely related to the reasons underpinning IDP underperformance, was the reality that even fewer municipalities knew how to produce “credible LEDs”. Even though developmental local government is explicitly about economic development, very few municipalities knew how to pursue, in a municipal context, this policy imperative (Nel and Johns 2006). A pervasive tendency was for municipalities to fund a few pet economic projects without any broader understanding of the nature and dynamics of local economies embedded in larger regional economic systems and circuits. As a consequence, most municipalities remained ineffectual in shifting the economic dynamics and performance of their territories.

Thirdly, municipal planning and service delivery manifested inadequate inter-government coordination and alignment. Since South Africa is a unitary state, there is a strong push to drive policy priorities and approaches from the centre, with an expectation that municipal plans must reflect and respond to national policy priorities and directions. However, it is apparent that there are coordination, information and alignment failures across governmental systems. The reasons for this are varied and complex. One important dimension of this institutional problem is the manner in which powers and functions are distributed across the three spheres of government and how this creates uncertainty about who sets policy and who merely implements

and what the implications of such questions may be for funding responsibilities (Van Donk and Pieterse 2006:86).

Furthermore, because the local government legislative framework was only concluded between 1998-2001 many of the sector departments such as transport, water, health, etc. concluded their policy frameworks before the local government system was fully designed and defined. Consequently, these sectoral policy frameworks defined particular roles for municipalities which may not be the most rational or practical for newly established municipalities, or the most appropriate from an integrated development perspective. Thus, there was at the end of 2005 a clear need to refine and improve the regulatory framework for inter-governmental relations. Through the IGR Act a platform has been established but it too soon to assess whether it is sufficient address the coordination failures.

Fourthly, it is arguable that citizen participation was unsatisfactory and often weak during the first electoral cycle of the final phase of local government. Because many municipalities did not know how to drive IDPs and LEDs, they were also at a loss as to how to meaningfully draw diverse interest groups, and especially organisations representing the poor, into formal local government processes. There was no shortage of processes or forums to engage citizens but these processes were not necessarily facilitated properly and were not linked to specific decisions or resource allocations. Unsurprisingly, since 2003 a number of direct action protests against municipalities started to ignite and became an frequent occurrence in the run-up to the municipal elections in 2006 (Van Donk and Pieterse 2006:90).

These four lessons are underpinned by the fifth and final lesson: the capacity constraints of municipal government. It has become clear that most municipalities save for the metropolitan authorities, had the requisite skill profiles at all levels of these organisations to engage with the imperatives of developmental local government; relate such an understanding to the specific local needs and priorities; and package appropriate responses through focussed delivery programmes that



were holistic. Even in the metropolitan authorities there was often a lack of strategic managers that knew enough about the technical dimensions of municipal services, were sound managers in a context of institutional change, and could manage complex political-administrative interfaces. In light of this, many commentators argued that the transformative potential of the South African local government system was being under-realised as we extend a new cycle of the South African local government system.

There are obviously many other issues that have arisen from the practice of implementing the final phase of the local government transformation process but the researcher decided to prioritise these because the policy agenda for local government for the second term of the process (2006-2011) can be read as a direct response to these challenges. In the next section the key features of the current local government reform agenda will be explored.

## 5.2 Policy Priorities for 2006-2011

DPLG has summarised the challenges and priorities for the consolidation of local government in terms of five areas of focus (and performance). The table below captures the five areas the main challenges that DPLG seeks to address through an extensive policy refinement and hands-on support programme.

### Local Government Strategic Agenda for 2006-2011

Key Performance Area	Main Challenges
1. Institutional Capacity and Municipality Transformation	<ul style="list-style-type: none"> <li>• Core municipal systems not established or implemented, e.g. Performance Management Systems;</li> <li>• Municipal management capacity and capability &amp; high vacancy levels;</li> </ul>

	<ul style="list-style-type: none"> <li>• Poor accountability mechanisms;</li> <li>• Serious challenges in the areas of financial management, programme management, engineering and organisational</li> </ul>
2. Basic Service Delivery and Infrastructure	<ul style="list-style-type: none"> <li>• Slow pace and poor quality of services delivered;</li> <li>• Water and sanitation backlogs emerge as one of the critical challenges;</li> <li>• Housing backlog sighted as a critical issue.</li> </ul>
3. Local Economic Development	<ul style="list-style-type: none"> <li>• High levels of poverty due to unemployment;</li> <li>• Poor quality LED strategies and scarcity of municipal LED specialists.</li> </ul>
4. Financial Viability and Management	<ul style="list-style-type: none"> <li>• Inadequate billing, debt management and credit control systems;</li> <li>• Poor municipal financial management capacity and systems;</li> <li>• Low revenue base due to high levels of indigents.</li> </ul>
5. Good Governance	<ul style="list-style-type: none"> <li>• Instability within and between political and administrative domains;</li> <li>• Poor communication between council and communities;</li> <li>• Non functioning of ward committees.</li> </ul>

(DPLG 2006

It is clear from this categorisation of the problem what the national support programme for municipalities focus on. Indeed, a suite of support measures have been developed to assist municipalities in each of these areas. Furthermore, at least 134 municipalities have been included in a special support programme called Project Consolidate. This initiative prioritises the municipalities with the most serious capacity and financial management constraints, particularly in areas with very high rates of poverty and unemployment.

However, it is important to keep in mind that even though the support agenda is focussed on these concrete areas of municipal functioning, it is in service of a larger development agenda, which places local government at the centre of the national effort to address the challenges of poverty, unemployment and underdevelopment across the country. It is therefore appropriate to briefly capture this larger development project to show the links between the policy priorities articulated above and the broader shared growth agenda sketched in broad strokes earlier on.

The refined developmental local government agenda of DPLG must be seen against the rethinking proposed and triggered by the influential report of The Presidency (2003), *Towards Ten Years of Freedom: Progress in the First Decade, Challenges of the Second Decade*. One of its core conclusions was the following:

The advances made in the First Decade by far supersede the weaknesses. Yet, if all indicators were to continue along the same trajectory, especially in respect of the dynamic of economic inclusion and exclusion, we could soon reach a point where the negatives start to overwhelm the positives. This could precipitate a vicious cycle of decline in all spheres. Required are both focused and decisiveness on the part of government, the will to weigh trade-offs and make choices, as well as strategies to inspire all of society to proceed along a new trail. If decisive action is taken on a number of focused areas, the confluence of possibilities is such that the country would enter a road of faster economic growth and job creation, faster and more efficient provision of quality services, increased social cohesion and reduction of the paradigm of exclusion prevalent among sections of society (The Presidency 2003: 102).

Another crucial policy document, the NSDP (The Presidency 2004), shaped this report's conclusion as will become clear in a moment. Essentially this quote suggests that the predominant focus on extending basic services and opportunities to those excluded by the apartheid regime was a necessary and legitimate preoccupation in the first decade of democracy. However, simply improving

coverage of basic services without much higher rates of growth and, crucially, labour absorption, will translate into overall failure in the future.

It is recognised that government investment in basic services and the welfare safety net has to deliver much better returns in terms of enhancing the stocks of assets of poor people. This can only occur if the state becomes more conscious of how (fragmented or synergistically), for whom (the poor, ultra-poor or working poor) and where (in growing or declining areas) it expends its resources. Through the lens of such an approach it becomes apparent that the basket of services that particularly the poor relies on to survive, is spread across all spheres of government and between numerous departments that do not coordinate their plans or delivery programmes.

Furthermore, unless the growing number of poor and unemployed people get access to productive employment, the scale and cost of the service delivery agenda is not financially viable into the future. Poor South Africans have to be empowered economically to fend for themselves and reinvest in the state's capability through service payments and income tax.

The government moved to appreciate a livelihoods model of how poor households function. In this approach, the government seeks to understand how it can augment human, social, physical, environmental and financial capital of poor households (The Presidency 2003). In addressing this imperative, it has become clearer that public policy must appreciate that the manner in which various services either come together, or not, in particular places can have a beneficial or detrimental impact on the ability of poor households to manage and enhance their composite stocks of capital. In other words, the government understood that if sectoral services such as water, electricity, waste management, housing, roads, transport and so on were not better coordinated, and even integrated programmatically at settlement (and larger territorial) scales, they will not be able to maximise the return on investments and are also likely to squander the potential economic impact of service delivery.

Against this conclusion the role of local government and settlement management came strongly to the fore. The bedrock of the new approach to service delivery and livelihoods would have to be local government. The instrument best placed to achieve such an integrated approach is of course the IDP, and in terms of economic services, LEDs (Harrison 2006:106). The other key factor in this sharpened approach to addressing the spatial dimension of development is the Department of Housing (DoH) as the driver of the new human settlements strategy called Breaking New Ground (BNG) (DoH 2004).

The objectives of BNG are expansive. It sees housing as an instrument to address poverty, economic growth, improving the quality of life of the poor, expanding the asset base of the poor and, ultimately, developing sustainable human settlements (Charlton & Kihato 2006:303). Critically, the notion of sustainable human settlements is also meant to denote the government's determination in the next round of housing delivery to address the perverse perpetuation of apartheid geographies which dogged its programme in the first decade. Spatial marginalisation is seen as one of the key drivers of economic and social inequality. The housing programme, even more so under the banner of sustainable human settlements, has a profound impact on local government because it involves a complicated inter-governmental chain, but also brings together a variety of sectoral departments through the imperatives of wet and dry connectivity infrastructures associated with housing and surrounding areas. Again, it places local government at the centre of the action.

It is therefore understandable that the substantive focus of developmental local government from the perspective of DPLG involves the promotion of integrated sustainable human settlements and realistic and inclusive local economic development strategies; both with a view to reduce poverty and unemployment by half in line with the Millennium Development Goals (MDGs) for 2014. Lastly, DPLG see these twin policy thrusts implemented in a manner that deepens local participatory governance systems, also seen as central to the developmental character of municipalities (DPLG 2006). Keeping these policy developments in

mind, the researcher now want to turn to a few themes that could inform dialogue about how best to structure a learning agenda.

### **5.3 Policy Challenges and a Learning Agenda**

The brief synopsis up to this point makes it clear that South Africa has travelled an impressive road of policy reform since 1994. Along the way the core constitutional commitment that local government must play a pivotal role in realizing socio-economic rights have been maintained. In fact, an impressive battery of policy reforms and agendas has been constructed on the back of the WPLG to establish a robust and comprehensive policy agenda for democratic decentralization and participation towards developmental outcomes.

However, in a context of persistent and very high levels of poverty and economic exclusion, the challenges confronting local government continues to grow and threaten to overwhelm even the most capable of municipalities. This is particularly worrying in a context where the majority of municipalities suffer from acute capacity constraints apart from pressing financial (management) pressures. The specific challenges can be clustered around five themes for the purpose of this paper.

#### ***Integrated Development Planning:***

The transposing of strategic planning into the public sector environment was driven by the need for the state to be more focused and selective about what it does, where it intervenes and how it acts. It is premised on the assumption that the complex, multi-dimensional nature of most development problems requires carefully designed and targeted responses to achieve very specific goals over particular time frames. In an attempt to address the analytical and

programmatically weaknesses of many IDPs, the national government has come to the view that IDPs should not be seen as solely municipal plans. Instead, IDPs must be regarded as an expression of the sum-total of all governmental activities and plans for a particular locality with specific reference to how these discrete interventions of various departments and agencies will be 'joined-up' to achieve specific impacts and outcomes.

However, this approach may run the risk of IDPs yet again becoming catalogues of government programs instead of strategic arguments about the critical development obstacles and priorities and how best to address those in a manner that ensures constant improvement in the basic quality of life of all residents, whilst also addressing structural factors that reproduce poverty, economic exclusion and environmental damage.

***Inter-governmental Coordination:***

The tendency just discussed to have IDPs reflect the entirety of government's efforts in a particular municipal territory is in part driven by the policy imperative to see a tight alignment between the NSDP, Provincial Growth and Development Strategies (PGDS) and IDPs. However, this alignment is more difficult to realise in practice than commonly suggested in formal policy prescriptions. The reality is that these three categories of policy are actually very different to one another.

The NSDP is essentially a perspective on the national space economy and how best to address the growth potential and obstacles of this arguably distorted space-economy that has a profound logic of its own, usually reproducing patterns of inequality established during the apartheid past. PGDSs are often responses to long-term trends as they impact on provincial territories as a guide for how and where public and private resources should be spent to achieve provincial level

developmental outcomes. IDPs are now meant to reflect the sum-total of government programmes and resources in municipal territories.

Given the different characters of these three policy instruments it is clear that by simply asserting the need for alignment between them, inter-sphere coordination and mutual benefit will not necessarily occur. The reality is that the country is comprised of multiple geographies that are sometimes driven by sectoral logics, or functional economic dynamics, or environmental catchment imperatives, and so forth. A more finely calibrated IGR system will have to appreciate the plurality of geographies that municipalities have to contend with and enable a system that is more light-footed and allows for local differentiation. How exactly one would do this remains unclear (Scott, 2002: 87)

***Civil society participation:***

The South African local government dispensation has always been explicitly in favour of extensive public participation in various aspects of municipal planning and service delivery. However, the current model runs the risk of cooption by civil society, tends to promote consensus-seeking forms of participation and can be described as overly formalised through the Ward Committee system, which some suggest reinforce patronage politics. Participation in Ward Committees seems very limited because it reaches a few representatives of interest-based membership organisations. The work of Ward Committees also seem very far removed from decision-making processes related to prioritisation and resource allocation, especially with regard to big budget items. Ward committees also run the risk of fostering gate keepers that make it difficult for dissenting and contrary voices to emerge. It seems clear that much more innovative approaches to participation can be conceptualised and supported but it is unclear where such an agenda may spring from and who will champion it.



## ***Sustainability challenges***

There remains little evidence that the formal policy commitment to sustainable development is borne out by anything municipalities do on a daily basis in terms of the provision of services that is their mainstay. Most of the technologies used in the provision of water, electricity, waste management, roads, and forth are not particularly environmentally aware or sustainable (Swilling, 2002:104). Globally major breakthroughs have been made with regard to alternative, more environmentally benign technologies for managing both inputs and outputs from settlement systems. Apart from the choice of technology, it is also clear that very few municipalities have applied their minds to the effective use regulatory instruments to also promote adaptation and mitigation actions by private actors such as firms and households served by municipalities.

These issues and many of the other challenges raised above turn on effective and strategic management of land markets through the proficient wielding of land-use regulatory tools. However, in a context of stalled policy reform on the land-use and planning front, it is difficult to move on these issues that sit outside the purview of DPLG and local municipalities. It would be useful to understand what can learnt from other experiences in getting a handle on this issue so that land-use processes can advance the transformation potential of developmental local government.

A further study conducted by SALGA in 2006/07 evaluated 7000 of the country's 9 300 councillors. The study explores the literacy shocks (SALGA, 2008): "one in three municipal councillors cannot read or write, and more lack basic competences to run local government finances some councillors are even embarrassed to admit they do not understand English and are therefore unable to follow council proceedings or training sessions; on average only half of local government politicians have post-matric qualifications, while only two out of 10 understand how tariffs are set or the cost implications of municipal services and more than two-thirds of councillors including those who serve on mayoral committees don not understand their roles, their responsibilities or local government legislations". These challenges have a

negative impact on service delivery and are against the notion of developmental local governance.

## CHAPTER 6: CONCLUSION AND RECOMMENDATIONS

### 6.1 Introduction

The following recommendations are proposed, based on the results of the study.

The new local government system, although closer to the people, was the last to be established under the new order. The new developmental mandate given to local government by the Constitution of the Republic of South Africa, Act 108 of 1996 has not yet been fully grasped by local government meaning that practitioners do not yet fully understand this mandate. In addition, local government is perceived as not to have realised the importance or take advantage of research to find alternative mechanisms to deal with the numerous developmental challenges facing it.

The researcher believe that, in order to improve the local government, municipalities strategically endeavour to implement the following five program areas regarding development: Program Area 1: Strengthening leadership and Professionalization of Local Government: This area focuses on strengthening the quality of political leadership and municipal management through structure and accredited leadership and municipal management training. It also includes policy and procedures around recruitment and performance management of senior and middle management in municipalities.

Program Area 2: Hands-on Support: This area is based on the provision of direct support in the municipal workplace, using service delivery facilitators, professional, skilled service providers and range of capacity modes that target both individual and institutional development. Hands-on support will be provided over an extended period, until the necessary capacity is developed or available to the municipality.

Program Area 3: Program-Based and Short-Term Support: This area involves the provision of a range of mostly once-off or interlinked training and events to strengthen existing skills and introduce new delivery programs, policies and financing arrangements usually not focused on the municipal work place.

Program Area 4: Strengthening the environment for local government to deliver, this area includes initiatives that change, refine and enhance the legislative, policy and procedural context in order to strengthen the ability of local government to deliver the developmental local government expected of them in terms of the Constitution.

Program Area 5: Strengthening Capacity to Co-ordinate and Develop Capacity for local government, this area focuses on building the capacity of the individuals and institutions responsible for the co-ordination of the local government capacity environment, especially in the national and provincial spheres.

Also as the part of making development more stable in our local government, the government need to strengthen the Community Work Programme. This programme is a key initiative to mobilize communities in order to provide regular and predictable work opportunities at the local level. This is a ward-based programme, which involves creating access to a minimum level of regular work for those who need it, targeting areas of high unemployment and poverty, where sustainable alternatives are likely to remain limited for the foreseeable future.

There are 4277 wards demarcated wall-to-wall within the eight metropolitan, 46 district municipalities and 229 local municipalities of South Africa. The wards form the basic units for participatory and democratic local government. However, there are serious challenges with regard to the effectiveness of the Ward Committee System in enhancing the involvement of communities in meaningful local decision-

making. It is therefore critical to strengthen our people-centred approach to governance and development and deepen democracy.

Poor administrative and financial management and the lack of effective controls and accountability systems impacts negatively on service delivery to communities, from the lack of provision of water and other services to inadequate funds for technical equipment for servicing basic infrastructure. The ineffective management of many municipalities has been attributed to a combination of factors from the improper political and administrative interface to weak institutional arrangements and poor supervision and accountability mechanisms. The implementation of sound administrative and financial management practices as set out in the local government framework legislation remains a challenge in many municipalities. Going forward it will be critical for government to focus their attention on improving the financial and administrative capabilities of municipalities.

The tasks of tackling the varied problems facing municipalities are cross cutting and complex. This will require creative and innovative organisational forms intended to bring key departments together to facilitate cross departmental collaborative partnerships to impact more decisively and positively on municipal performance. The key task is to better align and coordinate the varied interventions of departments and agencies impacting on local government and provide for more focused oversight and support to municipalities.

## **6.2 Recommendations**

To achieve this, it is critical that the specific roles and responsibilities of different sectors that interact with local government are clearly defined and respected. This will lay a foundation for cooperation between sectors and ensure accountability. The following recommendations are proposed, based on the results of the study:

- ***A need exists for further research in developmental local government***

The new local government system, although closer to the people, was the last to be established under the new order. The new developmental mandate given to local government by the Constitution of the Republic of South Africa, Act 108 of 1996 has not yet been fully grasped by local government meaning that practitioners do not yet fully understand this mandate. In addition, local government is perceived as not to have realised the importance or take advantage of research to find alternative mechanisms to deal with the numerous developmental challenges facing it.

The Amathole District Municipality, like many other local authorities in the country, has not yet developed the necessary research capacity. In this regard, a partnership with institutions of higher learning as well as research institutions is being recommended.

- ***Monitoring and evaluating its service delivery and development performance should be given more priority by the Amathole District Municipality.***

It is proposed that the Amathole District Municipality pay more attention to the monitoring and evaluation of its service delivery and development performance. The constitutional objects of local government require a functional system to monitor and evaluate the performance of the Municipality in meeting these objects as well as the impact of municipal actions, whether intended or unintended. The same applies to all municipalities throughout the country. Recent (2013) newspaper reports on the poor quality of housing provided in Amathole District clearly indicate the lack of monitoring and evaluation of projects.

Furthermore, since many municipalities are struggling financially and in terms of capacity, and to prevent the duplication of systems by municipalities, it is recommended that the Department of Provincial and Local Government (DPLG), provincial government and SALGA develop a monitoring and evaluation national framework and system, which is universally applicable in local government throughout the entire country. This would also prevent the exploitation of municipalities by consultants in addition to ensuring uniformity and promoting shared learning.

- ***Focus on local government should now move from planning to the implementation of programmes and projects.***

This recommendation proposes the use of monitoring and evaluating systems to measure the service delivery and development performance of the Amathole District Municipality. What will be monitored and evaluated is the implementation of plans. Furthermore, in order to enhance service delivery and development performance, it is essential that councillors and officials are properly empowered and capacitated. They have to understand what is expected of them in terms of their developmental and service delivery mandates. They need to be properly empowered to do their work. In this regard, regular refresher courses and structured programmes are recommended.

- ***Qualified and competent officials***

It is recommended that the Municipality focus on acquiring skilled qualified and competent officials. Furthermore, staff should not be appointed based on their political connections, but on their ability to do the job. An open, flexible and transparent but effective recruitment framework is also recommended.

The public sector is aggressively competing with the private sector for the scarce skilled personnel available, especially in the technical fields. It is recommended that a programme and strategy for the acquisition of scarce skills be developed. This includes partnering with other spheres of government especially the Home Affairs Department and the Departments of Labour and Foreign Affairs, to consider how scarce skills may be recruited from beyond the borders of this country.

- ***The Amathole District Municipality should prioritise local economic development.***

It is recommended that the Amathole District Municipality develop a realistic economic development strategy and plan, with realistic timelines. The Municipality should not do this alone, but should include other stakeholders, such as business, labour and civil society. This is to enable collective input and ownership.

The Municipality should also clearly differentiate between its role and that of the private sector. The main role of the Municipality is to develop an environment conducive to investment and growth. This means that factors like safety and security, political stability and efficient, effective and responsive administration must become a key.

- ***There is a need to improve on local participatory governance.***

It is recommended that the Amathole District Municipality secure greater participation by residents in matters of governance. Besides the fact that this is a constitutional and legislative requirement, it is also one of the important principles of good corporate governance. The Amathole District Municipality must urgently focus its efforts on enhancing public participation and communication. To achieve this, the following is recommended:

- Improvement of communication strategy and systems



- Development of comprehensive and integrated public education and outreach programmes
- Review and renewal of institutional systems
- Sufficiently budgeting and provision of other adequate operational requirements to enhance public participation Communication

Communication between government and citizens should be seen as an integral part of service delivery and governance. A culture of open and on-going communication should prevail, not limited only to crisis communication, marketing and media statements. The business of council and key policy decisions made by Council and its committees should be communicated properly . The Amathole District Municipality should not rely on the local media for communicating with its audiences, because the media is mostly sensational and reports on what it thinks its clients want and to sell its product. A comprehensive communication strategy accompanied by implementation plans with proper time frames needs to be developed and inputted upon by stakeholders.

It is further recommended that the Ward Committee System should not be a voluntary option for local government, as is currently the case, but compulsory. The Amathole District Municipality should go further and audit the functionality of its ward committee system and institutionalise it. Ward committees should be allowed to attend meetings they are currently not allowed to attend, like Mayoral Committee and Procurement meetings, to enhance transparency and to educate the public learn on Council decision making processes. Furthermore, the Municipality should develop a monitoring and evaluating system for ward committees, so as to improve their performance.

The findings of this study show that:

- *Staffing levels:* Staffing levels of municipalities have remained static over the period, despite increased responsibilities and growing capital budgets.
- *Staff experience:* Concerns have been raised about the experience of key municipal staff. There are large numbers of management staff in acting positions. Some of managers have less than five years experience in local government. There is a shortage of personnel in particular occupational areas, including engineering; municipal planning; environmental health; emergency and disaster management. Significant skills gaps also exist in the areas of strategic management and planning project and contract management, financial management and basic financial systems, administration, human resources, and basic literacy and numeracy.
- *Staff qualifications:* Skills upgrading is required in several areas, notably municipal management, municipal finance, corporate services, technical services, and strategic and development planning.
- *Councilor capacity:* In the 2006 municipal elections over 50 percent elected councilors were new incumbents. These points to the need for a bold capacity building program to ensure that they are able to handle the complexities of municipal leadership.
- *Skills shortage:* There has been an increase in the demand for skills, mainly due to upgraded service delivery methods linked to the restructuring of internal work environments. This has caused new job requirements and legislative and constitutional changes. There is now a mismatch between, incumbents, job descriptions and qualifications.

(NEL and BINNS, 2001), believes that In order to achieve 'developmental local government', local authorities are now expected to maximize both social development and economic growth and to help ensure that local economic and social conditions are conducive for the creation of employment opportunities (NEL and BINNS, 2001). In addition, local government is required to take a leadership role, involving citizens and stakeholder groups in the development process, to build social capital and to generate a sense of common purpose in finding local solutions for sustainability. Local municipalities thus have a crucial role to play as policy makers, and as institutions of local democracy, and they are urged to become more strategic, visionary and ultimately influential in the way they operate.

Building upon the strategies of the RDP, 'developmental local government' is charged with promoting empowerment and redistribution, and delivering four significant outcomes, namely:

- the provision of household infrastructure and services (such as electricity, water and sewerage), with priority given to the delivery and subsidization of at least a basic level of services to those who currently have little or no access.
- the creation of liveable, integrated cities, towns and rural areas, in which the spatial legacy of apartheid separation is addressed
- the achievement of local economic development, in which local government can play an important role in job creation and in boosting the local economy through the provision of business-friendly services, local procurement, investment promotion, support local procurement, investment promotion, support for small businesses and growth sectors
- community empowerment and redistribution

The introduction of the White Paper on Local Government in 1998 clearly provided a framework within which the developmental mandate accorded to local government could be realized. One of the key characteristics of developmental local government relates to the need for local government to maximize social and economic development. Local economic development should therefore, be viewed as an integral element of developmental local government. Local economic development is aimed at assisting municipalities through partnerships with non-governmental organizations, private sector and local citizens to mobilize resources and combine ideas and skills in order to stimulate local economic growth that translates into tangible employment opportunities and poverty alleviation.

The research clearly demonstrates that municipalities are expected to assume leading, integrating, co-coordinating and democratizing roles. The assumption of these roles should enable municipalities to realize the fundamental objectives of local economic development, namely, job creation, economic growth and poverty alleviation. Local government also operates within the confines of intergovernmental relations framework and co-operative government involving both the national and provincial governments. These inter-organizational relations serve as one of the necessary conditions for the realization of developmental local government objectives.

### **6.3 Conclusion**

In conclusion, the progress made by South African municipalities towards realizing the vision of developmental local government is remarkable and unprecedented. Over the last 20 years, municipalities have embarked on the extension of infrastructure and development through the application of different legislative framework and policies such as the Reconstruction and Development Programme (RDP), Growth Employment and Redistribution policy (GEAR); Local Economic Development (LED). These policies and legislative framework played a vital role on redressing the imbalances of the past.

The new local government system thus offers great potential for the realization of a better life for all citizens, facilitated by a new generation of developmentally oriented municipalities. Though the municipalities have made huge difference in terms of development compared to the past, but there is still more need to be done. A series of recent service delivery related protests throughout the country and in Amathole District Municipality confirmed that challenges do exist and there is still more need to be done.

However, this paper has identified several areas of contestation and conflict that impede service delivery and development. Among those areas the paper looked at the ambitious and progressive framework for integrated development planning. The researcher found that most municipal officials still lack understanding of the concept of integrated development planning and local economic development.

That means there is a need to sensitively educate local government personnel and to allow for a degree of flexibility in the planning process, so that authorities can develop their own particular approaches and priorities, within the broader framework of national goals and policies. Such • flexibility is likely to promote experimentalism and innovation and ultimately lead to more effective systems of planning and development.

Although relatively new, the concept of developmental local government is a constitutional and legislative mandate that has to be implemented. However, to ensure the successful implementation of the system of developmental local government and to prepare local government adequately to deal with any challenges that emerge along the way, research of this nature is vital.

Developmental challenges are felt more at local government sphere, because of its closeness to where people live. However, huge service delivery backlogs require the mobilization of all spheres of government to work together in an integrated manner

within the spirit of co-operative government. No single sphere of government can fulfil this role and mandate by working alone in isolation.

It is also important to note that the new system of developmental local government indicates that the world is not static, but dynamic. Systems of government must therefore be constantly adjusted to enable it to adapt to the ever-changing environment. This is exactly why further research and future investigations in developmental local government are always needed and encouraged. Challenges never remain the same over time. As soon as current challenges are solved, new challenges emerge, demanding new solutions and further investigations.

In addition to providing services, local government is also expected to facilitate social and economic development in their localities. This is expected to take place in the emerging environment of global competition being exerted on local economies by globalisation. Local economies are therefore expected to be competitive, both locally and globally.

Therefore it is appropriate to assert that the local sphere of government remains an important player in ensuring sound and solid economic growth, effective poverty alleviation and job creation within the context of developmental local government agenda. Essentially, the developmental role accorded to local government should be accompanied by provision of adequate institutional and administrative support systems, financial resourcing and workable legislative frameworks. The impetus to build viable, efficient and effective local government should also be informed by local economic development imperatives underpinned by job creation, local economic growth and poverty alleviation efforts within South African municipalities.

Further research in developmental local government will generate more innovative ideas and approaches. This will continue to make South Africa and its localities a better place to live in.

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