

**EXAMINING BUREAUCRATIC PERFORMANCE OF SOUTH AFRICAN  
LOCAL GOVERNMENT: LOCAL MUNICIPALITIES IN LIMPOPO PROVINCE**

**BY**

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## **ABSTRACT**

In democratic South Africa, power regarding the provision of public goods and services is decentralised to local government level simply because municipalities are the coalface of service delivery and are closer to the people than national and provincial spheres of government. As a result, municipalities are assigned service delivery responsibilities by the Constitution. To discharge these constitutional responsibilities and functions in terms of public goods and service provision effectively and efficiently, municipalities are, firstly, expected to have high institutional capacity to deliver and be held accountable to their municipal councils and to behave in a fiscally responsible manner. Secondly, they are further expected to be characterised by strong and powerful municipal councils to exercise their formal powers of oversight function over municipal administration. Despite huge and continuous resource investment in terms of funding and capacity building and training interventions from the centre to build and strengthen the local government capacity to fulfil its public goods and service delivery responsibilities, South African local government, with specific reference to Limpopo local government, continues to be afflicted by persistent poor bureaucratic performance in relation to water and sanitation provision as well as financial management. In Limpopo Province, there are, however, a very few pockets of good performance (e.g. the Waterberg District Municipality) pertaining to financial management. Generally, manifestation of these governance problems is illustrated by high rates of negative audit outcomes, high levels of underspending, high levels of financial misconduct, high consumer debt and increasing sporadic community protests against poor municipal service delivery.

Using a qualitative research approach and methods (i.e. interviews, observations, focus group discussions, questionnaire and document review), this study has explored the determinants of bureaucratic performance of South Africa's local government with specific reference to Limpopo local government. A multiple qualitative case study approach, consisting of five municipalities (i.e. Capricorn and Waterberg District Municipalities, and Fetakgomo, Greater Tubatse and Greater Tzaneen Local Municipalities) was, thus, applied. This multiple case study approach assisted in enhancing the validity and reliability as well as replication of the study results to the entire system of Limpopo local government. Both purposive and random sampling techniques were used to sample the above mentioned five case studies and select the

research participants. The added value of this study is, of course, the new dimension it has suggested such as theory of bureaucracy and the principal-agent model to explore and analyse the determinants of municipal bureaucratic performance in Limpopo Province. In effect, these two theories have rarely been tested together in analysing local government bureaucratic performance, but, in this study, they are used together to analyse the phenomena.

In spite of their commonalities and variations, the study has discovered that not all bureaucratic performance failures within Limpopo local government are related to the lack of meritocracy, especially at managerial level. In effect, the level of meritocracy is very low at operational and implementation level in municipalities. The study, for example, has found that the percentage of the total municipal workforce with university or college qualifications at National Qualification Framework level 6 and above stood at 17 percent in the Greater Tzaneen Municipality as compared to 58 percent and 76 percent in Fetakgomo and Greater Tzaneen Local Municipalities respectively. At the management level, the study, in contrast, found that the percentage of senior managers with professional qualifications at NQF level 6 and above stood at more than 80 percent in all the above-mentioned local municipalities.

At the district level, the study further found that the percentage of total municipal workforce with university qualifications at NQF level 6 and above, as prescribed by municipal regulations on minimum competency level requirements and qualifications, stood at 7.4 percent and 59 percent respectively in the Capricorn and Waterberg District Municipalities in the period the study was undertaken. The study, however, has revealed serious paradoxes at management level regarding the possession of university qualifications by senior managers. For instance, the study found that the percentage of section 54A and 56 managers with professional qualifications at NQF level 6 and above in the Waterberg District Municipality was 86 percent as opposed to 33.3 percent in the Capricorn District Municipality.

On the matter of the municipal council oversight function over municipal administration, the study findings confirmed the initial study proposition that strong and independent municipal councils, as opposed to weak or less-independent councils, play a vital role in

determining bureaucratic quality or performance of municipalities. In effect, the study found that municipal councils or their council oversight committees in selected case studies were ineffective in exercising their formal powers of oversight. According to the study, the ineffectiveness of municipal council oversight committees was attributed to the following; institutional instability that characterised these municipalities between 2011 and 2014; the influence of political parties; or the prolonged and sustained single dominance of the municipal councils by one political party. Given the parliamentary governance system generally adopted by the South African state, the study further observed that municipal councils are effectively rendered inefficient by the fusion of both legislative and executive powers in the same person, being the municipal council. In contrast, this is, however, not the case in national and provincial spheres of government where the separation of powers between the legislature and the executive is clear and unambiguous compared with the local sphere of government.

The study concluded that the persistent poor bureaucratic performance of South African local government, with specific reference to Limpopo local government, is as a result of none institutionalisation and none enforcement of a meritocratic recruitment culture at operational and implementation level as opposed to that at a management level. In addition, weak and less-independent municipal councils account for persistent poor bureaucratic performance of municipalities in Limpopo Province. If Limpopo local government is to become more developmental and meet the minimum service delivery expectations of communities, the study suggests that institutionalisation of meritocracy must be enforced by well-resourced and independent municipal councils *vis-a-vis* mayoral executive committees.

**KEYWORDS:** Local government, bureaucratic performance, meritocracy, expert-officialdom, political oversight, council autonomy, presidentialism, parliamentarianism, competitive party system, institutional instability, unqualified audit, qualified audit, and financial viability.

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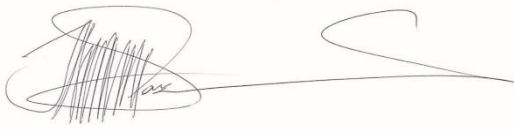
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## DECLARATION

I, Majuta Judas Mamogale, declare that this dissertation is my own unaided work and that each source of information used has been acknowledged by means of a complete reference. It is submitted for the degree of Doctor of Philosophy (PhD) in Public and Development Management at Wits School of Governance, University of the Witwatersrand, Johannesburg. It has not been submitted before for any other degree or examination at any other University.

Signed by

A handwritten signature in black ink, consisting of a large, stylized initial 'M' followed by a long horizontal stroke that ends in a small upward curve.

---

Majuta Judas Mamogale

22 December 2016

Date

## **DEDICATION**

To Mapule, my lovely wife,

To my two sons, Relebogile and Kabelo,

To Sophy Mosopjadi Mamogale, my late mother,

To Matle Claudia, my late daughter,

To my brother and three sisters,

To all my friends and colleagues, this thesis is dedicated.



## LIST OF ACRONYMS

ACDP:	African Christian Democratic Party
AG:	Auditor General
ANC:	African National Congress
APC:	African People's Convention
APP:	Annual Performance Plan
AZAPO:	Azanian People's Organisation
CDM:	Capricorn District Municipality
CODESA:	Convention for a Democratic South Africa
COGHSTA:	Department of Cooperative Governance, Human Settlement and Traditional Affairs
COPE:	Congress of the People
CSIR:	Council for Scientific and Industrial Research
DA:	Democratic Alliance
DBSA:	Development Bank of Southern Africa
DCOG:	Department of Cooperative Governance
DPSA:	Department of Public Service and Administration
FFP:	Freedom Front Plus
FLM:	Fetakgomo Local Municipality
FMG:	Financial Management Grant
GDP:	Gross Domestic Product
GRAP:	Generally Recognised Accounting Practice
GTLM:	Greater Tubatse Local Municipality
GTLM:	Greater Tzaneen Local Municipality
HoD:	Head of Department
HSRC:	Human Sciences Research Council
ICT:	Information and Communication Technology
IDP:	Integrated Development Plan
LDP:	Limpopo Development Plan
LGNF:	Local Government Negotiating Forum
MEC:	Member of the Executive Council
MFMA:	Municipal Finance Management Act

MIG:	Municipal Infrastructure Grant
MP:	Member of Parliament
MPAC:	Municipal Public Accounts Committee
MSA:	Municipal Systems Act
MSIG:	Municipal Systems Improvement Grant
MTSF:	Medium Term Strategic Framework
NDP:	National Development Plan
NEHAWU:	National Health Education and Allied Workers Union
n.d.:	Not dated
NP:	National Party
NQF:	National Qualification Framework
NSG:	National School of Government
NTC:	National Technical College
OECD:	Organisation for Economic Cooperation and Development
PA:	Performance Agreement
PAC:	Pan Africanist Congress
PAMA:	Public Administration Management Act
PhD:	Doctor of Philosophy
PIDPF:	Provincial Integrated Development Planning Forum
PLM:	Polokwane Local Municipality
PMS:	Performance Management System
PSC:	Public Service Commission
RDP:	Reconstruction and Development Programme
SA:	South Africa
SACP:	South African Communist Party
SADC:	Southern African Development Community
SAIRR :	South African Institute of Race Relations
SALGA:	South African Local Government Association
SAMWU:	South African Municipal Workers Union
SAQA:	South African Qualification Authority
SCOPA:	Standing Committee on Public Accounts
SDBIP:	Service Delivery and Budget Improvement Plan
SETA:	Sector Education and Training Authority

Small-N:	Small Number
TLA:	Transitional Local Authorities
TLC:	Traditional Local Council
TMC:	Transitional Metropolitan Council
TVET:	Technical Vocational Education and Training
UDM:	United Democratic Movement
UIF:	United Independent Front
UK:	United Kingdom
UNESCO:	United Nations Education, Scientific and Cultural Organisation
USA:	United States of America
VIP:	Ventilated Improved Pit
WDM:	Waterberg District Municipality

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## CHAPTER 1

### TRANSITIONS IN LOCAL GOVERNMENT SYSTEM IN SOUTH AFRICA

#### 1.1. Introduction

This chapter introduces this academic inquiry about the persistent, poor bureaucratic performance of South African local government with specific reference to Limpopo local government. From a total of thirty municipalities in Limpopo Province, only five municipalities were selected for empirical investigations. These municipalities include the Waterberg District Municipality, the Capricorn District Municipality, Fetakgomo, the Greater Tzaneen and the Greater Tubatse Local Municipalities. Before defining the concept of bureaucratic performance, this chapter explains the background and context of this research study. The historical transition of the South African local government system from apartheid to democracy is discussed. In addition, the guiding and supportive legislative framework for the consolidation of local democracy is also discussed. Before being concluded, the chapter further highlights the significance of the study to the wider community of local government practitioners and students.

As a point of departure, the creation of a democratic local government system in South Africa after 1994 was preceded by pre-interim, interim and then final transitional local arrangements and the unveiling of a guiding and supporting legislative framework. This democratic local government system is made up of metropolitan, the district and local municipalities in terms of the Local Government: Municipal Structures Act (Act No. 117 of 1998). The creation of this sphere of government is in tandem with the provisions of the South African Constitution (1996). For instance, section 40 (1) of the Constitution provides that government is constituted as national, provincial and local government, which are distinctive, interdependent and interrelated. The rendering of public goods and services is a constitutional obligation placed upon all three spheres of government in terms of section 40 of the Constitution (ibid), but the Constitution places the local government at the centre of service delivery. Thornhill (2008) and van der Waldt (2006) point out that municipalities are the first point of contact between the government and the citizens.

Consequently, section 152 (1) of the Constitution (1996) outlines the service delivery responsibilities of local government as follows, among other things;

- a) Provision of democratic and accountable government to local communities;
- b) Provision of quality and sustainable public goods and services to communities;
- c) Promotion of public participation in the legislative affairs of municipalities;
- d) Promotion of social and local economic development; and
- e) Promotion of a safe and healthy environment.

In spite of these constitutional provisions and huge resource investments in terms of funding and capacity-building and training programmes from the central government, empirical evidence suggests that the pressure to increase the rate and quality of public goods and service provision and the implementation of sound financial management systems remains a huge challenge for many municipalities, not only in Limpopo Province but throughout South Africa. This is evident in the persistently uneven and poor bureaucratic performance of municipalities in the province and elsewhere in the country.

To answer theoretical research questions around bureaucratic performance of the Limpopo local government, this study attempts to:

1. Explore ways in which municipalities in Limpopo province manage their bureaucratic performance;
2. Examine the factors that contribute towards failure of local government to meet minimum service delivery expectations of local communities in spite of huge investment in financial resources and capacity building and training programmes; and
3. Discover the extent of the institutional capacity and independence of municipal councils in Limpopo Province in exercising oversight and ensuring municipal bureaucratic accountability.

This study seeks to uncover and examine the underlying factors that lead to persistent poor bureaucratic performance in financial management reflected in high rates of negative audit outcomes, a high incidence of financial waste or misconduct, high

consumer debt (see, Auditor-General Report, 2010; 2012; 2013; National Treasury, 2007; 2012a; 2012b, etc.) and the poor provision of services such as water and sanitation services evident in sporadic but increasing community protests against municipalities in Limpopo Province (see, Development Bank of Southern Africa, 2012; Cloete, 2002; Nyalunga, 2006; Mathekga and Buccus, 2006; Thompson, Conradie and Tsolekile, 2012, Hirsh, 2010; Karamoko, 2011, etc.).

In similar vein, the Presidency (2014, p.24) posits that the remaining backlogs and unevenness in performance contribute to deep-seated dissatisfaction in some communities, as evident in the steep rise in community service delivery protests. In spite of efforts to build administrative capacity and enhance municipal bureaucratic performance through the provision of funding and capacity-building interventions from the centre, municipal financial management and service delivery persistently remain poor. These general governance problems at the local level are rooted deeply in a structure, which is incapable of efficient policy implementation and which was inherited from the former provincial and homeland bureaucracies by the democratic local government system after the demise of apartheid.

The DPSA (1997), Ncholo (1996) and Picard (2005) argue that one of the compromises reached on key outcomes during the negotiations prior to 1994 was that all civil servants from the former provincial and homeland bureaucracies were guaranteed continued employment under the new dispensation. An objective of this study was to assess why the provision of water and sanitation, as well as municipal financial management, in the province continue to remain so poor. Furthermore, the study was intended to assess the independence and institutional capacity of municipal councils in exercising their formal power of oversight *vis-à-vis* service delivery. With regard to the scope of this study, this research was confined to examining the bureaucratic performance of five municipalities in Limpopo Province.

## **1.2. The Research Setting**

### **1.2.1. Brief Overview of the Research Context**

This academic inquiry was undertaken in Limpopo Province. The province consists of about 125 755 square kilometers of land, and it is the fifth largest province in South Africa after the Western Cape Province. Limpopo Province shares international borders within the Southern African Development Community (SADC) region with three countries, Botswana in the west, Mozambique in the east and Zimbabwe in the north. Internally, Limpopo Province shares local borders with Provinces such as Gauteng to the south, the North West to the west and Mpumalanga to the east.

According to the Census 2011, the population in Limpopo Province is estimated at approximately 5, 404 868 million people, but the 2015 mid-year population estimates put the figure at 5.7 million people with majority of the people being youth (Statistics South Africa, 2012; 2015). An estimated 97 percent of the population are black Africans of diverse ethnicity and culture with a majority of over 70 percent of the people residing in rural areas under tribal authorities. It is obvious that the province is neither racially nor ethnically homogeneous, as is also the case at national level. The debate about whether ethnic diversity can enhance or hinder organisational bureaucratic performance is discussed in detail in the theoretical framework.

Nevertheless, white people in Limpopo Province make up at least three percent of the population while Indians and Coloured equally make up 0.3 percent of the population. Furthermore, the province has four official local languages with Sepedi being spoken dominantly by 53 percent of the population. Sepedi is followed by Tsonga and Venda being equally spoken by 17 percent of the population, while Afrikaans is spoken by 2.6 percent of the population (Statistics South Africa, 2012).

Economically, Limpopo Province is viewed as the natural resource treasure chest of South Africa, and it boasts some of the greatest reserves in agriculture, minerals (i.e. platinum-group metals, diamond, coal, chrome and iron ore), and tourism resources of which many still remain largely underexploited. The province's contribution to the country's gross domestic product increased from 6.8 percent in 2007 to 7.1 percent in 2012 (Statistics South Africa, 2013; 2014a). With regard to agriculture, research shows

that about 80 percent of South Africa's game hunting industry is found in Limpopo, as much as the province is well known for its tropical fruits, and it produces bananas, mangoes, avocados, tomatoes, litchis, pawpaw's, macadamia nuts, potatoes and red and white meat in abundance, as well as a variety of other nuts.

Economically, mining is one of the main drivers of the provincial economy and it alone was contributing 26 percent of the gross domestic product by 2013 (Statistics South Africa, 2014a). The province has approximately 70 operational mines of varying sizes and products. This is because the province is rich in mineral deposits including platinum-group metals, iron ore, chrome, high and middle grade coking coal, diamonds, antimony, phosphate and copper, as well as mineral reserves like gold, emeralds, scheelite, magnetite, corundum, feldspar, vermiculite, silicon and mica.

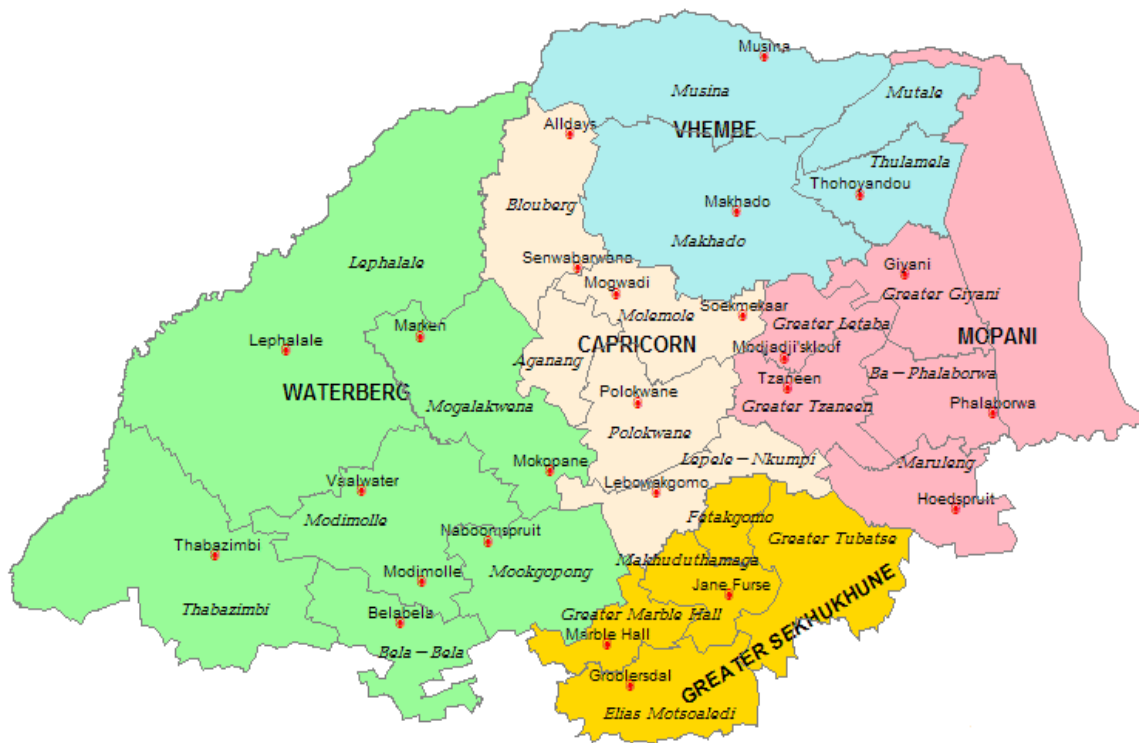
Furthermore, tourism is one of the three pillars of the province's economy along with mining and agribusinesses. A report by Tourism South Africa (2010), for example, indicates that, in 2008, Limpopo Province accounted for five percent of all foreign tourist bed nights in South Africa. Whilst Limpopo is one of South Africa's poorest provinces, with 79 percent of the population living below the national poverty line, it is rich in wildlife, which gives it a competitive edge in attracting more tourists.

Limpopo Province is, among other things, home to the Mapungubwe National Heritage Site, the Makapans Valley World Heritage Sites and the Kruger National Park. This presents an opportunity to lure tourism investors and grow the provincial tourism industry. Despite being endowed with abundant natural resources, the province, however, experiences slow economic growth, high unemployment, poverty levels and huge out-migration especially of young people to other provinces such as Gauteng and the Western Cape (Statistics South Africa, 2014b; Limpopo Development Plan, 2015).

Within the system of local government for administrative purposes, Limpopo Province is divided into five municipal districts (i.e. Capricorn, Mopani, Sekhukhune, Vhembe & Waterberg) as illustrated by figure 1 below. These districts are subdivided into twenty five local municipalities. As Statistics South Africa (2012b) points out, the district municipality with the largest population in 2011 was the Vhembe district with an

estimated population of 1, 294 million people. This was followed by the Capricorn district with a population of 1, 264 million people. The district with the smallest population in the province was Sekhukhune with a population of 1, 076 million people after Mopani and Waterberg districts with a population of 1, 092 million and 679 336 million respectively.

Figure 1: Limpopo Province Municipal Map



Source adapted: [www.sciolo.org.za](http://www.sciolo.org.za)

While the employment figures of the entire South African local government system having increased from 267 858 in 2006 to approximately 278 600 workers in 2009, the Limpopo local government employed approximately 8, 780 municipal workers in 2009, which constituted 68.4 percent of the people employed against an approved organizational structure of a 12, 833 staff establishment (National Treasury Report, 2012b, p.113). This simply suggests that the vacancy rate within the system of local government in the province was at 31.5 percent during that period. The total number of municipal workers employed by Limpopo local government, however, increased to approximately 18, 205 in 2013, according to the South African Local Government Association (SALGA) Report (2015). This study investigates the bureaucratic



performance of only five municipalities in this province, and these include the Capricorn District Municipality, the Waterberg District Municipality, the Greater Tzaneen, the Greater Tzaneen and Fetakgomo Local Municipalities. A detailed description of the socio-economic and political context of each selected municipal case is presented later in the study, particularly in chapter five.

With regard to the educational profile of the Limpopo Province, Statistics South Africa (2012) suggests that the province is making a steady progress in increasing school enrolment at all levels of education with improving educational outputs but with local variations amongst the five districts. For instance, Statistics South Africa indicates that the rate of people receiving a high school education in the province increased from 14 percent in 2001 to 23 percent in 2011, while the number of people receiving higher education (i.e. university and or college level) also showed positive growth from seven percent in 2001 to at least 9.2 percent in the census year.

Comparatively, these percentages are still very low when seen against the percentages at the national level. For example, the general household survey indicates that the percentage of individuals with tertiary educational qualifications in South Africa improved from 9.3 percent in 2002 to 13 percent in 2013 (Statistics SA, 2014, p.11). Limpopo Province has two local universities (i.e. University of Venda and University of Limpopo) and two satellite universities (i.e. Tshwane University of Technology and University of South Africa) as well as the Southern Africa Wildlife College and the Capricorn Further Education Training College.

As was said earlier on, the educational profile in Limpopo Province per district municipality also demonstrates huge variations. For example, Census 2011 indicates that the Mopani and the Sekhukhune districts equally boast the lowest percentage of people with high school education at 21 percent each but Mopani district fares better in terms of people with post matric or higher education at eight percent as compared to six percent of people in Sekhukhune district (Statistics SA, 2012).

Politically, Limpopo depicts what scholars (e.g. Kopecky, 2011, Pitcher, 2012, Morrison and Hong, 2006, etc.) refer to as the 'competitive party system'. For these scholars, the

competitive party system entails political stability, which implies a multiparty system where different political parties fairly compete for votes during the local government elections and includes the existence of institutions of oversight and regulation such as the municipal councils or legislatures. Incontrovertibly, South Africa is a liberal democracy characterised by a high quality of democratic systems. Many scholars (e.g. Barkan, 2006; 2009; Barkan, Mattes, Mozaffar & Smiddy, 2010; Mamogale, 2015, etc.) point out that high quality democratic systems include regular free and fair general elections, competitive party politics, a clear separation of powers and the principles of checks and balances, as well as an independent and impartial judiciary.

Kopecky (2011) and Pitcher (2012) further claim that, in a competitive party system, there may be less exploitation of state resources as the governing political party or parties fear exposure, embarrassment and electoral defeat under the conditions of fierce political competition for municipal council seats. In other words, this system assists in moderating the behaviour of both agency officials and local politicians mainly from the governing party. The arguments in favour of this theory are, however, tested when one presents and analyses the primary data from the fieldwork. It is worth noting that a detailed description of each selected case study for investigation is provided in chapter five of this study.

### **1.3. Concept Definition**

Bureaucratic performance talks about the effective and efficient use of institutional resources such as human capital, internal control systems, policies and procedures, funding, information and communication technology, etc., designed to facilitate and improve institutional performance. In this study, therefore, the concept of bureaucratic performance is defined as any outcome that is administratively desirable but improbable without the capacities and resources such as funding, equipment or technology and, most importantly, people with specialized expertise, appropriate knowledge, relevant qualifications and the necessary values, attributes and efforts as well as a strong adherence to moral codes and ethical standards to produce it.

Empirical evidence suggests that the performance of an organisation is the result of the combined efforts of each individual worker, while money, or what Max Weber calls 'money economy', is critically important for the payment of officials. As Wildavsky (1986, p.9), supported by Shah and Shen (2007, p.138), puts it, nothing can be achieved without money and what will be tried is practically embedded in the budget.

#### **1.4. Measures of Bureaucratic Performance of Municipalities**

As Mizell (2008) points out, the use of performance indicators and performance incentives (rewards and penalties) to affect service delivery performance gained prominence internationally in the 1980s and 1990s. To measure the bureaucratic performance of the five selected municipalities in Limpopo Province, namely the Waterberg District Municipality (WDM), the Capricorn District Municipality (CDM), Fetakgomo Local Municipality (FLM), the Greater Tubatse Local Municipality (GTLM) and the Greater Tzaneen Local Municipality (GTLM), therefore, six performance indicators were developed for the study.

These performance indicators were framed as follows:

- a) The total municipal workforce with a university degree or diploma certificate(s) as a percentage of the entire municipal staff;
- b) The percentage of capital budget spent annually by a municipality on service delivery projects against total annual capital budget;
- c) The total amount budgeted for human resource development annually against total municipal operational budget;
- d) The total amount of financial waste incurred by a municipality annually against total operating and capital budgets;
- e) Performance monitoring and evaluation systems put in place to assess municipal bureaucratic performance; and
- f) The number and quality of resources provided to the municipal council's oversight committees to perform their oversight function.

It is important to note that the performance indicators developed for this study are closely related to the general and compulsory key performance indicators developed for

all municipalities in South Africa issued in terms of section 43 of the Local Government: Municipal Systems Act (2000) and the Municipal Planning and Performance Management Regulations published August 2001.<sup>1</sup> Indicators arise from values, and this means that people or organisations measure what they care about. Indicators also create values. This means that people or organisations care about what they measure.

The net effect of these compulsory indicators means that a municipality cannot change or modify them when it reviews its municipal Integrated Development Plan (IDP). Municipalities all over the country, including the Limpopo local government, are obliged to develop measurable performance indicators and targets through the IDPs and Service Delivery and Budget Improvement Plans (SDBIPs) to gauge the level of their bureaucratic performance on each key performance indicator listed in the municipal regulations. Consequently, municipalities use performance management systems to measure the performance of individual municipal workers after entering into performance agreements with the municipal council and/or municipal manager.

It must be emphasized that the development of performance indicators in this study is undoubtedly consistent with global trends in measuring the quality or performance of government institutions, which, in this context, means the Limpopo local government. Van de Walle (2005) argues that there is an increasing demand and supply of indicators by leading international organizations (i.e. The World Bank, Transparency International, Business Environment Risk Intelligence, etc.) to measure bureaucratic performance or the quality of the government and its institutions.

According to van de Walle (ibid), the governance indicator, with its broad range of related concepts, is the one most preferred in measuring the performance of governments. This is because the governance indicator measures the competency of the bureaucracy, transparent recruitment and promotion practices, financial viability and sustainability as well as the quality of public service provision.

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<sup>1</sup> For a complete list of these key compulsory local government performance measures outlined in the regulations, see, the Municipal Systems Act, 2000 and Municipal Planning & Performance Management Regulations, 2001.

### **1.5. Research Assumptions**

In this research study, at least two study propositions have also been developed.<sup>2</sup> It is here assumed that meritocratic recruitments positively influence the bureaucratic performance of municipalities and that strong and independent institutions of regulations and oversight (i.e. municipal councils or legislatures) positively influence the performance of the state institutions.

### **1.6. Apartheid Local Government System**

The history of the South African local government during apartheid was one of racial segregation and separate development. Racial segregation and separate development were institutionalized and consolidated through discriminatory policies or legislation. Within the system of local government, for instance, white local authorities, which became responsible for the administration of black areas were established through the Urban Areas Act (Act No. 21 of 1923). The Act made it compulsory for the white local authorities to provide segregated residential areas for other races through the regulated influx controls.

In 1950, the Population Registration Act (Act No. 30 of 1950) was introduced to divide South Africa into four racial groups (i.e. whites, blacks, Indians and Coloured), while the Group Areas Act of 1950 (Act No 41 of 1950) provided for the demarcation of suburbs into different racial residential areas. The demarcation process meant that black people were prohibited from living in, or closer to, the so-called 'white reserved areas' or, more simply, the white suburbs. The Group Areas Act made it a criminal offence for a member of one racial group who decided to reside on or own land in an area set aside by proclamation for another race. Black Africans were allowed to visit the white reserved areas only as cheap labourers.

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<sup>2</sup> Study propositions are helpful since they increase the likelihood that a researcher will be able to place limits to the scope of the study and increase its feasibility as well as completing the project. They further later guide data collection and analysis. In other words, propositions assist researchers in focussing data collection and determining study direction and scope because together they form the foundation for a conceptual framework.

The areas reserved for the black people far away from white suburbs were comparatively underdeveloped and underserved as was evident in poor and deteriorating service conditions. In other words, little attention was paid to everyday spatial development planning patterns in the black reserved areas as opposed to the white reserved areas where these developmental aspects received much needed attention with the provision of parks, libraries, sport grounds, schools and other public facilities. The current City of Johannesburg, for example, was one of the areas reserved for whites, while black townships, like Soweto and Alexandra, Daveyton, etc., were specifically reserved for the black Africans. Government resource investment, in terms of funding, was skewed more towards the white reserved areas than areas for any other racial group in South Africa. Even though black Africans made up only 0.6 percent of civil servants in the country, Picard (2005, p.68) points out that out of 1, 843 647 million civil servants, the South African local government system then employed only 235 304 municipal workers.

It was, however, after the passing of the Group Areas Amendment Act in 1962 that local government authorities for each racial group were theoretically created, although with very different capacities and powers (Cameron, 1999). White areas were governed and administered by the white local authorities that were fully-fledged municipal institutions with many resources and much support from the state. Nyalunga (2006) points out that the newly-created Management Boards and Local Affairs Committees technically governed the Coloured and Indian areas, but these institutions or committees relied heavily on the administration of the white local authorities and/or the provincial administration to provide services on their behalf.

Consequently, a culture of resistance and impunity emerged within the black communities. Partially to compensate for the exclusion of black people from the tri-cameral parliamentary system, black communities were placed under the jurisdiction of the Black Local Authorities with no extra sources of revenue being provided for the financing of their local authorities. This meant that Black Local Authorities were forced to generate their own revenue to finance the provision of basic services to their black communities. Undeniably, the major part of the black local government revenue was self-

generated, primarily through property taxes and service charges to local residents and their businesses.

This difficult financial reality forced the Black Local Authorities to increase rent and service charges, and this was, unfortunately, met with violent resistance and service charge boycotts (Cameron, 1999; Shubane, 1991). The apartheid system undoubtedly succeeded in pitting the Black Local Authorities against their black communities by not being prepared to offset the financial shortfall of the black local government through subsidization. This is an indication that the apartheid system was determined to create and perpetuate racial segregation and racial inequalities. Similarly, Shubane (1991) argues that Black Local Authorities were beleaguered institutions from their inception owing to militant opposition from the black people and a generally accepted reputation for inefficiency. It suffices to argue that a reputation for inefficiency stemmed from the inferior education provided to the black Africans.

As Picard (2005, p.69) argues, the periods between the 1970s and 1980s saw many black Africans not even being able to acquire the skills that Bantu education provided owing to volatile political developments, which also had an impact on the employment of black communities. Undeniably, this was the origin of the skills, or rather capacity, crisis for future black local authorities. The Department of Public Service and Administration (DPSA) (1997) argues that governance problems associated with administrative capacity of the state continued to mount immediately after 1994 given the byzantine complexities of a structure inherited from the former provincial and homeland bureaucracies.

The Black Local Authorities, nevertheless, attempted on their own to resolve the rent and service charge boycotts, but generally, owing to the adverse political developments in the 1970s and 1980s in South Africa, these attempts did not yield expected positive results. Undoubtedly, it became a 'blame-game' between local communities and their black local authorities. Black Local Authorities argued that they would be able to improve basic services only if local residents and businesses paid for the services and rent, while the local residents, through their civic organizations, in contrast argued that they would pay only if the quality of these municipal services was improved. As a result, a culture of non-payment of services emerged and became deeply entrenched within local residents.

Anecdotal evidence suggests that this culture still continues in some areas in post-apartheid South African local government. Nevertheless, this was a very serious predicament facing the then black local government system.

The apartheid government tried to prop up the collapsing Black Local Authorities and calm local tensions by providing funding to affected areas. This intervention was, however, seen by many black communities as too little too late to placate them and curb black resistance not only to the local government system but also to the white minority rule in its entirety. By the mid and late 1980s most of the black townships, and many other parts of the rural areas, were effectively ungovernable. Pieterse (2002) and Nyalunga (2006) argue that the crisis in local government was a major force that led to the national reform process that started in the 1990s and led, subsequently, to the collapse of the apartheid local government system in South Africa.

### **1.7. The Birth of Democratic Local Government System**

The 1990s saw some major changes in the political landscape of South Africa with the major political organizations, such as the African National Congress (ANC), South African Communist Party (SACP), Pan Africanist Congress (PAC) and other liberation movements, being unbanned. Such a critical political development that manifested itself through the unbanning of the black liberation movements led to the release of the prominent political prisoners, including Nelson Mandela amongst others. It could be argued that the apartheid system under the leadership of F.W. de Klerk was then committed, owing to both internal and external pressures, to negotiate a new constitution based on universal principles of human rights with all participating parties.

These parties later converged at CODESA to map out transitional arrangements where a number of compromises were reached under the so-called 'sunset-clauses' for the new democratic political dispensation. One of the key outcomes during the negotiations was that all civil servants in the old South Africa were guaranteed continued employment under the interim constitution, which was also a compromise (Ncholo, 1996; DPSA, 1997). This meant that the new democratic state, at provincial and local levels, inherited a labyrinthine civil service comprising the former provincial and homeland



bureaucracies, and Limpopo Province was not an exception with regard to these transitional compromises.

The post-apartheid government led by the ANC carried with it the mandate to usher in a new era of national democratic revolution. As Ncholo (1996, p.121-122) points out, the new government followed a policy of rationalization and restructuring aimed at ensuring a unified, integrated, leaner and more efficient public service as a matter of priority. The strategic role of the new democratic government was to reform and transform the state to become more democratic, developmental and accountable. Such a state was to be underpinned by democratic constitutional values such as equity, redress, social justice, human rights and what is enshrined in the Bill of Rights in the South African Constitution (1996). Any government policy or any legislative framework introduced after 1994 was not in any way impervious to this development. Hence so many transformative policies were set in motion to address issues of service delivery at the local government level, but the challenge that remained was the administrative capacity to implement these government policies.

History dictates that the past always informs the present and the present gives direction to the future. Cloete (1994) argues that, in the period leading up to the first democratic elections in 1994, the issue of local government in the country was dealt with separately by the political negotiators owing to the extremely complicated nature of the relationships in and between local communities where daily bread and butter issues tended to become more emotionally volatile than elsewhere. Empirical evidence further suggests that the contributing factor was the prohibitive time constraints for political leaders to thrash out a mutually-satisfactory settlement under the intense conditions of widespread uncertainty as to exactly what should happen at the local level.

These foregoing matters meant that political leadership at the national level left the restructuring of the local government to a later phase, especially after the implementation of the new democratic order in the two spheres of government at national and provincial levels. This delayed restructuring created greater uncertainties for many civil servants at the local government level. As a result, bureaucratic performance for the black local government suffered major blows, particularly given the

uncertainty as to what exactly would happen after the apartheid era. As the white civil servants were preparing for their exit from public administration, the exploitation of state resources became rife. Picard argues that there was a famous argument in the run-up to the 1994 democratic elections that “blacks are coming to take over, so it is best to have a party while there is still time” (Picard, 2005, p.323). In the former provincial and homeland administrations, including Gazankulu, Venda and Lebowa and other parts of KwaNdebele, Picard argues that many civil servants without the necessary skills and qualifications promoted themselves up the organizational ladder.

The above argument suggests that the embezzlement of public resources, not only the money, grew not only in the former homeland administrations but also within the national and the former provincial administrations. Many other problems, such as the ‘ghost workers’ and huge discrepancies between the number of workers on the state institutional records and the payroll system, were further found by the Ncholo report (DPSA, 1997). To reiterate, here were the seeds of bureaucratic underperformance for the future system of South African local government. Bureaucratic underperformance, with the skills deficit at the centre, was compounded by the loss of experienced staff, especially white civil servants through non-systematic voluntary severance packages amongst other things. As has been said, civil servants were uncertain about their future in terms of employment securities and treatment.

Provinces such as Limpopo had no mechanisms for providing incentives for these experienced staff members to be retained and this had implications for the bureaucratic performance of democratic municipalities. Moreover, it could be argued that the governance and administration systems of human resource development, transparency and accountability, *inter alia*, in the public administration virtually collapsed owing to a lack of political oversight. As Cameron (1999), Mogale (2003) and Cloete (1994; 2002) point out, immediately after 1994 White Local Authorities continued to be in power with a monopoly with regard to the allocation of scarce resources since Black Local Authorities and Management Boards or Committees for the Coloured and Indians communities existed as appendages to the dominant white-controlled local government system in the country.

Nevertheless, it could be argued that the restructuring of local government in South Africa was not completely left out of the equation. Some reforms meant for the local government had already been initiated in 1993 to redress apartheid injustices. For example, the Local Government Negotiating Forum (LGNF) was established in 1993 with the sole aim of contributing towards the transformation and democratization of this sphere of government. The discussions under this forum led to the passing of the Local Government Transition Act of 1993 (Act No. 209 of 1993), and, subsequently, Chapter 10 of the Interim Constitution of South Africa of 1993 as well as the Agreements of Finances, Services and Service Rendering (Cameron, 1999).

The Act was, however, criticized for its urban bias and its lack of structured support processes to enable municipalities to manage the change process effectively (see White Paper of Local Government, 1998). Notwithstanding the criticisms, the Local Government Transition Act, as its name denotes, served as the blueprint for the restructuring and transformation of the local government system in South Africa and explicitly mapped out three phases of transition for the local government system.

The first phase was known as the 'pre-interim phase', which, of course, commenced with the passing of the Local Government Transition Act (1993) and was operative until the first local government elections in November 1995 in seven provinces, except in Kwa-Zulu Natal and the Western Cape where the local government elections were held in mid-1996. As Picard (2005) argues, the Limpopo local government, after the November elections, operated with a bloated and inefficient public service of less competent and inappropriately qualified civil servants inherited from the homeland administrations. This view of Picard is supported by Ncholo (1996) and the Department of Public Service and Administration (1997). This arrangement suggests that democratic Limpopo local government was set for a failure from the beginning having insufficient sources for the generation of its own revenue. In spite of this negative situation, the Transition Act did lead to the abolition of racially-based local authorities and replaced them with non-racial Transitional Local Authorities (TLAs), while, in the metropolitan areas, the Act led to the establishment of Transitional Metropolitan Councils (TMCs).

The second phase became known as 'interim-phase'. It started with the first local government elections and ended with the implementation of the final democratic constitutional model at the local level. Though there is no agreement on when exactly this transitional phase lasted, Cameron (1999) and Nyalunga (2006) argue that this phase lasted between three and five years.

The last phase was known as 'the final phase', which started with the implementation of the final constitutional model, drawn up by the Constitutional Assembly, at the local level. Again as there is no agreement amongst scholars about whether the final phase began only when the democratic and non-racial municipal councils were elected for the first time in the history of South Africa in 2000 local government elections. Non-racial municipal councils replaced the Transitional Local Authorities, and Transitional Metropolitan Councils were established in terms of the former Local Government Transition Act of 1993.

It suffices to argue that, in the provinces such as Limpopo, the new non-racial municipal councils, which practically consisted of almost entirely black council members, had no experience of how the system of local government worked, nor did they have any understanding of political oversight over the municipal administration. This was simply because these black council members had not performed these duties before and they had not previously been exposed to the local government's oversight function. They needed extensive capacity-building and training before they could fully understand their duties and start exercising their oversight work in order to improve the operational efficiency and performance of the newly-established municipalities and the councils.

Another limiting factor for these municipal councils with regard to exercising vigorous oversight might have been the fact that many councillors had either no, or limited, educational background owing to the history of the apartheid education system. Arguably, a very large number of black councillors who were elected immediately after 1994 had not even acquired the limited skills and educational background that apartheid education offered. As has been said in the preceding paragraphs, this situation sowed the seeds for poor bureaucratic performance of the local government owing to inadequate political oversight amongst other things. Nevertheless, empirical evidence further

indicates that the local government transition process was given a very strong impetus through a number of transformative legislative frameworks after the period 1994. The next section deals with these.

### **1.8. Supportive and Transformative Legislative Framework**

The centre meaning the national government is expected to provide legislative and policy frameworks and support to both the provincial and local governments to enable them to fulfil their core service delivery responsibilities. Consequently, a far-reaching package of legislative frameworks was introduced to support and guide the establishment, as well as the transformation, of the democratic local government system. This is referred to as 'developmental' in South Africa. It is, however, beyond the scope of this study to discuss the origin and the meaning of the notion of a 'developmental' local government or even a 'developmental state'. This legislative framework further sought to ensure that municipalities were more transparent, accountable, financially sustainable, more capable and development-oriented and responsive to the needs of the local communities under their jurisdiction.

One argues that the central government provides enabling conditions through its legislative framework and resource investments in terms of funding for the development to take place at the local level. This view is supported by Mogale (2003, p.229) who argues that, to meet developmental requirements and speed up service delivery to the poor communities, extensive resource acquisition in terms of funding, human resources, capacity building and training programmes and, most importantly, the adoption of a key and enabling legislative framework became essential for the realisation of the objectives of local government.

For instance, the South African Constitution (Act No. 108 of 1996) was an important piece of legislation that recognized the local government as a distinctive, interdependent and interrelated sphere of government. Undeniably, the Constitution gives the local government original powers, and this clearly means that its autonomy is constitutionally protected. This further suggests that other spheres of government cannot compromise or impede the local government in the exercise of its powers or the performance of its

functions. Section 41 of the Constitution (1996) provides that all spheres of government must exercise their powers and perform their functions in a manner that does not encroach on the geographical, functional or institutional integrity of government in another sphere.

While the responsibilities of municipalities, in terms of public goods and service provision, are outlined in section 152 and 153 of the Constitution, the Constitution equally places the responsibility for the support and capacity building of the local government upon the national and provincial governments. Section 154 (1) of the Constitution (1996, p.85), for instance, provides that “national government and provincial governments, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions”. Municipalities are charged with the duty of ensuring the provision of quality and cost-effective municipal services to communities in a sustainable manner, to promote a safe and healthy environment, to promote socio-economic development in the area of their jurisdictions as well as promoting public participation in local government affairs. More so, they are obliged to structure and manage their administration and budgeting process as well as planning to give priority to the basic needs of communities.

Empirical evidence further shows that, from 1998, a number of legislative initiatives were unveiled to reform and transform the local government system in South Africa. After the White Paper on Local Government in 1998, the Local Government: Municipal Demarcation Act (Act No. 27 of 1998) was introduced to make provision for the re-demarcation of municipal boundaries. The Act further led to the establishment of the Municipal Demarcation Board, which is tasked with the responsibility of demarcating municipal boundaries based on a set of factors outlined in the Act itself. The demarcation process in the country led to the reduction of municipalities from 843 to 284, and then to 283 in 2006, and, subsequently, to 278 municipal institutions in 2011.

During the undertaking of this study, the process of re-demarcating municipal boundaries with the aim of further reducing the total number of municipalities across the country was underway. Although a variety of reasons have been provided for this change,

Nyalunga (2006) argues that the demarcation changes were largely driven by economies of scale imperatives. The national government, therefore, sought to ensure sustainability and viability of the local government while at the same time entrenching a culture of oversight and accountability.

After this process, the Local Government: Municipal Structures Act (Act No. 117 of 1998) was also introduced to deal with the categorization of types of municipalities in accordance with section 155 of the Constitution. The Municipal Structures Act sets the criteria for determining the category of municipality to be created in each area, for defining the types of municipality within each category, and for an appropriate division of functions and powers that fits well in Max Weber's description of 'division of labour' (see Max Weber, 1948; 1968a; 1968b). A brief discussion of Weber's division of labour concept is provided in Chapter three of this study.

Regarding political oversight, section 44 (3) (g) and (h) of the Act, for instance, provide that a municipal council has the duty to monitor the municipal administration and review the performance of all aspects of the local government including overseeing the provision of public goods and services to the community. The Act further regulates the structures and operations of municipalities and their office bearers, as well as providing for the electoral system of municipal governments. It could be argued that the Structures Act has a gender lens in the sense that it encourages political parties to ensure that 50 percent of the municipal council candidates on their party list are women.

Undoubtedly, the post-apartheid South African state is one of the best countries in the world in terms of representation by women in the legislatures as parliamentarians (Mamogale and Masehela, 2014). It has been found that female leadership in organisations has a positive impact on organisational performance (Dezso and Ross, 2012; Smith, Smith and Verner, 2005). The effect of female leadership on institutional performance is, however, attributed to the quality of the leadership in terms of professional qualifications.

Another crucial piece of law enacted was the Local Government: Municipal Systems Act (Act No. 32 of 2000). This Act provides for the core principles, mechanisms and processes

that are necessary to enable municipal institutions to move optimally towards socio-economic development of the local communities by ensuring universal access to essential and basic services. Section 68 of the Act provides that municipalities must develop their own human resource capacity to a level that enables them to perform and exercise their functions and powers, and, for this purpose, municipalities must comply with other pieces of legislation introduced at national level, such as the Skills Development Act (Act No. 97 of 1998 and the Skills Development Levies Act (Act No. 9 of 1999). For example, section 3 of the Levies Act provides that the amount to be levied at the local government from 1 April 2002 must not be less than one percent.

The Local Government: Municipal Systems Act (2000) gives superior attention to building the institutional capacity of municipalities through meritocratic recruitments. Section 56 (b) of the Act provides that competent and skilled municipal bureaucrats, with the required qualifications, must be appointed to deliver quality public goods and services to the communities. Section 54 (2) of the Municipal Systems Amendment Act (2011) requires that a municipal council ensures that a person appointed as a municipal manager or in an acting capacity has the skills, expertise, competencies and the prescribed qualifications.

Section 54 (3) of the Systems Amendment Act goes further by stipulating that the appointment decision becomes null and void if persons appointed to senior strategic positions within municipalities do not possess the skills, expertise, competencies and qualifications as prescribed or if the appointment is made in contravention of this Act. In addition, the Act regulates the employment of municipal employees who have been dismissed elsewhere or are subject to disciplinary processes by other municipal institutions. The Act also penalises municipal principals and agents, such as the municipal managers and section 56 managers, who simultaneously hold political office in a political party or parties. It becomes clear that this Act seeks to ensure a clear separation of office between the political leadership role of the municipal council and the mayor and the managerial role of senior municipal managers within the municipal bureaucratic administration.



Based on these amendments, it could be argued that South African local government is at least moving towards the professionalisation of the bureaucracy as conceptualized by Max Weber and further emphasized by the World Bank Development Report (1997) and Rauch and Evans (2000). Some political commentators suggest that the amended provisions of the Act are meant to depoliticize and professionalise the entire system of local government in South Africa. It could be argued that the Act attempts to institute and enforce the notion of professional bureaucracy emphasized by many scholars (e.g. Weber, 1948, 1968b; Mauro, 1995; the World Bank Development Report, 1997; Rauch & Evans, 2000a; 2000b; Evans, 1998; 2002; Henderson, *et al*, 2007, etc.) within the system of local government. The discussion of the concept of professional bureaucracy is discussed in detail in a subsequent Chapter, which deals with the theoretical and conceptual framework of the study.

Similar to other spheres of government at national and provincial level through the Public Finance Management Act (1997), the post-apartheid South African local government in 2003 introduced the Local Government: Municipal Finance Management Act (MFMA) (Act No. 56 of 2003) to strengthen financial management capacity and ensure financial accountability and transparency within the system of local government. The MFMA seeks to modernize the budgeting process and financial management in local government. The Act further seeks to ensure that municipalities are held financially accountable and also provide goods and services in an efficient, effective and affordable, as well as sustainable, manner to the local communities. One argues that the MFMA criminalises financial mismanagement as financial misconduct or waste.

The MFMA elaborates the powers and functions of the National Treasury and Provincial Treasuries in relation to municipalities within the spirit of co-operative governance. The powers and functions are in relation to municipal financial management, the approaches to municipal budgets, the roles and responsibilities of municipal councils and municipal administration, financial conduct and the management of cases of financial misconduct or waste. As National Treasury (2009; 2012) posits, various initiatives, such as the Project Consolidate Programme launched in 2004 and Siyenza Mange Programme of 2006 were introduced to build and strengthen the capacity of municipalities covering various financial management and other disciplines in order to address the gaps in the

implementation of the MFMA. For instance, through the 2006 Siyenza Mange Programme, managed by the Development Bank of Southern Africa (DBSA), national government deployed 210 technical experts in different areas of municipal operations and 165 interns to various municipalities across South Africa.

The National Treasury (2009; 2011) argues that these capacity-building initiatives provided short-term gains, which did not translate into long-term sustainably performance improvements. This simply suggests that these hands-on technical support programmes resulted in a perverse outcome in the sense that no evidence exists, which suggests that these training and support interventions had not resulted in knowledge transmission and strengthened the institutional memory of affected municipalities.

Another problem is that the capacity-building efforts were based on 'one-size-fits all' approach that did not differentiate the training initiatives to the particular individual municipality's context. The receiving municipalities did not meet the expectations of the experts in the sense that the technical experts were placed where the counterpart municipal officials to whom knowledge and skills was to be transferred had limited or inappropriate educational credentials (National Treasury, 2011, p.294). It, thus, suffices to say that these capacity-building and training programmes reinforce dependencies rather than build the institutional capacity of the municipalities.

In accordance with the MFMA, the role of Provincial Treasuries relates specifically to a clear monitoring and intervention support role, administering, guiding and coordinating MFMA implementation in the provinces, and supporting capacity-building and training within municipalities as well as dealing with National Treasury delegations. This clearly indicates that both national and provincial governments, through the Treasuries, have a constitutional responsibility to monitor and oversee the state of local government financial management and finances and to provide appropriate technical support. The assumption here, however, is that the Provincial Treasuries inherently possess these technical support skills. The administration of the five provincial departments including the Provincial Treasury in Limpopo Province in 2012 in terms of section 100 (1) (b) of the South African Constitution (1996) points to the contrary.

The Constitution (1996) provides that, where a municipality fails to fulfil its constitutional obligations, there is an obligation on the provincial executive in the first instance, and then the national executive, to intervene in the municipality to set things in order to protect the interests of communities. Section 139 (1) (b) of the Constitution states that, 'when a municipality cannot or does fulfil an executive obligation in terms of the constitution or legislation, the relevant provincial executive may intervene by taking any appropriate steps to ensure fulfilment of that obligation'.

Notwithstanding the above arguments, the Local Government: Municipal Property Rates Act (Act No. 6 of 2004) was introduced to deal with the imposition of property rates by municipalities in order to boost their revenue collection capacities in accordance with the section 229 (2) of the Constitution. For instance, this constitutional provision provides that municipalities may impose rates on property and surcharges on fees for services provided by a municipality or on behalf of the municipality. It further provides that a municipality may impose other taxes, levies and duties, if authorized by national legislation. Only metropolitan and local municipalities may raise revenue through property rates (National Treasury, 2012a).

The National Treasury points out that property rates are intended to fund the economic services provided by municipalities, such as municipal roads, storm water systems, street lighting and street cleaning. The Municipal Property Rates Act (2004) expects municipalities to charge for services they provide to consumers, and these services include water, sanitation, refuse removal, and electricity as well as planning and building permission and the hiring out of municipal facilities. Charges for these services are the largest contributors to the municipal revenue generation base but particularly for metropolitan and urban municipalities like the City of Tshwane, the City of Johannesburg, and the Polokwane Local Municipality, among others.

Section 74(2) of the Municipal Systems Act (2000), further prescribes that a municipal council must adopt and implement a tariff policy on the levying of administrative fees for municipal services. Given that the Municipal Systems Act outlines certain tariff principles that must at least be adhered to, it suffices to say that these principles are also meant to create an enabling framework for establishing financially sustainable service charges.

Another piece of legislation introduced to boost the revenue collection capacity of municipalities is the Municipal Fiscal Powers and Functions Act of 2007 (Act No. 12 of 2007). This Act regulates municipal surcharges and municipal taxes rather than property rates. The Act, however, requires municipalities to receive authorization from the Minister of Finance, or rather the National Treasury, for all existing municipal taxes. The Act further empowers the Minister of Finance to prescribe norms and standards for municipal surcharges. The National Treasury (2012a, p.42) argues that, since the Act came into effect, no new municipal taxes have been authorized in the South African local government system.

Municipalities based in urban centres as opposed to rurally-based municipalities have, nevertheless, abundant streams or sources for generating their own revenue. One such urban municipality with a range of sources to raise revenue would be the Polokwane Local Municipality in the Limpopo Province. These municipalities can also collect revenue from traffic fines, penalties for municipal by-law contraventions, licence fees and permits, approval of building plans, registrations of accounts for newly-registered bond houses for the payment of municipal rates, agency payments and interests (National Treasury, *ibid*). Given the introduction of the Municipal Property Rates Act (2004) and Municipal Fiscal Powers and Function Act (2007), it suffices to say that municipalities are authorized by the national legislation to collect their own revenue through taxes, fines, levies, and service charges, including administration fees and the property rates.

The fact that most municipalities receive the huge bulk of their own revenue from service charges and property rates means that they must ensure that local residents receive value for money from the trading services. In addition, it is expected that residents are generally satisfied with the municipalities' service delivery standards or levels so that residents become willing to pay rates and service charges continuously. Anecdotal evidence, however, suggests that, in the South African local government system, especially in rurally-based municipalities, this is not always the case. Apart from the expectations on municipalities to generate their own revenue through the two cited Acts, municipalities annually receive extra revenue through national and provincial transfers in the form of unconditional and conditional grants.

Another piece of legislation introduced for local government was the Local Government: Cross Boundary Municipality Laws Repeal and Related Matters Act (Act No. 23 of 2005). This Act resulted in the abolition of cross-boundary municipalities that were spread across, and were accountable to, two provinces. It suffices to argue that this Act clarified the operational and accountability framework of the previously affected municipalities. The observation that can be drawn from policy implementation in local government in South Africa is that policies are not adequately implemented. The Public Service Commission (2014b, p.15) argues that even the best policies are prone to failure in the absence of capable state institutions and vigorous political commitment and oversight.

It then becomes inappropriate to blame only the lack of administrative capacity to implement government policies. The problem is very complex and goes deeper than that, so that anecdotal evidence, backed by various audit reports, suggests that a culture of impunity to comply with legislation, incompetence, political meddling in administrations, political corruption, weak political oversight, etc., accounts for this problem in local government. This suggests policy disjuncture between policy development and implementation in the system of local government. Undoubtedly this policy disjuncture also extends also to the national and provincial governments.

The National Treasury (2006) and Public Service Commission (2006) confirm that persistent poor bureaucratic performance does not suggest that South Africa is short of appropriate and sound policies for implementation, but rather that there is a culture of non-implementation. In other words, policies are theoretically executed more than they are in practice. That has led to fact that the problem of poor bureaucratic performance in local government continues to rise despite increasing huge investments to build and strengthen the capacity of municipalities to deliver quality public goods and services to local communities.

### **1.9. Significance of the Study**

Given the reality of persistent poor bureaucratic performance of the system of local government, many explanations, based purely on theoretical assumptions, are provided

to explain the local government problems facing municipalities in South Africa and Limpopo Province in particular. The problem with these assumptions is that these explanations are often generalized to the entire system of local government in South Africa without any 'province-specific' empirical investigation being conducted. Although these theoretical explanations or reasons are discussed and analysed in detail in the subsequent chapters, this study fills this research lacuna by conducting empirical investigations of Limpopo local government as the research setting with at least five municipalities selected as case studies. In other words, this lack of previous specific study has motivated the conduct of this study, which offers a new framework for exploring, understanding and analyzing bureaucratic performance of Limpopo local government. The study emphasises that the 'province-specific' local government literature pertaining to bureaucratic performance is very limited in South Africa.

This study, therefore, contributes largely to the development of the existing underdeveloped literature on province-specific local government with specific reference to Limpopo Province. One is, however, aware of the few existing 'province-specific' Limpopo local government studies of the Vhembe District Municipality (Mavhivha, 2007) and the Bela-Bela Local Municipality (Tshandu, 2010). In addition, the study contributes to several broader sets of literature including the principal-agent framework, organizational performance, meritocratic recruitment and political oversight and the independence of oversight institutions such as municipal councils.

The study intends to invigorate the bureaucratic performance debate in local government in particular by proposing a more holistic approach to discovering and exploring the underlying variables for organizational performance. In other words, the added value of this study is the new dimension added to current local government literature in analyzing institutional quality or performance problems of municipalities in meeting the service delivery expectations of local communities. Gerring (2012, p.28) concurs that 'a good piece of research is one that is innovative, one that makes a novel contribution- usually understood with respect to the key hypothesis or general theory'.

The narrow focus on Limpopo Province's local government is the study's comparative strength. One, however, acknowledges that more specialized topics limit the

generalization of the project's findings to the wider population of all the thirty municipalities in Limpopo Province. Key learning points, however, would be extrapolated from the study for replication in municipalities with similar challenges but not covered by the study in the province and elsewhere. Gerring (2012) argues that replication does not simply refer only to a narrow, circumscribed reiteration of the study findings, but also refers to the variations that are introduced to the original study.

### **1.10. Conclusion and Structure of the Dissertation**

As the system of local government in South Africa is continuously evolving as contexts change and new problems emerge, municipalities need to improve their bureaucratic performance in relation to financial management and the provision of quality public goods and services to local communities. Improving the revenue-service delivery link between the local government and communities is central to fostering greater accountability and public confidence in local government. Indisputably, issues of good municipal governance are exceptionally important in the new South Africa, particularly in local government in Limpopo.

Having outlined the research purpose, research questions, objectives and the performance indicators developed to measure bureaucratic performance of municipalities in Limpopo Province for the study, this Chapter outlines the structure of the entire research dissertation as follows:

#### ***1.10.1. Delineation of the study***

This dissertation is divided into eight Chapters. Chapter One introduces this academic inquiry. It locates the study within a particular historical context and follows the trajectory of municipalities with a specific focus on local government under the apartheid regime, the transitional period (pre-interim, interim and final phases) and democratic consolidation since 2000. The second transitional phase helped to usher in the new democratic local government dispensation in 2000 with the unveiling of relevant legislative or policy frameworks to expedite the transformation and reform process of the entire local government as well as scaling up an equitable provision of services to include previously marginalized communities or underserved black areas. This chapter

argues that, despite the successful transformation and reform process at the local level, municipalities, particularly in Limpopo Province, continued to suffer acute capacity constraints mainly because they inherited a structure from the former provincial and homeland bureaucracies incapable of efficient policy implementation. This problem continues to haunt the current system of democratic local government, especially in Limpopo Province, despite the national government's continuous resource investment to build and strengthen the administrative capacity of municipalities.

Chapter Two succinctly defines or discusses the statement of the research problem. There are paradoxes in local government. There is huge investment in terms of funding and capacity-building interventions to accelerate service delivery. Poor municipal bureaucratic performance at the local level, however, remains perennial and this is manifested through poor financial management and service delivery protests that have continued to bedevil democratic local government since the inception of democratic rule. The questions of capacity, poor governance, poor financial management, evidenced by increasing negative audit outcomes, high incidents of financial waste, high consumer debt, and community service delivery protests remain at the epicenter of the challenges afflicting the Limpopo local government.

Chapter Three explains the theoretical and conceptual framework that has guided the development of this research project. It presents an account of various competing alternatives or theories, which are assessed to discover and explore the underlying root causes of poor institutional performance or quality in organisations. After discussing all these competing theoretical explanations, the chapter chooses the theory of bureaucracy and the principal-agent model as the appropriate guiding theoretical framework to uncover and explore the underlying root causes of persistent uneven and poor municipal bureaucratic performance in Limpopo local government. One argues that the combination of the two theories is one of the study's comparative advantages simply because the two theories have rarely been tested together to explore determinants and underlying causes of poor organizational performance. As Root-Bernstein (1989, p.407 cited in Gerring, 2012, p.28) puts it, "the only interesting fields of science are the ones where you still do not know what you're talking about".



Chapter Four introduces and discusses research paradigms, the design and methodology used to collect and analyse fieldwork data. This chapter provides the justification for the choice and use of the qualitative research methodology rather than opting for a multi-method research approach, which is becoming increasingly popular in social science research. In other words, it provides an account of the research paradigm including the rationale for the use of multiple case study research design. The chapter further accounts for the ways in which the research population and samples were determined, including the ways in which the questionnaires, interviews and group discussions, observations and documentary evidence or sources have been applied to gather the relevant data to answer the main research questions of this study. Although issues of research ethics and research dilemma experienced during the practical fieldwork research are highlighted, this chapter also explicitly highlights the procedures followed to analyse and interpret qualitative data. It is, however, worth noting that fieldwork results are presented, analysed and interpreted from chapter five to seven.

Chapter Five presents a detailed description of each selected case study for investigation. It starts off by describing the historical and current political and socio-economic contexts of each case. It further highlights and discusses the commonalities and variations amongst the five case studies, which impact on the bureaucratic performance pertaining to financial management and water and sanitation provision, amongst other things.

Chapter Six presents and discusses the research findings emanating from this present academic inquiry. The presentation of these research results corresponds with the themes suggested by the main research questions and the performance indicators developed to measure bureaucratic performance for Limpopo local government.

Chapter Seven then proceeds to analyse and interpret the research findings and the main themes from the fieldwork in order to draw overall study conclusion(s).

Chapter Eight concludes the study by summarizing the key findings from this academic inquiry, and it puts forward a number of feasible policy recommendations that may be applied or replicated elsewhere to improve the bureaucratic performance of municipalities in Limpopo province. The study emphasizes that there are important

lessons to be extrapolated from this academic inquiry into the selected few municipalities and used to inform case studies relative to other municipalities in Limpopo Province and elsewhere in South Africa. The study argued in chapter four that the research findings from this multiple qualitative case study research qualify to be generalized or replicated.

## CHAPTER 2

### MUNICIPAL BUREAUCRATIC PERFORMANCE AND SERVICE DELIVERY CHALLENGES IN LIMPOPO PROVINCE

#### 2.1. Introduction

Since the dawn of democracy, the living conditions of the majority of the South Africans have significantly improved compared to the period prior to 1994. These improvements in living conditions and access to basic services cascade down from the centre to the periphery, which means from the national level through the provincial level in an unequal and unpredictable fashion. For instance, the proportion of households without access to piped water above the reconstruction and development programme (RDP) standards at national level was halved from 20 percent in 1996 to 11 percent in 2010, whilst the total population without access to electricity decreased from 42 percent in 1996 to 17 percent in 2012 (National Treasury Report, 2012a; 2012b). In Limpopo Province, the proportion of households with access to electricity and housing above the RDP standards also increased to 87 percent and 88 percent respectively in 2012 but with local variations amongst the five districts (Auditor-General, 2013; Limpopo Development Plan, 2015; Housing Development Agency Report, 2013). The Limpopo Development Plan (2015) indicates that at least 13 percent of local households in the province still have to walk in excess of 200 meters to access street water taps, as compared to eight percent at the national level. Although, 86 percent of the local households in Limpopo Province have access to piped water in 2013, only 18 percent of these households have a water connection inside their dwellings and this percentage is comparatively very low.

The Limpopo Province, as is the case at the national level, is also making significant progress in expanding access to education and health care services for the local population. For instance, General Household Survey of 2013 indicates that the rate of people with a high school education in the province increased from 14 percent in 2001 to 23 percent in 2011, whereas the rate of people with higher education (i.e. university and or college level) also showed positive growth, from seven percent in 2001 to at least nine percent in the census year (Statistics South Africa, 2012). Moreover, the National Development Plan (2013) and, subsequently, the Limpopo Development Plan (2015)

envision that, by 2030, South Africa, with specific reference to Limpopo province, would have built a 'developmental' local government that is capable, professional and career-oriented. That should be local government that is more accountable to local communities on public goods and service provision as well as financial management.

In spite of these achievements in post-apartheid South Africa, the country still faces serious challenges of poor bureaucratic performance of municipalities in terms of financial management and the provision of basic municipal services, such as water and sanitation. Uneven and poor bureaucratic performance by the local government is attributed mainly to administrative incapacity inherited from the former provincial and homeland bureaucracies (Picard, 2005; Ncholo, 1996; Department of Public Service and Administration, 1997; National Treasury, 2010; 2011; 2012b, etc.).<sup>3</sup>

The DPSA (1997) argues that the reconstruction of democratic South Africa at provincial and local government levels from the former provincial and homeland bureaucracies created a structure incapable of efficient and effective policy execution. Picard (2005), Ncholo (1996) and the DPSA (1997) confirm that Limpopo Province inherited a labyrinthine civil service from the former provincial and homelands bureaucracies of the Northern Transvaal, Venda, Lebowa and Gazankulu as well as parts of KwaNdebele. Picard (2005) further argues that the democratic Limpopo provincial administration and the municipalities had to contend with clerically trained or inappropriately qualified personnel inherited from these former homeland administrations where many former homelands administrators even promoted themselves up the organizational ladder prior to their incorporation into the new administration. Greybe (1997, cited in DPSA, 1997) claims that immediately after 1994 Limpopo Province was at one stage on the verge of collapse. Greybe is supported by Gasela (2007) who argues that the situation had become desperate with a complete breakdown in the delivery of services and infighting amongst municipal officials and the municipal councils.

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<sup>3</sup> Former black homelands administrations re-incorporated into a new South Africa and absorbed into the newly established provinces included Bophuthatswana (North West), Ciskei and Transkei (Eastern Cape), KaNgwane and KwaNdebele (Mpumalanga), QwaQwa (Free State), Gazankulu, Lebowa and Venda (Limpopo). These former black homeland administrations ceased to exist on 27<sup>th</sup> April 1994.

It could be argued that the inheritance of former homeland bureaucracies planted the seeds of serious capacity or performance problems that increased up until the post-1994 local government era. Through the Ncholo Report, the DPSA (1997, p.49) posits the view that the capacity deficit at the local level was compounded by the exodus of experienced staff through the granting of unplanned and non-systematic voluntary severance packages and also the restrictions of the public service regulations on the number of senior posts. These are some of the key factors, among other things, which have necessitated communities taking to the streets to raise their lack of satisfaction over poor municipal performance, not only in Limpopo Province but elsewhere in the country (Development Bank of Southern Africa, 2012).

Furthermore, in analysing the municipal audit outcome reports of the South African local government, Mamogale (2014) has observed huge performance variations between Limpopo Province and other provinces and also municipal performance variations within the Limpopo local government itself. Mamogale (ibid) further observes both commonalities and variations among Limpopo and other rural provinces such as the Eastern Cape, Mpumalanga, the Kwa-Zulu Natal and the North West provinces pertaining to service delivery performance and financial management. Although Limpopo Province historically inherited a bloated and inefficient local government with less than competent and inappropriately qualified municipal bureaucrats from the former homeland bureaucracies of Venda, Lebowa and Gazankulu as well as parts of KwaNdebele, the Eastern Cape and the North West provinces also inherited the former homelands of Ciskei and Transkei and Bophuthatswana respectively (Picard, 2005; Pottinger, 2008; DPSA, 1997).

Further similarities between Limpopo Province and the Eastern Cape and the North West Provinces relate to the fact that they are all rural and poor provinces that have experienced an overall higher net out-migration between 2001 and 2011 than the net immigration experienced by the urban provinces of Gauteng and the Western Cape (South African Institute of Race Relations, 2013). Huge net emigration is experienced simply because the people, the youth in particular, are attracted to the urban provinces where they perceive there to be better prospects of work and a decent standard of living.

The above argument does not, however, suggest that there are no variations between Limpopo Province and other provinces cited above. There are also variations. The difference between Limpopo and other provinces was relative to the total number of former homeland administrations inherited from apartheid, even though, these two provinces also inherited ineffective governments with inept and inappropriately qualified municipal agents from the former homeland administrations. Further differences between municipalities in Limpopo and the municipalities in other provinces lie in their size in terms of population, organisational structure, the budget, geographic or square kilometre area and, most importantly, municipal bureaucratic performance and the number of established districts and local municipalities in each province. The question of whether the organisational size matters in explaining organisational performance variations will be answered later in the study.

Successive reports of the Auditor-General indicate that Limpopo and the Eastern Cape local governments are often the worst performing municipal institutions compared with their counterpart rural municipalities in other provinces (Mamogale, 2014, p.72). Municipalities in other provinces (e.g. KwaZulu-Natal, Northern Cape, North West, etc.) performed better in terms of financial management than municipalities in Limpopo province as was evident in the audit outcomes of the 2010/11 financial year (see Figure 3). Comparatively, the levels of community protests against poor municipal service delivery were very low in Limpopo Province between 2009 and 2011 (see, Hirsh, 2010; Karamoko, 2011), but generally this does not suggest an absence of governance problems in the province.

Municipalities are expected to develop effective financial management systems to ensure the efficient and effective use of monetary resources in such a manner that they accomplish their institutional objectives and the financial sustainability outlined in their municipal IDPs, much as they are also expected to meet the developmental vision of the local government or the country. From the audit outcome reports of the Auditor-General, there are serious performance variations in terms of financial management between the local government of Limpopo Province and municipalities in other provinces. For example, Limpopo local government topped the list of provinces with the highest percentage of negative audit outcomes at 82 percent in the 2010/11 financial year,

followed by the Free State and the Eastern Cape provinces at 68 percent and 65 percent respectively (Mamogale, 2014, p.81).

The percentage of municipalities with negative audit outcomes in Kwa-Zulu Natal and the North West provinces was less than 25 percent and 29 percent respectively during the same period. Indisputably, negative audits mean that the local government incurs high levels of 'financial waste', which include irregular expenditure, unauthorized expenditure, and fruitless and wasteful expenditure. Financial waste is a clear indication of non-compliance with the local government laws and regulations.

## **2.2. Municipal budgets and bureaucratic performance**

Despite having both commonalities and variations with other provinces and within the province itself, municipalities in Limpopo Province face serious governance problems that badly affect service delivery at the local level. It must be noted that the local government's budget, which is divided into operational and capital budgets, is financed from both national and provincial transfers (direct and indirect transfers<sup>4</sup>) in the form of unconditional grants (equitable shares and general fuel levy) and conditional grants, and also their own municipal revenue.

Capital budget is part of the approved annual budget set aside for developing and improving infrastructure service delivery, such as roads, bulk water and sanitation systems or for purchasing assets like vehicles, equipment, etc. In other words, the capital budget deals with bigger costs for planned expenditure on long-term purchases and big investments such as land acquisition, building construction and maintenance, the purchase of motor vehicles, equipment and office furniture that become municipal assets for more than a year.

The operating budget, on the other hand, deals with the day-to-day running costs and income of a municipality to deliver municipal services. In other words, the municipal operating budget lists the planned operating expenses and income for the provision of

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<sup>4</sup> Indirect transfers are monies that national and provincial departments spend on behalf of municipalities and these funds are not actually transferred into municipalities.

public goods and services to the local communities. These operating expenses include staff salaries and wages, repairs and maintenance, consumables, petrol, professional fees or consultancy fees, etc. Incontrovertibly, operating income in a municipality includes property rates, service charges, investment interests and traffic fines and penalties.

To reiterate, the national and provincial transfers are expected to be complemented by municipal 'own revenue', which is raised through a number of sources. The main sources of income for capital budget financing include external and internal loans, government grants, donations and public contributions as well as public-private partnerships. Further main sources of municipal operational budget financing include property rates charged to households and businesses that own land, fixed property, like houses, factories and office blocks, service charges or tariffs for municipal services such as water, refuse and waste removals, electricity, sanitation and the approval of building plans, levies and fines such as traffic fines, late library book fines, penalties for overdue payment of service charges; and equitable shares, which are an annual transfer from national government to individual municipalities (National Treasury, 2011, 2012a). It must be noted that the amount of equitable share a municipality gets depends mainly on the number of low-income people in a municipality. This simply suggests that poor and rural municipalities, with very low own revenue bases, usually get more funding through the equitable share than urban and city municipalities that would usually have abundant revenue streams.

While the South African local government budget, for instance, increased from R26.5 billion in 2007 to R73.1 billion (i.e. a 34 percent increase) in the 2012/13 financial year, the Limpopo local government budget also increased from R9, 5 billion to R10, 8 billion in 2010 and, subsequently, to R17, 7 billion, which also represented 46 percent increase, in 2014 (Auditor-General, 2014; National Treasury, 2007; 2012a).<sup>5</sup> The expenditure patterns both at national and provincial levels, however, suggest huge underspending of the appropriated budgets and increasing levels of financial waste or misconduct every year. National Treasury (2011, p.51) confirms that national transfers to the local

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<sup>5</sup> Also see Limpopo Provincial Treasury Report: Consolidated Statement of Capital and Operating Expenditure: Limpopo Municipalities for the Fourth Quarter 2007/08.



government have consistently grown faster than the total local government expenditure and Limpopo local government is no exception to this.

Persistent municipal governance problems occur despite huge resource investments from the centre in terms of funding and capacity building and training initiatives to build and strengthen local government capacity and improve the service delivery performance of municipalities. Various government reports further show that municipalities in Limpopo benefit immensely from various municipal conditional grants aimed at assisting municipalities to improve their service delivery performance and institutional control systems.

These grants have different sources, purposes, allocation criteria and spending conditions. These conditional grants include, but are not limited to, the Municipal Systems Improvement Programme Grant, the Financial Management Grant, the National Electrification Programme Grant, the Municipal Infrastructure Grant and so on. According to the National Treasury (*ibid*), municipalities use the Financial Management Grant to finance the recruitment and appointment, as well as the training of graduate interns in finance related disciplines.

An analysis of various National Treasury expenditure reports indicates that the MIG provided to build and upgrade local infrastructure delivery increased from R821.8 million in 2007 to R3 billion in 2014, while the Financial Management Grant for the municipalities in the province also increased from R15, 5m to R47, 8 million in the same period.

The Municipal Systems Improvement Grant is aimed at supporting selected municipalities to develop or strengthen and implement the administrative systems as provided for in the Local Government: Municipal Systems Act (2000), Municipal Structures Act (1998), and other relevant local government policies and legislation. The focus of the Municipal Systems Improvement Grant, however, varies year in year out depending on the strategic priorities of national government with regard to the implementation of the five-year local government strategic agenda. For example, between 2009 and 2014 the focus for government was to assist all municipalities in the

country to achieve a clean audit, which meant that municipalities were required to develop and implement new internal controls systems in order to achieve this end. The conditions under which municipalities receive a grant are clearly defined.

Nevertheless, the Municipal Systems Improvement Grant allocations, in contrast to other increases in revenue decreased from R821, 2 million in 2007 to R23, 6 million in 2008, which was a 3380 percentage decrease, before increasing to R28m million in 2014. It can be argued that the increased resources investment into the Limpopo local government have not translated into commensurate bureaucratic performance improvements in many municipalities. One argues, therefore, that injecting more resources into local government is a desirable intervention but it alone will not sufficiently solve all the governance problems facing this local sphere of government.

Notwithstanding the above argument, budgets are central to the realization of developmental goals and visions of municipalities. This argument suggests that a budget is about translating financial resources into human purpose. Wildavsky (1986) points out that a budget is a statement about future services as it attempts to link the proposed expenditure with desirable future events. Budgets are, further, the means of income distribution in the sense that government takes money from some people through tax and gives it to others who benefit from service delivery expenditure and or social safety net payments. In addition, budgets are the means for ensuring economic growth. As Wildavsky (ibid, p.9) posits, "Little can be done without money and what will be tried is embedded in the budget". This quotation suggests that municipal budget is an indispensable instrument to focus the resources and capacity of individual municipal institutions in achieving their service delivery and development mandate as outlined in their municipal IDPs and the South African Constitution.

Various audit outcomes and provincial government reports, however, indicate that the expenditure levels on the transferred funds to municipalities, including the conditional grants, remain disturbingly low in Limpopo Province with many municipalities, for example, spending below 50 percent of their Municipal Infrastructure Grants (Limpopo Development Plan, 2015, p.52). As illustrated by figure 1 below, it has been observed that

municipalities in the province spend more funds on operational budgets when compared to the capital budget, the latter of which is primarily made up of conditional grants.

The problem is further compounded by huge under-spending or overspending and high levels of 'financial waste or misconduct' that municipalities in Limpopo Province incur every year. The under-spending of municipal budgets suggests a lack of administrative capacity to spend and results in compromised service delivery to local communities. The overspending of municipal budgets, specifically with regard to unauthorised expenditure, on the other hand, suggests gross negligence or non-compliance with the applicable government laws and regulations. Yet sometimes unauthorised expenditure might be caused by the funding of unplanned projects owing to political pressures for a municipality to intervene. To reiterate, the financial waste in this study refers to unauthorised expenditure, irregular expenditure, fruitless and wasteful expenditure.

Research suggests that the overspending of the operating budget by municipalities has a direct link to the high levels of unauthorised expenditure, which is an expenditure incurred not in accordance with the approved budget appropriations. For instance, while the overspending of the municipal operating budgets increased from R3 billion to R5, 6 billion, that is a 0.14 percent increase, in local government at the national level in the 2010/11 financial year, the overspending in municipalities in Limpopo Province also increased from R360 million in 2008 to R882 million, which represented a 59 percent increase in the 2012/13 financial year (Auditor General Report, 2014 p.31; 2010, p.19; 2012, p.16). Overspending by municipalities relates mainly to operational budgets, and this is a contravention of section 45 of the Local Government: Municipal Financial Management Act (2003), which prohibits municipalities from closing their financial books every financial year with any short-term borrowings or bank overdrafts.

The National Treasury Report (2012a; 2012b) argues that unauthorised expenditure is an indication of a municipality's severe cash flow problems, which is not a reflection of good financial health for a municipality. That said, unauthorised expenditure of municipalities in Limpopo Province alone increased from R290.9 million in 2010 to R882 million, which constituted a 67 percent increase, in 2013. In addition, irregular

expenditure also increased from R422.8 million to R818 million, which represented 48.3 percent increase in the same period (Auditor-General, 2013).<sup>6</sup>

Virtually all irregular expenditure is incurred as a result of non-compliance with supply chain management prescripts and regulations. The Auditor-General (ibid) argues that the supply chain management transgressions that give rise to irregular expenditure are driven by a conflict of interests and non-adherence to supply chain controls. In contrast, fruitless and wasteful expenditure in municipalities in Limpopo Province decreased from R38.1 million in 2010 to R31.4 million in 2013, which is a 17.5 percentage decrease, which suggests that municipalities in the province were able to limit the extent of this particular financial waste or misconduct. One argues that financial waste in Limpopo municipalities keeps increasing owing to a lack of consequences for poor performance or violation of the laws. In other words, no one is punished for transgressing against the local government laws and regulations.

Regarding underspending, various Auditor-General reports suggest that municipalities often fail to initiate and/or complete certain development and infrastructure projects on time within approved budgets for a number of reasons such as poor project planning, lack of project management and financial management skills, among other things. In similar vein, Managa (2012) argues that a lack of financial management skills forces many municipalities to resort to the underspending of allocated funds and/or the incurring of huge levels of financial waste.

Limpopo Provincial Treasury (2015) confirms that Limpopo local government is fond of spending less money on its capital budget than on its operating budget. Under spending of capital budget has several implications for the municipalities and the communities. It implies that unspent funds have to be returned to the National Treasury. It further compromises the local government's efforts to support service delivery and reduce infrastructure backlogs. It also poses threats to future allocations to the province resulting in the possibility that the unspent fund, once returned to the National Treasury,

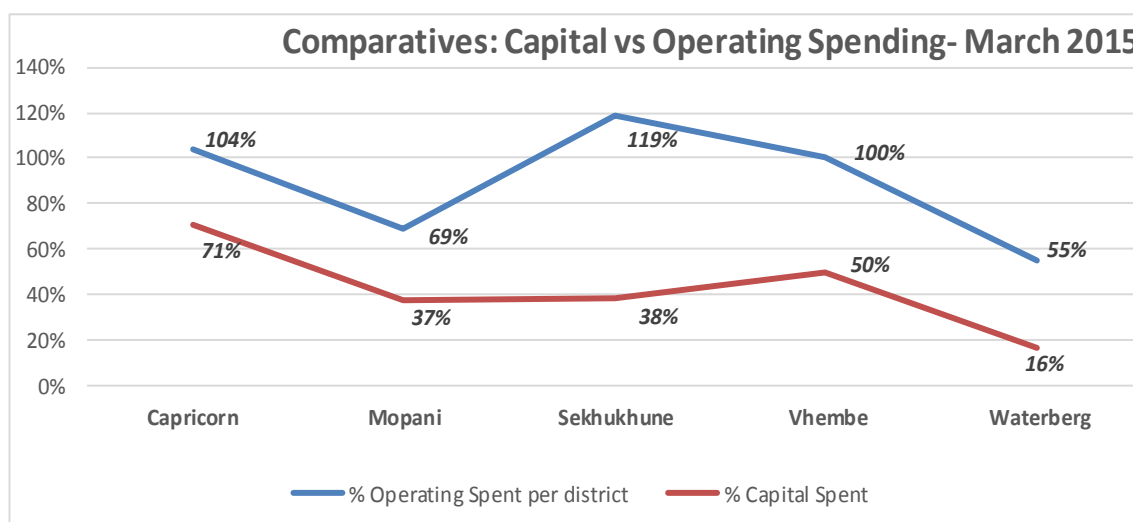
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<sup>6</sup> Irregular expenditure refers to the expenditure that is incurred not in accordance with the prescribed legislation and regulations while fruitless and wasteful expenditure refers to the expenditure that is made in vain and which would have been avoided had reasonable care been taken.

might be allocated to other provinces where the funds are needed most of all for the implementation of their bigger capital projects.

Figure 2 below compares capital expenditure *vis-à-vis* the operational expenditure of the five district municipalities in Limpopo Province. It can be deduced from this figure that there is a propensity for all the five districts and possibly their local municipalities in the province to spend more funds on their operational budget than on their capital budget. This tendency results in municipalities under spending their budget on capital projects while overspending on the operational budgets. Figure 2 further indicates that, on average, the Capricorn and the Sekhukhune District Municipalities had the highest spending on operational expenditure compared to the other districts, but their spending patterns on this type of budget suggests over spending. In contrast, the Waterberg District Municipality, one of the selected case studies, and the Mopani District Municipality had the lowest spending on both operating and capital expenditure compared with other districts.

**Figure 2: Operating and Capital Expenditure Patterns Compared**



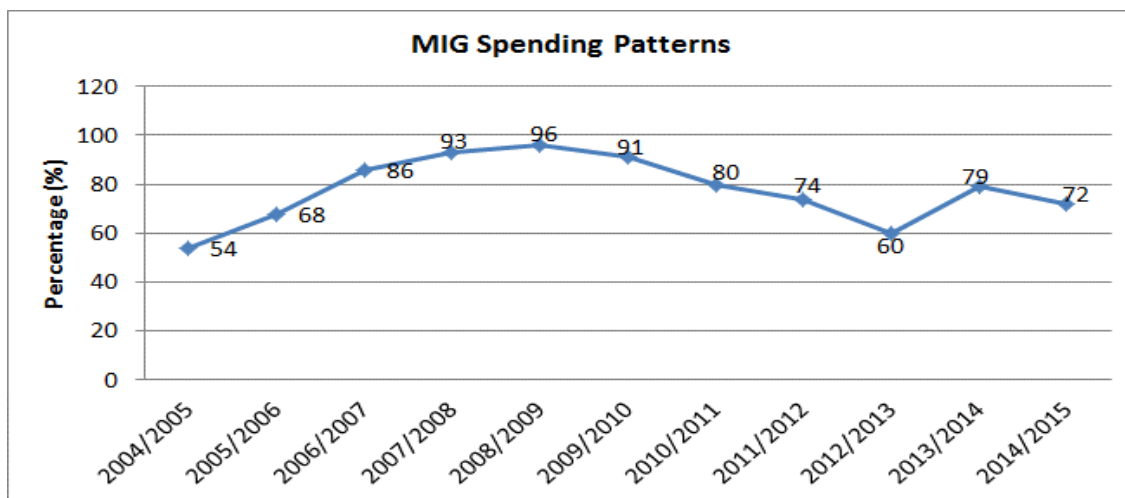
Source: Limpopo Provincial Treasury (2015): Consolidated MFMA S71 Report

Despite what is depicted in the above graph, the Auditor-General (2010; 2012) indicates that, while under-spending of the whole system of local government increased from R197 million to R1.5 billion in 2012, it also increased from R34.4 million in 2008 in Limpopo's local government to R827 million, mainly on infrastructure grants in 2013. Again, in 2014

alone, Limpopo local government under spent its capital budget mainly from the Municipal Infrastructure Grant by R744.7 million (Makhurpetji, 2015).<sup>7</sup>

Figure 3 below further illustrates the spending patterns of the Limpopo local government specifically on the municipal infrastructure grant (MIG) alone since its inception in 2004. Most often the reasons cited for the failure to initiate and complete municipal capital infrastructure projects within the set timeframes and budgets range from poor project planning to a lack of project management skills, the incompetence of appointed contractors and the delays in municipal contracting processes, which result in the late initiation of the projects. The National Treasury (2012a; 2012b) argues that the revenue and expenditure management capacity of a municipality determine its ability to address socio-economic challenges such as poverty and local economic development. Any weaknesses in these areas are likely to reflect the existence of other governance problems in a municipality.

**Figure 3: Limpopo Local Government’s Spending Patterns on MIG**



Source: COGHSTA Report (2015)

<sup>7</sup> MEC: M. Makhurpetji for Cooperative Government, Human Settlement and Traditional Affairs (COGHSTA) made a presentation on the state of Limpopo local government during the National Council of Provinces’ visit to the Limpopo Provincial Legislature on the 21<sup>st</sup> July 2015, Lebowakgomo Government Complex: Polokwane.

Figure 3 demonstrates that the spending patterns in real terms on the Municipal Infrastructure Grant since its inception in 2004 consistently improved from 54 percent in 2004 until 2009 before they began to take a downward trend until 2013 when they reached 60 percent of municipalities spending their MIGs. They also improved by 19 percent just for a year, reaching 79 percent in 2014, before they began to decline again to 72 percent. It can further be deduced from the above figure that it was between 2007 and 2010 only that the municipalities in Limpopo Province spent over 90 percent of their municipal infrastructure grants. The question then becomes why the spending patterns improved from 2004 until 2009 but took a downward trend thereafter.

To answer the first part of the above question, one argues that these improvements in MIG spending patterns from 2004 until 2009 in Limpopo Province might be attributed to the introduction of 'hands-on-technical support programmes' such as the Project Consolidate Programme in 2004 and Siyenza Manje programmes launched in 2007. Although, the Project Consolidate Programme did not deliver on its entire mandate, the programme in Limpopo Province, for example, resulted in effective public participation practices in the Bela-Bela and the Blouberg Local Municipalities (Gasela, 2007).

With regard to the complimentary Siyenza Manje Programme, the positive outcomes of the programme implementation included that 170 000 households received access to water, an estimated 70 000 bucket toilets were eradicated, and R1, 2 billion of MIG was spent on programme-related projects, among others. Most importantly, it must be noted that the latter hands-on technical support programme was managed by the Development Bank of Southern Africa. To answer the second part of the question, one argues that the spending patterns dwindled from 2010 because of the short-term nature of the programme.

Given the fact that the capacity problems that municipalities face are structural in nature, the National Treasury (2009) argues that municipalities fail to sustain the improvements introduced by the technical experts temporarily deployed to affected municipalities once national government has withdrawn its support through these programmes. The regression in spending patterns is a clear indication that municipalities in Limpopo Province, where the Development Bank of Southern Africa had assisted through the

Siyenza Manje programme, could not operate on their own. The regression further suggests that there was no practical transmission of skills and knowledge to counterpart officials in the municipalities affected by the implementation of these hands-on technical support programmes.

The Auditor-General Report (2014, p.41), for example, illustrates that out of an allocated conditional budget of R3.1 billion in the 2013/14 financial year Limpopo local government spent R2.3 billion, which constituted 74 percent of the total allocations. This underspending of the conditional grants simply suggests that underspending of municipal budgets, whether conditional grants or equitable shares, has become an embedded culture within the municipalities in Limpopo.

Notwithstanding this, the under-spending of municipal operating and capital budgets further suggests that municipalities fail to deliver on their own integrated development plan (IDPs) objectives and targets as well as the national and provincial policy priorities. Equally, the under-spending of the municipal capital budget is equivalent to significant underspending of the conditional grants. Given that the national government invests substantially in local government, municipalities in Limpopo Province benefit immensely from initiated capacity building and training or support programmes (i.e. Project Consolidate, Siyenza Mange Programmes, etc.) from the centre.

The primary purpose of these capacity building and training investment initiatives is to build the sustainable administrative capacity of municipalities to deliver quality public goods and services as well as ensuring sound financial management systems. This simply means that government wants to improve the municipal capacity that has a positive impact on municipal bureaucratic performance in all areas of public goods and service provision to the local communities.

Generally in South Africa, the preferred methodology of various capacity building and training programmes has been to provide 'hands-on technical support' with a view to facilitating learning and skills transfer. Most often, hands-on support programmes involve the deployment of technical experts mainly from the national and provincial governments to municipalities. For example, with the Siyenza Manje Programme, a team



of engineers, artisans, chartered accountants, town planners and project managers was assembled and deployed to all affected municipalities throughout the country and with seven municipalities in Limpopo Province, including the Waterberg District Municipality, being assisted. Most often the technical experts originated from the DBSA and the National Treasury, and, to some extent, now the Department of Cooperative Governance, Human Settlement and Traditional Affairs.

When the Government Project Consolidate Programme was introduced in 2004, eighteen (18) municipalities, including the Sekhukhune District Municipality in Limpopo Province, were placed under this programme designed to provide hands-on technical support to all these ailing municipalities. The Project Consolidate Programme was, *inter alia*, aimed at enhancing and reinforcing municipal performance by promoting a culture of accountability and community participation in municipal affairs. Nationally, a total of hundred and thirty six (136) underperforming municipalities were placed under the same programme. The implementation of this programme in the country saw the deployment of one thousand two hundred and eighty three (1 283) technical experts to all affected, and ailing municipalities to transfer technical skills and knowledge in areas such as engineering, finance, town planning, project management, human resource management and development planning (African Peer Review Mechanism, 2009).

In spite of all these initiatives, the poor bureaucratic performance of municipalities in Limpopo Province persists, which is indicative of serious governance problems facing this system of local government. One can argue that the training interventions failed to reverse the situation of underperformance as municipalities fail to sustain success factors introduced by the technical experts once they have left. Arguably, it suffices to say that the local government receives no return on the investment made in capacitating and up-skilling municipal officials since the skills acquired do not practically translate into improved work performance (Auditor-General Report, 2014, p.37). Had the skills and knowledge been transferred to officials during hands-on-support programmes in municipalities, surely municipalities would have substantially reduced the use of private consultant services. The continuous use of external consultant services is, therefore, an indication of a lack of capacity and what Muller (2011) calls 'conceptual and procedural knowledge' by the officials in the strategic positions of power and control, especially the

chief financial officers who are hired to prepare and produce credible and accurate annual financial statements.

A similar observation is made by Gasela (2007) when he says that the Project Consolidate Programme, for example, has not delivered on its entire mandate, except on improving public participation practices in a few affected municipalities (e.g. Bela-Bela and Blouberg Local Municipalities) in Limpopo Province. The National Treasury (2012a, p.111) confirms that, in practice, most deployed technical experts to municipalities are gap filling rather than providing capacity enhancement through the transfers of technical skills.

### **2.3. Problem statement**

The central research study question remains; what accounts for low level of service delivery (water and sanitation) and poor financial management (revenue collection and spending) in Limpopo local government, despite huge resource investment from the centre to increase the rate of service delivery and local infrastructure development? The more specific research questions are, therefore: why is it that the current Limpopo local government, underpinned by huge financial investments and capacity building programmes, is not able to meet minimum service delivery expectations of local communities? How do municipalities in the province manage their performance? To what extent are municipal councils in Limpopo Province strong and independent enough to exercise their formal powers of oversight and ensure bureaucratic accountability of municipalities? These theoretical research questions are answered in subsequent Chapters, specifically the Chapters dealing with findings and data analysis as well as the interpretation of the study.

The Department of Cooperative Governance, Human Settlement and Traditional Affairs (2013) argues that municipalities in the province struggle to keep pace with the increasing demands of their growing populations. The 2014 mid-term population estimates put the Limpopo Province's population at 5.7 million people (Statistics SA, 2014). At the heart of the problem appears to be growing public frustration and discontent with poor governance resulting in poor service delivery, especially in water

and sanitation provision and in financial management in many municipalities (National Treasury, 2012a).

Similarly, Ncholo (1996), the Public Service Commission (2006), the Department of Public Service and Administration (1997) and the Development Bank of Southern Africa (DBSA) (2012) argue that inadequate institutional capacity, with the skills deficiencies at the centre, amongst other things, accounts for poor municipal performance. According to the DBSA (ibid), the resultant poor municipal bureaucratic performance fuels community service delivery protests over breakdowns in services, alleged corruption, maladministration, nepotism and patronage in recruitment and selection. The DPSA (1997), through the Ncholo Report, support the assertion that local government problems are structural in the sense that the inheritance of labyrinthine former provincial and homeland bureaucracies by the current system of local government has bred the seeds of a capacity deficit facing the current municipalities, particularly in Limpopo Province.

Undeniably, the provision of water and sanitation services is a municipal competence in terms of Part B of schedule 4 of the South African Constitution (1996). Yet the National Treasury (2012a) argues that the sharing of the water provision function between Category B and C (district and local) municipalities contributes to some difficulties currently being experienced in providing communities with this basic service. According to the National Treasury (ibid), the recipients of the national grant for water and sanitation are the only authorized municipalities expected to provide these services.

A simple question relates to whether communities know that certain municipalities are or not authorized to provide water and sanitation services. The simple answer is that they do not. One argues that the local communities do not necessarily know or understand that there are certain municipalities that might not be authorized to provide water to the local communities in their jurisdictions. To them, every municipality is responsible for providing water and sanitation services to the local communities under its jurisdiction and expected to do so. There is, then, a need for municipalities, especially in the districts, to embark on extensive public education programmes to inform communities about this segregation of responsibilities.

Nevertheless, the government's objective is to provide all citizens with access to clean and safe drinking water and sanitation services regardless of whether a particular municipality is authorized or not to provide this service. Communities expect their municipalities to provide the water and sanitation that are needed for human life and economic activity, in as much as they also invest in the socio-economic infrastructure that promotes enterprise development, private investment and economic growth.

Given the centrality of water in human life and socio-economic affairs of a country, the Development Bank of Southern Africa argues that communities in rural areas still have little access to clean water and dignified sanitation services (DBSA Report, 2012). During the 2012 World Summit on Sustainable Development in South Africa, participating countries, for example, agreed to intensify the prevention of water pollution in order to reduce health hazards for people and protect ecosystems by introducing various reforms and technological initiatives.

Despite this, the Limpopo Development Plan (2015, p.46) shows that 14 percent of households in Limpopo Province have no access to piped water as compared to 19 percent of the population at the national level. Further studies suggest that Limpopo Province is characterised by very high variations relative to water provision at the district level with some district municipalities experiencing more severe water provision problems than others. For instance, the Sekhukhune district has 33 percent of households without access to piped water, which means that they are drawing untreated drinking water from dams, rivers and springs. This is followed by the Mopani district with 25 percent of households without access to piped water (Limpopo Development Plan, *ibid*).

Drinking untreated water from dams and rivers is dangerous for humans since empirical research shows that water-borne diseases are a major concern and a leading cause of death in children under the age of five around the world. The World Health Organisation (2007, p.10) confirms that the lack of access to clean and safe drinking water, together with inadequate sanitation and hygiene, is the leading contributor to 1.8 million deaths annually caused by diarrhoea with the vast majority being children under the age of five.

The National Treasury (2012a) acknowledges that South Africa faces serious challenges in relation to water, both at the level of resources and the actual provision by municipalities. These challenges relate to a poorly maintained, ill-equipped infrastructure, which is an aging infrastructure, and the general under-pricing of water across the value chain as well as the low levels of rainfalls. The National Treasury points out that rainfall levels average 450mm per year in South Africa as compared to the world average of 860mm of rainfall per year (National Treasury, *ibid*, p.124).

Regarding sanitation, empirical research shows that dignified sanitation service provision is very poor in Limpopo Province owing to the deteriorating quality of sanitation services and the non-existence of a sanitation infrastructure particularly in rural areas. A functioning and dignified basic sanitation facility is defined as a flush toilet connected to a public sewerage system or a septic tank or a pit latrine with a ventilation pipe (Socio-Economic Right Institute of South Africa, 2011, p.14). Furthermore, dignified sanitation includes the safe removal of human waste and wastewater from the premises where this is expected and necessary as well as the communication of good sanitation, hygiene and related practices (National Treasury, 2012a, p.130).

Yet empirical evidence suggests that 27.5 percent and 22 percent respectively of rural households in the Mopani and Vhembe District Municipalities in Limpopo Province were without access to a basic sanitation service owing to a generally poor sewerage infrastructure in the province. In similar tone, Managa (2012) shows that only 19 percent of the households in Limpopo Province who have access to a waste removal service and they are located mainly in cities and few townships, while the majority of the population who reside in rural areas is without this basic municipal service.

The non-provision of refuse and waste removal services by municipalities in rural areas simply suggests that municipalities miss the opportunity to raise their own revenue from these services. The reality is that rural municipalities have no source of own income because they do not even bill communities for the consumption of municipal water that is provided through communal water taps.

It becomes obvious that rural municipalities are heavily dependent on grants from national and provincial transfers through equitable shares and conditional grants. It could be argued that rural municipalities are less likely to turn the situation around given their limited revenue streams, the severe shortage of skills and weak institutional capacity. In addition, they are characterized by weak political oversight owing to less independence of their municipal councils *vis-à-vis* the municipal executives.

The poor bureaucratic performance of municipalities in Limpopo Province manifests itself firstly in a high rate of 'unsatisfactory' or negative audit outcomes (Auditor-General Reports, 2010; 2011; 2012; 2013). Secondly, it manifests itself in high levels of under-spending and increasing levels of financial waste. There is also a high incidence of consumer debts that reflect poor revenue collection strategies or the poor financial management capacity of municipalities. Thirdly, poor municipal bureaucratic performance manifests itself in the sporadic, but growing spike of community service delivery protests against certain municipalities (Hirsh, 2010; Karamoko, 2011; South African Institute of Race Relations (SAIRR), 2011; 2012).<sup>8</sup>

In a similar vein, Thompson, *et al* (2012) argue that citizens are dissatisfied with the performance of municipalities with regards to the provision of public goods and services and a desire to reduce corruption. The dissatisfaction of citizens is evident in increasing community protests and a high incidence of financial mismanagement even though the voting patterns in the province still suggest strong, but dwindling, loyalty to and support of the governing African National Congress (ANC). Mamogale (2015, p.208) argues that many African voters still associate any white political party with apartheid, thus making the work of opposition parties, like the Democratic Alliance, more challenging.

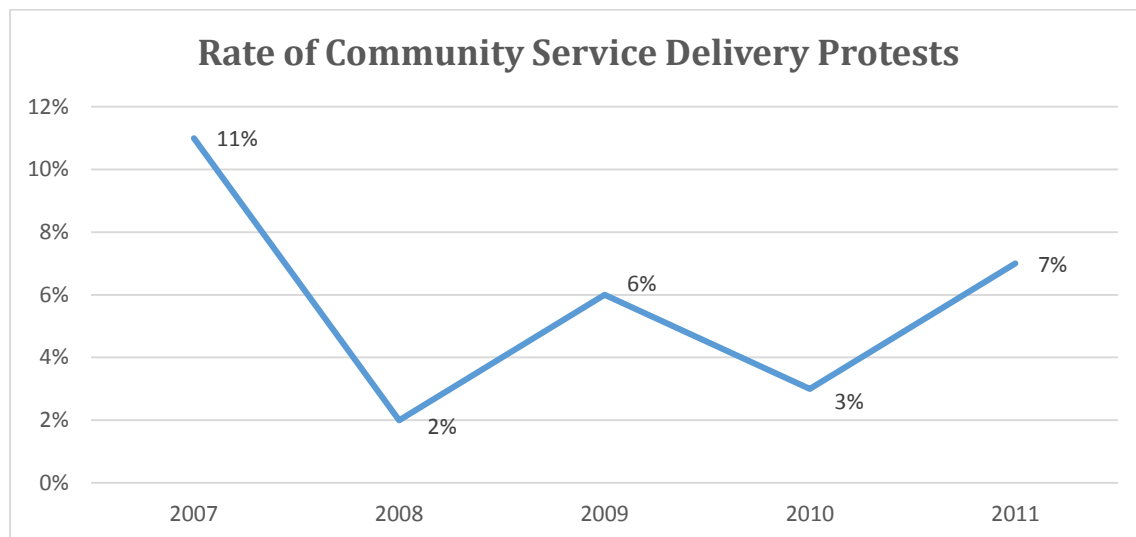
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<sup>8</sup> Unsatisfactory or negative audit outcomes include qualified, adverse and disclaimer audit opinions. These may be given in cases where: the auditors feel that the municipal financial statements are of an unacceptable standard in terms of international auditing standards; the auditors cannot form an audit opinion on the financial statements owing to the auditee's concealing or failing to provide relevant and required information; being involved in litigation cases or if municipal status as a concern is threatened; and the auditors disagree with the treatment or disclosure of information in the institution's financial statements or pick up one or two issues that do not comply with universally accepted audit standards.

In similar vein, Booysen (2007) argues that, when loyalty to the governing political party is so strong, this contributes to disaffection for opposition parties. Despite the increasing community service delivery protests across the country and in Limpopo local government, the voting patterns still suggest strong political support and loyalty to the governing African National Congress (Thompson, *et al*, 2012, p.6-7).

Although community service delivery protests declined from 11 percent in 2007 to about three percent in 2010 in Limpopo Province (see Figure 4 below), other reports have since suggested a spike of these protests, which increased to seven percent in 2011 alone in the province (SAIRR, 2011; 2012). Most of these community service delivery protests between 2007 and 2013 were concentrated in the Sekhukhune district at 44 percent, followed by Capricorn district at 19 percent, and the Waterberg district at 16 percent respectively (Hirsh, 2010; Karamoko, 2011). Mopani and Vhembe District Municipalities, in contrast, experienced the least community service delivery protests at nine percent and 13 percent respectively, as illustrated by the figure 5 below.

**Figure 4: Levels of community protests in Limpopo Province, 2007-2011**

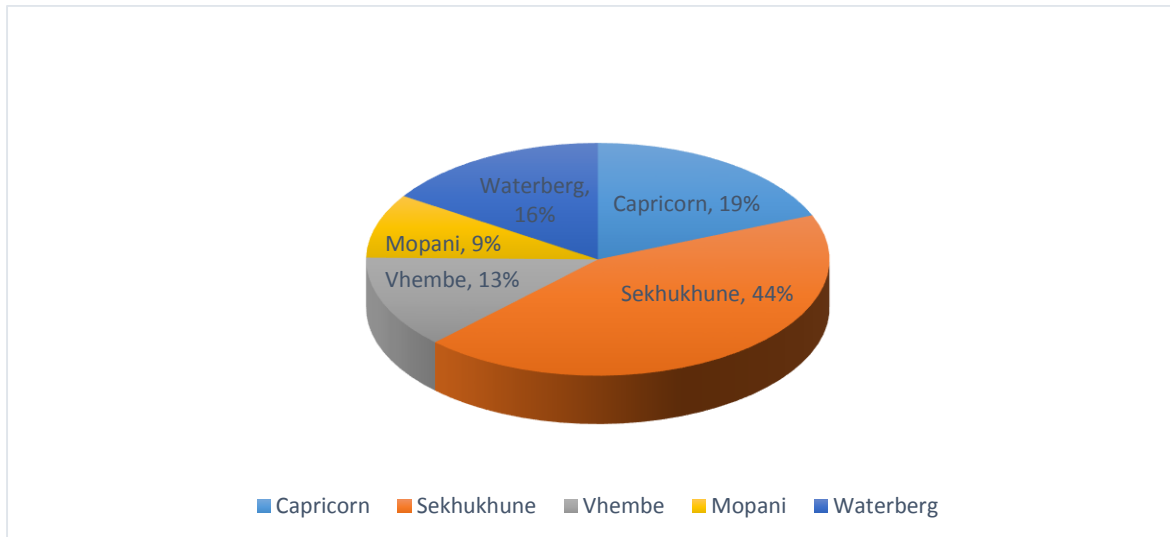


Source: Karamoko, 2011

Although the percentage of community protests in 2007 appears very high, empirical evidence suggests that, comparatively, Limpopo municipalities experienced low levels of protests. The above figure, however, illustrates that level of community protests

fluctuated or took a 'topsy-turvy' form during the second five-year political term of the Limpopo local government. As was said above, many of these community protests were concentrated in the Sekhukhune district during these periods, as shown below:

Figure 5: **Community Protests per District Municipality, Feb 2007-May 2011**



Source: Karamoko (2011)

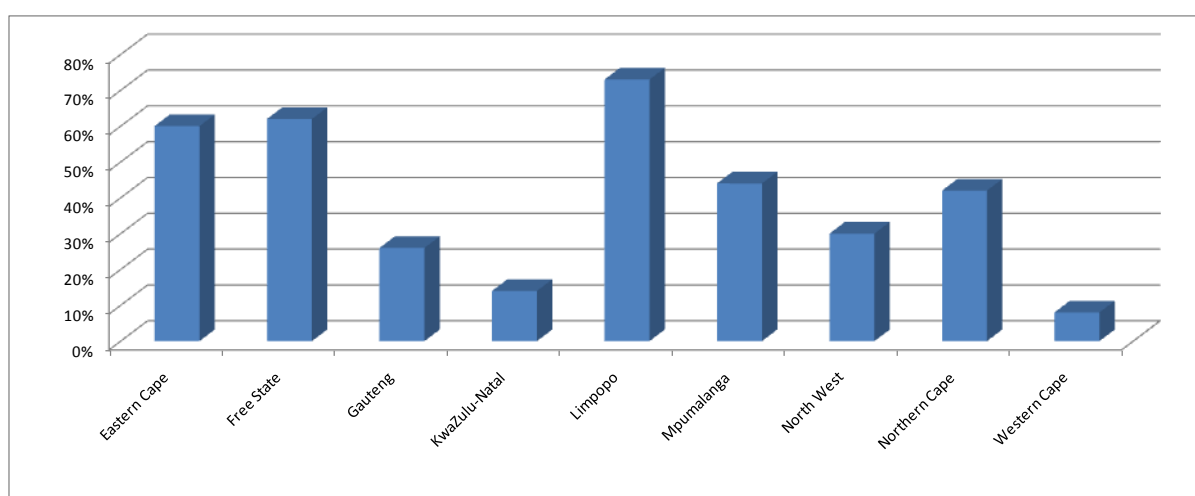
The media reports further suggest that community service delivery protests increased dramatically between 2012 and 2014 in the Mopani and the Sekhukhune districts. Although this is not part of the study, anecdotal evidence suggests that the latest growing spike of community protests, especially in the Sekhukhune district, are not directly related to poor municipal performance but are related instead to the lack of development by the mushrooming mining companies as is evident in high levels of youth unemployment.

Future studies may want to explore this dimension of community protests in mining communities across Limpopo Province. Municipal service delivery protests are a clear sign that communities are becoming impatient with not only poor municipal bureaucratic performance pertaining to service delivery, but also with alleged corruption and nepotism in recruitment (South African Local Government Association (SALGA), n.d.). Mathekga and Buccus (2006, p.13) confirm that community service delivery protests shed light on the general attitude of performance disaffection with the local government system in South Africa.



Regarding the audit performance outcomes, an analysis of various local government audit reports demonstrates performance variations between Limpopo Province and other provinces and also within municipalities in the Limpopo Province. The performance variations between the local government in Limpopo Province and elsewhere (*comparative-case analysis*) and also within municipalities (*within-case analysis*) in the province are illustrated by Figure 6 and also Table 1 below.

**Figure 6: Performance Variations on Audit Outcomes by Province, 2010-2011**



Source: Deloitte & Touch (cited in SAIRR, 2012)

Figure 6 illustrates that Limpopo Province’s local government performed comparatively badly as it topped the list of South African provinces with negative audit outcomes in the 2010/11 financial year. The local government in the province received 83 percent of the unsatisfactory audit outcomes of all the municipalities in all the provinces. It can be deduced from the above Figure that the municipalities in only three of the rural provinces (i.e. the Eastern Cape, the Free State and Limpopo) received the highest negative audit reports of above 60 percent, while municipalities in the provinces of KwaZulu-Natal and the Western Cape received the lowest negative audit outcomes of less than 25 percent during this period.

As Powell and O’Donovan (2014, p.13) claim, of all the nine provinces, the municipalities in the Western Cape and the KwaZulu-Natal consistently receive positive audit outcomes (e.g. unqualified audit reports) at 90 percent and 89 percent respectively, more than any

other province. One does not expect municipalities in other rural provinces like the KwaZulu-Natal, Mpumalanga and the North West to perform comparatively better than many municipalities in Limpopo Province. This is because all municipalities in all rural provinces share many similarities or experiences such as a low revenue base, which makes them more dependent on national transfers or grants in terms of funding.

Even so, this study acknowledges that internally there might be huge variations in terms of the quality of the institutions or the people involved in rural municipalities between Limpopo and the municipalities in KwaZulu-Natal, for example, and the North West Provinces.

Furthermore, various audit reports suggests that Limpopo's local government has not familiarized itself properly with sound financial management systems, as is evident in growing high rates of 'unsatisfactory audit outcomes' for municipalities both district and local. The Auditor-General (2010), for example, indicates that unsatisfactory audit outcome of Limpopo local government decreased slightly from 85 percent in the 2006/07 financial year to 72 percent in the 2008/09 financial year, and further decreased to 69 percent in the 2009/10 financial year, which was a sign of improvement. Limpopo local government, however, failed to maintain the improvement when the negative audit outcome subsequently increased to 83 percent in the 2010/11 financial year (Auditor-General Report, 2011; 2012, 2013; SAIRR, 2012).

As was said earlier, the audit outcome improvements between 2007 and 2009 might be attributed to the deployment of the technical experts (i.e. Chartered Accountants, project managers, etc.) through the Siyenza Manje programme. The later audit performance from 2010 confirms my earlier argument that no real skills and knowledge transfer occurred during the implementation of the Siyenza Manje programme since the Limpopo municipalities failed to sustain the positive improvements introduced by the programme.

The increasing rate of negative audit outcomes for Limpopo local government to 85 percent in the 2006/07 financial year is in sharp contrast to what the Afrobarometer survey found in 2006. The survey found that that at least 85 percent of the local communities in the province had confidence in the financial management capabilities of

municipalities (Bratton and Sibanyoni, 2006). This study recognizes that the opinion of citizens on the performance of any municipal institution is influenced by a number of factors, such as race, the demographic profile of the citizens, geographic location, and the level of education as well as citizen participation experiences and access to information contained in the organizational performance reports.

Undoubtedly, the rural and black African population is less likely to be satisfied with the performance of municipalities than are urban residents. As Bratton and Sibanyoni (ibid) argue, for rural communities the democratization process is often seen through the lens of the socio-economic delivery of services.

Kellough (2002), Murphy and Cleveland (1995) caution that it is difficult to measure the performance of bureaucratic organizations by means of noting public perceptions because such judgment is always very subjective. The difficulty comes from the fact that most measurement tools of public sector performance are perceptually influenced by different personal factors.

Bratton and Sibanyoni (2006) also highlight the limitations of public opinion, arguing that subjective public perception with right or wrong answers normally guides mass action in societies. To mitigate this research methodological limitation, as is indicated in the subsequent chapters, this study has used audited annual financial statements or audited annual municipal performance reports to examine the validity, usefulness and reliability of the reported performance information on the achievement of predetermined objectives as well as the financial statements of the five selected municipalities in Limpopo Province. Table 1 demonstrates the audit outcome variations within municipalities in Limpopo Province for a period of seven years.

Table 1 illustrates that the bureaucratic performance of municipalities on audit outcomes varies greatly within municipalities (*within-case analysis*) in Limpopo. As has been said in the preceding paragraphs, municipalities in the province, especially rural ones, share similar circumstances or experiences but their performance measured through audit outcomes varies. This table shows further that, for the first time in the history of Limpopo local government, two municipalities (e.g. Fetakgomo Local Municipality and Waterberg

District Municipality) received clean audit outcomes between 2009 and 2012, but still none sustained this positive audit status in the 2013/14 financial year. In effect, Fetakgomo Local Municipality has lost a clean audit status ever since the 2011/12 financial year.

**Table 1:** Limpopo Municipal Audit Outcomes, 2007-2014

Audit outcome	Municipalities						
	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Clean audits	0	0	1	2	1	0	0
Financially unqualified	4	8	8	3	1	1	12
Unsatisfactory audits opinion (qualified, adverse & disclaimer)	26	21	19	25	27	22	17
Number of unaudited municipalities by end of fiscal year. <sup>9</sup>	0	1	3	0	1	7	1
Percentage of negative outcomes	86%	72%	69%	83%	93%	75%	51%
Total number of audits	30	30	30	30	30	30	30

Source: Various Auditor-General audit reports

A clean audit outcome suggests that a municipality has fully complied with all relevant legislative frameworks and regulations in managing its business processes in the area of supply chain management, financial management, human resource management, management of performance information and contract management. It further suggests that the two cited municipalities prepared their financial statements in accordance with internationally-recognized accounting standards and also compiled their planning and

<sup>9</sup> These municipalities did not submit their annual financial statements for audit on the legislated cut-off date for submission to the auditors. As a result, their audited annual reports containing annual financial statements did not form part of the consolidated general report on Limpopo local government when it was presented to oversight institutions like the Treasuries and the legislature.

reporting documents (i.e. strategic plans, municipal IDPs and annual performance reports or service delivery and budget improvement plans) in line with the National Treasury Frameworks, such as the Framework on Strategic Plans and Annual Performance Plans and the Framework on Managing Programme Performance Information, which also applies to all the three spheres of government on how they should develop and align their planning, budgeting, implementation, monitoring, evaluation and reporting.

Notwithstanding the above National Treasury frameworks, a clean audit may not necessarily serve as a good indicator of the good financial performance of a municipality. Fetakgomo Local Municipality regressed to a disclaimer audit outcome in the 2013/14 financial year, while the Waterberg District Municipality regressed to an unqualified audit outcome, which is, however, still a positive one *per se*, in the same period.<sup>10</sup> As can be further deduced from the table 1 above, municipalities with clean audits dropped from seven percent in the 2010/11 financial year to three percent in the 2011/12 financial year (Auditor-General, 2012) and, subsequently, to zero percent in the 2013/14 financial year. This regression from a positive audit outcome to a negative audit outcome for the Fetakgomo Local Municipality only highlights the serious risk associated with the sustainability of a positive audit opinion owing perhaps to the exodus of key skills and competencies in key strategic positions in areas such as finance and strategic planning, as well as the lack of succession planning in municipalities.

As the Auditor-General (2013; 2014) argues, Limpopo Province's local government audit outcomes consistently regressed between 2010 and 2013 but increased in the subsequent year. The interesting question here relates to the contributory factors. It becomes difficult, however, to claim that the audit performance of municipalities in the province, which dropped from 93 percent in the 2010/11 financial year to 75 percent in the 2012/13 financial year can be seen as a sign of improvement. One strongly argues that had all municipalities submitted their performance information with financial

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<sup>10</sup> MEC for Local Government, Human Settlement and Traditional Affairs (COGHSTA), Makoma Makhurupetji, made a presentation on the state of Limpopo local government during the National Council of Provinces' visit to the Limpopo Provincial Legislature on 21 July 2015, Lebowakgomo Government Complex: Polokwane.

statements for auditing within the prescribed timeframe, this percentage might have been higher than the 75 percent or even above 95 percent of negative audit outcomes given the general regression rate. As Table 1 above illustrates, a total of seven municipalities, which constitutes 23.3 percent of municipalities, did not submit their financial statements for audit by the legal cut-off date for submission to the Office of the Auditor-General South Africa, but there were improvements in the 2013/14 financial year when almost 44 percent of municipalities received positive audit reports as compared to 51 percent of municipalities with negative audits. Nevertheless, it is arguable that a clean audit cannot be regarded as an indicator of good financial performance and better service delivery.

Empirical evidence suggests that a clean audit, or even an unqualified audit opinion, is not an indicator of the absence of financial problems or public goods provision problems in a municipality. In similar vein, the National Treasury (2012b) confirms that the audit process does not assess the quality of municipal revenue management capabilities, the effectiveness of municipal spending trends and the nature and the extent of financial waste incurred, among other things. There is, however, a close correlation between negative audit outcomes on the financial statements of a municipality and municipal financial problems. In other words, an audit outcome provides a good indication of the state of municipal financial management and the level of compliance with the relevant, applicable laws rather than the state of municipal finance.

The question about why both the Fetakgomo Local Municipality in the 2011/12 financial year and, subsequently, the Waterberg District Municipality in the 2012/13 financial year in Limpopo's local government failed to sustain a clean audit status will be answered in the subsequent chapters, especially the chapter dealing with the fieldwork findings. The Auditor-General (2012; 2013) further remarked that, generally, the Limpopo Province's local government audit results showed a number of regressions and an increase in financial waste or financial misconduct. Mamogale (2014, p.81) also agrees with the Auditor-General that the performance of municipalities in the Limpopo local government has been consistently regressing since 2010, and this is in sharp contrast with the audit outcome picture for local government at national level. National Treasury (2012b), for example, points out that the negative audit outcomes of the South African local

government in general consistently decreased from 65 percent in 2007 to 40 percent in 2011. The drop in the percentage of negative audit outcomes at the national level suggests significant improvements.

In a nutshell and given the negative audit outcome evidence of Limpopo local government, it is, however, sufficient to say that over 90 percent of municipalities in Limpopo Province struggle to manage their finances well and also fail to comply with applicable local government laws and regulations. More so, they fail to implement the Auditor-General's recommendations on how best to address the identified root causes of the problem, which suggests a recurring culture of impunity and resistance or incompetency in dealing with the problems. In 88 percent of municipalities in the Limpopo province, the Auditor-General (2013) found that key municipal bureaucrats (e.g. chief financial officers, municipal managers and supply chain managers, etc.) lack the minimum prescribed competencies and skills in terms of the 2001 and 2007 municipal regulations on minimum competency levels issued in terms of the Municipal Systems Amendment Act of 2011 and the MFMA Regulations.

As indicated in Chapter One, section 54 (2) and (3) of the Municipal Systems Amendment Act (2011) states that a municipal council must appoint all senior managers at all levels of the municipal hierarchy who have the appropriate and prescribed skills, expertise, competencies and qualifications, and an appointment decision should be declared null and void if the provisions of this Act are found to have been contravened. A high vacancy rate in key strategic positions, weak political oversight, a lack of consequences for poor performance were all identified, among other things, as recurring and were shown to be leading to the persistent poor bureaucratic performance of municipalities (Auditor-General Report, 2012; 2013).

In addition, regression implies that municipalities experience high levels of financial waste. A lack of consequences for poor performance and transgressions of the applicable laws and regulations are touted as being the main contributing factors for persistent poor bureaucratic performance in municipalities (Auditor-General, *ibid*). This suggests that municipal officials do not worry much because no one is punished for poor performance. Even the South African Institute of Race Relations (2012) pointed out that incompetent

municipal officials who are fired often resurface in other municipalities or other spheres of government.

#### **2.4. Conclusion**

The persistent poor bureaucratic performance of the Limpopo local government manifests itself in high rates of negative audit outcomes, high incidences of consumer debt, high levels of underspending or overspending and financial waste as well as the growing spike of community service delivery protests against municipalities. A serious rethink is, therefore, needed, through empirical research, to uncover and understand the extent of the bureaucratic performance problem. This research is needed to advance appropriate solutions to address the problem in order to maximize the benefits from growth in resource investments.

The poor bureaucratic performance of municipalities in the province has several implications for the system of local government. Firstly, it implies that local communities are more likely to lose rather than gain trust and confidence in the competence of the local government. Secondly, it implies that local communities will continuously take to the streets to demand service delivery and accountability through violent protests, which often results in the vandalism of state and private property. Thirdly, it means that government at national level will continue to pump more and more resources, in terms of funding and capacity-building type initiatives, to enhance and strengthen the capacity of municipalities to improve delivery without deriving value or returns from the investment. This argument, however, does not suggest that national and provincial governments should stop supporting the local government.

As the next chapter will show, national and provincial governments should deal with the underlying root causes of the perpetual, uneven and poor bureaucratic performance of municipalities rather than deal with the symptoms of the structural problem. Lastly, the poor bureaucratic performance of municipalities implies that the provincial governments, through the executive council, will continue to intervene and, in some instances, take control of the executive responsibilities of certain municipalities in accordance with the provisions of the Constitution. Section 139 (1) (b) of the Constitution (1996), for example, gives the provincial executive council the power to intervene and



take control of a municipality if a municipality fails to fulfil its executive obligations, as defined in the constitution or legislation, to ensure that such a municipality fulfils its obligations.

Be that as it may, the primary purpose of this study in the Limpopo Province is to discover and explore the underlying variables leading to the persistent poor bureaucratic performance of municipalities in relation to financial management and the provision of basic municipal services, such as water and sanitation. This occurs despite continuously increasing resource investments in terms of funding and capacity building and, also, training initiatives designed to build and enhance the capacity of municipalities to meet the minimum expectations of the local communities. The next chapter introduces, and discusses, several theoretical perspectives on the determinants of bureaucratic performance for organisations. These theories will be used to analyse and interpret the research results from this study in order to discover and explore the underlying factors that lead to the perpetual poor bureaucratic performance of municipalities in Limpopo Province. The problem statement having been discussed in this chapter, the next chapter explains the theories chosen to guide the development of this study.

## CHAPTER 3

### THE THEORETICAL AND CONCEPTUAL FRAMEWORK ON DETERMINANTS OF THE BUREAUCRATIC PERFORMANCE IN STATE BUREAUCRACIES

#### 3.1. Introduction

While Chapter Two discussed the main research problem at the core of this study, this chapter discusses several competing alternatives or theories to explain the determinants of organizational performance. The chapter discusses the relevant and appropriate theory or theories that have guided the development of this study. This chapter is divided into three sections. Section one examines the theory of homogeneity to assess whether it could be used to discover and explain the underlying determinants of the bureaucratic performance of South African local government, with specific reference to Limpopo local government. Section two examines the theory of a bureaucracy to assess whether it is the most appropriate to discover, understand and explain the underlying determinants of the bureaucratic performance of municipalities in Limpopo Province. The last section analyses the principal-agent theory to describe how political oversight and regulation becomes critical in enhancing good institutional performance of municipalities.

In addition, empirical research (e.g. Kopecky, 2011; Pitcher, 2012, etc.) suggests that high quality political leadership, competitive party systems and governance are essential for creating good institutional performance and accountability in local government. This implies that strong and powerful oversight bodies, such as municipal councils, are critical for both vertical and horizontal bureaucratic accountability by the rulers to the ruled.

By adopting and discussing in detail the theories of a bureaucracy and the principal-agent model, the study sheds light on why and how the municipal bureaucracies of the five selected municipalities in Limpopo Province, as case studies, can be given the right technical skills and competencies to improve municipal bureaucratic performance pertaining to, *inter alia*, financial management, water and sanitation service provision sustainably. In other words, this chapter justifies why the two theories were adopted as being appropriate to guide the development of this empirical research inquiry.

Although it is widely acknowledged by the National Treasury (2011), the Public Service Commission (2006), Ncholo (1996), the Department of Public Service and Administration (1997) and Peters and van Nieuwenhuyzen (n.d., p.295) that a lack of institutional capacity lies at the centre of governance problems in local government, some scholars (e.g. Mathekga & Buccus, 2006) argue that a lack of public participation accounts for the poor bureaucratic performance of the local government. Others argue that cadre deployment and political interference in administrative recruitment processes (Kanyane, 2006; de Visser, 2010; National Development Plan Diagnostic Report, 2013; Peters & van Nieuwenhuyzen, n.d.), political patronage and the application of racial criteria, especially during municipal recruitment processes (SAIRR, 2013; Mamogale, 2014), a fragile party system as opposed to a competitive party system (Kopecky, 2011; Pitcher, 2012) and lack of homogeneity (Habyarimana, Humphreys, Posner and Weinstein, 2007; Ferree, 2004) account for the poor institutional performance of municipalities.

It could be argued that the above theoretical assumptions and conclusions highlight the contributing factors but not the root cause of the problem within South African local government. In other words, these scholars fail to dig deeper in attempting to discover and explore the underlying root causes of the problem discussed in detail in the previous chapter. The researcher argues that a culture of public participation in South African local government is institutionalized through the Constitution (1996) and other local government legislation. A review of the local government literature indicates that municipalities practise this legal requirement but yet their bureaucratic performance remains persistently poor. The same can be said about a competitive party system, which is seen as one of the fundamental qualities of democracy of which South Africa at all levels of government practice. The section that follows explores and discusses the theory of homogeneity in order to discover whether this theory can be used to guide the development of this study.

### **3.2. Theory of Homogeneity**

Habyarimana, *et al*, (2007), Easterly and Levin (cited in Miguel, 2004), and Ferree (2004) argue that a homogenous group in terms of ethnicity or race has an advantage of performing better than a heterogeneous group in providing quality public goods and services. In similar vein, Wildavsky (1986, p.17) argues that poverty, for example,

homogenizes behaviour. For these scholars, a homogeneous group in terms of race or ethnicity possesses norms and values as well as networks that facilitate the sanctioning of group members who fail to contribute or deviate from contributing to the collective course or endeavour.

There are other scholars who, in contrast, argue that ethnically or racially diverse communities or institutions are more prone to corruption, broadly defined, and social and political instability thus leading to poor institutional performance or the under-provision of public goods (Easterly and Levine, 1997 cited in Miguel, 2004, p. 328). These authors contend that diversity gives rise to inter-group conflict, which, in turn, leads to a reduction in investment in communal goods, such as good governance. In similar tone, Alesina, *et al*, (cited in Miguel, *ibid*) argue that different ethnic groups prefer distinct types of public goods and services and will always avoid mixing service delivery priorities across ethnic lines.

In assessing the performance of the US private companies, Kochan, Bezrukova, Ely, Jackson, Joshi, Jehn, Leonard, Levine and Thomas (2003, p.17), however, found no evidence of a positive relation between heterogeneity and firm performance. In other words, there is no significant direct effect of race or ethnic diversity on institutional performance. These scholars are also supported by Darmadi (n.d.) who also found no evidence of the direct relationship between heterogeneity or diversity and firm performance.<sup>11</sup> Moreover, Smith, Smith and Verner (2005) argue that, although a heterogeneous group increases creativity and innovation, an ethnically diverse group experiences more conflict than a homogenous group. These scholars acknowledge, however, that business decisions emanating from a heterogeneous group often tend to be of a better quality because of the existence of broad perspectives (Smith, *et al*, *ibid*, p.3).

Habyarimana, *et al*, (2007) used the high levels of ethnic diversity of the local government in the United States of America (USA) to explain the lower provision of local public goods

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<sup>11</sup> Darmadi Salim (n.d.) Do women in top management affect firm performance? Evidence from Indonesia, Retrieved from; [www.upan1.un.org](http://www.upan1.un.org)

and services across municipalities. Habyarimana, *et al*, (ibid) argue that diverse ethnic or racial groups prefer distinct types of public goods and, as a result, government institutions avoid mixing public goods and service delivery priorities across ethnic or racial lines. This is a correct observation of government at the executive branch level. This is because the executive branch of government, rather than the legislative branch, represents and acts on behalf of collective societal interests with regard to public goods and service provision. In other words, the executive branch of government balances and aggregates the diverse social, economic and political interests of different groups in society through a single national development vision.

Barkan (2009, p.7), in contrast, observed that the legislative branch of government represents the differences within society since members of oversight bodies, such as the legislature, act on behalf of specific geographical, ethnic, political, gender, race, group, etc. As a result, politicians in the legislatures seek to ensure that those diverse group interests are represented at national or sub-national level in a country. According to Barkan (ibid), the configuration of variables, such as diverse ethnicity, often leads both political principals and agents to define their interests in terms of their ethnic or regional identities rather than on different positions on issues shared by people of different ethnic groups.<sup>12</sup>

It must be noted that South Africa is a multi-racial and multi-ethnic country and the same holds for the Limpopo Province, which is not a homogeneous province in terms of ethnicity and race, as a research setting. For instance, the diverse ethnic groups in Limpopo Province include Pedi, Tsonga, Venda, Ndebele and other racial groupings, such as Indians, Coloured and Whites. As a result, no empirical study exists that has ever presented any evidence of either ethnic conflict or poor institutional performance related to the ethnic heterogeneity in Limpopo. Ethnic or racial diversity cannot be used to better explain the persistent poor bureaucratic performance of municipalities in the province (Mamogale, 2014, p.77). In some organisations or groups heterogeneity may improve organisational performance, especially when the context fosters an environment that

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<sup>12</sup> Also see, Johnson J.K. (2011). Parliamentary Independence in Uganda and Kenya, 1962-2008.

promotes learning and knowledge sharing from diversity, while, in other organisations or groups, heterogeneity may be detrimental to organisational performance.

At the district level within the Limpopo local government, certain ethnic groups tend to be more predominant than others. The Vhembe District Municipality, for example, is predominantly populated by Venda speaking people, whereas the Sekhukhune District Municipality is predominantly populated by the Pedi speaking ethnic group, but there are also Venda and Ndebele speakers living and working peacefully within the district (Mamogale, *ibid*).

Although the above theoretical arguments may seem relevant to explaining the poor institutional performance of municipalities in South Africa and elsewhere, this study strongly argues that this theory cannot be used to discover and explain the underlying root causes of poor bureaucratic performance of public institutions like municipalities. In other words, ethnic diversity cannot be used as a good explanation for bureaucratic performance variations within and between the municipalities in Limpopo Province and elsewhere in South Africa nor can it be argued that ethnicity can be predictive of local government performance.

Post-apartheid South Africa, for example, introduced affirmative action and gender equity policies to address discrimination based on gender and race, not ethnicity *per se*. This study emphasizes that ethnic diversity cannot in anyway hamper service delivery. The argument by Habyarimana, *et al*, (2007) is, therefore, problematic in the sense that it has a reductionist tendency because it views ethnic diversity as a stumbling block for organizational performance. Furthermore, Habyarimana, *et al*, (*ibid*) failed to recognise that the USA is not a homogenous country not only in terms of ethnicity, but also in terms of race. This simply suggests that the USA, as a developed country, is populated by different ethnic groups, mostly migrants from Africa and other continents. This study contends that, where there is transparency and public accountability with proper remedial action, poor performance as a malady should be addressed by the effective implementation and monitoring of legislation through political oversight.

In addition, the experiences of Singapore in the 20<sup>th</sup> century demonstrate that Singapore recorded phenomenal socio-economic growth and development despite having ethnic diversity. Morris (1996, p. 106) argues that Singapore has had a complex task of socializing a multi-ethnic population that did not share a common set of religious and social beliefs and values through the education system.

As is the case in many other parts of the world, English, through the education system, is used as the unifying business language to minimize ethnic and racial conflicts. In other words, the English language is used in promoting socio-political tolerance to maintain social stability as was the case in Singapore. In the South African context, ethnicity is arguably not considered to be an important criterion for recruitment and appointment, but race and gender are considered in recruitment and selection in accordance with the affirmative action and employment equity policies to redress the past imbalances of the apartheid system.

In a nutshell in this section, the gist of the argument is that it is reductionist to explain all poor municipal bureaucratic performance on a lack of institutional capacity and ethnic heterogeneity. The theory of homogeneity, therefore, remains irrelevant in discovering and explaining the underlying determinants of the bureaucratic performance of the South African local government, with reference to Limpopo local government. The theory, however, may enable the local government to deal with symptoms of the problem and allow municipalities to focus on softer and easier capacity building and training interventions to strengthen the capacity of the local government to deliver public goods and services. In Chapter Two of the study, it was indicated that national government invests heavily in local government through the funding of capacity-building and training interventions, the impact of which cannot seemingly be felt within Limpopo local government. This study, however, acknowledges the positive effects of professional bureaucratic institutions in service delivery. Many scholars (e.g. Knack and Keefer, 1985; Mauro, 1995; Rauch, 1995; Rauch and Evans, 2000) found that the quality of state bureaucracy in terms of professional bureaucracy is a necessary condition for economic growth or performance. The World Public Sector Report (2005) confirms that the development performance of a country is heavily underpinned by the quality of its civil servants and political leadership.

Although there is empirical evidence to suggest that the quality of the state bureaucracies matters for socio-economic development or institutional performance, such research provides less insight into what determines this in bureaucratic organisations. The question remains about why some countries or institutions with similar experience perform better than others in terms of attainment of socio-economic outcomes. This question takes us to the next section, which discusses the theory of a bureaucracy in an attempt to provide an answer.

### **3.3. Theory of a Bureaucracy**

As a point of departure, the theory of bureaucracy, what Rauch and Evans (2000) refer to as '*Weberianess*,' originates from Max Weber in the 19<sup>th</sup> century and his conception of rational and efficient organizations of both private and public sectors. For Weber, a bureaucracy is a rational-legal form designed to facilitate and promote the rationalization of institutional tasks and goals (Ritzer, 1975; and Hall, 1963). The study of a bureaucracy is an analysis of how administrative agencies, distinguished by (1) money economy, (2) clear hierarchy of authority, (3) division of labour, (4) written rules, regulations and procedures, (5) separation of administration from ownership, and (6) expert-officialdom, function as organizations within a governmental system (Weber, n.d.; 1948; 1968a; 1968b). For Weber (*ibid*), these variables constitute a bureaucratic authority in public institutions, and they are also the preconditions for the modern form of bureaucratic administration.

#### ***3.3.1. The money economy***

Weber argues that the money economy exists to provide for the payment of the bureaucratic agents and the principals. Under a capitalist economy, the money economy also exists to provide for the payment of other organisational items, such as the machines, ICT facilities, the consumables, the rent, etc. Without the money economy, of course, government cannot provide for goods and services to communities or implement developmental programmes and projects aimed at improving infrastructure investments, among other things. As has been indicated in Chapter Two of this study, an apt observation was made by Wildavsky (1986, p. 9) that 'little can be done or achieved



without money since what will be tried is embedded in the money economy or simply the budget’.

Within the context of South African local government, this study contends that this justifies the reason why the national government continues to pump more and more resources, in terms of funding and capacity-building and training programmes, to support and improve the bureaucratic performance of municipalities, despite the persistent under-performance of municipalities in relation to financial management and service delivery. If ever the money economy is not provided, municipalities will, then, never be able to implement their municipal integrated development plans (IDPs) and service delivery and budget improvement plans (SDBIPs). There is no doubt that the money economy is an indispensable tool for the focusing of government resources and the capacity of individual municipal bureaucrats to achieve pre-determined organisational objectives, programme performance indicators and targets outlined in the municipal IDPs and SDBIPs.

This study takes cognizance of the fact that government does not raise its revenue through profit but, instead, generates the public budget through tax from individual citizens and private businesses, as well as the fines and other service fees.

### ***3.3.2. Hierarchy of authority***

Max Weber (ibid) further spoke about the hierarchy of authority in bureaucratic organisations. All modern bureaucracies, including municipalities, are organized in terms of levels, or what today are referred to as directorates, business units or divisions, that do not duplicate the work of other administrative divisions within an organisation. In other words, there is a clear segregation of responsibilities and functions based on this hierarchy of authority approach. This compartmentalization is reflected in how the administrative structures of municipalities in South Africa, with reference to Limpopo local government, are organized to ensure operational efficiency and effectiveness in every value chain of service delivery.

As Weber (1948, 1968a; 1968b) points out, the top level in the organisation is normally occupied by a general manager or chief executive officer who controls and oversees the

other levels below. This institutional configuration symbolizes the centrality of decision making powers and organisational planning as well as the positionality of organizational authority in a firmly ordered system of superior-subordinate relationship. To repeat, the top level in an organisation symbolizes authority and power, which is defined as the capacity of either elected or appointed individual actors to exert their will over the ruled (Finkelstein, 1992, p. 506).

The hierarchy of authority further suggests that the lines of reporting and accountability are clearly spelt out through internal communication policies. The assumption here is that the municipalities in Limpopo Province have developed various policies that clearly outline the lines of reporting and accountability. An analysis of various pieces of legislation within the system of local government in South Africa indicate this to be the case. In other words, the internal organisational policies of municipalities are aligned to the national policy frameworks and the South African Constitution (1996). In line with the Constitution (ibid) and other local government legislative frameworks, a municipal council, as the top political level, oversees the operational activities of a municipal administration, which is headed by a municipal manager as the lower level.

There are also other levels below the second level where the municipal manager, as the administrative head or accounting officer of a municipality, controls and has the authority to oversee in accordance with the Local Government: Municipal Finance Management Act (2003). All these levels below a municipal manager are directly accountable to him or her and are designed to fulfil the organisational vision and mission of the municipality. In other words, all these levels work towards the attainment of the clearly spelt out organizational vision and objectives. The bureaucratic performance, especially of individual agents, has to be reviewed and appraised regularly in terms of the performance management systems introduced in organisations. In modern institutions of the private and public sectors, the review and appraisal system entails an incentive structure of reward and penalties.

### ***3.3.3. Division of labour***

Max Weber further spoke of bureaucratic organizations having a division of labour based on functional specialization for the efficient and effective production of goods and

services. Other scholars, like Adam Smith for example, see a division of labour as promoting efficient economic growth and development, which has become relevant in modern day society given the fact that the state exists to protect its sovereignty and citizens and also to promote socio-economic growth and development. Nevertheless, this configuration suggests that regular bureaucratic activities or tasks are distributed equally in a fixed manner as official duties for all organisational workers (Weber, 1948, p. 196; 1968b, p.66).

Weber emphasizes that individual parts of the work should be allotted to functionaries who have 'specialist' training through the education and training system in their area of work and who will continually improve their skills and competencies through practical work experience and/or further training and education (Weber, n.d., p.351). Weber's argument simply suggests that, if a specialist is in charge of each work function, the executive, meaning the general manager, would be certain that a well-trained person is responsible for that work function. In similar vein, Ritzer (1975, p.628) agrees that a specialist or a professional contributes to the rationalization of rational institutions, much as rationalizing institutions contribute to the development and consolidation of the profession.

As Weber (1968a, cited in Ritzer, *ibid*) posits, a professional is distinguished from a non-professional person by his or her professional equipment of specialized knowledge, fixed doctrine and vocational qualifications. It becomes very clear that Weber, from the onset, emphasizes the importance of professional qualifications and competencies. Although Weber never clearly indicates where specialized knowledge is normally obtained, he, however, indicates that professionals gain their specialised knowledge through lengthy training and education. Common sense, therefore, tells us that in modern society this should be in academic institutions such as the universities and colleges. Nevertheless, specialised knowledge is viewed by Syed-Ikhsan and Rowland (2004, p.238) as the key to innovation and to attaining a competitive edge in modern bureaucratic organizations. Similarly, Taylor (2007, p.20) argues that specialized knowledge is the primary element of any organisational process because a tangible product delivery cannot come to pass without adequate knowledge. In addition, the findings by Kochan, *et al*, (2003) confirm that positive performance effects on an organization are related mainly to managers with

university qualification(s), while the managers with no university qualifications have a much smaller or insignificant effect on organisational performance. Kochan, *et al* (ibid) are supported by other scholars (e.g. Avellaneda, 2009; Boyne, 2004; Boyne and Walker, 2005; Finkelstein, 1992; Castells, 1993; etc.) who argue that managerial quality, measured through the qualifications of the chief executive officers, matters in explaining organisational performance. The argument of these authors suggests that the large part of organisational performance attained can be attributed to the highest educated workforce, especially in management. In effect, Rauch and Evans (2000a; 2000b), Kochan, *et al*, (2003), Dezso and Ross (2012) and Henderson, *et al*, (2007) have found a causal link between qualifications and organizational performance. The assumption in the modern world is that post matric institutions of higher learning such as the universities, universities of technology and colleges are the ideal places to provide individual persons with specialised knowledge through lengthy training and education, normally lasting more than three years, often certified by the issue and possession of a university or college degree/diploma certificate(s).

Recognizing the importance of professional qualifications from the universities and colleges, the Public Service Commission's Report (2006; 2007), backed up by media reports in South Africa, for example, has found that more than 14 percent of civil servants had forged their professional qualifications to secure government employment. The Public Service Commission Report (ibid) suggests an increasing spike of fraudulent professional qualifications and so it recommended that state institutions regularly verify the authenticity and credibility of all existing civil servants and also the qualifications of potential civil servants before employment. The verification of qualifications exercise is about assessing the authenticity and credibility of the qualifications rather than assessing whether entry into the civil service had been conditional on the possession of these credentials. Nevertheless, professional qualifications are an important part of the professional credentials and identity of a person. Qualifications imbue their bearers with a certain degree of value. Avellaneda (2009, p.289) acknowledges the importance of educational qualifications by arguing that people with these credentials make better plans and decisions. Although a special reference was made to female leadership, the South African Local Government Association (SALGA) (2012), Dezso and Ross (2012)

argue that the positive effect of organisational leadership on company performance is attributed mainly to managers with the best educational qualifications.

Notwithstanding the above debate, Weber (1948; 1968), however, failed to specify the duration of the training and education an individual person ought to have in order to qualify as a specialist in a given field of study. It cannot be assumed that the possession of a three- or four-year university or college degree qualifies one as an expert in a particular field. Arguably, it is widely accepted in academia that it takes an individual trained at postgraduate level, preferably at masters and doctoral degree level, to become an expert or specialist in a given discipline or field, but this needs to be complemented by extensive practical work experience. The researcher's practical experience reveals that professional persons are quick to learn new things and can more easily multitask than a non-professional person. A professional person can further absorb pressure in dealing with and solving a very complex situation by coming up with well-informed strategies.

South Africa, comparatively, has a low percentage of civil servants with professional qualifications of more than three years and, particularly, at masters and doctoral level as reflected in Table 2 below. The difference in the professional qualifications' profile between South Africa and other countries (e.g. China, Malaysia, Norway, Sweden, France, United Kingdom, Brazil, Singapore, etc.) is not small. In 2014, there were only 289, 031 civil servants, which constituted 24 percent, in South Africa with the graduate qualifications compared to 92 percent and 50 percent of civil servants in China and Brazil respectively with a four-year degree or more (the PSC, 2014). It is for this reason that the National Development Plan (2013) calls for South Africa, through the universities, to have produced at least 6000 candidates with doctorate degrees (PhDs) by 2030.

The question becomes why there are so few employees with PhDs in the South African public service in all spheres of government. While there is no straightforward answer to this question, the researcher's observation is that tertiary institutions, like the universities and research institutions, are successfully competing with the government in recruiting candidates with doctoral degrees. The universities and other research institutions (e.g. the Human Sciences Research Council (HSRC), the Council for Scientific and Industrial Research (CSIR), etc.) compete so as to conduct and publish cutting edge

research by PhD candidates produced by the universities. Another reason might be that PhD degree holders are reluctant to join the public sector for a number of reasons, which will be highlighted later in the study.

It is worth noting that the impressive socio-economic growth and development performance of countries such as India, Brazil, Botswana, Mauritius, Norway, Sweden, Malaysia, Thailand, China, France, etc., is attributed largely to the ability of the state to recruit, appoint and or promote candidates with university qualifications where the recruitment is based strictly on merit rather than patronage. In France, for example, prospective civil servant recruits are put through a one year professional internship or a training programme at the National School of Administration followed by a fifteen months of coursework (see, World Bank Development Report, 1997). The same holds true for prospective civil servant recruits in Japan and Singapore where they are taken from the top 200 of a graduating class at the National University of Singapore and put through a one-year civil service professional training programme (PSC Report, 2014a). Similarly, Christensen (1992) posits that, in 1987, at least 61 percent of top-ranking state bureaucrats in Thailand possessed a master's degree, while one-fourth held a doctoral degree in their various fields of government service. The same holds true for South Korea where 46 percent and 30 percent of the civil servants respectively had a masters and doctoral degrees (Kim, 2003 cited in PSC Report, 2014, p.22).

According to the PSC (ibid), these countries are characterised by both technical and organisational capabilities with meritocratic recruitment based primarily on professional qualifications at masters and doctorate levels and the passing of open, competitive entrance examination system as well as providing predictable long-term career paths for the civil servants. The PSC further argues that higher qualifications at master's and doctoral level are more imperative for top-ranking strategic positions of state bureaucracies in most of the fast-developing and newly-industrialized countries cited above.

The National Development Plan (2013, p.414) argues that there is a real risk that South Africa's developmental state agenda could fail because the state is incapable of implementing its policies, but the NDP makes bold proposals to achieve its developmental

agenda. These bold proposals include, amongst other things, enhancing the parliamentary oversight system, professionalizing the civil service, upgrading the skills of the existing civil servants and improving government integrated development planning and coordination. As has been mentioned above, the South African public service, however, offers a very contrasting experience in terms of education profile of civil servants in all three spheres of government as illustrated below.

**Table 2: Level of education in South African public service**

<b>Education achieved</b>	<b>Number of people</b>	<b>Percentages</b>
Pre-ABET-ABET (lower than Grade 3 to Grade 9 or Std 7)	17, 914	1.4%
NQF Level 1 to NQF Level 4 (Grade 9 to Grade 12)	575, 334	48%
NQF Level 5 (High Certificate)	92, 182	8%
NQF Level 6 (Diploma/Advanced Certificate)	168, 257	14%
NQF Level 7 (Bachelor degree/Advanced Diploma)	289, 031	24%
NQF Level 8 (Honours degree/Postgraduate diploma)	39, 107	3%
NQF Level 9 (Master's degree)	8, 010	0.66%
NQF Level 10 (Doctoral degree)	14, 054	1.16%
Unknown/unspecified	29	0.002%
<b>Total</b>	<b>1, 203, 918</b>	<b>100%</b>

Source: Information retrieved in February 2013 from DPSA PERSAL System (PSC Report, 2014a)

The above table demonstrates that the educational level achieved by civil servants in South Africa varies greatly when compared to Malaysia, Thailand, China, Japan, France, Brazil, the Philippines, etc., as explained the preceding paragraphs. A huge percentage of civil servants with national qualification framework (NQF) level 1-4, that is primary and high school education, at 48 percent make up the majority of civil servants in South African public administration. It can be deduced from this table that many top ranking officials in South Africa do not have a degree at master's or doctoral level. This is evident in only 0.66 percent for Doctoral degrees, which is extremely low, and 1.16 percent for

Master's respectively of top ranking government officials with these qualifications. Empirical evidence, however, suggests that the majority of people with qualifications at NQF level 10, which is a PhD, are in practice recruited by the private sector, particularly the universities in South Africa, *vis-a-vis* the civil service. In addition, the MFMA regulations on minimum competency levels do not make it a compulsory requirement for all senior municipal managers (e.g. municipal manager, chief financial officer and other senior managers) to possess qualifications at either honours or masters level before appointment in municipalities.<sup>13</sup>

Given these low percentages, it can be argued that this may explain why South African public service in general is characterized by persistently poor bureaucratic performance, especially at the local government level. It could be argued that this was the result of the compromises reached during the negotiations process prior to 1994 in the sense that the new democratic government was persuaded to inherit a labyrinthine civil service comprising of the former provincial and homeland bureaucracies (Picard, 2005; the Department of Public Service and Administration, 1997). Despite the complexities of the structure inherited from the former provincial and homeland bureaucracies by the post-apartheid government, the problems associated with administrative capacity have continued to mount for the current South African civil service (Ncholo, 1996).

Similarly, the PSC (2014a, p.21) and SALGA Report (2012) argue that human capital development reflected in professional qualifications has a powerful positive effect on the organizational productivity, efficiency and effectiveness of the workforce and the organization. Furthermore, Castells (1993) sees knowledge and information acquired through education and training as the new electricity of the economy because knowledge production is the reason for higher education.

Arguably, the experience of the fast-growing and successful economies of China, Brazil, India, etc., is associated with the government's ability to recruit candidates on merit through a public examination system and who are in possession of qualifications at NQF

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<sup>13</sup> See the National Treasury (2007). Minimum Competency Level Regulations, Gazette 29967 of 15<sup>th</sup> June 2007 for accounting officers, chief financial officers and other senior managers.



level 8 and above (i.e. honours, masters and doctorate) in terms of South African educational unit standards. The national entrance examination system of the countries cited above applies tough standards to winnow the more skilled and competent candidates from the less skilled applicants (World Bank Development Report, 1997, p.80). South Africa, in contrast, has not yet introduced and formalised a compulsory public examination system to winnow the best candidates for civil service jobs. There are, however, indications towards this direction in the near future. Section 13 (1) (a) of the Public Administration Management Act (2014), for example, stipulates that the Minister may direct that the successful completion of specified education, training, examination or tests is a prerequisite for specified appointments or transfers. Even though the provisions of this Act were not effective by the time that this study was completed, the Act, however, will be applicable to the entire public service including the local government. This is because the Act provides for the Minister of Public Service and Administration to consult and agree with the organised local government through the SALGA.

To sum up the discussion, Weber believes that the division of labour promises more control and effectiveness but, in the modern era, more experienced, competent and qualified organisational workers do not necessarily need strict control and supervision. The argument by Weber (1948; 1968a; 1968b) is corroborated by the argument by the NDP (2013, p.410) that there is a need to build a professional civil service that is sufficiently autonomous. The autonomy of the civil service in this case implies that civil servants must be insulated from political patronage and political interference because the existing laws provide for a clear separation of roles and responsibilities between political principals and organisational agents. Of course, organisational agents understand that they are governed by the written rules and procedures and, therefore, require the autonomy to discharge their allocated tasks outlined in their signed individual performance agreements with clear key performance areas. In addition, they can rationally apply their discretion to make well-informed judgments in solving very complex organizational problems. In other words, individuals understand what is expected of them in terms of performance, the code of conduct for civil servants, etc. More competent and qualified civil servants become voluntarily willing to account for their actions either individually or collectively.

The argument about civil service autonomy, however, does not suggest that everyone within the bureaucratic organizations does not require close supervision. It all depends on the level of knowledge in relation to a particular job and, generally, the attitude of individual bureaucrats. Some workers have a propensity for loafing, especially when they are not satisfied with the conditions of service in their workplace. This simply suggests that there are certain psychological needs that should be met by the principal or the employer in terms of Maslow's hierarchy of needs.<sup>14</sup>

#### ***3.3.4. Rules, regulations and procedures***

Weber (n.d.; 1948; 1968a; 1968b) also talked about written rules, procedures and regulations that ensure clear lines of authority and accountability. This is still directly related to the two tenets discussed above. For Weber, controlling and supervising by rules and procedures or the regulations allows for decisions taken at the top of the organisational hierarchy to be executed consistently by everyone in other lower levels of the hierarchy. It is widely believed that people do not always behave in their own best interests, unless they are compelled by laws and regulations. Some citizens, for example, might not wear seatbelts when driving their vehicles unless forced to do so through government laws and strict monitoring. Without any doubt, the management of the modern bureaucratic office is based upon written documents, which are preserved in their original form in files (Weber, 1968b) and also saved electronically on the organisational website or intranet owing to advancements in information and communication technology.

In addition, all bureaucratic organizations operate through rules and procedures. Individual officials are punished or reprimanded for contravening or breaking these rules. Organisations are justified in punishing transgressors since every worker is made aware of these codes or rules through induction programmes and training workshops. This argument suggests that every bureaucratic organization, such as a municipality, has a code of ethics regarding relating to and dealing with work colleagues and work situations. Furthermore, state bureaucracies like municipalities have developed and

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<sup>14</sup> See Abraham Maslow paper titled "A Theory of Human Motivation", *Psychological Review*, 1943, vol. 50: pp.370-396.

implemented oversight mechanisms to enforce a culture of bureaucratic accountability and transparency regarding the use of public resources.

In similar vein, Kopecky (2011, p.714) argues that, under the conditions of fierce democratic political competition, the governing political party or parties, usually establish legislatures or municipal councils to limit and penalize the exploitation of state resources and/or deal with cases of misconduct by the organisational agents. In other words, legislatures and municipal councils institutionalize and enforce accountability. Accountability embraces enforcement and, furthermore, involves the application of perceived sanctions either soft or hard ones.

### ***3.3.5. Separation of administration***

Max Weber (n.d.; 1948; 1968a) also talked about the separation of administration from ownership. Here, Weber argues that being impersonal promises objectivity, consistency and equality. Weber's idea was for organizations to treat all organisational employees and customers equally irrespective of gender, religion, race, social status, etc., and not to be influenced by individual differences. It could be argued that Weber's argument encapsulates the universal principles of human rights, equality and non-discrimination. History tells us that this principle, however, was not respected by all nations. In South Africa, whether at societal or organisational level, for example, there has been a manifestation of different dimensions of discrimination based on gender, race, class, sexual orientation and physical ability. The same holds for countries such as the USA, the United Kingdom (UK) and so forth. In other words, oppression in the form of exploitation, marginalization and powerlessness also existed. To deal with this societal challenge, empirical studies indicate that countries, such as the USA, SA, Canada, UK, etc., introduced democratic constitutions and affirmative action policies to deal with the discrimination of people based on gender and race as a result of the history of slavery and apartheid.

In addition in South Africa, various pieces of legislation and policies were introduced under the democratic dispensation to deal with the exploitation of state resources whereby officials are either fired from work or imprisoned for exploiting state resources via fraud and corrupt activities. This demonstrates the commitment by the democratic government to promoting a culture of professional ethics within the civil service based

on fundamental constitutional values and principles. History in South Africa is full of examples of many civil servants who have either been suspended or eventually fired from work owing to their alleged involvement in fraudulent activities or in cases of financial misconduct. Related to the exploitation of the state resources in Limpopo local government, a report by Makhurupetji (2015, Jul 22) posits that a total of nine (9) senior municipal agents, including municipal managers, chief financial officers and directors in the 2014/15 financial year, were suspended pending the outcome of the investigations with some possibly being dismissed after the disciplinary measures.

The Local Government: Municipal Systems Amendment Act (2011) regulates the recruitment and re-employment of municipal agents who have been dismissed elsewhere or are subject to disciplinary action by other government institutions including municipalities. The South African Institute of Race Relations (SAIRR) (2014), however, has found evidence of municipal officials who have been fired elsewhere resurfacing in other municipalities or other state institutions in other spheres of government. In line with Weber's argument on the separation of administration from ownership, it could be argued that the suspended and eventually dismissed municipal officials on allegations of financial misconduct failed to understand the separation of office from their private fortunes. Weber (1948, p.197) aptly advises that the existence of a money economy requires officials to enter the bureaucracy with an understanding that public monies and equipment are divorced from the private property of the official. The same holds for executive office that is separated from the household and business assets separated from private fortunes.

Various media reports in South Africa, however, reflect disturbing episodes of the state resource exploitation. In December 2011 in Limpopo Province, which is a focus area of this study, the national government took executive control of the province in accordance with section 100 (1) (b) of the South African Constitution (1996) owing to alleged political corruption and the mismanagement of state funds. It was said that the situation left the province on the verge of running out of money to pay civil servants and the suppliers of outsourced governments goods and services. As a result, five provincial departments, such as Health, Education, Provincial Treasury, Roads and Transport and

Public Works, were placed under administration. A detailed discussion under this topic is, however, beyond the scope of this work.

Political corruption is defined as the exploitation of state resources, which often involves high-level political principals and, in extreme cases, may involve the entire political class (Golden and Chang, 2001). One landmark case of political corruption in Limpopo Province, for example, was a report entitled '*On the point of tenders investigation report*' (see, Office of the Public Protector, 2012). This report pinpointed the massive collusion between the local politicians in the executive branch of government and senior government officials to exploit the state resources.

To curb the state resource exploitation, in 2014 the South African government passed the Public Administration Management Act (2014), which criminalizes, among other things, having government officials doing business with the state. Section 8 (2) (b) of the Act, for instance, specifically stipulates that an employee may not conduct business with the State and that any contravention of this clause constitutes serious misconduct with the likelihood of dismissal.

Prior to the passing of this Act, various audit reports in all spheres of government highlighted increasing trends of officials doing business or remunerative work outside the public service without permission from the responsible executive authorities such as the ministers and municipal mayors. As a result, a study by the PSC (2004) recommended that all government institutions develop a policy preventing remunerative work outside the civil service without prior approval. One of the shortcomings of this strategic intervention from government is that this policy directive to curb the state resource exploitation is its exclusion of the political class since the policy provisions will not apply to the political principals because the main targets are the civil servants.

### **3.3.6. *Expert-officialdom***

While Max Weber (n.d.; 1948; 1968a; 1968b) identified six important tenets of rational-legal bureaucracy, '*expert-officialdom*', or simply meritocracy, remains the core for him. In Poland, expert-officialdom is directly associated with the notion of 'loyal-expert recruitment' as an approach (see, Wasilewski, 1990). These concepts are used

interchangeably throughout this case study. Expert-officialdom is fundamentally important in the sense that it serves as the foundation upon which the development of institutional capacity rests. The concept promotes recruitment based purely and strictly on merit and, above all, the possession of professional qualifications. Weber argues that access to bureaucratic office is dependent upon lengthy training and education in the field of specialization usually certified by the issue and possession of a university or college degree or diploma (see, Rauch and Evans, 2000). Expert-officialdom or what Weber also refers to as 'technical superiority' is the decisive reason for the advancement and the performance of bureaucratic institutions (Weber, n.d., 350). The assumption is that officials entering the bureaucratic office are experts in their diverse and individual fields of study and work. In other words, they are professionals.

Weber (ibid) argues that precision, dispatch, clarity, familiarity with the documents, continuity, discretion, uniformity and subordination are all things raised more effectively to the optimal level by a strongly bureaucratic administration with well-trained officials or specialists rather than by any form of collegiate, honorific or a-vocational administration. This argument suggests that experts or specialists in bureaucratic office have a powerful and positive impact on organisational productivity, efficiency and effectiveness demonstrated in increased organisational performance.

The literature shows that some countries around the world have realized the importance of instituting and enforcing the concept of expert-officialdom or loyal-expert recruitment through the legislation and regulations. As has been discussed in the preceding paragraphs, countries such as China, Malaysia, South Korea, Australia, Brazil, Japan, etc., have taken this further by introducing the public service examination system. Only the candidates who sit and pass this tough public examination system are appointed into government bureaucracy as employees (see, Public Service Commission, 2014a; 2014b; Chang, 2008; Fakui & Fukui, 1992).

The system of public examination helps to embed the merit system and professionalise the whole public service since it ensures an equal and fair chance for employment to every candidate who sits for the examination. The public examination system clearly demonstrates that the state bureaucracies in these countries do not rely only on normal

traditional interviews as the main criterion for recruitment, selection and appointment for a career in government. Empirical evidence suggests that interviews are subjective and also entail more elements of bias and favouritism than does a public examination. Moreover, it has been found by the PSC that the outcomes of employment interviews are sometimes challenged and contested in courts (PSC Report, 2014b).

Rauch and Evans (2000a; 2000b), therefore, support the idea of a public examination system as a prerequisite for employment in government. These scholars argue that making entry into the bureaucracy conditional on passing of a tough civil service examination and the attainment of a post-matric qualification, especially a university or college degree, and also paying salaries comparable to those in the private sector, should produce a capable pool of competent and motivated officials committed to a career in government. Their commitment and motivation will always ensure sustainable organizational efficiency and superior performance.

The World Bank Development Report (1997) and Johnson (1982, cited in Cummings, 1996, p.14) also give an example of Japan where the state bureaucracy is recruited from the top ranks of the best law schools in the country, and appointments are made purely on the basis of the legally-binding national examination system, skills and merit. The Japanese recruitment approach, undeniably, fits well with Weber's concept of expert-officialdom, which promotes hiring based on technical competency (see also, Chang, 2008; Fukui & Fukui, 1992). Many other scholars support the idea of meritocracy by Weber (e.g. Evans, 1998; 2002; Rauch and Evans, 2000a; 2000b; Mauro, 1995; Miller, 2000; the World Bank Development Report, 1997; and Henderson, *et al*, 2007). All these scholars concur that meritocracy is a necessary, though not sufficient, condition for the state to become developmental and so the notion of a 'developmental state' gained prominence in the 1980s and the 1990s around the world. Even though the notion of a developmental state is not explored in this study, the concept gained popularity in the early 2000s in South Africa with several conferences and workshops being organized around the idea.

It is worth noting that one of the propositions of this study is that meritocracy has the potential to improve the institutional performance and quality of municipalities in

Limpopo Province. The South African government has introduced several policies and frameworks to institutionalize the concept across all three spheres of government. These legislative frameworks include the Public Administration Management Act (2014), the 2016 Public Service Regulations, the Municipal Systems Amendment Act (2011), the 2007 and the 2012 MFMA regulations on minimum competency levels, among others. The Public Administration Management Act (2014) provides for all senior state officials in the public service to take compulsory technical competency assessment tests before employment. This study, however, contends that the technical competency assessment test is not used strictly as a selection tool but rather to identify skills gaps for the potential candidates. Section 195 (1) (h) of the Constitution (1996) also requires the institutionalization of meritocracy. This is reflected in the constitutional value, which says that “good human resource management and career development practices, to maximize human potential, must be cultivated” (Constitution, *ibid*, p.111).

Henderson, *et al*, (2007), Rauch and Evans (2000a; 2000b) and Dahlstrom, *et al*, (2011, p.663) argue that expert-officialdom stands out as one of the bureaucratic factors emerging as the strongest deterrent to corruption, broadly defined, to poverty and unemployment than other factors like career stability and competitive salaries. Institutional quality needs to be understood not only in terms of human capital formation and skills alone but also in terms of bureaucratic structures, processes, systems and technology, which collectively drive civil service implementation and performance (Levin, 2011, p.262; and Chikane, 2011, p.48). These scholars, however, failed to understand that these systems, structures, etc., are first put in place by people with skills, knowledge and competencies, and not the other way round.

This study argues that people, not the machines, bring knowledge, expertise and competencies to bureaucratic organisations. Machines have no intrinsic capacity for human action and, therefore, are valuable only when used by persons with technical skills and competencies gained through training and education. As Avellaneda (2009, p.289) puts it, ‘more intelligent and knowledgeable individuals make better plans and decisions than those with less abilities and knowledge’.



Moreover, as Macualay (2000, cited in Muller, 2011, p. 187) puts it, through education and training processes, people acquire 'conceptual knowledge (*knowing what*), procedural knowledge (*knowing how*) and strategic knowledge (*knowing what to do when*). These different types of knowledge attributes are set to describe individual capacity or competence in a bureaucratic office. In similar tone, Andreski (1983, p.120) argued that bureaucratic office constitutes a vocation, a focus of ethical commitment and duty autonomous of and superior to the holder's extra-official ties to kin, class, community or conscience.

The word 'merit' is about an individual's ability, effort, motivation and, above all, educational credentials and technical skills. This has led to scholars, such as Bell (1976), Kranze and Slomczynski (1985), speaking of 'educational meritocracy'. These scholars chose this criterion not because they believe that merit equals education but simply because education plays a crucial role in the discussion of meritocracy. To repeat, highly-educated and technically-trained individuals, what Weber normally calls experts, can best perform very complex tasks and apply rational decisions to solve very complex organizational problems. In addition, such individuals can multi-task, meaning that they can perform different jobs at the same time, unlike non-professionals who enjoy very routine and repetitive tasks. Furthermore, professionals or technical experts are quick to learn new things and adapt to the ever-changing environment. In addition, such people tend not to resist change in the bureaucratic organisations but embrace change. Danies (1978, p.208) asserts that different jobs require different sets of human abilities and different personality traits, including motivation, if they are to be performed with maximum competence.

The theory of a bureaucracy, therefore, stresses the importance of individual skills, competencies and academic qualifications. Some of the personal skills and competencies are not only built through schooling and workplace training but through the socialisation process at the household or societal level.

To sum up the discussion on expert-officialdom, it has become very clear that Max Weber's description of a bureaucracy has influenced the civil service reform processes in many parts of the world. The recruitment reform process in Poland in the 1980s serves a

case in point. As Wasilewski (1990) points out, Poland underwent major recruitment transformation and reform process, starting with various recruitment patterns such as (a) communist-combatant, (b) communist-combatant proletariat, (c) 'party-specialist', and (d) the loyal-expert recruitment. With regard to the communist-combatant recruitment pattern, the recruitment and appointment of candidates was limited to the governing political party channels. In other words, the sole criteria for recruitment was faithfulness and loyalty to governing Communist Party principles with the Communist Party membership card as evidence. This recruitment approach made the recruitment criterion less rigid in the sense that it broadened the pool of eligible candidates to include people of the right class origin and membership (Wasilewski, *ibid*; Wasilewski and Wnuk-Lipinski, 1995).

The country also attempted the party-specialist recruitment pattern as part of the reform process, which reconciled political and professional qualifications but political requirements took precedence over professional qualifications. In other words, a job candidate was first expected to be a card-carrying member of the governing political party and be, at least, a diploma or degree holder. To repeat, political requirements were of greater importance than educational credentials which were treated simply as a formality. Of course, the cadre deployment strategy of the ANC in South Africa reflects the two recruitment patterns described above. In similar tone, the SAIRR (2010) argues that the cadre deployment is based on a Marxist-Leninist model of governance whereby party card-carrying members enjoy more employment or promotion opportunities than people without political party membership. There are many officials in the South African civil service who have been hired based more on policy considerations or political patronage than legally prescribed requirements (Mamogale, 2014, p.76).

As noted by Weber (1948, p.201), the selection of the administrative chief and his or her immediate subordinates by a governing political party or parties usually endangers the expert qualification requirements of the officials and the effective functioning of the bureaucratic administration. Ramphele (2012), Kanyane (2006), SAIRR (2010; 2012; 2013) suggest that South Africa has not instituted a true meritocratic culture that promotes excellence in public goods and service provision.

Moving beyond the above debate, the 1980s recruitment reforms in Poland, under the Solidarity Political Party as the governing party, finally introduced the loyal-expert recruitment pattern, which emphasizes strictly merit-based recruitment, selection and promotion. Wasilewski (1990), Wasilewski and Wnuk-Lipinski (1995) confirm that this final recruitment approach promoted meritocratic selection and appointment based purely on the possession of qualification credentials as key. This meant that political party membership and/or political activism are no longer considered primary principles to secure government employment. The candidates are expected to have the required competencies and qualifications and only to declare their loyalty to the country's constitution rather than a political party. Evidence indicates that the outcome of the latest reform process included 87 percent of the Polish civil servants in 1988 having achieved university qualifications, even though elements of gender discrimination existed (Eyal and Townsley, 1995, p.12-13).

In similar vein, Segert (2012) confirms that the new Polish government was mostly male-dominated, well-educated, and middle-aged professionals coming mainly from white and blue collar families instead of communist intelligentsia. In addition, Amartya Sen (1995, cited in Evans, 2002) argues that human capabilities are both the means and ends to development. It is not surprising that exponents of *Weberianess* or theory of a bureaucracy suggest that the enforcement of meritocracy requires the verification of whether entry into the bureaucratic office has been conditional upon the possession of qualifications and the passing of a tough civil service examination as in China, Malaysia, Brazil, Japan, Korea and Australia (see Rauch, 2001; Rauch and Evans, 2000; Mauro, 1995; Public Service Commission, 2014; and Knack and Keefer, 1995).

The question of how people acquire the skills, competencies and qualifications becomes important. Another important question is about the benefits of expert-officialdom. In answering the first question, people acquire the skills, competencies and qualifications through training and education processes. As has already been mentioned, the socialisation process at the household level also plays a critical role. For instance, individual persons are taught about, and internalise, societal values and norms at household level and these are later developed and reinforced by the schooling system.

Finally, in answering the second question, there are many benefits commensurate with the notion of meritocracy/expert-officialdom. Meritocracy promises equal opportunity and treatment for all individual employees irrespective of race, ethnicity, class, wealth, gender, etc., and also protection from arbitrary dismissal (Rauch and Evans, 2000a; 2000b). In similar vein, Weber (1968a) argues that meritocracy in bureaucratic organisations ensures that an educated middle-class or peasant person has the same opportunity of entry into government employment as does an upper-class or wealthy person. In relation to protection, it is argued that meritocracy promises job security only if an individual person follows and adheres to written organisational rules and procedures. In addition, the institutionalization and enforcement of meritocracy leads to the creation of what Evans (1998) refers to as '*esprit de corps*', which facilitates norm creation. *Esprit de corps* is a French phrase, which means group spirit in English. *Esprit de corps* is about feelings of loyalty, belonging, devotion and enthusiasm to achieve the objectives of the group by all loyal and committed group members. According to the World Bank (1997), *esprit de corps* encourages closer identification and association with institutional goals. In other words, the concept is about teamwork, group cohesion and loyalty to each other to achieve the set objectives of the group. It further reduces the costs of making people play by the rules and nurtures internal cohesion and loyalty. In other words, it leads to the creation of a unique and homogenous class of experts who share the same values and possess norms and networks that facilitate the sanctioning of group members who fail to contribute, or stray from contributing, to the promotion of the profession or collective endeavours.

It is argued by Mamogale, Tsoeu and Kgalema (2015, p.18) that a group that is homogenous in terms of its professional norms and standards always advances the values of its profession to protect and maintain its reputation. Habyarimana, *et al*, (2007) observed that a homogenous group has the advantage of performing better owing to the threat of being sanctioned, which serves as a deterrent to police the behaviour of group members who deviate from the collective course. *Esprit de corps* includes a common understanding among the members of the same profession about what is desirable and undesirable behaviour and this is manifested in both formal and informal rules, norms and grounded in a set of objectives. Andreski (1983, p.120) advises that it is important to develop professional relations with one's colleagues, subordinating one's ego to

procedural decision-making through which individual experts develop the disposition and the ability to conduct themselves in accordance with the ethos of the bureaucratic office.

### **3.4. Adequate compensation and bureaucratic performance**

Some scholars suggest that there is a link between adequate compensation and bureaucratic performance (Miller, 2000; World Bank Development Report, 1997; Fukai and Fukui, 1992). These scholars argue that expert-officialdom needs to be followed by adequate compensation for organisational workers to cultivate greater organisational performance. Research shows that the importance of adequate compensation was recognized long ago by the Grand Visier in Germany in the 19<sup>th</sup> century when he advised the Ottoman Empire to compensate the civil servants adequately. Andic and Andic (n.d., cited in World Bank Development Report, 1997) put this in proper perspective as follows:

*“Sir, a vast majority of civil servants are ill paid...The result is that skilled and talented men shun public service. The government of Your Majesty is then forced to recruit mediocre personnel whose sole aim is to improve their weak pecuniary situation...intelligent, hardworking, competent and motivated individuals should direct Your Empire’s civil service...”* (World Bank Development Report, 1997, p.79).

The above quote confirms not only the importance of meritocracy but also adequate compensation to civil servants in bureaucratic organizations. Empirical evidence suggests that adequate pay serves as a motivating factor to induce greater institutional performance. It also helps to retain competent personnel. Some countries have demystified the myth about lower government salaries by paying their civil servants the equivalent of, or far better than, the private sector companies. Japan is a classic example of a state where the Japanese bureaucrats are, comparatively, paid higher salaries and also have more generous retirement benefits in the upper ranks of the state bureaucracy than in the private sector, except in the largest ‘*zaibatsu*’ firms (Fukai and Fukui, 1992, p.27).

The claim of these authors is consistent with the findings of a study by the United Nations University study and the World Bank that there is a relationship between adequate

compensation and organisational performance.<sup>15</sup> The two research studies concluded that state bureaucracies perform better, provide better public goods and services and become less corrupt and more responsive to citizens if the people whom the state employs are well paid and also have access to internal promotion not distorted by political patronage (World Bank Development Report, 1997). Fernandez (2008), Rauch and Evans (2000a, 2000b), however, challenge the findings of these studies. These scholars found no significant evidence of a direct relationship between adequate compensation and the bureaucratic performance of the state institutions.

Even though the research findings of the above two institutions are challenged, this study argues that there are costs to bureaucracies for not taking appropriate care of their bureaucrats by ensuring adequate payment of their salaries. Miller (2000) and the World Bank Development Report (1997) concur that the benefits of not paying adequately and comparatively come at the expense of recruiting and keeping mediocre personnel. Inadequate compensation of employees can lead to an increasing probability of fraud and corruption activities or rent-seeking. Skilled, more competent and qualified personnel, therefore, could consider the state as the employer of last resort owing to low payment. Adequate compensation in the civil service is desirable and necessary to attract and retain competent human resources but it cannot prevent officials from engaging in fraudulent and corrupt activities. Johnson and Libecap (1994) argue that well-paid officials are not immune from the temptations of corrupt activities. In similar tone, Mamogale, *et al*, (2015, p.19), backed up by various media reports, argue that there is tendency in the South African civil service for the officials to augment their salaries through bribery, rent-seeking, collusion and other fraudulent activities.

In addition, international corruption watch organisations (i.e. Transparency International, Corruption Watch, etc.) and the media reports show that corruption problem bedevils many countries, particularly in developing nations, where both politicians and civil servants have been found to augment their salaries through fraud

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<sup>15</sup> See, The United Nations, 1994. *World Urbanisation Prospects, 1994 Revision*. New York

World Bank, 1996. *World Resource 1996-97: A Guide to the Global Environment*, New York: Oxford University Press.

and corrupt activities. Rauch (2001, p.243) argues that there exist different opportunities for corruption at different levels of the organisational hierarchy. As has been said in the preceding paragraphs, Limpopo Province fell prey to political and administrative corruption in 2011 with negative consequences in respect of service delivery at the local level, and this led to the province's being placed under administration in terms of section 100 (1)(b) of the Constitution (1996).

Still regarding adequate pay, Dag Hammarskjöld argues that a skilled and competent person is the key to all problems despite being underpaid (1995, cited in World Bank Report, 1997). Borrowing his words, funds are only valuable when used by well trained, experienced and competent persons who can work miracles even with little resources and draw wealth out of barren land. Apart from adequate compensation, the civil servants can be motivated to perform better through a variety of mechanisms. These mechanisms include, amongst other things, merit-based recruitment and promotion not distorted by political patronage, better working conditions, motivation and the recognition of good performance, as well as opportunities for personal development and growth within the organization.

To sum up the discussion under this section, the study supports the findings by Fernandez (2008) and Rauch and Evans (2000a) who found no close correlation between adequate compensation and institutional performance. Improving organisational performance and building a professional bureaucracy do not materialize by decree and are not waved into reality by declaration. They also take time and effort by institutions in an open and transparent manner. After having analysed and discussed the theory of a bureaucracy and emphasizing the notion of the loyal-expert as a key determinant of organisational performance, the next part of this chapter analyses and discusses the role of the political principals' *vis-à-vis* organisational agents in facilitating organisational performance. In effect, the NDP (2013) ascribes the persistent poor bureaucratic performance of the South African state at all levels of government to weak parliamentary oversight and hostile political-administrative relations, amongst other things.

### **3.5. Principal-Agent Theory**

Max Weber's analysis of bureaucracy has a profound impact on our theoretical understanding of how the 'superior-subordinate relations' or the principal-agent relationship in bureaucratic organizations usually plays out. The superior-subordinate relationship is embedded within the principle of the hierarchy of authority by Weber (1948; 1968a). The superior-subordinate relationship suggests that there is always constant supervision of the lower office by the higher office which is usually occupied by a general manager. In local government, owing to the institutional arrangements of municipalities, there are two top levels responsible for the functioning and management of the municipal authority. On one hand, there is a political component headed by an elected municipal mayor responsible for providing political leadership and guidance to the municipality. On the other hand, there is an administrative component headed by appointed municipal manager, as an accounting officer, responsible for providing administrative and financial leadership and guidance as well as management to the municipality.

The distinction between the two top managers in local government is that one is elected by citizens, while the other is appointed by the established municipal council. It is clear that the mayor, then, is a political principal, while a municipal manager is an agent of the principal. The same holds for municipal councillors who are the political principals of the municipal officials as agents. Despite this institutional configuration of superior-subordinate relationship being found in all bureaucratic organisations of public and the private enterprises, the discussion of this theory is confined to the relationship between municipal councillors as political principals and municipal officials as municipal agents. In other words, the theory of principal-agent in local government is about power relations between elected politicians as principals and appointed officials as agents. Political principals at the local government level, as is the case in other spheres of government, possess original powers conferred upon them by the national constitution to elicit better performance and accountability from the state agents through a number of oversight mechanisms (Gormley, 1989; Furlong, 1989; Brehn and Scott, 1997; and Mitnick, 1991).

In the South African context, section 55 (1) (2), section 114 (1) (2) and section 156 and 160 (2) of the Constitution (1996) expressly give powers to political principals through the legislature and municipal council to make laws or municipal by-laws, exercise



oversight over executive actions and, finally, facilitate public engagement and participation in the affairs of these oversight and regulatory institutions. The robust exercise of these constitutional responsibilities and functions, however, depends largely on the quality of the municipal councils in terms of the individual capacity of councillors, resources provided to them or the council oversight committees, and, generally, the independence of these structures.

Barkan (2006; 2009;), Barkan, *et al*, (2010), Nijzink, *et al*, (2006), and van Crawenburg (2009) argue that many legislatures, primarily in developing nations, are found to be weak and less-independent in exercising their formal powers of oversight and lawmaking *vis-à-vis* the executive branch of government. An inference is made in this study that the same holds for municipal councils *vis-à-vis* the mayoral executive committees in South Africa. The study argues that strong and powerful institutions of oversight and regulation, such as municipal councils or legislatures, are not only the key engines for deepening and consolidating local democracy but also invoking better administrative or executive performance through political oversight. Barkan (2009) confirms that strong and powerful legislatures are critical for both vertical and horizontal accountability by the rulers to the ruled.

The legislatures or municipal councils in developing nations, however, have been accused of putting greater emphasis on representation and constituency service than on oversight (Barkan, *et al*, 2010; and Bower-Krishnan, 2013). Similarly, the National Development Plan (2013, p.55) argues that accountability is essential to democracy but it has been observed that South African political principals in all three spheres of government often fail to fulfil their most basic oversight role. One of the questions to be answered later in this chapter relates to the exact structure that makes policies between the legislatures/municipal councils and the executives.

The South African Constitution (1996) makes the exercise of the independence of the legislatures both at national and provincial level very clear and unambiguous within the principles of the separation of powers and 'checks and balances' amongst the legislature, the executive and the judiciary. Section 55 (1), (2) and section 114 (1), (2) of the Constitution (*ibid*) empower legislatures to make laws and to hold the executive organs

of state accountable by maintaining oversight. In similar vein, section 156 (2) of the Constitution empowers a municipality, through the council, to make and administer municipal by-laws. The function of passing municipal by-laws, among other things, cannot be delegated by a municipal council in terms of section 160 (2) (a) of the same supreme law of the country.

Evidence, however, suggests that the same principle of the separation of powers at local government level in South Africa is blurred by the Constitution (ibid). A similar observation is made by de Visser (2010) and Tshandu (2010) that the conflation of legislative and executive authority within the same municipal council perpetuates the poor bureaucratic performance of municipalities. For instance, section 151 (2) of the Constitution (1996, p.84) provides that the executive and legislative authority of a municipality is vested in its municipal council. As a result, the conflation or fusion of legislative and executive powers within the same structure has led to members of the municipal councils, municipal executives (i.e. the Mayors and the Speakers) and municipal bureaucrats struggling to define clearly their roles amongst themselves (de Visser, 2010; p.90-91).

The Constitution (1996) also makes the distinction pertaining to the separation of powers somewhat difficult to exercise in municipalities. It can be argued that this constitutional design of fusing both legislative and executive powers in the municipal council compromises the autonomy and independence of the council as an oversight body. This is not the case when it comes to other spheres of government. To repeat, the principles of the separation of powers and checks and balances becomes much clearer at national and provincial level if one considers section 43, section 104 and section 125 of the Constitution (ibid). At national level, section 43 of the Constitution vests the legislative authority of the country in parliament/legislatures, *vis-à-vis* section 85 that vests the executive power of the Republic in the President who exercises this executive authority together with his/her cabinet. At the provincial level, section 104 (1) of the same supreme law states that the legislative authority of a province is vested in its provincial legislature, while section 125 of the same states that the executive authority of a province is vested in the Premier of that province, who is the head of the executive.

The above argument does not suggest that a plethora of oversight structures have not been introduced to monitor the performance of the local government by the national and provincial governments. Section 5 (1), read in conjunction with section 34 of the Local Government: Municipal Finance Management Act (2003), for instance, provides that the National Treasury and the Provincial Treasuries must monitor and enforce compliance with the measures established in terms of sections 216 (1) and (2) of the Constitution (1996), including also the provisions of MFMA.<sup>16</sup> Moreover, section 216 (2) of the Constitution empowers the National Treasury to enforce compliance with measures established for financial prudence and to stop any transfer of funds to any state institution if that institution commits a serious or persistent breach of those measures (Constitution, *ibid*, p.126).

Another thing that compromises the independence of the municipal councils at the local government level is the fact that municipal mayors and speakers are always political seniors of ordinary council members including municipal oversight committee chairpersons in terms of the internal processes of the political parties or their constitutions. Undeniably, it cannot be expected of the ordinary council members to exercise robust oversight over their political seniors in the party for fear of either recall or reprisals by their political seniors or even the political parties (Mamogale, 2015).

Under this situation of intense political pressures, Johnson (2011, p.86) and Malesky, Schuler and Tran (2012, p.767) argue that ordinary council members, except from opposition political parties, behave in a conformist manner in order to retain their favour with high-level politicians, such as the municipal mayor and the speaker or the provincial Premier. The argument suggests that council members do not always ask critical policy questions during oversight committee meetings simply because that might be interpreted or viewed as openly criticizing and embarrassing their political seniors in the political party. Despite all these challenges at the political level, the legislatures and municipal councils have incentives to control the behaviour of their agents by putting in

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<sup>16</sup> Section 34 of the MFMA empowers the national and provincial governments to assist and support municipalities in building their capacity for efficient, effective and transparent financial prudence and monitor compliance with the provisions of the Act.

supervisory measures. These monitoring measures put together by the political principals are discussed below.

### ***3.5.1. Political principal supervision measures***

In spite of the blurred separation of powers at the local government level, political principals apply various supervisory methods to control or tame the power of the agents in order to exert pressure for better performance and ensure administrative accountability of municipalities. Municipal performance is expected in all areas of municipal operations with regard to public goods and service provision as well as financial management. Before discussing this in detail, the study returns to the simple question raised earlier on about who makes the law. From a public policy making perspective, political principals have exclusive constitutional authority to initiate and make laws or to influence the policy decision making process and to oversee, monitor and sanction the activities and behavior of self-interested agents.

Booyesen (2001), however, suggests that this is not the case in practice, specifically with regard to law-making. To say that policy-making within the principle of the separation of powers is an exclusive responsibility of the legislature or municipal council is an outdated view and not a true reflection of practice in South Africa (Gutto, 2001, p.17). It is true that sections 55 (1) (b); 85 (2) (d) and 114 (1) (b) of the South African Constitution (1996) place the law-making responsibility on the shoulders of both the oversight body (i.e. legislature/municipal council) and the executive. Sections 55 (1) (b) and 114 (1) (b) of the Constitution place, for example, the legislatures, both at the national and the provincial levels, at the centre of preparing and initiating the law, except money Bills, while section 85 (2) (d) places this responsibility on the executive through the President “to prepare and initiate the law”.

At the local government level, the constitution, however, does not clearly segregate this responsibility of law-making/by-laws. Instead, section 156 (2) of the Constitution (ibid, p.87) says “a municipality may make and administer by-laws for the effective administration of the matters which it has the right to administer”. By making reference to ‘a municipality’, it is not clear whether the law refers to a municipal council or a municipal manager, or even the municipal executive led by the executive mayor.

Although the executive branch of government shares this constitutional responsibility with the legislative branch, the constitution does not expressly afford the former the power to consider, pass, amend and or reject any law. The power to pass, amend and/or reject a law is granted to the legislative branch exclusively. Instead of rejecting a bill, the executive may, however, within the principle of checks and balances refer the proposed bill to the Constitutional Court, which is the highest authority in the land, for a decision on the constitutionality of a bill. It is undeniable that the Court has a special constitutional responsibility to legislatures to make a ruling on whether a law proposed or passed is constitutional or not valid.

In South Africa, history tells us that there have been examples of legislative proposals/decisions successfully challenged by the executive branch through the Courts. In other words, certain contentious legislative bills were referred to the judicial system for the review of constitutionality before they could be signed into law by either the President or the Premier. The money bill of the Limpopo Provincial Legislature is a case in point. In 2012, the executive, led by the Premier in the province, challenged the constitutionality of the Limpopo Provincial Legislature's Financial Management Bill of 2009, which was contested in favour of the executive in the Court (Mamogale, 2015). In other words, the outcome of the Constitutional Court nullified the proposed financial management bill. Unfortunately, the Court's decision, by extension, also nullified the application of similar Acts of the other five provincial legislatures, such as the North West, Gauteng, Mpumalanga, the Eastern Cape and the Free State provinces. In nullifying the financial management bills of all six provincial legislatures, the Constitutional Court stated:

*It suffices to state that, for the same reasons cited in Limpopo I, we find these statutes to be unconstitutional (The Constitutional Court Judgment Report, 2012, p.10).<sup>17</sup>*

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<sup>17</sup> See Mamogale (2015) for more discussion of the court arguments to nullify the above mentioned financial management bill

Also see the Constitutional Court Judgment Report, 2012, Case CCT 94/10 (2012) ZACC 3.

The Constitutional Court, therefore, concluded that a provincial legislature may be competent to legislate on its own financial affairs only if this is a matter that has been expressly assigned to it by national legislation or a stipulated provision in the constitution, but, as discussed above, this is not the case.

Nevertheless, from a principal-agent perspective, empirical evidence suggests that political principals have very limited knowledge or capacity *vis-a-vis* the agents to exercise certain formal powers conferred upon them by the national constitutions. Some scholars argue that, given their specialized knowledge and exclusive information advantage, the agents are able to shirk responsibility to their principals to pursue their own individual preferences (e.g. Blair, 2000; Hammond and Knott, 1996; Wood, 1998; Eisner and Meier, 1990; Rourke, 1984; and Moe, 1982; 1985). In similar vein, Picard (2005, p.322) concurs that the agents' bid for supremacy within the bureaucracy stems partly from the agents' control of information and their expertise. In other words, the agents are better placed than are the principals to use their well-informed judgment especially on technical and administrative issues.

The above argument suggests that political principals lack the capacity to control the agent's behaviour vigorously owing to their lack of, or limited, technical knowledge and expertise. In this study, the researcher challenges this argument as being short-sighted. The researcher argues that this is context specific and also depends on a number of factors, such as the quality of the elected political principals in terms of experience and educational background and historical circumstances. The researcher observes that many political principals in other parts of the world (e.g. USA, UK, Japan, Canada, etc.) possess technical knowledge and expertise as many political principals are university graduates, compared to many political principals particularly in Africa.

In the case of Japan, for example, Fukai and Fukui (1992) point out that the average contemporary Japanese Diet member, meaning a parliamentarian, is highly educated and is likely to be a graduate of a renowned public institution such as the University of Tokyo or a private university. The same holds for 30 percent of the members of the British Parliament who are graduates of renowned universities such as Oxford and Cambridge (Fukai and Fukui, *ibid*).

This may not be the case, in contrast, in the many parts of Africa given the history of colonialism and apartheid in the South African context. This colonial/apartheid situation did not afford many current local politicians the opportunity to attend school fully and also acquire the limited education offered by the apartheid education system owing to their involvement in the political struggle to topple the colonial/apartheid system. In Africa, empirical evidence suggests that the majority of political principals lack, or have limited, knowledge and educational background with many exceptions. As has been explained earlier, this limited knowledge relates mainly to policy development processes since policy making processes tend to take a form of 'executive-centralism', meaning that policy bureaucrats or the executives often draft early versions of the policies, according to Booysen (2001).

In similar vein, Schrine (1989, cited in Booysen, 2001, p.135) argues that policy bureaucrats further design and approve the process of policy consultation, devise the measures for policy execution and process feedback. Booysen, however, warns that giving the executive the privilege of preparing and initiating policies on behalf of the regulatory and oversight institutions (i.e. legislatures and municipal councils) strengthens the trend of executive centralism in the law-making process. Polsby (1975, p.277 cited in Olsen and Mezey, 1991, p.8) argues that the strength of the legislature's policy making role is most connected to its capacity to resist or modify 'executive-policy making centralism'.

It is argued in this study that it is incorrect to assume that, in exercising their discretion, the agents follow personal preference, which may be based on family background and socialization experiences acquired through organisational citizenship, as suggested by Page and Jenkins (2005, cited in Hurata and Radu, 2010, p.65). It must be pointed out that both political principals and the state agents need each other because politics and administration are in practice inseparable. Although the agents contribute more practical technical knowledge and skills to the policy-making process than the politicians, particularly in Africa, their decisions and actions are always subject to reversal or approval by the politicians (Du Guy, 2000, p.118). This simply suggests that there are no opportunities for the agents to shirk their responsibilities to the politicians.

The state agents, furthermore, are always monitored and constrained by enacted legislative prescripts and regulations when doing their work and interacting with work colleagues in bureaucratic organisations. The agents are always forced to follow and adhere to core civil service values stipulated in the national constitutions and also in the bureaucratic policies or regulations. As was discussed under the theory of a bureaucracy, organisational workers are also subject to the code of ethics/conduct, and individual workers are often disciplined and eventually dismissed for contravening these codes of ethics. In addition, elsewhere in this chapter, Max Weber (1948; 1968a; 1968b) reminds us that individual agents are punished or reprimanded for breaking written organisational rules and procedures, which are often communicated to all organisational workers. In South Africa, for example, various pieces of legislation, including the constitution, have been introduced to ensure compliance with constitutional values such as accountability, transparency, efficiency and economic use of public resources, consultation, professionalism and so forth.

Olsen (2005) argues that a bureaucracy becomes an expression of cultural values and a form of governing with intrinsic value. Even though bureaucratic organisations are governed by written rules and procedures guided by established legislative frameworks, human beings are more prone to break these written rules consciously or unconsciously or use the existing legal loopholes to act unethically for the gratification of their own self-personal interests. Various governance systems are, however, put in place to detect unethical behaviour by organizational agents. Unethical behaviour by the agent, most often, is exposed by the auditors during the audit process, and this is evident in increasing suspension rates in South African local government on allegations of financial misconduct.

### ***3.5.2. Political oversight***

Oversight research is another instrument used by political principals to control the behaviour of agents, according to Gormley (1989) and West (1995). Oversight research entails organizing parliamentary oversight meetings and undertaking site visits to developmental projects, either announced or unannounced, by the political principals to assess the progress on project implementation. Political oversight is also used to monitor



programme implementation and assess overall institutional performance on public goods and service provision, including financial management. Political principals use and scrutinize monthly, quarterly and annual performance reports of the state bureaucracies to evaluate their financial and service delivery performance.

Furlong (1998) speaks of both '*ex-post*' and '*ex-ante*' oversight techniques that have a significant impact on the bureaucratic performance and government policy-making process. An example might be a request by oversight committees of the legislature or a municipal council to conduct a forensic audit investigation or an environmental impact assessment on the bureaucracy. According to Furlong (*ibid*), who is supported by Weingast and Moran (1983) and Scholz and Wei (1986), the '*ex-post*' technique entails a budget appropriation process, statutory changes and oversight public hearings or meetings with state agents and local communities. The '*ex-ante*' oversight technique, on the other hand, includes procedural requirements through regulations and directives to demand for quarterly and annual reporting (McCubbins, Noll and Weingast, 1987; 1989). In this case, quarterly and annual performance reports are prepared and submitted to the oversight bodies, such as the legislatures or municipal councils.

In the preceding paragraphs, the study indicated that an oversight function is a formal power bestowed upon legislatures or municipal councils as the oversight bodies by the constitution. In South Africa, the legislatures and municipal councils are supported by other independent institutions established in terms of Chapter 9 and 10 of the Constitution. It can be argued that these independent institutions, such as the Office of the Public Protector, the Office of the Auditor-General, the Office of the Public Service Commission, the Electoral Commission, the South African Human Rights Commission, etc., serve in the same way as the ombudsman. The sole purpose of these constitutionally-established entities is to guard democracy by supporting constitutional democracy by enabling oversight, accountability and strengthening governance. Section 181 (2) of the Constitution (1996, p.103) states that these institutions are independent and subject to the Constitution and the law. They are expected to carry out their functions with impartiality and act in fulfilling their functions without fear, favour or prejudice. Their remedial actions are legally binding. These constitutional independent bodies supporting democracy account to the legislature at national level only at least once a year.

While oversight research is aimed at exerting pressure for better bureaucratic performance and enforcing a culture of accountability, it is also aimed at deepening and consolidating democracy. It is clear that the political principals, through oversight research, assess the alignment between policy, planning, budgeting and reporting in order to ensure the effective, efficient and economic use of state resources and actual public goods provision on the local level.

In South Africa, the legislative frameworks established to guide and regulate the planning, budgeting, monitoring and performance reporting of the three spheres of government, including the local government, include the National Treasury frameworks on strategic plans, the annual performance plans (APPs) and the framework on management of programme performance information. The bureaucracies, such as municipalities, are legally required to produce five year strategic plans/municipal IDPs, annual performance plans/service delivery and budget improvement plans (SDBIPs) that are aligned to other government long-term and medium-term plans (i.e. the National Development Plan, the Limpopo Development Plan, and the Medium Term Strategic Framework). They, therefore, report on their implementation on a quarterly and annual basis to the established parliamentary oversight committees of the municipal councils.

As has been said in the preceding paragraphs, the municipal councils are externally assisted by other oversight institutions, such as the Office of the Auditor-General, to monitor and evaluate the service delivery and financial performance of municipalities. The audit process as a monitoring tool focuses on assessing reliability, usefulness, and consistency as well as the compliance of reported performance information against the plans and the legislative frameworks. The audit process further assesses the authenticity and quality of the annual financial statements of the municipalities and expresses an audit opinion which might be either positive or negative. The audit performance of the five selected municipalities in this study will later be highlighted and discussed, but, as Chapter Two indicated, the Auditor-General most often finds flaws in the quality of the municipal annual financial statements, and the planning and reporting processes during the audit.

The effectiveness of oversight research as a control mechanism depends largely on institutional capacity in terms of resources like research and secretarial support services, the budget, ICT tools, council emoluments and the educational background of individual members of the legislature or municipal councils. It also depends on the overall independence of the oversight committees *vis-à-vis* the executive in performing their formal powers enshrined in the national constitutions. Research shows that the independence of municipal councils or legislatures is first determined by the governance system adopted by the country. From a political science perspective, there are two types of governance systems being used worldwide. These are presidentialism and parliamentarism, but some countries have a hybrid governance system (Malesky, *et al*, 2012; Johnson, 2011). Countries that adopt the presidential governance system based on the US governance philosophy are considered to have independent legislatures or local government institutions compared to countries using a parliamentarian governance system based on the Westminster governance tradition (Malesky, *et al*, 2012; Nijzink, *et al*, 2006; Johnson, 2011). South African, undoubtedly, has adopted and utilizes the Westminster governance framework in all three spheres of government.

With the presidential governance system, there is a clear separation of office between members of the legislature or municipal council and the executive. In Africa, countries with a strong separation of office based on the American governance system include Nigeria, Cape Verde, Mozambique, Mali and Senegal, according to Nijzink, *et al*, (2006). It could be argued that municipal councils in these nations, through their oversight committees, tend to be very strong and powerful compared to municipal councils in countries (e.g. South Africa) where the two are fused into one.

As Malesky, *et al*, (2012) and Nijzink, *et al*, (2006) posit, the constitutions of these countries explicitly prohibits a combination of a seat in the legislature or municipal council and a ministerial or mayoral post in the bureaucratic administration. This simply means that once an individual person is appointed to the executive as a Minister or a Mayor and even as the Speaker, such an individual is constitutionally obliged to surrender his/her seat either in the legislature or the municipal council.

According to Nijzink, *et al*, (ibid), a clear separation of office creates a certain distance between the mayoral post and councillorship. These scholars also argue that the countries using the USA's governance system have a greater degree of independence than countries without this constitutional provision. In the South African context, the Constitution (1996), in contrast, does not prohibit the compatibility of a seat in the municipal council or the legislature and in the executive as a mayor or Speaker. In other words, the South Africa Constitution (ibid) does not provide for a clear and strict separation of office between a mayoral post or speakership and a councillorship. Political principals who are appointed as mayors and speakers of municipalities or even as the Premier of a province still retain their membership or seat in the municipal councils or the legislatures. As has been said earlier, the separation of powers in South Africa is blurred, especially at the local government level, by the Constitution because it fuses both the legislative and executive powers of a municipality into a municipal council.

Moreover the independence of municipal councils is, secondly, determined by the quality of the councils themselves, especially in terms of the capacity of individual council members, the resources provided to council oversight committees to exercise their work and the council members' emoluments. At the provincial level, in 2014, Mamogale (2015) found that the Limpopo Provincial Legislature was less-independent despite having enough resources in terms of research and secretariat support as well as legal services, ICT tools and the administrative benefits for the members. Mamogale (ibid) further found that the provincial legislature did not determine its own budget, which compromises its autonomy *vis-à-vis* the executive, but the situation has since been rectified in the sense that the legislature's Financial Management Act was eventually passed into law in the 2014/15 financial year.

The conduct of political parties, furthermore, has an impact on the independence and operations, as well as the performance, of municipal councils. Legislatures or municipalities at local government level are entered and constructed by political parties. Malesky, *et al* (2012) argues that political parties consolidate their government identity through the deployment of their members to these state institutions and also by dispensing political patronage *via* state jobs to their party supporters and loyalists.

### ***3.5.3. Budget appropriation***

Budget appropriation is considered another control measure by political principals over the agents (Furlong, 1998). Budget appropriation means that political principals, through their oversight bodies such as the legislatures or municipal councils, appropriate and approve the agency's administrative budget on an annual basis. Budgets are appropriated to municipal authorities only after the presentation and tabling of their strategic plans and annual performance plans for implementation. To repeat, Wildavsky (1986) points out that nothing can be achieved without money because what is to be achieved is embedded in the budget. Linked to the oversight research discussed above, the municipal agents are constitutionally obliged to submit and report back to the oversight bodies on a quarterly and annual basis on the progress regarding programme implementation in the municipal IDPs. A similar observation is made by Weingast and Moran (1983), McCubbins (1985) and McCubbins, Noll and Weingast (1989) that the oversight agencies influence the bureaucracy's performance through the budgetary mechanisms and oversight hearings or meetings.

### ***3.5.4. Performance Management System***

The performance management system, which focuses on the facet of human capital, is another method extensively used in bureaucratic organizations to monitor and encourage individual performance. The performance management system also ensures individual and institutional accountability, what Roberts (2002, 2004) calls 'performance-based accountability'. According to Roberts, performance-based accountability requires systems or tools for identifying measures of organisational inputs, outputs and outcomes and for collecting performance information and comparing such data against the agency goals or standards. In similar vein, Heikkila and Isett (2007, p.239) argue that performance-based accountability is linked to direction-based accountability. This further requires citizen participation in designing municipal performance systems and measuring overall organizational performance since citizen expectations play a major role in shaping how bureaucracies define their mission and the criteria for success that will be used in meeting those goals.

In modern bureaucratic organizations, such as municipalities, institutions have introduced performance management systems with clear key performance measures (i.e.

objectives, indicators and targets) to be achieved over the long-term, medium-term and short-term. Individual workers are made to sign individual performance agreements that are supposed to be aligned to the institutional plans/municipal IDPs and other plans of government, which are then used to measure individual performance against set standards or key result areas.

In South African local government, the Municipal Systems Act (2000) and the Municipal Finance Management Act (2003) provide the legal framework for the performance management system and place the system squarely within the municipal IDP. Section 38 (b) of the Municipal Systems Act (2000) provides that a culture of performance management must be promoted amongst the municipal political principals and municipal bureaucrats. It is further expected that performance management systems should be applied in all organizational levels in a municipality.

Rauch and Evans (2000a, p.51) argue that performance management methods ensure the control of agents by their principals in order to elicit a greater bureaucratic performance of organizations. It is appropriate to argue that, through this system, the relationship is not only between the elected political principals and the organisational agents but also between the appointed managers and their subordinates. Under the description of the hierarchy of authority, Weber (1948; 1968a; 1968b) posits that the top level in the bureaucracy is always occupied by general manager who controls the other levels below. To repeat, as noted by Weber (*ibid*), this configuration symbolizes the centrality of decision-making powers or the positionality of organisational authority in a firmly ordered system of 'superior-subordinate' relationship.

Notwithstanding the debate on the hierarchy of authority, Bale and Dale (1998) and Roberts (2002), in addition, argue that the performance management system is linked to the idea of government accountability, and this link encourages the introduction of performance management systems across all state bureaucracies as well as citizen participation in the public policy-making process. The method entails performance-based pay linked to a contract system and the running of implicit tournaments amongst the state agents for high-level positions through promotions or even huge performance bonuses in monetary terms. New Zealand is a classic example of a country where the

running of implicit civil service tournaments is popular (Boston, *et al*, 1991, cited in Rauch & Evans, 2000a, 2000b; Bale & Dale, 1998).

In South Africa, the running of civil service tournaments is, however, also covertly practiced. The state organizes public service delivery or innovation awards where either individual civil servants or particular state departments are recognized and rewarded for their unique and outstanding service provision. The award often carries a monetary value, which means that individuals or the bureaucratic organizations receive payment for winning the tournament or the award.

It can be argued that the performance management system in any organisation can serve as an early warning system for underperformance if the system links the performance of a municipality to the performance of its employees. Through the Local Government: Municipal Planning and Performance Management Regulations of 2001, the national government introduced seven general and compulsory key performance indicators for municipalities to include in their IDPs and individual performance agreements of municipal officials. These compulsory performance measures for the system of local government in terms of section 43 of the Local government: Municipal Systems Act (2000) are the following:

- a) Percentage of households with access to all basic services;
- b) Percentage of households with imputed expenditure of less than R1 100 per month that have access to all free services;
- c) Percentage of capital budget spent on projects identified in terms of municipal IDP;
- d) Number of jobs created through local economic development initiatives supported by the municipality;
- e) Performance achievement of the approved employment equity plan within the first three layers of management;
- f) Percentage of skills levy received in rebate as a measure of the municipality's investment in human resource development; and
- g) Financial viability and sustainability.

Although section 40 of the Local Government: Municipal Systems Act (2000) persuades municipalities to establish mechanisms to monitor and review their performance management systems constantly, the Act does not, however, provide timeframes or stipulate intervals for such a review process.

An analysis of various municipal reports indicates that the performance management system in local government entails the signing of five-year employment contracts especially with the top officials in bureaucratic organizations. These employment contracts are renewable after every five years based on good individual performance and linked to institutional performance. Section 45 of the above Act states that the results of the performance measurement must be audited as part of the internal audit process and also annually by the Auditor-General.

The NDP (2013, p.410) acknowledges the paradoxes brought about by the contract system for government bureaucracies. The NDP (ibid) argues that fixed-term contracts for the accounting officers (i.e. municipal managers and heads of departments) are necessary but that the contract system contributes to organizational instability and a high turnover of personnel. As a result, the system makes it more difficult to build an experienced senior management service cadre or create institutional memory owing to high staff turnover.

The Local Government: Municipal Systems Amendment Act (2011) ameliorates the problem by providing for all section 56 managers in local government, except the municipal managers, to be employed on a permanent basis. In other words, the Act (ibid) has removed section 57 (7) of the Municipal Systems Act (2000) which used to provide for municipalities to extend the application of fixed-term employment contracts to all section 56 managers. It can be argued that the permanent employment brought by the 2011 Municipal Systems Amendment Act in a municipality for senior municipal officials creates and promotes institutional memory and stability. The arrangement further assists the system of local government in putting an end to the unnecessary purging and turnover of municipal officials after the end of political terms which most often bring in new political leadership changes every five years after the local government elections.



Notwithstanding the above, an analysis of various pieces of local government legislation indicates that key performance areas in local government relate to, among other things, infrastructure and services, democracy and governance, as well as financial management. Empirical evidence suggests that the performance management system in public administration no longer has the value it used to enjoy. This is because the performance bonuses in monetary value are paid to government agents who do not necessarily qualify and regardless of institutional performance in a particular financial year. In other words, performance rewards are bestowed upon officials even when the institutional performance has suffered serious setbacks.

Various audit reports by the AG have often found that senior state agents, such as heads of departments, municipal managers, chief executive officers of state or municipal entities and chief financial officers, etc., were paid huge performance bonuses regardless of the poor bureaucratic performance of their institutions as reflected in negative audit outcomes (i.e. qualified, adverse and disclaimer audit opinions) and also in the face of rising community protests against poor municipal goods and service provision.

Anecdotal evidence suggests that, in the South African public service, receiving an annual performance bonus is seen as an entitlement by everyone since every employee qualifies regardless of poor individual and institutional performance. Borrowing words from auditors, this means that there is often no consequence for poor performance results. The performance management system is not only about monetary reward but also about continued professional development and career-pathing of individual agents as well as succession planning. Empirical evidence, however, suggests that sometimes politics, and not performance judgment, plays an important part in awarding performance bonuses to senior state agents such as the accounting officers.

### ***3.5.5. Political appointment system***

Another method used by political principals to ensure control over the agents in order to invoke better individual and organisational performance is a political appointment system or rather cadre deployment. In the previous paragraphs, it was mentioned cadre deployment is also a recruitment approach used by many governments around the world, especially by the governing political parties. The South African Constitution (1996) does

not preclude appointments of persons on policy considerations in the civil service. Section 195 (4) of the Constitution (ibid), for example, provides that the appointment of a number of persons on policy considerations is not precluded, but the appointments must be regulated through national legislation.

Nevertheless, a political appointment system as a political control mechanism is also used to entrench a culture of conformist behaviour amongst the political appointees in the sense that candidates fear being recalled or reprimanded by their political superiors or even their political parties.

In the literature, many arguments have been advanced for and against this political system based on a number of factors. It is often argued that cadre deployment leads to a bloated civil service since the executive authorities appoint personnel to man their offices without following proper human resource management prescripts on recruitment and appointment. In addition, these political appointees are imposed on the state institutions without being within the approved organisational structures. Moreover, it is argued that the system leads to persistent poor state performance. Some scholars concur that the system stifles organisational performance (e.g. Dahlstrom, *et al*, 2012; Miller, 2000; Dahlstrom, Lapuente and Teorell, 2011; Johnson and Libecap, 1994, etc.). Other scholars (e.g. De Visser, 2010; Du Gay, 200) argue that the system provides a synergy between political principals and the state agents and so leads to consistent organisational performance.

De Visser (2010), for example, argues that the rationale for making political appointments in local government in South Africa is to seek synergy between the municipal council and the municipal administration. In similar vein, Du Gay (2000, p.115) argues that political principals put the system in place to tame the power of agency officials and to enhance their own position within government. It can be argued that the appointment of persons on policy considerations by governing political parties is influenced by a number of things such as, *inter alia*, party membership and loyalty. In the preceding paragraphs, the study has indicated how a political appointment system, which was tantamount to 'communist-combatant recruitment pattern' or Marxist-Leninist

governance model was changed and replaced by the loyal-expert recruitment approach during the reform process in Poland in the 1980s.

This study acknowledges that there are variations among countries with regard to the application of a cadre deployment system but a political appointment system is strongly defended by the political parties themselves rather than by scholars. Variations relate to the number of personnel and the quality of persons who are appointed politically. Research shows that there is very limited political influence on the appointments of state agents in most of the newly-industrialized nations of Asia, except in China and Singapore, but the quality of the political appointees measured through meritocracy and qualifications is superior to that of the South African cadre deployment system (Public Service Commission Report, 2014a). In spite of Communist Party members making up five percent of the total population in China, for example, members of the governing political party held 80 percent of the civil service positions (Burns, 2007, cited in Poocharoen & Brillantes, 2013). The difference in China is that the 80 percent of political appointees who held government positions are appointed on merit after having undergone the tough public examination system (PSC, 2014a).

The PSC (ibid), furthermore, argues that the People's Association Party of Singapore also exercises considerable power with regard to the recruitment and appointment of civil servants, especially at the top rank of the state bureaucracy. That said, China and Singapore do not compromise on the quality of the civil servants compared to South Africa. It has been mentioned earlier that Asian countries recruit and appoint civil servants with at least a three-year Bachelor's degree. This suggests that academic credentials are a crucial factor for entry into the bureaucracy as 92 percent of state agents in China had a four year degree with almost 60 percent of this number having a Master's degree (PSC, ibid, p.22).

Fukai and Fukui (1992) concur that a culture of meritocracy embedded in the system of the civil service examination in China has created a unique class of what they call 'scholar-bureaucrats'. It becomes appropriate to conclude that in other countries, such as China, Brazil, Thailand, Norway, Sweden, Japan, Singapore, Malaysia, Botswana, etc., the political appointment system does not necessarily undermine the meritocratic nature of the civil

service given the quality of people the state recruits into the system. The Asian countries (e.g. Singapore, South Korea, Japan, Malaysia, etc.) earned themselves the title of the developmental states given their phenomenal growth and development recorded in the 1990s and the 1980s respectively.<sup>18</sup>

In addition, Brazil and South Africa offer an interesting contrast with regard to the application of a political appointment system. According to the Organisation for Economic Co-operation and Development (OECD) (2010, cited in PSC Report, 2014a, p.20), the employment contracts of politically appointed officials with professional qualifications in the top ranks of the Brazilian bureaucracy is strictly linked to the political term in office of their political principals. This simply means that appointees come and go strictly with their political masters who appointed them during their political term unlike in South Africa where the appointees are often left behind and deployed anywhere within the organisation after the end of political term of their political masters (PSC, *ibid*, p.21). Their deployment to permanent unfunded positions within state institutions follows no necessary recruitment channels.

According to PSC (*ibid*), there is a general perception in political offices in South Africa that human resource policies on recruitment and appointment do not apply to political offices, and this is mistake. To address this gap, the DPSA in 2016 introduced amended Public Service Regulations. Clause 66 (1) (a) (i) of these regulations clearly provides that an appointment of officials in the office of the executive authority made in terms of section 9 of the Public Service Act of 1996 will terminate at the end of the first month after the month in which the term of the executive authority terminates for any reason or for a period not exceeding three years. Arguably, the appointment of candidates without following proper recruitment procedures and regulations has implications for local government performance. It implies that local state institutions may appoint candidates whose suitability in terms of skills, competencies, knowledge and, above all, technical

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<sup>18</sup> For more detail discussion on this concept, see Mkandawire, T (2001). "Thinking about a Developmental State in Africa?" *Cambridge Journal of Economics*, 25: 289-313; and

Johnson, C (1982). *MITI and the Japanese Miracle: The Growth of Industrial Policy, 1925-1975*, Stanford University Press: California

qualifications for positions had not been tested. In addition, it implies that the state continues to pay salaries to people in positions that are not approved and funded because these positions simply do not appear in approved organisational structures. The study also argues that the deployment of political appointees without qualifications and following proper recruitment channels gives room for them to conduct political activities while involved in official state duty and using state resources.

Since such appointees are politically connected, it often becomes difficult for managers to discipline them owing to fear of being purged. Hence their continual stay in the bureaucracy has added to the serious overheating of the budget for the compensation of employees of not only municipalities but also other state institutions at national and provincial levels in South Africa. It has become obvious that political appointees create a serious dilemma with regard to managerial accountability in local state institutions. Anecdotal evidence further suggests that almost 70 percent of the government budget annually goes to pay the salaries of civil servants in all three spheres of government.

Another variation observed by the PSC study between South Africa and Brazil is that the Brazilian civil servants act authoritatively in the national interests of the country rather than in political party interests. In other words, loyalty is to the country's constitution rather than to the governing political party or parties. Furthermore in South Africa, political appointees can be recalled and redeployed anywhere at any time once they have lost favour with their political principals.

A popular belief in South Africa is that the political appointment system has led to the politicization rather than the professionalization of the civil service especially at the local level (see, Johnson cited, in *Mail & Guardian Newspaper*, 2014; Ramphele, 2012).<sup>19</sup> In 2011, the state, at the local government level, amended the Municipal Systems Act (2000) and the amendments were viewed by many as a step in the right direction. Again in 2014, the state introduced the Public Administration Management Act to be applied across all three spheres of government.

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<sup>19</sup> Mail & Guardian Newspaper. "Stability has become a stranger", 26<sup>th</sup> September-2<sup>nd</sup> October 2014.

Ramphele, M. "We must not let SA die in our hands", *The Sunday Independent Newspaper*, 29 July 2012.

This section now turns to shedding light on the reasons behind a political appointment system being seen as a preferred control or recruitment methodology by political parties. To begin with, government institutions, like legislatures and municipal councils, are entered into and constructed by political parties. As a result, they will want to consolidate their own government identity and control of state resources. Brehn and Scott (1997) and Wood (1998) argue that the governing political parties consolidate their governmental identity by dispensing political patronage *via* state jobs to distribute and also manage the state bureaucracies' employment in order to bargain over policy output. The system ensures that those appointed in the bureaucracy achieve the principal's policy objectives, particularly given the danger of the opposition political parties and their supportive agents derailing and sabotaging the governing party's policy objectives.

Kopecky (2011) also sees the system as providing the governing political party principals with incentives to maintain party organisation by distributing selective incentives to party activists and elites in exchange for organisational loyalty. In other words, a political appointment system helps to develop clientelistic networks to maintain party electoral support, which assists in mitigating the risks of an intra-party rebellion in the face of electoral defeat or unpopular decision(s) made by the governing political party or parties in government. The researcher further argues that the political appointees serve as the eyes and ears of their political principals always monitoring the level of support for the principal's policy goals within the state bureaucracies. It is, however, worth noting that the demerits of the system outweigh its merits.

There are several implications with regard to the application of the political appointment system for the oversight and regulatory institutions such as municipal councils or legislatures, especially in Africa. As Mamogale (2015) argues, the influence of political parties can either limit or enhance the bureaucratic operational efficiency or performance of municipalities. The application of a political appointment system/cadre deployment weakens the oversight function of the legislatures and municipal councils (Kanyane, 2006; Holden, 2012, etc.). In addition, the system leads to the increasing exploitation of state resources, as is evident in a number of alleged corruption cases sometimes involving high ranking local politicians and state officials. The system forces

both political principals and agents, especially political appointees, in the state institutions to behave in a conformist manner to gain trust and favour from the high-level politicians in the party or parties (Malesky, *et al*, 2012; Johnson, 2011).

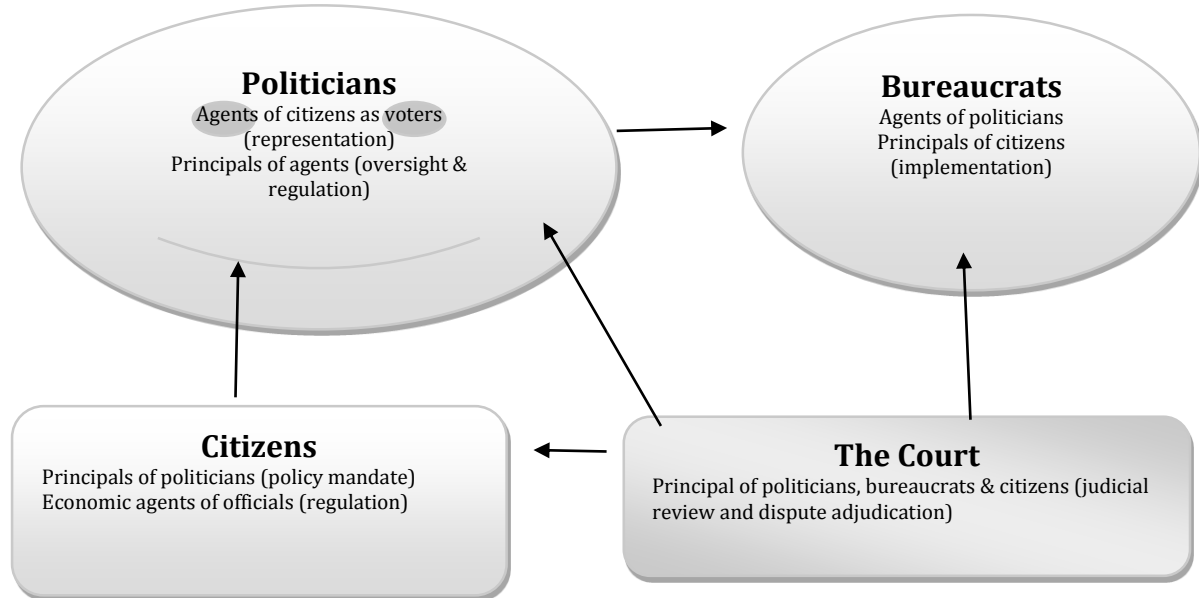
Conformist behaviour means that individual politicians in the municipal councils or legislatures often do not ask question(s) that might criticize or embarrass the high-level politicians of their own party in the executive (i.e. Presidents, Ministers, Premiers, Mayors and Speakers) or even in the political party. It can then be argued that in the system of cadre deployment, party loyalty and support takes primary importance while individual productivity or performance and, thus, institutional quality are secondary. Kanyane (2006, p.117) argues that a culture of playing safe is often created with the political appointment system, which is detrimental to a culture of responsiveness, impartiality and accountability. In addition, Holden observed members of the Standing Committee on Public Accounts (SCOPA) at the national legislature 'buckling up' under intense political pressure from the executive during Thabo Mbeki's presidency and from the governing ANC during the Arms Deal Scandal hearings. This is captured as follows:

*Who do you think you are, questioning the integrity of the... Ministers and the President?* (Holden, 2012, p.117).

This quotation demonstrates the power of the political seniors in the executive branch to create fear amongst members of the legislatures. Once such fear is created, the legislatures or municipal councils arguably become less independent in the exercise of their formal powers of oversight over the administration. Given that the system weakens the independence of legislatures or municipal councils and also has a negative impact on the functioning and the performance of state institutions, it becomes appropriate to argue that the system should be seen as immoral and a democratic pathology. Dahlstrom, *et al*, (2012, p.656) gives an example of the Mayor of Spain between 2001 and 2003 who replaced 'merit-recruited' state agents with political appointees. The outcome of his/her political decision was widespread rampant political corruption and the deteriorating quality of public goods and service provision. Practical observation further shows that the mist between politics and administration leaves a grey area (in-between) hence the inherent political-administration relationship tension.

In analyzing the principal-agent model, one observes that the model is a four-tier model as opposed to a two tier model illustrated by this figure.

Figure 7: **Four-tier principal-agent model**



Source: Author's own design

The figure above illustrates that the relationship in the government accountability loop also includes the citizens and the courts in exerting pressure for good institutional performance and accountability of the state bureaucracy. A similar observation is made by Furlong (1998) that the citizens and the courts directly or indirectly participate in the relationship process to influence institutional performance and compliance with the laws, the national constitution in particular, and regulations. The question becomes: how do citizens and the courts influence the bureaucratic performance of government and its institutions at the local level? This chapter now explores how citizens and the judiciary influence the performance of the state and its institutions.

### 3.6. Citizens' influence on state bureaucratic performance

The participation of citizens in the legislative affairs of municipalities and the legislatures has increasingly become a statutory requirement in democracies around the world. It is a legal requirement to increase government accountability and responsiveness as well as effectiveness or, rather, the performance of the state institutions. Bell and Morse (2008) put this in proper perspective:



*The best we can achieve is to acknowledge the centrality of people and to put participation and the narrative or story of sustainability at the very heart of implementation (Bell and Morse, 2008, p.200).*

This quotation emphasizes the importance of citizen participation in the government policy-making process and program and/or project implementation. Government gains state legitimacy, trust and confidence from the citizens. That is because citizen participation leads to an increased self-confidence through new skills, new connections made and feeling valued with the potential for new leaders and initiatives to emerge from this process (Bell and Morse, *ibid*). Government, therefore, is worried about gaining and maintaining legitimacy from the citizens if it does not involve them in its affairs. In similar vein, Morrissey (2000) argues that the citizens should be encouraged to 'perform a beautiful act' that results from feeling connected to the natural world. It is undeniable that public perception through surveys is always used as a measure to assess the performance of government. In other words, researchers use public perception, among other things, to measure the legitimacy and performance of the government and its institutions.

Consequently, the state institutions develop and implement various citizen participation tools to involve the citizens in legislative and governance matters of municipalities. There is no doubt that citizen participation and engagement is given a legal boost at the local level in South Africa through, of course, the Constitution (1996) and the Local Government: Municipal Systems Act (2000). Whilst section 152 (1) (e) of the Constitution (*ibid*) encourages citizens and their organisations to be involved in local government matters, section 42 of the Municipal Systems Act (2000) provides for municipalities to involve the citizens in the development, implementation and the reviews of the performance management system. The Act further states that the citizens should be involved in the setting of key performance indicators and performance targets for municipalities.

The participation tools for citizen, such as public meetings, hearings and citizen advisory committees or boards, support what Roberts (2002) calls '*direction-based accountability*', and they serve to ensure government accountability and responsiveness. Local

politicians in legislatures and municipal councils are elected by the citizens as their public representatives to implement the citizens' policy preferences. As Figure 7 above illustrates, the citizens, then, become the principals of the politicians simply because politicians account directly to the citizens. It could be argued that the citizens have the power to decide on policy proposals and that politicians assume the role of policy implementers of behalf of the citizens. In other words, the citizens delegate their powers to politicians and, in turn, influence the politicians' performance as the principals of the organisational agents.

In similar vein, Arogonés and Sanchez-Pages (2009, p.56) concur that citizens can monitor politicians' performance simply by comparing citizens' proposals with the policies actually implemented. It becomes obvious in this citizen-politician relationship that the threat of being thrown out of the office, especially in the next national or local government elections, if the citizens' policy preferences are not implemented, troubles many local politicians. This is because the citizens as voters have the unconditional choice to re-elect or reconsider their possibility of mandating certain politicians based on the retrospective judgment of government actions or decisions (Huruta and Radu, 2010). The administrative goals of state bureaucracies are, therefore, supposed to be aligned with the political and citizens' goals articulated in the political parties' election manifestoes, especially of the governing political party and/or coalition parties.

Berman and Wang (2000, cited in Heikkilä & Isett, 2007, p.239) argue that the successful implementation of the performance management systems in bureaucracies is also associated with external support from the citizens. Evidence suggests that there are growing efforts to use citizens in the design of the performance management systems across municipalities throughout the United States and South Africa. For instance, section 42 of the Local Government: Municipal Systems Act (2000) states that the formulation of key performance indicators as part of the municipal IDP process must involve communities at the local level. Similarly, Dusenbury, Liner and Vinson (2002, p.4) argue that citizen participation elevates performance management from a system promoting greater bureaucratic efficiency in operations and resource allocations to a system for more responsive and accountable government.

The question then arises as to why government strives for accountability. The simple answer is that political principals are elected by the citizens to represent them in the oversight and regulatory agencies like the municipal councils. The fact that local politicians are elected as public representatives means that they are, as agents, directly accountable to the citizens particularly in a constitutional democracy rather than in an authoritarian regime, much as administrative agents are directly accountable to political principals.

Moreover, in democratic governments, politicians rely more on the vote of citizens to remain in, or retain, power unlike in governments where the president ascends to power through a *coup d'état*. In the latter governance philosophy, the voice of citizens does not matter as it is often silenced through assassination threats or arrests if ever they attempt to raise their frustrations or anger with the incumbent government through community demonstrations. In a democracy like South Africa, in contrast, citizens are allowed to voice their frustrations or anger with government and its institutions through petitions and also through peaceful community demonstrations. Section 17 of the Constitution (1996, p.9) states that everyone has the right, peacefully and unarmed, to assemble, to demonstrate, to picket and to present petitions.

In a democratic context, the direct influence of citizens on the bureaucratic performance of state bureaucracies as they oversee the activities of the politicians as their agents and also through the established citizen advisory boards and community ward committees in municipalities throughout the United States and South African cannot be overemphasized. Furlong (1998) and Arogones and Sanchez-Pages (2009) confirm that citizens, including interests groups and the media, may lobby for a particular policy direction by participating in regulatory debates and also having informal contact with both the politicians and the bureaucratic agents. Moreover, section 160 (7) of the South African Constitution (1996) provides that a municipal council must conduct its business in an open manner. This simply suggests that municipal oversight meetings are open to the public to attend unless a municipality can prove that there is a reason beyond reasonable doubt that members of the public ought not to attend such a sitting or oversight meeting.

Practical experience of the author of this study gained by working in a legislative environment indicates that citizens, however, cannot make comments during the sittings of parliamentary oversight committees, unless such a meeting is convened as a public hearing meeting. In other words, citizens attend in-house legislature/municipal oversight committee meetings as observers.

Heikkila and Isett (2007) observed variations in the level of citizen participation in government affairs. They found that citizens, through various participation tools, play a critical role in the performance measurement processes of municipalities, which means that they assess organisational performance in one way or another. This influence is put into perspective as follows:

*They tell us where you are doing a great job or not so good a job (Heikkila and Isett, ibid, p.242).*

In a country like South Africa, where there is a comparatively high but dwindling level of illiteracy on the part of the citizenry particularly in rural areas, such a practice of influencing bureaucratic performance may be hamstrung. It can be argued that the citizens' capacity to influence municipal performance depends on many things, such as, for example, the level of internalization and the understanding of the service-driven policies, programmes and projects and so on. Of course, the list may be endless with regards to indicators of quality citizenship participation. Policies are complex and need corresponding sophistication on the part of citizens for them to engage meaningfully.

Empirical research suggests, however, that the extent to which state bureaucracies involve and rely on citizens as organisational resources to directly influence organisational performance varies. Citizen participation in the legislative matters of municipalities further depends on the level of the citizens' interest in participating and their ability as well as their skills. In the United States' local government, Heikkila and Isett (ibid) find little community interest or willingness to serve on the citizen advisory boards or committees. Thomas (1995) certainly sees citizen participation as being costly, time-consuming and ineffective as it often leads to delays in reaching consensus on solutions to problems. Thomas is supported by Claiborn and Martin (2000), Roberts (2004), and Heikkila and Isett (2007). These scholars see citizens' participation as

tokenism or box-checking because citizens are not seen to be part of the accountability equation in a bureaucratic governance system. They argue that the majority of citizens are not well informed about the actual performance of the government, except for the few well-educated, middle to upper income classes who are more likely to get involved in public forums and read the quarterly and annual performance reports of state institutions.

As Grosso and van Ryzin (2011, p.240) point out, public institutions inform the citizens about their service delivery and financial performance through mechanisms such as annual performance reports, the media by reporting on incidents of financial mismanagement, press releases, word of mouth and/or community public hearings. Since the citizens normally do not study the contents of the performance reports, the majority of them, especially the disadvantaged communities in rural areas, rely more on the media to inform them about government performance rather than studying the actual annual performance reports themselves. This claim is consistent with observations made by Heikkila and Isett that:

*I think on the education part and understanding of what we do and what we are capable of doing, the learning curve is way down there (Heikkila and Isett, 2007, p.243).*

Even though there may be limitations on the part of illiterate citizens, there are other community members, particularly from the middle class, who influence the policy making process or the performance of state institutions in the country. This class of person demands accountability and quality services either directly or indirectly through petitions. Recognizing the growing citizens' interests in the public policy making process and performance assessments, municipalities have initiated public participation programmes such as mayoral outreach programmes or 'imbizo' at the local level. Through these programmes, citizens are given an opportunity to raise their service delivery challenges, while government provides feedback on service delivery implementation progress including challenges and possible interventions. Moreover, complaints and suggestion boxes are installed in all government institutions, but the question of whether state agents use these service delivery suggestions to improve or modify their

performance targets is beyond the scope of this study, which might need to be explored further in future research.

To sum up the discussion under this theme, citizens directly influence how government institutions perform their service delivery functions. In other words, they influence the bureaucratic performance of state institutions like municipalities. They monitor and sanction the behaviour of politicians in performing oversight, lawmaking and representation. It has been discussed that citizens have power over the politicians rather than over the officials in the sense that they can throw out bad politicians through votes. Citizens, however, indirectly influence the behaviour of the organisational officials in the sense only that they can report the bad behaviour of officials to their elected representatives rather than throwing them out of the government system. This is simply because officials are appointed through recruitment processes and not elected through votes by the citizens. Citizens' influence on the individual performance of officials, therefore, becomes indirect and very limited compared with their influence on politicians. The next section discusses how the judiciary influences the performance of state institutions within the framework of the principal-agent model.

### **3.7. The court's influence on performance**

In understanding how the courts influence the bureaucratic performance of state institutions like municipalities, the study locates this discussion within the doctrine of the separation of powers and the system of 'checks and balances'. The doctrine of the separation of powers and the system of checks and balances was conceptualized initially by John Locke (1632-1704) and developed further by Baron de Montesquieu in his 'spirit of the law' publication in the 18<sup>th</sup> century (Mamogale, *et al*, 2015, p.1). The courts, or simply the judiciary, ensure the protection and the enforcement of the law, especially the national constitution through judicial review by adjudicating on legal disputes. It has become apt to say that the South African Constitution (1996) establishes a single independent judiciary and other independent government institutions, such as the Office of the Public Protector, among others, that support and protect the constitution in order to consolidate the local democracy. The independence and impartiality of the court are also fortified by various international declarations and national constitutions, which

always makes its decisions final and legally binding to both political principals and the agents as well as the citizens.

The International Commission of Jurists' Report (2005), for example, declares that there should neither be any inappropriate or unwarranted interference with the judicial process nor shall judicial decisions by the courts be subject to revision. This legal provision gives the courts an upper hand over the political principals, the agents and citizens. In other words, politicians, government officials and citizens become the agents of the court, much as it guards against political interference in the judicial processes by either the legislative or the executive arms of government. In addition, the above legal provision gives the courts an opportunity to influence the behaviour of all its agents on how they should behave and relate to one another.

Furlong (1998, p.43) argues that the setting of judicial deadlines for the issuing of regulations may often set or change the priorities of the bureaucracy. The independence of the courts means that judges are active players in the rule-making process and, in certain cases, they exert a degree of control that exceeds the reach and grasp of the cabinet or the state president (Kerwin, 1994, p.266; Furlong, 1998, p.44). As indicated in the preceding paragraphs, the court can overturn a decision taken by the political principals through the legislature or municipal council and can also force the state bureaucracy to implement a certain decision on behalf of either an individual or citizens at large and *vice-versa*. One can argue strongly that the court indirectly influences the performance of the whole state bureaucracy. An analysis of the literature indicates that the courts do not directly assess the service delivery and financial management performance of the state institutions such as the municipalities. The court's assessment of state performance focuses mainly on respect for the rule of law and compliance with all other legal prescripts, including, especially, the country's constitution. The same can be said about the assessment of citizens' behaviour by the courts. Without any doubt, any contravention of the established legal prescripts triggers the court's reaction with punitive measures against citizens.

In post-apartheid South Africa, as it is the case in Ghana and Kenya (see, Rawal, 2013), the independence of the judiciary is fortified in the sense that the judiciary determines

and controls its own budget and complies with international judicial codes of ethics and standards.<sup>20</sup> Chief Justice Mogoeng (cited in Mamogale, *et al*, 2015, p.19) argues that the judiciary enjoys an 'absolute independence' when it determines and controls its budget. A question, perhaps, may be to whom is the judiciary accountable? It can be argued that the court or judges are accountable directly to the law. In similar vein, Gutto (2001, p.185) argues that the oath and affirmation made by judicial agents commits them to uphold and protect the constitution in its entirety. This simply suggests that the court or judges are accountable directly to the law, and not to either the political principals or political parties and/or even the citizens.

Even though the politicians (i.e. Presidents), through the state president, appoint judges to the Constitutional Court and the Supreme Court of Appeals, their appointment is based purely on merit and, above all, relevant professional qualifications. For example, section 174 (1) of the South African Constitution (1996, p.98) states that 'any appropriately qualified woman or man who is fit and proper person may be appointed as a judicial officer'. The appointment of the judges is further based purely on the recommendations of the Judicial Service Commission. A high professional standard is one of the core, and important, indicators of the values of judicial independence and impartiality that is rooted in the judicial recruitment and selection procedures. Peri (2012, p.8) argues that a judicial system composed mainly of professionals pursues a *modus operandi*, which is typical of a judicial culture. The literature also shows that the national constitutions of many democratic nations around the world set clear rules and procedures for the meritocratic recruitment, security of tenure and removal of judicial officials from office.<sup>21</sup>

Borrowing words from Max Weber, one argues that merit-based appointment in the legal fraternity ensures that judicial agents always have the required academic qualifications and specialized knowledge acquired through a lengthy training and education certified

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<sup>20</sup> See, Rawal, K. *Constitutional and judicial reforms: The Kenya experience*, Paper delivered at the Southern African Chief Justices' Forum Annual Conference, 2<sup>nd</sup> August 2013.

<sup>21</sup> For more detailed discussion on how judicial independence is entrenched, protected and sustained not only in South Africa but globally, see Mamogale, *et al*, (2015).



by the issue and possession of a university law degree and also the passing of the unique judicial board examination or 'the bar examination' (Mamogale, *et al*, 2015, p.23).

To sum up the discussion on the influence of the judicial system, the courts undoubtedly provide specialized services, which means that people providing these services are obliged to possess the necessary and required skills and educational qualifications. In other words, not everyone is qualified to provide these services without the relevant lengthy legal training and education, practice and approval reflected through enlisting or registration with the Law Society of South Africa, for example, for attorneys and or the Bar Council for judges. Given its independence, impartiality and merit-based recruitment culture, it becomes clear that the court indirectly influences both the political principals and bureaucratic agents' behaviour and the performance of their public service delivery value-chain responsibilities at the local government level through the enforcement of the respect for the rule of law and compliance with the established legislative and regulatory framework, especially the country's constitution.

### **3.8. Conclusion**

This chapter has discussed several competing theories that attempt to explain the determinants of good bureaucratic performance of state bureaucracies like the municipalities. Some theorists (Mathekga & Buccus, 2006) argue that citizen engagement and involvement in the policy making process or programme and project designs and implementation as well as monitoring and evaluation positively enhance institutional performance. Others (e.g. Kopecky, 2011; Pitcher, 2012) argue that a stable and competitive party system, as opposed to a fragile party system, positively influences the performance of state bureaucracies at all levels of government. Accordingly, government is entered into and constructed by political parties that can either limit or enhance the operational efficiency of the state institutions. The conduct of political parties, therefore, also has a direct bearing on the performance of the state bureaucracies such as municipalities, including their municipal councils.<sup>22</sup>

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<sup>22</sup> Also see Carbone, G.M (2007). "Political Parties and Party Systems in Africa: Themes and Research Perspective", *World Political Science Review*, vol. 3. No. 3: pp.1-29.

Other theorists (i.e. Habyarimana, *et al*, 2007; Ferree, 2004) have argued that ethnic or racial homogeneity rather than heterogeneity leads to better bureaucratic performance in bureaucratic organizations. These scholars have used the high level of ethnic diversity in the United States to explain the lower provision of public goods and services across municipalities. An analysis of this theory in the South African context, however, reveals that the theory cannot be used to explain the persistent poor bureaucratic performance of the South African municipalities with specific reference to municipalities in Limpopo Province. This study in this chapter has explained that racial or ethnic homogeneity is not a '*sine quo non*' for better bureaucratic performance and that ethnic diversity cannot in any way hamper the quality of public goods and service provision. Even so, South Africa, for example, is not characterized by ethnic conflicts.

Although key learning points can be extrapolated from the above cited theories to explain some factors leading to the persistent poor bureaucratic performance of the local government in South Africa, with specific reference to Limpopo Province, they, however, fail to uncover and explore the underlying determinants that lead to better bureaucratic performance of the local state institutions. The discussion above does not suggest that there might not be other alternatives which can be applied to explore the determinants of bureaucratic performance of public institutions. Future students may consider other alternatives such as the institutional choice theory by scholars like Catherine Boone (2003) to explore this phenomenon.<sup>23</sup> That said, this study has adopted the theories of a bureaucracy, or what Rauch and Evans (2000a, 2000b) call '*Weberianess*', and the principal-agent model to guide the development of this case study. In other words, the two theories have been deemed appropriate to discover the underlying determinants of organisational performance and also to help to answer the main research question(s) highlighted in the previous chapter appropriately. What is even more striking is that the two theories have been rarely used together to analyse the bureaucratic performance of institutions of public and private business. Of course, combining the two theories of

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<sup>23</sup> Boone (2003). *Political Topographies of the African State: Territorial Authority and Institutional Choice*, Cambridge: Cambridge University Press.

bureaucracy and the principal-agent model is one of this study's comparative advantages and added value to local government literature.

It has been emphasised in this chapter that Max Weber (1948; 1968a; 1968b) has laid the foundations for scholars to learn about the factors influencing bureaucratic organisational performance. This has been confirmed by Rauch and Evans (2000a), Henderson, *et al*, (2007) who have found causal relations between Weberian bureaucracy, specifically the concept of '*expert-officialdom*', and organisational performance or poverty reduction. Similarly, Smith, *et al*, (2005), Kochan, *et al*, (2003) and Dzeso and Ross (2012) found a significant direct relationship between professional qualifications at university or college level and the organisation's performance. They are supported by many others scholars (see, World Bank Development Report, 1997, Wasilewski, 1990, etc.) on the close correlation between meritocracy and organizational performance. The public sector reform process that many developed and newly-developed economies, including France, the United Kingdom, US, Malaysia, Japan, India, Singapore, China, Botswana, Mauritius, Brazil, etc., has heralded the careful cultivation of a professional bureaucracy with meritocracy at the very heart of the reform process implementation. The discussion of this theory, however, raises this question for future studies; is it given that people with qualifications will always perform better than people without qualifications?

With regards to the principal-agent model, the review of literature also indicated that, apart from competent and qualified candidates, effective political oversight work by the legislatures or municipal councils has an important and positive impact on the organisation's performance. Yet the quality of municipal councils in exercising their constitutional functions and responsibilities is determined by the quality of individual councillors in terms of experience, competences and educational background as well as the resources a municipality provides to councils or council oversight committees. Finally, this chapter has highlighted the important role played by both the citizens and courts in influencing the bureaucratic performance of government institutions. This chapter has highlighted and discussed the theories that have guided the development of the study, and the next chapter explains the research methodology adopted to collect, collate and analyse primary data from the fieldwork.

## CHAPTER 4

### RESEARCH METHODOLOGY AND RESEARCH DESIGN

#### 4.1. Introduction

In order to facilitate an understanding of the topic under investigation, which is bureaucratic performance of municipalities in Limpopo Province, clearly, and also to answer the three main research questions highlighted in the previous chapters, this chapter deals with the methodological research approach used to plan primary and secondary data collection and analysis procedure for the study. In other words, it gives an account of the ways in which the relevant data for the study were collected before being presented, analysed and interpreted. The primary data are the information gathered by the means of interviews, observations and focus group discussions, while the secondary data are the information gathered through review and analysis of various documents such as the municipal policies, by-laws, quarterly or annual performance reports and municipal IDPs. Bailey (1987, p.37) notes that research methodology is the philosophy of the research process.

The information gathered through interviews and focus group discussions in a qualitative research study is regarded as perceptual or subjective data, while the information gathered through the review and analysis of documents, including municipal reports, is regarded as archival or objective data.

This chapter starts off by describing and explaining the appropriate research methodology adopted, the research design and the sampling strategies as well as the methods of data collection. It continues to give an account of the ways in which data was analysed and interpreted. As the discussion unfolds, it also highlights the research dilemmas experienced during the practical fieldwork and how these were mitigated. As Hyett, Kenny and Dickson-Swift (2014) warn, a poorly described research methodological approach may lead the reader(s) or research users to misinterpret or discredit the study findings, which would then limit the impact of a study.

## **4.2. Research Paradigm**

This study follows a non-experimental research design since “it describes things that have occurred and examines the relationships between things without any direct manipulation of the conditions that are experienced” (McMillan and Schumacher, 2006, p.24). To be specific, this research study uses a qualitative research paradigm and methods to unearth insights, which are about municipal bureaucratic performance.

The researcher in this study is quite aware of the hotly-contested debate between qualitative and quantitative researchers (e.g. Usher, 1997; Pope, 2006; Brannen, 2005; Pope and Mays, 1999, Beck, 2006; 2010; Henning, 2003; Collier, Brady and Seawright, 2010a; 2010b; Dunning, 2012; Mahoney, 2010; Gerring, 2004; King, Keohane and Verba, 1994; Miles and Huberman, 1994; Punch, 2000; 2005; Kelle, 2006).

The contestation is centered around whether these two distinct but complimentary research methodologies should be combined or not in any type of research. The idea that these two research paradigms work against convergence has been disapproved because several research studies (i.e. Nizeyimana, 2013; Rauch and Evans, 2000, etc.) have combined them or combined their methods of data collection and analysis. This is because there is growing consensus amongst scholars that the differences between the two research paradigms or methods should not obscure their similarities in logic. Creswell (2010, p.210) also indicates that the quantitative and qualitative methods can be used concurrently in what he calls ‘concurrent embedded strategy’.

In this study, the choice of purely qualitative research approaches and methods were not made by the researcher himself but by ‘the nature of the research questions and the purpose of the study itself’, as Marshall (1996, p.522), Silverman (2000; 2005), Punch (2005) and Badernhorst (2007) have observed. In effect, this study explores how (qualitative) the chosen municipalities in Limpopo Province manage their performance and the extent to which municipal councils are strong and independent in exercising oversight over municipal executives, among other things.

The qualitative research paradigm enjoys the rewards of both numbers and words (Glesne and Peshkin, 1998, p.8). It is worth emphasizing that the choice of a research

methodology is dependent upon what the researcher tries to find out rather than a commitment to a particular research paradigm. In similar vein, Denzin and Lincoln (2009, p.8) posit that qualitative research emphasizes the qualities of entities, processes and the meanings or individual lived experiences that are not experimentally examined or measured in terms of quantity, intensity and/or frequency.

Qualitative data were gathered through structured (i.e. questionnaires) and unstructured interviews, direct observations, and focus group discussions with the participants. It could be argued that these methods of data collection were used not only to enrich insights but also for the purpose of triangulating information in order to enhance the study's validity and reliability (Osman, 2003). Triangulation aims to seek the convergence, corroboration and correspondence of study results across the method types used (Caracelli, 1993). It should further be pointed out that these different methods are used to explore, understand or describe and explain the phenomenon under investigation or the complexities of human experience and interaction. In other words, the questions were directed at understanding the participants' perspectives on their everyday, lived experience with the phenomenon being explored (McMillan and Schumacher, 2006).

In similar vein, Marriam (2009, p.13) indicates that qualitative researchers are interested in how people make sense of their world and experiences concerning the research problem. The researcher in this study thus sought to understand the research problem from the perspectives of those who interact with the phenomena on a daily basis. The advantage with interviews and/ or focus group discussions in this study is that the researcher had control over the order of questioning, could pose probing questions and ask follow-up questions.

The key features of a qualitative research study that also apply to this present study are the following:

- a. Having an exploratory and descriptive focus of which the outcomes have a deeper understanding of experience from the perspective of the participants;
- b. Enquiries are made in natural settings as the researcher is interested in understanding the lived experiences of people in context;

- c. Data are gathered through in-depth interviews, focus group interviews or discussions, observations and relevant documents;
- d. The views of informants are continually studied for their meanings; and
- e. The study results are presented within a rich narrative, sometimes referred to as case study (Maykut and Morehouse, 1994, cited in Osman, 2003, p.16).

### **4.3. Case Study Research Design**

Polit and Hungler (1999, p.155) describe the research design as a blueprint for conducting the study in such a way that maximum control would be exercised over factors that may fiddle with the trustworthiness of the research results. This study adopts a qualitative multiple case study research design to examine the bureaucratic performance of five selected municipalities in Limpopo Province. As previously indicated, these municipalities are the Waterberg District Municipality, the Capricorn District Municipality, Fetakgomo, the Greater Tzaneen and the Greater Tubatse Local Municipalities, which are individually described in detail in the next chapter. In fact, as noted by Mark (1996, p.219), Baxter and Jack (2008, p.548), the goal of multiple case study research is not only to compare and contrast cases but also to replicate or generalize the study findings across cases of a similar nature.

Gerring (2012; 2004) advises that replication, or what is referred to as '*reproducibility*', in quantitative research does not refer simply only to a narrow circumscribed reiteration of the study findings, but also refers to the variations that are introduced to the original study. Merriam (1998, p.40) argues that the inclusion of multiple cases in a case study research enhances the study's external validity and the generalization of its research findings. Validity in research seeks to establish whether the research results obtained meet all the requirements of the scientific research methods. Empirical evidence further suggests that the strengths of a case study research outweigh its limitations.

A qualitative case study is an approach to research that facilitates the description or exploration of a phenomenon within its real-life context using a variety of multiple data sources (Baxter and Jack, 2008; Fouche, 2002; Fouche and Delpont, 2002; Yin, 2009; 2003; 2011; Stake, 1994; 1995; Merriam, 1988; 1998; 2009; Miles and Huberman, 1994;

Denzin and Lincoln, 2011; Creswell, 2013; Gerring, 2004, and Hyett, *et al*, 2014). Robson (1993) confirms that multiple sources of data in a case study research approach include participant observations, interviews, focus group discussions, document reviews, records analysis, questionnaires, tests, role plays, and simulations, to games.

An analysis of a case study as a research approach indicates that there is no universally accepted single definition of a case study. Consequently, the lack of a universally-accepted definition has led to the concept being defined differently, with some scholars defining it in terms of 'research process' (Yin, 2009), 'unit of study' (Stake, 1995) and 'the outcome or end product' (Merriam, 1988; 1998; 2009). For instance, Merriam (1998, p.27) defines a case study as "an intensive, holistic description and analysis of a single instance, phenomenon or social unit", while Yin (1994, p.25) defines it as "an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between the phenomenon and context are not clearly evident". In this study, however, a case study is defined as a research method that allows for an in-depth examination of events, the phenomenon or other observations within a real-life context for the purposes of empirical investigation, theory building and or theory testing.

To sum up, a case study research approach is considered when the focus of the study is to answer the "how" and "why" questions, which is the case with this research study. The approach is further considered when the researcher cannot manipulate the behaviour of the research participants. As noted by Yin (2003) and Stake (1995), researchers consider a case study as a strategy when the boundaries are not clear between the context and the phenomenon. The next section explains who the research participants were and how were they selected to participate in this study.

#### **4.4. The Research Population and Sampling Procedures**

##### **4.4.1. The research population**

This research project was conducted within Limpopo Province as a research setting. Initially, there were thirty municipalities in total, but this number was reduced to twenty seven municipalities after the 2016 local government elections. Five of these municipalities are, however, the districts, while the remainder are local municipalities.



Nevertheless, all these municipalities constituted the population of this study. Polit and Beck (2004, p.289 cited in Polit and Hungler, 1999) define a population as the entire aggregation of cases that meet a designated set of criteria. Yount (2006) confirms that a population comprises 'all people that constitute a known whole'. In similar tone, Polit and Hungler (1999, p.37) argue that a population refers to the total number of individuals with certain characteristics that are of interest to the researcher.

For this study, it was, however, realized that the total number (i.e. thirty) of municipalities in Limpopo Province was too large for a study of this kind to collect data from since it became crucial for the researcher to sample a very small and manageable number of five municipalities as a unit of analysis to facilitate data collection and then data analysis within the limited resources (e.g. time and funds) available to the researcher. Sampling is the process of selecting units from a population of interest so that, by studying the sample, one can fairly generalize the results back to the population from which they were chosen (Trochim, 2006, p.1).

This study notes the criticism levelled against a case study research in that, for example, it often includes a 'small-N', which means small number. Marshall (1996, p.523) confirms that "an appropriate sample size for a qualitative study is one that adequately answers the research questions". According to Marshall (ibid), an appropriate sample is not one that is representative in terms of numbers but one which allows a deeper and high quality understanding of the phenomenon under investigations. This study, therefore, argues strongly that representativeness in the sample size resides in the quality of the information obtained from the participants who answered the main and the three specific research questions of this study as accurately as possible in order to achieve and obtain the research purpose and objectives.

#### **4.4.2. The selection procedures**

As indicated above, the initial thirty municipalities constituted the population of this study, but only five municipalities, as a unit of analysis, were purposefully sampled for this academic inquiry. Of the five sampled municipalities, three were local municipalities while two were district municipalities. With a purposive sampling technique, as Lewis

and Sheppard (2006) note, the researcher decides on what is to be known as well as pointing out people who might provide the relevant information by virtue of their knowledge and experience of the subject matter at hand.

Purposive sampling, which is sometimes called 'judgmental sampling' (McMillan and Schumacher, 2006, p.126), affords the researcher the opportunity to choose the research informants based on their qualities (Tongco, 2007), and this was seen to be appropriate for the collection of qualitative data that specifically answer the three research questions outlined earlier on. To reiterate, these research questions are related to the effect of resource investment in terms of funding and capacity building and training interventions, municipal performance management systems and the autonomy and independence of municipal councils in exercising oversight.

Further methodological criteria for choosing the sampled case studies included various audit outcome reports by the Auditor-General, dataset from the Afrobarometer, and various local government reports as well as media reports on local government. The government and media reports assisted the researcher in selecting municipalities that had experienced high levels of community service delivery protests during the period of the study. Another methodological criterion used to strengthen the selection criteria for the five case studies was to assess whether any of the selected case study had directly benefited from, or been placed under, the implementation of the 2004 Government Project Consolidate Programme and 2006 Siyenza Manje Programme, among others.

As was said before, the results of this qualitative case study research qualify for generalization to other local and district municipalities in Limpopo Province and elsewhere in the country not covered by the study. Yin (2011, p.226) and Mark (1996, p.219) confirm that the opportunity for generalizing the study findings in a qualitative case study research exists only when doing a multiple-case study, which is the case in this context with the investigation of five municipalities in Limpopo Province. The study argues that increasing the sampling size in a case study does not necessarily achieve a wider range of generalization nor does the larger size ensure wider generalization or reproducibility of the study findings. The next section explains how the research

participants for in-depth interviews, focus group discussions and the administration of the research questionnaire were selected.

#### **4.4.3. The selection of municipal participants**

Permission to conduct the study was granted by municipal managers in each of the selected case studies (*see Appendix A*). The selection of municipal officials and councillors for interviews and the administration of a research questionnaire followed both purposive and random sampling techniques. For instance, regarding the administration of the research questionnaire in each municipal case, the study followed a purposive sampling technique where the researcher targeted key informants, such as municipal managers, chief financial officers, and the managers responsible for human resource management, to provide relevant data about institutional configurations that matter for bureaucratic performance, while councillors were randomly selected for participation to provide relevant data on political oversight in order to ensure the accountability of the municipal administration.

Concerning the key municipal officials, a judgment was made about the subjects that ought to be selected to provide the best information to address the purpose of the research where the researcher searches for “information-rich key informants” (McMillan and Schumacher, 2006, p.319). This sample technique was also dictated by the nature of the research questions, which were uniform across all the municipalities, but with small variations on municipal audit outcome performance. As a result, a total of twenty municipal officials from all of the five selected cases completed and returned the questionnaire.

As there are no statistical rules for determining purposeful sample size, which can range from one to thirty or more (McMillan and Schumacher, 2006), purposive and random samplings in this study were used to collect the relevant qualitative data in order to answer the research questions and provide responses to the performance indicators. With specific reference to the random sampling technique used in the study for councillors, all those who were willing to participate were individually approached individually and were able to provide rich information by answering the research

questions. Given the fact that councillors, as politicians, are not full-time employees of a municipality but public representatives who are elected for a five year period to engage in daily oversight and constituency work, only five local politicians were individually interviewed. It is worth mentioning that two of the five politicians were members of the Limpopo Provincial Legislature, while the other three were members of the Municipal Councils. Politicians from the legislature were interviewed in this study simply because the nature of their political work is similar to the political work performed by municipal councillors at the local government level. This simply suggests that the political work of oversight and regulation in relation to these institutions (i.e. legislatures and municipal councils) is common at provincial and local levels.

#### **4.4.4. The selection of focus group participants**

A random sampling approach was used for the selection and participation of focus group participants. It is worth mentioning that there was no need for permission to be granted in this study for approaching and asking individual members of the focus groups to participate in the study. This is simply because the researcher approached and asked individual members of the community on the streets rather than municipal employees. The size of the focus groups ranged between five to fifteen people, but the biggest size for the focus group discussion was a group of fifteen people who included researchers and secretaries of parliamentary oversight committees at the provincial level in Limpopo Province.

It is worth mentioning that the focus group interviews with the above mentioned group of researchers and secretaries, as well as the local politicians at the provincial level, resulted in the publication of an article in an edited volume highlighted in the list of publications emanating from this research project. Interview guides for councillors, officials and focus group participants were then developed. In other words, interview schedules with all research participants were drawn in advance, and all participants in the interviews were given pseudonyms to ensure the protection of their identities.

#### **4.5. Ethical Considerations**

Ethics in researching human beings were followed throughout the study. The researcher, however, did not wait to obtain the ethics clearance certificate to be issued by the Research Ethics Committee of the Wits University before embarking on the fieldwork exercise. A letter from the School of Governance requesting assistance from the accounting officers of the selected case studies was, however, issued to the researcher to be used in negotiating access with the municipal authorities (*see Appendix B*). As an experienced researcher, the researcher has been collecting data through interviews and document reviews since 2013. The researcher also wrote another supplementary letter directed to individual municipalities requesting permission to conduct the research. Permission to conduct the research was granted by the accounting officers of each selected case study (*see Appendix C, as example*). While authorisation letters from other municipal case studies specified the types of people to be approached for interviews, an authorisation letter from the Greater Tzaneen Local Municipality was granted on the condition that the researcher would share the final research report by providing a copy to the municipality after the completion of the study.

It is worth noting that in all sampled cases, access to data was ethically granted by the highest authority of the local government institution. Moreover, participation in the study was strictly voluntary and participants signed the informed consent form (*see Appendix D*). Voluntary participation is a basic ethical requirement for participation in research (Lambart and Glacken, 2011, p.792) because it entails the freedom to choose and decide without coercion from the researcher.

Upon receipt of written consent from all individual research participants and focus group respondents, interviews and focus group discussions were recorded with the agreement of each interviewee using a cellphone rather than a tape recorder. According to Bowling (2002), the use and recording of data through digital devices like a tape recorder or a cellphone assists in maintaining the study rigour in a qualitative study. Although the research questions or the interview guides were written in English, the interviewees or participants in focus group discussions were asked to respond in a language of their choice during the interview or focus group discussion proceedings.

In all the study areas, the dominant local language being spoken was Sepedi, which is the researcher's mother tongue. During focus group discussions, the researcher used the language in which the participants felt most comfortable to express their views and feelings. This language was Sepedi, but the informants in some focus groups mixed the languages (Sepedi and English) and this flexibility was allowed in order to receive more insight and avoid the loss of relevant data. In fact, research participants were advised to express their feelings or views in their mother tongue because the target was not language proficiency but rich information.

Du Toit (1980, p.280), Guillemin and Gillam (2004, p.269) and Rose (2005, p.100) caution that signed or verbal consent forms have little value if research informants do not understand what they are consenting to. To mitigate this research risk, a research participant information sheet (*see Appendix D*), which explicitly introduces the researcher and explains thoroughly the purpose of the research and how it would be conducted, including the advantages or disadvantages commensurate with participation in the study, was prepared and given to every respondent before the interview or focus group discussion could commence.

In this study, the researcher ensured that all prospective research informants understood the purpose of the study, the procedures, the potential risks and benefits of their involvement and their alternatives to participation. Lambert and Glacken (2011) advise that potential research participants should be given sufficient time and information about the study in a format they understand. This process enables the research participants to exercise their right to make an informed decision about whether or not to participate in a research study.

During the introductory meeting with the municipal managers of each case study, contact details for the chief financial officer and human resource manager were obtained. This strategy enabled the researcher to send the research participant information sheet, the questionnaire and the approval letters electronically before setting an appointment and undertaking the physical visit to the research setting for the interviews and/or the administration of a questionnaire.

Concerning the focus group participants, the research participant information sheet and consent form were distributed to individual participants to read through, to understand and sign before the focus group discussions could commence. It is, however, worth mentioning that at least two members of one focus group discussion in the Greater Tubatse area withdrew from participation before signing the consent forms.

During the fieldwork the researcher ensured what Fujiie (2012, p.718) calls '*beneficence*'. Beneficence, according to Fujiie, implies that it is the researcher's duty to maximize benefits and minimize both physical and psychological harm. As is demonstrated in the subsequent chapters, the identity of all the respondents is protected. Anonymity was assured to all research informants by the use of pseudonyms, and the informants were told that they could withdraw from the study at any stage of the interviews or group discussions without prejudice.

Confidentiality was guaranteed on the research participant information sheet and the consent form, which each research participant signed voluntarily. In other words, no names or position titles, except for former municipal employees or former councillors, are used in the study to identify the research informants. This simply means that the actual names and position titles of municipal and or legislature officials and politicians are withheld by the researcher as a promise made to each individual research informant. McCosker, Bernard and Gerber (2001) point out that confidentiality and anonymity are important ethical issues in social or political science research. All data collected through interviews and focus group discussions were stored in a personal laptop locked away at the researcher's home and would be destroyed three years after the completion of the research project. The following section discusses the specific data collection methods employed in this study.

#### **4.6. Methods of Data Collection**

There are many research instruments or tools of data collection in any research. The choice of a particular tool depends, *inter alia*, on the nature of the study, the research questions and the possibilities and limitations that each research instrument conveys. Research experience demonstrates that careful attention should be taken when selecting

methods and techniques of data collection. In this study, research instruments for collecting data were constructed based on their appropriateness for the answering of the research questions and responding to the performance indicators developed, as outlined in Chapter One, to measure the bureaucratic performance of municipalities in Limpopo Province.

The research instruments used to collect primary qualitative data were interviews, observations, focus group discussions, questionnaire and a cellphone to record the interviews, as well as a diary and a pen. The focus groups in this study were employed to stimulate discussions amongst the participants and bring to the surface responses that could otherwise have lain dormant. Empirical evidence suggests that focus groups offer unique insight for critical inquiry as a deliberative, dialogic and democratic practice (South African Human Rights Commission, 2014, p.51). Nonetheless, the researcher made appointments with all participants and had to adhere without excuse to their availability regarding time and venue determined by them.

With regard to interviews with municipal officials, interviews were conducted in their respective offices and lasted about 35 minutes, while interviews with councillors were conducted at their respective homes and lasted approximately 45 minutes. Interviews with municipal agents and political principals were conducted between September 2013 and May 2016. Interviews with focus group participants were conducted at any place that could be found that was convenient for both the researcher and the focus group participants. The researcher recalls that the first focus group discussion meeting in the Greater Tubatse area was conducted in the researcher's vehicle owing to the noise and the music being played loudly in the nearby local shop. Discussions with focus group members occurred between November 2015 and February 2016.

A total of thirty one individuals, including five local political principals from provincial and local government, were interviewed between 2013 and 2016. In addition, four focus group discussions, consisting of between five and fifteen people in each group, were held during the undertaking of this research. The largest focus group discussion, consisting of fifteen respondents, was held with researchers and oversight committee secretaries or coordinators from the Limpopo Provincial Legislature in September 2013, where the



independence of local politicians in exercising their formal powers of oversight and law-making was explored.<sup>24</sup> The discussion with these focus group members and other politicians at the provincial level culminated in the publication of a chapter in an edited book in 2015.<sup>25</sup>

In total, twenty eight people participated in the four focus group discussions, except in the Waterberg and the Capricorn District Municipalities where no focus group interviews were held. Based on the researcher's experience, one is able to conclude that there is no difference in terms of the behaviour and character of politicians in conducting parliamentary or council oversight from all political parties represented in the provincial legislature or municipal councils in Limpopo Province. The findings from the observations are discussed in detail in the next chapter dealing with the presentation of the research findings.

Stake (1995, p.64) argues that interviews are the pathways to multiple realities, while observation is at the heart of every case study research. After permission was granted to conduct the research by each individual municipality investigated, the researcher directly observed two sittings of the municipal councils in the Greater Tubatse and Fetakgomo Local Municipalities. Council sittings in the other three selected case studies could not be observed owing to time constraints and the councillors focusing on constituency work in preparation for the 2016 local government election campaigns in South Africa.

Another contributing reason for not directly observing council sittings in other municipalities was the researcher's commitment to his new place of full-time employment.<sup>26</sup> Direct observation as a data collection strategy enabled the researcher to

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<sup>24</sup> These focus group discussions were held at the St George Conference Hotel in Centurion, Pretoria during the provincial legislatures' workshop organised by the legislative sector on 19 September 2013. By then the researcher of this study was still working for the Limpopo Provincial Legislature as a senior researcher before leaving the legislative sector in February 2015.

<sup>25</sup> The researcher's publication appears in LeVan, Fashagba & McMahon (Eds) (2015). *African State Governance, Subnational Politics and National Power*, Palgrave Macmillan: New York.

<sup>26</sup> This research project started when the researcher was still working for the Limpopo Provincial Legislature before joining Limpopo Department of Economic Development, Environment and Tourism as a Director.

observe how council members behave during their meetings. The researcher had earlier observed several oversight meetings of parliamentary portfolio committees of the provincial legislature. An inference about the findings made during these participant observations could be made at the municipal council level. This research instrument further enabled the researcher to observe the number and quality of resources in terms of administrative support granted to municipal councils in exercising their formal powers of oversight *vis-à-vis* municipal administration.

Even though Council sittings and portfolio committee meetings of municipalities may be open to the public in terms of Section 160 (7) of the Constitution (1996), further permission was granted to the researcher to attend any Council sitting or municipal oversight committee meeting as an observer. Section 160 (7) of the Constitution stipulates that; “a Municipal Council must conduct its business in an open manner, and may close its sittings, or those of its committees, only when it is reasonable to do so having regard to the nature of the business being transacted” (Constitution, *ibid*, p.92).

In order to answer the auxiliary research questions pertaining to either national or provincial support to the local government, the researcher of this study observed the meeting proceedings of all heads of provincial departments (HoDs) and planners from strategic planning directorates during the strategic planning session in Limpopo Province. As it was a planning forum for all HoDs, strategic service delivery issues pertaining not only to the Limpopo provincial government, but also to the Limpopo local government were also presented and discussed.<sup>27</sup>

The researcher further observed the Limpopo Provincial Executive Council ‘*imbizos*’ (community gatherings) or EXCO outreach programmes held in Gowe village under the Greater Tubatse Local Municipality and in Shongoane village under the Waterberg District Municipality. The purpose of attending these community outreach programmes by the Provincial Executive Council was to assess how communities engage the provincial

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<sup>27</sup> COGHSTA presented a paper about the state of Limpopo local government during the Provincial HOD Strategic Planning Retreat organized by the Office of the Premier, 29-30 June 2015, Zebula Game Lodge and Golf Estate: Bela-Bela.

and local government political leadership on issues of municipal service delivery and performance.

Apart from observing the provincial executive council '*imbizos*', the researcher participated in the Provincial Integrated Development Planning Forum (PIDPF) meeting, which included all five local municipalities under the Sekhukhune District. The forum meeting was held in the Greater Tubatse in November 2015. The presentation on the state of municipal service delivery and audit performance of all municipalities under the district, which are relevant for this study, was made by the district municipal representative. The findings emanating from all these observations are illuminated in the next chapters. Direct participant observations by the researcher during these meetings ensured that the phenomenon under investigation was explored through a variety of lenses, which allowed for multiple facets of it being revealed and understood. This triangulation of information is in tandem with a claim that a multi-method research approach in a case study research enhances the study validity and reliability (Osman, 2003).

#### **4.7. Validity and Reliability of the Research Instruments and Data Collected**

While reliability and validity are essential criteria for quality in quantitative studies, the term trustworthiness, which can be tested by the credibility and defensibility of the research results, is an essential criterion for judging the quality of qualitative research study (Lincoln and Guba, 1985; Seale, 1999; Campbell, 1996; Healy and Perry, 2000; Golafshani, 2003). Lincoln and Guba (1985, p.317) emphasise what they call 'inquiry audit' as one measure that enhances the reliability of qualitative research results. In this study various techniques were applied to enhance the validity and reliability of the data collected.

The triangulation of information through different methods of data collection (i.e. in-depth interviews, questionnaires, observations, focus group interviews and document analysis) and member-check techniques was used to ensure the trustworthiness of data in this study, thus addressing the issues of validity and reliability of the information emanating from such methods (Osman, 2003, p.36).

The member-check technique assisted in enhancing reliability through the transcription and translation of the interviews and/or focus group discussions. After the transcription of interviews, the researcher in this case study research shared the transcripts with a few selected participants, mainly the politicians, so that they could give assurance that what was written in the notes reflected exactly their views and, if not, to ensure that necessary modifications were made to their statements.

Furthermore, the researcher asked a colleague, who was independently responsible for proof-reading all the initial study draft chapters, to read through the interview transcripts and to identify a category system or themes. Creswell (2009, p.190) calls this process a “peer debriefing”. This process is in line with the assertion by Glaser and Strauss (1979 cited in Yin, 2011). These authors indicate that an external perspective from another researcher through the reviews of preliminary drafts can reveal gaps or oddities during the project analysis and interpretation phases that the study owner may want to fix before the final release or submission of the research report (Yin, *ibid*, p.219). The member-check and peer debriefing techniques were used in this study to increase the level of reliability of the data collected and to reduce the researcher’s personal bias about which a case study research is often criticised.

Data collected through the analysis of municipal documents (e.g. quarterly and annual performance reports, policies, etc.) were considered to be valid. As noted by Lowman and Williams (1987, cited in Hu and Kuh, 2002, p.557), the examination of the validity of self-reports, which means reports written by internal organizational actors, become generally valid under five conditions as follows:

- a. If the information requested is known to the respondents;
- b. The research questions are phrased clearly and unambiguously;
- c. The questions refer to recent organizational activities;
- d. The informants think the questions merit a serious and thoughtful response; and
- e. Answering the questions does not threaten, embarrass or violate the privacy of the respondents to respond in socially desirable ways.

In this research study on the bureaucratic performance of municipalities in Limpopo Province, the design of the questionnaire and the research instruments developed in advance met the above five criteria to enhance the validity and reliability of the information collected. Bearing in mind that the participants for focus group interviews were randomly sampled in this study, it is relevant to note that Godambe (1982, cited in Tongco, 2007, p. 153) states that randomization reduces biases in research and allows for the extension of research results to the entire sampling population. This simply means that the research results can be applied beyond the communities studied.

Golafshani (2003, p.603) concludes that the quality of a research study is related to the generalizability of the study results so increasing the validity or trustworthiness of the results. It has been emphasized in this study that the research findings meet the generalization criteria in the sense that multiple cases were selected for investigation. As mentioned earlier, Yin (2011, p.226) and Mark (1996, p.219) confirmed that generalizing study results in a qualitative case study research exists only when doing a multiple-case study, which was indeed the case in this research project.

In similar vein, Silverman (1993), Yin (2011) and Gerring (2012) note that generalisation is not necessarily determined by the number of cases or subjects if the unit of analysis is individuals. These authors are supported by Bogdan and Biklen (1992, p.45) who argue that what should be generalized in a case study research are the universal statements of general social processes rather than the statements of commonality between the settings.

Gerring (2012, p.93), however, argues that study findings are likely to remain suspect until they can be replicated. He cautions that replication or reproducibility does not refer only to the narrow, circumscribed reiteration of a study findings but it also refers to the variations that may be, and ought to be, introduced to the original study. Gerring (ibid) goes further to suggest that, for replication, an interview-based research work should include notations about the respondents so that future researchers can locate these informants. In addition, researchers may also put on file their set of field notes, transcripts or recordings of interviews and or focus group discussions and whatever else that may be useful for the purpose of replication without compromising the identities of sources whose secrecy was promised.

It is worth mentioning that the authenticity of the qualifications of the entire municipal workforce, except the qualifications of all section 54A and 56 managers, in all five sampled case studies was neither verified nor triangulated with the dataset from COGHSTA. This is simply because COGHSTA had not collected and collated a dataset on this aspect except educational qualifications for all senior managers within Limpopo local government. The researcher, however, managed to triangulate (meaning comparing data obtained from the municipalities and COGHSTA) the professional qualifications of all managers in the selected municipalities, which enhanced the data's validity and reliability. This happened despite the fact that individual profiles of government officials, including municipalities, containing copies of personal information (e.g. professional qualifications) are strictly treated or classified as 'confidential' in accordance with SA Government Guidelines on Classification of Documents. According to these guidelines, government information is categorically classified as top secret, secret, restricted and confidential.

Notwithstanding the above research limitation particularly with regard to qualifications for municipal officials below management level, this study noted all the criticisms levelled against a qualitative case study research. Firstly, a case study research, for example, is blamed for a lack of rigour introduced by the subjectivity of both the researcher and research informants (Hamel, 1993 cited in Merriam, 1998). To enhance the rigour of this multiple-case study research, as suggested by Yin (2003) and Miles and Huberman (1994), two study propositions or assumptions linked to the data were developed for the study.

As mentioned in Chapter One, the study assumed that (a) meritocratic recruitments positively influence bureaucratic performance of municipalities, and (b) that strong and independent institutions of regulations and oversight positively influence the performance of organisations. These are critical factors, among others, for the professionalization of any organization and the inculcating of a culture of accountability by the organizational agents, especially in a political environment like that of municipalities.

Secondly, case study research is blamed for its possible bias brought about by sampling. Miles and Huberman (1994) and Yin (2011, p.196-197) suggest how to limit or reveal bias in case study research. These authors suggest that researchers must start with a fallback sample of informants and sub-settings and also keep evaluating the representativeness of the research informants when contacting them.

In this study, two interviews were conducted with colleagues on condition that they would not form part of the participants during the actual data collection processes. In other words, the interview guides for both individuals and focus groups were piloted. This piloting exercise assisted the researcher in modifying the formulation of some of the interview questions designed for the fieldwork where necessary.

Concerning the councillors, no 'dress rehearsal', meaning no piloting of the interview schedule, was done. This was simply because the researcher did not know any one serving as a municipal councillor or ward committee member. Otherwise one would have piloted the interview schedule designed for the councillors. It was only during the actual fieldwork that two former councillors, one then working as a full-time school teacher and the other as a municipal agent, were identified and interviewed. With regard to the representativeness of the research informants in terms of gender, the research questionnaire for human resource practitioners in all municipalities was coincidentally administered to females who headed corporate services units. Even so, this exercise could not be systematic in practice for all other focus group interviews owing to the voluntary nature of the participation for ethical considerations.

To deal with biasness, Yin (*ibid*) furthermore suggests that a researcher tries to make constant comparisons (i.e. watching for commonalities and variations amongst the items in the data), to watch for negative instances and, lastly, to engage in constant rival thinking by searching for alternative explanations for the researcher's initial observations (Yin, 2011, p.196-197). This is exactly what the study does in Chapter Six and Seven where the researcher employs constant comparisons and rival thinking to search for alternative explanations for a particular argument or theory. For instance, commonalities and variations on bureaucratic performance of the five selected municipalities for the study are highlighted and discussed.

In a nutshell, through research experience, the researcher is quite aware of the fact that the principles of validity and reliability are fundamental cornerstones of the scientific research method. This means that these principles are at the core of what is accepted as scientific proof even in qualitative research. The study used multiple sources of data collection strategies, which is a triangulation of information that enhances the study's trustworthiness or, simply, its validity and reliability.

In addition to the triangulation of information, the study used research techniques such as member-check and peer debriefing to enhance the validity and reliability of research instruments and the data collected. It further employed the multiple case study research approach, which make replication of the study results more feasible (Mark, 1996; Golafshani, 2003; Yin, 2011; Gerring, 2012). Having said that, the next part of this chapter deals with the intricacies of qualitative data analysis and how the data in this study was analysed after it had been collected through various methods of data collection as outlined above.

#### **4.8. Qualitative Data Analysis Procedure**

The above section has outlined how the population and participants were sampled and data collected in this study using qualitative research methods and techniques. This section highlights the procedures followed to analyse collected data in order to generate and interpret the research findings.

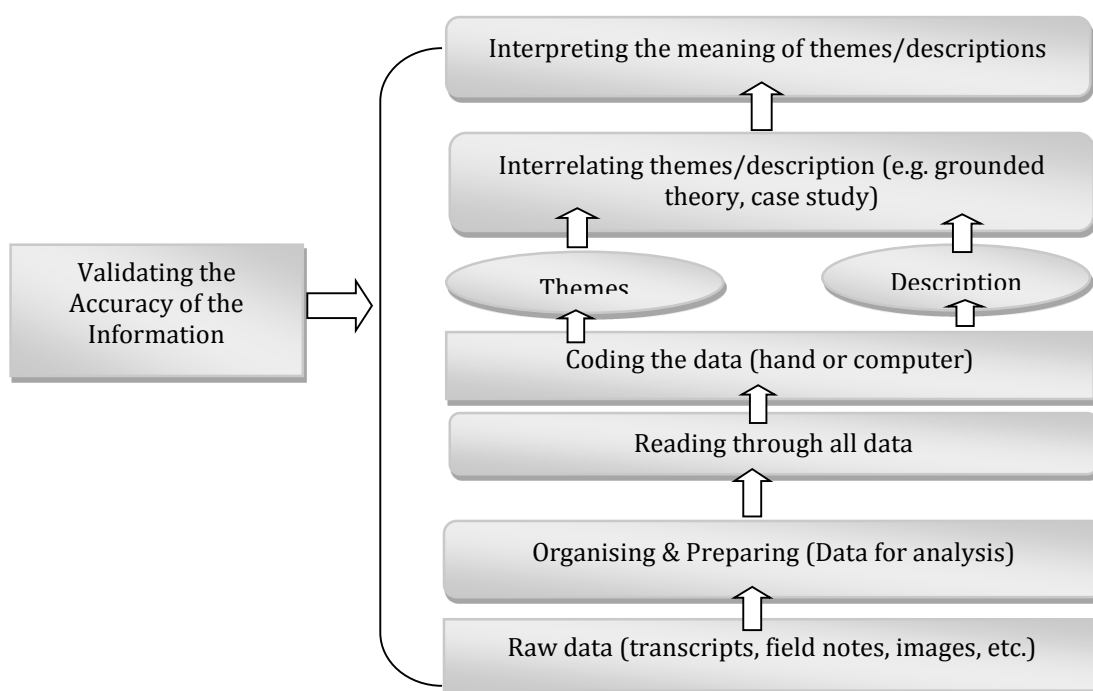
Although Punch (2005, p.171) and Yin (2011) suggest that it is difficult to analyse qualitative data owing to the absence of a single methodological framework or accepted routine framework, data were analyzed in this study. The argument of these authors does not mean that qualitative researchers cannot explain how they analyse their voluminous qualitative data obtained through interviews, focus group discussions, questionnaires, observations and document analysis.

In this study, several steps were followed to analyse the data collected by means of interviews, observations, questionnaire, and focus groups discussions using descriptive



analysis as an analytical technique. These steps are in tandem with Creswell’s model of analyzing qualitative data. Creswell (2009, p.184) motivates qualitative researchers to look at data analysis procedure in a qualitative study as an exercise that follows six steps or what he calls “research tip”, which is a linear, hierarchical approach consisting of practical several interactive steps or levels of analysis from the specific to the general as illustrated by the figure below.

Figure 8: **Creswell’s model of qualitative data analysis**



Source: Creswell (2009, p.185)

Creswell’s model suggests that, upon the completion of collecting raw data, which this study collected through the use of several research instruments as outlined in the preceding paragraphs, the analysis follows several steps.

The first step entailed organizing and preparing the data for analysis, which consists of transcribing and translating interviews and focus group discussions in this study. Here the researcher also had to organize the data collected through the administration of the research questionnaire as well as through the observations, which were recorded in the

form of written notes. A further process entailed reviewing archival municipal documents and reports particularly because most of the answers to the research questions had been documented in the audited municipal annual performance reports and approved municipal IDPs.

The second step entailed reading through all the translated data in order to make general sense of the information and reflect on the original meanings from the participants. During this repetitive process the researcher, of course, tried to get general ideas and even started writing the general thoughts of the respondents in the margins of the field notes. The third step was the beginning of the detailed analysis through the 'disassembling' and 'reassembling' processes or a coding process. Coding is 'the process of organizing the material into chunks or segments of the text before bringing meaning to the information' (Rossman and Rallis, 1998, p.171). The process further entails taking text data, segmenting sentences or paragraphs into categories with a term, which is often reflected in the language used by the participants.

The fourth step involved using the disassembling and reassembling processes and so generating a category description for analysis. Creswell (2009) points out that at this stage the researcher uses the coding process to generate a small number of themes or categories, which appear as the major research findings in qualitative studies and are often used to develop headings in the research report, specifically the section or chapter dealing with findings and analysis.

In step five, the researcher advances how the description and themes are to be presented narratively in the report. In other words, the researcher, as is the case in this study, uses a narrative passage to present the research results of the analysis. This presentation can be a discussion of several themes, which are developed or ones that emerge from fieldwork with sub-themes, specific illustrations and quotations from the participants. Quotations remain the main source of empirical evidence in qualitative study since it is often difficult to refute what has been said without demeaning the study results.

The sixth and last step is about interpreting the results or making meaning of the empirical data. At this point of data analysis the researcher tries to draw the lessons for

extrapolation by others and conclusions for the study are drawn. The lessons to be learnt could be the researcher's own interpretation of the data derived from his/her own experience or from a comparison of the findings with information sourced from the literature or the study's conceptual and theoretical framework. The study findings may confirm or reject past information or theories, diverge from it by building a new theory or theories on the topic at hand and/or even suggest new research questions not yet foreseen earlier in the study for further investigation.

Guided by the model above, the first step in analyzing the data in this research study consisted of organizing and preparing the data for analysis. This organization and preparation was done at the level of transcription and translation as well as the re-reading of the translated texts to assess the coherence of ideas. These transcripts were not printed but simply filed at home and used as a notebook to facilitate the next step.

As already mentioned, it must be pointed out that Creswell's model of qualitative data analysis does not differ from, but instead complements, other data analysis techniques such as descriptive analysis and content analysis, among others. As it is the preferred technique for analyzing the data in this study, descriptive data analysis is a strongly reiterative and comparative method involving the continual sorting and resorting of data to generate themes or categories of description (Akerlind, 2005, p.330; Creswell and Miller, 2000, p.126; Yin, 2011). All these processes described above allowed the researcher in this study to see patterns from collected data, to identify the themes, to discover the relationships between categories, to develop alternative explanations and to interpret the data.

It is worth mentioning that the researcher in this study developed and entered the practical fieldwork to explore the bureaucratic performance of the five sampled municipalities with his own research questions, to which the data was supposed to respond. In other words, the researcher developed themes prior to undertaking the actual fieldwork research. The purpose of this was to test whether the new themes emerging from the fieldwork would either confirm or discredit the researcher's own themes. The researcher's own themes, prior to venturing into the practical fieldwork to collect data using a variety of research instruments (i.e. observations, interviews,

questionnaire, focus group interviews, etc.), were as follows, meritocracy, political oversight, the autonomy of the principals and professional qualifications.

Collier (2011, p.824) notes that prior knowledge is crucial as it involves sets of interrelated concepts or themes often followed by general ideas of how the categories can be operationalized during the study or fieldwork. For the coherence and uniqueness of this research study, a cross-referencing of multiple sources of qualitative data collection was emphasized when reporting the findings in subsequent chapters.

Practical research experience, however, indicates that fieldwork data collection and analysis may also occur concurrently. In effect the process of analyzing qualitatively data collected by means of interview, observations and questionnaire as well as the focus group schedules in this study started with the researcher's transcribing the raw data. It further entailed the finalizing of the transcriptions of the raw data immediately after the interview proceedings. More so, the process of correctly translating data from the Sepedi language where it was sometimes used to English was done. Thereafter, the researcher categorized and coded data.

As expected in qualitative research, the process of transcribing the interviews and focus group discussions was very tedious but yet very exciting in the sense that the researcher had ample time to go through the transcripts several times. This enabled the researcher to become familiar with the content of the transcriptions. The information given by research informants was carefully analysed based on the research questions to be answered, the performance indicators to be measured and the theoretical framework developed, which guided the study. This information was grouped by themes. In addition, commonalities and variations amongst the five selected municipalities on their bureaucratic performance was made.

This 'disassembling' and 'reassembling' process, or what others call 'the coding process', helped the development of major themes that described the phenomenon under investigation. The development of themes and concepts formed part of the coding process, which assisted in resolving issues of definition and ambiguity (Baker, 1994; Boyatzis, 1998; Punch, 2005; Yin, 2011). Mahoney (2010, p.136) supports the idea that

themes and concepts underlie all variables and theories in all research methodologies; hence, they need to be defined before any indicators or scaling methods can be used.

The major themes or categories, which strongly emerged during this research undertaking mainly from the fieldwork for analysis and interpretation were as follows, performance management system, financial viability and sustainability, retention and secondment, mayoral quality and or managerial quality, organizational size, non-compliance with laws, single party dominance, etc. It is worth mentioning that the themes that emerged from the fieldwork confirmed the authenticity or the validity of key themes developed by the researcher prior to the practical data collection process.

The coding process in this study enabled the researcher to generate a number of themes or categories, which appear as the major findings of this qualitative case study research. Research themes or categories should reveal multiple perspectives from individuals and be supported by quotations and specific empirical evidence (Rossman and Rallis, 1998). Narrative description allowed for the presentation and discussion of the study results as well as analysis and interpretation in Chapter Six and Seven of this dissertation.

As noted by Glesne and Peshkin (1992, p.8), qualitative research analysis results in a different type of knowledge because researchers argue from the underlying philosophical nature of each research paradigm thus enjoying detailed interviewing and the other focuses on the apparent compatibility of the research methods. In this study, the preservation of the actual meaning of the responses obtained from the participants and of the variations presented in the data was maintained as much as possible. A thorough and carefully executed qualitative description is foundational for further analysis (Bazeley, 2013, p.228; Baker, 1994, p.271), for interpreting the research findings (Yin, 2011, p.205) and/or a foundation for 'process tracing' (Collier, 2011, p.823), which is invoked by researchers who conduct 'within-case analysis' based on qualitative data.

Apart from the analysis phases, Yin (2011, p.205) indicates that empirical research studies do not end with the mere analysis of their data or the literal presentation of their empirical findings. Instead, good empirical research studies take further steps to interpret the research results and to draw some overall study conclusions in their

entirety. In this study the analysis of findings is followed by the interpretation of findings, which are fused into one chapter and the drawing of overall study conclusion(s), which appears as Chapter Eight of the dissertation.

#### **4.9. Summary of the Chapter**

This chapter has explained the research methodology used to collect data and the procedures followed to analyse data collected through a variety of research instruments. In this study, it was indicated that the choice of a pure qualitative research paradigm was dictated by the purpose and the nature of this research project. Research experience demonstrates that the researcher chooses the research methodology, which best answers the research questions rather than making a commitment to a particular research paradigm even if that paradigm does not accurately address the research questions.

With regard to the research design, this study adopted a case study approach but multiple cases with multiple sources of data collection were used. While five municipalities were selected by means of criteria outlined in this Chapter, multiple sources of data collection (interviews, questionnaire, focus group interviews, observations and document analysis) facilitated the triangulation of the information or the phenomenon under investigation. This triangulation strengthened the validity and reliability of the study findings, while multiple cases strengthened the appropriateness of the results to be generalized for the entire system of Limpopo local government. In other words, the research methods used, as well as the research design adopted in this present study, support the replication of the research results to all municipalities in Limpopo and elsewhere in the country.

This study further used both purposive and random sampling techniques to select the participants. Having interviewed current and former municipal political principals, municipal agents and members of the community as well as observing the council sittings, including two community gatherings where service delivery issues were discussed, the researcher believed that the quality of the information in this study was esteemed to be valid. This confidence is boosted by the publication of articles that emanate from this research study.

As already stipulated, qualitative data in this study were analysed thematically using a descriptive analysis or Creswell's model of data analysis, and the results are presented in a narrative way. Although different techniques were used to gather relevant data, all the data were interconnected to enhance the study's coherence, uniqueness and trustworthiness. It is worth noting that the description of each selected case study, the presentation of study results, an analysis of the data and the interpretation of results are presented separately. In effect, the mixing of data analysis procedures and results with interpretation, as well as discussion, would have made very long chapter, which would have created confusion in the study. The next chapter describes the cases selected for investigation pertaining to the bureaucratic performance of municipalities, before the research results are presented in narrative form in Chapter Six.

## CHAPTER 5

### DESCRIPTION OF SELECTED CASE STUDIES FOR EMPIRICAL INQUIRY

#### 5.1. Introduction

In the previous chapter, this study highlighted the five purposefully sampled municipalities for academic inquiry within a qualitative case study research approach. Two of the five sampled municipalities are the district municipalities (i.e. Capricorn and Waterberg), while the other three sample cases are local municipalities (i.e. Fetakgomo, the Greater Tubatse and the Greater Tzaneen). This chapter provides a socio-economic and political description of each selected case study. The purpose behind doing this is to enable the reader(s) of this dissertation to understand, and have a clear picture of, the type and nature of each sampled case study in terms of the institutional configurations and circumstances that have an impact on its bureaucratic performance. The description of these case studies is relevant and also in tandem with the theory of bureaucracy as explained and discussed in Chapter Three of this study. As noted by Weber (1948; 1968a; 1968b), bureaucratic organisations like municipalities are organised in terms of levels or hierarchies to facilitate and promote the rationalisation of institutional tasks and goals in order to ensure operational efficiency and effectiveness in the service delivery value chain.

Commonalities and variations, amongst the five sampled case studies, are descriptively highlighted and contrasted. A municipality has all the powers and functions assigned to it in terms of sections 156 and 229 of the South African Constitution (1996), but there are different powers and functions assigned to the district and local municipalities. This does not suggest that a local municipality cannot perform certain district municipality powers and functions if such powers or functions are formally delegated. This chapter, therefore, starts off by making a distinction between a district municipality and a local municipality before describing the socio-economic and political conditions of each selected case study. It further highlights and discusses a service delivery overview of the sampled case studies in relation to access to water and sanitation services.



## **5.2. Description of a District Municipality**

Local Government: Municipal Structures Act (1998) makes a distinction among category A, B and C municipalities. A district is a category C municipality, which means that it is a municipality that has municipal executive and legislative authority in an area that includes more than one municipality in accordance with section 155(1) of the Constitution (1996, p.85). A local municipality, in contrast, is a category B municipality since it shares municipal executive and legislative authority in its area with a district municipality within whose area it falls. The division of powers and functions between a district and a local municipality are clearly spelt out in Local Government: Municipal Structures Act (1998). A district municipality strives to achieve the integrated, sustainable and equitable socio-economic development of its areas as a whole by: ensuring integrated development planning; promoting bulk infrastructure development and services; building the capacity of the local municipalities in its area to perform their functions and exercise their powers; and promoting the equitable distribution of resources among local municipalities in its area of jurisdiction in accordance with section 83 (3) of the Municipal Structures Act (1998).

Section 84 of the above Act further outlines a district municipality's responsibilities *vis-à-vis* a local municipality as follows, amongst other things:

- a) Integrated development plan for the district as a whole including a framework for IDPs of all municipalities in the area of a district municipality;
- b) Potable water supply systems;
- c) Domestic waste water and sewage disposal systems; and
- d) Solid waste disposal sites.

The above Act, however, provides for transfer and or adjustment of district certain powers and functions listed in terms of section 84 subsection 1 (b), (c), (d) and (i) of the Act to a local municipality. Having described a district municipality, the next section provides a brief socio-economic background of the two selected district municipalities.

### **5.2.1. Case Study 1: The Capricorn District Municipality (CDM)**

As a category C municipality, the Capricorn District was established in 2000 from the amalgamation of various transitional district councils (i.e. Northern District Council). The

district is situated at the heart of Limpopo Province's capital city of Polokwane, which is the economic hub of the province (see Figure 1 in Chapter One). The CDM covers an area of about 2 180 530 hectares (ha), which constitute at least 12 percent of the total land of 12.46 million hectares of the province. The district was initially made up of five local municipalities, namely Aganang, Blouberg, Lepelle-Nkumpi, Molemole and Polokwane, but this composition has since changed to four local municipalities. Immediately after the 2016 local government elections, Aganang and Molemole local municipalities were amalgamated to form one new local municipality. By the time of completing and submitting the final research report of this study for examination, the new municipality had not yet been renamed and is temporarily referred to as the LIM368 municipality.

The CDM is about 23 percent urban and 77 percent rural (CDM IDP Report, 2014c). According to Census 2011, the population of the district increased from 1 243 167 million people with 285 565 households in 2001 to 1 261 463 million people in 2011, which is a 0.8 percent increase (Statistics SA, 2011). Statistics SA (2016), however, estimated the population of the district municipality to be approximately 1 330 436 million people in 2016, which is growth of 5.2 percent.<sup>28</sup> The district has 586 rural settlements with 113 municipal wards distributed unevenly amongst its five municipalities. In terms of law enforcement, the district has 12 police stations and five magistrate's courts also spread across its local municipalities.

Being situated at the centre and economic hub of Limpopo Province, the CDM shares its borders with all other provincial districts of Mopani in the east, Sekhukhune in the south, Vhembe in the north and Waterberg in the west. Moreover, South Africa's major national road, the N1 (i.e. N1 from Gauteng Province to Zimbabwe), and other major provincial roads (i.e. R37 from Polokwane to Burgersfort, R521 from Polokwane to Alldays and to Botswana, and the R71 from Polokwane to Tzaneen and Phalaborwa) pass through the Capricorn District Municipality.

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<sup>28</sup> 2016 population estimates presentation was made by Statistics SA during the Limpopo HOD Strategic Planning Forum meeting on 28 October 2016, The Park Hotel in Mokopane: Limpopo Province.

Because it is the economic hub of Limpopo, empirical evidence suggests that half of the population of the CDM resides in Polokwane under the Polokwane Local Municipality (PLM). The majority of this population are black Africans at 96 percent, followed by whites at 2.8 percent (CDM IDP Report, 2014c; Annual Report, 2008; 2009; 2014a). In terms of language usage, Sepedi is spoken by 85 percent of the local population, followed by Afrikaans and Xitsonga at 2.9 percent and 2.6 percent respectively, while Tshivenda and IsiNdebele are spoken by 1.4 percent and 1.9 percent of the population respectively. Polokwane International Airport is the only regional airport in the district and in the province, and so links Limpopo with the rest of the world.

The main economic sectors contributing to the district's economy are manufacturing, mining, trade, finance, construction, general government services, agriculture and transport. As a result of the contribution of these sectors, the total economic output or gross domestic product (GDP) in 2010 rose from R28.85 billion to R30.88 billion in 2013 (CDM Annual Report, 2013, p.53).

With regard to education, the CDM has one institution of higher learning and that is the University of Limpopo, but the Tshwane University of Technology and the University of South Africa (UNISA) have satellite campuses in the district. There are, in addition, a few Technical Vocational Education and Training (TVET) colleges in the district. The study now turns to describe the second selected district municipality for empirical investigation.

### **5.2.2. Case Study 2: Waterberg District Municipality (WDM)**

The Waterberg District is Limpopo's smallest district municipality in terms of population size, when compared to all other districts in the province. The district municipality accounts for only 13 percent of the population of the province (Provincial Treasury Report, 2012), but it is the largest in terms of land area. The district covers an area of 44 914 square kilometres or approximately 4 951 882 hectares and accounts for more than 35.7 percent of the total land area of Limpopo Province. It is located in the south-western part of Limpopo Province.

According to Census (Statistics SA, 2011), the population of the district has grown by 21.7 percent, that is from 531 407 people in 1996 to 679 336 people in 2011. Census statistics have further shown that the total number of households in WDM have increased from 145 883 in 2001 to 179 866 in 2011 census year. The population of the district was estimated to be 745 758 people in 2016, which is an increase of 8.9 percent (Statistics SA, 2016). Black Africans make up the majority of the population at 91.2 percent, followed by whites at 7.6 percent or 49 987 persons. Coloureds and Indians make up only 0.5 percent and 0.4 percent of the local population respectively in the district (Statistics SA, 2011).

In terms of language usage, Sepedi, as the mother tongue, is spoken by approximately 56 percent of the people in the district, while Setswana and Xitsonga are spoken by 11.5 percent and 8 percent respectively of the people (Statistics SA, *ibid*). Statistics South Africa further indicates that Afrikaans, IsiNdebele and English are spoken by 8 percent, 4 percent and 2.3 percent of the population respectively.

The Waterberg district shares its five border control points with Botswana, namely at Groblersbrug, Stockpoort, Derdepoort, Zanzibar and Platjan. It further shares its borders with the CDM in the north and the Sekhukhune District Municipality in the east. In the south-eastern part of Limpopo Province, the Waterberg District Municipality borders with the North West and Gauteng Provinces.

Formerly known as Bushveld District, the WDM was originally divided into six local municipalities, which were Bela-Bela, Lephalale, Modimolle, Mogalakwena, Mookgopong and Thabazimbi, but this has since been changed to five local municipalities following the 2016 local government elections, when two local municipalities (i.e. Modimolle and Mookgopong) were merged to form a new local municipality. As has previously been mentioned, the amalgamated municipality had not yet been renamed by the completion of this study. Notwithstanding the amalgamation, the district municipality serves 198 local villages spread unevenly through its local municipalities with a total of 79 municipal wards. An analysis of various municipal reports indicates that most of the district villages are located within the Lephalale and Mogalakwena areas.

Environmentally, the WDM is one of the prime ecotourism destinations of the Limpopo Province because of its great variety of wildlife, birds, privately-owned and state-owned nature reserves, and rich biodiversity, which are the source of its attraction for tourists. The Waterberg district is also home to the Makapans Valley World Heritage Site and the Waterberg Biosphere, which is the first Biosphere Reserve to be declared by the United Nations Educational, Scientific and Cultural Organisation (UNESCO) in Limpopo, according to Statistics SA (2011).

Economically, the main economic activities or sectors in the district are mining, agriculture and tourism. The Medupi power station, one of South Africa's biggest and most recently built power stations is located within the district. Despite these key economic sectors, Statistics South Africa (2011), puts unemployment figures in the district at 28 percent. From both a law-enforcement and health perspective, there are twenty five police stations and twelve health facilities in the Waterberg. There is, however, no tertiary educational facility in the district except for the very few TVET colleges. Despite this limitation, the percentage of people with higher educational qualifications (e.g. a three year Bachelor's degree or postgraduate diploma, etc.) increased from 7 percent in 2001 to 9.5 percent in 2011 in the Waterberg district (Stats SA, 2011 cited in Limpopo Provincial Treasury Report, 2012, p.14) as compared to 0.3 percent of the population having obtained professional qualifications at Masters and PhD level in the Capricorn district in the same period (Stats SA, 2011 cited in CDM Annual Report, 2013, p.15-16; and CDM IDP Report, 2014c).

### **5.3. Description of a Local Municipality**

As mentioned earlier, a local municipality is a category B municipality in terms of the Municipal Structures Act (1998) since it shares municipal executive and legislative authority in its area with a district municipality within whose area it falls. This study now proceeds to describe the socio-economic background of the three selected local municipalities.

#### **5.3.1. Case Study 3: Fetakgomo Local Municipality (FLM)**

Fetakgomo Municipality falls within the Sekhukhune District Municipality. Statistics SA (2011) indicates that the population of the municipality decreased from 112 232 people

in 2007 to 93 814 people, that is a 16.4 percent decrease, in 2011 owing primarily to youth emigration to Gauteng Province for better job prospects. The 2013 mid-year population estimates, however, put the population of the municipality at 119 242 people with a total of 23 813 households (Statistics SA, 2013). The municipality has 87 rural settlements. An analysis of various municipal reports indicates that FLM is the smallest municipality of the five local municipalities within the Sekhukhune district. The municipality covers approximately 1,123 kilometres.

Given the rural nature of the area, land ownership in the municipality is mostly traditional, which means that almost all land belongs to traditional authorities as opposed to the municipality. The municipality has neither towns nor townships; hence the area is mostly rural with communal land ownership. As Census 2011 indicates, black Africans in Fetakgomo constitute 99.4 percent of the total local population. Sepedi, as the mother tongue, is spoken by 98 percent of the people (Statistics SA, 2011). The Municipal IDP Report (2014a) confirmed that there are no informal settlements in the area.

#### **5.3.1.1. Economic profile**

Various municipal reports indicate that the municipality has a weak economic base, poor infrastructure, major service backlogs, dispersed human settlements and very high levels of poverty and joblessness. The economy of the municipality is skewed towards the mining sector with only one platinum mine in the area that contributes about 74 percent to the local economy of the municipality. This clearly indicates that there is a lack of diversification of the local economy with the mining serving as the key driver of the local economy and very limited opportunities in other sectors.

Empirical evidence suggests that an economy relying heavily on the mining industry is prone to external shocks (e.g. declining commodity price, fast depreciating currency, high interest rates, slow global demand, etc.) owing to the ever-existing volatility in the markets. All of these have an impact on the growth potential of the municipality.

Unemployment levels in FLM, however, decreased from 68 percent to 59 percent between 2001 and 2014 (Statistics SA, 2001; 2014). This percentage in the latter year was still comparatively high. Apart from the mining, the other economic activities that

minimally contribute to local domestic product are general government services, wholesale and retail trade, community and personal services such as local community co-operatives, an irrigation scheme, catering and accommodation (FLM IDP Report, 2014a). Job creation is hampered by the lack of economic diversification of the local economy resulting in high unemployment, inequality and poverty levels.

It could be argued that the lack of major local retail outlets and centres leads to a high level of leakage of purchasing power to larger centres such as Polokwane under the Capricorn district and Jane Furse under Makhuduthamaga Local Municipality. The proximity of the area to Polokwane, which is the economic hub of Limpopo Province, hampers the growth of the wholesale and retail sectors and the associated multiplier effects in the area, which causes the flow of income out of the local economy (FLM IDP Report, *ibid*). With regard to health services, the municipality has one health centre and eleven local clinics.

Fetakgomo Municipality further has one protected environment conservation area known as the Potlake Nature Reserve. Apart from this nature reserve, the municipality has historical attractions conducive to development as a tourist destination. For example, Fetakgomo municipality is home to Sehlakwe Waterfalls, Phahlamanoge wind stones, Lenao la Modimo fossilised footprints and Mphanama caves. The lack of tourism facilities and poor road infrastructure in the area, however, limits growth opportunities for tourism. Evidence suggests that the tourist attractions could be exploited only through investment in a supporting infrastructure development.

With regard to agriculture, the analysis indicates that most of farming within the municipality is done on a subsistence basis since there is little commercial farming. According to the municipal IDP (FLM Report, *ibid*), the several factors limiting the agricultural growth in the municipality include a scarcity of water, insufficient investment in irrigation, a huge number of outstanding land claim disputes that still need to be resolved and limited access to affluent markets, suppliers and market information. The Limpopo provincial government is, however, investing in agricultural infrastructure on the existing irrigation schemes along the Olifantspoort River that flows through the Fetakgomo Municipality.

Following the 2016 local government elections, Fetakgomo Local Municipality was merged with the Greater Tubatse Local Municipality, but, by the end of the undertaking of this study, the new municipality had not yet been renamed since it was still being referred to as the Greater Tubatse Local Municipality.

### **5.3.2. Case Study 4: The Greater Tubatse Local Municipality (GTLM)**

The Great Tubatse Municipality derives its name from the Tubatse River. It is one of the fastest growing local municipalities in the Sekhukhune district in terms of economic activities. The municipality is located in the eastern part of the district. The establishment of the Greater Tubatse municipality in 2000 was the result of the amalgamation of several transitional local councils (i.e. Steelpoort Traditional Local Council (TLC), Dilokong TLC, Orighstad TLC, and Eastern Tubatse TLC). A former councillor posited that, when the Greater Tubatse municipality was formed in 2000, it operated with virtually no organisational structure and with very few municipal officials. As the municipality matured, new business units were established. The former councillor mentioned that political meddling in administrative issues was rife owing to a lack of role clarification between municipal agents and municipal political principals. This was put into perspective as follows:

*Councillors even processed procurement transactions, but later it was realised through the introduction of Local Government: Municipal Finance Management Act of 2003 and later the promulgation of 2007 MFMA regulations that legislators cannot do that (Personal Interview, 2016, Jan 3).*

The above comment suggests that the separation of roles and responsibilities between councillors and officials was initially blurred or not well understood in Limpopo local government. The comment further suggests that the councillors and municipal officials failed to define their roles even within the context of existing local government legislation that clearly spelt out roles and responsibilities between political principals and municipal agents. In addition, the quotation further suggests a well-established culture of political interference in administrative matters in local government.



The Greater Tubatse Municipality is mostly rural with settlements sparsely scattered across the tribal land. This means that the settlements are under the ownership and the custody of traditional authorities. Literature suggests that the ownership and the indiscriminate allocation of land by the traditional authorities does not take future development in the area into consideration. According to the municipal IDP Report (2014a), approximately 50 percent of land in the Greater Tubatse is subject to land claim disputes. The land claims pose greater risk to urban and industrial development in the municipality. In other words, land claims by communities and or traditional leaders militate against the fruitful utilisation of land by the municipality for development and productive investment. This, in turn, also militates against the broadening of revenue streams for the municipality, which depends primarily on grant funding from national government as the primary source of income.

Given its growing mining and manufacturing activities, the Greater Tubatse Municipality is experiencing an increased number of new informal settlements, and these put further great strain on the already struggling municipality in terms of the provision of municipal services. Various municipal reports indicate that there is an increasing demand for housing, sanitation, water, road infrastructure and so forth in the area by several communities. According to Census 2011, the municipality is the biggest municipality of the five local municipalities in the Sekhukhune district, thus constituting 34.3 percent of the area of 4 602 square kilometres of land of the district's 13 264 square kilometres (Statistics SA, 2011). The Greater Tubatse Municipality serves 233 rural villages, which fall under traditional authorities with a total of 31 municipal wards represented by one councillor per ward. As was mentioned above, the total number of villages and municipal wards to be serviced by the municipality increased dramatically after the amalgamation of Greater Tubatse and Fetakgomo Local Municipalities following a political decision to merge them after the 2016 local government elections. The Greater Tubatse Local Municipality has three small towns such as Burgersfort, Steelpoort and Orighstad, and a further four local townships of Praktiseer, Penge, Ga-Mapodile and Mecklenburg or Moroke.

In terms of population numbers, Census 2011 indicates that the population of the municipality increased from 270 123 people in 2001 to 343 470 in 2007, but it

subsequently decreased to an estimated population of 335 676 with approximately 83 199 households in 2011 (Statistics SA, *ibid*). The 2013 mid-year population estimates put the population figures of the Greater Tubatse Municipality at 373 227 people (Statistics SA, 2013). Black Africans constitute the majority of the local population at 98 percent, and they are followed by whites at 1.6 percent. Other racial groups (e.g. Indians and Coloureds) make up the remaining 0.7 percent of the population in the municipality.

Sepedi, as the mother tongue, is spoken by 79 percent of the local population in the Greater Tubatse, followed by Xitsonga, which is spoken by seven percent of the population. IsiNdebele and isiZulu are also spoken by 3.8 percent and 2.1 percent of the population respectively (Statistics SA, 2011). Other South African official languages (i.e. English, Afrikaans and Tshivenda) are spoken by 8.6 percent of the people, according to Statistics SA (*ibid*).

From a health and safety perspective, the municipality has three public hospitals with seventeen local clinics, five police stations and three satellite police stations.

#### **5.3.2.1. Economic profile of the Greater Tubatse**

Although there are growing mining and manufacturing activities in the area, the GTLM has a weak economic base with high levels of poverty, unemployment and inequality. The unemployment rate within the local municipality has, however, decreased from 37 percent in 2007 to 24 percent in 2013 (Statistics SA, 2013) owing to the growing mining and manufacturing activities in the area. For example, empirical evidence indicates that the employment rate in the area increased from 47 435 workers, that is 63 percent, in 2007 to 76 243 workers, that is 76 percent, in 2013 (Statistics SA, *ibid*). Nonetheless, the unemployment rate of 24 percent is very high. High youth unemployment poses a major threat to social stability as it creates the conditions for the general breakdown in the social fabric and causes crime and other social ills to emerge in the area. It can be argued that the current economic growth potential in the Greater Tubatse municipality may be curtailed if there is no further public investment in bulk infrastructure to attract further private sector investment.

Given its growing mining and manufacturing activities, the Burgersfort town within the municipality has been identified as one of the growth points by the Limpopo provincial government (Limpopo Development Plan, 2015). The gross value added to the local economy in the Greater Tubatse area grew from R4.1 billion in 2001 to R9.4 billion in 2013 (Quantec Report, 2013 cited in FLM Report, 2014). This growth is driven primarily by mining expansion dominated by the platinum group metals and chrome. The municipality is home to approximately twenty operational mines in platinum group metals, such as chrome, iron ore, platinum, vanadium, andalusite, silica and magnetite, with an additional twelve mines that were at different stages of development from prefeasibility to production during the research undertaking (GTLM IDP Report, 2014a). The number of operational mines in the area includes three smelters, such as Lion smelter, Dilokong and Tubatse Ferrochrome. In addition, there has been a large growth in retail and gambling value chains, with two new shopping malls (e.g. Tubatse Mall and Tubatse Crossing Mall) and Thaba Mosate Casino and Conference Centre opening between 2010 and 2015.

Moreover, other contributing economic sectors to the local domestic product in the municipality include agriculture, trade and tourism. A scarcity of water and limited land opportunities owing to outstanding land claims by the communities and traditional leaders, however, hamper the potential for agricultural growth. The major agricultural crops grown in the area include tobacco, paprika, sugar, wheat, lucerne, cash crops, seed beans, maize and seed maize, game farming, olives and citrus. The educational profile of the people in the municipality will be discussed later in the chapter when the study highlights both commonalities and variations among the three local municipalities. Now the chapter describes the last local municipality selected for academic inquiry.

### **5.3.3. Case Study 5: Greater Tzaneen Local Municipality (GTLM)**

The Greater Tzaneen Municipality is located in the eastern part of the Limpopo Province in the Mopani District Municipality. According to Statistics SA (2011), the municipality is the largest municipality in Mopani district in terms of population size contributing 36 percent to the population of the Mopani district. For example, the population of the local municipality in 2011 was estimated to be approximately 390 095 people with 108 926 households (Statistics SA, *ibid*). The municipality is bordered by Polokwane town to the

west, which is the economic hub of the province, Greater Letaba to the north, BaPhalaborwa and Maruleng to the east as well as Lepelle-Nkumpi to the south. The area of land for the local municipality stretches about 3 243 square kilometres. Census 2011 indicates that 96 percent of the population in the municipality are black Africans with the white population making up only 3 percent of the local population, while Coloured people make up fewer than 100s in numbers (Statistics SA, *ibid*).

The Greater Tzaneen Local Municipality serves three townships of Nkowankowa, Lenyenye, and Letsitele, as well as two towns of Tzaneen and Haenertzburg. The municipality further serves 131 rural villages, and almost 80 percent of the population resides in these rural villages (GTLM IDP Report, 2014). Regarding language usage, Sepedi, as mother tongue, is spoken by approximately 46 percent of the local population, while Xitsonga is spoken by at least 41 percent of the people. Other South African official languages (i.e. English, Afrikaans, Tshivenda, etc.) make up a combined 13 percent in the area. The municipality has the highest levels of poverty with 41 percent of the local people living below the national poverty line, while the unemployment rate stood at 37 percent in 2011 (Statistics SA, 2011).

Economically, the main economic sectors in the Greater Tzaneen municipality include agriculture, community services, finance, trade and manufacturing. The municipality is characterised by extensive and intensive farming activities and considerable, untapped tourism potential.

With regards to education, the Greater Tzaneen Local Municipality had 8.7 percent of people with some form of higher education either at university or college level and 22 percent of people who had completed Grade 12 (Statistics SA, 2011). Furthermore, Census 2011 indicates that 19 percent of the local people had no schooling, while the remainder of the population had some form of primary or high school education (Statistics SA, *ibid*).

Having described the five sampled municipalities for investigation, the study proceeds to analyse their socio-economic and political commonalities and variations. These factors impact directly, in one way or another, on municipal bureaucratic performance in relation

to public goods and service provision in order to meet minimum service delivery expectations of the communities.

#### **5.4. Commonalities and Variations amongst the Sampled Case Studies**

All five sampled municipalities (i.e. two districts and three local municipalities) have common municipal institutional arrangements in terms of political and administrative governance systems. Of course, institutional arrangements are critical for facilitating organisational operational efficiency and effectiveness and also for outlining clear channels of communication, reporting and accountability. In line with Max Weber's description of bureaucracy, the design of municipalities has a clear hierarchy of authority, clear divisions of labour, written rules, regulations and procedures, among other things (Weber, 1948; 1968a; 1968b). In other words, municipalities are organised in terms of levels or hierarchies to avoid the duplication of work of other administrative divisions and for ensuring that work activities are allotted to functionaries with specialised knowledge and expertise. Politically, the top level of the municipality is occupied by the municipal mayor, while administratively the top level is occupied by the municipal manager as the accounting officer. The top level of the municipality oversees and controls the other levels below.

##### **5.4.1. Political Governance Structure**

Politically, at the district level, the two district municipalities are headed by the executive mayors and municipal speakers. The two senior political principals jointly, but with different legislative powers and functions, provide political leadership and guidance to the municipality. Although the overall executive and legislative authority vests with the municipal council in terms of section 152 (2) of the Constitution (1996), the executive mayor and the speaker head the political component of a district municipality.

At the local level, a similar political governance structure applies to all local municipalities in the sense that a local municipality is headed by a municipal mayor and a municipal speaker. Irrespective of the category level of a municipality, the powers and functions of mayors are outlined in sections 49 and 56 of Municipal Structures Act (1998) as follows:

- a) Preside over the meetings of the executive committee;

- b) Evaluate progress against the key performance indicators;
- c) Review the performance of the municipality in order to improve its performance and control systems;
- d) Monitor the management of the municipality's administration in line with the directions of the municipal councils; and
- e) Oversee the provision of services to communities in the municipality in a sustainable manner.

Further functions of the municipal mayor pertaining to the fiscal management of a municipality are outlined in terms of MFMA (2003). For example, section 52 of the Act (ibid, p.54) empowers the mayor, *inter alia*, to provide general guidance over the fiscal and financial affairs of a municipality.

The municipal speaker serves as the chairperson of the council and the enforcer of the code of conduct for the councillors. The speaker further convenes and presides over the meetings or sittings of the municipal council and performs the duties and exercises the powers determined in terms of section 37 of the Municipal Structures Act (1998). For instance, the speaker of a municipal council performs and exercises the following functions and powers, among other things:

- a) Ensures that the council meets at least quarterly;
- b) Maintains order during the council sittings; and
- c) Ensures that the council sittings are conducted in accordance with the approved rules and orders of the municipal council (Municipal Structures Act, ibid).

Both at the district and local level, the municipalities investigated were characterised by a competitive party system meaning that there were multiple political parties having parliamentary seats in the councils. A competitive party system is globally considered to be one of the qualities of democracy (Kopecky, 2011; Barkan, *et al*, 2010; Pitcher, 2012). The number of political parties represented in each council, however, differed from one municipal council to the other. The same holds for the total number of municipal council members in each municipality investigated. At the district level, for example, CMD had fifty three (53) council members, while WDM had thirty three (33) council members. In

addition, four political parties, namely; the African National Congress (ANC), the Democratic Alliance (DA), the Congress of the People (COPE) and the Freedom Front Plus (FFP) had council seats in the Waterberg District Municipality. In contrast, five political parties, namely ANC, DA, COPE, Azanian People's Organisation (AZAPO) and African Christian Democratic Party (ACDP) had council seats in the Capricorn District Municipality.

At the local level, the Greater Tzaneen Local Municipality had the most councillors with sixty eight (68) members and it was followed by the Greater Tubatse municipality with fifty eight (58) members in 2000 but this subsequently increased to sixty two (62) members after the 2011 local government elections. Fetakgomo Local Municipality had the smallest number of municipal councillors with twenty five (25) members in the 2014/15 financial year. In terms of political party representation in the council, empirical evidence illustrates that the number of political parties increased from four parties (i.e. ANC, National Party [NP], United Independent Front [UIF] and Pan Africanist Congress [PAC] in the 2007/08 financial year in the Greater Tubatse municipality to six political parties, which included COPE, the United Democratic Movement (UDM) and the African People's Convention (APC) after May 2011 local government elections, with the now defunct UIF being replaced. Fetakgomo Local Municipality, in contrast, had the smallest number of political parties represented in the municipal council and these were the ANC, COPE, DA, and AZAPO, while the Greater Tzaneen Local Municipality had five political parties, the ANC, DA, COPE, APC and ACDP, occupying parliamentary seats in the council after the May 2011 local government elections.

One striking commonality in all five sampled case studies is that the ANC dominated all the municipal councils in terms of the number of parliamentary seats occupied, thus making it a single dominant party. Furthermore, at the district level, after the 2011 local government elections, the ANC had 79 percent (that is 41 council seat out of a total of 53 seats) in the Capricorn District Municipality, while it had 82 percent (that is 27 councillors out of 33 council members) of the council seats in Waterberg District Municipality. The DA was the official opposition political party with 9.4 percent in CDM as compared with 18 percent of council seats in WDM.

At the local level, the ANC held almost 87 percent of council seats in the Greater Tzaneen Municipality and 84 percent (that is 21 members out of 25 councillors) of council seats in Fetakgomo Municipality between 2011 and 2015. In the Greater Tzaneen Local Municipality, the ANC dominated the council with 78.5 percent of parliamentary seats during the same period. The dominance of the ANC in both district and local municipalities implies that this political party controlled the majority of municipal wards. It also implies that it was always very difficult for the opposition political parties to defeat the ANC as the majority governing party especially when voting on certain council decisions. For instance, the ANC controlled 32 municipal wards out of 34 wards in the Greater Tzaneen Municipality, while the ANC controlled 11 municipal wards out of 13 wards in Fetakgomo Municipality.

Observing the framework of SA's governance, Limpopo local government observes a parliamentary governance system, which is based on the British model of a governance system. As a consequence, all sampled district and local municipalities established a council oversight system, which included a number of council oversight or portfolio committees (e.g. Infrastructure Portfolio Committee, Finance Committee, Planning and Economic Development Committee, Community Service Committee, Municipal Public Accounts Committee, etc.). The Municipal Public Accounts Committee, which is a replica of Standing Committee on Public Accounts (SCOPA) at national and provincial legislature level in terms of functions and powers, is created to increase the oversight thrust of municipal financial management. This simply suggests that the MPAC exists to enforce implementation and compliance with the local government legislation and regulations, the MFMA as well as King Code on Corporate Governance in particular. Even though MPACs perform an oversight function on municipal annual reports on performance information and on financial statements on behalf of the council, it is not a duplicate of other oversight committees of the council, such as the Finance Portfolio Committee or the Audit Committee (Auditor-General Report, 2012, p.18).

It is worth noting that municipal parliamentary committees are established in terms of the Local Government: Municipal Structures Act (1998) and the Municipal Finance Management Act (2003). Of course, all the established council oversight committees assist the municipal councils and the mayoral executive committees to oversee the



activities and the performance of municipal administrations. In other words, these council oversight committees influence the functioning and operations of municipalities through political oversight and regulation in order to ensure the promotion of good governance and municipal administrative accountability and transparency.

Section 33 of the Municipal Structures Act (1998) implies that municipalities are obliged to provide both the financial and administrative resources of the municipality to be made available to support the work of established council oversight committees. This resource assistance ensures efficiency and effectiveness in council oversight and regulation performance.

There are, however, variations with regard to the total number of established municipal council oversight committees amongst the five sampled case studies. At the district level, for example, the study revealed that the total number of council oversight committees in the Waterberg district increased from five to eight between 2007 and 2014. At the local level, there were six established council oversight committees in Fetakgomo local municipality by the end of the 2013/14 financial year. Of course, these political structures or parliamentary oversight committees ensure the operational efficiency of municipal administration through political oversight and regulation. In other words, they assist the political principals to moderate the behaviour of agency officials to focus their energy and municipal resources to fulfil municipal council policy priorities and strategic objectives articulated in the municipal IDPs and service delivery and budget improvement plans (SDBIPs).

#### **5.4.2. Administrative Governance**

All municipalities at the administrative level are headed by an appointed municipal manager as an accounting officer. A municipal manager is appointed by the municipal council in terms of Local Government: Municipal Structures Act (1998). Section 82 of the Act specifically provides that a municipal council must appoint a municipal manager with skills and expertise who is the head of administration and also the accounting officer for the municipality. The appointment by the council implies that a municipal manager is removable only by the council and is accountable only to the council. A municipal manager theoretically, in turn, appoints other managers directly answerable to him or

her individually and/or collectively. These managers are commonly referred to as sections 54A and 56 managers in terms of the Local Government: Municipal Systems Amendment Act (2011). Section 56 of this Act explicitly stipulates that 'a municipal council, after consultation with the municipal manager, appoints a manager or managers directly accountable to the municipal manager'.

Nevertheless, a municipal manager has powers and functions determined and delegated in terms of local government legislation. The person is responsible for providing administrative and financial leadership and guidance as well as management to the municipality.

Apart from providing administrative leadership and advice, a municipal manager must act with fidelity, honesty, integrity and in the best interests of the municipality in managing its financial affairs, which is stated in section 61 amongst other sections of the MFMA (2003, p.58). By being responsible for managing the financial administration of a municipality, a municipal manager is obliged, in terms of the MFMA (ibid), to take reasonable steps to prevent financial waste (e.g. unauthorised expenditure, etc.) by ensuring the municipal resources are used effectively, efficiently and economically. The management of financial responsibilities by the municipal manager is, however, delegated to the chief financial officer in terms of the MFMA to execute.

In Chapter Three, this study explained that bureaucratic organisations like municipalities are organised in terms of levels with a clear and unambiguous division of labour (See, Weber, 1948; 1968a; 1968b). The division of labour makes the line of reporting and accountability clear thus facilitating operational efficiency and effectiveness in the value chain of public goods and service delivery. In effect, all municipalities investigated are divided into various directorates or units, such as finance, supply chain, human resource management, office of the municipal manager, etc.

Apart from other offices or directorates, the office of the municipal manager, as the top level administratively, symbolises the centrality of authority and power in terms of planning and decision making in a firmly ordered system of 'superior-subordinate relationships'. The hierarchy of authority or layers of management structures implies

that different work functions are allotted to functionaries presumably with relevant skills, competencies and professional qualifications to facilitate operational efficiency and good municipal performance.

The 2007 municipal regulations on minimum competency level requirements regulate that no section 54A and 56 managers may be appointed on a fixed-term contract, on a permanent basis and or on probation unless the person possesses the relevant competencies, experience of local government and, above all, professional qualifications. To explore this dimension, a performance indicator has been developed, as outlined in Chapter One, and the results are presented in the next chapter of this study. In spite of MFMA regulations on minimum competency requirements, National Treasury (2011), however, argues that municipal councils sometimes select and appoint municipal managers and other managers directly accountable to a municipal manager in contrast not only to these regulations but also to other local government legislation.

It is worth noting that the importance of education, particularly the possession of higher education qualifications, is emphasised as being vital simply because university or college education imbues its bearers with skills, expertise and specialised knowledge that people without this educational training or background do not have.

Furthermore, in Chapter Three, the study mentioned that a professional is distinguished from a non-professional person by his or her professional acquisition of specialised knowledge, and vocational qualifications (Weber, 1968a cited in Ritzer, 1975, p.628). It then suffices to argue that the economic health of any nation or organisation is closely tied to the quality of its education or people in terms of professional background or technical qualifications.

In a nutshell, the above description and discussion of socio-economic and political background of five sampled municipalities has implications with reference to the bureaucratic performance of Limpopo local government. For instance, without a strong council oversight system and an adequate allocation of resources in terms of funding and human resources (e.g. committee researchers, legal advisers, committee secretaries, etc.), municipal councils might not be able to fulfil their constitutional mandate effectively and

efficiently. Furthermore, without a fine quality of municipal agents in terms of relevant technical skills or professional qualifications, municipalities may not be able to achieve better bureaucratic performance in relation to public goods and service provision.

The educational profile of people within the selected municipalities differs significantly, but, generally, Limpopo local government has a low percentage of people with professional qualifications with a three years Bachelor’s degree, especially a Masters and PhD degree. The community survey results, however, indicate that the number of people with a bachelor’s degree in Limpopo Province increased from 410 000 in 1996 to at least 1 235 000 in 2016 (Statistics SA, 2016), as illustrated by this table.

**Table 3: Limpopo Educational Attainment, 1996-2016**

Project name	No schooling '000'	Primary education '000'	Secondary education '000'	Bachelor’s degree '000'
Census 1996	3 714	10 048	3 575	410
Census 2001	4 240	12 987	5 636	679
Census 2011	2 564	19 580	9 999	1 184
CS 2016	2 269	22 465	11 886	1 235

Source: Statistics SA, 2016.

This table indicates the significant progress made by the province over a period of 20 years in the number of persons who have attained different educational levels. Although the number of people who attained tertiary qualifications has increased significantly, comparatively these numbers are still very low. Of course, this low percentage impacts on the calibre or quality of people being recruited and appointed as officials in municipalities.

At the district level, for example, Census 2011 indicates that the Capricorn district has high levels of illiteracy with 13.2 percent of people without any form of education, as opposed to only 0.3 percent of the population having obtained higher professional qualification(s) in Masters and PhDs (Statistics SA, 2011 cited in CDM Annual Report, 2013, p.15-16; CDM IDP Report, 2014c). The CDM has very low percentage of people with

higher educational credentials despite the existence of the local University of Limpopo and two other satellite universities (i.e. UNISA and Tshwane University of Technology) and several TVETs. In contrast, the percentage of people with higher educational qualifications (i.e. Bachelor degrees, postgraduate diploma, etc.) in the Waterberg district increased from 6.9 percent in 2001 to 9.5 percent in 2011 (Statistics SA, 2011 cited in Limpopo Provincial Treasury Report, 2014, p.14). In this study, the importance of educational background or possession of higher professional qualifications of above three years training and education is emphasised as being vital. This is simply because education at university or college level is one of the key contributors of human capital, organisational performance and economic growth and development. To reiterate, education imbues its beneficiaries with professional expertise and specialised knowledge.

Nevertheless, at the local level Statistics SA (2011 cited in FLM IDP Report, 2014) points out that the Fetakgomo municipality in the 2013/14 financial year boasted that 6.6 percent of the local people had achieved higher educational qualifications, as opposed to only 0.8 percent in 2007. The Fetakgomo municipality is home to the Sekhukhune College of Education, which was, however, not functional after being closed down by the government in 2003.<sup>29</sup> Equally, and despite the existence of Sekhukhune TVET (formerly known as Dr. C.N. Phatudi College of Education), empirical evidence indicates that people with higher educational qualifications in the Greater Tubatse municipality stood at 6.6 percent in 2011. Given the growing mining and manufacturing activities *vis-a-vis* low levels of education in the Greater Tubatse, one argues that the possibility of increased mechanisation in the mining sector, which employs a larger proportion of the local people, poses a major threat to the employment creation capability of the local economy. The Greater Tzaneen Local Municipality, in contrast to the above, boasts 8.7 percent of people with higher education qualifications (Statistics SA, 2011). Furthermore, Census 2011 indicates that at least 19 percent of the local people in the Greater Tzaneen had no

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<sup>29</sup> Many black teachers were produced, particularly during the apartheid government, thus making their market more and more saturated. Given this dilemma, the post-apartheid South African government rationalised the teaching profession by closing down many teacher training colleges countrywide in order to halt the training of more teachers. Yet this decision later led to the shortage of teachers especially in critical subjects such as mathematics and science.

schooling, while the remainder of the population had some form of primary or high school education (Statistics SA, *ibid*).

Notwithstanding the educational profile described above, further variations identified amongst the five sampled case studies relate to municipal size in terms of annual budget allocation and staff complement. At the district level, the Waterberg district had the smallest size in terms of budget and staff complement compared to the Capricorn District Municipality. The annual budget of WDM increased from R73.6 million in the 2007/08 fiscal year to approximately R111.4 million by the 2013/14 financial year. This increase represented a 34 percent of budget increase for the period covered by the study. In contrast, various municipal documents indicate that the annual budget appropriations of the CDM increased from R678.9 million in 2007/08 financial year to R748.5 million in the 2012/13 financial year and subsequently to R808 million in the 2013/14 fiscal year. This was a growth of 7.9 percent and 7.3 percent respectively during these periods. It is worth noting that the annual budget allocation is made up of capital and operating budgets. It is further determined by the population size of a municipality. The CDM's annual allocation of R808 million in the latter financial year, for instance, was made up of R272.5 million of capital expenditure and R535.5 million of operating expenditure (CDM Oversight Report, 2014b).

Furthermore, at the local level, there are variations in terms of total annual budget allocations with some local municipalities having had a large budget than other municipalities. For instance, the Greater Tzaneen municipality had a large budget than the two local municipalities (i.e. Fetakgomo and Greater Tubatse) combined. For example, the municipal operational budget increased from R321.8 million in the 2007/08 financial year to R876 million in the 2013/14 financial year (GTLM IDP Report, 2014a, p.126). The municipal capital budget also increased from R36.3 million to over R118.7 million in the same period. On average, therefore, the total budget of the Greater Tzaneen municipality increased from R358 million in the 2007/08 financial year to R994.7 million in the 2013/14 financial year (GTLM IDP Report, 2014a; 2014b). The annual budget of the Greater Tubatse municipality also increased from R145 million in the 2007/08 financial year to R164.5 million in the 2009/10 financial year and, subsequently, increased to R338.5 million by the 2013/14 financial year. Given its small size, in terms

of staff complement and the population, the Fetakgomo municipality had the smallest annual budget, which also increased from R30.1 million in the 2007/08 financial year to R56.4 million in the 2009/10 and, subsequently, increased to R110 million in the 2013/14 fiscal year.

Regarding the staff complement of selected case studies, the WDM still had the smallest staff compliment with 129 municipal agents in the 2013/14 financial year. An analysis of various municipal reports indicates that the number of municipal agents in the CDM in contrast increased from 216 officials against an approved organisational structure of 330 positions in the 2007/08 financial year to 539 municipal agents in the 2013/14 financial year. It then becomes clear that the percentage of positions filled in the CDM increased from 65 percent in the 2007/08 fiscal year to 85 percent in the latter year. Regarding the vacancy rate, an analysis of various municipal reports indicates that the WDM had the lowest vacancy rate of 5 percent in the 2013/14 financial year. In contrast, the CDM had the highest vacancy rate, which, however, decreased from 35 percent in the 2007/08 financial year to 18 percent in the 2010/11 financial year and, subsequently, to 15 percent in the 2013/14 financial year. A high vacancy rate in the literature is generally considered to have a negative impact on the bureaucratic performance of an organisation.

At the local level, the Fetakgomo local municipality comparatively had the smallest staff complement. For example, the total number of municipal agents employed increased from 40 officials in the 2007/08 financial year to 78 municipal agents in the 2013/14 financial year against an approved municipal structure of 82 staff members. The Greater Tubatse and Greater Tzaneen municipalities employed the most municipal agents, which suggests that they had the bigger staff complements. For instance, the total number of municipal agents employed in the Greater Tubatse municipality increased from 222 officials in the 2007/08 financial year to 276 officials in the 2011/12 financial year, but decreased to 201 municipal agents in the 2013/14 financial year against an approved structure of 356 people in the latter financial year.

In contrast, the total number of municipal agents in the Greater Tzaneen municipality increased from 577 municipal officials in the 2007/08 financial year to 690 officials in the 2013/14 financial year. These numbers suggest that the Greater Tzaneen

municipality had the largest staff complement when compared to the two local municipalities (i.e. the Fetakgomo and the Greater Tubatse) combined. An approved organisational structure of the Greater Tzaneen municipality also increased from 905 funded positions in the 2007/08 fiscal year to 1 415 positions in the 2013/14 fiscal year.

Moreover, the Greater Tubatse and the Greater Tzaneen local municipalities had the highest vacancy rate of 44 percent (that is 155 vacant positions) and 51 percent (that is 725 vacant positions) in the latter financial year respectively. The Fetakgomo Local Municipality in contrast has the lowest vacancy rate of 5 percent in the 2013/14 financial year. The question then becomes whether a high vacancy rate has a negative impact on bureaucratic performance of municipalities. Or does the filling of all funded vacant positions on the approved municipal structure automatically translate into more improved service delivery? This question is answered in the subsequent chapters, particularly the chapter dealing with the analysis and interpretation of the research results.

Further variations amongst the five sampled municipalities relate to the levels of under- or overspending of the municipal budgets. This simply suggests that all the sampled municipalities were differently affected by poor financial management. Poor financial management is illustrated by both underspending and high levels of financial waste (e.g. overspending of the budget, irregular expenditure or fruitless and wasteful expenditure) of the municipal budgets. Neither underspending nor overspending of municipal budget is desirable. For example, underspending of the municipal budget is undesirable because it compromises service delivery on the ground, while overspending constitutes a case of financial misconduct.

In the MFMA (2003, p.128), irregular or fruitless and wasteful expenditure and unauthorised or, rather, overspending on the municipal budget are referred to as acts of financial misconduct, but in this study they are all referred to as financial waste. The Act penalises any municipal agent who commits or fails to take reasonable steps to prevent cases of financial waste. In effect, section 174 of the Act provides that 'a person is liable on conviction of an offence to imprisonment for a period not exceeding five years or to an appropriate fine determined in terms of applicable legislation' (MFMA, *ibid*, p.132).



In this study, therefore, the capacity of all sampled case studies to manage their finances and introduce control systems to mitigate cases of financial waste or misconduct is evaluated through the performance indicators developed as yardsticks to measure this area of financial management. As mentioned in Chapter One, the two performance indicators relate to the following:

- a) The total percentage of capital budget spent annually by a municipality on service delivery projects against the total annual capital budget; and
- b) The total amount of financial waste incurred by a municipality annually against the total operating and capital budgets.

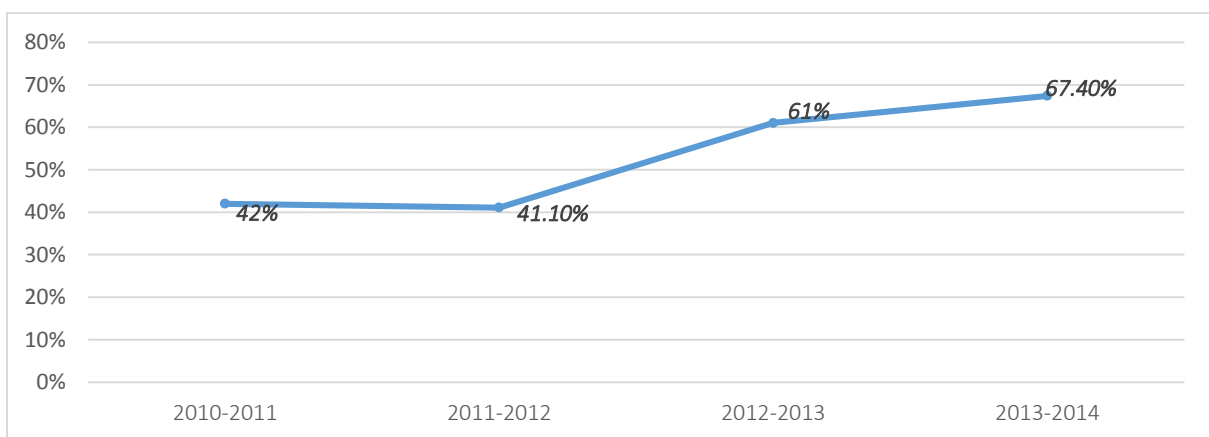
That said, the Capricorn District Municipality recorded high levels of underspending and high levels of financial waste. For the period of the 2007/08 financial year, for instance, the municipality underspent its capital budget by R19.5 million. Paradoxically, the level of financial waste increased from R12.7 million in the 2008/09 fiscal year to R77.4 million in the 2010/11 fiscal year before declining to R53.4 million by the 2013/14 fiscal year in the Capricorn district (CDM Annual Report, 2008; 2009; 2011; 2014a). In contrast, the level of underspending and financial waste in the Waterberg district municipality tends sometimes to be very low given its small size in terms of annual budget appropriations and staff compliment. This is highlighted in the subsequent paragraphs.

At the local level, the Greater Tzaneen Local Municipality incurred an under-expenditure of R3.5 million in the 2013/14 financial year alone (GTLM Annual Report, 2014b). Further analysis of various municipal reports revealed that the level of financial waste in the municipality increased from R571 000.00 in the 2009/10 financial year to R23.9 million in the 2012/13 financial year and, subsequently, to R49.7 million in the 2013/13 financial year. The level of unauthorised expenditure alone in the municipality cumulatively reached a record high of R77.6 million in the latter financial year (GTLM Annual Report, *ibid*). Similarly, underspending of the municipal budget and high levels of financial waste, as well as high consumer debt, remain thorny issues within the Greater Tzaneen Local Municipality.

An analysis of various municipal reports, for example, indicates that the level of financial waste in Greater Tzaneen municipality increased from R36.7 million in the 2008/09 financial year to approximately R181.7 million in the 2011/12 financial year, but yet decreased to R140.5 million in the 2013/14 financial year. Similarly, the underspending of the municipal capital budget increased from R39.9 million in the 2011/12 financial year to R44 million in the 2013/14 financial year, representing 9.3 percentage increase.

Furthermore, the level of consumer debt alone within the municipality consistently increased between 2010 and 2014, except in the 2011/12 financial year as illustrated by this figure.

**Figure 9: Total Outstanding Service Debtors, 2010-2014**



Source: The Greater Tzaneen Municipal Annual Report, 2014b

The outstanding service debt measures how much money is still owed to the municipality by the consumers. Municipal service consumers include households, public institutions, such as government departments and entities, as well as the private organisations. It is, of course, widely known that municipalities generate own revenue through service charges, property rates, fees, fines, etc., for services consumed such as municipal electricity, water, waste removal or sanitation services in general, amongst other things. The above figure demonstrates that the percentage of unpaid municipal services billed against consumers has been consistently growing, except in the 2011/12 financial year when it slightly dropped slightly by one percent.

As the above figure illustrates, outstanding consumer debt increased from 42 percent in the 2010/11 financial year to 67 percent in the 2013/14 financial year, which clearly suggests a low recovery rate of municipal service outstanding debts. The low debt recovery rate has implications for the financial viability and sustainability of this local municipality. Much as the entire Limpopo local government under-collected its revenue by R1.5 billion in the 2013/14 financial year, which is a result of the high level of consumer debts, the Greater Tzaneen Local Municipality also under collected its revenue by R34 million in the same period (Makhurupetji, 2015, Jul 22).

Having described the five sampled municipalities with reference to their socio-economic and political conditions and also having identified and analysed their commonalities and variations in relation to human resource management, financial management, etc. The next section of this chapter further identifies and discusses their commonalities and variations in relation to the provision of water and sanitation services. The distinction is again made at both district and local municipality levels.

#### **5.4.3. Service Delivery Overview of Selected Municipalities**

Besides the progress that has been made in the delivery of basic municipal services since 1994 in Limpopo Province, there are still challenges lying ahead for municipalities. In Chapter Two of the study, it was indicated that municipalities in Limpopo Province are characterised by poor service delivery performance pertaining to water and sanitation provision. Community household survey results (Statistics SA, 2016) confirm that the percentage of households without access to water, for example, in Limpopo Province has increased from 14.1 percent in 2011 to 20 percent in 2016. The manifestation of poor service delivery is illustrated by sporadic and growing incidents of community protests. Empirical evidence suggests that the demand for quality water often tops the list of community needs during the service delivery protests (Makoko, 2015). Similarly, Statistics SA (2016, p.56) confirms that the lack of access to safe drinking water supply tops the list of community challenges generally in South Africa. Access to quality water is a fundamental right that is linked to other rights. This section of the chapter briefly highlights and discusses community access to water and sanitation as basic municipal services in all the selected municipalities.

#### **5.4.3.1. Access to water**

It is worth remembering the main central research question of this study, which asks what accounts for low levels of service delivery and poor financial management within Limpopo local government. As discussed in Chapter Two, this study focuses on only two areas of basic municipal services (i.e. water and sanitation) in Limpopo local government. This is the case for three simple reasons. Firstly, empirical evidence suggests that, most often, the demand for water always tops the list of community demands during community service delivery protests in the Limpopo local government. Secondly, the percentage of households without access to piped water generally in Limpopo Province surprisingly increased from 14.1 percent in 2011 to 20 percent in 2016 (Statistics SA, 2016). This clearly indicates that the percentage of households in the province with access to piped water decreased by 6 percent between 2011 and 2016. Thirdly, and lastly, on sanitation, the entire Limpopo Province is ranked the lowest after the Mpumalanga Province as having a poor sanitation infrastructure and services in South Africa (SA Human Rights Commission, 2014, p.39). According to the Constitution (1996), access to basic services, such as clean and safe drinking water, *inter alia*, is guaranteed as a basic human right, which must be afforded to all citizens.

Furthermore, the provision of water and sanitation is a municipal competence in terms of Part B of Schedule 4 of the Constitution (1996). Yet category C municipalities (i.e. the districts) are authorised as Water Service Authority and water service provider in terms of the Local Government: Municipal Structures Act of 1998. Section 84 of the Act outlines the powers and functions of a district municipality as being the following, amongst other things:

- a) Potable water supply systems;
- b) Solid waste disposal;
- c) Bulk water supply;
- d) Disaster management;
- e) Fire-fighting services; and
- f) Municipal roads, which form an integral part of a road transport system of a municipality.

As mentioned earlier, the above Act provides for the transfer and/or adjustment of certain district powers and functions listed in terms of section 84 subsection 1 (b), (c), (d) and (i) of the Act to a local municipality. In effect, the Capricorn District Municipality has devolved the following district powers and functions to its local municipalities in terms of sections 16 and 85 of the above Act:

- a) Solid waste disposal sites;
- b) Municipal roads;
- c) The establishment, conduct and control of cemeteries and crematoria services;
- d) Promotion of local tourism for the municipal area; and
- e) Municipal public works relating to any of the above functions or any other functions assigned to the local municipality (CDM Annual Report, 2014a, p.23).

Similarly, but with some variations, the Waterberg District Municipality has also devolved the following functions or powers to its local municipalities for execution:

- a) Bulk water supply;
- b) Bulk sewage purification works and the main sewage disposal;
- c) Bulk electricity supply;
- d) Fresh produce market;
- e) Cemeteries and Crematoria; and
- f) Municipal roads and airport (WDM Annual Report, 2014).

This devolution of functions and powers suggests that both the Capricorn and Waterberg District Municipalities do not directly provide water and sanitation services to their local residents as they are originally supposed to do but that they only coordinate and monitor their provision by local municipalities. In other words, the two district municipalities have decentralised their water service functions or powers of being a water service provider to all their local municipalities. Nevertheless, evidence suggests that the water service provision backlog in the Waterberg district was very low when compared specifically to the Capricorn district (refer to Table 9). In effect, only 6 percent of the households in the Waterberg had no access to piped water as a basic human right within the reconstruction and development programme (RDP) standards (i.e. 200 meters from the residence) as opposed to 94 percent of the population having access to piped water inside their yards (Statistic SA, 2011, p.8). While at least 75 percent of the households

have access to water within or above the RDP standards, evidence suggests that 8.4 percent of the local population have less access to water than required in the RDP standards.

In contrast to this, at least 14 percent of the population in the Capricorn district have no access to safe and clean drinking water. Municipal reports (e.g. CDM IDP Report, 2014c) indicate that the district is faced with a severe shortage of water and there is a poor quality of drinking water. This is because the district is over reliant on underground water since over 80 percent of the local population are dependent on underground water (CDM Annual Report, 2014a).

At the local municipality level, there are also huge variations with regard to access to clean and safe drinking water amongst the three sampled case studies. An analysis of various municipal reports indicates that 43 percent, that is 12 668, of households in 2010 in the Fetakgomo Local Municipality did not have access to water within the RDP standards (FLM IDP Report, 2014a, p.13), as opposed to 29 percent (that is 26 689) of households in the Greater Tubatse Municipality (Statistics SA, 2011). In the Greater Tzaneen Municipality, the percentage of households without access to safe drinking water above the RDP standards stood at 16 percent in the 2010/11 financial year (Statistic SA, *ibid*). The commonality amongst the three local municipalities, however, relates to the fact that none of them is either a water service authority or water service provider. Water provision, both in the Fetakgomo and the Greater Tubatse Local Municipalities, is the responsibility of the Sekhukhune District Municipality, while in the Greater Tzaneen Municipality water provision is the function of the Mopani District Municipality. It is worth noting that water scarcity is a serious problem afflicting not only districts and local municipalities but the whole of Limpopo Province. For example, the Greater Tzaneen Municipality provides water through water tankers to at least 94 rural villages (GTLM IDP Report, 2014a). This is a clear indication that communities in rural areas do not have adequate access to water. Given the scarcity of water, the district municipalities, such as the Sekhukhune District Municipality, find themselves in conflict with their local municipalities.

#### **5.4.3.2. Access to Sanitation Services**

Because of the rural nature of Limpopo Province, both the district and local municipalities in the province struggle to provide adequate sanitation services to their communities. As a result, municipalities at all levels are beset by huge sanitation backlogs. The Limpopo Treasury Report (2012, p.24) indicates that the provision of sanitation services, specifically refuse removal, has not ever been practised in some areas in Limpopo as it is vastly a rural province. In the province, sanitation provision is generally poor owing to the lack of, or non-existence of, a sanitation infrastructure, especially in the countryside (i.e. the rural areas). At the district level, the sanitation backlog in the Capricorn district was estimated at 67 percent of the population not having access to this basic municipal service in 2014. Furthermore, only 22 percent of the households in the Capricorn district receive a refuse removal service from their local municipalities (CDM IDP Report, 2014a, p.32), while the majority of the households, especially in rural areas, depend largely on self-made refuse disposal sites. At least 39 percent of local households in the Waterberg district have no access to acceptable refuse removal service levels above RDP standards (WDM IDP Report, 2013). An analysis of various municipal reports in the Waterberg district indicates that the majority of the households, 81 024, dispose of their refuse in their own rubbish dumps, while 12 790 households in the area had no means of the disposal of their waste. Lack of formal waste disposal sites, especially in rural areas, suggests that people burn waste in their yards as a means of disposal, and this poses serious health risks and environmental damage.

The main types of sanitary systems used in the district municipalities mentioned above are water-borne sewerage found mainly in towns and townships, septic tanks found mainly on privately-owned properties, ventilated improved pit latrines (VIP), French drains and ordinary pit latrine toilets found largely in rural areas.

The situation at the district level does not differ much from the situation at the local level, but, of course, there are local variations in terms of sanitation backlogs within Limpopo local government. At the local level, the sanitation backlog in the Fetakgomo Municipality, for example, declined from 90 percent in 1995 to nearly 69 percent (that is 48 047 households) in 2014 (FLM IDP Report, 2010; 2014a). Statistics SA (2011) further indicates that only two percent of the local population in the Fetakgomo Municipality

have access to flush toilets connected to a public sewerage infrastructure system. The provision of a waste disposal service in the area has, however, grown from 92 households in 1995 to 4 256 households out of total population of 119 242 people in 2013. This low provision rate clearly suggests that only five percent of the population receive this basic municipal service, as opposed to 95 percent of the households who have no access to a formal refuse removal service. In effect, formal municipal waste collection in Fetakgomo covers only four villages of Apel, Ga-Nkoana, Mohlaletsi and Nchabeleng at the expense of other villages.

Similarly, only 6.3 percent of the households in the Greater Tubatse Municipality and 15.3 percent in the Greater Tzaneen Municipality in the 2010/11 financial year had access to a flush toilet connected to a public sewerage system (Statistics SA, *ibid*). Pit toilets remain the main source of sanitation in the local municipalities. Of course, the lack of flush toilets has huge potential of polluting underground water, which is the main source of daily water consumption for many rural households in the province.

Notwithstanding the above discussion, empirical evidence suggests that the provision of sanitation services on average is increasing within Limpopo local government. For instance, the provision of sanitation services increased from 13 percent of the households having access in the 2007/08 financial year to 45 percent in the 2013/14 financial year in Greater Tzaneen. It also increased in other municipalities sampled for the study (refer to Table 9).

## **5.5. Summary of the Chapter**

This chapter has described the different historical and current socio-economic and political backgrounds of the five selected municipal case studies for empirical investigation. Although all five selected case studies are rural in nature, they have significant differences in terms of socio-economic profiles, the organisational size and total annual budget allocations as well the spending capacity. One common feature of all five municipalities relates to the institutional arrangements of their political and administrative governance, which is designed based on the existing local government legislation or frameworks. For example, while the legislative and executive authority of a



municipality is vested in the Municipal Council, the political leadership and guidance to the municipalities is provided by the municipal mayor and the speaker.

All municipalities have a delegation system in place that has decentralised the decision making powers within the municipalities to improve the pace at which services and functions can be delivered efficiently and effectively. For example, within this delegation system, some decision-making powers are delegated from the council to the mayor, executive committee and parliamentary oversight committees, while other powers or functions are delegated to the municipal manager to execute as the accounting officer. This delegation system is intended to maximise the administrative and operational efficiency of a municipality and provide for adequate checks and balances. Parliamentary, or rather council oversight committees are established in terms of section 79 (1) of the Local Government: Municipal Structures Act (1998) for the effective and efficient performance of any of the council functions or the exercise of any of its powers.

It is mentioned in this chapter that municipal managers are appointed by the councils in terms of section 82 of the above Act. This political appointment makes the municipal manager directly accountable to the council for the bureaucratic performance of the institution. The Act, however, emphasises the importance of skills and expertise when appointing a municipal manager by the political principals in the sense that section 82 (2) of the Act stipulates that “a person appointed as a municipal manager must have the relevant skills and expertise to perform the duties associated with that post”. Section 54 (3) of the Local Government: Municipal Systems Amendment Act (2011) went a step further to stipulate that a competent and skilled person in possession of prescribed local government competencies and educational qualifications must be recruited and appointed or promoted to strategic position of power and control in municipalities. To give effect to this, the advertisements for the position of municipal managers or any other managers accountable to a municipal manager clearly reflect this legislative requirement nowadays. Municipalities are aware that, during the audit process by the Auditor-General, the municipality’s compliance with all the relevant applicable local government legislation and frameworks, as well as regulations, is assessed. In this study the researcher has observed that the municipal adverts for the position of municipal

managers in municipalities such as Capricorn and Waterberg districts comply with this legislative requirement, as illustrated by Appendix E.

The chapter further indicated that all five selected municipalities are commonly characterised by a competitive party system, but with the ANC as the most dominant governing political party in all the municipalities or the councils during the undertaking of this study. The competitive party system is evident in the number of political parties represented in each municipal council. The total number of political parties represented in each council, however, varies. Of course, a competitive party system in local government is clear reflection of regular free and fair elections not only in local government but also national and provincial elections in South Africa. In the literature, regular free and fair elections are considered to be one of the qualities of democracy.

The literature indicates that the competitive party system suggests the existence of political stability and less exploitation of state resources in a country. This is because the system assists to moderate the behaviour of agency officials and the governing political party (Kopecky, 2011; Pitcher, 2012; Morrison, 2004). These authors argue that, through the system, the politicians of the governing political party or parties fear exposure and embarrassment from opposition political parties and also fear electoral defeat under the conditions of fierce political competition. These claims are tested through the fieldwork in this study and their findings are presented in subsequent chapters.

Last, but not least, this chapter discussed the level of access to water and sanitation services as a basic human right by the local communities in each sampled case study. Access to clean and safe drinking water and sanitation is fundamental to and a prerequisite for the realisation and enjoyment of other human rights highlighted in the constitution. The SA Human Rights Commission (2014) confirms that a lack of access to water and sanitation not only impedes the access to, or enjoyment of, other rights but heightens the vulnerability of certain categories of people such as women and persons with a disability. Although with huge variations, the sampled municipalities were characterised by high service backlogs with regard to these basic municipal services. Regarding access to water, this chapter mentioned that the percentage of households without access to piped water generally in Limpopo Province has increased from 14

percent in 2011 to 20 percent in 2016. On access to sanitation, it was also mentioned that Limpopo Province is ranked last of the list of provinces with poor sanitation infrastructure and provision in South Africa.

This chapter has painted the picture of the sampled districts and local municipalities in relation to their political and administrative governance structures and service delivery, and the next chapter presents the research findings from the fieldwork and analysis of various municipal reports during the undertaking of this academic inquiry in the five case studies.

## CHAPTER 6

### CASE STUDY RESEARCH FINDINGS PRESENTATION

#### 6.1. Introduction

In Chapter Four of this study, the researcher described the process through which one went about collecting primary data by means of interviews, focus group discussions, observations, the questionnaire and document review as well as the process of analysing data. In Chapter Five, the study briefly described the socio-economic and political conditions of each of the sampled case study areas, which, in one way or another, have an impact on their bureaucratic performance. The description of each case study area is relevant and in tandem with the adopted conceptual and theoretical framework (i.e. theories of bureaucracy and principal-agent model) for the study. As has been previously mentioned, bureaucratic organisations, such as municipalities are, for example, designed and organised in terms of hierarchies to facilitate and promote the rationalisation of institutional tasks and goals in order to ensure operational efficiency and effectiveness in the service delivery value chain.

This chapter now presents the research results emanating from the fieldwork during which data was collected through multiples sources. The discussion in this chapter is framed in such a way that it directly responds to the key research questions and also to the performance indicators. As previously stated, the six developed performance indicators are used as yardsticks to measure bureaucratic performance of the chosen case studies. Furthermore, the narrative presentation of the research findings in this chapter is organised in terms of key themes or categories, some developed prior to undertaking the practical fieldwork, while other new themes emerged from the fieldwork data. This is done in order to facilitate the analysis and interpretation of the findings in the next chapter. As noted by Creswell (2009), qualitative data is presented in a narrative way, which means that qualitative studies use narrative to convey the findings of the analysis process. Moreover, in presenting the research findings in this chapter, cognizance is also taken of the performance indicators outlined in Chapter One of the study as the yardsticks to measure the bureaucratic performance of the five selected municipalities in Limpopo Province (i.e. the Greater Tzaneen, Fetakgomo, the Greater Tubatse, the WDM and the

CDM). In addition, it is important to note that the main research questions that are at the crux of this study are answered in this chapter. The chapter concludes by highlighting both the commonalities and the variations amongst the five selected case studies.

## **6.2. Human Resource Management Practices in Selected Cases Studies**

Human resource management practices in municipalities are established and governed in terms of the Local Government: Municipal Systems Act (1998). This Act provides for an enabling environment for the process of human resource planning, management, performance management, resource mobilisation and the design of organisational structures. In other words, it provides a legal framework for human resource management and development, especially in Chapter 7 of the Act. For instance, section 51 (g) (i) of the Act (*ibid*) states that a municipality must perform its functions through operationally effective and appropriate administrative units and mechanisms, including the departments and other functional or business units. Sub-section (h) of the Act further says that a municipality must assign clear responsibilities for the management and coordination of these administrative units and mechanisms.

In terms of institutional arrangements pertaining to administrative governance, therefore, all sampled municipalities have a human resource department. The human resource department is central to the strategic thrust of the municipalities because it is geared towards achieving optimal outcome and impact on municipal service delivery. Effectively, the human resource department is about attracting, developing, managing and rewarding, as well as retaining, a competent municipal workforce. The observation made from all the municipalities investigated is that a human resource component consists of two critical units, viz. human resource management and human resource development, which are further sub-divided for a clear segregation of responsibilities in order to avoid any duplication of functions or tasks. This segregation of duties is in tandem with Max Weber's description of the division of labour wherein individual parts of the work are allotted to functionaries with specialised expertise and training (see Weber, 1948; 1968a).

A human resource management component of a municipality is primarily responsible for employee relations, provisioning and maintenance, including recruitment and selection,

occupational health and safety as well as the administration of benefits for employees and the councillors. The operational efficiency and effectiveness of this component is determined by the quality of people recruited and appointed to discharge their institutional tasks in order to achieve organisational goals. The Auditor-General's Report (2013; 2014) confirms that human resource management is deemed effective if appropriately qualified and competent personnel and sufficient resources (e.g. budget, technology, etc.) are in place and if individual performance and productivity are properly managed and measured. A human resource development component of a municipality, in addition, is responsible for the development and administration of performance management and the training and development of municipal officials and councillors as well as the implementation of the organisational structure. The purpose of these responsibilities of the human resource development component is to build and strengthen institutional capacity and improve organisational bureaucratic performance. The individual capacity of both municipal agents and political principals, of course, is critical in sustaining the bureaucratic performance of a municipality or municipalities.

The sampled municipalities had all developed and implemented various human resource policies (e.g. staff recruitment and selection policy, retention policy, etc.) that seek to professionalise the system of Limpopo local government. As mentioned earlier on, an enabling environment has been created through legislation (e.g. Municipal Systems Act, 1998; Municipal Systems Amendment Act, 2011, etc.) and frameworks to professionalise municipalities by institutionalising the concept of meritocracy not only in Limpopo but throughout the system of local government in South Africa. The Public Administration Management Act (Act No. 11 of 2014) does not apply only to the other two spheres of government (i.e. national and provincial) but also to local government, and this Act seeks to professionalise municipalities. A detailed discussion about how these laws professionalise the system of local government is highlighted and interpreted in the next chapter.

One of the key research questions raised in this study was why municipalities in Limpopo Province, which are underpinned by huge resource investments in terms of funding and capacity building and training programmes, are not able to meet the minimum service delivery expectations of communities at local level. To answer this research question, the

study focussed on human resource management departments of the sampled municipalities in order to explore and understand their internally-developed human resource processes and systems. This assessment aims to unearth whether these human resource processes and systems enhance the operational efficiency and effectiveness of the municipalities.

As discussed in Chapter Three, it is emphasised that meritocracy or expert-officialdom is the foundation upon which the development and maintenance of institutional capacity rests. The enforcement of this concept within the system of Limpopo local government, therefore, infers that the recruitment and selection of municipal officials should be based purely and strictly on merit and, above all, on the possession of professional qualifications. The word 'merit' is about an individual's competencies and technical skills acquired through the socialisation and schooling or training processes. Weber (n.d., p.350) noted that meritocracy, or what he also refers to as 'technical superiority', is a decisive ingredient in the advancement of bureaucratic institutional performance. This implies that the manner with which municipalities recruit their bureaucratic agents has an impact on the local government capacity and its bureaucratic performance in terms of public goods provision and financial management.

In relation to the above argument, almost all research participants interviewed or who completed the questionnaire, including members of the focus group discussions in the five sampled cases studies, confirmed that the recruitment of municipal agents should be based strictly on merit and, above all, on professional and relevant qualifications for any position. Interviews with various participants emphasised not only the qualifications but also the relevance of the qualifications for every particular position. This means that a person with professional qualification(s) should be placed in a position relevant to his or her professional training. Data obtained from COGHSTA indicates an example of an inappropriate qualification and placement of a chief financial officer within the Limpopo local government, whose only qualification was in social work. Common sense tells us that a chief financial officer should be someone with qualifications in financial management/accounting or even a chartered accountant. Another example deduced from this dataset within Limpopo local government illustrates the inappropriate placement of an official where a municipality appointed a person with only a National

Primary Teacher's Diploma as a communication director. This clearly indicates that having professional qualifications does not suggest that an official is appropriately placed within an organisation or performing the tasks relevant to his or her technical training. From a common sense perspective, it is expected of a communication director to possess qualifications in communication or public relations.

Focus group participants in all three local municipalities (i.e. Fetakgomo, the Greater Tubatse and the Greater Tzaneen) claimed that not all municipal employees are appointed on merit but as a result of nepotism, political patronage or political connections and so forth. Since it is rather difficult to authenticate whether indeed some municipal officials had been appointed through political patronage, this study has developed a performance indicator to measure the application of meritocratic recruitment within Limpopo local government. To address this matter effectively, this study measures, *inter alia*, the total number of members of a municipal workforce with a university degree or diploma certificate(s) as a percentage of the entire municipal staff in the five selected case studies. The study further complemented this by measuring the quality of municipal management in terms of professional qualifications in accordance with the municipal regulations on minimum competency level requirements. In other words, the study assessed the total number of municipal agents at operational level and also at the management level with professional qualifications at NQF level 6 and above.

### **6.2.1. Municipal agents with NQF level 6 and above qualifications**

The complexities of the system of local government and the high expectations of the local communities in Limpopo Province require municipal officials, irrespective of the level of their appointment, to have the competencies and qualifications as prescribed in order to assume and fulfil their responsibilities as well as exercise their powers in accordance with the provisions of the Local Government: Municipal Systems Amendment Act (2011) and the 2007 MFMA municipal regulations, as amended, on minimum competency level requirements. It must, however, be noted that municipal minimum competency level requirements in South Africa are set, through the 2007 MFMA regulations, only for officials at senior management level (i.e. municipal managers, chief financial officers, supply chain management and other finance officials) rather than the entire municipal workforce. This is the gap that exists with regard to professionalising the entire local



government workforce irrespective of levels or ranks if certain categories of municipal officials are exempted. Nevertheless, section 54 (2), and 56 (1) (b) of the Municipal Systems Amendment Act (ibid) provide that a person appointed as the municipal manager or in an acting capacity and or as a manager directly accountable to the municipal manager must at least have the skills, expertise, competencies and qualifications as prescribed. Section 54 (3) and 56 (2) of the above Act, further, nullify the appointment decision if a person appointed does not meet these requirements or is without the prescribed expertise, skills, competencies and qualifications.

With regard to qualifications, this study found that the percentage or number of the total municipal workforce with a university degree qualification at NQF level 6 and above varies amongst the five sampled municipalities. For example, in the 2013/14 financial year only 17.3 percent (that is 43 officials out of 248) of municipal officials in the Greater Tubatse Local Municipality, and only 58 percent (that is 45 out of 78 people) in Fetakgomo Local Municipality had a university degree certificate(s) or qualification(s). In the Greater Tzaneen Local Municipality, the percentage of municipal workforce with a university degree or qualifications at NQF level 6 and above was estimated at 76 percent in the 2013/14 financial year. These numbers or percentages are inclusive of managers in the local municipalities. As previously mentioned, it is the theory advanced in this study that professional qualifications imbue their beneficiaries with a certain degree of autonomy and expertise, which is conducive to, or a prerequisite for, good institutional performance. In other words, it is assumed that people with qualifications are able to demonstrate better individual capacity, which, in turn, leads to good institutional performance.

At the senior management level, which is the administrative leadership in these three local municipalities, data retrieved from COGHSTA indicates that 83 percent (that is 5 out of 6) and 80 percent respectively (that is 4 out of 5) of senior managers in the Greater Tubatse and Fetakgomo Local Municipalities had qualifications as prescribed by the MFMA regulations regarding minimum competency level requirements (refer to Table 3). The same holds for the Greater Tzaneen Local Municipality where at least 86 percent of senior managers (that is 6 out of 7) had the prescribed qualifications by end of the 2013/14 financial year. It must be, however, recognised that all these local municipalities

had vacant positions at management level during the undertaking of this study. For instance, the position of corporate services senior manager was vacant both in the Greater Tzaneen and the Greater Tubatse Local Municipalities, while the position of a technical services senior manager was vacant in Fetakgomo Local Municipality by end of the 2013/14 financial year.

At the district level, the number of municipal officials with university or college degree qualifications (i.e. NQF level 6 and above), as the percentage of entire municipal workforce, stood at 7.4 percent (that is 39 out of 527) in the Capricorn District Municipality and 59 percent (that is 76 out of 129) of people employed within the Waterberg District Municipality. This simply suggests that, although 41 percent of municipal officials in the WDM at operational level had other qualifications, these were not at the prescribed educational levels in terms of municipal regulations on minimum competency level requirements and qualifications. The same holds for the majority of the municipal workforce within the CDM.

Again at the management level in the WDM, the study found that at least 86 percent of senior municipal agents had the prescribed professional qualifications in accordance with MFMA municipal regulations. Based on dataset from GOGHSTA, the percentage of senior managers with the prescribed qualifications in the CDM, in contrast, stood at 33.3 percent in the 2014/15 financial year (see Table 3). If one considers the qualifications at NQF level 6 of the senior managers in an 'acting capacity' (e.g. municipal manager and chief financial officer) in the CDM, then the number increases to 67 percent.<sup>30</sup>

As was mentioned in Chapter Four, the authenticity of the qualifications for the entire municipal workforce in selected municipalities, however, could not be verified. That is because individual personal profiles containing educational qualifications of municipal officials in terms of the South African Government Guidelines on the Classification of Documents are strictly confidential, which means that copies could not be given to the

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<sup>30</sup> Although the positions of municipal manager and chief financial officer were vacant, there were officials with appropriate professional qualifications appointed in an acting capacity in these positions.

researcher.<sup>31</sup> According to these government guidelines, confidential documents include the recommendation report made by the panel during a job interview and any document containing personal and/or private details of the people (e.g. curriculum vitae or academic certificates). In other words, this was a limitation of this research project as this critical piece of data could not be triangulated to enhance its validity and reliability.

Furthermore, given the sensitivity and hence the classification of individual personal profiles (e.g. educational qualifications) as being confidential, it was not easy for the researcher to trace the trends on the possession of qualifications by managers over the years, especially between 2007 and 2012. The only data that were triangulated with COGHSTA to enhance the study's validity and reliability relates to professional qualifications for all senior managers in the sampled cases studies.

**Table 4: Sections 54A and 56 Managers' Qualification, 2014-2015**

Municipality	Post Designation	Status of post		Highest Qualifications
		Filled	Vacant	
Capricorn District	Municipal Manager		Yes	
	Chief Financial Officer		Yes	
	Infrastructure		Yes	
	Corporate Services		Yes	
	Community Services	Yes		MA. Science
	Strategic Planning	Yes		MA: Town Planning
Waterberg District	Municipal Manager	Yes		MA: Philosophy
	Chief Financial Officer	Yes		
	Corporate Services	Yes		LLB
	Infrastructure Development	Yes		ND: Civil Engineering
	Community Services	Yes		MA: Public Admin
	Strategic Planning	Yes		ND: Public Admin

<sup>31</sup> In terms of the Government Guidelines on the Classification of Documents, government documents are classified as 'top secret', 'restricted', and 'confidential'.

	Office of the Mayor	Yes		Unknown
Local Municipalities				
Greater Tubatse	Municipal Manager	Yes		BA: Honours Economics
	Chief Financial Officer	Yes		CA
	Corporate Services		Yes	
	Technical Services	Yes		NH Dip. Civil Eng
	Local Economic Development	Yes		BA. Honours
	Community Services	Yes		BA Library Science
Fetakgomo	Municipal Manager	Yes		MA: Local Governance
	Chief Financial Officer	Yes		B. Commerce
	Corporate Services	Yes		Diploma: Admin
	Technical Services		Yes	
	Strategic Planning		Yes	
Greater Tzaneen	Municipal Manager	Yes		MA: Development Studies
	Chief Financial Officer	Yes		MA: Commerce
	Corporate Services		Yes	
	Engineering Services	Yes		B. Tec: CU Engineering
	Planning & Economic Development	Yes		MA: Development Studies
	Community Services	Yes		MA: Public Admin
	Electrical Engineering	Yes		NHD. Elect Engineering

Source: Dataset from COGHSTA, 2016

The above table confirms that all municipal managers, as the accounting officers in the sampled case studies, comply with the prescribed educational credentials. This finding corroborates earlier findings by the Auditor-General (2012; 2013; 2014) that all municipal managers appointed in Limpopo local government had the required prescribed qualifications. The same can be said about other managers directly accountable to the accounting officers, but there are variations amongst the five municipalities investigated.

The Auditor-General (2014, p.35-36) found that 96 percent (that is 24 out of 25) of appointed chief financial officers in the 2013/14 financial year and also 92 percent (that is 24 out of 26) of appointed heads of supply chain management in the same period within Limpopo local government had the required professional qualifications. The Auditor-General, however, further found that many appointed municipal officials at senior management level still do not necessarily meet the prescribed competency level requirements as outlined in the municipal regulations on minimum competency levels. For instance, the Auditor General found that 29 percent of municipal managers, as compared to 36 percent of chief financial officers, do not meet the minimum competency levels (AG Report, 2013, p.20-21; 2014, p.35-36). The same holds for heads of supply chain management since it was revealed by the auditors that 50 percent of them do not meet the prescribed competency levels.

The study observed that all selected municipalities pay a great deal of attention to the importance of complying with the prescribed minimum competency level requirements when advertising posts for managers, such as the municipal manager, chief financial officer, etc. Municipalities clearly highlight all the competencies and qualifications required of, or expected from, candidates through the job advertisement (*see, Appendix D*). This simply means that the requirements for relevant professional qualifications commensurate with the position advertised are in tandem with the local government legislation and municipal regulations.

For instance, section 54 (3) of the Municipal Systems Amendment Act (2011) provides, for example, that municipalities must ensure that persons appointed in key strategic positions, or even in acting capacity, (e.g. municipal managers, chief financial officers and other managers) have the skills, expertise, competencies and, above all, the prescribed educational qualifications before employment or promotion. Otherwise the appointment decision becomes null and void if the provisions of this Act are found to have been contravened. It is stated clearly in section 56 (1) (b) of the Act (*ibid*) that “the appointment decision of managers directly accountable to the municipal manager become null and void if the person appointed does not have the prescribed skills, expertise, competencies or qualifications”.

Although this study did not find any specifically nullified appointment decision(s) in the five selected municipalities during period when the study was undertaken, evidence exists of nullified municipal council appointment decisions elsewhere within Limpopo local government. The MEC for local government is responsible for monitoring municipal compliance with all relevant legislation and municipal regulations. In effect, Makhurupetji (2015, Jul 22<sup>nd</sup>) confirmed that eleven municipal appointment decisions for senior managers within Limpopo local government in the 2013/14 financial year were declared null and void, as illustrated below.

**Table 5: Appointment of Senior Managers per District, Issuance of Concurrence, 2014**

District	Number Received	Number Granted	Number Declined
Capricorn	10	10	--
Mopani	16	12	4
Sekhukhune	33	32	1
Vhembe	8	7	1
Waterberg	20	15	5
Total	87	76	11

Source: Makhurupetji (2015)

The table above illustrates the total number of appointments for both sections 54A and 56 senior municipal officials (e.g. municipal managers and other managers directly accountable to municipal manager) in accordance with the Municipal Systems Amendment Act (2011), which sought concurrence from the Minister at the national level and the MEC responsible for the local government at the provincial level for Limpopo local government in the 2014/15 financial year. As it can be seen, 11 council appointment decisions, which constituted 13 percent of the total applications or requests, were declared null and void. The reasons given for the responsible Minister and/ or the MEC to decline these appointment decisions by the municipal councils relate mainly to non-compliance with the relevant legislative requirements or regulations (i.e. Municipal Systems Amendment Act, 2011, 2007 MFMA regulations, and Public Administration Management Act, 2014). This suggests that these municipalities tried in vain to appoint

inappropriately qualified candidates who did not meet the prescribed competency requirements.

Although the names of affected individual municipalities at the local level are not specifically mentioned because this data was aggregated at district level, one case of the nullified council appointment decision by the MEC for Limpopo local government in Sekhukhune district relates to the appointment of the chief financial officer in Greater Tubatse Local Municipality. The fact that appointments were declined in all the mentioned district municipalities does not, however, necessarily suggest the appointment of inappropriately qualified candidates, but rather the disregarding of certain legal processes, which were supposed to have been followed. This was put into proper perspective by the former councillor in the Greater Tubatse Municipality as follows:

*Though the candidate had chartered accountant qualifications, the council rushed the decision to appoint this person without first formally securing concurrence from either the Minister and or the MEC (Personal Interview, 2016, Jan 3<sup>rd</sup>).*

The above quotation clearly illustrates that the appointment decision by the municipal council was declined because of the municipal council appointing an official with an inappropriate qualification. The decision to decline the appointment suggests that all necessary processes or procedures in terms of the municipal regulations must be followed before an appointment can be finalised. For instance, the above quotation further demonstrates the importance of securing concurrence, or rather approval, from other spheres of government concerning municipal appointments as these spheres of government are constitutionally charged with the responsibility of monitoring and supporting the local sphere of government in terms of sections 154 (1) and 156 (6) of the Constitution (1996).

Undeniably, the decision to decline the councils' appointment decisions in affected municipalities was in accord with the provisions of the Local Government: Municipal Systems Act (1998), Chapter 10 of the Act in particular. This chapter is about provincial and national monitoring and standard setting by the Minister or the MEC for local

government in municipalities. For instance, section 56 (4) (a) (b) of the above Act provides that the municipal council must, within 14 days of the date of appointment, inform the MEC for local government of the appointment process and the outcome. The MEC for the local government at the provincial level must, in turn, within 14 days of receipt of the information, submit a copy thereof to the Minister at the national level.

The Act empowers the MEC for local government at the provincial level to act if the provisions of the Act are contravened by the municipal councils or the municipalities. For example, section 56 (5) of the MSA (ibid) states that 'if a person is appointed in contravention of this Act, the MEC for local government must, within 14 days of becoming aware of such appointment, take appropriate steps to enforce compliance by the municipality with the Act'. According to the Act, such steps may include an application to a court of law for a declaratory order on the validity of the appointment in question or any other legal action against the municipality.

In a nutshell, in analysing the percentage of the entire municipal workforce of the selected municipalities in terms of professional qualifications, the study revealed that not all municipal officials have the professional qualifications to assist them in the assumption and discharge of their required duties. Although no legislation exists in South Africa that prescribes educational qualifications for councillors as political office bearers compared with officials, the inference may be made with regard to the municipal councillors of the five sampled municipalities that many of them might have had very limited educational background below university education, apart from the councillors who were either full-time, or former, school principals or educators.

The only qualification criteria needed to become a municipal councillor in terms of section 158 (1) of the Constitution (1996, p.88) is South African citizenship and the eligibility to vote. In other words, there is no prescribed competency level and or qualification required for the political principals in all three spheres of government including local government. Yet councillors are expected to have the competence to make and administer municipal by-laws and conduct oversight over the municipal administration by reviewing and appraising the overall performance of the municipality and recommend performance improvements where necessary. In effect, as political



principals of municipal agents, councillors review the bureaucratic performance of the municipality in terms of Chapter 6 of the Local Government: Municipal Systems Act of 2000.

The findings on human resource management component in relations to recruitment responsibility have been presented above. The next section sheds light on the findings in an attempt to strengthen and sustain the institutional capacity of the municipalities.

### **6.2.2. Skills development and education**

Constitutionally, municipalities are obliged to provide resources and opportunities to their workers for personal professional development and growth in accordance with the provisions of the Local Government: MFMA (2003). Section 83 (2) of the Act, for instance, provides that a municipality must provide resources or opportunities for the training of officials to meet the prescribed competency levels. Furthermore, section 67 (1) of the Municipal Systems Act (1998) states that a municipality, in accordance with the Employment Equity Act of 1998, must develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration, including the recruitment, selection, appointment, monitoring, measuring and evaluating of the performance of municipal officials, their promotion and demotion, amongst other things.

The provision of resources for capacity building and training purposes in municipalities is, however, not limited to officials but it also extends to the municipal councillors as well. That said, section 68 (1) of the Municipal Systems Act (1998) stipulates that municipalities must develop their human resource capacity to a level that enhances the performance of their functions and exercise of powers in an economical, efficient, effective and accountable manner. To fulfil this requirement, they are expected to comply with the provisions of the Skills Development Act (Act No. 81 of 1998) and the Skills Development Levies Act (No. 28 of 1999). For example, municipalities, in accordance with the Skills Development Act (1998) and the Skills Development Levies Act (Act No. 28 of 1999), are from 1 April 2002 obliged to allocate at least two percent of their human resource budget for the training and skills development of staff.

While section 30 (a)(ii) of the Skills Development Act (1998) states that each employer must budget for at least one percent of its payroll, effective from 1 April 2001, for the training and education of its employees, section 3(c) of the Skills Development Levies Act (1999), as amended, went further by stating that the levies collected from a municipality by virtue of a notice in terms of subsection (2) and budgetary allocations for training purposes to that municipality, must, from 1 April 2002, not be less than one percent of the amount levied. The provision of training and skills development opportunities to individual municipal workers aims to improve individual productivity and, then, overall organisational performance and efficiency. The Skills Development Levies Act (ibid) empowers municipalities which do not have funds to provide for staff skills development or training to apply for such funds from Sector Education and Training Authority (SETA) for local government established in terms of the Skills Development Act of 1998.

Earlier on in the study, it was mentioned that the human resource development departments in the five sampled municipalities are responsible for performance management, the training and development of municipal officials and the councillors as well as the design and implementation of an organisational structure. The human resource development component of a municipality is, therefore, critical as it has a direct bearing on building, developing and maintaining sound institutional capabilities, systems, processes and procedures.

To assess whether the selected case studies commit funds for the personal development, through capacity building and training programmes, of staff and councillors, a performance indicator was developed to measure this aspect of human resource development. Specifically, the performance indicator relates to the total amount budgeted for human resource development annually against the total municipal operating budget. As a result, the study has revealed that all five selected municipalities give priority to issues of human resource development through capacity building and the training of their municipal officials and political principals.

Apart from implementing other skills development and training programmes (e.g. internships, learnerships and bursary schemes), these municipalities annually allocate huge amounts of money to capacitate and train political principals and municipal agents.

In other words, these municipalities ensure that municipal agents and political principals realise their personal and organisational goals as far as career advancement is concern.

Human resource development budget allocation, however, differs from one municipality to another. In the 2013/14 financial year alone, for example, the Greater Tubatse Local Municipality spent a total amount of R238 929.00 against a human resource development budget of R250 000.00, which was equivalent to 95 percent for the capacity building and training of its political principals.

An analysis of various municipal reports (i.e. municipal IDPs and annual reports) in the Greater Tzaneen Local Municipality in contrast to this indicates that the human resource development budget decreased from R867 355.00 in the 2007/08 financial year to R108 472.00 in 2011/12 fiscal year but it later increased to R684 755.00 in the 2013/14 financial year (GTLM, 2012; 2014b). Although specific reasons are not highlighted in any of municipal reports for this budget cut between 2007 and 2012, this might be attributed, by extension, to cost containment measures or austerity measures introduced by national government as a result of placing Limpopo Province under administration, specifically the five provincial executive departments (i.e. Provincial Treasury, Health, Education, Roads and Transport, and Public Works) in 2011, in terms of section 100 (1) (b) of the Constitution (1996).<sup>32</sup> It might also be attributed to the impact of the global economic downturn that also affected South Africa.

This study contends that the placement of the Limpopo provincial government under administration with the introduction of austerity measures affected the operations or the functioning of the local sphere of government as well. It is worth mentioning that the discussion on the administration of Limpopo Province is beyond the scope of this study, but for a detailed discussion of this administration (see Mamogale, 2015).

Notwithstanding the above argument, the Greater Tzaneen Local Municipality spent R645 188.00, which constitutes 94 percent of the total allocation in the 2013/14 financial

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<sup>32</sup> For a detailed discussion on the reasons for putting Limpopo Province under administration in terms of the Constitution, see Mamogale (2015).

year to train 82 municipal officials including the councillors (GTLM Annual Report, 2014). Similarly, the Fetakgomo Local Municipality spent an amount of R897 627.00 on the training of nine councillors and approximately 35 officials in the 2013/14 financial year alone (FLM Annual Report, 2014, p.117). Councillors in most cases were trained on the councillor development programme, executive leadership and good governance, IT skills, etc. Nevertheless, the expenditure patterns on human resource development amongst the five sampled case studies demonstrate huge variations in terms of allocation and spending pattern capabilities.

At the district level, the human resource development budget in the WDM, for instance, increased from R250 000.00 in the 2011/12 financial year to R860 000.00 in the 2013/14 financial year, and the expenditure trend on the capacity building and training of municipal agents and political principals also increased from R225 053.00 in the 2011/12 financial year to R582 661.00 in the 2013/14 financial year. This expenditure represented a 39 percentage increase between 2011 and 2014 (WDM Annual Report, 2012; 2014). The expenditure trends within the WDM, however, in contrast demonstrate a drop from 90 percent of the money spent on human resource development in the 2011/12 financial year to 67.7 percent in the latter financial year.

Similarly in the CDM, the human resource development budget also increased from R2 235 377 million in the 2009/10 financial year to R2, 856 513 million in the 2013/14 financial year (CDM Annual Report, 2010; 2014). The expenditure patterns were, however, very low compared to the total allocations. For example, the money spent on the human resource development of municipal officials and councillors increased from R318 657.00 in the 2009/10 financial year to R656 016.16 in the 2013/14 financial year (CDM Annual Report, 2014, p. 287). When comparing the expenditure against the allocation, however, the study revealed that the district municipality spent considerably less as its expenditure increased from 14 percent in the 2009/10 financial year to 23 percent in the 2013/14 financial year. Of course, this is a clear sign of incapacity to spend the allocated funds adequately.

To sum up, municipalities allocate funding for the training of their agents and political principals as required legally. The annual allocations and spending patterns on human

resource development, however, differ from one municipality to another. Poor audit outcomes, the high utilisation of consultants in municipalities, service delivery breakdown and weak political oversight, among other things, are an indication of an environment where appointed agents and political principals responsible for oversight do not have the required competencies and/or qualifications. In the subsequent paragraphs, the study will present the performance monitoring and evaluation tools being implemented by municipalities to measure their bureaucratic performance.

### **6.2.3. Organisational size**

From a human resource management perspective, the five selected municipalities differ in terms of organisational size and annual budgets. The question of whether the relationship between organisational size and bureaucratic performance exists is answered in the next chapter. Internally, of the three local municipalities, Fetakgomo Local Municipality had the smallest organisational size in terms of staff complement and budget. The municipality had a total of 78 municipal workers against an approved organisational structure of 86 people and an annual budget of R110 million in the 2013/14 financial year (FLM Annual Report, 2014). As stated in the previous chapter, the number of municipal workers increased from 40 officials in the 2007/08 financial year to 78 workers during the 2013/14 financial year.

The Greater Tubatse and the Greater Tzaneen Local Municipalities, in contrast, had the largest staff complements. For example, the Greater Tubatse Municipality had employed a total of 248 people in the 2013/14 financial year as opposed to 222 people in the 2007/08 financial year, and a total approved annual budget of R338.5 million in the 2013/14, while the Greater Tzaneen Local Municipality employed about 690 municipal agents and had a total municipal budget of R994.7 million in the 2013/14 financial year. Similarly, the employment figures in the Greater Tzaneen Municipality increased from 577 people in the 2007/08 fiscal year to 690 people in the 2013/14 fiscal year. It is clear that the Greater Tzaneen Municipality had the most municipal agents and a larger annual budget than the other two local municipalities (i.e. Fetakgomo and the Grater Tubatse) combined in the 2013/14 financial year.

At the district level, the Waterberg District Municipality had the smallest organisational size and annual budget. For example, the municipality had 129 people employed against an approved organisational structure of 136 people and had an approved annual budget of R111.4 million in the 2013/14 financial year. The Capricorn District Municipality, in comparison, employed 527 people against an approved organisational structure of 636 positions and had an annual budget of R808 million in the same period.

In Chapter Two of the study, it is indicated that the total amount of money transferred from national government to a municipality as an equitable share is determined by the size of a municipality in terms of the number of poor households. In other words, the amount of equitable share a municipality receives depends primarily on the number of low-income people in a municipality. In effect, the Capricorn District Municipality has the largest population with 1,3 million people in 2016, compared to the Waterberg District Municipality with an estimated population of 745 758 people in the same period. Increased population growth means an increased demand for service delivery by communities, especially new community settlements or extensions.

It can be deduced from table 6 below that the bureaucratic performance of the five selected case studies differs significantly in terms of annual audit outcomes. Two local investigated municipalities had never received a positive audit outcome during the seven year period covered by this study, as is demonstrated in Table 6.

Table 6 illustrates that the Waterberg District Municipality only has consistently achieved a positive audit outcome (i.e. unqualified and or clean audit), except in the 2012/13 financial year, when compared with the Capricorn District Municipality. The regression to negative audit outcome (i.e. qualified audit opinion) in the WDM during the 2012/13 financial year was attributed mainly to non-compliance with supply chain management prescripts (WDM Annual Report, 2014). This was confirmed by the interviews during the fieldwork in the municipality. Given its managerial quality, as demonstrated by at least 86 percent of managers with professional qualifications and a zero vacancy rate at management level (refer to Table 3), this study contends that this municipality has the potential to revert to a clean audit status in the foreseeable future.

**Table 6: Sampled Case Studies Audit Outcome Trends, 2007-2014**

Municipality	Financial Year						
	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Capricorn	Disclaimer	Disclaimer	Disclaimer	Qualified	Qualified	Qualified	Unqualified
Fetakgomo	Unqualified	Unqualified	Clean audit	Clean audit	Qualified	Qualified	Disclaimer
Tubatse	<i>Unknown</i> <sup>33</sup>	Disclaimer	Qualified	Qualified	Qualified	Adverse	Disclaimer
Tzaneen	Qualified	Qualified	Qualified	Qualified	Disclaimer	Qualified	Qualified
Waterberg	Unqualified	Unqualified	Unqualified	Clean audit	Clean audit	Qualified	Unqualified

*Source:* Various audit reports of the Auditor-General.

One of the officials from the municipality indicated that “issues of audit queries always remain permanent agenda items during the chief financial officers’ and municipal managers’ forum meetings” (Personal Interview, 2016, May 25<sup>th</sup>). The Auditor-General’s Report (2014, p.36) confirmed that positive audit outcomes (i.e. a clean audit and unqualified audit report) are more prevalent in municipalities, such as the WDM, where key officials (e.g. municipal manager, chief financial officer, etc.) have been in their positions for longer periods of time than those where this is not the case, and this is a sign of institutional stability. This argument implies that the time a person spends in one position has an impact on his or her performance as it leads to an accumulation of a wealth of knowledge and experience to deal with daily complex issues.

As can be deduced from table 6 above, the audit performance of the Capricorn District Municipality improved only during the 2013/14 financial year with the municipality receiving an unqualified audit outcome for the first time in its history since 2000. It is clear that it took the district municipality almost thirteen years to achieve a positive audit outcome (i.e. unqualified audit opinion) despite huge resource investment in terms of funding, capacity building and training interventions from national and provincial governments. This achievement in the 2013/14 financial year is amazing, however, in the

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<sup>33</sup> The audit outcome for Fetakgomo in the 2007/08 financial year is not known owing either to no submission or late submission of the annual financial statements to the Auditor-General for audit.

sense that there was a huge administrative leadership vacuum with both the key positions of a municipal manager and chief financial officer being vacant. This achievement, therefore, suggests that the newly-appointed officials in an acting capacity were more competent and more professionally qualified than the previous incumbents. In fact, the researcher observed that the person who was appointed in an acting capacity as the municipal manager had law qualifications as an advocate.

With regard to the three local municipalities, table 6 furthermore indicates that the audit performance of the Fetakgomo Local Municipality regressed from positive audit outcomes (e.g. unqualified or clean audit) between 2007 and 2011 to negative audit outcomes (qualified or disclaimer audit opinion) from the 2011/12 financial year until the 2013/14 financial year. Similarly, the regression to negative audit outcome (i.e. qualification to disclaimer) in the municipality was attributed to the following:

- a) Inability to deal with the requirements of generally recognised accounting practice (GRAP), which provides the rules by which organisations are required to maintain their financial accounts;
- b) The use of consultants to resolve outstanding prior financial year audit findings without municipal senior management (e.g. municipal manager and the chief financial officer) adequately reviewing the work performed by consultants; and
- c) Poor succession planning and loss of skills in the finance division (Auditor-General, 2014, p.26).

A respondent, however, attributed the regression on audit performance in the Fetakgomo Municipality to the dismissal of the former municipal manager in 2012 and later the resignation of the chief financial officer in 2013 (Personal Interview, 2016, Feb 27<sup>th</sup>). The dismissal of the accounting officer and the subsequent resignation of the chief financial officer a few months afterwards was a sign of governance problems or institutional instability that affected not only this municipality but the entire Limpopo Province both at the provincial and local government levels. The regression of audit performance from a clean audit, which means an unqualified audit outcome without any findings, to an unqualified audit with findings suggests the difficulty in sustaining a clean audit status within Limpopo local government.



More than this, table 6 above further indicates that the Greater Tubatse and the Greater Tzaneen Local Municipalities, and also the Capricorn District Municipality, consistently received negative audit outcomes (i.e. disclaimer or qualification) during the undertaking of this study with the exception of the CDM only in the 2013/14 financial year as already mentioned above. The inability to receive positive audit outcomes in these case studies, and also in the case of other municipalities in Limpopo Province, relates mainly to non-compliance with supply chain management policies and legislation and inadequate asset registers of municipalities (Auditor-General Report, 2013; 2014).

Another finding of the study is that the Greater Tubatse and the Greater Tzaneen Local Municipalities on average had the highest vacancy rate of 43.5 percent and 51 percent respectively in the 2013/14 financial year as compared with the Fetakgomo Local Municipality. For instance, the Greater Tzaneen and the Greater Tubatse Local Municipalities had a total of 725 and 155 positions respectively being vacant in the 2013/14 fiscal year. At the district level, the Capricorn District Municipality had a vacancy rate of 17 percent in the 2013/14 financial year as compared with five percent in the Waterberg District Municipality in the same period.

Although, the vacancy rate among local municipalities and district municipalities is not capable of being compared, the Fetakgomo Local Municipality and the Waterberg District Municipality had a small vacancy rate of nine percent and five percent respectively in the 2013/14 financial year. It becomes clear that their vacancy rate was at the nationally acceptable norm of 10 percent or less in terms of the DPSA average standard. The question then becomes whether high vacancy rates have a negative impact on the bureaucratic performance of municipalities. Although this question will be answered in detail in the next chapter, this study argues that, while high vacancy rates are partly indicative of capacity deficit at the institutional level in municipalities, they are also a reflection of poor human resource planning, particularly during the strategic planning and budgeting processes.

#### **6.2.4. Performance Monitoring and Evaluation Tools**

As mentioned in Chapter One, the performance monitoring and evaluation systems put in place to assess municipal bureaucratic performance are developed as indicators in this study. This section discusses the systems developed and implemented in the sampled municipalities to review and appraise their performance and that of the officials.

##### **6.2.4.1. Performance management system**

The study found that a performance management system is implemented in all of the five selected case studies. In local government, performance management is regulated through the Local Government: Municipal Systems Act of 2000 and Municipal Performance Regulations of 2006 and deals specifically with municipal managers and other managers directly accountable to municipal managers.<sup>34</sup> It must be noted that there is no specific local government legislation that regulates the performance of municipal councillors regarding their constitutional powers of oversight, among other things. This is simply because, as political principals, councillors make and pass municipal policies or bi-laws to be implemented by the municipal officials and they also monitor and oversee their implementation. In other words, they oversee and assess the performance of the municipal officials concerning policy priorities and objectives as well as targets of a municipality as set out in the municipal IDPs and SDBIPs.

To that effect, the Municipal Systems Act (*ibid*), specifically section 57 (1) of the Act, and municipal performance regulations require councils to enter into an employment contract and performance agreement with clear objectives, indicators and targets to be achieved by senior municipal officials. There should, however, be an alignment among all strategic planning documents (i.e. IDP, SDBIP, and PAs). The IDP is the five-year strategic plan of a municipality, whilst the SDBIP is a strategic planning document that implements the strategic plan on an annual basis. In other words, the SDBIP is the annual performance plan of a municipality with clear performance indicators and annual deliverables or targets, but these annual targets are broken down into quarterly targets that ought to be achieved. Through the SDBIP, therefore, the municipal council is able to trace and review,

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<sup>34</sup> See, Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006.

as well as appraise, the performance of the municipality on a quarterly basis in a given financial year.

The Local Government: Municipal Systems Act (2000) provides the legal framework for the municipal performance management system and places it squarely within the IDPs and SDBIPs. For instance, section 38 of the Act provides that, 'a municipality must promote a culture of performance management amongst its local politicians and within the administration'. Furthermore, section 41 (c) (iii) of the Act states that, 'a municipality must measure and review its performance at least once per year'. Undoubtedly, the performance management system has been long identified as a tool for implementing the developmental vision of the local government.

The performance management system is used to measure, firstly, individual performance and, then, the overall organisational performance. In other words, it is the link between individual performance and institutional performance and productivity. The system links the institutional performance through the municipal IDP and SDBIP and the budget of a municipality to the performance of an individual employee. This study posits that the performance management system serves as an early warning mechanism to identify and correct underperformance or poor bureaucratic performance of a municipality or of individual municipal workers.

The performance management system is, therefore, important for effective and efficient service delivery in local government. In the five selected case studies, individual performance agreements, especially of municipal managers and chief financial officers, amongst others, were found to be clearly linked to the municipal IDPs and SDBIPs with clear performance milestones to be achieved annually. It then becomes very clear that national and provincial policy priorities are cascaded down into municipal IDPs or simply into municipal planning documents. The performance management systems in all five sampled municipalities were observed to be robust but with some shortcomings. They are robust in the sense that the municipalities had established independent performance assessment committees that included external members to review and appraise the individual performances of municipal agents.

These committees are responsible for assessing the performance of individual senior municipal managers and to enforce a culture of a performance management system. For instance, in all five sampled municipalities, the performance assessment committee for senior managers is made up of the two municipal managers with one from another municipality, the chairperson of the Audit Committee, and a councillor, such as the chairperson of the relevant council oversight committee, or a member of the mayoral committee.

It could be argued that the involvement of external people as members of the internally established performance assessment committee in all selected cases ensures transparency, fairness and objectivity in the performance appraisal system. Even more so, fairness and objectivity in reviewing and appraising individual performance is enhanced by the fact that all senior municipal officials (i.e. municipal managers, chief financial officers and other managers) are assessed on the same performance standards or key performance areas, except in the Greater Tubatse Municipality where, for example, the municipal manager in the 2013/14 financial year was not appraised on basic service delivery as a standard. The key performance areas in local government are the following:

- a) Institutional development and transformation;
- b) Basic service delivery;
- c) Local economic development;
- d) Financial viability and management; and
- e) Good governance and community participation (MSA Municipal Performance Regulations, 2006).<sup>35</sup>

It suffices to state that using an independent performance assessment committee and the same criteria or performance indicators to review and appraise the performance of all managers ensures an effective performance management system that can provide a defence in the case of a legal dispute related to an employee's performance.

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<sup>35</sup> See, Municipal Systems Act's Municipal Regulations for municipal managers and managers directly accountable to municipal manager, 2006.

As mentioned earlier, the study did, however, identify some shortcomings with regard to the application of the performance management system amongst the five selected municipalities. Not all municipalities appraise and score all senior managers on all the key performance areas, as outlined above, for the local government. The same holds for the appraisal and scoring on the core competency requirements for senior municipal officials.

Furthermore, in all five sampled municipalities, except the Capricorn District Municipality, the performance management system had, by the end of the 2013/14 financial year, not yet cascaded down to other lower levels in the municipality. In other words, the system is used only to assess and appraise the performance of individual senior municipal officials who had entered into employment contracts and performance agreements with their political principals. As an exception, the performance management system in the Capricorn District Municipality is applied across all hierarchies or levels of the municipality.

It then becomes clear that only senior municipal officials in the other four municipalities qualify for performance incentives since performance incentives cannot be paid to individuals who have not entered into and signed any performance agreements with their supervisors. In other words, performance incentives cannot be paid to officials whose performance is not measured. There is an element of exclusion when it comes to performance incentives especially for junior municipal officials at the operational level.

That said, a respondent in the Greater Tubatse noted that this has pitted the municipal administration against the employees' labour unions (e.g. South African Municipal Workers Union (SAMWU) and National Health Education and Allied Workers Union (NEHAWU)). The respondent said:

*We have raised several important issues including performance management with the management in the past but management seems not heeding our call (Personal Interview, 2016 Jan 3<sup>rd</sup>).*

The inability to cascade down the application of the performance management system to all members of the municipal workforce irrespective of levels implies that municipalities do not necessarily value the importance or contributions of junior officials in relation to the overall organisational performance of a municipality. In addition, the lack of the signing of performance agreements by junior officials also defeats the whole purpose of the performance management system, which is about employee decision making and employee development through the review and appraisal of every individual worker's performance in an organisation. For example, when the system is used for decision making, the performance appraisal information serves as the basis for a pay increase or progression, promotions or employee transfer. When the system is used for employee development, the performance appraisal information is used to guide the official's training needs, mentoring and other development activities.

Furthermore, in analysing the individual performance agreements of chief financial officers, the study revealed that the chief financial officer in the Greater Tubatse Local Municipality was not appraised on '*accountability and ethical conduct*' and '*problem solving skills*' as some of the key competence level requirements in terms of municipal regulations on municipal minimum competency levels. The same holds for the municipal manager in this municipality who was not appraised on '*project management*' and '*problem solving skills*' as key management competencies. One expects the municipal council in this municipality to appraise the performance of the municipal manager on these critical core management criteria, and the municipal manager, in turn, should do the same to the managers reporting directly to him or her.

In the Waterberg District Municipality, for example, the chief financial officer is appraised only on three key performance result areas. These are service delivery, financial viability and sustainability and good governance and public participation. This, however, is not the case in the Capricorn District Municipality where the chief financial officer is appraised and scored on all five key performance result areas and all core competency requirements for senior municipal managers.

In the three local municipalities, the same inequalities were observed. For example, the chief financial officer of the Greater Tzaneen Local Municipality was appraised in all the

key performance areas for senior municipal officials and core competency requirements, while this is not the case with the performance appraisal of the chief financial officer in the Greater Tubatse Local Municipality. In effect, the chief financial officer's performance is appraised on only three key performance measures, which are institutional development and transformation, financial viability and management as well as good governance and public participation. This clearly indicates that performance appraisal on the other key result areas, such basic service delivery and local economic development, are not considered to be important and relevant for the chief financial officer.

In addition to this, the designs of performance agreement forms differ greatly amongst the five selected case studies. This suggests simply that the design of the performance management system is left to individual municipalities to decide rather than being designed and coordinated by the ministry responsible for local government either at the national or provincial level. It is important to ensure performance agreement standardisation and uniformity in the system of local government.

In the absence of uniformity or standardisation of the performance appraisal system, the study, therefore, suggests that the responsible ministry at the national level should introduce uniform standards on the format and the weighting score to be applied to each key performance area in appraising the performance of each municipal manager and chief financial officer. In a nutshell, although the performance management system is effective in all sampled case studies, there are inconsistencies in its use and application within Limpopo local government.

#### **6.2.4.2. Citizen engagement and involvement**

Citizen engagement and involvement in municipal executive and legislative affairs is another instrument to assess the bureaucratic performance of municipalities. The study found that all five municipalities measure their bureaucratic performance through an embedded culture of citizen engagement and involvement in municipal legislative affairs. Citizen or public participation in the legislative affairs of a municipality is a legal requirement in terms of section 152 (1) (e) of the Constitution (1996) and also section 42 of the Local Government: Municipal Systems Act (2000), which encourages community participation in the legislative and executive affairs of municipalities. Section

42 of the MSA (ibid) specifically provides that the formulation and review of municipal IDPs must involve communities at the local level.

Furthermore, the National Treasury Framework (2010) on strategic plans (municipal IDPs) and annual performance plans (SDBIPs) in the local government context and the National Treasury Framework (2007) on managing programme performance information further require government institutions (e.g. municipalities, municipal entities, and national and provincial departments and their entities) to align their planning and reporting documents with other long-term, medium-term and or short-term plans of national and provincial governments such as the National Development Plan, Limpopo Development Plan, Medium Terms Strategic Framework, etc. During the development of these government policies or strategies, citizens must be consulted through various platforms.

The National Treasury frameworks require the link and alignment among municipal planning and budgeting, monitoring and evaluation as well as reporting in the institutional annual reports. One's practical experience in government demonstrates that the alignment or compliance with the Treasury frameworks and other relevant local government laws and regulations is annually audited and an audit opinion is expressed against the municipality by the Office of the Auditor-General or any delegated audit authority. The audit outcome can be either positive or negative depending, among other things, on the level of compliance with the relevant laws and regulations, as demonstrated in table 6.

Concerning citizen engagement and involvement, in effect all municipalities investigated effectively implement various community participation structures (e.g. ward committees) and programmes such as mayoral outreach programmes, '*imbizo*' (community gatherings) and complaint or suggestion boxes to give effect to this statutory requirement. All municipalities use these systems to consult with and provide feedback to communities on service delivery issues. The study revealed, however, that the Greater Tzaneen Local Municipality went a step further to communicate and engage the citizens on social media platforms by creating a municipal '*Facebook*' page on issues of service



delivery. The question now becomes whether these systems are effective in measuring the overall performance of a municipality. This question is answered in the next chapter.

Nevertheless, the study has found that none of the five selected municipalities ever conducts citizen satisfaction surveys to gauge the level of satisfaction for not only the citizens but also the internal staff members on municipal service delivery performance. Conducting a citizen satisfaction survey is critical for municipalities to dissipate the negative perception with regard to the local government and to increase public confidence and trust in local government. The results from citizen surveys can be used to provide municipal political principals and managers with tangible and accurate data that can be used to make better decisions. The literature shows that a better understanding of community needs which municipalities achieves through the IDP process is a key to improving local government performance.

#### **6.2.4.3. Council oversight committee system**

Section 51 (a) of the Local Government: Municipal Systems Act (2000) empowers municipal councils to develop a system of delegation that maximises the administrative and operational efficiency of a municipality and provides for adequate checks and balances. The parliamentary or council oversight committee system is one such delegated system at the political governance level in local government to maximise the operational efficiency of municipalities by monitoring and assessing the overall performance of the municipality. All of the five sampled municipalities had established a functional council oversight committee system but with different qualities and capacity.

Council oversight committees of the municipalities are established in terms of section 79 of the Local Government: Municipal Structures Act (1998). For instance, section 79 of the Act provides that, 'a municipal council may establish one or more committees necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers'. There is no doubt that the oversight committee system in South Africa, with specific reference to Limpopo Province, has drawn much guidance from the Westminster tradition of the parliamentary system of governance. This is discussed in detail in the next chapter.

That said, between 2011 and 2013 the council oversight committee system in the three local municipalities (e.g. Fetakgomo, the Greater Tubatse and the Greater Tzaneen) was observed by the study to be ineffective. The parliamentary oversight committee system was inefficient in the sense that, during this period, the municipalities were characterised by institutional instability both at political and administrative levels. The placement of the Limpopo Province under administration, as already mentioned, in terms of section 100 (1) (b) of the Constitution (1996), which is beyond the scope of this study, during the 2011/12 financial year and internal political instability, particularly of the governing ANC, thereafter, as was evident in the removal of Cassel Mathale as the provincial Premier, negatively affected the operations of municipalities as well as those in the province.

It is further evident in the general regression in audit performance of Limpopo local government as many municipalities achieved a negative audit outcome (i.e. qualified, disclaimer or adverse) with few exceptions in the 2011/12 financial year (Auditor-General, 2012, p.9). General regression in municipal audit performance means that the total percentage of municipalities in Limpopo Province with positive audit outcomes (unqualified opinions) dramatically declined during this period. In effect, the Auditor-General (2013, p.8) further confirmed that the 2012/13 audit results in Limpopo local government reflected a regression for the third year in a row with no municipality in the province obtaining a positive audit outcome (i.e. clean audit or unqualified audit with findings).

In addition to the audit performance regression, in the three local municipalities institutional instability affected both political and administrative operations and efficiency. Politically, in the Greater Tubatse Municipality, for instance, institutional instability led to change in political leadership where the municipal mayor was removed and replaced with a new mayor in 2013. Institutional instability, *inter alia*, caused the Greater Tubatse Municipality to be classified by GOGHSTA as being 'dysfunctional' between 2012 and 2014. In addition, the same institutional instability holds for the Greater Tzaneen and Fetakgomo Local Municipalities. Similarly, the entire mayoral executive committee, including the Speaker of the Greater Tzaneen Local Municipality, was changed apart from the mayor during the 2012/13 financial year.

At the administrative level, institutional instability in the three local municipalities led to the suspension and, eventually, the dismissal of senior municipal agents such as the municipal managers, the chief financial officers and other senior municipal officials directly accountable to the municipal manager. This occurred with all the municipal managers of the three local municipalities (the council minutes on the intention to suspend the municipal manager from the Greater Tubatse Municipality are attached as an example –see *Annexure F*). Concerning the chief financial officers, it must be noted that the chief financial officer of Fetakgomo Local Municipality, who was employed and assisted the municipality for two consecutive financial years to obtain a clean audit report, resigned in 2013 rather than being dismissed. Some respondents, however, maintained that often the chief financial officers are not dismissed for incompetence but rather for not adhering to political directives to circumvent supply-chain management processes. Practical observation elsewhere within the Limpopo Province by the researcher demonstrates that the chief financial officers are either removed or shifted to other positions within the institution or suspended and eventually dismissed from the institution. A councillor put this argument into proper perspective as follows:

*If you do not toe the line, the politicians particularly from the ruling party will purge and eventually remove you from your position (Personal Interview, 2016, Jan 17).*

As the PSC Report (2012b) notes, institutional instability in government institutions has several implications for the functioning and operation of organisations and, in this case, municipalities and their municipal councils or council oversight committees. Politically, it means that municipal council oversight committees might not be sitting as expected, which then weakens the oversight role of the council. If ever they met as scheduled, they hardly ever formed the required quorums to proceed with the business of the sitting committee.

In 2013 a chairperson of one of the parliamentary oversight committees (e.g. Portfolio Committee on Public Administration) in Limpopo Province mentioned that committee meetings were conducted ‘casually’, meaning that committee members would come only to sign attendance registers and then leave before the meetings were officially ended

(Personal Interview, 2013, cited in Mamogale, 2015). This remark was made after the chairperson of this parliamentary oversight committee was forced to postpone the scheduled meeting owing to non-attendance by seven of the ten committee members. Nevertheless, in extreme cases, non-members of the sitting oversight committee would sometimes even be called to come simply to fill in the attendance register to enable the sitting committee to achieve a quorum so that it could proceed with its business. Furthermore, the constant changing of oversight committee chairpersons, especially the MPACs, was cited by Makoko (2016, April 25) as another impediment to the effective functioning of the municipal councils.

To sum up, the council oversight committee system in Limpopo local government is one of the performance monitoring and evaluation systems put in place by the municipalities. This oversight committee system is established in accordance with the relevant legislation and it assists in assessing and appraising the overall performance of the municipalities. The council committees are assisted or supported by other independent oversight bodies, such as the established audit committees, performance audit committees, and the Office of the Auditor-General. In this study, it is strongly emphasised that municipal council oversight committees (e.g. Municipal Public Accounts Committee, Finance Portfolio Committee, etc.) are the political monitoring instruments to assess the overall institutional bureaucratic performance of a municipality. Through this oversight committee system, the councils oversee the development, implementation and reporting of the medium and short-term planning, budgeting, monitoring and evaluation of the municipality as well as the reporting phases.

Although all council committees are functional, the challenges with the optimal functionality of the council oversight committees, such as the MPACs, within Limpopo local government, according to the Makoko (2016 April 25), relate to the poor attendance by committee chairpersons and the continuous reshuffling of MPAC chairpersons, which adversely affects their operational efficiency and effectiveness. Makoko further indicated that the council oversight committees were still without the necessary resources and support from the municipal administrations.

The writer's practical experience in the legislative sector as the former legislative employee has shown him that political principals oversee or assess the bureaucratic performance of an institution through quarterly and annual performance reports. They further oversee municipal bureaucratic performance by undertaking physical site visits to service delivery points and community development projects such as the construction of infrastructure projects, like roads or bridges, public or community libraries and other public facilities such as schools, clinics, offices of traditional leaders, etc., which are being implemented by municipalities or other spheres of government. Council effectiveness and efficiency is determined by the number of resources and amount of support given by the municipal administrations.

### **6.3. Municipal Financial Viability and Sustainability**

Municipal financial viability is about the ability of a municipality, or any other organisation, to continue to achieve its operating objectives and fulfil its mission sustainably over the long term within the existing resource base. A municipality is viable when, given normal service conditions, it produces a sufficient inflow of resources at least to balance all operating costs, strategic outflows and forecasted risks to achieve its strategic objectives set out in the IDP and SDBIP and the minimum expectations of the local communities in the short to medium term. In assessing the financial viability and sustainability of the five sampled municipalities, the study evaluated the risks that may impede these municipalities in their delivery of goods and services, which municipalities are, through the Constitution (1996) and other local government legislation, contracted to deliver and be able to fulfil the guarantees provided for in the IDPs and SDBIPs in a sustainable manner.

In this study, the analysis of municipal financial viability and sustainability has been limited to quantitative financial data because the money side of an organisation's operations is relatively more easily measurable, and there are generally accepted accounting principles and standards that makes this possible (Hayes, 2013, p.1). The Auditor-General uses these universal accounting principles and standards to audit the annual financial statements of municipalities. It is recognised in this research study, however, that the 'money economy' (see Weber, n.d.; 1948; 1968a) in organisation is only one input resource. Of course, there are many other input resources such as institutional

capacity, human capital, solid legislative frameworks, etc., that drive organisational viability and sustainability.

In Chapter One of this study, two performance indicators to measure the bureaucratic performance of the sampled municipalities on financial management were highlighted. These performance indicators relate to the following:

The percentage of capital budget spent annually by a municipality on service delivery projects against total annual capital budget; and

The total amount of financial waste incurred by a municipality annually against total operating and capital budgets.

Financial viability and sustainability in local government can be achieved through the development and implementation of effective and efficient financial management control systems (e.g. revenue collection strategies, by-monthly expenditure reviews, etc.). Effective control systems should be able early on to detect and prevent risks such as insolvency, underspending and or over spending of the budget. Solvency is the starting point in determining the financial viability and sustainability of an organisation as it is about the organisation's ability to collect and pay its debts as and when they fall due. In terms of section 188 (1) (b) of the Constitution (1996), the functions of the Auditor-General include, among other things, the auditing and reporting on the accounts, financial statements and the financial management of all municipalities.

Through the financial statements, a municipality presents its state of financial affairs, its performance against its budget, its management of revenue, expenditure, assets and liabilities, financial position, etc., at the end of each financial year (MFMA, 2003). Section 62 (1) (d) of the MFMA (ibid) requires the municipal manager as the accounting officer to take reasonable steps to prevent financial waste (i.e. unauthorised, irregular or fruitless and wasteful expenditures) and any other losses. Section 171 (1) (c) of the Act further states that the municipal manager commits an act of financial misconduct if he or she deliberately or negligently permits any act of financial waste/misconduct to occur.

On financial management, the study has revealed serious doubts about the financial viability and sustainability of the selected five municipalities. To start with, all five selected municipalities are characterised by high levels of underspending and financial waste. These are highlighted in subsequent paragraphs. They are further grant dependent on the national government transfers with few or limited streams of own revenue generation but in varying degrees in the different municipalities. In other words, all sampled municipalities have limited opportunities to generate own income adequately through the payment of service tariffs from the local towns and township-based households and businesses.

Given the threatened financial viability of the municipalities, it was further revealed during the fieldwork that a political decision was taken to merge the Greater Tubatse and Fetakgomo Local Municipalities to achieve the economies of scale. The same holds for the two other local municipalities under the jurisdiction of the Waterberg District Municipality. A respondent in the Greater Tubatse mentioned that the transitional process of merging the two municipalities was anticipated to be formally concluded after the 2016 local government elections. This transitional arrangement process has several implications for the financial and human resources of affected municipalities. Makoko (2016, October 28) confirmed that a provincial transitional manager was appointed to facilitate and coordinate all transitional matters. There is no doubt that process entails, among other things, the distribution of municipal assets from transferring and receiving municipalities and the placement of staff in the new organisational structure upon the completion of the work study and job evaluations. The process further entails the transfer of municipal records and archives upon the completion of the audit process as well as the naming of the newly-merged municipalities. The entire transitional process was observed to be transparent. A respondent in the Fetakgomo municipality confirmed that 'officials are being engaged and informed about the amalgamation of the two municipalities to achieve economies of scale' (Personal Interview, 2016, Feb 27).

Since this transitional process also entails the relocation and integration of people, the study observed mixed reactions and anxiety amongst the municipal officials about the whole process of amalgamation. For example, the chief financial officer of the Fetakgomo Municipality was rather happy about the amalgamation process as the respondent said:

*At least now I would become a migrant worker like others. It is not nice to work in the areas where one grew up, especially your own village. However, the issue of who will then become the new chief financial officer of the amalgamated municipality is not yet clear* (Personal Interview, 2016, Feb 23).

Others informants highlighted their anxiety and frustrations brought about by the amalgamation process in that they were not sure how issues of seniority (e.g. municipal manager, chief financial officer, etc.) from two different institutions would be handled.

Similarly in the Waterberg, one respondent mentioned that other officials were not happy about the whole amalgamation process to achieve economies of scale (Personal Interview, 2016, May 25). As mentioned above, extensive consultations were still ongoing and were being coordinated by the Limpopo provincial government and SALGA when this study was concluded. The unanswered question was who would be chosen to become the municipal manager or chief financial officer of the new amalgamated municipality after the finalisation of the process. This means that the existing contracts of municipal managers should be managed in such a way that a new or receiving municipality does not incur costs.

Notwithstanding the excitement and the frustrations brought about by the transitional arrangements, the potential of all municipalities to generate sufficient own revenue is hamstrung by a culture of non-payment for municipal services consumed by citizens, except for the business community. For example, there was a general consensus during focus group discussions in all three local case studies (i.e. the Greater Tubatse, the Greater Tzaneen and Fetakgomo municipalities) that local businesses, based particularly in towns (e.g. Burgersfort, Steelpoort, Orighstad, Tzaneen, Haenertzburg, etc.), and the mines have no choice of not paying for municipal services.<sup>36</sup> The same applies to other investigated municipalities such as the Capricorn and Waterberg Districts and the

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<sup>36</sup> Focus group interviews were held on different dates with a few community members in the Greater Tubatse, Fetakgomo and the Greater Tzaneen Municipalities. In addition, the focus group discussions held with researchers and coordinators of parliamentary oversight committees of the Limpopo Provincial Legislature explored the independence and autonomy of the legislators *vis-à-vis* the executive.



Greater Tzaneen Local Municipality. One of the focus group participants in the Greater Tubatse area said this about water and electricity supply:

*The municipality can simply cut off these services, which the mines and business sector cannot operate without such as water or ask Eskom to cut off electricity (Focus Group Interviews, 2015, Oct 24).*

The same sentiment was shared by the members of the focus group discussions in the Greater Tzaneen Local Municipality about the local businesses located in Tzaneen town.<sup>37</sup> Further anecdotal evidence, backed by media reports, indicates that Eskom has cut off or threatened to cut off electricity to several defaulting municipalities throughout South Africa.

### **6.3.1. Grant dependency**

As discussed in Chapter Two of this study, municipalities receive annual budget transfers from national government in the form of equitable share and conditional grants. Municipalities are, however, expected to supplement these transfers by raising their own revenue through taxation and other service charges. In other words, municipalities are assigned various expenditure responsibilities with complementary taxation powers, supported by the grants (National Treasury, 2012b). Generating own revenues through service charges by municipalities is enabled by the delegated mandate through the Constitution (1996) and other local government legislation to provide basic municipal services such as water and sanitation, amongst others, to communities, while also playing a vital role in local economic development. There is no doubt that every municipality operates in unique socio-economic and demographic circumstances that determine its own revenue collection and expenditure capacity. The ability to generate adequate or sufficient own revenues, therefore, varies considerably from one municipality to another. Revenue generation capacity may be defined as the ability to generate projected income, whilst revenue effort, in contrast, suggests the efficiency and effectiveness by an institution in collecting projected income.

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<sup>37</sup> Focus group discussions in the Greater Tzaneen were held on 17 February 2016 in Tzaneen. One of my friends who is an Attorney offered his office space for these focus group interviews to be conducted and he formed part of the focus group.

It is important to note that socio-economic issues have an effect on a municipality's capacity to generate revenue. These factors include, but are not limited to, economic activities, population size, household income levels, and poverty and rates of joblessness. Empirical evidence suggests that these factors can diminish the ability of local residents to pay for municipal services consumed. Given the rural nature of local municipalities in Limpopo Province, therefore, it is understood that they are highly constrained with regards to raising sufficient own revenue from their available revenue generation sources. In addition, they do not do well in their revenue efforts to collect debts owed to them by various consumers, including other spheres of government. In effect, municipalities always collect much less revenue from all their revenue generation sources than they ought to. The same holds true for the five sampled municipalities but in varying degrees. For example, a deeply rural local municipality like Fetakgomo, with neither a township nor a town, collects virtually nothing when compared to the Greater Tubatse and the Greater Tzaneen Local Municipalities with several townships and towns (e.g. Burgersfort, Steelpoort, Praktiseer, Tzaneen, Haenertzburg, Nkowankowa, etc.).

The Department of Cooperative Governance and Traditional Affairs (2009, p.59) confirms that local municipalities with no formalised townships from which to collect revenue are 100 percent grant dependent. In effect, Makhurupetji (2015, Jul 22) confirmed that debt owed to Limpopo local government increased from R188 million in 2011 to approximately R403 million by the end of March 2015. Limpopo local government, in contrast, owed approximately R279.6 million to Eskom and another R391.3 million to various water boards in the latter year.

Notwithstanding outstanding debts, the Capricorn and Waterberg municipalities at the district level are better off in terms of revenue collection given their location and also the fact that they have towns and several townships. Empirical evidence suggests that revenue collection is better in areas where local residents have higher levels of disposable income and or where there is at least some economic activity taking place. This is, however, coupled with local residents' willingness to pay for municipal services consumed, since municipalities use their equitable share funding to improve their billing systems and collection efforts. Despite their different revenue capacity and revenue

efforts, this study has found that all five sampled municipalities are grant dependent. This finding is consistent with the National Treasury findings (2012b) that rural municipalities are highly reliant on intergovernmental transfers with grants accounting for over 70 percent of their total revenue in 2009/10 fiscal year. Apart from equitable share, they further receive various conditional grants. These grants include a municipal systems improvement grant (MSIG), a municipal infrastructure grant (MIG), and a financial management grant (FMG), among others.

Although a MIG seeks to strengthen the infrastructure delivery chain in a municipality, this study focuses on municipal systems improvement and financial management grants, and their municipal expenditure trends are highlighted, as illustrated by table 7. This is simply because the FMG and the MSIG are the grants that seek to build the internal capacity of municipalities and improve the municipal systems environment. In other words, these grants cannot be used for any purpose other than to build the internal systems and strengthen the quality of municipal agents through capacitation and training. For instance, the MSIG is specifically aimed at building the in-house capacity of municipalities to perform their functions and stabilise their institutional and governance systems as required by the Local Government: Municipal Systems Act (2000) and other related legislation. The FMG, on the other hand, is specifically meant to support reforms in the municipal financial management environment by building the capacity of finance and supply chain management personnel to implement the provisions of the MFMA (2003). That said, the capacity to spend the two allocated grants (i.e. MSIG and FMG) differed considerably amongst the five selected cases, as illustrated by table 7.

Table 7 illustrates the performance variations amongst the five selected case studies particularly on their capacity to spend the allocated conditional grants from the national government. Although all five cases equally received R500 000.00 of the FMG allocation in the 2007/08 financial year, the expenditure pattern was comparatively high but still below 70 percent in all municipalities, except in the Greater Tzaneen Local Municipality, which spent 100 percent of the allocated funds in the same period. For example, the Fetakgomo Municipality spent only 13 percent of the grant allocations in the 2007/08 financial year, while the Greater Tubatse Municipality spent 55 percent of the same grant in the same period.

**Table 7: Conditional Grant Expenditure Patterns, 2007-2014**

Municipality	Grant name	Allocation 2007/08 (R'000)	Spent (R'000 )	Allocation 2013/14 (R'000)	Spent (R'000)
Fetakgomo	Municipal Systems Improvement Grant	734	342	934	129
	Financial Management Grant	500	65	1,8	421
Tubatse	Municipal Systems Improvement Grant	1,484	247	934	0
	Financial Management Grant	500	274	1,6	45
Tzaneen	Municipal Systems Improvement Grant	0	0	9,340	531,0
	Financial Management Grant	500	500	1,6	183
Waterberg	Municipal Systems Improvement Grant	1 000 000	1,066	934	0
	Financial Management Grant	500	340	1,250	339 000
Capricorn	Municipal Systems Improvement Grant	1 000 000	970	1,250	1,250
	Financial Management Grant	500	299 944	890 000	890 000

*Source:* Calculations based on various National Treasury Reports

Despite the FMG funding increasing to over a million rand (R5m in total) in all five sampled municipalities, the expenditure patterns became worse in all the case studies. That is because none of the municipalities spent over 30 percent of the FMG in the 2013/14 financial year. For instance, the Greater Tubatse Municipality spent only three percent of the grant, while the Greater Tzaneen and Fetakgomo Municipalities spent only

11.4 percent and 23.3 percent respectively of the allocated funds in the 2013/14 fiscal year. As discussed previously, this low expenditure pattern in the 2013/14 financial year might be attributable to some institutional instability and weak political oversight between 2012 and 2014 in Limpopo Province. One cannot attribute this low level of grant expenditure in the latter financial year to incapacity to spend as the same municipalities were able to spend over 50 percent of the same grant in the 2007/08 financial year, except for the Fetakgomo Local Municipality, which spent only 13 percent of FMG fund in the 2013/14 financial year.

At the district level, the Waterberg and the Capricorn Municipalities spent 68 percent and 60 percent respectively of the allocated FMG funds in the 2007/08. This clearly indicates that the level of underspending of the FMG stood at 38 percent and 40 percent respectively in the two district municipalities in the 2007/08 financial year. The expenditure patterns on the same grant, however, declined dramatically in the 2013/14 financial year only in the Waterberg District when compared to the Capricorn District Municipality. For example, the WDM spent 27 percent of the funds in the same period, while the CDM spent 100 percent of the allocated grants.

Concerning the MSIG revenue and expenditure, table 7 above indicates poor spending patterns *vis-a-vis* the allocation in all periods. All municipalities, except the CDM, spent less than 15 percent of the systems improvement grant in the 2013/14 financial year. As can be seen from table 7, the Fetakgomo and the Greater Tzaneen Local Municipalities spent 14 percent and 5.6 percent respectively of the grant, while the Greater Tubatse Local Municipality spent nothing at all. The same can be said about the WDM, which spent zero percent of the grant during the 2013/14 financial year. It is, however, not clear why the WDM did not spend as it was not afflicted by institutional instability at either the political or administrative level unlike all other sampled case studies between 2012 and 2014. The CDM in contrast spent 100 percent of the MSIG in 2013/14 financial year.

Nevertheless, the low expenditure patterns in 2013/14 financial year might be generally attributable largely to uncertainty created by the prevailing political developments following the removal or recalling of the provincial Premier in the Limpopo Province, as was mentioned earlier on, and the disbanding of several regional or local political

structures of the governing ANC. As was said earlier on, this is evident in the increasing institutional instability at the local government level with the constant changing of council oversight committee chairpersons and the suspension of some municipal managers, the chief financial officers and other managers directly accountable to the municipal managers in Limpopo Province. Makhurupetji (2015) and Makoko (2016) confirmed that it has become difficult to find qualified people who want to take up the positions of chief financial officers within Limpopo local government. Apart from institutional instability, the placement of Limpopo Province under administration, in accordance with the Constitution, by national government further contributed considerably to general underspending within Limpopo local government. Further reasons for this considerable underspending of the conditional grants relate to internal municipal systems and processes, such as the late submission of required information and delayed procurement of services or the contravention of supply chain management processes and weak political oversight of the municipal administration by the municipal councils.

### **6.3.2. Under expenditure**

In addition to grant dependency, a further analysis of various Limpopo local government expenditure reports revealed that these five municipalities were characterised by huge under-spending of other municipal conditional grants, such as the municipal infrastructure grant (MIG). The MIG is designed to facilitate the eradication of basic service delivery backlogs and to cover the capital costs of infrastructure rollout to predominantly poor households. Evidence suggests that the calculation of MIG allocation uses a formula that takes into account the number of water and sanitation backlog in a municipality, the water and sanitation allocation amount and the number of backlogs. Nevertheless, a similar trend of high expenditure on the grant, though still representing under-spending, was observed for the 2007/08 financial year in all three sampled local municipalities, as compared to the 2013/14 financial year. The expenditure patterns, for instance, decreased from 100 percent in the 2007/08 financial year in the Fetakgomo, the Greater Tubatse and the Greater Tzaneen Local Municipalities to 16 percent in two local municipalities (i.e. Fetakgomo and the Greater Tzaneen) and 17 percent in the Greater Tubatse Municipality in the 2012/13 financial year.

The impressive expenditure patterns on the MIG during the 2007/08 financial year in the three local municipalities might be attributed to the implementation of national capacity building and training interventions (e.g. the 2004 Government Project Consolidate and the 2006 Siyenza Manje Programmes). The three local municipalities benefited from these 'hands-on' capacity building programmes as they were placed under them to receive technical assistance in many areas of service delivery.

At district level, the expenditure patterns were high in the CDM, which spent 97 percent of the MSIG in the 2007/08 fiscal year, while the WDM spent 100 percent of the same funds in the same period. Yet poor expenditure was recorded in the 2012/13 fiscal year. Poor expenditure patterns, particularly in the latter financial year, in the CDM might be attributable to the institutional instability, among other things, experienced by the three local municipalities as well. Research indicates that the Waterberg District Municipality did not receive an MIG allocation in the 2012/13 financial year.

This study contends that municipalities might be characterised by poor financial management even if there is no instability and continuity within the organisation as municipal managers and chief financial officers come and go. This is due to the nature of the short-term employment contract system generally in local government. All five sampled case studies were characterised by poor bureaucratic performance in relation to financial management. Poor financial performance is evident in the huge under-spending of the municipal budgets, high consumer debt, high levels of financial waste and a high rate of negative audit outcomes. As indicated somewhere in this study, financial waste refers to fruitless or wasteful expenditure, and irregular and unauthorised expenditures.

The level of under-spending and financial waste, however, differs greatly amongst the five municipalities. At the local level, the level of under spending, particularly on the municipal budget in the Greater Tzaneen Local Municipality increased from R39.9 million in the 2010/11 financial year to R44 million against combined budgets (operating and capital) of R994.7 million in the 2013/14 financial year (GTLM Annual Report, 2012; 2014b). The under-expenditure recorded by the Greater Tubatse Local Municipality was R3.5 million against a total municipal budget of R338.5 million in the 2013/14 financial

year (GTM Annual Report, 2014b). At the district level, the level of under spending in the Capricorn District Municipality of combined capital budgets and conditional grants also increased from R40.8 million in the 2009/10 financial year to approximately R277, 4 million in the 2013/14 financial year (CDM Annual Report, 2014, p.290).

Under spending of the municipal budgets works against the performance of a municipality. It means that service delivery is compromised while a huge amount of unspent money is returned to the National Treasury. The impression a municipality creates with unspent funds at the end of a financial year is that it does not necessarily need more funding. As a consequence, the future funding might be cut and eventually reallocated to other municipalities elsewhere where these funds are needed most and are adequately spent.

Concerning the level of financial waste in the sampled municipalities, the study found that the level of financial waste in the Greater Tubatse Municipality increased from R571 000.00 in the 2008/09 financial year to R23.9 million in the 2011/12 financial year and, subsequently, increased to R49.7 million in the 2013/14 financial year. An accumulated amount of unauthorised expenditure alone in this municipality reached a record high of R77.6 million by the end of the 2013/14 fiscal year (GTM Annual Report, 2014b). The same holds for the Greater Tzaneen Local Municipality where the level of financial waste increased from R36.7 million in the 2008/09 financial year to R181.7 million in the 2011/12 financial year, but decreased to R140. 5 million in the 2013/14 financial year. According to the municipal report (GTLM Annual Report, 2008), the Greater Tzaneen Local Municipality operated on a bank overdraft of R12 million in the 2007/08 financial year. This was, however, a reduction from R21 million of bank overdraft in the previous years. A bank overdraft means that a municipality had borrowed money from the banks, as it did not have its own reserves to operate its daily business activities.

Although the extent of financial waste in Waterberg District Municipality was kept comparatively very low, the level of irregular expenditure increased slightly from R17. 7 million in the 2008/09 financial year to R18. 5 million in the 2013/14 financial year. Similarly, the level of financial waste in the Capricorn District Municipality increased



from approximately R12.7 million in the 2008/09 financial year to R40.7 million in the 2010/11 financial year (CDM Annual Report, 2009; 2011). In the 2013/14 financial year, the level of financial waste made up of all financial misconduct expenditures skyrocketed to R125.9 million in the Capricorn District Municipality (CDM Annual Report, 2014). The total amount quoted above was made up of unauthorised expenditure of R18 million and irregular expenditure of R107.3 million as well as fruitless or wasteful expenditure of R586 882.00 in the municipality.

The study observed that the reasons cited for the recorded financial waste were commonly the same in all five sampled municipalities and they relate to contraventions of supply chain management processes, prescripts and regulations. As mentioned above, they also relate to weak political oversight over the municipal administration by the municipal councils. The financial waste incurred by the Waterberg District Municipality, for example, was attributed to contraventions of the supply chain management processes (WDM Annual Report, 2014b).

### **6.3.3. Consumer debt**

Another finding, which threatens the financial viability and sustainability of sampled municipalities, is high consumer debt. Section 44 (2) (b) and (c) of the Local Government: Municipal Structures Act (1998) empowers the executive committee of a municipality to 'evaluate progress against the key performance measures and review the performance of the municipality in order to improve..., efficiency of credit control, revenue and debt collection services'. Concerning revenue collection, the study found that, despite the existence of revenue management strategies, all five sampled municipalities, except the CDM, were characterised by huge consumer debt, which is a sign of the poor implementation of revenue collection strategies. For example, all three sampled local municipalities were owed huge amounts of money but at varying degrees by the Limpopo provincial government and citizens.

Although the entire Limpopo local government was owed approximately R403 million in the 2013/14 financial year, the Greater Tubatse and the Greater Tzaneen Local Municipalities were individually owed R3.6 million and R27.7 million respectively in the 2013/14 financial year (Makhurupetji, 2015, July 22<sup>nd</sup>). Makhurupetji further mentioned

that the Fetakgomo Local Municipality was owed approximately R8.6 million in the same period.

At the district level, the Waterberg District Municipality was owed approximately R11.7 million in the 2013/14 financial year. On average, these four municipalities, except the CDM, were owed approximately R51, 6 million by different consumers of their services. The recovery of outstanding debt is necessary to improve the financial sustainability of the municipalities as this is having a negative impact on the provision of service delivery to the local communities.

The three local municipalities and the Capricorn District Municipality, with the exception of the Waterberg District Municipality, in contrast, owed a huge amount of money to various service providers such as Eskom and the water boards. While the Capricorn District Municipality owed R2.9 million to water boards by the end of the 2013/14 financial year, the Greater Tzaneen, Fetakgomo and the Greater Tubatse Local Municipalities owed approximately R20.5 million, R3 million and R6.2 million respectively to Eskom and the water boards. This huge consumer debt adds another financial strain on the existing financial struggles of the municipalities within Limpopo local government who depend largely on national grants.

As has already been mentioned, the financial viability and sustainability of these municipalities has come under serious threat. It is obvious that the inability to recoup the outstanding consumer debts implies that municipalities will not be able to settle their bills, particularly with Eskom and the water boards. Various media reports throughout the country have highlighted several threats by Eskom to cut off the electricity supply to defaulting municipalities.

Moreover, the low level of consumer payment for the municipal services and the huge consumer debt suggest the inefficient and ineffective implementation of the existing revenue management collection strategies. In other words, they suggest weak revenue effort, which is defined as the lack of effectiveness and efficiency in collecting revenues (National Treasury Report, 2012b, p.146). Consequently, this low level of consumer payment renders these municipalities unable to meet their individual short-term

financial obligations. In other words, these municipalities might be unable to retain sufficient cash reserves to maintain the municipal bulk infrastructure and replace the aging or obsolete municipal assets.

Overdue debts by consumers imply that the interest on municipal debt keeps on growing and this increases the total amount outstanding, while, at the same time, the late payment by the municipalities to creditors results in municipalities having to pay more money owing to accumulated interest.

To sum up, the analysis has indicated that the municipal commonalities far outweigh the variations of the five selected municipalities when it comes to bureaucratic performance in relation to financial management. For instance, they are all characterised by poor financial management but with '*within-case*' variations on the degree or level of underspending of the capital budgets and financial waste. Furthermore, they have huge consumer debt and they also owe huge amounts of money to various creditors. All of these financial variables threaten the financial viability and sustainability of individual municipalities. The little or limited streams of their own revenue generation capacity forces these municipalities to depend largely on national grants for survival and this has resulted in the decision to merge some municipalities to achieve economies of scale.

#### **6.4. Municipal IDPs and Community Service Delivery Priorities**

The White Paper on Local Government of 1998 provides three approaches to assist municipalities to become more developmental. These developmental approaches are operationalized through the municipal integrated development plan and budget, performance management and citizen engagement and involvement including other key development partners. The White Paper on Local Government (1998) emphasises the importance of IDP as a tool to enable service delivery prioritisation and integration in the municipal planning processes. This implies that municipal IDP is a blueprint for the municipalities to deliver quality services to the local citizens over long term and medium term periods in partnership with the local communities.

In the preparation of municipal IDPs, section B (3.1.3) of the White Paper on Local Government (ibid) envisages the link or relationship between municipal planning and budgeting illustrated by the table below:

**Table 8: Municipal Planning and Budgeting Link**

	Planning	Budgeting
Long-term (up to 25 years)	Vision	
Medium-term (up to 5 years)	Municipal IDP	MTEF budget estimates
Short-term (1 year)	Municipal SDBIP	Annual budget allocation

Source: White Paper on Local Government (1998)

As mentioned earlier in this chapter, the link between planning and budgeting in local government is further governed by the National Treasury framework on strategic plans and annual performance plans of all organs of state including municipalities. Furthermore the link between planning and budgeting is provided in terms of the MFMA (2003). For example, section 21 (1) (a) of the MFMA (ibid, p.31) empowers the municipal mayor to coordinate the processes of preparing the annual budget and reviewing the municipal IDP and budget related policies to ensure alignment and consistency between the tabled budget and any revisions of the municipal IDP. It is worth mentioning that the municipal IDP is also expected to be aligned to policies, programmes and budgets including the strategic planning documents and priorities of other spheres of government. This simply suggests that the principle of municipal IDP alignment with both national and provincial strategic plans remains a core focus of intergovernmental development planning.

Empirical evidence, however, suggests that the alignment of strategic planning among the three spheres of government is either weak or absent. It was indicated during the fieldwork that this is due to the weak application of intergovernmental checks and balances such as political and administrative oversight by the national and provincial governments including the legislatures. In the absence of national and provincial

oversight, this, in turn, makes it difficult to cascade national and provincial government policy priorities, such as infrastructure development and the delivery of basic services such as water, sanitation, roads, electricity, human settlement, etc., into municipal strategic planning. Misalignment further makes it difficult to match local development opportunities articulated in municipal IDPs with the resource allocations by national and provincial governments. Assessing the alignment of municipal IDPs and the strategic planning documents (e.g. five year strategic plans and annual performance plans) of other spheres of government was beyond the scope of this study and future studies may want to discover this relationship.

Regarding public consultation and participation, section 23 of the MFMA (ibid) provides that, when the annual budget has been tabled, the municipal council must consider any views of the local citizens and the National or Provincial Treasuries and any other organ of state or municipality that has made a submission on the budget.

Furthermore, the development of municipal IDPs through the influence or involvement of citizens is further shaped by, *inter alia*, the Local Government: Municipal Structures Act (1998), the MFMA (2003), and Municipal Systems Act (2000). For instance, section 23 of MSA (ibid) stipulates that a municipality must undertake developmentally-oriented planning so as to ensure that it achieves the objectives of local government as outlined in section 152 of the Constitution (1996) and also gives effect to its developmental duties as a municipality.

In effect, section 29 (a) and (b) of the MSA (2000) states that the process followed by a municipality in drafting the municipal IDP, including its consideration and adoption of the draft IDP by the municipal council, must be in line with a predetermined programme specifying time-frames. The Act further provides that the planning process should be through appropriate mechanisms, processes and procedures established to allow for consultation with citizens on their development needs and priorities. Citizen consultation on the drafting of municipal IDPs is, however, not limited to local communities but it also extends to the identification of and consultation with traditional leaders and other organs of state. The law recognises the influence or the role of traditional leaders in the municipal service delivery value chain. Concerns were raised during focus group

discussions in the Greater Tubatse, however, about the minimal participation of municipal councillors in the IDP development process.

Nevertheless, as mentioned earlier, interviews in all five sampled municipalities indicated that municipalities do engage with and consult the local citizens, including other organs of state on the development of medium and short-term strategic plans (i.e. IDPs and SDBIPs). As an annual service delivery plan of a municipality, the SDBIP also gives effect to the municipal IDP and the budget as required by section 69 (3) (b) of the MFMA (2003). Of course, while the budget gives effect to the strategic priorities of the municipality, the SDBIP serves as its commitment, which includes administrative and political components, to the intended objectives and projected achievements expressed by the communities to ensure that the desired service delivery outcomes are obtained over the long-term period. The SDBIP forms the basis for the monitoring and measuring of the performance of the municipality against the IDP on planned annual and quarterly service delivery targets and budget projections.

It is crucial to point out that the SDBIP further forms the basis for the development of performance agreements of all municipal agents. This simply suggests that IDP objectives and priorities, which are cascaded into the SDBIP, should, in turn, be cascaded into the individual performance agreements of all municipal officials who are responsible for the implementation of the strategic priorities expressed and planned for in these municipal strategic documents. Of course, this alignment ensures that each official contributing to the overall bureaucratic performance is contracted at the appropriate level of input. Yet, in the previous paragraphs, this study has mentioned that four of the five sampled municipalities, with the exception of the CDM, do not contract with junior municipal agents through the signing of PAs on an annual basis.

This study contends that the importance of the views of citizens in both financial and non-financial affairs of municipalities, through the IDP and SDBIP, are emphasised and exercised. This public consultation and participation process assists municipalities in producing credible municipal IDPs, but the credibility of IDPs does not necessarily mean the effective implementation of the IDPs. Municipal accountability through regular feedback to communities in the municipal IDP implementation remains important

particularly given the reality of policy changes during the implementation phase perhaps owing to budget cuts or cost containment measures that might be introduced.

As stated above, sometimes weak political and administrative oversight in some municipalities may mean little accountability for the failure of municipal councils to deliver on their service delivery promises as agreed with communities during local government electioneering and municipal IDP consultations.

To gauge the level of bureaucratic performance of the five sampled municipalities on their IDPs, this study reviewed the bureaucratic performance of each individual municipality on two service delivery focused areas (i.e. water and sanitation) between 2007 and 2014, as this is what this study initially planned to do. This is because it is contended in this study that there is a link between municipal budget expenditure and service delivery in these two service areas. For instance, high levels of the under spending of the municipal budget have a negative impact on the delivery of quality water and sanitation services, among other things, to the local communities.

Providing access to basic municipal services to households is one of the major driving forces behind local government's service delivery initiatives. In this study the level of access to municipal services itself is a performance measure. Equally, a lack of access to basic municipal services is also a measure of deprivation. The following table (Table 9) indicates both the level of access and the backlog with regard to these basic services for the five selected case studies for the period covered by the study, which is between 2007 and 2014.

Table 9 illustrates the performance variations of the level of access and the backlog with regard to water and sanitation services amongst the five sampled municipalities. Specifically on access to water as a basic service, there is a significant improvement in all municipalities as they strive to ensure 100 percent access to all the households in the area of their jurisdictions. Between 2011 and 2014, the CDM, for example, planned to provide approximately 28 113 households with access to safe drinking water but an analysis of various municipal performance reports indicates that this four year target was not achieved.

**Table 9: Water and Sanitation Provision in Sampled Case Studies**

Municipality	Service area	Level of access (2007)	Level of backlog (2007)	Access (2011)	Level of backlog (2011)	Access (2014)	Level of backlog (2014)
Fetakgomo	Water	21%	79%	57%	43%	89%	11%
	Sanitation	10%	90%	12%	88%	31%	69%
Greater Tubatse	Water	24%	76%	79%	21%	79%	21%
	Sanitation	18%	82%	81%	19%	81%	19%
Greater Tzaneen	Water	24%	76%	76%	24%	76%	24%
	Sanitation	13%	87%	33%	67%	45%	55%
Capricorn	Water	57%	43%	86%	14%	89%	11%
	Sanitation	21%	79%	29%	71%	33%	67%
Waterberg	Water	29%	71%	94%	6%	96%	4%
	Sanitation	16%	84%	39%	61%	39%	61%

Source: Various Municipal Reports including Statistics SA, 2007; 2011

From the above table, the level of water service backlog continues to drop in all five municipalities but the achievement of 100 percent access to water is impeded by the general scarcity of water in the Limpopo Province. As stated in the previous chapter, the percentage of households without access to piped water in Limpopo Province increased from 14.2 percent in 2011 to 20 percent in 2016 (Statistics SA, 2016). Access to water is further impeded by incomplete bulk water infrastructure projects every year end as evident in huge capital budget under spending. From the fieldwork, this study established that municipalities attribute their inability to provide access to water to all households under their jurisdiction to dried up boreholes and the theft of water pump machines.

This study, however, attributes the inability of municipalities to provide water to all households to the claims that municipalities do not always know the exact total number of people residing in their areas. This is because municipalities rely on data from Statistics SA through the census to provide these figures, which happens after every 10 years. This argument simply suggests that municipalities on their own cannot provide these



population figures. Given that municipalities do not have the latest accurate population figures, it then becomes somewhat difficult to plan accurately for infrastructure provisioning. It is worth mentioning that population figures in each municipality are not static as they keep on changing or fluctuating depending on the level of net-migration, out-migration or the expansion of the communities owing to new emerging human settlements and/or extensions. It is worth mentioning that Statistics SA's community household surveys assist in providing these demographic figures to municipalities to improve on their planning.

In Chapter Five of the study, it was indicated that the population figures in all five districts of Limpopo Province have increased considerably in 2016, according to the 2016 community household survey (Statistics SA, *ibid*). At the local level, the demographics of the Greater Tubatse Municipality might balloon depending on the level of investment and development by the mining industry. Increasing populations or households in a given area put more pressure on municipal service delivery by the local government.

Concerning the level of access to, and backlog in, the provision of sanitation, table 9 above illustrates performance variations amongst all sampled municipalities. In the 2007/08 financial year, the level of access to sanitation in all selected municipalities was still below 30 percent, but it gradually improved to above 40 percent in the 2011 census year. The Greater Tubatse Local Municipality claims to have improved access to sanitation to 81 percent in 2011 (GTLM, IDP Report, 2014). On average, the above table indicates that the sanitation backlog in all sampled municipalities was very high by the end of the 2013/14 financial year as compared to the water service backlog. For example, the level of the sanitation backlog was high at 69 percent and 55 percent in Fetakgomo and the Greater Tzaneen Local Municipalities respectively in 2014, as compared to 19 percent in the Greater Tubatse Local Municipality in the same period.

At the district level, the sanitation backlog stood at 67 percent in the CDM as opposed to 61 percent in the WDM in 2014. A high sanitation backlog in these municipalities might be attributed to the general non-existence of a sanitation infrastructure in Limpopo Province. High levels of water and sanitation backlogs, especially in the three local

municipalities, might be attributed to the fact that they are neither water service authorities nor water service providers.

As was explained in Chapter Five of this study, the provision of water and sanitation services is a district municipality's function or responsibility, but in the WDM this function has been devolved to its local municipalities. It then becomes clear that the WDM's responsibility with regard to these functions involves only coordination and monitoring.

The next section presents the research results, which answer the research question on the extent of independence and institutional capacity of municipal councils in exercising their formal powers of oversight. The section further deals with the performance indicator, which assesses the level of the independence of municipal councils in exercising their formal powers of oversight, among other things, to elicit greater bureaucratic performance from the municipal administrations.

### **6.5. Autonomy of the Municipal Councils**

The independence of the municipalities in South Africa is guaranteed and protected by the Constitution (1996). For example, section 151 (3) and (4) of the Constitution (ibid) states that "a municipality has the right to govern, on its own initiative, the local government affairs of its community..., and that the national or a provincial government may not compromise or impede a municipality's ability or right to exercise its powers or perform its functions". Section 4 (1) (b) of the Local Government: Municipal Systems Act (2000) further states that a municipal council of a municipality has the right to exercise the municipality's executive and legislative authority and to do so without improper interference.

Concerning the performance management of a municipality, section 19 (2) of the Local Government: Municipal Structures Act (1998) empowers the council or its oversight committees to review the overall municipal performance in achieving the objectives as set out in section 152 of the Constitution (1996) annually. The executive committee of a municipality is explicitly empowered to evaluate municipal performance progress against the key performance indicators and to review the performance of the

municipality in order to improve its economy, efficiency and effectiveness, including efficient credit control and revenue and debt collection services, in terms of section 44 (2) (b) (c) of the Municipal Structures Act (1998). To perform these functions or exercise these rights effectively and efficiently, the literature suggests that for institutions of regulations and oversight like the municipal councils or the legislatures to fulfil their constitutional mandate optimally, they need to remain strongly independent and fully resourced.

In relation to municipal autonomy, the study found that the municipal councils or their members do not necessarily act independently *vis-à-vis* the municipal executives (e.g. the mayor or the speaker, etc.) and/or their political parties. The lack of council independence was put into proper perspective by a former councillor from Greater Tubatse Local Municipality as follows:

*Councillors nowadays especially from the ruling party do not raise critical policy issues due to fear of being recalled by the party leadership either at the regional or provincial level (Personal interview, 2016, Jan 3).*

The above quotation suggests that ordinary councillors who hold either junior positions or no positions in the political parties fear reprisals or damaged relationships with their political superiors in the party upon whom they depend for political career advancement in local government or other spheres of government. A similar observation on the lack of independence of the councils and/or the legislature or their members in Limpopo Province was made by the members of the focus group discussions held in Pretoria on 19 September 2013.<sup>38</sup> A similar sentiment was shared by members of focus group discussions held in the three local municipalities sampled for the study. The findings on the lack of autonomy by the councillors corroborates the earlier claims by Mamogale (2015) in the legislature at the provincial level and also Holden (2012) in the legislature at the national level that members of parliament (MPs) (e.g. SCOPA) buckle up under intense political pressure from the powerful executive.

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<sup>38</sup> The focus group interviews with fifteen committee secretaries and researchers from Limpopo Legislature were held at St George Hotel in Centurion, Pretoria, 19 September 2013.

There was a general consensus amongst the members of the focus groups that many councillors everywhere in South Africa, and with specific reference to the Limpopo Province, behave in a conformist manner. This is so because they hope for any future career opportunities through political promotion in the municipal executive as the mayors, chief whips, oversight committee chairpersons and/or municipal speakers, while at the same time trying to avoid punishment or reprisal for any breach of internally agreed upon political party processes. One of the members of the focus group, in a meeting held at St George Centurion hotel, for example, said that;

*Local politicians in the councils or legislatures envy the municipal executive (e.g. the mayor, speaker, or the MECs) given the benefits, emoluments and social status commensurate with being a member of the executive branch (Focus Group Discussions, 2013, Sept 19).*

According to this respondent, the fear of reprisals and envy for executive emoluments are just enough to force ordinary members of legislatures or councils always to seek to appease their political party leadership. This study argues that political parties influence the quality, behaviour, operations and functions of municipalities and their councillors and, to some extent, the officials at the local level. The contention about how political parties have an impact on the operational efficiency of the municipal councils and their members is discussed in the next chapter.

Similarly, a study by Mamogale (2015) claims that the autonomy of municipal councils or individual members of the councils or legislatures is influenced by the nature of the party system and the governance system adopted by a particular country. As mentioned in Chapter Five of the study, there is no doubt that all five selected municipalities were characterised by a competitive party system, but the party system in Limpopo Province was found to be 'hybrid' (Mamogale, *ibid*, p.200).

Hybridity means that the party system of the municipal councils or the legislatures has elements both of stability and fragility. The fragility of the party system was symbolised by the institutional instability, which affected the three local municipalities and the

Capricorn municipality at the district level between 2012 and 2014 as was discussed earlier on. A fragile party system in a political party or parties is often brought about by political polarisation and/or inter-party squabbles, which often affect the operational efficiency of the state machinery at all levels of government. Inner-party tension and squabbles can potentially destroy political parties.

The former Speaker of the Limpopo Provincial Legislature in a personal interview cautioned the governing ANC that:

*Learners will in future read about the ANC in history books much as they do nowadays with many other defunct liberation movements in Africa (2013 Sept 13 cited in Mamogale, 2015, p.209).*

The former Speaker highlighted a lack of decisiveness by the political parties, particularly the governing ANC, to deal with emerging negative tendencies such as dishonesty, political corruption, ill-discipline, patronage and factionalism or political polarisation that threatens and weakens internal party stability or unity at all levels. Polarisation is likely to have particular a negative impact on the adoption of any reforms aimed at improving the state capacity or performance. For instance, when a society or a political party is polarised between competing groups, each of which has some chance of attaining political power, all such polarised groups have the incentive to cripple the local state. Crippling the local state is done deliberately to ensure that the other group cannot abuse government power or resources when it assumes office (Acemoglu, Ticchi and Vindigni, 2011). This study contends that the governing political party that competes in highly polarised municipal environments would have little incentive to pursue meritocratic reforms given the danger that an effective municipal bureaucracy could simply better enable its opponents to pursue ends of which it disapproves.

Concerning the institutional capacity of the municipal councils in the selected case studies, the study found that the councils, particularly their oversight committees, were under resourced in terms of budgets, and research and secretarial support services. Although it is not a policy requirement in legislatures or municipal councils, the literature and international best practice demonstrates that parliamentary oversight committees

are each permanently allocated a legal adviser, a researcher, a content advisor and a committee secretary to aid them in fulfilling their constitutional mandate of oversight, law-making or by-law-making and representation. The allocation of enough resources limited not only to the above but to ICT and other emoluments would be ideal for municipal oversight committees like municipal public accounts committees (MPACs) to hold municipal administrations more accountable with regard to service delivery and financial management.

Interviews further suggested that the quality of the municipal councils to exercise their functions is first determined by the quality of individual members in terms of experience, knowledge and educational background. Secondly, the quality of the councils is determined by the number and quality of resources deployed to these political structures in terms of research, technology, emoluments, budget and so forth, as highlighted above.

Furthermore, the study revealed that none of the councils or their oversight committees in the five sampled municipalities determined their own budget to give effect to their oversight, law-making and public participation activities. Instead, their budget to exercise their formal powers enshrined in the constitution is determined and controlled by the municipal executive through the mayor who, in turn, delegates this responsibility to the municipal administration, especially the office of the chief financial officer. This does not, however, mean that the council does not provide input into the proposed budget appropriations for the council every year. The councils are always not only consulted but involved during the planning and budgeting processes. The next section, therefore, presents the research results emanating from the fieldwork, which the researcher believes contributes to the answering of the main research question(s) of this study.

## **6.6. Municipal Attraction and Retention Strategies**

This study has observed that all five sampled municipalities developed human resource management policies with regard to staff recruitment and retention, among other things. The implementation of this policy in Limpopo local government, however, seems somewhat ineffective owing to a high staff turnover, but municipalities do not have control on the gradually rising suspension rates, particularly of municipal managers and other managers who report directly to the municipal managers, such as the chief financial

officers. Given the institutional instability affecting some municipalities as evident in rising suspensions, the system of the Limpopo local government finds itself less able to retain and attract most qualified and competent municipal candidates. It is worth noting that staff retention is very important in ensuring business continuity. During the Limpopo Province's accounting officers' strategic planning workshop, Makoko (2016, April 25) confirmed that:

*Municipalities with low revenue, thus resulting in low grading, find it difficult not only to attract but to retain suitably qualified candidates, as demonstrated by more requests for waivers.<sup>39</sup>*

Makoko (ibid) claims that it has now become difficult to find candidates to fill the position of chief financial officer in municipalities in the province. This sentiment was similarly shared by Makhurupetji (2015, Jul 22). As a result, Limpopo local government finds itself having to contend with a high vacancy rate at senior management level. For example, Makoko (2016, Oct 28) indicated that the Limpopo local government had ten (10) and eleven (11) funded vacant positions of municipal managers and chief financial officers respectively by the end of March 2016.

Nonetheless, given that all municipalities in the province invest considerably in skills development programmes through internships, learnerships and bursary schemes and other short training courses for municipal agents and tertiary students, they should not find it difficult to recruit and retain candidates with expertise, skills, competencies and qualifications as prescribed. This was further put into proper perspective by one respondent as follows:

*Youth are now more qualified from universities and technical colleges than ever before. Municipalities must tap into this new young market of qualified young people. People should no longer be hired because of their political activism or connection (Personal Interview, 2016 Feb 25).*

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<sup>39</sup> Mr. Makoko was the acting accounting officer (Head of Department) for Limpopo GOGHSTA. The HODs strategic planning workshop was organised by Limpopo Office of the Premier, 25 -26 April 2016, Zebula Lodge and Game Reserve, Bela-Bela.

Similarly, during the Public Service Commission roundtable meeting (30 October 2012) a delegate remarked with respect to retention in government as follows:

*It does not help government institutions to retain a person whom you know well as a manager who does not add value to the organisation.*

This quotation suggests that people who have been hired without the necessary skills, competencies, knowledge and relevant qualifications or who have consistently demonstrated poor performance, despite capacity building interventions, should not be retained in bureaucratic organisations such as municipalities, especially when they want to exit the system. This is simply because they are deemed not to be adding any value in terms of the bureaucratic performance of the organisation(s).

Although municipalities claim to be faced with challenges of retention, this study found that there are a number of factors, which make the attraction and retention of staff in Limpopo local government somewhat difficult. These factors, which are institutional, adversely affect the bureaucratic performance of the municipalities. Firstly, the study revealed that the problem in attracting and retaining competent and qualified candidates relates to the political nature of the municipalities. The question becomes how to solve this problem. Municipalities are, by design and nature, political institutions given the conflation of executive and legislative powers within municipal councils, much as is the case with the legislatures at national or provincial level as political institutions. In addition, municipalities are entered and constructed by political parties, which makes the politicisation of the environment more apparent.

Moreover, given the existence or representation of different rival political parties in the municipal councils with different political ideologies, as was previously demonstrated with the five sampled municipalities, there is always an element of mistrust, suspicion and fear between the politicians and the officials created by the environment itself. This argument is consistent with the claim by the PSC (2013) that, often, when there is new government administration, the new incumbent political leadership (e.g. Ministers, MECs, Mayors, etc.) changes the institution's administrative leadership (e.g. the



accounting officers and other senior officials). As was noted by the PSC (*ibid*), this is simply because the new political leadership does not always trust the senior civil servants who came before them.

Furthermore, the researcher's practical experience as a former legislature employee indicates that the pressure of working in a sensitively political environment becomes enormous for professional people who strive to maintain and protect their professional identity and reputation. Similarly, one respondent mentioned that 'the conditions of employment within local government influence the ability of municipalities to attract and retain employees, while at the same time influence the productivity of existing personnel' (Personal Interview, 2015, October 14). The respondent further mentioned that any movement up the organisational hierarchy through the promotion or the secondment of less competent and educationally unqualified person has detrimental effects on the morale of the more professionally qualified personnel at the lower levels of the municipal hierarchy. There is no doubt that this is what contributes to the difficulty faced by municipalities to retain more competent and qualified personnel within their establishments.

Secondly, the study revealed that the difficulty to retain competent staff relates to the calibre of inappropriately qualified and aging officials already employed in the system of local government. In Chapter Two and Three, the study explained that many municipalities within the Limpopo local government inherited a labyrinthine civil service of inappropriately qualified and incompetent personnel from the former provincial and homeland bureaucracies of the Northern Transvaal, Venda, Lebowa, Gazankulu and parts of KwaNdebele (see, Ncholo, 1996; DPSA, 1997; Picard, 2005, etc.). In a personal interview conducted with the former corporate service manager of the Greater Tzaneen Local Municipality, the respondent mentioned that many of these aged municipal officials are gradually exiting the system through retirement or taking early severance packages owing to fatigue. This study argues that their gradual exit from the local government system presents municipalities within the Limpopo Province with more opportunities to professionalise the system of local government in accordance with the Local Government: Municipal Systems Amendment Act (2011) and the Public Administration Management Act (2014) through the institutionalisation and enforcement of meritocratic recruitment

practices. A supportive legislative framework has been established to institutionalise the meritocratic recruitment practice through the 2007 municipal regulations on minimum competence levels.

Thirdly, the study found that the inability of municipalities in the Limpopo local government to attract and retain competent and more professionally qualified persons further relates to 'political influence-meddling', particularly during recruitment. Political meddling in administrative matters of municipalities sometimes leads to irregular appointments and high staff turnover and suspension rates, as has already been mentioned. Although this study did not find any specific evidence or cases of irregular appointments or promotions in the sampled case studies, the National Treasury Report (2011) observed a high incidence of irregular appointments in local government throughout South Africa. Irregular appointments in municipalities might, in turn, lead to some job candidates challenging the council appointment decisions through the court. Some respondents in this study associated irregular appointments with 'unlegislated' cadre deployment or a political appointment system used by all political parties, but particularly by the governing political party or parties.

In Chapter Three, this study discussed the merits and demerits of the political appointment system or cadre deployment. The demerits of the system were confirmed by focus group interviews that revealed that persons appointed on policy considerations sometimes fail to differentiate between administrative and political party activities in the workplace. Focus group participants argued that, most often, persons appointed in this way are more concerned about appeasing their political masters consciously knowing that their poor performance will either be covered up or blame shifted elsewhere. There is a prevailing perception that human resource management policies or legislation do not apply to the political offices of the executive authorities (e.g. Mayor, Speaker, MEC, chief whips of political parties) (PSC, 2014, p.15).

On municipal staff suspensions, Makhurupetji (2015, July 22) and Makoko (2016, April 25) confirmed that the suspension rate especially of municipal managers and other managers within Limpopo local government was on the increase between 2012 and 2014 with approximately nine senior managers being suspended. This assertion further

confirms earlier claims by the PSC (2012b) that trends of suspension rates in South African public administration, including the local government, are on the increase. As previously highlighted, the municipal managers of all three sampled local municipal case studies (e.g. the Fetakgomo, the Greater Tubatse and the Greater Tzaneen Local Municipalities) were suspended and eventually dismissed by their councils between 2012 and 2014. The same holds for the chief financial officer of the Greater Tubatse municipality. There is no doubt that suspensions and eventually dismissals of officials have implications for operational efficiency, institutional memory and municipal performance.

Empirical evidence suggests that suspensions lead to low staff morale, too many 'acting roles' and a leadership vacuum. Suspension is one of the signs of institutional instability. The absence of sustained municipal administrative leadership threatens the build-up of institutional memory and the sharing of municipal knowledge. A detailed discussion about how 'political influence'-meddling either enhances or hinders the bureaucratic performance of organisations was presented in Chapter Three of this study.

Fourthly, the difficulty of attracting and retaining skilled, competent and appropriately qualified candidates in municipalities is aggravated by the 'short-term nature of employment contracts' for municipal managers and other managers directly accountable to the municipal manager. Section 57 (1) (a) of the Local Government: Municipal Systems Act (2000) provides that a person to be appointed as the municipal manager and/or as a manager directly accountable to the municipal manager may be appointed to that position only in terms of a written employment contract with the municipality.

The problematic nature of the employment contract system in local government was well articulated by the former corporate service manager of the Greater Tzaneen Local Municipality as follows:

*Retention is a challenge because all section 54A and 56 municipal managers are on short-term employment contracts of five years. It is never guaranteed that their contracts will be renewed when they expire (Personal Interview, 2015, October 14).*

This quotation clearly indicates that senior officials in municipalities, including municipal managers, are forced to leave earlier than expected since it is not guaranteed that they will ever be retained when their individual employment contracts expire. It could be argued that the employment contract system, coupled with the political nature of municipalities, creates fear amongst more senior municipal officials about their employment performance contracts or future careers. As a result, this fear propels senior municipal managers to find alternative employment before the actual expiry date of their employment contracts. They might, otherwise, be forced to behave in a conformist manner to appease their political principals. Evidence suggests that the reality is that no person would ever risk leaving his or her permanent employment or career for a short-term employment contract, especially in political institutions like municipalities.

The study established that the application of a fixed-term employment contract system especially for managers directly accountable to the municipal manager has, however, since 2011, become contrary to the Local Government: Municipal Systems Amendment Act (2011), which provides for their appointment on a permanent basis rather than fixed-term contracts. The provisions of this Act did not, however, affect the continuation or validity of a fixed-term employment contract of managers directly accountable to the municipal manager appointed before the provisions of this Act took effect.

The another finding of the study on retention difficulties not only in municipalities but also in other spheres of government is that the retention strategies in the South Africa civil service are limited only to a counter-offer system. There was a resounding agreement during the PSC roundtable meeting in 2012 about this. The counter-offer system suggests that state institutions, such as municipalities, are restricted owing to resource limitations to find other feasible options. The problem is exacerbated by the unwillingness of more competent and skilled bureaucrats to accept the counter offers since the salary grading system addresses only the grading of higher salary notches without including the movement between post levels (PSC Report, 2013, p.13).

### **6.7 Municipal Secondments and or Transfers**

In South Africa, secondments and transfers of state agents from provincial or national government to the local government and *vice-versa* are governed by legislation. For

instance, the Public Administration Management Act (2014) governs and regulates the secondments and transfers of civil servants from one institution to another. Specifically, section 6 (2) of the Act provides that any person may be seconded to another institution if such a person possesses the necessary skills and knowledge for the intended position at the time of secondment. Explicitly, the law says the secondment can happen only if the person requests, or consent to, the secondment. In the absence of the affected transferring person's consent, therefore, reasonable justification for a transfer must exist after the due consideration of any representation by the affected person (PAMA, *ibid*). Given the dysfunctionality of some municipalities, including all three sampled local municipalities at some point in their history in this study except for the districts, municipal managers and chief financial officers were seconded from other spheres of government to the Limpopo local government. A classic example was the secondment of a municipal manager and chief financial officer from GOGHSTA to the Greater Tubatse Municipality immediately after the suspension of the two senior municipal officials during the 2013/14 financial year.

The study's observation regarding secondment trends in municipalities within Limpopo local government was that, most often, seconded persons were in acting higher positions of either a municipal manager or chief financial officer. Unfortunately, secondments do not necessarily suggest that all seconded persons have the skills, expertise and academic qualifications prescribed in accordance with the 2007 MFMA regulations on municipal minimum competency levels and the Municipal Systems Amendment Act of 2011. In effect, the Auditor-General's Report (2014, p.36) confirmed that none of the seconded persons to municipalities within Limpopo local government had the prescribed minimum competency levels and professional qualifications required in terms of the MFMA regulations. This simply suggests that secondments may not necessarily address the identified capacity deficit and, thus, contribute positively towards improved municipal performance.

Given the lack of required competencies and, to some extent, the prescribed qualifications, one can conclude that municipalities do not benefit in the short-term from the secondments they receive with regard to bureaucratic performance improvements. Even more, the study contends that there is no transfer of skills brought in by the

secondments. This study is not, however, suggesting that other spheres of government should not support the struggling municipalities through the secondment of officials. Instead, the study suggests that, in effecting the secondments, only persons with the necessary and required competencies and relevant professional qualifications should be seconded to municipalities. The study emphasises the importance of qualifications because the possession of professional qualifications does not necessarily mean the relevant placement in one's position in terms of necessary job requirements. Engaging with affected municipalities to identify any relevant persons within the municipal authority with the required skills and expertise is the next critical step in dissipating any fear and improving the working relations between the seconded person and the existing cohort of municipal agents in the receiving municipal authority.

It must, however, be recognised that secondment is a temporary 'quick-fix' measure to address a particular identified capacity or vacancy loophole. In other words, secondment is part of replacement planning (Rothwell, 2011, p.87) rather than succession planning. This author differentiates between succession planning and replacement planning. According to Rothwell (ibid), replacement planning entails identifying short-term or medium-term backups so that bureaucratic organisations have people who can assume responsibility in critical positions during emergencies such as, for instance, suspensions, overnight resignations, immediate recalls and death as well as retirement to ensure business continuity.

This study contends that there are merits and demerits with regard to secondment as a temporary quick fix measure or what Rothwell (ibid) refers to as 'replacement planning'. One of the merits of secondments is that any identified replacement is prepared to the point where a seconded person may assume a critical position long enough for the management to do proper recruitment. In contrast, one of the demerits of the approach is that any seconded or replacement person maybe recalled with immediate effect by his or her former institution even before the expiry date of his or her temporary assignment or contract. The researcher has observed the challenges brought about by employee secondments as compared to employee transfers during the strategic planning retreat for HoDs held on 24 July 2015 in Bela-Bela, Limpopo Province. In effect, there was resounding consensus amongst the delegates that secondment as a quick-fix method of

addressing identified capacity gaps not only within Limpopo local government but also the provincial government creates a capacity vacuum within the seconding institutions. The participants argued that this is the case because the seconded persons are not immediately replaced when they leave for their temporary secondment assignment in the receiving institutions. In other words, seconded persons cannot be replaced with new candidates since their appointment is not permanent. Consequently, secondments, in turn, lead to increasing acting capacity roles within the institutions.

Furthermore, secondments raise high promotion hopes for the seconded persons even though individuals identified for replacement are not promised any employment promotions. For instance, if a seconded person is not appointed to the post when the formal recruitment processes are effected, then the morale of the person who has been acting in that post becomes adversely affected. Once such behaviour occurs, the person in an acting capacity becomes less motivated with regard to performance. The secondment system may, also, lead to institutional tension and a lack of support structures between the seconded persons and the receiving institution's senior officials in the sense that secondment might be interpreted as meaning that there is a lack of immediate capacity or competent persons within a municipality to assume the responsibility during times of emergencies.

In a nutshell, this study concludes that municipalities in Limpopo Province should develop and implement succession plans rather than replacement plans as they plan for the high turnover of old and aging personnel through retirement, particularly those who were inherited from the former homeland bureaucracies of Gazankulu, Lebowa, Venda and other parts of Kwa-Ndebele. Interviews during fieldwork confirmed that many municipal agents have reached their retirement age. There is no doubt that this is a crisis not only for the Limpopo local government but also other spheres of government at national and provincial levels.

## **6.8. Summary of the Chapter**

The answering of the three main research questions and also responding to the six performance indicators developed for the study, which were highlighted in Chapter One, was the main focus of this chapter. As was the case with Chapter Five, this chapter further

highlighted and discussed the commonalities and variations among the five selected case studies. On commonalities, this chapter mentioned that all five municipalities have similar functional human resource development and management components responsible for the provision and utilisation of municipal personnel. The provision and utilisation of human resources entails recruitment, selection and appointment, organisational design, training and development of personnel, administration of performance management system and so forth. Although, all the selected case studies invest in the human resource development of their municipal agents and also the councillors, their human resource development allocation and spending capacity varies considerably. In addition, all case studies applied similar performance monitoring and evaluations mechanisms, such as a performance management system and parliamentary oversight committee system, but with different qualities and citizen involvement and participation approaches. Even though the performance management system is institutionalised in local government, the study found that the system caters for the performance reviews and appraisals of section 54A (i.e. municipal managers) and 56 managers directly answerable to the municipal manager only, except in the Capricorn District Municipality where the system is applied across all the levels or grades of municipal agents. In addition, the study indicated that no legislation exists to regulate the performance reviews and appraisals of the municipal council as the political principals of municipal officials and the agents of the citizens.

The study further has found that the total percentage of municipal workforce with professional qualifications at NQF level 6 and above is very low at 17 percent in the Greater Tubatse Local Municipality as opposed to the Greater Tzaneen and the Fetakgomo local municipalities where this was above 50 percent in total in the 2013/14 financial year. Again at the district level, it was indicated that only 7.4 percent of the total municipal workforce in the Capricorn District Municipality had professional qualifications as prescribed by the 2007 municipal regulations on minimum competency levels. The total percentage of the municipal workforce with similar qualifications in the Waterberg District Municipality stood at 59 percent by the end of the 2013/14 financial year. Though variable, the most striking findings regarding prescribed qualifications was at management level in all the five selected municipalities. For example, the study established that the percentage of section 54A and 56 managers with qualifications as



prescribed was above 80 percent in both local and district municipalities, except for the Capricorn District Municipality. In the Capricorn district, only 33 percent of section 56 managers had qualifications as prescribed by local government legislation (e.g. Municipal Systems Amendment Act, 2011 and 2007 MFMA regulations on minimum competency levels). Despite the impressive percentages of managers with qualifications, the municipal audit performance of the five sampled case studies varied considerably between 2007 and 2014. As mentioned in this chapter, only the Fetakgomo municipality at the local level and the Waterberg municipality at the district level had achieved positive audit outcomes in their history, especially a clean audit opinion, which they, however, have failed to maintain since the 2011/12 financial year.

The five selected municipalities differ significantly in terms of organisational size, with municipalities with a smaller size (e.g. Fetakgomo Local Municipality and Waterberg District) in terms of an annual budget appropriation and staff compliment performing better than all the others. Yet the financial viability and sustainability of all case studies is adversely threatened. This is so because they are all grant dependent, which means that they rely heavily on intergovernmental transfers, especially from national government, with little revenue capacity and revenue efforts. Revenue capacity is about the ability of a municipality to generate projected income, while revenue effort is about the efficiency and effectiveness of an institution with regard to collecting money. The chapter emphasised that the revenue generation capacity of rural municipalities, such as the ones sampled for the study, is hamstrung by several factors, which include high levels of poverty, joblessness, low household income, low economic activities and so forth. All the factors highlighted have an impact on the bureaucratic performance of municipalities. Moreover, the five case studies to varying degrees are characterised by a culture of budget underspending of both operating and capital budgets, and this compromises service delivery to the communities. In addition, they all have a propensity for incurring financial waste (e.g. unauthorised expenditure, irregular and fruitless and wasteful expenditures), which is a clear sign of poor financial management in Limpopo local government. On water and sanitation provision, although they vary considerably, the five investigated municipalities were characterised by high levels of households without access to piped water above or within the RDP standards, and also poor sanitation, which compromises the dignity of the people coupled with health risks.

Despite their legal establishment and functionality, municipal councils and/or their council oversight committees in this study were found to be inefficient and ineffective in exercising their formal powers of oversight over municipal administrations. Specifically, it was found that the council oversight committees or individual members of the council are less independent *vis-à-vis* the municipal executive, such as the mayor and/or also their political parties than they should be. The weakness or lack of independence of municipal councils has several implications regarding oversight functions in the sense that administrative accountability of municipalities is compromised.

The chapter has also highlighted the fact that strategies for the attraction and retention of staff in local government are rather weak in the sense that municipalities are limited only to the counter offer system, which many competent and more qualified persons are reluctant to accept. The low attraction rate of more professional people in municipalities is considered to be exacerbated by the political nature of municipalities and also the short-term nature of employment contract for section 54A and 56 managers. Even though the Local Government: Municipal Systems Amendment Act of 2011 provides for the permanent appointment of section 56 managers, except section 54A managers (i.e. municipal managers), municipalities were found to be not complying with the provisions of this Act.

Finally, this chapter has explained the support that other spheres of government provide to local government through the secondment and transfer of personnel, which is governed by the legislation (e.g. the Public Administration Management Act, 2014). Although this support is desirable, there are, however, shortcomings identified with the application of the secondments. The approach is considered to be a 'quick-fix measure' with little or even no transfers of skills and expertise to the receiving municipal institution. In addition, the secondment was seen as leaving a capacity vacuum, which is never filled by the seconding institution. This chapter further emphasised the importance of initiating succession planning rather than replacement planning in municipalities in order to ensure business continuity and survival. Succession planning is premised on the organisation's having the right people with competencies and qualifications nurtured internally that are able to step into critical roles during emergencies to ensure business

continuity that facilitates overall organisational performance. Undoubtedly, the narrative presentation of the research findings in this chapter has confirmed the two study propositions highlighted in Chapter One. These propositions are (a) meritocracy positively influences the bureaucratic performance of the municipalities in Limpopo Province, and (b) strong and independent institutions of regulation and oversight, such as municipal councils, positively influence the performance of the state institutions. The study findings having been discussed and summarised in this chapter, the next chapter deals with the analysis and the interpretation of these research results.

## CHAPTER 7

### ANALYSIS AND INTERPRETATION OF THE RESEARCH RESULTS

#### 7.1. Introduction

In Chapter Four, this study outlined the procedures followed to analyse collected empirical data from the fieldwork in order to generate the research findings, which have been presented in narrative form in the two preceding chapters (i.e. Chapter Five & Chapter Six). The data analysis procedures followed in this thesis are in tandem with Creswell's model of analysing qualitative data, which follows what he calls 'research tip' (Creswell, 2009, p.184). The research tip, according to Creswell (ibid), is a linear and hierarchical approach that consists of six interactive steps or levels of analysis from the specific to the general. One of these procedures, among others, is to generate the research themes through a coding process. The themes generated from the fieldwork were presented and discussed in the previous chapter of the study. Another data analysis procedure entails interpreting the research results or making meanings of the data. As Yin (2011) posits, good empirical study or studies do not simply end with the straightforward analysis of the data or the literal presentation of the study results. Good empirical studies take further steps to interpret the research results and draw overall study conclusion(s) from the project's entirety (Yin, ibid, p.205).

This chapter, therefore, analyses and interprets the data collected through multiple sources of data collection strategies (i.e. interviews, focus group discussions, questionnaire, observations and document review). Fact-finding and fact-transferral are not research; research starts when the researcher reads the meanings from the accumulated facts and interprets their message from the data (Leedy, 1985, p.7). Undeniably, interpretation consists of inferences made from the collected data. Drawing the study conclusion(s) places the interpreted data into the framework of the literature study. In this study, this is the premise with which this chapter begins, and the ancillary research questions raised in the previous chapter(s) are answered herein.

## **7.2. Impact of municipal size on its bureaucratic performance**

A question was raised in the previous chapter about whether organisational size of a municipality matters in explaining, or can be used to predict, its bureaucratic performance. As a point of departure, the existing alternative explanations for institutional performance refer to socio-economic and political factors with an emphasis placed on both internal and external factors. Alternative explanations point to organisational size in terms of staff complements and the budget (Durant and Legge, 1993; Avellaneda, 2009; LeVan and Assenov, 2015 and Barkan, *et al*, 2010). These authors are supported by Nijzink, *et al*, (2006). These scholars suggest that the size of an organisation in terms of staff numbers and budget matters in explaining its bureaucratic performance. They argue that the bigger the size of an organisation, the more hands and minds to get the various job activities done efficiently and effectively or the more improved its institutional performance (Nijzink, *et al*, *ibid*, p.315). On budget, LeVan and Assenov (2015) similarly argue that the bigger the budget of an organisation, the more improved its institutional performance on the budget surplus.

In the context of this research study in South African local government with specific reference to Limpopo local government, this would mean that municipalities, such as the Greater Tzaneen and the Greater Tubatse Local Municipalities with staff compliments of 712 and 248 municipal employees respectively, as compared to the Fetakgomo Local Municipality with only 78 employees, in the 2013/14 financial year would have demonstrated better bureaucratic performance in terms of financial management and service delivery. In addition to their huge staff complement, the two local municipalities (i.e. the Greater Tzaneen and the Greater Tubatse) also had the most municipal councillors at 62 and 68 respectively between 2011 and 2015, when compared with the Fetakgomo Local Municipality with only 25 councillors in the same period. Evidence provided in the preceding chapters indicated that these local municipalities are characterised by poor performance in terms of water and sanitation provision as is evidenced by huge service delivery backlogs, which sometimes result in increasing but sporadic community service delivery protests against local municipalities.

The poor bureaucratic performance of the above local municipalities also relates to financial management. Bearing in mind that public institutions, such as municipalities, do

not exist for profit maximisation, evidence provided in this study in relation to financial viability proved that the sampled case studies were afflicted by poor financial performance in relation to revenue capacity and revenue efforts. Of course, the poor collection rate of outstanding debt, high levels of underspending and financial waste, among other things, raise serious doubt about the financial viability and sustainability of the selected municipalities. Further evidence of the threatened financial viability of municipalities includes huge consumer debt and a high rate of negative audit opinions expressed by the auditors mainly with regard to the municipal financial statements

Regarding the staff complement at the district level, the Capricorn District Municipality had the largest staff complement of approximately 539 municipal officials and 52 councillors in 2013/14 financial year, as compared to the Waterberg District Municipality with only 129 municipal officials and 33 councillors. It is clear that the WDM has the smallest organisational size as compared to its district counterpart, the CDM. In Chapters Five and Six, the study mentioned that the CDM enjoys bigger budget allocations than the WDM. The WDM has fewer demographics, which are considered when allocating the equitable share. As previously mentioned for example, the CDM was allocated a total amount of R808 million in the 2013/14 financial year alone *vis-a-vis* the total budget of R111.4 million in the Waterberg district in the same period. Given its larger size in terms of both staff complement and the budget, the CDM should have demonstrated a good organisational performance between 2007 and 2012 but this was not the case, as is illustrated by the consistent achievement of poor audit outcomes (see Table 6). The same holds for access to water and sanitation in the district.

In other words, the research findings in the previous chapter pertaining to the bureaucratic performance of the above two local municipalities and also the Capricorn Municipality at the district level demonstrated, contrary to the claims by Nijzink, *et al*, (2006), LeVan and Assenov (2015), and Barkan, *et al*, (2010), that there is a link between organisational size and performance. Furthermore, the audit performance of the WDM proves the opposite of the claims of these authors since the WDM had a small size in terms of a staff complement at 129 municipal officials and 33 councillors, but yet consistently achieved more positive audit outcomes, except in the 2012/13 financial year, than the

CDM. It is clear then that the size of an organisation tells us little about its bureaucratic performance.

To repeat, the WDM has consistently performed positively except in the 2012/13 financial year in terms of audit outcomes and also by obtaining a clean audit status. It is contested in this study that the auditing of the financial statements of municipalities involves assessing the financial viability and sustainability of these local government institutions. Receiving an unqualified or a clean audit opinion on the annual financial statements, therefore, means that such a municipality is solvent. Solvency is about the ability of an organisation to pay its debts continuously as and when they fall due and are payable (Hayes, 2013, p.1) regardless of its size. The bureaucratic performance of such a municipality then proves that the size of an organisation does not matter or cannot be used to predict its performance in many areas of service delivery or business operations.

The former Secretary of the Eastern Cape Provincial Legislature (Personal Interview, 2013 cited in Mamogale, 2015) argued that having a big institution in terms of size (i.e. staff complement and annual budget) is not the equivalent of better institutional performance. For instance, the respondent gave an example of the provincial Departments of Education and also of Health both in Eastern Cape and Limpopo Provinces. These had large staff complements and annual budget appropriations of over ten billion of rands, but they are consistently receiving negative audit opinions (e.g. disclaimer, adverse or qualified) every financial year.

It can then be concluded that the size of an organisation cannot be used to measure its bureaucratic performance with specific reference to the five sampled municipalities in this study. In other words, neither the size, in terms of staff complement nor the budget, of an institution has a positive impact on the bureaucratic performance of the municipalities. Further justification of this claim is provided by the fact that three sampled local municipalities (the Greater Tubatse, Fetakgomo and the Greater Tzaneen) were classified as 'dysfunctional' by the Limpopo provincial government in the 2013/14 financial year (Makhurupetji, 2015). The criteria used to classify municipalities in Limpopo Province as dysfunctional include the following: disclaimer audit opinions; institutional instability especially at the political level; low revenue collection; high MIG

underspending; a high vacancy rate on sections 54A and 56 managers; the non-alignment of municipal IDP and SDBIP; and growing community protests against the municipality. On the vacancy rate at the local level, for example, the Greater Tubatse had a vacancy rate of 17 percent at management level in the 2013/14 financial year alone, as compared to 14 percent in the Greater Tzaneen municipality. The Fetakgomo municipality, in contrast, had a vacancy rate of 40 percent at the management level alone in the same period.

Furthermore, in Chapter Six, the study mentioned that these local municipalities were afflicted by institutional instability, which is used, among other things, by the Limpopo provincial government to classify municipalities either as functional or dysfunctional. Institutional instability is a sign of governance problems at all levels of an organisation. In the Greater Tubatse Municipality during 2013/14 period, for example, the new mayor was deployed, while a municipal manager and chief financial officer were seconded in an acting capacity from COGHSTA (Makhurupetji, *ibid*). At the district level, the executive mayor of the CDM was demoted to the council level and was replaced by a new mayor in the 2013/14 financial year. The WDM never experienced any institutional instability at the political level during the period of this study.

At the district level, the CDM had a vacancy rate of 67 percent at management level in the 2013/14 financial year alone, while the WDM had a zero percent at management level during the same period. In the Capricorn District Municipality, this leadership vacuum at management level implies that there was no one to provide leadership and the management of financial resources of the district municipality especially because there was neither a municipal manager nor a chief financial officer appointed. A question arises, therefore, about the impact of a high vacancy rate on the bureaucratic performance of the above mentioned district and local municipalities. In responding to this, the study contends that the filling of all funded vacant positions in an existing organisational structure does not automatically translate into improved performance. It all depends on the quality of the people recruited and appointed. It also depends on whether those appointed who have the required competencies and prescribed qualifications are appropriately positioned within the organisation in relation to the inherent job requirements.



This study argues that if a municipality puts more focus or emphasizes on recruiting mediocre personnel who lack the prescribed qualifications and the required competency levels in accordance with the MFMA regulations, then, even if all funded vacant positions are filled, the institutional performance of municipalities will not improve. In other words, providing all the necessary resources and filling all vacant positions in municipalities does not suggest that the bureaucratic performance of these municipalities will substantially improve to the desired level of performance standards. What is required to improve the bureaucratic performance of municipalities sustainably is the recruitment and appointment of personnel with the required competencies and prescribed educational qualifications not only at management levels but also at operational levels.

To sum up the discussion under this section, evidence provided demonstrates that organisational size, in terms of staff complement and the budget, cannot be used to predict organisational performance. All five sampled municipalities claim to have high vacancy rates and insufficient budgets and they were characterised by poor bureaucratic performance in terms of service delivery (i.e. water and sanitation provision) and financial management. In addition, they were often characterised by huge underspending of the budget mainly on the capital budgets and also high levels of financial waste. Underspending of municipal budgets compromises service delivery to the local communities.

This study stresses that neither the size in terms of staff complement nor the budget of municipalities can serve as a predictor of good bureaucratic performance. Based on the audit performance experience of the WDM and, to some extent, the Fetakgomo Local Municipality between 2009 and 2011, it becomes even more appropriate to conclude that the smaller the size of a municipality the better its bureaucratic performance when measured through the audit outcome. A positive audit outcome (i.e. unqualified audit opinion or clean audit), however, tells little about the actual performance of a municipality in other areas of service delivery such as water, sanitation, road infrastructure, housing, etc., and also the financial health of a municipality. For instance, achieving a clean audit status does not suggest an absence of service delivery problems such as lack of water or sanitation delivery at the local level in a municipality.

### **7.3. Institutionalisation and the enforcement of meritocracy**

To start with, all research participants in this study emphasised the importance of institutionalising and enforcing meritocratic recruitments in municipalities. The participants have a belief that merit-based recruitments would not only help to improve the capacity to deliver services but also to professionalise the system of the Limpopo local government. Self-belief is a key attribute in motivation for engagement and performance and intrinsic motivation assists self-determination, which, in turn, enables individuals to meet competence, autonomy and motivational needs (Zepke and Leach, 2010, p.169). Regarding the need to institutionalise meritocracy, evidence provided by the participants and the review of government documents illustrates that the democratic South African government is committed to, and has laid solid foundations through legislation and regulations for, the institutionalisation of the notion of meritocracy and the professionalization of local government. Then this means that government supports and corroborates the earlier claims by Rauch and Evans (2000) that professional bureaucracy is an explanatory variable as to why some institutions or countries are able to perform better in term of socio-economic outcomes than others.

In the literature, the concept of meritocracy is also referred to as 'expert-officialdom' (Weber, 1948; 1968a; 1968b) or 'expert-loyal recruitment' (Wasilewski, 1990). Used interchangeably throughout this study, expert-loyal is a recruitment approach that emphasises the possession of competencies, professional qualifications and a declaration of loyalty only to the country's constitution rather than anything else when recruiting, selecting and appointing or promoting personnel in government institutions. Similarly, section 197 (3) of the South African Constitution (1996, p.115) states that, "no employee of the public service may be favoured or prejudiced only because that person supports a particular political party or cause". The question then becomes how the concept of expert-officialdom is promoted within South African local government with specific reference to Limpopo local government.

To answer this question, observations made through the review of various government documents and also through interviews that were conducted reveal that expert-officialdom is institutionalised through legislation and regulations from national level

and this is cascaded down to other two spheres of government (i.e. provincial and local governments). In other words, there is, in South Africa, an appreciation and recognition of the importance of '*Weberian*' bureaucracy with the concept of meritocracy at the centre. This simply means that national priorities filter through policy down to all spheres of government for implementation particularly at the local level. In Chapter One of this study, it is mentioned that the national government is responsible for resource allocation, monitoring and supporting policy implementation in other spheres of government.

In effect, since 1994, various pieces of legislation and various regulations were introduced to promote and institutionalise the concept at all levels of state bureaucracy. Nationally, this legislation includes, of course, the Constitution (1996), the Public Service Act (1994), the Public Administration Management Act (2014) and other human resource management prescripts that guide and prescribe minimum competencies and qualification requirements for the recruitment, selection, appointment and or promotion of the civil servants throughout the public administration.

An inference is made that section 197 (4) of the Constitution (*ibid*) expressly empowers municipalities to recruit, appoint, promote, transfer and or dismiss municipal agents in their bureaucratic administrations within a framework of uniform norms and standards applicable to the civil service. To give effect to these constitutional provisions, the Public Administration Management Act (2014) clearly introduces compulsory meritocratic recruitment requirements such as the possession of educational credentials for employment in any state institutions in all three spheres of government. The Act further introduces the system of a public service examination or test as a prerequisite for employment in government institutions including the municipalities. This Act allows for the development of human resource management norms and standards that become applicable to all three spheres of government. Undeniably, the provisions of this Act are consistent with Max Weber's advocacy for a 'career personnel' with specialised training and expertise as a prerequisite for employment in any bureaucratic organisation of the public and private sector (see, Weber, 1948; 1968a). The Public Administration Act (2014) was, however, not yet operational, which means that its provisions were not

effective by the time that this dissertation was submitted to the University. Anecdotal evidence suggests that this Act would become effective only from April 2017.

Nevertheless, at the local level, specific local government legislation and regulations promoting the concept of meritocracy include the Local Government: Municipal Systems Amendment Act (2011), the Municipal Financial Management Act (2003) and 2007 MFMA Regulations on municipal minimum competency level requirements. As previously discussed, the Municipal Systems Amendment Act (2011) stipulates that competent and skilled municipal agents in possession of the prescribed competencies and educational qualifications must be recruited and appointed or promoted.

That said, section 54 (3) of the Act provides that municipalities must ensure that persons appointed to key strategic municipal positions even in an acting capacity (e.g. municipal managers, chief financial officers, etc.) must have the skills, expertise, competencies and the prescribed educational qualifications before their employment or promotion. The provision of resources and support is an indication that government is committed to enforcing the implementation of its policies. Implementation and enforcement are, however, political functions by legislatures or municipal councils through political oversight. Through the Act, government may sanction municipalities or councils for not adhering to the principles or provisions of the law and regulations. As mentioned in Chapter Six, section 56 (1) (b) of the above Act further states that, 'the appointment decision of managers directly accountable to the municipal manager becomes null and void if the person appointed does not have the prescribed skills, expertise, competencies or qualifications'.

The Municipal Systems Amendment Act (*ibid*) further regulates the recruitment and appointment of municipal officials who have been dismissed elsewhere or are subject to disciplinary action by other municipalities or government institutions. Specifically, section 57 (1) of the Act states that any staff member dismissed for misconduct may not be reemployed in any municipality until after the expiry of a prescribed period. Although the prescribed sanction or reemployment sanction period differs depending on the gravity and the nature, as well as the different categories, of the misconduct committed, the Act clearly stipulates that the prescribed period for reemployment for financial

misconduct cases related particularly to fraud and corruption in accordance with section 171 of the MFMA is ten years.

It is clear that South Africa, with specific reference to Limpopo local government, has laid a good and solid foundation through legislation to institutionalise and enforce the concept of meritocracy. In other words, South Africa at all levels has one of the most progressive and transformative legislative and policy frameworks for the institutionalisation and the enforcement of the notion of meritocracy and the delivery of basic municipal services. Despite this established legislative and policy framework, SAIRR (2014, p.29) found that municipal officials fired from one municipality for incompetency or a misconduct case related to fraud and corruption often resurface in another municipality or other state bureaucracy in other spheres of government. This then suggests that what is missing in practice is effective implementation, often made ineffective by weak political oversight by the municipal councils or legislatures, of these policies, regulations and frameworks at the institutional level as evidenced sometimes by appointment of officials on policy considerations and/or without appropriate qualifications (National Treasury, 2011). The continuation of the appointment of officials who have been dismissed elsewhere and who are, in some instances, inappropriately qualified in municipalities does not suggest the absence of good policies in South African public administration. It instead suggests ineffective execution resulting from weak or less independent municipal councils, among other things. It further suggests that South Africa is good in developing policies but weak with regard to their implementation.

### **7.3.1. Professionalization of municipalities**

The 2007 MFMA regulations with regard to municipal minimum competency levels prescribe academic requirements for employment in municipalities for all section 54A and 56 managers at NQF level 6 qualifications, which means a three year bachelor's degree and above. It is clear that, since 2011, all senior municipal officials including supply chain management officials were required to possess NQF level 6 qualifications before employment, except those who were already employed in the system of local government when the provisions of the Municipal Systems Amendment Act (2011) took effect. This does not, however, mean that officials who were exempted were off the hook. They were required to upgrade their competencies and qualifications through further

education and training in order to satisfy the required competency levels for section 54A and 56 managers. The most affected local government managers who lacked the required competencies and prescribed qualifications were those inherited from the previous homeland bureaucracies of former Lebowa, Venda, Gazankulu in Limpopo Province and other parts of KwaNdebele in Mpumalanga Province. Another cohort of managers adversely affected by the provisions of the above Act and the 2012 MFMA regulations relative to municipal minimum competency levels were those who had been previously appointed as a result of policy considerations and or simply cadre deployment.

To cater for the above category of municipal officials, the amended 2012 MFMA regulations on municipal minimum competency levels further introduced the concept of the 'special merit case'. This was meant to enforce and entrench a culture of professional bureaucracy at the local government level. The special merit case applied only to municipal officials without appropriate qualifications who were already in the system of local government. To qualify for the special merit case, an official was expected already to be in the process of upgrading and obtaining the required minimum competency levels and qualification relevant to his/her position. This privilege excluded all new appointments made after April 2012 in local government simply because newly-appointed persons were expected to meet all prescribed minimum competency level requirements and possess the required qualifications before appointment and or promotion. The amended 2012 municipal regulations on minimum competency levels and qualifications are, however, not clear about what ought to happen to municipal agents who fail to meet the prescribed competency levels and qualifications after the extended deadline of the 30<sup>th</sup> September 2015, specifically those on special case merit. In other words, these regulations do not guarantee the automatic dismissal of those who failed to meet the required competencies and qualifications. Even more, the National Treasury, through these MFMA regulations on competency levels, has not explained to municipalities what to do or what should happen under the circumstances.

Notwithstanding the above shortcomings of the policy, the creation of a professional and apolitical Limpopo local government is a critical step in the evolution of municipal quality or the local state capacity to improve municipal bureaucratic performance. This is because governments, which adopt and institutionalise a meritocratic civil service

provide more quality public goods and services and/or achieve more rapid rates of local economic growth and development than the governments that rely on patronage-based recruitment to staff bureaucratic offices (Rauch, 1995; Evans and Rauch, 1999; Rauch and Evans, 2000). Evidence provided in the previous chapter demonstrates that all senior managers appointed in the five sampled municipalities satisfied the prescribed educational qualifications (see Table 4). Yet the gap still exists regarding professional qualifications for municipal agents at the operational level, meaning at the lower grades, where the actual or practical policy implementation occurs. Prescribing minimum competency levels and qualifications for agents at the lower grade is, therefore, the next critical step in professionalising the entire municipal workforce within Limpopo local government.

The reason why a NQF level 6 qualification is required is simply because a three year training and education, particularly at university level, requires a fairly substantial level of specialisation in at least two or three major courses. Yet a candidate with this qualification may not be regarded as an expert in any subject field until such a person has obtained further qualifications at NQF level 9 (master's degree) and level 10 (doctoral degree).

Although practical experience is also critical, persons with a master's degree and or doctorate may be considered to be experts given their lengthy education and training in their field of specialisation. Educational qualifications do not, however, entitle professionals to know better than others, especially persons with limited education, on certain societal issues but progress towards this goal is a universal standard by which good governance in the state is measured.

Furthermore, in embedding the concept of meritocracy, the NDP (2013) and SALGA Report (2012) identify the need to professionalise the South African civil service at all levels of government as being critical for retaining competent and qualified people who will be committed to a career in government. Undeniably, a lack of skills, competencies and qualifications coupled with weak council oversight in municipalities perpetuates poor bureaucratic performance in many areas of municipal governance and the service delivery value chain (DCOG, 2011). There are, however, possibilities for Limpopo local

government's bureaucratic performance and professionalization to improve. Improved performance and professionalization are made possible by the factors discussed below.

Firstly, given the existing and growing legislative appreciation and recognition of the importance of meritocracy or expert-officialdom, municipalities in Limpopo Province have the opportunity to use this legislative framework to make progress. This means that they can start to recruit, select and appoint, or even promote, candidates based purely on merit rather than political patronage.

Secondly, municipalities have the opportunity to recruit skilled, competent and appropriately qualified new candidates. This is made possible by the fact that many of the current mature municipal officials inherited from the former homeland bureaucracies have increasingly reached their retirement age limit in terms of South African Government Employee Pension Law of 1996. This law, however, does not prescribe the single retirement age limit. For instance, section 19 (a) of the Government Employee Pension Law (*ibid*) clearly stipulates that a member has the right to retire on pension and shall be so retired on reaching the age determined by the law governing his/her employment. It is widely accepted in South African public service that a government employees cease to be members of the pension fund upon reaching the age of 60 or 65 years. Nevertheless, this implies that mature municipal officials are more likely to leave the system of local government gradually in large numbers, thus creating opportunities for economically active and more qualified candidates to enter the local government system as new municipal employees.

Thirdly and lastly, the professionalization of Limpopo local government is made feasible by the fact that political power between the municipal councils and the municipal executive committee does not permanently reside in one corner of the triangle pertaining to executive-legislative relationship. The former Speaker of the Limpopo Provincial Legislature (Personal Interview, 2013 cited in Mamogale, 2015), for example, mentioned that there were political periods whereby the legislative arm at the provincial level refused to be overtaken by events in the executive arm in terms of exercising its oversight function. The inference is made in this study that the same relationship pattern exists at the local government level between the councils and the mayoral executive committees



in the sampled case studies. Of course, politics is about power and power is not static. It works like a pendulum shifting from one corner to the other and back again.

Johnson (2011, p.18-19) provides an apt analogy of the executive-legislative power relation, which he likens to a magnet in a triangle. This author argues that the magnet rests in each corner of the triangle and also varies in size. The larger the magnet, the greater its pull effect on the metal ball, and so its influence over the decision or direction. In high quality democracy, characterised by a strong, a competitive party system, as was the case with all five sampled municipalities in this case study research, the rule of law, independent and impartial judiciary, free press and so on, the metal ball will not rest in one place or any corner for a prolonged period of time. This is simply because the decisions emanating from the municipal executive committee would have to be negotiated amongst the three key policy actors (i.e. the mayoral executive committee, the council and citizens) and to some extent the judiciary (see, Figure 7).

Chapter Three of the study indicated that citizens influence bureaucratic performance of municipalities since they are the principals of the politicians because politicians assume the role of policy implementers only on behalf of citizens. Citizens have the power through the vote either to keep a politician in office or remove him/her. Citizens further monitor politicians' performance simply by comparing citizens' proposals with the policies that are actually implemented (Arogones and Sanchez-Pages, 2009, p.56).

Furthermore, in any form of democratic governance system, the executive arm of government (e.g. the mayoral executive committee) requires the continued confidence and support of the municipal council or legislature to remain in power. Research further suggests that the executive arm in municipalities also requires the confidence and trust of citizens to remain in power or office. Anecdotal evidence further suggests that citizens elsewhere within Limpopo local government have successfully influenced political decision or the political parties to remove or change certain inept councillors from their positions, but politics played a major role in the removal of these councillors.

#### **7.4. Impact of citizen participation on municipal performance**

In Chapter Three and Chapter Six, this study explained that all five sampled municipalities effectively exercise public participation or involve citizens in their legislative processes such as during the development and review of municipal IDPs. In this study, citizen engagement and involvement in local government affairs is seen as another performance monitoring tool used to influence the bureaucratic performance of municipalities in one way or another. The question was, however, raised previously about the effectiveness of citizen participation mechanisms in influencing and exerting pressure for ensuring better municipal bureaucratic performance.

After observing the mayoral *imbizos* or the executive council community gatherings in Gowe village under the Greater Tubatse Municipality and another *imbizo* in the Waterberg area, the author of this study claims that citizen participation mechanisms are not effective in exerting pressure for ensuring better municipal bureaucratic performance. This is so because it was observed, for example, that during these citizen engagement and involvement initiatives citizens are not well informed about the financial performance of a municipality under scrutiny, except through mentioning resource constraints in terms of funding when communities raise concerns about lack of service delivery in their areas. Most focus during these executive committee community gatherings is often given to the provision of water, electricity, housing and road infrastructure because these are the key critical service delivery issues for many communities in Limpopo Province, rather than sanitation *per se*, which does not even makes the top five on the list of community priorities or needs. This might explain why the level of access to these services, rather than sanitation, has substantially improved to more than 80 percent in the sampled municipalities. As the previous chapter illustrates (refer to Table 9), the level of sanitation backlog is very high in all five sampled municipalities, except for the Greater Tubatse Municipality.

Moreover, citizens are not even given an opportunity during these community gatherings to scrutinise the quarterly and or annual performance reports of municipalities in order to familiarise themselves with their contents and the performance of a municipality. In other words, communities do not have access to these municipal performance reports. In effect, the executive council-community gatherings are seen simply as tokenism or box-

checking (Thomas, 1995; Claiborn and Martin, 2000; Roberts, 2004; and Heikkila and Isett, 2007). These authors confirm that the majority of citizens, with few exceptions, are not well informed about the actual performance of government institutions like municipalities.

As noted by Grosso and van Ryzin (2011), public institutions like municipalities inform citizens about their service delivery and financial performance through the annual performance reports, which are rarely studied at all, particularly by community members, except the few. Instead, citizens rely more on the media or public hearing meetings (e.g. executive council *imbizo*) to get to know and understand the bureaucratic performance of a particular municipality or municipalities.

Furthermore, during the fieldwork of this study, some research participants claimed that many of the elected public representatives, such as the parliamentarians or councillors, do not always study the quarterly performance reports of the government institutions they are supposed to monitor and evaluate. Many local politicians rely only on what they are being told by the municipal officials through briefings rather than themselves (politicians) reading and assessing the authenticity of the information contained in the reports. Focus group interviews attributed this to the limited educational background of many councillors. This study recognises that there are no required or prescribed educational qualifications for people to become municipal councillors in South Africa, except for citizenship and the right to vote, in accordance with the Constitution (1996).

Moreover, the study observed that another inhibiting factor for the citizens fully to grasp and understand the content of municipal annual performance reports, including the annual financial statements, is the manner in which the annual reports, the annual financial statements in particular, are presented. It can be argued that it is not always easy for an ordinary person without adequate and relevant training, especially at tertiary academic level, to understand or interpret the meaning of annual financial statements or the financial position of a particular municipality. The same holds for the auditing language used in the municipal annual performance reports. A lack of understanding of the auditing language by the citizens was observed during the focus group discussions in the Greater Tzaneen and the Greater Tubatse Local Municipalities. Focus group

participants confirmed that they do not always understand the jargon used by the auditors. From these focus group interviews, it is possible to conclude that the majority of citizens do not understand and cannot interpret the meaning of auditing opinions such as unqualified, qualified, adverse and disclaimer. This study then suggests that there is great need for municipalities, in partnership with the Office of Auditor-General South Africa, in Limpopo Province to undertake a massive community educational outreach programme. The Limpopo Provincial Legislature may also contribute by informing and educating communities around the province when it embarks on its public participation educational outreach programmes.

### **7.5. Impact of community protests on municipal operations**

In Chapter Two of this study, it is mentioned that, comparatively, Limpopo Province experiences lower rates of community protests, but the Sekhukhune district topped the list of the districts in the province with a high number of these protests (see Figure 4 & 5). The inference is, therefore, made in this study that these protests erupted under the Greater Tubatse Local Municipality owing to its persistent poor service delivery (e.g. water, housing, electricity, sanitation, etc.). Given its growing mining and manufacturing activities, the area is experiencing an increasing number of new informal settlements and community housing extensions, which increases water and sanitation backlogs. The mushrooming of informal settlements and new housing extensions puts more pressure on service delivery for an already struggling municipality in terms of public goods provision and financial management. This is the case because these new informal settlements and or housing extensions are developed outside the municipal plans and this reveals that the demand for municipal services outweighs service supply. The inability of the municipality to cover all areas under its jurisdiction, coupled with the scarcity of water in the area, leads to communities taking to the streets to vent their frustrations. It is often assumed that community protests are related to poor municipal service delivery, but this study contends that it is not always the case.

In effect, interviews confirmed that not all community protests staged against the municipality in the Greater Tubatse were related to poor municipal performance. Given the booming mining industry in the area, interviews in the area confirmed that community protests within the Greater Tubatse Local Municipality are also fuelled by

high levels of youth unemployment and a high level of underdevelopment pertaining to road infrastructure despite the existence and presence of the mines. Aside from the Greater Tubatse, the other two local municipalities (e.g. Fetakgomo and the Greater Tzaneen) and also the two district municipalities (e.g. Capricorn and Waterberg), in contrast, experienced fewer community protests. This might be due to the fact that there are fewer, or no, mining activities in these municipalities as compared to the Greater Tubatse Municipality.

Interviews further confirmed that community protests sometimes erupt as a result of youth frustration with unemployment, a lack of accountability by the councillors and the officials, as well as unfulfilled or unrealistic promises made by the local politicians during the local government election campaigns, among other things. This assertion is consistent with findings by other independent institutions, like Municipal IQ, that community protests do not necessarily occur in municipalities with the worst service delivery backlogs. Anecdotal evidence further suggests that community protests might erupt as a result of a lack of public consultation and participation in choosing the councillors who would represent the voice of the citizens or a lack of consultation on certain political decisions that affect local communities. Community protests erupt because municipalities sometimes change IDP priorities without engaging and informing affected communities about those changes (Makhurupetji, 2015, July 22).

This study, therefore, contends that not all community protests in municipalities within Limpopo local government, especially those in mining communities, should be viewed as the citizens' dissatisfaction with poor municipal performance with regard to service delivery. Even so, municipalities have huge role to play in addressing community needs such as unemployment. These are often promised to be addressed during the local government election campaigns and highlighted in local government election manifestos. Despite these local government election promises, it is worth mentioning that local government alone cannot solve all community problems. If the bureaucratic performance problems are to be solved within Limpopo local government, they must also be solved in other spheres of government. This is because many governance problems affecting municipalities in Limpopo Province are not unique to this sphere of government but are experienced by the provincial government as well.

As mentioned in Chapter One, unfortunately municipalities are simply the first entry point of contact between government and citizens. Local municipalities are at the coalface of service delivery (Thornhill, 2008; van der Waldt, 2006). For example, the right to water and sanitation access is a shared competency of all three spheres of government (national, provincial and local) in terms of Part B of Schedule 4 in the Constitution (1996), but communities demand the provision of these public goods and services only from the local government. Research further suggests that, in the recent years, national and provincial governments have shifted most of their service delivery functions (e.g. human settlement, health care services, etc.) to already struggling district and or local municipalities without providing the necessary support. As a consequence, municipalities are forced to perform these functions and, later, be blamed for not meeting minimum community expectations in delivering these services.

During the fieldwork, it was discovered that communities firmly believe that their local municipalities are responsible for every government service delivery area, while, in reality, local municipalities have little authority to manage certain delivery risks, which occur owing to the failure of national and or provincial government to fulfil the delivery role. To reiterate, local communities do not understand this and are not even made aware of the fact that their local authorities are sometimes rendered powerless when it comes to certain government delivery areas (e.g. human settlement, police services, health care services, etc.). Of course, this frequently leads to service delivery protests from disgruntled communities who expect their local municipalities to comply with and meet their service delivery needs.

Regarding access to water and sanitation services, the study has indicated in the previous chapter that all five sampled municipalities are characterised by huge service backlogs. The South African Constitution (1996) recognises that access to safe drinking water and sanitation is fundamental to the enjoyment of other human rights (i.e. health, safety, dignity, environment, etc.). The Water Services Act (Act No. 108 of 1997) further regulates all matters relating to water and sanitation in South Africa as it provides for the rights of access to a basic water supply and basic sanitation. The lack of access to these basic municipal services then not only impedes access to these rights, but heightens the

vulnerability of certain community members (e.g. women, girls and persons with disabilities). For instance, sanitation development in many rural communities in Limpopo Province is outdoors and inaccessible to persons with disabilities.

Given the high sanitation backlogs in all five sampled case studies, this study contends that there has been no dedicated budget for sanitation at the municipal level within Limpopo local government. As a result, local municipalities do not prioritise sanitation services, especially waterborne sewerage system owing to the non-existence of a sanitation infrastructure throughout Limpopo Province. SAHRC (2014, p.49) confirmed that, when a budget is allocated for water and sanitation services, the bulk of the budget is often spent on water and little or nothing on sanitation. SAHRC further claims that, generally, many municipalities use the funding they receive (e.g. capital budget) on maintenance and correcting problems as opposed to eradicating service delivery backlogs.

The study further contends that municipalities in Limpopo Province might not be able to eradicate water and sanitation backlogs owing to a lack of integrated planning between the two spheres of government (provincial and local) and also poor technical capacity (e.g. engineers, project managers, architects, etc.) in local municipalities. The study claims that, despite the existence of intergovernmental forums, no one takes full responsibility for the rollout of sanitation infrastructure services within Limpopo local government owing to poor coordination between the two spheres of government (provincial and local government). This observation corroborates earlier claims by Kgalema, *et al*, (2012) that integrated development planning forums within Limpopo Province are not functional.

Moreover, an analysis of various municipal documents indicates that access to basic municipal services in the five sampled case studies varies between townships or town-based households and rural based households. Town-based households are better off regarding access to municipal basic services (e.g. piped water, electricity, sanitation, etc.) simply because the majority of them have at least some disposable income, which means they can afford to pay for the consumption of their municipal services. Rural-based households, in contrast, are indigent and have little or no disposal income, which is derived mainly from social safety nets such as pension grants, child grants and so forth.

They are, therefore, unable to afford payment of any municipal service consumed. Empirical evidence suggests that access to water within the RDP standards seems to be generally better in townships communities than in the traditional villages. Focus group interviews confirmed that greater parts of rural areas do not have adequate access to water and sanitation services when compared to township areas. The interviews further revealed that the households in formal townships, such as Tzaneen, Nkowankowa, Haenertzburg, Letsitele, in the Greater Tzaneen and formal townships, such as Praktiseer, Steelpoort, Orighstad, etc., in the Greater Tubatse area only have access to a conventional refuse removal service in contrast to the rest of the rural settlements. Of course, the lack of access to sanitation services, like refuse removal, and the lack of a strategy to deal with this problem have a clear environmental impact on the quality of life of the local people.

#### **7.6. Impact of grant dependency on municipal financial viability**

Given that all five sampled municipalities are grant dependent, this means that national government will continue to pump more money in the form of grants to bail out financially distressed municipalities in Limpopo Province. Although injecting more funding into Limpopo local government is a desirable intervention given the low revenue base of local municipalities, particularly rural-based municipalities, funding alone will not solve all governance problems afflicting local municipalities. Bearing in mind that over a fifth of the municipal own revenue is derived from surcharges on fees for services, mainly on electricity and the water supply, the financial viability of local municipalities is threatened and this is exacerbated by the removal of the old core activities such as electricity reticulation to Eskom, which means the end of revenue derived from this service.

The threatened financial viability of municipalities may further mean that national government will end up being forced to reduce the total number of municipalities in the country or consider merging certain municipalities to achieve economies of scale. Evidence provided in the preceding chapters indicated that government at the centre, through the Municipal Demarcation Board, has considered re-demarcating certain municipal boundaries throughout the country in order to achieve economies of scale by reducing or merging certain local municipalities.



As mentioned in the previous chapter, the Greater Tubatse and Fetakgomo Local Municipalities were merged to form one municipality after the 2016 local government elections. This means that the total number of local municipalities in Sekhukhune District will be reduced from five to four, possibly after the 2016 local government elections, while the total number of local municipalities, not including the district municipalities, in Limpopo Province has been reduced from twenty five (25) to twenty two (22). Although they did not form part of the sampled case studies in this research project, interviews indicated that two other local municipalities (i.e. Modimolle & Mookgopong) under the auspices of the Waterberg District Municipality were in the process of being merged. This study contends that the amalgamation of municipalities will not necessarily address dysfunctionality or the governance problems afflicting the local municipalities in the province.

Concerning audit performance, this study argues that, even if some municipalities in the province improve their bureaucratic performance in relation to audit outcomes, this does not necessarily suggest an improved financial performance or improved service delivery on the ground. In Chapter Two of the study, it was explained that a positive audit outcome (e.g. unqualified audit outcome with findings or a clean audit) is not a good measure of either good financial performance or better service delivery of a municipality. A clean audit or unqualified audit outcome is not an indicator of the absence of financial problems or better public goods provision. The audit process does not assess the quality of municipal revenue management capabilities, the effectiveness of municipal spending trends or the nature and the extent of financial waste incurred, amongst other things (National Treasury, 2012b). Yet a positive audit outcome does provide a good indication of the state of municipal financial management and the level of compliance with all relevant local government legislation (e.g. the MFMA) and regulations including the South African standards of generally recognised accounting practice (SA Standards of GRAP) rather than the state of municipal finances.

### **7.7. Impact of strong municipal councils on municipal performance**

The existing alternative explanations for institutional bureaucratic performance in the literature point to the impact of political factors. These political factors include the governance system adopted by the country, the legislative-executive relationship, single

political party dominance and so forth. In other words, the choice that the state makes with regard to the type of governance system has an impact on other areas of its bureaucratic performance. For example, the independence of the municipal councils *vis-à-vis* the municipal executives in exercising their formal powers, which are embodied in the national constitution, is affected by the governance system adopted. The findings from the previous chapter indicated that Limpopo local government has established a functional parliamentary or council oversight committee system.

In addition, the autonomy of the municipal councils or their oversight committees is directly or indirectly influenced by the political governance system adopted by the state. From a political science point of view, SA adopted a parliamentarian system of governance based on the British model of Westminster, as opposed to the USA's presidential philosophy. Undeniably, this means that all municipal councils in Limpopo or the provincial legislature politically operate on this British model of governance. Although democracy can thrive in any of the above mentioned political governance systems, parliamentarianism has been found to have a 'weak separation of powers' concerning the legislative-executive relations owing to the fusion of powers and office (van Cranenburg, 2009).

A presidential system, in contrast, has a high or strict separation of powers. Having a strict separation of powers means that once an individual member of the municipal council or the legislature is appointed to a position in the municipal executive as the Mayor or Premier, for example, such a person is constitutionally obliged to surrender his or her seat in the municipal council or the legislature. The constitution does not allow such a person to serve at the same time both as a member of the council and a member of the mayoral executive committee. This is, however, not the case with the parliamentary system of governance, which allows the Mayors or the Premiers to retain their seats in both political and executive structures. Evidence provided in this study indicates that the executive mayor of the Capricorn District Municipality and the mayor of the Greater Tlokoeng Municipality retained their council seats after being removed from the mayoral position during the 2013/14 financial year.

In relation to this research study in local government, the conflation of executive and legislative powers in the same municipal council means that municipal councils in all sampled case studies were found to be weak and not fully independent in exercising their formal powers of oversight. The lack of the clear separation of powers further suggests that municipal councils struggle to define their roles clearly in order to oversee the municipal executives independently. In effect, there was a resounding consensus during the focus group discussions held in 2013, comprising primarily oversight committee researchers and coordinators from Limpopo Provincial Legislature, that the British model of governance applied in SA entrenches executive dominance over the legislatures or municipal councils.<sup>40</sup> This observation corroborates the earlier findings by van Cranenburg (2009), Barkan, *et al.* (2010) and Nijzink, *et al.* (2006) that parliamentarianism serves to strengthen the executive branch's dominance over the legislative branch of government. Focus group participants argued that municipal councils exist to rubber stamp the decisions taken elsewhere, especially by the mayoral executive committees, owing to their weakness and lack of independence *vis-a-vis* the mayoral executive committee.

Although the separation of powers is clear and unambiguous at national and provincial level in SA, this study contends that this is not the case at local government level. This is simply because the same principle of the separation of powers in municipalities is blurred by section 151 (2) of the Constitution (1996) owing to the conflation of legislative and executive powers in the same body, that is the municipal council. This fusion of powers in turn weakens the municipal councils in exercising their formal powers of oversight. The Department of Justice and Constitutional Development (2014) confirms that blurred separation of powers is more striking at the local government where the same body (i.e. the municipal council) fulfils both the legislative and executive functions of government.

In a nutshell, given the blurred separation of powers, the municipal councils become somewhat less independent and weak *vis-à-vis* the mayoral executive committee in the exercise of their formal powers of oversight. This, in turn, affects the bureaucratic performance of the local government badly, as the council become less effective in

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<sup>40</sup> For more detailed discussion on this, see Mamogale, 2015

cracking the whip against a lack of accountability and transparency by members of the mayoral executive committee. A similar observation is made by de Visser (2010) and Tshandu (2010) that the conflation of legislative and executive powers in the councils perpetuates the poor performance of municipalities or councils in relation to the accountability of the municipal administration, which, in turn, has an impact on service delivery at the local level.

### **7.7.1. Single political party dominance and municipal performance**

No political party would disapprove of dominating both the legislative and executive arms of government. Dominating both is seen to be a confirmation of trust, confidence and legitimacy by voters. It also gives the incumbent governing political party the leverage always to push for the implementation of its policies and political ideology. Single party dominance further enables the governing political party always to use its numbers in the municipal councils or the legislatures to overrule any policy proposals from the opposition political party or parties. In other words, such a dominant party tends to have free hand in the council only in relation to its political opponents. As indicated in the previous chapter, the dominance of the ANC in all the identified municipal councils suggests that the party enjoys overwhelming support from the voters but the ANC's dominance in Limpopo Province does not suggest that its defeat at the polls is unlikely in the future. Suttner (2006; p.277) attests that political parties that have been dominant for long time or decades in other parts of the world such as in Japan, Taiwan, India, Italy, etc., could not permanently be in power as some of them are now dislodged from political power.

This study, however, argues that single political party dominance can be imperil to democratic accountability and transparency, especially when the opposition political parties are weak. It is contended in this study that the single dominance of the ANC in all the councils does not necessarily suggest that the sampled municipalities will always ensure compliance with and the execution of its policies by municipal agents. This is especially the case where the party deploys people without the required competencies and professional qualifications. The single dominance of the political party can be dangerous to the party itself. It may results in internal squabbles and intra-party tension and polarisation, which simply mean that the unity of the party over time may tends to

erode. In other words, the dominant ANC may not last forever and once the party is politically polarised, there exists a possibility of the electoral defeat. In similar tone, Suttner (ibid) attests that there must be reasonable possibility of the defeat of the dominant ruling political party before democracy can be said to be consolidated.

Furthermore, in this study the prolonged single dominance of both the municipal councils and the mayoral executive committees in the five sampled municipalities was observed to perpetuate less-independent and weak municipal councils in Limpopo local government. In Chapter Five, the study indicated that, although Limpopo local government was characterised by competitive party system, the ANC dominated all the municipal councils with more than 75 percent of parliamentary seats in all five sampled case studies since 2000. The independence of the council in a 'council-mayoral committee relationship' is, therefore, compromised by the prolonged single dominance of the council by one political party. The council's independence is also compromised by high political ranking or, simply, the political seniority of the mayoral executive members, which is made up of the mayor, speaker, chief whip and most often the portfolio committee chairpersons. The discussion on how political high ranking of the mayoral executive committee members has a negative impact on the independence of the council will ensue below.

Single party dominance has several implications for not only the operations and performance of the council or its oversight committees and the entire municipality, but also for the conduct and behaviour of individual council members. The question becomes how this happens. Literature indicates that a single party dominance results in the governing political party becoming accustomed to monopolising access to the state resources and this sometimes results in resource exploitation or embezzlement. Throughout the country, the media has reported on several occasions about incidents of resource exploitation not only in local government but in other spheres of government as well.

In addition, single party dominance gives the single dominant governing political party the leverage to dispense political patronage *via* state jobs, which is not a conducive environment for institutionalising and enforcing the concept of meritocracy or

professionalization of the local state bureaucracy. Again, the media has reported about the so-called 'jobs for pals' in local government.<sup>41</sup> Empirical evidence suggests that political patronage is not a good foundation for building a professional bureaucracy because that is where the irregular appointments and or promotions of inappropriately qualified personnel might thrive through cadre deployment. In Chapter Three, the study discussed the merits and demerits of cadre deployment/the political appointment system in relation to the bureaucratic performance of state institutions. With regard to political patronage, empirical evidence further suggests that the exploitation of state resources might result in political corruption, which is defined as the exploitation of state resources most often by high level politicians and, in extreme cases, it involves the entire political class (Golden and Ghang, 2001).

Research shows that political corruption occurs despite well-established institutions of regulation and oversight such as exist in municipal councils or legislatures to prevent the abuse of state resources. This claim challenges the pluralist theory argument that, fearing opposition political parties and citizens as voters, local politicians are more likely to abstain from exploiting the state resources.

Furthermore, a single political party dominance is problematic in the sense that some local politicians might take advantage of sustained support and loyalty from the voters of the incumbent governing political party to exploit state resources via fraud and corruption. As noted by Wesson and du Plessis (n.d., p.13), power, prominence and influence without accountability amount to despotism. As mentioned in Chapter Six of this study, a similar caution was made by the former Speaker of the Limpopo Provincial Legislature that learners will in future read about the ANC in history books, when it will have become defunct like many other political liberation movements particularly in Africa. The former Speaker highlighted a lack of accountability by the politicians, ill-discipline, dishonestly, factions or intraparty squabbles and polarisation as some of the disturbing factors, which would end up gradually but eventually destroying this political party in the future. To conclude this section, a single political party dominance is always

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<sup>41</sup> See, Tshwane cops in 'jobs for pal' row, Independent Newspaper, 23<sup>rd</sup> April 2012 and

Tshwane jobs-for-pals puts ANC before the people, DA's MPL Assistance Network, 15<sup>th</sup> September 2014.

conditional and mediated by factors outside of the setting where electoral dominance is manifested (Suttner, 2006, p.279). For instance, although the dominant ANC has won political power and enjoys overwhelming support and loyalty from the black voters, the party still lacks economic power since the South African economy is largely owned and controlled by whites. Therefore, a single political party dominance cannot be a source of political and economic stability because there always exists opportunities for fierce political leadership contestation and polarisation. In addition, the voters at the societal level may still oppose the dominance political party's position over certain policy choices.

### **7.7.2. Political party seniority and councillors' behaviour**

Political seniority also affects the independence and the conduct of individual members of the municipal councils, which, in turn, adversely affects the efficiency and effectiveness of municipalities (Mamogale, 2015). This is because, most often, politicians who hold senior positions in the political party or parties are automatically guaranteed executive positions in the municipal councils as the mayor, the speaker, the chief whip and or council oversight committee chairpersons. The same holds for high ranking politicians at the provincial level who are also guaranteed provincial executive positions such as the Premiers, members of the executive councils (MECs), etc.

At the local government level, and despite their election by the council in its first sitting following the outcome of the local government elections, the chairpersons of the political party at the regional or sub-regional levels automatically become municipal executive members. One has observed that the same holds for chairpersons of the political parties at national or provincial level who also become the country's Presidents or provincial Premiers, while others are guaranteed seats as members of the executive councils. Anecdotal evidence suggests that the rationale behind this political arrangement is to avoid having two competing centres of power. Politically, it might be claimed by political parties that it is dangerous to have a senior person in terms of political party rankings reporting and directly accounting to a junior person in the party position ranking. This study, however, contends that this might be a possible solution to the problem of strengthening the independence of the municipal councils, which are made up mainly by elected ordinary political party members *vis-a-vis* the mayoral executive committee.

By the virtue of their senior positions in the political party or parties, the municipal executive members are more able to exercise a considerable influence on, or control over, the decisions of the ordinary council members. Anecdotal evidence further suggests that, before the 2011 local government elections, there might have been cases where even some municipal managers were political masters of most council members in terms of political party ranking. The occupying of senior positions in the political party or parties by municipal managers also defeats the whole intention of the 2007 MFMA regulations on minimum competency level requirements for all managers in the municipalities. To address this gap, government reviewed and amended the Local Government: Municipal Systems Act (2000), among others. An analysis, however, indicates that, since 2011, with the promulgation of the Local Government: Municipal Systems Amendment Act of 2011, this was no longer the case. This is because the political party arrangement regarding municipal managers is prohibited as it badly affects the bureaucratic performance of municipalities and also compromises the independence of the municipal councils. For example, section 56 (1) of the Act (ibid) states that a municipal manager or managers directly accountable to him or her may not hold political office in a political party, whether in a permanent, temporary or acting capacity.

The Act, however, exempted municipal managers or other managers directly accountable to him or her who had already been appointed or were holding political office when the provisions of the Act took effect in 2011. This means, therefore, that once their political term expires in the political party or parties in near future, no municipal officials will be allowed or appointed to hold political office. The passing of this Act also saw many municipal councillors, particularly those who worked at the same time as being full-time public servants, being forced to choose a career either as a politician or civil servant. While some left local government politics to focus on their careers as full-time civil servants, others, particularly from the opposition political parties, continued to wear 'double caps' and so earned double salaries as councillors and full-time civil servants in other spheres of government.

A councillor from the opposition political party (Personal interview, 2016, Jan 17) in the Greater Tubatse Local Municipality mentioned that this legal requirement affects only the affiliates of the governing ANC. The councillor proudly confirmed that he was working at



the same time as both a full-time school teacher and a council member of the opposition political party. This simply suggests that the councillor was earning a double salary from the same employer which, in this case, is the state. The respondent further claimed that there were a few other councillors in the Greater Tubatse Municipality who were working as full-time mine workers during the undertaking of this study. This simply suggests that opposition political party members do not recognise the laws or policies that are crafted by their rival political party or parties in government. This is so especially when the affected political party does not take any steps to discipline or reprimand its members for contravening the national and local government legislation. This, in turn, suggests a widespread culture of impunity with regard to non-compliance with laws and regulations in local government not only by municipal agents but also by the political principals.

Moreover, under a single party dominance, ordinary members of the municipal councils, except those from the opposition political parties, who hold either junior or no political rank cannot be expected to act independently *vis-à-vis* the municipal executives. In other words, ordinary political party members in the municipal councils become less critical of their political masters during council oversight meetings, which are meant to assess the bureaucratic performance of the municipality. In this situation, council members often behave in a 'conformist manner'.

Given the single dominance of the ANC in all five sampled municipalities during the undertaking of this study in Limpopo local government and also, perhaps, the political developments since 2008 in the province (see, Mamogale, 2015), many council members acted in a conformist manner for fear of either recall or reprisals by their political masters or the political party or parties. A justification for this claim is provided by a former councillor from the Greater Tubatse Local Municipality who said:

*Members from the ruling party cannot be expected to appear supporting the views of the opposition political parties (Personal Interview, 2016, Jan 3).*

Johnson (2011, p.86) documented a similarly conformist behaviour pattern generally in parliamentary debates elsewhere in Africa. Johnson noted that legislative members often worry about how their political statements are interpreted by their political masters in

the governing political party or parties. Johnson is supported by Malesky, *et al*, (2012) by stating that the hope of becoming a Minister or the Mayor is often just enough to make legislative members compliant with the executive directives. In the context of South Africa, as previously mentioned, executive dominance over the legislative members and a culture of fear created by political seniority at national level means that parliamentarians buckle up or toe the line under intense executive pressure as observed by Holden (2012, p.117).

Furthermore, all participants of the four focus group discussions held during the undertaking of this study claimed that local politicians, such as municipal councillors, always hope for future career advancement through political promotion. These focus group interviews claimed that politicians in the councils envy the municipal executives, especially the mayors, given their salaries, social status and emoluments. The councillors may also be promoted through political deployment to the provincial legislatures as members only if they agree with the political party leadership. This behavioural expectation, especially when one has demonstrated self-restraint and understood the need to always comply with party leadership instructions, forces many councillors to be less critical or less independent in conducting their oversight function. In a nutshell, ordinary council members will always seek to appease their political masters or their political party leadership for fear of reprisals or recall. This analysis clearly indicates how political parties influence the quality, behaviour, the operations and the functions of the municipalities and their councillors. This analysis leads the reader into the next section that deals with an analysis and the discussion of how political parties influence the quality or the performance of municipalities.

### **7.7.3. Political party's influence on municipal operations**

Political parties play an important role in the functioning of all state institutions including municipalities. They can either limit or enhance the power and operational efficiency of municipal councils. In effect, municipalities are entered and constructed by political parties that consolidate their local government identity through dispensing political patronage via local state jobs. The theoretical framework discussed in Chapter Three of this study indicated that political parties use three powerful tools such as political deployment, promotion or demotion and party discipline, among other things, to

influence and the limit the power and independence of the councils and their members. In other words, they conspicuously use these tools to influence the overall bureaucratic performance of municipalities and the councils.

The governing ANC in the five sampled case studies used promotions or demotions as is evident in the constant changing of MPAC chairpersons, and recalls of municipal mayors or speakers, as mentioned in the previous chapter. During the council reshuffle process, some councillors are either promoted to the mayoral executive committee membership or demoted to the council level but not practically dismissed from the municipal councils themselves. As mentioned earlier on, SA's governance system of parliamentarianism allows the mayor or any other member of the mayoral executive committee to return to his or her seat in the council. A classic example is the mayor in the Greater Tubatse Local Municipality who was demoted and became an ordinary council member after being recalled in 2013. At the district level, the same holds for the executive mayor of the CDM who was demoted to the council level in the 2013/14 financial year.

Moreover, it can be argued that the political developments since 2008 and 2013 in Limpopo Province immediately after the removal of Sello Moloto and subsequently Cassel Mathale as a provincial Premiers meant that the local political party system became somewhat fragile. In other words, the province then had a hybrid system of a party system. Hybridity of the system means that the competitive party system in the province started to have elements of both stability and fragility but without political violence. It cannot be expected that a fragile party system would result in good bureaucratic performance by municipalities.

Political promotion and or demotion was further evident in political leadership change during the undertaking of the study characterised as institutional instability in the previous chapter in the three sampled local municipalities and weakening the municipal councils. GOCHSTA (2009, p.10) points out that causal reasons for distress in municipal governance relate to serious tensions between the political and administrative interface. The situation at the local government level has created chances for people to attack one another in competition for membership of the municipal councils or municipal executive office, especially during the local government elections (Pottinger, 2003). Political parties

further use disciplinary action to exercise control over the council members through career path opportunities, which, in turn, compromises the quality of individual council members.

The lack of career advancement and a career path may inhibit the council's assertiveness or enhance its independence depending on whether the municipal council members have control over their careers in the council or not. In other words, the political career path of many local politicians in municipalities shapes the incentives they have to challenge the municipal executive or political masters and thereby promote intergovernmental accountability. Depending on whether a particular council member plans to pursue a career in the private sector, local or national politics or the civil service, a local government politician is often dependent on the goodwill of provincial politicians. The governing ANC in Limpopo Province, for example, used its provincial executive committee of the party to recall and/or dissolve many sub-regional political structures at the local level in 2013 (Mamogale, 2015). The result was political leadership change, particularly of the mayors, the speakers, etc., in three sampled municipalities (i.e. Capricorn District Municipality, the Greater Tubatse and the Greater Tzaneen Local Municipalities), as discussed in the previous chapter.

A study by Mamogale (*ibid*) suggests that to strengthen the quality and the performance of the municipal councils and their oversight committees, governing political parties should deploy senior-level political figures to the councils as ordinary council members rather than in the municipal executives. The study further suggests that reviewing the deployment criteria for individual candidates to serve in the municipal councils by the political parties will be the next critical step in advancing local government democracy and the bureaucratic performance of local municipalities. A grade 12 senior certificate is recommended to be the minimum prescribed qualification requirement for municipal councillors (Mavhivha, 2007).

In a nutshell, this study argues that the municipal councils possess greater independence only when they face less political meddling from the national or provincial political party leadership. This further becomes possible when the councils do not depend on the mayoral executives or political parties to make their future career prospects realisable.

Ordinary council members who do not hold any high-level positions in the political party, may also possess greater independence when the courts are prepared to defend the local politicians who are expelled for not executing political party leadership directives that might be in contravention of the country's national constitution and or any other laws. As Kanyane (2006) observed, a culture of playing safe is often created not only in the South African public service but also in the political realm.

The lack of, or limited, independence of the municipal councils and their parliamentary oversight committees in the sampled case studies suggests the weak institutional quality or performance of municipalities. Surely, it cannot be expected of a weak and less than independent council consistently to exert pressure over the municipal agents for improved operational efficiency and productivity in relation to service delivery and financial management. As noted by Mamogale (2015, p.205), the independence and the performance or quality of oversight and regulatory institutions like municipalities and legislatures are also influenced by the executive-legislative power relationship and not only the size of the institutions as suggested in the literature.

#### **7.7.4. Quality of individual council members**

It is not only the independence of municipal councils and/or their parliamentary oversight committees that matters in influencing the bureaucratic performance of municipalities, but also the quality of the individual council members in terms of educational background and knowledge of local government. In other words, the success or failure of a municipality in terms of its bureaucratic performance depends largely on the quality of its people both political and administrative. In the literature, the quality of the political dimension (e.g. members of the councils or legislatures) has been given little attention *vis-à-vis* the administrative dimension (e.g. managers). Evidence suggests that institutional quality or performance is shaped by the quality of all the individual people measured through competencies and educational background. This simply implies that the individual capacity of council members also has an impact on municipal bureaucratic performance. Competency is a combination of knowledge, skills, behaviour and attitude or aptitude that a person possesses and can apply in the work environment. It indicates a person's ability to meet the specific job requirements

As already mentioned, the only qualification criteria set for people to become municipal councillors in South African local government is citizenship or nationality and universal suffrage rights. Section 158 (1) of the Constitution (1996) and section 21 of the Local Government: Municipal Structures Act (1998) specifically single out 'the right to vote' rather than competencies, skills and professional credentials as the main prerequisite for qualification as a municipal councillor. No reference is made to skills, competencies, knowledge and educational qualification as the prerequisite for election as a councillor or even a member of national or provincial legislature. Of course, the lack of prescribed educational credentials and required competency levels has a detrimental effect on the quality of people who are elected to the municipal councils and/or their parliamentary oversight committees. In this study, it is argued that the omission of these key personal attributes has attracted a poor quality of municipal councillors throughout the Limpopo local government system. That is why many municipal councillors, as research participants in this study claimed, do not study the submitted quarterly and or annual performance reports from municipalities. To repeat, they rely on briefings from the writers of these municipal reports, which means the municipal officials.

Since the possession of educational qualifications, among other things, is not a prerequisite to qualify as a municipal councillor, the inference can be made that in all five sampled municipalities many councillors had no educational background or qualifications at post matric level, except a few who were either former or current school teachers or principals during the undertaking of this study. A former school principal who left the teaching profession to become a councillor after May 2011 local government elections said that:

*My involvement in local government as a councillor has opened many more opportunities than when I was in the teaching profession. I am now a board member in one of the organisations. I can now afford to buy and pay more things than when I was in teaching (Personal Interview, 2015, Sept 15).*

The above quotation clearly suggests that this respondent was firstly attracted by a local government salary and council member's emoluments. Secondly, it further suggests that the system of local government is comparatively paying better than the teaching

profession and so it is able to attract civil servants from other spheres of government to join municipalities, school educators in particular. Research shows that many civil servants in South African public administration had, in the past, joined the local government as municipal councillors. The PSC Report (2007, p.16) confirmed that there were approximately 340 civil servants, especially from the Limpopo provincial government, who served as municipal councillors between 2006 and 2011. In effect, of these 340 civil servants who became municipal councillors, the Limpopo Department of Education and the Department of Health had the highest number at 236 and 51 councillors respectively during this period, when compared to other provincial departments in the province.

Undoubtedly, the participation of civil servants from other spheres of government (i.e. national or provincial government) in local government as municipal councillors is in contravention of the Constitution (1996) and other laws and regulations. To be more specific, section 158 of the Constitution (ibid) prohibits persons who are appointed by or in the service of the state (e.g. national or provincial government) and also receiving remuneration from the state from being members of the municipal councils. Furthermore, section 3 (b) of the Public Service Act (1994) and Public Service Regulations on the code of conduct provide that public servants may not perform remunerative work outside the public service without the approval of the Executive Authority, meaning the MEC. With regard to school teachers or principals, specifically section 33 (b) of the Employment of Educators Act (Act No. 76 of 1998) states that no educator shall perform or undertake the performance of remunerative work outside the educator's official duty without the permission of the employer (Department of Basic Education, 1998).

As noted by Avellaneda (2009, p.286), managerial quality operationalized with municipal mayoral professional qualifications or educational background and job-related experience positively explains institutional bureaucratic performance of organisations. Concerning job-related experience, some scholars (e.g. Fernandez, 2008; Fiedler, 1966; and Fiedler & Chemers, 1968 cited in Avellaneda, ibid), however, found no evidence of the relationship between experience and an organisation's performance.

In this study, however, one challenges Fiedler and Chemers' claim. This study contends that job-related experience influences institutional bureaucratic performance in that it enhances one's ability to cope with stressful conditions. It further enables one to anticipate technical and administrative obstacles likely to occur during the production line processes by devising the necessary and appropriate strategies to overcome or mitigate the potential risks. In addition, job-related experience assists the job incumbent to deal with task difficulty, especially if it is a routine task on the production line or service delivery value chain. Municipalities whose political principals have job-related local government experience can, therefore, have higher impact on municipal bureaucratic performance than those who do not have experience after being sworn in immediately after the local government elections.

As discussed in the previous chapters (i.e. two and six) of this study, all sampled municipalities invest heavily in capacity building and training programmes of their councillors and officials to acquire skill and knowledge about the local government sector. As a result municipalities are individually expected to reap returns from this investment in terms of performance. A study on educational returns by Psacharopoulos (1985; 1994) found that returns from investment in training and education are higher than from investment in physical capital. Supported by Evans (2007), social returns from the expansion of human capabilities are substantially higher than the private returns. In effect, almost all respondents in this study emphasised the importance of competencies and educational qualifications for municipal councillors in the sampled case studies. Despite this huge investment by municipalities, bureaucratic performance of three local municipalities was poor as is evident in high levels of negative audit outcomes and high levels of municipal service backlogs (refer to Table 6 and 9).

The researcher's practical experience working in the legislative sector, however, demonstrates that there are no behavioural differences between local politicians in the provincial and local government spheres of government judging by the level of policy debate and educational background. The same might hold for politicians at the national level. At the national level, for example, Barkan (2006) observed that parliamentary oversight committees chaired by knowledgeable chairpersons with a fair amount of educational background performed better than oversight committees chaired by persons



with very limited or no educational background during Thabo Mbeki's presidency. Although other attributes, such as sound financial governance, systems, policies and so forth are so important, without the quality of the people (e.g. the principals and agents) the Limpopo local government is more likely to experience sustained performance difficulties until such time that communities and political parties reconsider the quality of people they elect and deploy to municipalities as councillors.

In a nutshell, this study contends that, although educators had professional teaching qualifications, their training is irrelevant with regard to the local government circumstances. This means simply that educators who are absorbed into local government as municipal agents do not necessarily add value to the quality of municipalities. This is because they are recruited and appointed into local government system as either officials or political principals without any experience and knowledge of the system, which, in turn, adversely affects the performance of these municipal authorities. In the previous chapter, this study emphasised the importance of the relevance of one's professional qualifications and appropriate job placement to the post based on the inherent job requirements. Now that the importance of quality in the political dimension has been analysed and interpreted, the next section deals with an analysis and interpretation of the administrative dimension and its impact on the bureaucratic performance of municipalities.

### **7.8. Managerial quality**

Another important area that has an impact on the bureaucratic performance of municipalities is the quality of their management, specifically the section 54A and 56 managers (i.e. municipal managers, and other managers) in accordance with the Local Government: Municipal Systems Amendment Act (2011). This clearly means that the importance and quality of municipal administrative leadership cannot be overemphasised. In Chapter Five, the study mentioned that the municipal council governance system in municipalities consists of two elements. On the one hand, it is the political element led by the municipal mayor, while, on the other hand, the administrative governance element is the municipal manager appointed and answerable directly to the municipal council. Even though the municipal mayor has distinctive political roles *vis-à-vis* the municipal manager, they are both critical for the management and the

performance of a municipality. For instance, the mayor is vested with powers to provide general political guidance over the fiscal and financial affairs of the municipality in terms of section 52 (a) of the MFMA (2003).

The municipal manager in contrast has powers to provide administrative leadership and the management of the financial affairs of the municipality in line with the MFMA (ibid) and other local government legislation. The quality of the two key decision makers, therefore, becomes important in influencing the bureaucratic performance of the selected municipalities for this case study. In other words, by the virtue of their positions as the key decision makers, ideally they are both expected to have skills, expertise and, above all, a professional background or qualifications, which have an impact on their individual and overall organisational performance.

Gomes and Liddle (2008) found evidence that mayoral quality leadership and also the competencies and qualifications of officials explain why certain Brazilian municipalities achieved better performance results in terms of public goods and service provision than others. Similarly in Canada, mayoral professional qualifications were associated with greater school enrolment and the performance of the municipality (Avellaneda, 2009). In the context of South Africa, with specific reference to Limpopo local government, however, the discussion about mayoral qualification become less relevant in the sense that there are no legally prescribed qualifications and competency level requirements for any municipal councillors, including the municipal mayor. It is clear that the lack of prescribed educational credentials for the councillors including the mayor has been a limitation of this study in assessing the mayoral quality *vis-à-vis* managerial quality.

As a consequence, the analysis in this study is limited only to managerial quality, focusing mainly on sections 54A and 56 managers, as highlighted above. This is simply because municipal regulations and other legislation prescribe qualifications and competencies for this category of managers. A study of district schools by Fernandez (2008) confirmed that managerial quality positively influences organisational performance.

The quality of management is also judged based on the qualifications that these managers had. Evidence provided in the previous chapter indicated that above 70 percent of

sections 54A and 56 managers in all five municipalities had professional qualifications in the line with Municipal Systems Amendment Act of 2011 and also the 2012 MFMA regulations, as amended, on minimum competency level requirements. For example, the study revealed that, at the district level, at least 86 percent of senior management team of Waterberg District Municipality had the prescribed minimum qualifications at NQF level 6 and above. The same holds for the senior management team of the CDM only if one also considers the managers (e.g. acting municipal manager and acting chief financial officer) where 67 percent possessed the prescribed educational qualifications at the NQF level 6 and above. The managerial quality of the two district municipalities explains why they were able to achieve positive audit outcomes during the course of this study, but with the CDM achieving this only since the 2013/14 financial year.

At the local level, similarly, the percentage of section 54A and 56 managers with prescribed qualifications was above 80 percent in all three local municipalities, apart from 60 percent in the Fetakgomo municipality.

The quality of management in this case study is, therefore, considered to be very high in all five sampled municipalities. If the quality of management is high, therefore, one expects the bureaucratic performance in terms of service delivery and financial management of all sampled municipalities to be satisfactory and acceptable based on community perception. Furthermore, if the performance of a municipality is at an acceptable level with every household having equal access to municipal services, surely there would be no community service delivery protests. More so, the level of financial waste (e.g. irregular and unauthorised expenditure as well as fruitless and wasteful expenditure) should be very minimal as municipalities would begin to obtain positive audit opinions. Evidence provided in this case study, however, proves contrary to these expectations. For instance, in analysing the financial management capacity of the sampled five municipalities, the research results indicated that these municipalities are characterised by poor financial capacity evident in high consumer debt, huge levels of underspending and financial waste. In other words, poor bureaucratic performance within Limpopo local government occurs despite what the literature suggests. The question becomes why this should be the case. This question is answered below.

It is worth noting that several scholars (e.g. Andrews, *et al*, 2006; Boyne, 2004; Boyne and Walker, 2005; Fernandez, 2008; Meier and O'Toole, 2002; Brewer and Selden, 2000) found a positive link or relationship between managerial quality and institutional performance.

Although, institutional performance is related to the structure, strategy, control systems, managerial styles and teamwork and shared values (Peters and Waterman, 1982; Hansen and Wernerfelt, 1989), the individual capacity of the accounting officer and other managers directly accountable to the accounting officer supersedes everything. In similar tone, Lynn (1987 cited in Avellaneda, 2009, p.287) posits that, in its most concrete and observable sense, the activity of government agencies is the product of the competencies and skills of identifiable individuals who occupy responsible positions of power and control. In other words, poor bureaucratic performance in municipalities cannot be blamed on one individual manager (i.e. the municipal manager), but rather on the entire management team supporting the municipal manager. Of course, a municipal manager relies on his/her subordinates to carry out the council decisions in order to fulfil the municipality's mission statement and its service delivery objectives articulated through the municipal IDPs and SDBIPs.

Furthermore, management-quality hypothesis suggests that qualified and competent organisational managers facilitate programme success, thus positively contributing to overall organisational performance in terms of public goods and service provision. This argument is consistent with the claim by Brewer and Selden (2000), Andrew, *et al*, (2006) and Boyne (2004) that the quality of management improves bureaucratic performance through multiple and complex strategies such as goals, strategy, leadership, mission, organisational culture, material and human resources, workforce diversity and meritocracy.

In answering the question raised above, this study contends that one of the reasons that municipalities (e.g. the Greater Tubatse and the Greater Tzaneen) perform so badly despite the high quality of their management is that many municipal agents at operational level do not have professional qualifications at least at NQF level 6. As previously mentioned, the Greater Tubatse Municipality had the lowest percentage (17 percent) of

the entire municipal workforce with professional qualifications at NQF level 6, as compared to the Greater Tzaneen Municipality with 76 percent in the 2013/14 financial year. It suffices to argue that the absence of specialised knowledge, skills and qualifications by the support staff at the operational level within municipal administrations to aid the municipal councils during their oversight meetings put the parliamentary oversight process into jeopardy. That said, National Treasury (2011) concludes that the quality of the entire organisational personnel lies at the heart of many of the governance problems afflicting many municipalities not only in Limpopo Province but elsewhere in the country.

This study, therefore, emphasises the importance of professional qualifications at least at NQF level 6 for the entire municipal workforce for the following reasons. Firstly, an amount of educational background assists individual agents to anticipate the consequences of either their actions or omissions. It further generates managerial confidence in decision making, and this confidence extends towards junior officials who recognise their manager's abilities (Avellaneda, 2009, p.289). Avellaneda confirms that training and education endows an individual with the autonomy and legitimacy to bargain for better conditions anywhere. Secondly, in this study, it is contended that education presumably broadens a person's outlook thus enabling him or her to understand the need for norms of tolerance, to restrain the person from adhering to extremist and monistic doctrines, as well as increasing the person's capacity to make rational decisions. Last but not least, education further may increase personal preference for impartial administration thus reducing a citizen's tolerance of patronage and also promoting the adoption of civil service meritocratic reforms in state bureaucracy.

Another reason for the underperformance of the five sampled municipalities in relation to service delivery and financial management despite high quality management is the inappropriate placement of municipal agents. This analysis simply suggests that municipalities in Limpopo Province have a tendency to place municipal officials in areas where their qualifications do not match the inherent job requirements, despite their having the qualifications. For example, a dataset analysed from GOGHSTA on managerial qualifications and job placement within Limpopo local government pointed out the inappropriate placement of certain section 56 managers.

A classic example was where section 56 managers, with only a teacher education diploma, were being designated as either the communication manager and or the corporate services manager within the Sekhukhune District Municipality. The same holds for a chief financial officer in Lephalale Local Municipality who had only a Bachelor's degree in Social Work. This study contends that inappropriate job placement affects municipalities greatly in terms of performance. There is no doubt that a corporate services or chief financial officer position requires a person with human resource management qualification(s) or a Bachelor of Commerce or Accounting or even financial management qualifications for a chief financial officer, much as the position of a communication manager also requires a fair amount of training in communication or public relations. Although managers, chief financial officers and supply chain managers in particular, had the prescribed qualifications, they lacked certain required minimum competency levels, as noted by the Auditor-General Report (2013; 2014).

Lastly, as mentioned somewhere in this study, having a professional qualification does not make one an expert. People become experts in their area of training and education at least with qualifications at NQF level 9 and 10. Such lengthy training and education at these levels should, however, be complemented by workplace experience.

### **7.9. Impact of capacity building and training interventions**

Capacity building and training interventions in the Limpopo local government benefit both municipal officials and municipal councillors. As discussed in the preceding chapters, district and local municipalities continue to pump a lot of money through human resource development budgets to build and enhance the capacity of municipal agents and their political principals. Equally, national government also invests a huge number of resources through funding into these programmes. At the end of these training programmes, the officials and the councillors who successfully complete the training interventions are certificated. The lack of institutional improvements pertaining to public goods and service delivery, however, suggests that municipalities do not necessarily reap benefits from their investments.

While some municipal officials attend these capacity building and training programmes through universities and/or universities of technology, others, including municipal councillors, attend the training programmes provided by independent accredited service providers. That said, an inference is made in this study that the majority of capacity building and training programmes offered in local government, especially to municipal councillors and junior municipal officials, are not meant to produce local government experts. Moreover, given the limited, or no, educational background of the majority of the councillors at university or college level, the goals of these training interventions are simply to build a basic understanding of the local government oversight concepts and methodologies. More so, evidence suggests that there is generally a tendency to select training programmes on the basis of cost rather than assessing the quality of the content and the value of the proposed training interventions to the municipalities (National Treasury, 2011, p.112). This simply means that the cheaper and the shorter the training programme, the more councillors and officials from the municipalities it attracts.

It then becomes clear that quality and applicability are sometimes compromised in pursuit of numbers in local government learning processes. It is worth noting that learning is not a simple accumulation of knowledge, followed by the ability to analyse, synthesise and evaluate. It is about the ability to translate and apply what has been learnt in practice in order to solve complex everyday problems. Adding to the poor quality of municipal councils is the absence of any independent evaluation of the training outcomes. This means that no evaluation studies are undertaken to assess and evaluate the relevance and impact of the capacity building and training interventions offered, including the government initiated training programmes (e.g. Project Consolidate, Siyenza Manje, etc.).

This study further argues that no amount of one week or even a month's training can produce an expert or a specialist in any given field, particularly when individual trainees have a limited educational background. Another observation made by the researcher is that not all capacity building and training programmes for municipal councillors were specifically targeted at enhancing their relevant constitutional work in terms of law-making/by-laws, oversight and constituency representation. Training programmes provided most often tended to be general, which means that municipalities identify

general topics such as financial management, local economic development, etc., which are assumed to be relevant to the councillors. The study contends that it would be ideal for the bulk of the future capacity building and training interventions, especially for the municipal councillors, to focus on their constitutional mandate such as oversight, by-law making and public participation or constituency representation. This does not, however, suggest that other training needs identified by the councillors themselves should not be considered. They are equally important for individual personal growth and development. As noted by Barkan, *et al*, (2010), many politicians, particularly in Africa, place greater emphasis on constituency work or representation than oversight and law-making. This process would enable the councillors to reclaim what Booysen (2001) refers to as 'executive-centralism' in the legislative law-making process.

It can be concluded that the effects of competent municipal administration on the institution's bureaucratic performance is more positive when the council is more powerful in terms of quality and independence than when it is less powerful. The challenge, as noted by a respondent (Personal Interview, 2013, cited in Mamogale, 2015, p.216) is that, as soon as legislative members begin to understand their role as councillors or legislators, their five year political term ends. Many of these councillors are not retained after the end of their five-year political term, following the outcome of the local government elections, which take place after every five years. In Chapter Three, the study mentioned that the councillor's continuation, meaning re-election to the municipal councils, is dependent on the goodwill of the voters and their political parties. More so, given the competitiveness of the South African politics and unpredictable voter confidence, it is not always guaranteed that every legislator will be retained after the elections. It then becomes a vicious cycle of training a new cohort of local government legislators after every five years.

#### **7.10. Summary of the Chapter**

This chapter has analysed and interpreted the key research findings organised in terms of themes in the previous chapter. The themes emerged from the data collected through a variety of tools such as interviews, observations, a questionnaire, focus group discussions and document analysis. The institutional configurations of all five investigated municipalities conform to Weber's description of a bureaucratic



organisation, which he says is organised in terms of levels. Although the sizes of the sampled municipalities differ considerably, this study contends that municipal size in terms of staff complement and budget tell us nothing in terms of municipal performance. In other words, municipal staff complement and the budget cannot be used to predict a municipal bureaucratic performance. Evidence provided in this study illustrates that, in fact, municipalities with smaller organisational size and budget, such as the Waterberg district and the Fetakgomo Local Municipality, performed better in terms of audit outcomes than larger municipalities with bigger budgets, such as the Greater Tubatse and the Greater Tzaneen Local Municipalities as well as the Capricorn District Municipality. Although the audit performance of Fetakgomo Municipality has regressed drastically to negative audit outcomes since the 2011/12 financial year, the municipality performed well between 2007 and 2011 (refer to Table 6).

The argument about the small organisational size is contrary to the claims by some scholars (e.g. LeVan and Assenov, 2015; Barkan, *et al*, 2010, etc.) that the bigger the size of an institution the more hands and minds there are to get the various tasks completed efficiently and effectively or simply the better its bureaucratic performance becomes. Perhaps the argument of the above authors might be appropriate when applied to an institution producing tangible goods (e.g. a farm, for example) as opposed to an institution (e.g. a municipality) that produces intangible goods and services (water and sanitation). In effect, the study in this chapter concluded that neither the size, in terms of staff complement, nor the budget of a municipality has a positive impact on its bureaucratic performance in relation to financial management and or water and sanitation provision.

This chapter further demonstrated that the individual capacity of organisational members (e.g. councillors and the entire municipal workforce) is the foundation upon which the development of municipal capacity rests. In other words, individual capacity is more important than any other attribute, such as technology, systems, strategies and so forth which are first developed and implemented by the competent manager. Borrowing words from Dag Hammarskjöld, funds are only valuable when used by skilled, competent

and qualified persons who can draw wealth from a barren land with very limited resources.

This chapter also indicated that a solid foundation has been laid by the government through various pieces of legislation, policies and regulations at the local government level to institutionalise and enforce the notion of professional bureaucracy. Through these legislative tools, municipalities are increasingly becoming more depoliticised through this legislation, which includes, among others, the Local Government: Municipal Systems Amendment Act of 2011, the Public Administration Management Act of 2014 and the 2007 MFMA regulations, as amended, on minimum competency level requirements for all section 54A and 56 local government managers including officials in supply chain management and finance related disciplines. Yet the gap still exists within these policy areas to entrench a culture of professional municipal bureaucracy deeply in the sense that the Municipal Systems Amendment Act (2011) and or the 2007 MFMA regulations on minimum competency levels prescribe professional qualifications and competency requirements only for section 54A and 56 managers and not for the entire municipal workforce. Having quality management is desirable, but if the quality of the entire organisational workforce, particularly at the operational level, is poor then management alone cannot improve water and sanitation delivery at the local level. Managerial quality needs to be supported by the quality of the entire municipal workforce.

Prescribing educational qualifications and some minimum competency levels for the entire workforce of a municipality, particularly at the lower grades, is, therefore, the next critical step to professionalise municipalities in Limpopo Province. This is so because practical policy implementation occurs at this lower operational level of the service delivery value chain.

The study has, however, contended in this chapter that the persistent poor bureaucratic performance of some municipalities cannot always be explained in terms of the poor educational profile of their officials. Furthermore, not all community service delivery protests against the local municipalities, particularly in the Greater Tubatse Local Municipality, were related to persistent poor municipal performance. Evidence provided in this study illustrates that sometimes community protests are the result of community

frustrations with rising unemployment levels, lack of development by the mining companies in mining communities, and, to some extent, unfulfilled promises made by the politicians during the local government election campaigns.

Concerning municipal financial viability and sustainability, this chapter has indicated that the financial viability of the five sampled municipalities remains very risky. This is because they are highly dependent on national grants for survival with very limited own revenue generation capacity and revenue efforts. The difficulty is, in turn, complicated by a historical culture of non-payment for municipal services consumed, especially by African communities in townships and rural areas. Some municipalities within Limpopo local government may, therefore, over time not be able to deliver the public goods and services, which they are contracted to deliver to their ever-increasing population numbers. The situation is aggravated by a global economic crisis with slow economic growth, which forces many governments at all levels to tighten their fiscal spending and controls. In other words, municipalities in Limpopo Province are also forced to introduce austerity measures to reduce costs, while being expected to do more with fewer resources.

Last but not least, this chapter also analysed the autonomy and the quality of municipal councils and their council oversight committees. Although their institutional quality varies greatly, empirical evidence provided in this study has illustrated that the councils of the five sampled five case studies were found to be weak and less independent *vis-a-vis* the mayoral executive committees. The weakness and lack of independence of councils were attributed to a number of factors. These factors include the governance system adopted by the South African state and the single dominance of both the executive and legislative wings of the municipality by the ANC as the governing political party during the undertaking of this study. Weak municipal councils are further the result of the political seniority of almost all mayoral executive committee members in terms of party rankings in the governing political party or parties. As a result, ordinary municipal council members, holding junior positions or without any positions in the political party rankings, find it difficult to exercise oversight independently. They are persuaded by the political environment always to behave in a conformist manner. Behaving in this manner serves to appease their political seniors or their political parties. This unintended

constraint, of course, has a detrimental effect on their performance as individual council members, and it compromises the quality of the municipal councils in exercising their formal powers embodied in the national constitution. This chapter, therefore, concludes that the importance of quantity cannot supersede the importance of quality of both municipal political principals and municipal administrative agents. The main research findings have been analysed and interpreted in this chapter, the next chapter summarises and concludes the entire case study research. It also provides possible policy interventions or suggestions to address the identified policy loopholes.

## CHAPTER 8

### CONCLUSION AND RECOMMENDATIONS

#### 8.1. Introduction

The study has presented, analysed and interpreted the research findings from this case study research in the previous chapters; this chapter now summarises and concludes the entire research study. The chapter begins by summarising the chronicles of events contained in each chapter before it summarises the empirical research findings of the research project. The chapter then provides recommendations for the implementation of improvements of municipal bureaucratic performance and suggests areas of future research within the South African local government and with specific reference to Limpopo local government. In the main, this research study has answered the three main research questions that directed the entire development of the study. The answers are related and linked to the purpose of the study and the conceptual and theoretical framework which guided the development of this academic journey.

To be precise, this research study attempted to achieve the following:

- a) To explore ways in which municipalities in Limpopo Province manage their bureaucratic performance;
- b) To examine the factors that contribute towards the failure of Limpopo local government to meet minimum service delivery expectations of local communities, in spite of the huge investment in financial resources and capacity building and training programmes; and
- c) To discover the degree to which the institutional capacity and independence of municipal councils within the Limpopo local government enables the exercise of their oversight to ensure municipal accountability.

This study has argued that meritocracy is the foundation upon which the development of municipal institutional capacity rests. Improved municipal institutional capacity is necessary for the delivery of quality public goods and services to the local communities not only in the five sampled case studies but throughout Limpopo local government. This claim corroborates earlier findings by many others scholars (e.g. Weber, 1948, 1968a;

Rauch and Evans, 2000; Henderson, *et al*, 2007; Mauro, 2005, etc.) who found a close correlation between meritocracy and institutional performance. Although only five municipalities in Limpopo Province were purposively sampled for empirical inquiry, this study contends that other municipalities elsewhere can extrapolate key lessons from this case study research for replication.

It must be noted that, throughout the study, the concept of meritocracy is used interchangeably with the concepts of '*expert-officialdom*' (see Weber, 1948) and '*loyal-expert recruitment*' (see Wasilewski, 1990). These concepts are all substantially associated with educational credentials and so Kranze and Slomczynski (1985) speak of educational meritocracy. In other words, this study contends that the academic background of individuals influences their performance at the workplace. This simply means that individual capacity influences organisational performance. With reference to training and education at tertiary level, Nizeyimana (2013, p.343) confirmed that professional background plays a more important role in determining the engagement and performance of students than their respective academic background knowledge. As has been mentioned above, the following section highlights the chronicles of events that shaped the development of this thesis.

## **8.2. South African local government transition and democratisation**

Chapter One of the study introduced this case study research project with five municipalities (i.e. the CDM, the WDM, the Greater Tubatse, the Fetakgomo and the Greater Tzaneen Local Municipalities) being selected as units of analysis within Limpopo Province, which is the research setting. It is worth noting that no formal local government structures existed prior to 1994, which left traditional authorities with more power to allocate and administer traditional land and deliver certain services, services which are now assigned to municipalities to deliver in terms of the Constitution (1996) and other local government legislation. The chapter highlighted and discussed the historical transition of the South African local government system, with specific reference to Limpopo local government, from apartheid to democracy since 1994. This chapter explained that to understand the current governance problems clearly, problems which persist in affecting Limpopo local government, it is imperative to understand the historical path traversed before 1994. This is simply because history shapes and guides

the future, which means that organisations or individuals use historical experiences to resolve current problems. Without this, the interventions taken to address current problems may not yield the expected performance results if practitioners and policy makers alike do not understand the historical context within which some of the current structural problems are rooted as a cause. In other words, some of the current governance problems afflicting South African local government are structural in nature.

Chapter One further highlighted the fact that local government transition from apartheid to democracy was given a strong and supportive legal framework, which served as a fundamental base to democratise the municipal councils and improve the bureaucratic performance of municipalities. Yet, despite this enabling environment coupled with continuous resource investment from national government to strengthen the institutional capacity of the South African local government, municipalities in the Limpopo Province continued to be beset by many bureaucratic performance failures. The chapter concluded by highlighting the significance of this empirical inquiry for the study of local government as a discourse. For example, this chapter mentioned that one of the valuable additions of this study is its new dimension added to the current local government literature in analysing institutional quality or capacity of municipalities in meeting the minimum service delivery expectations of local communities. The narrow focus on municipalities within Limpopo Province was the study's comparative advantage.

### **8.3. Problematising municipal performance**

Chapter Two of the study proceeded to highlight and discuss the problem statement at the heart of this case study research, which is the persistent poor bureaucratic performance of Limpopo local government. This chapter mentioned that the governance problems afflicting many municipalities in Limpopo Province manifest themselves in high rates of negative audit outcomes (e.g. qualified, disclaimer and adverse audit opinions), and high levels of financial waste (i.e. fruitless and wasteful expenditure, irregular and unauthorised expenditures). They further manifest themselves in increasing community service delivery protests against poor municipal bureaucratic performance and high levels of consumer debt, which is a clear reflection of inefficient and ineffective municipal revenue efforts. As a result, the Limpopo local government, with specific reference to the

five sampled municipalities, had difficulty in delivering and meeting the minimum service delivery expectations of the local communities.

The study argued that all democratic municipal councils in Limpopo Province had virtually no formal organisational structures following the period immediately after the 2000 local government elections. This argument was confirmed by many research participants in the sampled municipalities during the fieldwork who argued that municipalities initially had no formal systems such as the approved organisational structures, sound financial management systems, council oversight systems and so forth. Moreover, the chapter indicated that neither many municipal officials nor councillors had any local government experience as a sector simply because many of them, municipal officials in particular, had been inherited from the former homeland bureaucracies of Lebowa, Gazankulu, Venda and other parts of KwaNdebele.

The new governance systems, processes and procedures had to be developed and introduced for implementation. In addition, government had to build and strengthen the capacity of political principals and municipal agents through capacity building and training interventions. In Limpopo Province, the literature indicates that many municipalities were manned by school educators with no experience and relevant qualifications in local government (Mavhivha, 2007, p.188). A lack of relevant qualifications and local government experience by municipal officials inherited from the former homeland bureaucracies impacted negatively on the bureaucratic performance of the municipalities in many areas of the service delivery value chain (e.g. water and sanitation provision, financial management, etc.).

With regard to municipal councillors, the literature further showed that many new councillors, apart from the few who had worked for the previous former provincial and homeland administrations, entered the new democratic local government system without any prior knowledge and experience of how the system worked. This was also complicated by the absence of, or the delay in introducing, a legislative framework prior to 2003 that differentiated between the roles and responsibilities of the political and administrative leadership of a municipality, specifically in relation to financial management. In other words, there was no clear role clarification between councillors



and the officials regarding financial administrative affairs of a municipality. A former councillor in the Greater Tubatse area confirmed that municipal councillors even processed issues of municipal procurement, which are purely administrative in nature (Personal Interview, 2016, Jan 3). This political meddling in the administrative issues of a municipality was attributed mainly to a lack of the separation of roles and responsibilities between councillors and municipal agents. This confusion, however, was clarified and roles and responsibilities clearly segregated through the passing of the Local Government: Municipal Finance Management Act of 2003.

This Act segregates and outlines the financial roles and responsibilities of the municipal manager as the accounting officer of a municipality and the municipal councils through the mayor. Section 52 (a) and (b) of the above Act, for example, charge the mayor of a municipality with the responsibility of providing general political guidance over the fiscal and financial affairs of the municipality. In exercising these powers, the Act says that the mayor monitors and oversees the exercise of responsibilities assigned in terms of this Act to the municipal manager and the chief financial officer without interfering in the exercise of their duties. Section 62 of the Act further states that the municipal manager of a municipality is responsible for managing the financial administration of a municipality and the function may be delegated to the chief financial officer in terms of section 79 of the same Act.

Similarly, as noted by de Visser (2010), the lack of role clarification in local government is complicated by the South African Constitution itself, which fuses the executive and legislative powers into one body which is the council, without any clear and unambiguous separation. This barrier has an adverse impact on the bureaucratic performance of municipal councils in terms of their autonomy with respect to exercising oversight over the municipal executives.

#### **8.4. Guiding theoretical framework**

Chapter Three of the study is about the conceptual and theoretical framework that guided the development of this case study research. The chapter introduced and discussed the competing schools of thought on the determinants of bureaucratic performance of the organisations. After analysing the depth of these competing schools of thought in order

to respond to the research questions raised, this study adopted the theories of bureaucracy and the principal-agent model as the most appropriate theories. The reason for adopting these two organisational theories is that institutional configurations in municipalities are made up of two distinct but complementary governance structures. On one hand, there is the political governance structure led by the municipal mayor, while, on the other hand, there is the administration governance structure led by the municipal manager.

The theory of bureaucracy better fits the latter governance structure of a municipality. For instance, the theory focuses on internal systems, processes and procedures (e.g. lines of communication and accountability) including recruitment and appointment methodologies, as well as the 'subordinate-superior' relationships. All these processes, procedures and systems directly influence the bureaucratic performance of municipalities. In the literature, bureaucratic organisations (in this case municipalities) characterised by '*Weberian*' bureaucracy (see, Rauch and Evans, 2000) are more likely to record phenomenal growth or demonstrate sustained institutional performance in many areas of public goods and service provision including financial management. Of course, the concept of a meritocracy or expert-officialdom remains at the centre of '*Weberian*' bureaucracy, and the concept is seen as a necessary, though not sufficient, condition for the state to become developmental. The findings of this study corroborate the claims by some scholars (e.g. Henderson, *et al*, 2007; Evans, 1989, Avellaneda, 2009, etc.) that there is a direct correlation between '*Weberian*' bureaucracy and institutional performance.

The principal-agent theory also complements the theory of bureaucracy in the sense that the principal-agent model focuses on the 'subordinate-superior' relationship in a political setting like municipalities in the case of this study. The relationship in this study, however, is specifically between the political principals (i.e. municipal councillors) and the municipal agents (i.e. municipal officials). The principal oversees and reviews the performance and operational efficiency of the agent in accordance with the municipal IDPs, SDBIPs and the national constitution. To do this effectively and efficiently, the political principals develop the policies or by-laws and also introduce other supervisory mechanisms to tame the power and behaviour of municipal agents. The political principals further allocate resources in terms of funding and also create an enabling

environment through legislation and regulations to the agents to implement the principal's policy priorities and objectives. As has already been said, the political principals, in turn, review and appraise the performance of municipal agents for incentives in order to encourage a culture of better performance. In other words, the political principal is responsible for institutionalising and enforcing Weberian bureaucracy through legislation and regulations as well as practical political oversight. The findings of this case study research, however, suggest that enforcement of *Weberian* bureaucracy through political oversight is weak owing to less-independent municipal councils *vis-a-vis* municipal executives.

### **8.5. Research methods and replication of the study results**

Chapter Four of the study described and discussed the qualitative research methodology that was utilised in collecting and analysing rich empirical data from the fieldwork in this research project. The chapter explained that the results from this academic enquiry qualify for generalisation or rather replication to the entire system of Limpopo local government and possibly elsewhere within the South African local government. Replication of the research results is simply made possible by the fact that this study adopted a multiple case study research approach and used multiple sources of data collection strategies (i.e. interviews, observations, a questionnaire, focus group discussions and document reviews) to triangulate the data. The goal with multiple case study research is not only to compare and contrast cases but also to replicate the study findings across cases of a similar nature (Gerring, 2012). Many other scholars confirmed that the inclusion of multiple cases in a case study research approach enhances the study's external validity and reliability or the generalisation of its research findings (Bogdan and Biklen, 1992, p.45; Mark, 1996, p.219; Marriam, 1998, p.40; Golafshani, 2003, p.603; Baxter and Jack, 2008, p.548; and Yin, 2011, p.226).

In effect, the validity and reliability of the data in this case study research project were confirmed by means of the triangulation of information through the use of different methods of data collection strategies highlighted above and also by a member-check technique. This study further used 'peer debriefing' (Creswell, 2009, p.190) as another technique to enhance the validity and reliability of information. Peer debriefing entails getting an external and experienced researcher who is not involved in the study in any

way to review the preliminary draft chapters and read through the interview transcripts in order to identify a category system or themes. In this study, a peer debriefing session assisted the researcher in fixing the oddities identified by the peer. The study, therefore, emphasises that there are few key learning points to be extrapolated by municipalities elsewhere in the country for replication in order to improve their bureaucratic performance.

Chapter Five of the study described the socio-economic and political conditions in detail of each of the five sampled municipalities as units of analysis thus describing their governance structures and service delivery performance environment. For example, the chapter described the socio-economic and political factors that have an impact on municipal bureaucratic performance. It also described the performance environment of selected case studies in relation to the provision of water and sanitation services. The commonalities and variations amongst the five selected case studies were highlighted and discussed. It suffices to mention that some of research findings on this study begun to emerge from this chapter. This is because the process of describing each sampled case study entailed the assessment and the review of various municipal documents such as municipal IDPs, SDBIPs, Annual Reports, etc., as secondary data. That having been said, the next section summarises the key empirical research findings highlighted in Chapter Six.

## **8.6. Summary of Research Results**

### **8.6.1. Influence of academic background on individual performance**

It is critical to mention that a high level of qualifications, which presumes more knowledge, skills, values and expertise on matters related to service delivery, does not translate automatically into better bureaucratic performance. Even so, professional or educational background is more likely to be a key determinant of individual capacity to perform and, in turn, to improve overall municipal bureaucratic performance. This simply suggests that academic background influences the performance of municipal agents with regard to financial management, and water and sanitation provision. An inference was made in the previous chapter that it also influences the municipal councillors' performance on their constitutional powers of oversight, law-making/by-laws and constituency representation. In other words, being professionally trained for

every individual municipal worker and/or councillor is positively related to good institutional performance.

The study has found that the poor bureaucratic performance of municipalities in Limpopo Province is not caused by a shortage of skills or qualifications at management level or high vacancy rates. Poor bureaucratic performance relates to low levels of professional qualifications, particularly at university or college level, for the entire municipal workforce, particularly at the operational level. Poor performance, further, is related to a lack of certain required competencies by both section 54A and 56 managers. In addition, the inappropriate placement of managers in positions where their qualifications do not match inherent job requirements contributes largely to persistently poor bureaucratic performance of municipalities within Limpopo local government. This finding confirms the earlier results by other scholars (e.g. Rauch and Evans, 2000; Mauro, 1995; Barkan, *et al*, 2010; Henderson, *et al*, 2007; Porter, 2006, etc.) that there is a positive relationship between academic background or meritocracy and performance.

Concerning existing vacancy rates within the five sampled case studies, the study argued that the filling of all funded vacant positions against the approved organisational structures of municipalities might not translate into substantial bureaucratic performance improvements, unless candidates are recruited strictly on merit and relevant qualifications. Even if the sampled municipalities fill all identified funded vacant positions, as long as they do not recruit, select and appoint people of the desired quality in terms of skills, competencies and professional qualifications, their bureaucratic performance may continue to suffer serious setbacks. The literature further indicates that lengthy academic training and education at university and/or college level often certified by the issuing and possession of a degree certificate at least at national qualification framework level six and above influences individual performance, which is then translated into institutional performance or quality. Fieldwork interviews and focus group discussions confirmed, and emphasised, the importance of competencies and academic qualifications for all municipal officials irrespective of level and also for municipal councillors. A minimum qualification requirement at Grade 12 was previously suggested for Limpopo local government councillors with a particular reference to the Vhembe District Municipality and its local municipalities (see, Mavhivha, 2007).

As noted by Weber (1948; 1968a; 1968b), the possession of technical or professional qualification(s) should be a prerequisite for employment in any bureaucratic organisation in the private and public sector including, of course, municipalities. Weber (ibid) is supported by other scholars (e.g. Rauch and Evans, 2000; Mauro, 1995; Muller, 2011; Avellaneda, 2009, etc.) when he states that individual capacity built through the lengthy training and education processes is the foundation upon which the development of institutional capacity rest. At school or tertiary education level, individuals learn cognitive skills like memorisation, analysis, synthesis, evaluation and application.

Notwithstanding cognitive skills, individual capacity in this study is defined as the ability and competence, or lack thereof, found within a person and normally reflected through his/her specific professional or technical and generic competencies (i.e. skills, knowledge, attitudes and behaviour) acquired through the socialisation process at the household or societal level and the education and training process at the school level as well as the experience at the workplace. Institutional capacity, which is built through individual capacity, encompasses a broad range of issues, such as systems, strategies, policies, procedures, knowledge management, institutional memory, competency and professional profiles of municipal agents, organisational culture and ethics.

The study argued that technically or professionally qualified people are more able than unqualified people to influence institutional bureaucratic performance by making better plans, developing good policies, procedures and control systems. Given their cognitive skills, they are further able to multi-task, analyse and solve objectively very complex situations than can people with less or no academic background or fewer qualifications. The study, however, cautions that a lack of professional background does not make people without qualifications less important in society, particularly in relation to certain societal issues since the literature talks about tacit and explicit knowledge. Nevertheless, the study maintained that a professional background plays an important role in determining both individual and organisational performance.

In a similar vein, Nizeyimana (2013, p.343) has found that academic background, especially post-secondary education, influences individual engagement and

performance. Nizeyimana (ibid) argues that education at tertiary level, where individuals are pedagogically trained and prepared, and a professional background play an important role in determining individual engagement and performance not only in class but also in the workplace. The study strongly argued that those who have gone through rigorous training on a range of issues such as theories around development, for example, project management, financial management, and human resource management, policy issues and so on remain well positioned to influence the organisation's bureaucratic performance or policy decision making.

The study has further found that causes of poor municipal bureaucratic performance in the sampled municipalities, except in the Waterberg District Municipality, in terms of audit outcome performance are very complex. They ranged from municipal institutional instability, the lack of adherence to existing policy frameworks and the appointment of inappropriately qualified personnel to tribalism, among other things, in the Greater Tubatse and the Greater Tzaneen Local Municipalities.

This study concludes that a lack of individual capacity, measured through the possession of skills, competencies, knowledge, attitudes and above all educational credentials at operational level, accounts for the general governance problems affecting the municipalities in Limpopo Province. Individual capacity leads to what Avellaneda (2009) refers to as 'managerial' or 'mayoral quality'. In a nutshell, these findings confirm the earlier results by other scholars that there is a positive relationship between professional academic background, or meritocracy, and the bureaucratic performance.

#### **8.6.2. Impact of size on organisational bureaucratic performance**

The study has further found that the organisational size of the five investigated municipalities varies considerably in terms of staff establishment and annual budget allocation. The finding of the study with regard to this aspect, however, refuted earlier claims by Nijzink, *et al*, (2006), Barkan, *et al*, (2010) and LeVan and Assenov (2015) that the bigger the size of an organisation the more hands and minds there are to get the various tasks done efficiently and effectively and/or the better its organisational performance. In other words, the argument of these authors does not apply in the context of municipalities in Limpopo Province as far as providing water and sanitation services

to the local communities is concerned. The need to have more people in public organisations like municipalities may lead to a bloated system in which performance become elusive and systems and processes are not aligned to municipal strategy to deal with issues of service delivery throughout the value chain.

The study concluded that organisational size does not matter in explaining organisational performance or, put differently, organisational size cannot be used to predict organisational performance. Instead, the quality of the principals and the agents (in this case the councillors and municipal officials) in terms of competencies and professional background or qualifications can be used to predict or explain the differences in institutional performance.

### **8.6.3. Influence of expert-loyal recruitment patterns on municipal performance**

The findings from this study corroborate the earlier claims by other scholars (e.g. Rauch and Evans, 2000; Evans, 1997; Rauch, 2001; Christensen, 1992; PSC Report, 2014; Dezsó and Ross, 2012; Kochan, *et al*, 2003; Wasilewski, 1990; World Bank, 1997, etc.) that institutions or countries characterised by meritocratic recruitment practices perform better than institutions or nations without this practice or its application in terms of socio-economic outcome and impact. The above authors use examples of Malaysia, China, France, Thailand, South Korea, etc. where at least more than 60 percent of the civil servants possess professional qualifications at university or college level. This simply suggests that their entry into government employment is strictly based on meritocracy and the passing of tough public examinations, which are administered in those countries.

The literature suggests that there is general consensus and understanding in these nations that 'loyal-expert' as a recruitment approach positively influences institutional performance and quality. In relation to this aspect in Limpopo local government, the study has found that all municipalities studied were characterised by meritocratic recruitments only at management level but not at any other lower levels.

One observation made by the researcher in this study, however, is that South Africa does not run short of government policies that promote the concept of expert-officialdom or rather meritocracy in all spheres of government including municipalities. The policies



that seek to institutionalise and professionalise the entire public administration, of which all municipalities are part and parcel, include the Constitution (1996), the Local Government: Municipal Systems Amendment Act (2011), the National Development Plan (2013), the Public Administration Management Act (2014), the 2007 MFMA Regulations on Minimum Competency Levels and the 2012 National Treasury Circular on MFMA Minimum Competency Level Regulations, among others. The problem, however, remains the practical implementation of these policies that promote the notion of expert-officialdom at the operational level where the actual implementation of policies and programmes of government occurs. In other words, more often than not policies crafted are much better in theory than in practice, which means that the actual execution remains 'pie in the sky'. The National Treasury (2011) confirms that the disjuncture between theory and practice or policy and implementation has been the hallmark of the policy environment across the local government spectrum.

As was indicated in Chapter Six, section 54 (3) of the Municipal Systems Amendment Act (2011), for example, obliges municipalities to appoint personnel in key strategic municipal positions of power and control and even in an acting capacity (e.g. municipal managers, chief financial officers, etc.) with the required competency levels and, above all, the prescribed educational qualifications before employment or promotion. Section 56 (1) (b) of the Act provides that the decision to appoint managers directly accountable to the municipal councils, including municipal managers, becomes null and void if the provisions of this Act are found to have been contravened. There is no doubt that the NDP (2013) advocates that the South African civil service, including the local government, attracts and appoints highly skilled, competent and professionally qualified people who would be committed to a career in government.

Even though the provisions of the Public Administration Management Act (2014) were not yet effective by the time this study was completed, the Act, on the other hand, introduces compulsory merit-based recruitments and promotions, thus treating the possession of academic qualifications as paramount. In addition, the 2007 MFMA Regulations on minimum competency level requirements regulate the competency levels particularly for municipal officials responsible for finance and supply chain management tasks.

The National Treasury (2012d) went further by publishing the MFMA Circular (No. 60 of 2012) to introduce the concept of 'special merit case', which applied only to municipal officials who were already in the employment system of local government by the time the Municipal Systems Amendment Act of 2011 was introduced. For an official to be considered for the special merit case, approval, however, had to be obtained from the National Treasury. In addition, such an official(s) had to be in the process of attaining the required qualification and minimum competency level with an extension of eighteen months given until the 1 July 2014. Realising that many municipal officials on special merit case projects would not meet the set deadline, the cut-off date was later extended to 30 September 2015. Whether the official's employment contract with the local government automatically ceased to exist if these prescribed qualification(s) and required competency levels were not obtained by the cut-off date was not made clear. In other words, the 2012 MFMA minimum regulations did not make it clear about what municipalities should do against officials who failed to qualify and or meet the required competency levels after the expiry date of the extended period stated above.

Nevertheless, it becomes clear that government, through the Municipal Systems Amendment Act of 2011 and the 2012 MFMA Regulations and Circular No. 60, seeks to prevent municipalities and their municipal entities from continuing to employ candidates, not only in the finance and supply chain management fields but also in other areas of municipal operations, without the required qualification(s) and competency levels. As has been indicated earlier, it is within this context of a supportive and guiding legal framework that the study argues that, if the municipalities in Limpopo Province can build their administrative capacity through the application of loyal-expert recruitment throughout the entire municipal workforce, then they should be able to meet minimum community service delivery needs. In addition, they should be able sustainably to obtain positive audit outcomes without any findings. Furthermore, municipalities should be able to improve on their revenue generation capacity and revenue effort. Revenue capacity is defined as the ability to generate sufficient projected income, while revenue effort is about the efficiency and effectiveness of the institution in collecting the projected income or simply its outstanding debts.

Given that many of the current municipal officials, particularly those inherited from the former homeland bureaucracies, have now reached their retirement age limit of 60 years old in local government, the study has argued that municipalities in Limpopo are presented with opportunities to recruit, select and appoint new agents with appropriate qualifications and required competencies. Research participants during the fieldwork claimed that youth nowadays are more qualified than ever before and that municipalities are also providing skills development opportunities through their internship and learnership programmes for the youth. This suggests quite simply that there is actually no excuse for municipalities not to appoint appropriately qualified personnel. If they do not, the institutional capacity of Limpopo local government to deliver quality public goods and services to communities at the local level becomes elusive. A study conducted in Ghana by Antwi, Analoui and Cusworth (2007) on the performance challenges facing local government confirmed the need to professionalise the municipalities through meritocracy or loyal-expert recruitment approach.

To sum up the above section, achieving a fully-fledged professional bureaucracy in Limpopo local government depends on a number of factors. It requires strict and honest adherence to existing policy frameworks and laws, including the South African Constitution, pertaining to recruitment and appointment. It further requires a strong political commitment and will from the political class not to interfere in municipal administrative matters, particularly during the recruitment and selection processes. A study by the Public Service Commission (2013), for example, has found that political interference in administrative matters, which occurs in the other spheres of government as well, has a negative impact on the internal operational processes of state institutions. The PSC concludes that political meddling in administration matters relating to recruitment and selection sometimes leads to the purging and suspensions of officials who refuse to execute political instructions or directives given verbally. These political directives are most often contrary to existing government laws and regulations. Political meddling in administrative matters further leads to irregular appointments and prolonged delays in the filling of funded vacant positions. Nevertheless, South Africa has a strong policy base and also has a strong and independent judicial system to defend and protect its democracy and the people who are unfairly treated. A study by Mamogale, *et*

al, (2015) concluded that the South African judiciary is relatively independent and impartial in rendering its judicial services.

#### **8.6.4. Impact of councils on municipal oversight and performance**

The study has found that all five investigated municipalities had an established parliamentary or council oversight committee system, though with different qualities and capabilities. While a strong and independent municipal council *vis-à-vis* the mayoral executive committee was found to enhance institutional performance (Fish, 2006; Barkan, *et al*, 2010), this study has found that the quality of municipal councils in all the selected case studies, except the Waterberg District Municipality, was somewhat poor owing to the institutional instability that bedevilled them between 2012 and 2014. For example, the study indicated that all three sampled local municipalities, and also the CDM, experienced political leadership changes during the undertaking of this study. Political leadership change during a five year political term is a sign of political instability, which is also used by GOGHSTA, among other things, to classify municipalities in Limpopo as either functional or dysfunctional. Under this uncertain situation, as the study has demonstrated, ordinary members of the municipal councils tend to behave in a conformist manner owing to a fear of reprisals or recalls *vis-à-vis* municipal executives given their low status in the rankings of a political party. The fear of reprisals or recalls compromises the autonomy of individual council members to exercise their formal constitutional powers of oversight and law-making vigorously by asking critical policy questions of their political superiors in the councils or even the political party.

As has been already said, the practical enforcement of the concept of expert-officialdom through political oversight is missing owing to weak and less than independent municipal councils in Limpopo Province. In the previous chapter, the study explained that less than independent municipal councils are also a result of internal party processes whereby senior politicians in the political parties in terms of party rankings are deployed to the executive arm of government as opposed to the legislative arm of government.

The literature indicates that institutionalisation through policies and legislation and the enforcement of expert-loyal or meritocratic recruitment patterns through council oversight leads to the creation of what Evans (1998) calls '*esprit de corps*', which

facilitates norm and standards creation among group members. *Esprit de corps* is French phrase translated into English as group spirit. In other words, '*esprit de corps*' leads to the creation of a unique and homogenous class of professionals who always share common goals and values to achieve the organisational vision and mission. Such a group of professionals most often discipline and sanction group members who deviate from the agreed group principles and values. Evans (ibid) is supported by Mamogale, *et al*, (2015) when he argues that a homogenous group in terms of its professional identity always seeks to advance the values of its profession and to protect and maintain its professional integrity and reputation. This, however, requires strong and powerful municipal councils to monitor the behaviour of municipal agents who, given their information and knowledge advantage, can sometimes shirk the principals.

#### **8.6.5. Competitive party system and the influence of political parties on municipal bureaucratic performance**

In Chapter Five of the study, it was mentioned that all five sampled municipalities were characterised by a competitive party system. This means that there were different political parties with different parliamentary seats represented in the municipal councils. As a point of departure, the study argued that the conduct of political parties influences the operation and performance of all state institutions including the municipalities. The municipalities in reality are entered into and constructed by political parties through a competitive party system particularly in a democracy like South Africa. Political parties, therefore, can either limit or enhance the power of municipal councils and their municipal administrations. Grzymala-Busse (2007) notes that a lack of robust competition between programmatic political parties in the state may results in ineffective and inefficient state institutions with regard to delivering quality public goods and services.

As has been mentioned in the preceding paragraphs, the ANC dominated the municipal councils in all five sampled and investigated cases studies. Of course, one of the qualities of South African democracy is the conduct of regular free and fair local government elections. Elections enable all political parties to compete for municipal council seats. Research indicates that the ANC has won and dominated all municipal councils within Limpopo local government since 2000, a trend that existed until even the end of 2014/15 financial year. The single domination of the ANC as the governing political party in all

sampled case studies, however, does not suggest that Limpopo local government has a fragile party system.

The ANC's single domination of all municipal councils during the undertaking of this research study was contrary to the claim by O'Dywer (2006, cited in Kopecky, 2011, p.715). This author claims that single party domination should be expected in a fragmented party system. Yet the single dominance system in Limpopo local government, for example, does, however, suggest that the governing ANC had the incentive to dispense political patronage and monopolise access to local government resources. Various media reports, backed up by research, indicated that dispensing political patronage and local state resource exploitation occurs despite the existence of opposition political parties and/or institutions of regulations and oversight such as municipal councils possess to limit and penalise any form of state resource abuse. The prevention of local state resource exploitation requires strong and powerful municipal councils that abide by the code of conduct for the councillors and also the values and principles embodied specifically in section 1 and 195 (1) of the South African Constitution (1996).

The above argument is contrary to Kopecky's claim (2011) that, fearing electoral defeat under the conditions of fierce political competition (e.g. a competitive party system), the governing political party creates independent institutions of regulations and oversight. The purpose of the creation of these institutions is to create an insurance against permanent exclusion when the incumbent governing party could find itself in the opposition in future. Nevertheless, this study contends that the nature of the competitive party system within Limpopo local government assists in consolidating local democracy, much as it also increases the incentives for the opposition political parties represented in the municipal councils to uncover and expose state resource exploitation by the municipal agents and or council members from the governing political party or parties. Although Limpopo local government is characterised by a competitive party system, empirical evidence suggests that it has weak opposition political parties unable to unseat the governing ANC in municipalities (Mamogale, 2015). This is bolstered by the strong support, even though dwindling, and loyalty the ANC enjoys from majority of black voters, especially in Limpopo Province. It is appropriate to conclude that a competitive party

system does not suggest less exploitation of local state resources and or less application of political patronage via state jobs.

#### **8.6.6. Threats to financial viability and sustainability of local municipalities**

In the previous chapter, the study mentioned that all five sampled and investigated municipalities are heavily dependent on grants from the national government in the form of equitable share and conditional grants. This dependency syndrome makes the financial viability of both the district and local municipalities doubtful. The dependency of municipalities is made by the fact that they have very limited sources of own revenue generation capacity given their rural nature or location. They further have a high number of indigent households who have very little disposable income every month since the majority of rural households depend on social safety nets from the state. The financial strain on the five selected case studies is further made difficult by high levels of consumer debt, particularly from the Limpopo provincial government departments and the citizens who, either intentionally or unintentionally, do not pay for municipal services. The municipalities on their own cannot recoup these outstanding debts from the citizens, except from the local businesses and a few households located mainly in towns where municipalities can easily cut off service connections for non-payment. The study argued that the non-payment of municipal services, particularly in rural black communities, is a deeply embedded culture and has historical roots. Moreover, given their limited own revenue streams, the investigated municipalities, except the Waterberg District Municipality, were found to be owing a huge amount of money to service providers such as Eskom and water boards by the end of the 2013/14 financial year.

With regard to water and sanitation provision, as highlighted in Chapter Five, the study has found that none of the investigated municipalities, except the Capricorn District Municipality, is a water service authority. In the Limpopo local government system, water service authority status in most cases is granted to the district municipalities, but this function in the Waterberg district is devolved to the local municipalities. Interviews in the Greater Tlokoeng and the Fetakgomo Local Municipalities indicated that the inability to provide water to the local communities by the Sekhukhune District Municipality, which is water service authority, has practically pitted the local municipalities against the

district municipality. This clearly suggests unhealthy working relations between the district and its local municipalities in the area.

Regarding sanitation provision, the study has found that it is actually difficult for municipalities in Limpopo Province to provide a bulk sanitation infrastructure and waste disposal service to the local communities. This is mainly due to the non-existence of wider sanitation infrastructure in the province, particularly in the countryside. The lack of a sanitation infrastructure has, further, led to ground water contamination. The use of biomass for fuel and refuse disposal by the local municipalities increases the incidence of air pollution risk. The study further argued that the difficulty of providing sanitation services, apart from the non-existence of a sanitation infrastructure, is exacerbated by poor spatial planning that is almost non-existent in rural areas. Proper spatial planning is what local municipalities need to focus on in redesigning new human settlements that are expanding disproportionately in some local municipalities such as the Greater Tubatse municipality. Spatial planning could assist in curbing dispersed human settlement patterns. For smooth integrated spatial planning to happen, the traditional authorities must always be engaged in this initiative as they might sometimes become an obstacle to municipal local development initiatives.

To sum up this section, the study argues that more local municipalities and/or even the existing district municipalities in the province could be merged in future to achieve economies of scale. This is the case because both the district and local municipalities in Limpopo local government are characterised by very risky financial viability. They all suffer from revenue generation incapacity and inefficient and ineffective revenue efforts, which means that they cannot generate sufficient own revenues to cover all municipal expenses without grant assistance from other spheres of government and sometimes from donors.

## **8.7. Conclusion**

Although access to basic municipal services has generally improved since 1994 in South African local government with special reference to Limpopo local government, this research study has shown that many households, based mainly in rural areas within Limpopo local government, still suffer from a complete lack of access to clean and safe



drinking water and also dignified sanitation. For instance, the research results confirmed that approximately 26 373 households alone in the Greater Tzaneen municipality in the 2014/15 financial year were without water. The same holds for 1 836 households that had no access to toilet facilities in the same period. In effect, the 2016 community household survey illustrates that the percentage of households without access to piped water within or above RDP standards in Limpopo Province increased from 14 percent in 2011 to 20 percent in 2016 (Statistics SA, 2016). The lack of access to water and sanitation by many households in the province is caused by a scarcity of water, exacerbated by drought, and the non-existence of a sanitation infrastructure. Theft and vandalism to existing the water infrastructure add another strain to the already struggling local municipalities.

To add to the problem, the total population of all district municipalities in the province has increased considerably in 2016 when compared to 2011 census year. Yet local municipalities seem not to have the latest accurate information about the total population numbers in settlements under their jurisdiction. This is because they rely on Statistics SA to provide these accurate figures through a census and or community household surveys. Without their having accurate information, this study argues that it is often difficult for municipalities in Limpopo Province to accurately plan accurately and provide basic municipal services that cover all households, and so community service delivery protests tend to increase during both national and local government elections. It would, therefore, be ideal for Limpopo local government to source more funding to replace or upgrade the existing water infrastructure, while, at the same time, building a new sanitation infrastructure covering households in both rural and township areas.

On Weberian bureaucracy, the results of this study have indicated that expert-officialdom has a positive impact on individual capacity and overall organisational performance in many areas of the service delivery value chain. In other words, the study results confirmed the earlier study proposition that meritocratic recruitment practices positively influence the bureaucratic performance of municipalities in local government, with specific reference to the five sampled municipalities in this study. Merit-based recruitments should, however, be applied to the entire municipal workforce rather than being applied only to section 54A and 56 managers in accordance with the Local

Government: Municipal Systems Amendment Act of 2011, the Public Administration Management Act of 2014 and other local government legislation including government human resource prescripts. This assertion corroborates earlier claims by Rauch and Evans (2000), for example, that meritocracy is a necessary, though not sufficient, condition for the state at all levels to become developmental. To be developmental means that merit-based recruitment, selection and appointment or promotion in municipalities are not supposed to be distorted by political patronage. In South African local government, the study has illustrated that the concept of expert-officialdom is institutionalised through policies and legislation. The enforcement of the concept is, however, lacking at the local government level. In other words, poor municipal performance is not always caused by a lack of managerial quality measured through professional qualifications, but is caused by other factors such weak and less independent municipal councils, amongst other things.

In effect, the findings of this study have confirmed that municipal councils in all five investigated case studies were somewhat weak and less powerful in exercising their constitutional powers of oversight *vis-à-vis* municipal executive committees. There is no doubt that weak and less powerful municipal councils cannot exert pressure over municipal agents for better performance and administrative accountability. It is clear that the results of this study have also confirmed the earlier study proposition that strong and independent municipal councils in municipalities positively influence municipal bureaucratic performance in relation to public goods and service provision (e.g. water and sanitation) and financial management (e.g. revenue collection and spending).

There are, however, performance commonalities and variations amongst the five sampled municipalities in this case study research. The study has revealed that the governance problems plaguing the system of local government in South Africa with specific reference to Limpopo Province are not unique to this sphere but can also be found in other spheres of government (i.e. national and provincial spheres). The study, therefore, concludes that, if the governance problems within the system of local government are to be fixed, they must also be fixed within other spheres of government.

## **8.8. Recommendations**

### ***8.8.1. Verification and vetting of academic qualifications for all municipal officials in Limpopo Province***

The South African Constitution (1996) explicitly states that all Chapter 9 and 10 institutions (e.g. Public Protector, the Auditor-General, Public Service Commission, etc.) are created to support and strengthen constitutional democracy in the Republic. As an independent and impartial institution, the Auditor-General, for example, is also empowered to audit and report on the accounts, financial statements and financial management of all municipalities. Equally important, the Public Service Commission is empowered to promote and maintain an efficient and effective public administration and a high standard of professional ethics in the civil service. As a chapter 10 institution, the PSC, however, is not empowered to enter the municipal space to investigate, monitor and evaluate the organisation and administration or the personnel practices of the local government civil service in order to propose measures to ensure effective and efficient performance. This study, therefore, recommends that the PSC should be empowered, through legislation, to conduct an independent verification of academic qualifications of all municipal workforce in Limpopo local government in the same way as it often does for other spheres of government.<sup>42</sup> Furthermore, the best practice in countries, where the culture of meritocratic recruitment based on possession of academic qualifications and or passing of tough public examination system exists, indicates that Public Service Commissions are also involved in the recruitment, employment selection and appointment processes of officials in all state institutions, including local government.

This study suggests that the Public Service Commission as an independent institution established to support democracy by promoting the measures that would ensure effective and efficient performance within the public service should form part of the recruitment and selection panels in the local government. Section of 195 (1) (h) of the Constitution (1996, p.111) in relation to the PSC says, “good human-resource

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<sup>42</sup> In an informal conversation with few officials from the PSC, it was revealed that the PSC is not legally empowered to enter the local government space to conduct its work. There is, therefore, the need to review the legislation. Assessment and evaluation study reports from this institution assist the oversight function of legislatures and may also immensely benefit the work of the municipal councils immensely.

management and career-development practices, to maximise human potential, must be cultivated”.

Even more, before the appointment of candidates can be finalised, municipalities need to conduct pre-employment screening or vetting as per the legislation through the State Security Agency or a private firm. As has been observed, municipalities need to be authorised to conduct a verification of qualifications rather than rely solely on the South African Qualifications Authority (SAQA). This should not be a difficult exercise given that qualifications data since 1994 is highly digitised owing to advancement in ICT.

To repeat, a minimum qualification requirement at Grade 12 school level has since been suggested through a study by Mavhivha (2007, p.192) for the appointment of municipal councillors. Mavhivha argues that councillors with a minimum of a Grade 12 qualification or certificate will be able to study and comprehend the training with regard to the separation of powers, the law-making process, the engagement and involvement of citizens as well as how the oversight function should be conducted. This study, however, takes this recommendation further to suggest that a minimum qualification for the councillors should be set at NQF level 6. This present study has confirmed that the deployment of councillors by the political parties to the municipal councils must be based on the candidates’ ability and capability with at least fair amount of college education. There is maxim that ‘an investment in knowledge or education pays the best dividends’.

### ***8.8.2. Cascade down the performance management system to all municipal levels or grades***

The measurement of individual performance and, thus, overall municipal bureaucratic performance is critical not only for the effective management of performance, but also to increase public confidence in local government. The performance management system in local government is governed by a legislative framework and performance management regulations. Despite all of these, the actual execution of PMS in selected and investigated case studies requires significant improvement. Experience demonstrates that individual performance agreements of senior managers are drawn largely from the strategic annual performance plans including the operational plans of the organisation linked to

government's long-term plans and also the institution's medium-term plans such as the five year strategic plan or municipal IDPs.

This study recommends that the performance management system must be cascaded down to all levels within the sampled municipalities, except in the CDM where cascading has already been done to all levels in the municipality. Furthermore, the Local Government: Municipal Systems Act (2000) provides for a choice between contract employment and permanent placement for section 56 managers, except section 54A managers (i.e. municipal managers). So it is not clear why the sampled municipalities still invariably opted to appoint section 56 managers on fixed-term employment contracts rather than on a permanent basis in accordance with Municipal Systems Amendment Act (2011), except for the municipal managers.

The study further suggests that municipalities in Limpopo Province need to enter into individual performance agreements annually with all workers irrespective of grades or levels so that the performance of everyone can be assessed. This assessment exercise will assist the management in taking appropriate steps or sanctions against underperformance. In the literature, the performance management system drives the behaviour of workers to align their goals with organisational goals and objectives. This alignment occurs because job responsibilities and expectations are made clear to everyone, and this results in increased individual productivity and organisational efficiency in service delivery. When everyone is appraised, better information becomes readily available to be used for compensation and promotion decisions by the management.

### ***8.8.3. Adequately resource municipal councils to exercise their formal powers of law-making, oversight and representation***

The best practice in the world is that members of municipal councils are adequately resourced and supported by their municipal institutions in terms of research, legal advice, secretarial services and content advisors to enable them to optimally perform their constitutional powers and functions optimally. Council resourcing might include a single dedicated secretary to the council oversight committees, a researcher, a legal adviser and a content adviser per council oversight committee in addition to what is

offered to the councillors as emoluments. Parliamentary oversight committees in some countries also have dedicated rooms and can meet as often as possible, which translates into performance dedication in exercising their constitutional mandate. Municipalities in Limpopo Province may, in future, gradually consider achieving this world standard of having dedicated committee rooms but this will depend on the availability of funds raised through own revenue or donations and also the space to build their own municipal council complexes. This, in turn, would assist local municipalities to save funds on rental payment to private property developers who generate sufficient revenue from government leased buildings.

#### ***8.8.4. Provide fit for purpose, more focused and targeted capacity building and training interventions to councillors***

The capacity building and training of municipal councils is critical and should continue. This is because the capacity building and training programme assists in enhancing the performance of members of the municipal councils in the execution of their constitutional responsibilities through a professional development programme anchored in the core functions of oversight and regulatory institutions (e.g. the national and provincial legislatures, and the municipal councils), as well as the role and responsibilities of council members. This study suggests that the capacity building and training of council members, however, should take place based strictly on the constitutional mandate of municipal councils as regulatory, representative and oversight political structures in local government. In addition, the capacity building and training interventions should be split into the following areas: oversight mandate; constituency work; and law-making. This recommendation does not suggest that the personal development of councillors based on the interests of individual members should not be considered. These training interventions should be provided by the national or provincial legislatures through an accredited service provider. The National School of Government (NSG) is an ideal institution since it has designed a tailor-made Legislature capacity building programme for members of the national and provincial legislatures. This training programme, of course, is adaptable for the capacity building and training interventions for the municipal councillors.

This study emphasises that capacity building and the training of municipal councillors may incorporate the following competencies:

- a) Affirming the understanding of all national and local government statutes and laws including the Constitution;
- b) Rules' procedural training;
- c) Policy analysis and engagement;
- d) Budget analysis, speech writing, public speaking and debating skills as well as computer literacy given that nowadays members of parliaments/legislatures or municipal councils around the world are provided with ICT tools such as tablets;
- e) The role of municipal councils in contributing to good municipal governance; and
- f) The doctrine of the separation of powers, council processes and protocol skills and ethics.

To retain and entrench the autonomy of municipal councils over the mayoral executive committees in local government, the study further suggests that the majority of council members with higher positions in terms of political party ranking should be deployed in the councils rather than in the municipal executives as the mayors and parliamentary oversight committee chairpersons. This recommendation is in agreement with a recommendation for members of the legislatures at the provincial level to retain the autonomy of these regulatory and oversight institutions, according to Mamogale (2015).

#### ***8.8.5. Evaluate the impact of capacity building and training interventions for municipalities***

National government has invested hugely and continues to invest resources in terms of funding in the form of conditional grants and capacity building and training initiatives in the local government system throughout the country. The primary aim of this investment is to build and strengthen the capacity of municipalities to improve service delivery performance and meet the minimum service delivery expectations of the communities at the local level. As has already been mentioned in this study, the Limpopo local government benefits immensely from this resource investment by the national government. For instance, the National Treasury (2007) and Makhurupetji (2015) have

indicated that the Financial Management Grant meant for skills development and the training of municipal officials in finance and supply chain management in Limpopo local government increased from R15.5 million in 2007 to R47.8 million in 2014. The Municipal Systems Improvement Grant, however, in contrast decreased from R821.2 million to R28 million in the same period. Municipalities annually also allocate at least two percent of their human resource development budget in line with Skills Development Act (Act No. 97 of 1998) and Skills Development Levies Act (Act No. 9 of 1999) for the training of the officials and also the councillors.

While these capacity building and training programmes are appreciated and must continue to be provided, little research exists that has evaluated the outcome or rather the impact of these capacity building and training programmes within the system of local government, not only in Limpopo, but in South Africa at large. In other words, little evidence exists to show whether government resource investment has translated into increased capacity and bureaucratic performance of municipalities. An evaluation of the capacity building and training programmes is, therefore, important to establish whether the skills development and training interventions for municipal officials and the councillors translate into actual bureaucratic performance improvements for the municipalities. The study suggests that future research studies may want to evaluate the impact of capacity building and training programmes provided to municipal officials and councillors in relation to municipal institutional performance and service delivery value chain.

#### ***8.8.6. Undertake evaluation of municipal programs and projects***

This study takes cognisance of the limitations of government performance monitoring and evaluation systems in general. Personal experience, supported by empirical evidence, indicates that the evaluation of service delivery performance in government tends to focus largely on the volume of resources used and the activities implemented rather than the impact or outcome of programmes and projects implemented. The independent evaluation of developmental infrastructure service delivery programmes and projects by independent institutions like universities or research councils is, therefore, the next step in determining the impact of local government development. In other words, the evaluation of local government service delivery programmes should be outsourced to



external evaluation experts since evaluation as a discourse is a specialised area, much as law or accounting is a specialised field. The evaluating municipal programmes should be conducted by people who have been appropriately trained and who can provide an objective view of the bureaucratic performance or impact of a particular municipal programme or project. Municipalities are further encouraged to consider building internal evaluation capacity through the training of their municipal agents through universities because outsourcing this function might not be a sustainable alternative financially.

#### **8.8.7. Institutionalise the Conduct of Citizen Satisfaction Surveys**

Practical experience indicates that Limpopo local government is not immune to political and community blame and pressures to improve the speed and the quality of their services on a continuous basis. This study commends the Limpopo local government for actively involving citizens in municipal IDP processes. The provision of consistent quality services is, however, the most important fact that leads to the establishment of local government legitimacy, credibility and reputation in the eyes of the citizenry. Empirical evidence indicates that the local government is not immune to constant blame and pressures to improve the speed and quality of its services (Mokhlis, Aleesa and Mamat, 2011, p.123). Understanding exactly what the citizens need and expect is, therefore, the most critical step in designing and meeting, as well as delivering appropriate quality services. In addition, this study argues that a better understanding the needs of citizens is a key to improving local government bureaucratic performance. Local government must avoid requesting community service delivery feedback from a few individuals, such as advocacy groups and or interest groups, at the expense of the silent majority who are involved only during local government election campaigns.

In Chapter Three of this study, it was mentioned that citizens, as the principals of politicians (councillors), have the power to remove politicians from office. This means that citizens vote only for the politicians who act on and implement the policy priorities of citizens. Given the fact that all five investigated municipalities never conduct citizen satisfaction surveys, this study recommends that municipalities in Limpopo Province individually consider institutionalising and conducting community satisfaction surveys

at least every two years. This will help municipal authorities to evaluate whether resources commitments are appropriate and well-targeted.

Community satisfaction surveys are important to gauge the effectiveness of government service delivery operations and also to identify unfulfilled community needs so that programme design improvements can be effected and monitored. Community satisfaction survey results can, further, be used to assess the levels of new services local government can introduce and provide to local communities based on their needs. As noted by Mokhlis, *et al.*, (ibid), incorporating the results from a citizen survey into the performance evaluation processes of a municipality can present a broader, and more accurate, view of the local government service delivery value chain. In other words, the information obtained from the citizens can be used in quality improvement programmes by municipal councils and municipal administrations.

#### ***8.8.8. Review the Constitution of the Republic regarding local government***

The design of the South African Constitution (1996) is undoubtedly based on the British Westminster model of a parliamentary governance system which makes the principles of the separation of powers and 'checks and balances' at national and provincial levels more clear and unambiguous than it is in local government. In Chapter Seven, the study mentioned that this British model of governance system reflects a weak model of the separation of powers as compared to presidential system based on the USA philosophy of governance. The separation of powers at the local government level in South Africa is, however, blurred by the Constitution (ibid). For example, section of 151 (2) of the Constitution (ibid, p.85) provides that the 'executive and legislative authority of a municipality is vested in its Municipal Council'.

The study has argued that the fusion of executive and legislative powers in a municipal council makes it difficult for the council to define its roles and responsibilities *vis-à-vis* the municipal executive, particularly the mayoral executive committee. De Visser (2010) and Tshandu (2010) have confirmed that the blurred separation of powers in local government perpetuates the uneven and poor bureaucratic performance of municipalities. In similar tone, COGTA posits that the reasons for distress in municipal

governance in South Africa relates to a lack of the clear separation of the legislative and the executive branches (GOGTA, 2009, p.10).

In this context, the study recommends that the South African Constitution of 1996 should be reviewed in order to amend section 151 (2) to make the separation of powers at local government level more unambiguous, as it is the case at national and provincial level between the executives and the legislatures. It is not ideal to have the same juristic person (i.e. municipal council) performing and exercising the functions of both the legislative and executive arms of government. This study concludes that, without reviewing and amending the Constitution regarding the separation of powers in local government, strong and powerful municipal councils conducting robust political oversight remain elusive.

#### ***8.8.9. Review Municipal Systems Amendment Act and the MFMA Regulations***

Although the Local Government: Municipal Systems Amendment Act of 2011 and the 2007 MFMA regulations on minimum competency levels requirements, as amended, are hailed as the appropriate steps to depoliticise and professionalise municipalities, reviewing the above Act and the MFMA regulations on minimum competency level requirements is the next step in professionalising the entire municipal workforce. During the undertaking of this study, prescribed professional qualifications at least at NQF level 6 applied only to section 54A and 56 managers including officials in finance and supply chain management division in municipalities. This is, however, not the case for other municipal officials at lower grades who are exempt from these required competency levels and prescribed qualification(s). It must be argued that this exclusion or exemption is detrimental to the overall bureaucratic performance of municipalities, not only in Limpopo Province, but everywhere in the country.

The study, therefore, suggests that, to ensure that the entire municipal workforce is knowledgeable and capable of delivering services, these professional requirements should be extended to every employee of a municipality throughout South Africa. This is so because most of the local government policy implementation work happens at the operational level rather than at the managerial or leadership level where service delivery strategies and plans are set.

## 8.9. Focus Areas for Further Research

This present academic inquiry has focussed specifically on the bureaucratic performance of South African local government with specific reference to municipalities in Limpopo Province. Municipal bureaucratic performance is not only determined by what has been presented in narrative form and discussed in this study as findings but also by other factors, such as the relationship between traditional leadership and municipalities, among other things. Further research studies may, therefore, explore the bureaucratic performance of Limpopo local government from the angles mentioned below.

The role and relationship between traditional leaders and municipalities in enhancing or hindering municipal bureaucratic performance is one such angle. Given the recognition of these two institutions by the Constitution (1996) to coexist and also the tension between the two institutions, some authors (e.g. Tshehla, 2005; Ntsebeza, 2005, etc.) suggest that traditional leaders in local government impede local socio-economic development and the consolidation of local democracy at the local level owing to the overlapping roles between councillors and traditional leaders.<sup>43</sup> As a result, this duplication in terms of the roles of traditional leaders and municipal functions leads to tension between the two parties. Government, in contrast to this view, contends that the recognition of traditional leaders by the Constitution (1996) and their participation in municipal councils in an advisory role enhances municipal performance and democratic consolidation at the local level. A key research question that might be explored is how does the coexistence of the institution of traditional leaders with local government enhances or hinder municipal performance in relation to local economic development?

Finally, further research studies may want to discover the relationship or alignment between municipal IDPs, SDBIPs and the long-term and medium-term plans (e.g. the NDP, the MTSF, the LDP, five year strategic plans and annual performance plans) of other

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<sup>43</sup> See, Ntsebeza, L. 2005. *Rural Governance and Citizenship in post-1994 South Africa: Democracy Compromised?* HSRC Press: Pretoria

Also see Tshehla, B. 2005. "Here To Stay: Traditional Leaders' role in justice and crime prevention", *Crime Quarterly*, 11: pp.1-5.

spheres of government at national and provincial levels. This academic exercise is necessary because the basis of coordinating intergovernmental relations, legislation, policies, programmes and budgets is integrated strategic planning or integrated development planning, which highlights that joint work and common programmes are not possible if the strategic plans of participating spheres of government do not 'speak' to one another. The lack of this integration and alignment makes it difficult to cascade national or provincial government policy priorities into municipal strategic plans (i.e. IDP) and annual performance plans (SDBIP). A key research questions here might be that; to what degree are the medium and short term strategic plans of the three spheres of government aligned and how are they aligned? Are the timelines for the development of long term, medium and short term plans of the three spheres of government aligned?

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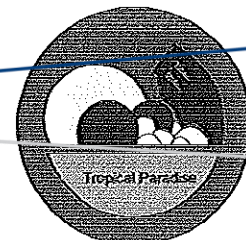
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## APPENDIX A

WITS SCHOOL OF  
GOVERNANCE  
UNIVERSITY OF WITWATERSRAND, JOHANNESBURG



GREATER TZANEEN MUNICIPALITY  
GROTER TZANEEN MUNISIPALITEIT  
MASIPALA WA TZANEEN MASEPALA  
WA TZANEEN



P.O. BOX 24  
TZANEEN  
0850

TEL: 015 307 8000  
FAX: 015 307 8049

[www.tzaneen.gov.za](http://www.tzaneen.gov.za)

---

26 February 2016

Ref: 4/4/R

B Mashala

University of Witwatersrand Private

Bag 3

Wits 2015

Sir/Madam

### PERMISSION TO CONDUCT RESEARCH: M.J MAMOGALE

---

Your letter dated 17 February 2016 has reference.

Kindly note that permission has been granted to conduct research at the Greater Tzaneen Municipality on the topic *"Examining Bureaucratic Performance of South African Local Government: Local Municipalities in Limpopo Province"*.

The student is welcome to conduct a research according to a structured questionnaire /and or conduct face-to-face interview.

However the student must undertake the responsibility to provide this Municipality with a copy of the final report.

The student is welcome to liaise for further assistance with the Skills Development Practitioner, Mr. Brian Mashala on tel.no. (015) 307 8383 or by e-mail: [sdf@tzaneen.gov.za](mailto:sdf@tzaneen.gov.za).

It is trusted that you will find this matter in order. Yours

faithfully

  
SR Monakedi Municipal  
Manager

## APPENDIX B

**Research Office:**

Phindile Mohanoe

Tel: 011 717 3133

Email: [phindile.mohanoe@wits.ac.za](mailto:phindile.mohanoe@wits.ac.za)

**PhD Convener:**

Dr Horacio Zandamela

Tel: 011 717 3692

Email: [horacio.zandamela@wits.ac.za](mailto:horacio.zandamela@wits.ac.za)

**Research Director:**

Prof Pundy Pillay

Tel: 011 717 3519

Email: [pundy.pillay@wits.ac.za](mailto:pundy.pillay@wits.ac.za)

Monday, 21 September 2015

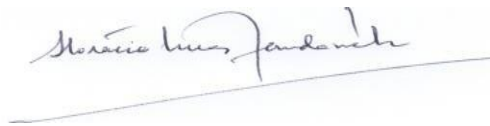
To whom it may concern

This confirms that Majuta Mamagole student number **9409105N** is registered for the Doctor of Philosophy in the Field and Public and Development at the School of Governance.

The title of the Research Proposal is: **Examining Bureaucratic Performance of South African Local Government: Local Municipalities in Limpopo Province**

It is recommended that he be given assistance in terms of information for research purposes towards his **Doctor of Philosophy Degree**. The information will be used for research purposes only.

Yours sincerely



Horácio Lucas Zandamela, PhD  
(PhD Convenor)

[www.wits.ac.za/wsg](http://www.wits.ac.za/wsg)

2 St David's Place, Johannesburg 2050, Parktown, South Africa  
admissions.wsg@wits.co.za (Email 1), shortcourses.wsg@wits.ac.za (Email 2)  
+27 11 717 3520 (Telephone)



## APPENDIX C

**Enq:** Majuta J. Mamogale

Tel: 015 293 8429

Cell: 082 413 0094

**To:** Municipal Manager

Greater Tubatse Local Municipality

### **Request for Assistance to Access to the Municipality for Research Purpose**

Dear Mr. Mohlala

My name is Majuta Mamogale. I am part-time PhD student with Wits School of Governance, University of the Witwatersrand. I am also working as a Director in the Limpopo Department of Economic Development, Environment and Tourism (LEDET) in Polokwane. I am currently conducting an academic enquiry (research) on the bureaucratic performance of municipalities in Limpopo province as part of my doctoral dissertation. Title of my project: **"Examining Bureaucratic Performance of South African Local Government: Local Municipalities in Limpopo Province"**.

I am focusing on five municipalities, namely; the Greater Tzaneen, the Greater Tubatse, Fetakgomo Local Municipalities as well as Waterberg and Capricorn District Municipalities as my case studies. The Greater Tubatse Local Municipality has been chosen as one of my case study because it is has been one of the municipalities in the province that benefited from various national

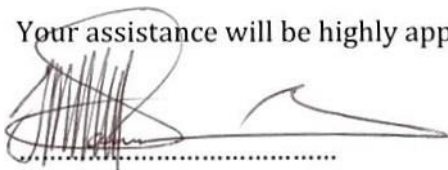
government technical support programs (i.e. 2004 Project Consolidate Program, 2006 Siyenza Manje, etc.).

I am at advanced stage of primary data collection where I need to physically visit the municipalities individually in order to have access to certain information that cannot easily be obtained from the municipal websites. Access to such information require that I physically talk face to face with the municipal officials. Therefore, it is within this context that I humbly request your permission to gain access to certain information (i.e. municipal bi-laws, policies, annual reports, etc.) and people for interviews from your municipality. I am attaching with this letter a letter from the University also requesting your assistance to grant me access to your municipality and also a Research Participant Information Sheet that succinctly explains the purpose of my research project.

Please note that the information that would be obtained from this municipality will be used strictly for academic research purpose and with utmost confidentiality. For further clarity or enquiry, I may be conducted at any time on these conduct details; Tel: 015 293 8429 (w), 082 413-0094 and email: [MamogaleMJ@ledet.gov.za](mailto:MamogaleMJ@ledet.gov.za) or [Bradury@yahoo.co.uk](mailto:Bradury@yahoo.co.uk)

Hope you find my request in order

Your assistance will be highly appreciated

A handwritten signature in black ink, appearing to read 'Mamogale, Majuta J', written over a horizontal dotted line. The signature is somewhat stylized and includes a large circular flourish on the left side.

Mamogale, Majuta J

Date: 01 February 2016

## APPENDIX D

### RESEARCH PARTICIPANTS INFORMATION SHEET

**Study Title: Evaluating Bureaucratic Performance of Municipalities in Limpopo Province**

#### **Invitation to participate in research study**

My name is Majuta Mamogale. I am part-time doctoral student at Wits School of Governance, University of the Witwatersrand. I am also working as a Director responsible for Strategic Planning at the Limpopo Department of Economic Development, Environment and Tourism. I am conducting this research as part of my doctoral dissertation requirement. I would humbly like to invite you to participate in this research study as an interview respondent, meaning that I would like to have a face-to-face in depth interview with you. Our interview session is expected to take at least 30 minutes to complete. You will not incur any cost for participating in this research as I will come to your office or place. Therefore, I, as the researcher, would like you to take a few minutes to read this information sheet before making up your mind about whether or not to participate in this research study and also sign the consent form.

### **What is the purpose of the study?**

The aim of the study is to explore the determinants of bureaucratic performance of Limpopo local government in relation to service delivery (water and sanitation provision) and financial management. Specifically, the study seeks to understand why bureaucratic performance of the Limpopo local government is being rated comparatively very low despite huge resource investment in terms of funding and capacity building and training interventions from the national and provincial governments to build and strengthen the capacities of municipalities. Four municipalities in the province are chosen for investigations.<sup>44</sup> There should be key learning points to be extrapolated from this comparative analysis of the four selected municipal cases in Limpopo province.

### **Do I have to take part?**

Please note that your participation in this research study is entirely voluntary. You have been chosen to participate in this research simply given your rich wealth of knowledge and experience about the local government in South Africa, particularly the Limpopo local government. If you agree to participate, I would request your permission to tape-record our conversation or interviews as I do not want to miss an important information as you speak and or sometimes ask you to repeat yourself. However, if you do not wish to participate, then you do not have to do anything in response to this request and you will not be penalised for not taking part. To reiterate, I am asking you to take part in the research because you are an important stakeholder in this study with wealth of knowledge and experience. Thus I believe you can make a very important contribution by providing information to enrich my research project.

### **Confidentiality of your information**

To start with, I do not anticipate any risks associated with you for agreeing to participate. All the information you will provide to me will be strictly kept confidential at all times. Furthermore, all responses to my questions and information provided by you will be anonymised (i.e. no personal details relating to you or your position within the

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<sup>44</sup> There are the Capricorn & Waterberg District Municipalities; the Greater Tzaneen; the Greater Tubatse and Fetakgomo Local Municipalities.

municipality will be recorded anywhere in the research report). I will only be the person with access to the information you would have provided. Your recorded information after the interviews, if you agreed, will be transferred from the tape-recorder and stored into my personal laptop, which is password protected, for safe keeping. Moreover, all data collection, storage and processing will comply with the rules of the University of the Witwatersrand. Information emanating from the study will only be made public after the completion of the study through publication in journals and conference presentation but at the aggregate level in order to ensure that no participant will be identified

### **Are there possible benefits for taking part?**

Whilst there may be no personal benefits to your participation in this study, the information you provide can contribute to the future development of the municipality in terms of service delivery performance and winning back the confidence of the public. Therefore, you will not be compensated in any kind for voluntarily participating in this research study.

### **Who is organising the research?**

This research project was approved by the Research Ethics Committee of the University of the Witwatersrand and is being conducted by myself-Majuta Mamogale for my doctoral studies at Wits School of Governance. If you have a concern or complaints about my conduct in this study, please feel free to contact Professor Thomas Mogale at 012 429-4805 and the email is [mogalmt@unisa.ac.za](mailto:mogalmt@unisa.ac.za) or [kgwetem@telkomsa.net](mailto:kgwetem@telkomsa.net)

Myself (Majuta Mamogale) can be reached at 015 293 8429 or 082 413 0094 and my email is [MamogaleMJ@ledet.gov.za](mailto:MamogaleMJ@ledet.gov.za)

Thank you for taking the time to consider this study.

If you agree to take part, please sign the attached consent form since this personal information sheet is for you to keep.



## PARTICIPANT CONSENT FORM

### **Title: Evaluating Bureaucratic Performance of Municipalities in Limpopo Province**

I wish to participate in the above named research project.

I have read the participant information sheet for the above research project and understand the following:

1. The purpose and objectives of the study.
2. That I am free to withdraw at any time.
3. That all information I provide will be dealt with in a confidential manner.
4. I agree that the researcher may contact me.

Signed: .....

Date: .....

Tell phone: ..... or

Email: .....

# APPENDIX E



## APPENDIX D

### EXTERNAL ADVERTISEMENT

**GREATER TUBATSE MUNICIPALITY, SITUATED IN LIMPOPO PROVINCE WITHIN THE SEKHUKHUNE DISTRICT, INVITES APPLICATIONS FROM POTENTIAL CANDIDATES FOR THE FOLLOWING VACANCIES THAT EXIST AT ITS MUNICIPAL OFFICES IN BURGERSFORT**

**1. DEPARTMENT: CORPORATE SERVICES**  
**REFERENCE NO.: SEN/2015/07/02**  
**POSITION: DIRECTOR OF CORPORATE SERVICES**  
 REMUNERATION: R788,188.00 - R911,197.00 - R10134,209.00 (IN LINE WITH GOVT GAZETTE NO. 38948

ON UPPER LIMITS OF TOTAL REMUNERATION PACKAGE PAYABLE TO MUNICIPAL MANAGERS AND MANAGERS ACCOUNTABLE TO MUNICIPAL MANAGERS) DURATION OF CONTRACT: FIVE YEAR PERFORMANCE BASED EMPLOYMENT CONTRACT, A PERFORMANCE AGREEMENT AND DISCLOSURE OF FINANCIAL INTEREST) MINIMUM COMPETENCY REQUIREMENTS: • A Bachelor's Degree in Public Administration /Management Sciences/ Law or equivalent (NQF Level 7 qualification) • Certificate in Municipal Finance Management (SAQA ID: 48965); • 5 years Experience at Middle Management Level; • 5 year of proven successful Management experience in Administration; • Basic understanding of the municipal environment • Good knowledge and understanding of relevant policy and legislation; • Good knowledge and understanding of institutional governance systems and performance management; • Good knowledge of Corporate Support Services, including • Good knowledge of Supply Chain Management Regulations • Good governance • Knowledge of coordination and oversight of all specialised support functions • Strong leadership and people management skills • A high level of computer literacy for the role • A valid SA motor vehicle licence • Well developed interpersonal skills • A high level of professional ethics and integrity. CORE FUNCTIONS OF THE POST: - Human Capital Management - Corporate Administration - Facilities Management - Council Support - Intergovernmental Relations - Public Office Bearers Offices.

LEADING COMPETENCY AREAS: The candidate must be able to display the following leadership competences for the post:

1. **Strategic Direction and Leadership**
  - Provide and direct a vision of the institution, inspire and deploy others to deliver on the Strategic Institutional Mandate.
2. **People Management**
  - Manage, inspire and encourage people, respect diversity, optimise talent and build and nurture relationships in order to achieve institutional objectives.
3. **Program and Project Management**
  - In-depth understanding of program and project management methodology; • Plan, manage, monitor and evaluate related specific activities in order to deliver on municipality's set objectives.
4. **Strategic Financial Management**
  - Compilation, planning and management of budget and cash flow within the Department; • Institute Financial risk management and administer procurement processes in accordance with recognised Financial practices • Ethical management of all Financial transactions.
5. **Change Leadership**
  - Direct and initiate Institutional Transformation • Drive and implement new initiatives towards delivery of professional services to the community.
6. **Governance Leadership**
  - Promotion of professionalism in managing risk and compliance requirements • Application of a thorough understanding of governance practices and obligations • Direct conceptualisation of relevant policies and enhance cooperative governance relationships.

CORE COMPETENCIES: The candidate must possess the following core competencies for the post:

1. **Moral competence**
  - Ability to identify moral triggers, apply reasoning that promotes honesty and integrity • Display behaviour that reflects moral competence.
2. **Planning and Organising**
  - Plan, prioritize and organize information and resources effectively deliver quality services to the people • Build efficient contingency plans to manage risk.
3. **Analysis and Innovation**
  - Ability to analyse information, challenges and trends to establish and implement fact-based solutions that are innovative.
4. **Knowledge and Information Management**
  - Promotion of information generation and sharing of knowledge and information to enhance the collective knowledge base of Local Government.
5. **Results and quality focus**
  - Ability to maintain high quality standards • Actively monitor and measure results and quality against identified objectives.

**2. DEPARTMENT: FINANCE**  
**REFERENCE NO.: SEN /2015/07/03**  
**POSITION: CHIEF FINANCIAL OFFICER (CFO)**  
 DURATION OF CONTRACT: FIVE YEAR PERFORMANCE BASED CONTRACT (APPLICANTS ARE EXPECTED TO SIGN AN EMPLOYMENT CONTRACT, A PERFORMANCE AGREEMENT AND DISCLOSURE OF FINANCIAL INTEREST) REMUNERATION: R788, 1811.00 -R911, 197.00 - R1. 0134, 209.00 (IN LINE WITH GOVT GAZETTE NO. 389411 ON UPPER LIMITS OF TOTAL REMUNERATION PACKAGE PAYABLE TO MUNICIPAL MANAGERS AND MANAGERS ACCOUNTABLE TO MUNICIPAL MANAGERS

MINIMUM COMPETENCY REQUIREMENTS: • A Post graduate qualification (NQF level 7 as per National Treasury Regulations) in fields of Accounting, finance or Economics. • Certificate in Municipal Finance Management (SAQA ID: 48965); or minimum Competency levels in Unit Standards • A minimum of 7 years Experience at Senior management and Middle Management Level. • At least 2 years must be at Senior management level • Extensive experience in computerized accounting systems and packages • Basic understanding of the municipal environment • Good knowledge and understanding of relevant policy and legislation; • Good knowledge and understanding of institutional governance systems and performance management; • Strong leadership and people management skills • A high level of reporting skills • Well developed interpersonal skills together with high level of professional ethics and integrity • A valid SA motor vehicle licence. KEY PERFORMANCE AREAS: Reporting to the Municipal

- Manager the incumbent will be responsible for the following:
1. **Strategic Leadership and Management**
    - Within the budget and Treasury office, be able to contribute to service delivery systems of a complex nature and manage the achievement of municipal strategies and goals. • Be able to formulate and influence short, medium and long term service delivery plans to deliver on municipal strategies and goals.
    - Be able to provide strategic leadership to the Accounting officer and senior management team. • Within the area of responsibility be able to develop and maintain strategic alliance with various stakeholders.
  2. **Strategic Financial Management**
    - Manage, inspire and encourage people, respect diversity, optimise talent and build and nurture relationships in order to achieve institutional objectives.
  3. **Operational Financial Management**
    - In-depth understanding of program and project management methodology; • Plan, manage, monitor and evaluate related specific activities in order to deliver on municipality's set objectives.
  4. **Governance, ethics and values in Financial Management**
    - Compilation, planning and management of budget and cash flow within the Department; • Institute Financial risk management and administer procurement processes in accordance with recognised Financial practices • Ethical management of all Financial transactions.
  5. **Financial and performance Reporting**
    - Direct and initiate Institutional Transformation • Drive and implement new initiatives towards delivery of professional services to the community.
  6. **Risk and change Management**
    - Promotion of professionalism in managing risk and compliance requirements • Application of a thorough understanding of governance practices and obligations • Direct conceptualisation of relevant policies and enhance cooperative governance relationships.
  7. **Project Management**
    - Be able to provide direction and guide project management within the area of responsibility.
  8. **Legislation and policy formulation**
    - Support and contribute to the formulation of policy and by-laws by the Municipality.
  9. **Stakeholder Relations**
    - Within the area of responsibility, be able to guide, establish and maintain appropriate stakeholders relations.
  10. **Supply chain management**
    - Manage and oversee fair, equitable, transparent, competitive and cost effective supply chain management function.
  11. **Audit and Assurance**
    - Be able to support the audit process, in order to obtain the optimum level of assurance from the Auditor General.

Applications for Senior Managers Post must be submitted on the Official Application Form as prescribed in terms of Government Notice no. 37245 for Regulations on Appointment and Conditions of Employment of Senior Managers (also available on our website). The form must be accompanied by a detailed CV, certified copies of certificates, ID and other relevant supporting documents (including metric certificate). The applications must be submitted or hand delivered to the Human Resources Managers Office (office no 219 2<sup>nd</sup> floor) Greater Tubatse Municipality or Secretary of the Municipal Manager 2<sup>nd</sup> floor Civic Centre at I Kastania Street, Burgersfort or they can be posted for the attention of Municipal Manager Greater Tubatse Municipality P. O. Box 206 Burgersfort 1150. Closing date for submission: 29 July 2015 @ 16:00. Enquiries: Human Resource Division @ 013 231 1120/ 013 231 1149/ 013 231 1121. **Dung office hours.**

The selection process will be influenced by the Municipality's Employment Equity principles and policies in terms of race, gender and disability. Applications from these designated groups are encouraged to apply. Please note that correspondence will be limited to shortlisted candidates only. Applicants who have not been contacted within 30 days after the closing date should assume that their applications were unsuccessful. *Shortlisted candidates will be subjected to screening and vetting process to determine suitability.*

*The Municipality reserves the right not to make any appointment*

Mr. Mohlala NJ Municipal Manager

# APPENDIX F



## GREATER TUBATSE MUNICIPALITY

**Minutes of the Third Special Meeting of the Municipal Council held at the Civic Centre  
Municipal Chamber, Burgersfort, Monday : 19 November 2012 at 13:00 (2012/2013 financial  
year)**

1.	Cllr. N. J	Mahlake	Mayor	28.	Cllr. R. L	Makofane
2.	Cllr. Q. M	Moeng	Chairperson	29.	Cllr. E. B	Hlatswayo
3.	Cllr. S. M	Nkosi	Chief Whip	30.	Cllr. S. S	Kgoete
4.	Cllr. M. D	Nkosi		31.	Cllr. A S	Maepa
5.	Cllr. M. A	Malatji		32.	Cllr. A M	Shai
6.	Cllr. M. R	Khoza		33.	Cllr. M. A	Tshehla
7.	Cllr. R. F	Lourens		34.	Cllr. T. D	Komane
8.	Cllr. S. C	Mphogo		35.	Cllr. K. M	Maile
9.	Cllr. P. C	Sekgobela		36.	Cllr. J B	Sekgobela
10.	Cllr. M. E	Makgoga		37.	Cllr. M.L	Mabilu
11.	Cllr. N. R	Makhubedu		38.	Cllr. K. J	Mogale
12.	Cllr. R. R	Manotwane		39.	Cllr. J. L	Kgwedi
13.	Cllr. P. E	Malapane		40.	Cllr. A D	Ngwatle
14.	Cllr. R. S	Mamekoa		41.	Cllr. S. M	Malatji
15.	Cllr. E. K	Maleka		42.	Cllr. M. E	Mogofe
16.	Cllr. D.	Kgoete		43.	Cllr. M. N	Thobejane
17.	Cllr. M. P	Makine		44.	Cllr. W. P	Morena
18.	Cllr. M. R	Mashabela		45.	Cllr. M. E	Riba
19.	Cllr. M. M	Mabelane		46.	Cllr. A	Masete
20.	Cllr. M. D	Thobejane		47.	Cllr. M. C	Komane
21.	Cllr. M. M	Mametja		48.	Cllr. S. I	Selala
22.	Cllr. L. J	Rantho		49.	Cllr. D. M	Magane
23.	Cllr. K. V	Mphofelo		50.	Cllr. M. T	Lesinya
24.	Cllr. L. R	Maroga		51.	Cllr. N. C	Moropane
25.	Cllr. D. P	Nkwana		52.	Cllr. M. R	Riba
26.	Cllr. M. S	Hlongwa		53.	Cllr. P. M	Mahlaba
27.	Cllr. N. M	Moropane				

**Present: Official**

H. L Phala  
M. L Komane  
W. G Mohlala  
S. F Mkhabela  
D. K Boshego



S. L.Y Mathunyane  
M. A Monyepao  
M. DMogofe

Municipal Manager Secretary of Council  
Asst. Secretary of Council Director : Corporate Services  
Director : Community Services Director : Technical Services  
Director : Economic and Land Development Act Chief Financial Officer

Present :Magoshi

Kgoshigadi S.	Kgoete
Kgoshi M. B	Mohlala
Kgoshi T. A	Kgoete
Kgoshi P. D	Phasha
Kgoshi P. R	Sekhukhune

## 1. Opening

The Chairperson (Cllr. Q.M. Moeng) declared the meeting officially opened.

## 2. Election of the Chairperson

None

## 3. Leave of Absence

- I. that leave of absence was granted to Cllr. N.D. Mphethi, due to work commitment;
- II. that leave of absence was granted to Cllr. K.J. Moraba, due to work commitment;
- III. that leave of absence was granted to Cllr. S.G. Nkosi, due to family commitment;

- IV. that leave of absence was granted to Cllr. N.L. Selahle, due to family commitment;
- V. that leave of absence was granted to Cllr. S.O. Serothwane, because he attended a SALGA meeting;
- VI. that leave of absence was granted to Cllr. P.A. Mohlala, due to ill health;
- VII. that leave of absence was granted to Cllr. L.D. Moraba, due to family commitment;

#### **4. Confirmation of the Agenda & Quorum**

The Council confirmed and adopted the agenda and the meeting was quorating.

#### **5. Declaration of Interest**

None

#### **6. Official Announcements**

None

#### **7. Official Notices / Statement by the Chairperson**

The Council noted the statement of the chairperson which read as follows:

- The political head of Greater Tubatse Municipality, his worship, the Mayor, Cllr. NJ Mahlake;
- Chief Whip of Council, Cllr. S.M Nkosi
- Portfolio Chairpersons and Chairpersons of the Council Committees
- Executive Committee Members

- Honourable Councillors
- Magoshi a Rena

I greet you in the name of clean audit

Good Afternoon Everybody

I hope that the honourable Councillors are aware about the presence of the Auditor General in the municipality and the Auditor General is about to conclude their work. We are expecting positive results.

I would like to highlight a few things on the role and functions of MPAC:

MPAC is a Section 79 Committee and performs its functions in accordance with the following

Guideline on Establishment of MPAC

-SALGA Circular 1

-Municipal Structures Act and Municipal Systems Act

-MFMA

The MPAC assists Council to hold the Executive Committee to account and to ensure the efficient and effective use of municipal resources. By so doing, the MPAC would help to increase Council and public awareness of the financial and performance issues of the Municipality

The Audit Committee as an independent advisory body that advises Council, the Council is entitled to request for advice from the Audit Committee

I would like to inform honourable Councillors that MPAC reports directly to Council through the Speaker of the Municipality and interfaces with the other Committees of Council through the Speaker.

In order for the MPAC to be effective in executing its functions, the Council must ensure that the MPAC is supported by Officials who co-ordinate and undertake research activities as required In

order for the MPAC to be effective in executing its functions, the Council must ensure that the MPAC is supported by Officials who co-ordinate and undertake research activities as required.

I am appealing to all honourable Councillors to be aware that MPAC is entitled to request for any documents or evidence from all the respective offices in particular the Accounting Officer of Municipality. Please ensure that you co-operate with MPAC, because the MPAC implements the mandate of MPAC, your defiance to MPAC is defiance to Council.

As the Madam Speaker of this Council, I will never allow anybody to undermine the authority of Council, because this Council represents the glorious people of the Greater Tubatse Municipality.

One of the primary functions of MPAC is to promote good governance, transparency and accountability.

The MPAC is in a process of reviewing the 2012/2013 1<sup>st</sup> quarter performance report and a public notice has been issued in this regard.

An observation has revealed that our people need a direct contact and as a result of that I will request the public participation and petition committee to co-ordinate a plenary of all Ward Committees and the CDW so that a simplified presentation of the said report can be presented before all ward committees. This will assist public to give comments relating to the first quarter report.

Above all, I thank you for your co-operation. God Bless.

#### **7.1 Proposal of Sympathy or Congratulations by the Chairperson**

None

#### **7.2 Proposal of Sympathy or Congratulations by Other Members of Council**

The Council sympathize with the community of ward 02 in particular the family of a 24 years old lady who was kidnapped and raped. She was later found dead. The suspects were arrested

and they have appeared before the court of law. They were released on bail. Some houses were burnt down including the house of a business plan

**8. Confirmation of the Previous Minutes of the Second Special Council Meeting held on the 05th October 2012**

The Council confirmed and adopted the minutes as the true reflection of what transpired on the 05<sup>th</sup> October 2012 with the following corrections

- Page 3, Zwalake instead of Zwelakhe
- Page 4, three (3) instead of three (3) month
- Page 1, the attendance register should include the names of the Councillors who were omitted: Cllr. M.R Riba, Cllr. M. D Nkosi. And M.R Khoza
- Page 2, absences instead of absence
- Page 3, Kgoedi instead of Kgwedi

**9. Reports from Section 80 Committee**

SA08/2012 Update on the Implementation of Council Resolutions:  
A34/2012, 2012/2013 SDBIP First Quarter Performance Report

**Resolved**

1. that the Council noted resolution A34/2012, 2012/2013 SDBIP First Quarter Performance Report and A37/2012, progress report on the implementation of Council resolutions;
2. that Council further noted that the contents of a resolution A34/2012, is still standing.

SA09/2012 Report of MPAC Work Programme

**Resolved**

1. that Council noted the report on MPAC work programme;
2. that Troika (Speaker, Mayor and Chief Whip) meet on the 19 November 2012;

3. that the Council mandated PMT to write a letter to the Municipal Manager requesting him to respond on the issues raised by MPAC;
4. that the Municipal Manager must within 7 days which start on the 19 November 2012 arrange a strategic planning meeting for MPAC;
5. that the Council noted that the Municipal Manager failed to honour the PMT meeting without an apology;
6. that the Council ensures that the new governance model is implemented;
7. that the Municipal Manager should within 14 days explain in writing why the Council should not suspend him based on the issues raised above;
8. that the Council noted the 2012/2013 MPAC Annual Programme and the 2012/2013 First Quarter Performance Programme.

#### SA10/2012 Restructuring of council Committees Resolved

1. that the Council deploy Cllr. M. A. Tshehla who replaced the late Cllr. K. M. Magapa to serve in the Economic and Land Development Portfolio;
2. that all MPAC members who serve in other Committees of Council must be withdrawn;
3. that the Speaker must implement Section 79 of the Municipal Structures Act of 117 of 1998

#### **10. Questions of which Notice has been Given**

None

#### **11. Motions deferred from previous Meeting**

None

#### **12. Consideration of Petitions**

