SUPER SIZING SERVICE DELIVERY WITH A SIDE ORDER OF INNOVATION BUILDING A SOCIAL FRANCHISING GOVERNANCE MODEL TO ACCELERATE LOCAL GOVERNMENT SERVICE DELIVERY FOR ECD PROVISIONING IN PARTNERSHIPS BEYOND PPP'S

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DECLARATION

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ABSTRACT

There is a rising groundswell of citizens globally questioning the equity, integrity and sustainability of the philosophies, values and institutions inherited from the 20th century. The continuum of civil disobedience has increased over time; sit ins, community unrest, uprisings and finally revolutions have marked this first decade of this new age. People are voicing their disillusionment with increased frequently, impatience and violence globally calling for the creation of a world which, in Freire's words, is "menos feio, menos malvado, menos desumano [less ugly, less cruel, less inhumane] (Mayo, 2003:42).

President Jacob Zuma at the 14th Nedlac Annual Summit in September 2009 called for a "stronger social dialogue underpinned by a sense of cooperation, and responsibility will also be important if we are to avoid a situation where the recovery ends up being business as usual. We need to find new way of doing things" (Zuma, 2009a:1).

Social Franchising is a relatively new concept in the service delivery discourse having recently emerged as a sub-sector of social enterprise. Social franchising is a derivative of the long established commercial franchise model with a dual purpose of generating sustainable economic returns and advancing social good by encouraging profit making not profit taking (Mseme, 2010a:1). Social franchising has been mainly operating in the NGO sector, on the Indian sub continent, accommodated in larger private or public health institution, providing women related health services into poor communities. Recent research undertaken by Mseme (2010a) has shown social franchising should be considered as a strategic option in the delivery of public service to improve citizens development, promoting new venture creation and strengthen the developmental state at local level

This study seeks to make a contribution to the limited local government body of knowledge by developing an appropriate social franchising governance model. This model aims to accelerate accessible and sustainable public community development services generally and early childhood development in particular at local level by delivering on the two primary national priorities of poverty alleviation and quality education provisioning.

This study merges a number of key issues that are substantive in determining the future well being of South Africa and all of her citizens namely; affordable, universal and comprehensive service delivery, equitable quality education and cognitive development of young children and increased economic participation and wealth generation especially in marginalised and vulnerable communities within the context of the developmental state.

This study is guided by a postmodernist philosophy and stems from a transformative and emancipatory approach applying Paulo Freire's pedagogy and politics of hope that is not meant to consolidate "what is" but is driven by a vision of "what should and can be" (Mayo, 2003:42).This research has applied both empirical and non – empirical design with a mixed qualitative and quantitative component. The areas of non –empirical study were determined by the theoretical framework which focuses on developmental state, developmental local government, public service management, partnership service delivery mechanisms, early childhood development and small enterprise development. The research findings arising out of the empirical ECD needs assessment survey and case study were further explored and tested in semi structured interviews with political decision makers, policy makers, policy drafters and policy experts.

This study has designed a social franchise governance model for the delivery of ECD at local government level. Its implementation however is premised on a shift of public administration mindset from bureaucracy to innovation, a shift of public policy from government as sole provide to facilitator of services, a shift from survival partnerships to delivery partnerships by desire and a change of citizens attitude from dependency to self development.

Opsomming

Wereldwyd bevraagteken inwoners toenemend die billikheid, integriteit and volhoubaarheid van filosofiee, waardes en wette vanuit die 20ste eeu. Wetteloosheid het toegeneem oor 'n tydperk. Opstand en eintlik revolusies is kenmerkend in die eerste dekade van die nuwe era. Mense spreek hulle ontnugtering toenemend op 'n gereelde basis uit, wat uiteindelik aanleiding gee tot ongeduld en geweld. Wereldwyd is mense op soek na 'n samelewing wat soos Freire dit beskryf "menos feio, menos malvado, menos desumano (minder haatlik en onmenslik) (Mayo, 2003:42).

Tydens die 14de NEDLAC Jaarlikse Konferensie gedurende September 2009 het President Jacob Zuma die balangrikheid van sterker sosiale dialoog gegrond op samewerking en verantwoordlikheid beklemtoon ten einde 'n situasie van besigheid soos gewoonlik te voorkom. Hy het mense aangemoedig om vorendag te kom met nuwe manier om dinge te doen.(Zuma, 2009a:1)

Sosiale agentskap is 'n relatiewe nuwe konsep in die lewering van dienste wat ontstaan het vanuit die sub-sektor sosiale ondernemings. Sosiale agentskap het voortgespruit vanuit die kommersiele agentskaps model met 'n tweeledige doel naamlik die skepping van volhoubare ekonomiese inkomste en die bevordering van sosiale goedere deur die aanmoediging van die maak van winste en nie die neem van winste nie (Mseme, 2010a:1) . Sosiale agentskappe het primer voorgekom in nie-regerings organisasies, groot privaat of publieke gesondheids instansies en die verskaffing van gesondheids dienste aan vroue in die armer gemeenskappe. Huidige navorsing deur Mseme (2010a) bewys dat sosiale agentskappe oorweeg moet word as 'n strategiese opsie in die lewering van openbare dienste om die onwikkeling van inwoners te verbeter, om die skepping van nuwe projekte te bevorder sowel as die versterking van die ontwikkelende staat op plaaslike regeringsvlak.

Deur die ontwikkeling van 'n toepaslike sosiale agentskaps bestuurs model beoog die studie om 'n bydrae te maak tot die beperkte beskikbare inligting oor plaaslike regering. Die model streef daarna om toeganklike volhoubare openbare gemeenskaps onwikkelende dienste in die algemeen te lewer sowel as spesifiek dienste rondom vroee kinder ontwikkeling op plaaslike regerings vlak. Hierdie oogmerk van die model is gebaseer op die nasionale prioriteite van werkskepping en die voorsiening van kwaliteit onderrig.

Die studie kombineer 'n aantal belangrike sleutel dimensies in die bepaling van die voortbestaan van inwoners van Suid-Afrika, naamlik bekostigbaarheid, universele en omvattende dienslewering, gelyke kwaliteit onderrig, die kognitiewe ontwikkeling van jong kinders, toenemende ekonomies deelname, en die ontwikkeling van rykom spesifiek in marginale kwesbare gemeenskappe binne die konteks van 'n ontwikkelende staat.

Die studie is gebaseer op 'n post-moderne filisofie and spruit voort vanuit 'n transformerende en moderne benadering deur die toepassing van Paulo Freire's opvoedkundige aard sowel as politieke hoop wat nie bedoel is om "die wat is" te konsolideer nie, maar wat voort gedryf word vanuit 'n visie "wat moet en kan gedoen word" (Mayo, 2003:42). Die nie-empiriese studie is gabaseer op 'n teoretiese raamwerk wat focus op die ontwikkelende staat, ontwikkelende plaaslike regareings, staatsdiens bestuur, 'n vennootskap dienslewrings meganisme, vroee kinder ontwikkeling and klein sake ondernemings ontwikkeling. Beide empiriese en nie-empiriese ontwerpe is gebruik met 'n kombinasie van kwalitatiewe and kwantitatiewe komponent. Die bevindinge vanuit die navorsing spruit voort uit die empiriese vroee kinder ontwikkelings behoefte bepalings studie. 'n Gevalle studie is ook verder gebruik en getoets deur semi-gestruktureerde onderhoude met beleidmakers, en beleids deskundiges.

Die studie het 'n sosiale agentskaps bestuurs model ontwikkel vir die lewering van vroee kinder ontwikkeling op plaslige regerings vlak. Die implementering van die model is gabaseer op 'n aantal veranderinge van denkwyses naamlike vanaf publieke administrasie opinie van burokrasie na innovasie, vanaf openbare beleid dat die regering die enigste verskaffer van dienste is na die fasilitering van dienste, vanaf oorlewings vennootskappe na vennootskappe wat gehalte dienste lewer en laaste 'n verandering van 'n aghanklikheids houding na self ontwikkeling.

ACKNOWLEDGMENT

History will have to record that the greatest tragedy of this period of social transition was not the strident clamour of the bad people, but the appalling silence of the good people (Martin Luther King Jnr).

It is my great fortune to have met and call my friends many of us who refuse to stay silent. Thank you for walking this path with me, yes Rogene I am finally finished!

To all the owners of ECD facilities and practitioners of ECD in Ekurhuleni who shared their lives, their experiences, dreams and disappointments with me – thank you.. To Lucky and Bafana in particular your spirit and life work stands as a testament to Ubuntu .

To Megan and Anamie, now I know Cape Town has the mountain, sea, and ... the most astonishing people – thank you

To Prof Burger thank you for being "the teacher who walks in the shadow of the temple, among his followers, gives not of his wisdom but rather of his faith and his lovingness. If he is indeed wise he does not bid you enter the house of wisdom, but rather leads you to the threshold of your own mind" (Khalil Gibran).

To my Dad who taught me the value of reading and the confidence to have an opinion and not to have the latter until I had done the former

To my sister –a gift to my heart, a friend to my spirit, a golden thread to the meaning of my life. Thank you for being my Galadriel.

To my three wonderful children, Camilla who celebrates life dancing amongst the stars, Kedan my magician who weaves spells of wit and laughter and Phoenix my muppet with love and kindness your music fills my heart. Thank you for being so patience and so supportive.

And to my husband Diggie –

Thank you for standing
in the centre of the fire
with me
and not shrink back.

But most of all thank you for dancing with wildness
and letting the ecstasy fill us to the tips of our
fingers and toes
without cautioning us to
be careful
be realistic
to remember the limitations of being human.[i]

TABLE OF CONTENTS

LIST OF TABLES AND FIGURES

LIST OF ABBREVIATIONS

EMM	Ekurhuleni Metropolitan Municipality
GDS	Growth and development strategy
ANC	African National Congress
COGTA	Department of Cooperative Governance and Traditional Affairs
CSG	Child support grant
DBE	Department of Basic Education
DoSD	Department of Social Development
DPLG	Department of Provincial and Local Government (now COGTA)
ECCE	Early childhood development & education
ECCE	Early childhood care and education
ECD	Early childhood development
EPWP	Expanded Public Works Programme
ETU	Education and training unit
FAST model	Flat, agile, streamlined and tech-enabled
GDP	Gross domestic product
GEAR	Growth, employment and redistribution policy
GEM	Global entrepreneurship monitor
IDP	Integrated development planning
LED	Local economic development
Metro	Metropolitan Municipality
NDR	National Democratic Revolution
NPM	New public management
PPP	Public private partnerships
SACMEQ	Southern and Eastern Africa Consortium for Monitoring Educational Quality
SACP	South African Communist Party
SMME	Small medium and micro enterprises
TEA	Total early stage entrepreneur
ESF	Ekurhuleni Social Franchise
ESEDA	Ekurhuleni Social Enterprise Development Agency

CHAPTER 1: RATIONALE AND INTRODUCTION TO THE STUDY

Our new story is open ended with temporary destinations, only for new paths to open up once more.

It is a story of unfolding learning

Even when we flounder, we remain hopeful.

In this story, we always arrive and depart.

We have come some way

We know:

What we do, and how we do it, is as important as what we want to achieve.

What we are, is because of who we have been and what we want to become.

We will continue to make it to make us, because we are happy with being who we are.

National Vision 2030 (South Africa, 2012a:41-42).

INTRODUCTION

Post normalization, local government is located at the nexus of societal reformation, community development and public service delivery. This sphere of government is considered closest to the people, instrumental in generating public value, "deepening democracy and accelerating the delivery of services" (SALGA, 2011:25). Local government has been tasked, as determined by the South African Constitution of 1996 and further expanded on by a raft of local government legislation, with the strategic supply and provisioning of economic growth, basic service delivery and community development. This is evidenced in the White Paper on Local Government (RSA, 1998) which introduces developmental local government defined as 'local government committed to working with citizens and groups within a community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives' (RSA, 1998:23). Enshrined in the legislation is local government's responsibility in the establishment of a developmental state based on the vision "of the state and society working together at all levels to advance social justice, economic growth and development" (South Africa, 2009b:2). This means that in a developmental state the state is able to unite all stakeholders in support of a common vision, mutually committed to delivery, sharing resources, collaborating in programme implementation and cooperatively applying stringent monitoring and evaluation (Education and Training Unit, 2011:1). This implies that municipalities must have policies and institutional frameworks that support and sustain the development of local people (IDASA, 2010:2).

Local Government is at the forefront of public endeavours to rapidly advance societal transformation. In many respects the viability, sustainability and longevity of a democratic dispensation will be determined by the fortunes of local government delivery, h*owever* 'municipalities are the first door that citizens knock on for service delivery needs, and that the current community protest is a sign that the problems facing the country in terms of public services are urgent and need to be discussed by all spheres of government" (President Zuma, 2009a:1).

Despite public administration reform such as the introduction of New Public Management (NPM), public administration revitalization such as the Local Government Turnaround Strategy and the technology revolution such as the Home Affairs e – system, the reality is that government alone does not have sufficient capacity to provide all public service to citizens. Equally "the experience of the past decades vividly demonstrates that market forces alone will not produce public value either" (World Economic Forum, 2011:6).

Recognising that "working together we can do more" (Deputy President Mothlanthe, 2010a:1) and noting the well documented challenges inherent in the range of currently applied NPM mechanisms including Public

Private Partnerships (PPPs), innovative multisectoral arrangements must be considered. These arrangements must advance developmental local government which is broadly constituted by four pillars: citizens' participation, administrative efficiency, shared decision making and delivery collaboration (World Economic Forum, 2011:12. In particular delivery collaboration across public, private and non – governmental (NGO) sector organizations has been identified as being "critical in the 21st century to solve complex problems, gain economies of scale and scope, and leverage innovative ideas and best practice" (World Economic Forum, 2011:9).

Social franchising is one such multi-sectoral arrangement that open possibilities for public value creation, greater efficiency in service delivery and local micro economic empowerment (Global Health Group, 2008; Lynch, 2004; Leahy & Villeneuve-Smith, 2009; CWV, 2005. Bishai, et al, 2008; Ngo, Alden, Pham & Phan, 2010; Yunus, 2007:1; Mseme, 2010b), particularly in settings "where neither the government nor the market is likely to produce value using traditional means" (World Economic Forum, 2011:6).

Social Franchising is a relatively new concept in the service delivery discourse having recently emerged as a sub-sector of social enterprise. Social enterprise has been described as "an important way to leverage the innovative potential of entrepreneurship for social and economic development" " (World Economic Forum, 2011:6). Social franchising is a derivative of the long established commercial franchise model with a dual purpose of generating sustainable economic returns for the operator (franchisee) and delivering public services on behalf of the local government institution (franchisor). Social franchising advances economic empowerment through social good by encouraging profit making not profit taking (Mseme, 2011b:1). To date social franchising has been predominately operating in the international funder / NGO sector, located in larger private or public health institutions, providing women related health services into poor communities. Recent research (Mseme, 2010b) has shown social franchising should be considered as a strategic option in the delivery of public service to improve citizens development, promoting new venture creation and strengthen the developmental state at local level.

In order to advance the consideration of social franchising as a cost effective and viable local government service delivery mechanism option; this study seeks to make a contribution to the limited local government body of knowledge by developing an appropriate social franchising governance model. This model aims to accelerate accessible and sustainable public community development services generally in a manner affordable to the state and providing early childhood development in particular at local level delivering on the two primary national priorities of job creation and quality education provisioning.

The determinative role of education has been extensively recognized exemplified in UNESCO's assertion that "education is the best insurance against poverty" (UNESCO, 2011a). In South Africa education has been identified as one of the five national priorities with its importance in the fight against poverty emphasized by Deputy President K Mothlanthe, "Education is without a doubt a lever to uplift individuals, their families and society at large. Nowhere is this true than in South Africa, where education should serve as a weapon against the scourge of poverty among our people" (Mothlanthe, 2010b: 08).

South Africa's Draft National Development Plan that charts a "new path for the country" (Republic of South Africa, 2011c:1) identifies education as a cornerstone in the new approach to eliminate poverty and reduce inequality over the next two decades (South Africa, 2011c:1). Education is one of the two highest priorities as stated in the National Development Plan 2030, "failure to raise employment and improve the quality of education would signal failure" (South Africa, 2011c:1).

Within education the decisive role played by early childhood development has equally been recognised generally and in the recently released National Development Plan 2030 – Our future make it work (South Africa, 2012a) in particular. Early provisioning and intervention makes it possible for children to grow and develop to their full potential, thus reducing the need for remedial services to address developmental lags and social problems (Welborn, No date; Reynolds, 2001; Barnett, 2008; Argue, 2008; Sayed, 2008; South Africa,

2001b; South Africa 2012). Linked to this, the early years are critical for the identification and support of "children at risk" as timely, appropriate interventions can often reverse the effects of deprivation and maximise the development of innate potential (Welborn, No date; Reynolds, 2001; Barnett, 2008; Argue, 2008: Sayed, 2008; South Africa, 2001b; South Africa, 2012; Mseme, 2010b) The Nobel prize winner for economics James Heckman writes that "it is a rare public policy initiative that promotes fairness and social justice and at the same time promotes productivity in the economy and in society at large. Investing in disadvantaged young children is such a policy" (Badat, 2009:9).

The recently released National Development Plan (South Africa, 2012a) calls for compulsory 2 years ECD for all children prior to entering Grade R, to be implemented by 2032. While this has been generally welcomed, according to the deputy general secretary of Equal Education, Doron Isaacs, "It's important to establish the principle and policy, which the plan is trying to do, then address practical questions" (Mail and Guardian, 2012:5). However the implications of ensuring effective provisioning and operating cost are significant and not to be ignored lest the text book debacle is repeated at a large and more damaging scale. "You need learning – rich environment and that kind of thing is expensive" (Potterton as quoted in the Mail and Guardian, 2012:5). With a minimum salary bill of R5 billion annually, 100 000 new teachers will have to be trained and employed to teach the predicted 2 million new learners. Additionally with the optimum number of 20 children per class 100 000 new furnished class rooms with learning equipment and inside and outside play apparatus will be required.

 It is incumbent on government to not only envision a "better life for all"(ANC, 2006:1), but to formulate effective development plans that will realize a better life for all and the required resources to implement the plan so that in time citizens will live the better life. The National Development Plan (2012a) is the 30 year blue print for South Africa's growth and development and it is intended that this study will contribute to the resource affordability of this plan. This study will argue that while education is prescribed as a national competency the provisioning of early childhood development in its broader definition as a component of community development and economic development should be located within the local government sphere.

This study merges a number of key issues that are substantive in determining the future well being of South Africa and all of her citizens namely; affordable, universal and comprehensive service delivery, equitable quality education and cognitive development of young children and increased economic participation and wealth generation especially in marginalised and vulnerable communities within the context of the developmental state. Critically this study will contribute to the national solution building of sustainable affordability of public service delivery within the confines of a limited public budget. In so doing this study responds to three of the key policy findings in the *Diagnostics Review of the Early Childhood Development Sector* (Richter, Biersteker, Burns, Desmond, Feza, Harrison, Martin, Saloojee, & Slemming, 2012) commissioned by the Department of Performance Monitoring and Evaluation in the Presidency (DPME) and the Inter-Departmental Steering Committee on Early Childhood Development, namely to find mechanisms to "deliver comprehensive services to young children, using all opportunities of contact with families; to extend early child care and education early childhood care and education (ECCE) through home and community based programmes, beginning with the poorest communities not reached by current services", (South Africa, 2012b:1) secondly that "ECD services require strong and coordinated inter-sectoral vision, commitment and action. The current coordination structures are not working adequately. High-level authorization and legitimacy of a well-resourced central agency or mechanism is needed to drive forward key strategies for ECD" (South Africa, 2012b:1) and to identify funding mechanisms as "achieving these goals also depends on new funding and resourcing strategies, especially for early child care and education" (South Africa, 2012b:1).

This study is guided by a postmodernist philosophy and stems from the transformative and emancipatory approach applying Paulo Freire's pedagogy and politics of hope that is not meant to consolidate "what is" but is driven by a vision of "what should and can be" (Mayo, 2003:42). This research has applied both an empirical and non – empirical design with a mixed qualitative and quantitative component (Mouton, 2008:147; Welman, Kruger, Mitchell, 2010:14). The areas of non –empirical study were determined by the theoretical framework

which focuses on developmental state, developmental local government, public service management, partnership service delivery mechanisms, early childhood development and small enterprise development. The research findings arising out of the empirical ECD needs assessment survey and case study were further explored and tested in semi structured interviews with political decision makers, policy makers, policy drafters and policy experts.

It is the purpose of this chapter to locate the study by detailing the research problem and objectives, anchor the study by introducing the research design and method adopted and aid navigation by providing a concise overview of each chapter. This chapter provides the rationale for this study with the first section presenting the research problem which lead to this study and the study objectives. This is followed by a mapping of the research design and methods applied and the chapter closes with an overview of the document summarised by chapter

This study has designed a social franchise governance model for the delivery of ECD at local level. Its implementation however is premised on a shift of public administration mindset from bureaucracy to innovation, a shift of public policy from government as sole provide to facilitator of services, a shift from survival partnerships to delivery partnerships by desire, a change of citizens attitude from dependency to self development.

Research problem and objectives

Local government has a pivotal role to play in the construct of a developmental state, delivering on national priorities and the reformation of the public sector. The limited academic deliberations, strategic application and impact evaluation of local government does not adequately or innovatively address challenges of how the service should be structured, organized and managed to advance and accelerate delivery, alleviate poverty, achieve growth and address inequality.

Early childhood development is attributed to making an instrumental contribution to a child's life intellectually, materially and developmentally. Early childhood development contributes to the breaking of intergenerational poverty with children who have benefited from ECD education achieving better results at school, more likely to receive early intervention support, more likely to complete schooling, attend higher education and become positive citizen.

Early childhood development has, along with education generally, been in the maelstrom of politics, power, non delivery and maladministration. Post 1994 children's welfare was separated from early childhood development. The latter was privatized and left to be promoted in local economic development new venture creation strategies. The consequence has been the entrenchment of class disparity which in South Africa still has a race dimension. Black children from poor families are less likely to have access to early childhood development services and if they do they are even less likely to be quality provisioning.

 The National Development Plan 2030 requires all children aged 4 and 5 to be enrolled in early childhood development facilities. This will require a significant injection of resources for infrastructure, materials and trained teachers. With the national fisscus already under strain it is not evident whether the required resources will be available.

Recognising the value of micro and small enterprise development to the local economic development; ECD enterprises are not only predominately owned by women but create employment in historically marganalised communities. The need for quality ECD provisioning has been evidenced however currently many ECD facilities in South Africa are unregistered and illegal. In the absence of an innovative cooperation towards compliance programme, local government is simply applying a bylaw enforcement regime forcing ECD sites to close or operate underground.

Social franchising has organically developed, predominately partnering NGO's and funders mainly to deliver health services in developing countries. There is a noticeable absence of evidence of formalized strategic design, documented model development and robust implementation planning. This inhibits theoretical engagement, adaption for adoption evaluation and consideration for inclusion in the main stream suite of delivery mechanism as an appropriate strategic option to realise the imperatives of a developmental state in South Africa (Maserumule & Mathole, 2006:219).

South Africa has made provision for a range of NPM partnership delivery arrangements and specifically public private partnerships (PPPs). Opinions of PPP's are divided either as a 'must have' public service delivery strategy or capitalism colonizing the state. 'The partnership form of organising is a unique combination of strategy, structure and management (Kroukamp, 2005:79) that requires strategic consideration, calculated planning, deliberate implementation and purposeful monitoring and evaluation. The current legislative regime, establishment procedures, bureaucratic administration and project management driven implementation approach appears to be tailored for large, national capital infrastructure projects as opposed to private social public partnership variations.

It is envisaged that this study will develop a governance model for social franchising of early childhood development to be delivered at local government level using Ekurhuleni Metropolitan Municipality as the research study site. The governance model will include a proposed policy arrangement, institutional construct, organisational delivery formulation and establishment strategy.

The research objectives have been formulated in response to the research problem, in realising the research aim and in relation to each of the study variables;

- To conceptualise a local government social franchise governance model that will provide early childhood development services generally and vulnerable communities in particular, including the appropriate policy arrangement, institutional construct, organizational delivery formulation and establishment strategy.
    - o Determining the current early childhood development policy, the national vision and agenda and the existing conditions of ECD service provision.
    - o Evaluating the value of entrepreneurships in advancing the South African national strategic priorities, the current status, conditions, challenges and opportunities.
    - o Describing social franchising by detailing the underpinning philosophy, the characteristics, benefits and challenges to be addressed in a public delivery model that must be founded on good governance and accountability and be informed by both the dual objective of social delivery and business sustainability.
    - o To assess whether the current South African public private partnership legislative framework is able to accommodate social franchising arrangements.

This research will add to the body of knowledge in respect of instruments available to local government to accelerate and enhance service delivery. Additionally this study will contribute to formulating a model that will assist policy makers in advancing service delivery by being responsive to local government priorities of establishing partnerships, integrating programmes and increasing value for money benefits.

Most importantly this study begins to address the resourcing of the National Development Plan 2030. This study provides a viable option to fund the 100 000 new teachers and 50 000 new classrooms required in the next two years.

Although this study is located in the Ekurhuleni Metro Municipality it has been conducted and reported in a manner useful to other municipalities. Equally whilst the delivery area for this study is early childhood development it is envisaged that the model should be applicable to other areas of service delivery.

This study merges a number of key issues that are substantive in determining the future well being of South Africa and all of her citizens namely; affordable, universal and comprehensive service delivery, equitable, good quality education and cognitive development for young children and increased economic participation and wealth generation especially in marganalised and vulnerable communities.

RESEARCH DESIGN AND METHODS

Babbie and Mouton define research design as the type of research study that is being planned based on the kind of result it aims to achieve (1998:74). This is an empirical study employing an explanatory sequenced mix methodology design (Creswell, 2008:48).

Creswells (2008) describes mixed methods research as "a research methodology with philosophical assumptions as well as methods of inquiry. As a methodology, it involves philosophical assumptions that guide the direction of the collection and analysis of data and the mixture of qualitative and quantitative approaches in many phases in the research process. As a method, it focuses on collecting, analyzing, and mixing both quantitative and qualitative data in a single study or series of studies. Its central premise is that the use of quantitative and qualitative approaches, in combination, provides a better understanding of research problems than either approach alone" (2008:27).

Rabie (2011) indicates that applying the mixed method approach overcomes the limitations of applying a pure qualitative method (2011:78). Furthermore this approach allows for triangulation testing of findings ascertained through various instruments, complementarity that clarifies the results of one method by use of another method, sequencing where the outcomes of one method inform the subsequent method, initiating of new research questions in subsequent methods informed by the outcome of the initial method applied and expansion of the detail and depth of the study by exploring the specific features of each method employed (Rabie, 2011:78 – 79). The World Bank promotes mix methodology research as it combines depth (qualitative) and breadth (quantitative) to the research, overcoming the weaknesses of both methods and enables multilevel analysis (World Bank, 2007:1).

This mix method study has addressed the central objective of conceptualising a social franchising service delivery model to accelerate community development generally and early childhood development provisioning in particular at a local government sphere. A triangulated mixed method design was used with diverse but complementary data being collected by employing various collection methods each selected according to their strength for purpose. In this study an explanatory sequential design method has been used which Creswells (2008) describes as "one data set provides a supportive, secondary role in a study based primarily on the other data set" (2008:29).

The non – empirical component of this study is the literature review which is both 'comprehensive and well integrated' (Mouton, 2001:179). The theme identification, source selection and written organisation have been determined by the parameters set by the research aims and study objectives.

This research study employs a number of empirical design components to culminate in the building of a model as well as using both primary and existing data.

The primary data was collected sequentially commencing with a survey of ECD facilities owners operating within the boundaries of the Ekurhuleni Metro's demarcated regions. An empirical non – experimental survey was conducted amongst ECD sites in Ekurhuleni Metro, with a semi-structured administered instrument. Mouton defines surveys as "studies that are usually quantitative in nature and which aim to provide a broad overview of a representative sample of a large population (2008:152).

The sample frame (Wellman, Kruger & Mitchell, 2010:61) was sources from secondary text and numeric data extracted from existing ECD site registration databases owned and managed by Ekurhuleni Metro which records the name and contact data of 553 ECD sites operating at the time of the study. The selection was a stratified random sample (Welman, Kruger and Mitchell, 2010:61). The strata applied included geographical

location, registration status, size, ownership and type of facility structure. The determination of sample was based on a two-fold process firstly a computer generated random selection was conducted and identified persons were requested to participate with a right of refusal. It is noted that none of the selected persons approached refused resulting in a sample of 83 persons surveyed. It must be noted that computerised numbers were assigned to each survey responded at the beginning of the survey. These numbers have been used throughout the surveying process and have been captured as such in this study. This was done to protect the identity of the respondents and the integrity of the survey analysis. Respondents agreed to participate in the survey on condition of confidentiality citing their vulnerability to and dependence on local government in particular.   A matrix of respondent numbers and associated details has been included as an addendum for academic purposes only.

The outcomes of the survey were tested and clarified by conducting 10 qualitative in – depth semi structured individual interviews (Welman, Kruger & Mitchell, 2010: 211) with political leaders, policy makers and policy implementers. A matrix of persons interviewed has been included as an addendum.

 A case study was conducted of a Not Profit Organisation (NPO) early childhood development provider that is structured comparatively to this study with a central service provider and satellite facilities. The case study elements specifically address the thematic study elements of context, construct, conditions, delivery arrangements and learnings of implementation. The case study design has been selected as it enables 'high construct validity and in – depth insight" (Mouton, 2001:150).

All applied research design components have inform the empirical model building applying both numeric and textual data 'bring(ing) conceptual coherence' (Mouton, 2001:177) to the phenomena social franchising.

This study has been undertaken from an expressed public policy management and service delivery improvement perspective and not from an education or economic perspective. The focus is on developing a social franchising model for local government and not primarily on the educational development of early childhood provisioning or the economic dimensions of growth and entrepreneurships. This has determined the ordering of the chapters and the linking of the research elements.

NAVIGATING THE DOCUMENT WITH AN OVERVIEW OF CHAPTERS

Chapter 1: Introduces the study and provides the rationale and context of this research. It describes the research problem and objectives which in turn have informed the design and methodology. Finally this chapter provides a navigational summery of the various chapters in this study.

Chapter 2: Examines the developmental state, its origins, evolution and characteristics. The South African interpretation and formulation of the developmental states is explored and in particular the strategic priority of promoting economic growth and advancing social development. Local governments role, responsibility and contribution to the realizing of a developmental state concludes this chapter

Chapter 3: Details the role, structure and challenges of local government. This chapter recounts the evolution of local government from a blunt enforcement instrument under Apartheid to its current position at the centre of democracy, development and distribution of growth and services. One of the four cornerstones of local government's functions is local economic development. This chapter describes the emergence, evolution, characteristics, significance and challenges of local economic development. The philosophies underpinning local economic development choices are examined from pro – poor to pro – growth models. The cause and consequences of delayed delivery, stalled development, increased poverty and rising community frustrations are studied. This chapter concludes with an exploration of the good governance public philosophy.

Chapter 4: Explores the delayed economic transformation as a critical component of South Africa's political liberation. The national economic performance and social progress is measured and found to be poor, unstable and destabilizing. Small business development is considered in relation to the extent of their contribution in realising the national economic transformation agenda. The current entrepreneurial

environment has been assessed and in particular factors advancing or impeding new venture creation and sustainability of established firms has been considered. This chapter concludes with the National Development Plan's economic transformation vision and concomitant plan of action.

Chapter 5: Introduces the social enterprises business model with a description of the key features of social entrepreneurship and a comparison with business entrepreneurship. The chapter further measures the benefits of social enterprises and details the critique of the social enterprise business model. Social franchising is explained in relation to the more recognized business franchising. This chapter is concluded by considering both the benefits of social franchising and the challenges.

Chapter 6: An analysis of the scope and nature of PPP's was conducted, tracing its roots in the NPM philosophy, the current legislative environment was detailed, and a correlation if any between the current received thinking on the philosophy of PPP's in relation to the values of social franchising was conducted in this chapter. It was found that while there is limited alignment it is not in respect to the core elements. This chapter concludes with an analysis of the constant role of partnerships across South Africa's three national strategic statements from RDP to GEAR to the National Development Plan

Chapter 7: Profiles education in South Africa giving an account and analysis of the history, politics, position, choices impacts and challenges. ECD is introduced and defined. The legislative framework is discussed with the current status of service delivery detailed and the impact and challenges clarified. This chapter closes with a description of the national vision for ECD and concomitant key actions required.

Chapter 8: Describes the site of this study, Ekurhuleni Metropolitan Municipality. An abridged history has been provided as Ekurhuleni Metropolitan Municipality is less well known compared to other metropolis. The history of the East Rand is important to this study as it has shaped both the current environment and the people who live in it. The current status of Ekurhuleni Metropolitan Municipality is analysed against economic and social indicators. An infrastructure and services delivery status matrix has been developed and is included in this study as an appendix. The political and administration structure has been described with the chapter closing on the argument for locating this study in Ekurhuleni Metropolitan Municipality

Chapter 9: Reports on analysis and findings of the survey conducted amongst 83 (15%) of ECD facility owners in the Ekurhuleni Metropolitan Municipality. This chapter builds a profile of the state of current ECD provisioning, understand their challenges, ascertain their needs and gauge their willingness to partake in a social franchising initiative.

Chapter 10: Is a case study of ASHA a community-based organisation which supports the cost-effective community management of 40 preschools supporting more than 5 000 pupils, their families and community. ASHA is relevant to informing this study as it is organized with a central administration body that provides direct support and auxiliary services to their ECD schools

Chapter 11: The key findings of this studies; the literature review, the outcomes of the survey and the findings of the case study were synthesized against the research objectives and put to 10 political leaders, policy makers and policy implementers for clarification and constructive counsel in building the ECD local government franchise model. The outcomes of these interviews informed the context, construct and composition of the social franchise model designed in this study.

Chapter 12: Presents the Ekurhuleni Social Franchising Model that delivers ECD services into poor and vulnerable communities. This chapter opens with the proposed delivery structure. This is followed by a description of the service offering. The funding framework includes a cost analysis and viability scenarios as well as funding sources conclude this chapter.

Chapter 13: This chapter concludes this study with a summary of the research conducted and the principle findings derived the stated objectives of this research study. This chapter provides a brief overview of the

limitations experienced during the research and of the social franchise model that has been developed. This chapter concludes with the benefits of this research having been done.

CONCLUSIONS TO CHAPTER 1

This, the first chapter of the study detailed the background to the study and provide the context and rationale that has informed the study. It has presented the research problem and the objectives which in turn have informed the design adopted and the methodologies employed. This chapter concludes with a navigational summary of the study.

CHAPTER 2: THE PUBLIC IN PUBLIC VALUE

INTRODUCTION

"Public managers become strategists rather than technicians. They look out to the value of what they are producing as well as down to the efficacy and propriety of their means. They engage the politics surrounding their organisation to help define public value as well as engineer how their organisation operates" (Moore, 1995:20).

There is a standing consensus that the *reason for being* of the public service is to create public value as coined by Moore (1995) and refined by Newman & Clark (2009) which is indicated by enhancing the quality of life of all citizens achieved by providing public services.   Therefore, the effectiveness of good local governance needs to be judged by the capacity of local government structures to provide an integrated development approach to social and economic development issues and to supply essential services congruent with the needs and desires of the local communities.

The state has a constitutional responsibility to ensure that citizen's rights are honoured, services are provided and development is realized however it is recognized that there is an equal responsibility to spend within the allocated budget. It is furthermore a common phenomenon that there is tension between needs and the ability to satisfy those needs.

 It is imperative for this study, from the onset, to contextualise the developmental state as it is currently the standing philosophy under-girdling the South African state. This chapter details contemporary definitions of the developmental state and focuses in particular on South African interpretations of a development state. This is followed by the international historical origins of the concept and its evolution into a locally appropriate South African specific framework. The chapter concludes by identify the foremost tenets of the South African developmental state as articulated by though leaders, political policy makers and public administrators.

UNPACKING THE DEVELOPMENTAL STATE

The South African government characterises the current underpinning public philosophy as pursuing a developmental state. Recognising that there is a multitude of definitions; the complex, interdependent multidimensional public philosophy and construct objectives of a developmental state appropriate to the South African conditions requires a more expansive definition. In the writing of Turok (2008a, 2008b, 2009, 2010) a more universal definition but with local substance has emerged. The tenets of which include; integration of action that initiates change; boldness of action, purposeful, concentration and scale of effort; to influence established patters and consider impacts; to invest releasing latent economic potential, encourage enterprise and planned use of resources; alignment of state so that 'its full powers as a major investor, purchaser, employer, regulator and provider of infrastructure and services are brought to bear consistently' (Turok, 2010:499).

Maserumule in his definition emphasizes the developmental state delivery imperative, "on the one hand, the quality of life of the citizens must be enhanced through improved delivery of public services and, on the other hand, citizen participation in the mainstream economy must be maximised particularly those that were previously marginalised by the apartheid system" (Maserumule, 2007:211). Manuel (2004) defined the South African governments view of a developmental state as "the removal of poverty and tyranny, the expansion of economic opportunities and extension of services to the poor" (Fourie and Ngqunguwana 2005:38). Okoth (2007) further develops the preferred African position on the developmental state being bi-focus on both social and economic development in his definition, "It becomes problematic defining a developmental state simply from its economic performance. For this reason, not all countries with good growth rates are developmental states. A developmental state is one whose ideological underpinnings are progressive and one that genuinely seeks to deploy its resources to the task of economic development" (Okoth, 2009:74).

 Embedded in the definitions of proponents is that the developmental state is democratic in a sense of stakeholders collectively define a common purpose, share resources, collaborate to prevent duplication wastage and are mutually committed to delivery. Thomas (2008) and Bodibe (2008) caution that the term developmental state is open to interpretation meaning "different things to different people" (Thomas, 2008:179) and in the absence of a single understanding consensus subscription by all social actors is undermined.

The East Asian traditional model as expounded in the writings of amongst others Johnston (1981), Woo (1991) and Wade (1990) was originally introduced in the Mbeki era along with GEAR, inflation targeting and dominate macroeconomic stabilising mechanisms (Turok, 2010:499; Thomas, 2088:177). The concepts of a developmental state are most closely associated with Chalmers Johnston's seminal study of Japan's rapid post reconstruction and development. Johnston argued that Japans "industrial renaissance" (Naidoo, 2006:109; Jahed & Kimathi, 2008:97; Makgetla, 2008:140; Maserumule, 2007:212) was neither luck nor inevitable but rather the product of a highly orchestrated developmental state. The key characteristic of a developmental state is that the pace and direction of economic development is directed by managing and intervening in the developmental process (Naidoo, 2006:109; Fakir, 2007:3).

The South African development state framework has evolved from the narrow economic model developed in Asia to include social development, following more closely the definition provided by Heller (2001) of "the developmental state is one that has been able to manage the delicate balance between economic growth and social development". Amartya Sen in his book *Development as Freedom* argues that "development can be seen as expanding the real freedoms that people enjoy" (1999:3) citing the need to fight poverty, tyranny, economic exclusion and social deprivation while providing public facilities and services to the poor (Naidoo, 2006: 109).

This characterisation of the developmental state has resonance in South Africa seeking a balance between the promotion of economic growth and the advancement of social development. The ANC 2007 policy conference in "defining the meaning and function of a developmental state" (Erwin, 2008:129) adopted seven attributes that constitute a developmental state applicable to the South African condition, four captured in the discussion document B*uilding a national democratic society: strategy and tactics of the ANC* (2007; np) and three arising from the commission deliberations (Turok, 2008a:17). The first attribute is the strategic orientation which should be premised on "people-centered and people-driven change and sustained development based on high growth rates, restructuring of the economy and socio-economic inclusion (ANC, 2007:np). The second attribute should be its ability to lead in defining a common national agenda (ANC, 2007: np) and having capacity to mobilise society to take part in the implementation, with leadership informed by its popular mandate. The third attribute refers to the state organisational capacity and that structures and systems must facilitate the realisation of the set agenda. The fourth attribute is the states technical ability to translate broad objectives intoprogrammes and projects and effect implementation. The fifth attribute refers to the capacity to intervene in the economy to advance higher rates of growth and development (Turok, 2008a:17). The sixth attribute requires effecting interventions to address the tri–challenge of unemployment, poverty and under development. The final attribute is to mobilise citizens generally and the poor in particular to act as their own liberators. Of importance to this study is that in attaining these attributes there is a recognition that the state must transform including engendering new doctrines, culture and practices (ANC, 2007: np).

Post 2009 the model under consideration is a social democratic developmental state model as implemented in Brazil and Kerala as illustrated in the writings of Heller (1997), Ostom (1997), Pillay (2007) and Turok (2008). It is a society – centric model that shifts the economic development path in a more inclusive and dynamic direction (Turok, 2010:499), facilitating economic success by linking financial rewards to productive activity and long-term performance (Turok, 2010:499). This echoes a broader continental shift to considerations of the developmental state; in part as a response to the "the failure of the pro-market reforms under the Washington Consensus to deliver socio-economic progress" (Turok, 2010:499), reaction to national economic vulnerability

following the global financial crisis and growing citizen mobilisation to uprisings. South Africa, whilst sharing the challenges of Africa, additionally suffers high levels of unemployment, sever income disparities, concentrated historic patterns of ownership and distorted settlement patterns (Harrison et al, 2008).

As reported in the National Strategic Planning Green Paper (2009) "The structure of our economy has not changed significantly in a hundred years" (South Africa, 2009:6). It is similarly recognised that "state institutions tend to operate in silos" (Public Service Commission, 2007) with inconsistent mandates, contradictory planning and intermittent integration (Turok, 2010:498). The developmental state as current envisioned is geared towards 'achieving high levels of sustainable economic growth whilst maintaining high levels of social development and redistribution in line with the National Democratic Revolution (NDR) (Kotze & Taylor, 2010:199) that underpins the current administration. Fakir further develops the argument that the development state requires of the public service to not only delivery on outputs or as he terms it "the hard issues" (Fakir, 2007:1) but be driven by outcomes, "the soft issues" (Fakir, 2007:2). This places a responsibility on the public service to deliver services in ways that are "efficient, effective, and maintains the dignity of citizens and gives effect to their rights" (Fakir, 2007:1). Therefore, Fakir argues, in South Africa the developmental state places the public sector at the intersection between contemporary society and its challenges and redressing the past legacy and its challenges (Fakir, 2007:2).

Shisana (2008) argues that focusing only on the transformation of the public sector with no concomitant intervention in the private sector is unlikely to result in integrating the less developed and developed into a single South African society (Shisana, 2008:190). Thomas (2008) agrees with Shisana in respect of the absence of the private sector although it is viewed as an omission, "within this debate the appropriate interpretation of the developmental state the developmental role of the private sector is all too easily ignored, played down or put into question"(Thomas, 2008:226). Instructive for this study Thomas contends that the formulation of the South African development state debate should open the discussion of how within a development society, "the private sector, civil society and public institutions co – operate proactively in all developmental processes"? (Thomas, 2008:226). Thomas contends that within the Asian developmental success lies a multi – dimensional strategy of strong state action coupled with a vibrant small business sector and broad based grassroots entrepreneurialism providing a major force for development (Thomas, 2008:227).

Van Dijk and Croucamp (2007) equally voice caution but in respect of over participation rather than under participation. They believe the greatest challenge to the implementation of a developmental state in South Africa is the robust belief, constitutionally supported, by communities that they have a right to participate in the determination of policy (2007:666) rather than allow state and corporations to determine the countries trajectory.

This inherent contradiction between the South African societal construct and the tenets of the original developmental state have to a large degree instigated the evolution of the South African model. In South African citizens are instrumental in giving effect to the social compact, given the legacy of exclusion and racially stratified basic services delivery, ensuring that development delivery is informed by citizens needs (Fakir, 2007:2; Bodibe, 2008:221). Concurring with Fakir, Levin the previous Director General of the Department of Public Service and Administration, in his presentation at *Th*e *Developmental State* seminar hosted by the then Minister Provincial and Local Government constructively and informatively described the characteristics of the emerging South African developmental state as "characterized by its democratic content and the role of the state in socio –economic transformation. It prioritizes both social and economic development and draws on participatory and integrated planning processes to undertake pro – poor redistributive and proactive interventions "(Levin, 2008:52). The cardinal tenet of the evolving South African developmental state has been effectively distilled by van Dijk and Croucamp (2007) as building a state that "is both democratic as well as developmental in both content and character" (2007:666).

CONCLUSION TO CHAPTER 2

This literature review exposition corroborates Masrumule's (2007) deduction that a country that subscribes to the developmental state must position its developmental course to enhance the quality of life for citizens. It can therefore be argued that in South Africa the developmental state must be premised on two equally important imperatives namely the accelerated provision of social services and maximizing participating in the mainstream economy (Maserumla, 2007:213). This requires a social relationship that will embed a shared developmental vision between all social actors (Seemela, 2008:483). Heeding Okoth's (2009) counsel that only with "hard work, innovation, committed and visionary leadership, pragmatism, democracy, and astute management of resources for even and sustainable development" (Okoth, 2009:61) is it feasible to have genuine developmental states in Africa in the near future.

Local government custodian of the development key

"*The change in consciousness will not take place automatically, just as it doesn't take place automatically in the economy. The alterations are slow and are not harmonious; there are periods of acceleration, pauses and even retrogressions*"   (Ernesto Che Guevara)

As post democratization celebrations are replaced with the realization of the enormity of task to transform from "authoritarian rule to democracy" (Heller, 2001:128) the legacy "of repression and discrimination, systematic destruction of national cohesion and social capital, and the distorted nature of service delivery and societal structures under colonialism and apartheid" (Kotze & Taylor, 2010:199) continues to determine the national discourse, public agenda, communities construct and citizens reality. The societal fault lines of inequality, economic disarticulation, spatial partitioning and racial engineering has presented South Africa with what might "arguably be the greatest transformative challenge ever faced by a democratic government" (Heller, 2001:143; Kotze & Taylor, 2010:199).

In respect of facing these challenges local government is recognised as the critical sphere of government, instrumental in fundamentally changing the lives of all South African citizens by delivering universal services, planning and governance, having been tasked with both redress inequality and address development (Reddy et al, 2005:40; GCLN, 2012:5). The expectations and responsibility placed on local government are evident in the introduction to the *Department of Cooperative Governance and Traditional Affairs COGTA Ward Committee Resource Book* (2005) "When we introduced the new system of local government in 2000, we correctly positioned this as the sphere of government that is best placed to give practical meaning and substance to the basic political commitment, that the people shall govern. We said to our people, through local government, together with you, we shall bring democracy to where you live. In our conceptualization of local government, we placed it at the cutting edge of addressing such basic national challenges as underdevelopment, unemployment, stagnation and poverty" (South Africa, 2005:1).

Having provided the construct of the South African developmental state in Chapter 2, Chapter 3 identifies and characterises the primary delivery agent of public value namely local government. This chapter begins with the historical narrative of local government and in particular its transformation from Apartheid enforcer to facilitator of democracy. This is followed by a detailing of local governments strategic mandate, pivotal role and priority functions post normalisation. The 4 cornerstone functions are presented with Local Economic Development (LED) being instrumental to this study. In the fourth section of this chapter Local Economic Development is analysed including definitions, framework, role in the developmental state, challenges and the characteristics of the various approaches available to local governments. Thereafter this chapter examines citizen's assessment of public value determined by levels of community service delivery protests. Protests are a symptom of systemic faults with the core areas of stress examined and compared across key evaluations conducted between the period post-1994 to pre-2012. This chapter concludes by considering the need for innovation in service delivery at local government and in particular in respect to the conceptualisation of the relationship between state and citizens. To this end good governance as the third public philosophy is introduced for consideration.

From Enforcer to Facilitator

Dating back to the establishment of the Union of South Africa on the 31 May 1910, and prior to the transition to democratic government post 1994, local authorities during the Apartheid regime were under the authority of provincial government (Cloete, 1993:13). While each Province established their own structures and arrangements all local authorities were at the "mercy of provinces" (SALGA, 2011b:13) with the common purpose of facilitating, administering and regulating the racial segregation and exclusion ideology of the National Party (Nyalunga, 2006:1). The National Government paid little attention to the development of local administration (Mavhivha, 2007:2) confirming their limited status as enforcers of national law with limited

determined the overall objectives of local government, established the framework for co – operative governance and imposes the responsibility on national and provincial government to strengthen and support local government.

The Local Government Municipal Structures Act of 1998 delineates the status of municipalities and details the categories of municipalities. Importantly this legislation demarcates the division of powers and functions of categories of municipalities. Additionally the governance structures of municipalities and the electoral system including council elections and dissolution are detailed.

The White Paper on Local Government of 1998 sets the framework for the developmental local government system that advances co-operative service delivery encouraging all stakeholders to participate in, contribute to and monitor service provision, addressing priority needs and providing for a decent quality of life for all citizens.

The Promotion of Administrative Justice Act of 2000 with amendments in 2003, sets down the legislative foundation and procedural basis that ensures all public administration action is lawful, reasonable and procedurally fair. This Act requires public officials and institutions to consider their decisions applying their mind in a free and fair manner, to act timeously, legally and within the jurisdictional mandate. This Act affords citizens the right to demand a written justification of a decision and subsequent redress if action or non action found unlawful.

Chapter 2 of the Local Government Municipal Systems Act of 2000 demarcates the legal nature of a municipality, defines the manner in which powers and functions must be exercised and details the governance framework for local public administration. Importantly for this study this Act sets down the requirements for the development of IDP's, Performance Management Systems and Public Participation. The Local Government: Municipal Finance Management Act (56 of 2003) commonly referred to as the MFMA regulates the financial management of local governmen institutions providing for "uniform treasury norms and standards" (SALGA 2011b:62).

A DEVELOPMENTAL LOCAL GOVERNMENT

"*More importantly, the success or failure of local government determines whether millions of poor and marginalised people live in decent conditions, have a dignified life, and are able to enjoy a happy and secure family lif*e." (Gordon, 2012:1)

Local government legislation stipulates and stresses the pivotal role played by municipalities in the new dispensation, in particular introducing and inculcating democracy and development at a local level. This requires of local municipalities to have policies in place and institutional frameworks established that support and sustain the development of local people (IDASA, 2010:2). The White Paper on Local Government (RSA, 1998) introduces this as developmental local government defined as 'local government committed to working with citizens and groups within a community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives' (RSA, 1998:17).

 The South African developmental state is based on the construct "of the state and society working together at all levels to advance social justice, economic growth and development. This means that in a developmental state the state is able to unite all stakeholders in support of a common vision, mutually committed to delivery, sharing resources, collaborating in programme implementation and cooperatively applying stringent monitoring and evaluation"(ETU, 2011:1). With local government being citizen's point of contact, an effective, efficient and engaged local government that administer services in such a way as to give priority to the basic needs of the community and to develop community well being, both social and economic, is a requisite for the developmental state.

THE 4 CORNER-STONES OF LOCAL GOVERNMENT

There are four strategic functions central to democracy that all municipalities are required to perform namely, conducting municipal integrated development planning (IDP), municipal budgeting, municipal performance management, public participation and management. Each of these advances local economic development and as proposed by Akcron (as citied in Rabie, 2011) local economic development in turn, being a cross cutting function, contributes to the delivery of each of the four strategic functions (Ackron as citied in Rabie, 2011:222).

THE ABC OF LED

In 2006 the SACP asked the question "Is the ANC leading a national democratic revolution or managing capitalism?"(Karodia, 2010:32)

Since democratisation much has been written about the emergence, evolution, characteristics and significance of Local Economic Development (LED) in South Africa (Nel, 2001; Nel and Rogerson, 2005; Nel and Goldman, 2006; Rhodes University et al, 2006; Rogerson, 2008; Rogerson, 2009, Rabie, 2011). It is neither the intention nor in the interest of this study to provide a detailed study of local economic development, rather this section seeks to locate enterprise development as a local government competency, explore the role of partnerships in LED and confirm the developmental opportunities in collaborative arrangements.

There is no single definition of LED subscribed to by all academics, policy makers and practitioners. According to the World Bank, the purpose of LED is to "build up the economic capacity of a local area to improve its economic future and to improve the quality of life for all. It is a process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation" (Swinburn, 2002:3) Helmsing and Egziabher (2005: 1) believe that LED is "a process in which partnerships between local governments, NGOs, community-based groups and the private sector are established to manage existing resources, to create jobs and stimulate the economy of a well-defined territory".

Phago in his definition draws the distinction between local government's obligation to deliver economic development and socio-developmental funding, "In essence, LED is not a charitable and social obligation of municipalities to their people. Instead, LED is the injection of economic development through innovative sustainable business means such as community self-help and entrepreneurial initiatives " (Phagp, 2005:133).

With Jörg Meyer-Stamer (2003) arguing that LED itself is not a true discipline subsequently it has no definition; "political economy of economic promotion which it reflects is in the last analysis not a scientific exercise, but rather part of the everyday political struggle" (Mayer-Stamer, 2003:2).

The ILO provides a comprehensive definition encompassing the characteristics of the most often referenced definitions " participatory development process that encourages partnership arrangements between the main private and public stakeholders of a defined territory, enabling the joint design and implementation of a common development strategy, by making use of the local resources and competitive advantage in a global context, with the final objective of creating decent jobs and stimulating economic activity" (ILO, 2006:2).

The 2006 framework document, *Stimulating and Developing Sustainable Local Economies (SA*, 2006*)*, which has been described as ushering in a new policy maturity in respect of LED in South Africa (Rogerson, 2009:17) describes local economic development as "creating a platform and environment to engage stakeholders in implementing strategies and programmes."(SA, 2006: 9). It can be reasoned from these definitions that LED is a local government competency and that the central tenet is advancing local economic development through stakeholder compacts.

In respect of South Africa, according to Rabie (2011), economic development is a critical delivery priority and responsibility of government, where economic development is both generating economic growth and distributing the benefits to "improve human and social development of all citizens, including the poor who often do not benefit directly from economic growth" (Rabie, 2011:4).

The Department of Cooperative Government and Traditional Affairs has indicated that there is a direct link between the evolution of LED policy post normalisation and the transition to a developmental local government (South Africa, 2006:3). Located in the contemporary national philosophy of the developmental state, local economic development is instrumental in realising "extensive social redistribution with high economic growth, thereby effectively tackling poverty, overcoming historic racial divides, and generally rendering the economy more dynamic, innovative, just and equitable" (Southall, 2007:1; Rabie, 2011:4). Chipkin (2002) contends that the developmental role assigned to local government by legislation implies a greater "political and policy making role for municipalities" (Chipkin, 2002: 76).

Both Rogerson (2006) and Lootvoet & Freund (2006) contend that the promotion of LED post 1994 has been central in the policy and planning of the reconstruction of both urban and rural areas. This is born out principally in the Constitution of South Africa of 1996 which lists the promotion of social and economic development as the third of five local government objectives.

In addition to the array of policy initiatives that have formulated the current South African LED approach, key legislation includes the 'landmark" (Rogerson, 2006:229) White Paper on Local Government (1998) which identifies the four characteristics of local government, two of which refer to local economic development (Rabie, 2011:5). The Local Government: Municipal Systems Act 2000 (Act 32 of 2000) which introduces IDPs to local government delivery provisions includes an LED strategy component. Worth noting is the 2006 framework document, Stimulating and Developing Sustainable Local Economies, which provided local government with a vision and a set of LED guidelines, although ten years after LED was declared a statutory requirement (Rogerson, 2009:17). The guiding principles of this document are introduced with a decisive statement by government claiming their role in economic development "Through a developmental approach, Government has a decisive and unapologetic role to play in shaping the economic destiny of our country" (SA, 2006:7).

While there is acknowledgement of the imperative for local government to respond to the challenges of unemployment, poverty and market failures, local economic development has proven most challenging for most local municipalities and category B municipalities in particular (Nel, 2005:13; Rogerson, 2009:33; Rabie, 2011:1996). Rogerson (2006) maintains that many municipalities remain 'deeply uncertain as to what LED means, what they are supposed to do and how they are supposed to organise it' (Rogerson, 2006:229). In the absence of a specific policy (Nel, 2005:13), a national strategy, ring fenced budget (South Africa, 2000:29) and incumbent skills (South Africa, 2000:29,) misconceptions have arisen (Rabie, 2011:5), implementation has been uneven (Nel, 2005:13) and mostly small – scale job creation projects have been funded that have not advance the creation of an enabling environment and often lead to allegations of favouring wards for councillors political mileage.

Lootvoet & Freund (2006) argue that there are three approaches currently applied to LED, and while they all have the same goal they are significantly different in political modalities (2006:258). The first Rabie (2011) refers to as pro market Rogerson (2006) as market lead and Lootvoet and Freud (2006) growth through competitiveness. Bond (2002) refers to this approach as an older approach to planning and includes such instruments as tax haven zones and economic corridors focusing on large scale industries and manufacturing with a key objective of attracting foreign investors. The second approach is referred to by Lootvoet & Freund (2006) as the "struggle against poverty" (2006:258), with Rabie (2011:210) and Rogerson (2006:235) referring to it as pro poor whilst Bond (2001) advocating this model refers to it as "municipal community services'-based LED" (2001:20). This approach advances the broadening and indigenisation of economic participation and the process of wealth accumulation. A key characteristic of this model is that it is state led but community

18

directed. The final model favoured by Lootvoet and Freun (2006) is the synthesised model of public private co – operation most commonly referred to as Public Private Partnerships or PPP's in the South African public sector lexicon.

 Marriott (2004) advises against delivery inertia held hostage by debates around the balance between programmes that promote growth and those that reduce poverty. Rather, as Rogerson suggests, the strategic debate should centre on achieving a "pro-poor growth path that operates simultaneously to achieve the desired goals of economic growth, competitiveness and poverty reduction" (Rogerson, 2006: 230)

Rogerson (2006; 2009) argues that while most of the LED planning since 1994 has been dominated by a market led approach, recently a pro – poor bias has been emerging from a growing number of municipalities (Rogerson, 2006:230). This requires according to Rabie (2011), and in further reinforcement of the tenets of the developmental state, "collaborative efforts of government, non-government or private sector actors to promote and expand economic activity in a locality, thereby enhancing economic development and improving the welfare of local residents" (Rabie, 2011:6).

Phago (2005) argues that community economic self-help and entrepreneurial initiatives require "radical local economic restructuring and social inclusion through networks and partnerships" (Phagp, 2005:133). Gumede (2012) puts forth the extreme argument in order to advance the developmental state, in the short term; the public service should be circumvented with the other partners taking the lead (Gumede, 2012:93). Gumede motivates his argument by considering that government has had one fundamental task for 17 years since political liberation, to create economic growth and spread prosperity with all available resources provided and the only results have been heightened politicization, increased corruption and worsening inefficiency (Gumede, 2012:93)

Rogerson (2009) defines partnerships within the ambit of local economic development as "a collaboration between municipalities, the private sector, civil society to commit to work together on a project or programme to pursue common goals and in which the different partners bring complimentary resources, contribute to the design of the programme and share risks and benefits" (2009: 35)

Rabie (2011), Rogerson (2009) and Phagp (2005) Bartik (2003) all believe there are cogent reasons for promoting the partnership delivery mechanism in LED programmes particularly if the programmes are properly managed.

There is a convergence of opinion that LED partnerships can result in significant economic gain that might otherwise not have been realised particularly in respect of the emerging economy.   Rogerson (2009) believes that partnerships harness the advantages inherent in each sector; dynamism, knowledge, resources, entrepreneurial spirit and efficiencies of the private sector are converged with the social responsibility, equity objectives, public trust and resources of the state (2009:35). Chipkin (2002) argues that partnerships enable local government to fulfil in their constitutionally determined obligations "Municipalities are responsible for building local alliances and partnerships deploying non – state bodies and where possible marshalling their own resources to fulfil their obligations in terms of the Constitution" (Chipkin, 2002:76). This means that while local government is no longer the sole director of local economic development neither are they solely responsible for the economic well being of local communities. Local government's role in LED should therefore be that of "facilitating, supporting, part-financing and devolving control" (Nel 2001:1006)

It is important to take into account the notes of caution registered by a number of experts, particularly as LED is increasingly been seen by national government as the panacea for job creation and sustainable wealth generation and as such are shifting the responsibility of poverty alleviation onto an already overburdened local government. In the absence of a defined framework and modality, implementation is contradictory, success concentrated in already well resourced areas, the opportunity to upscale and replicate limited and the contribution to the national strategic agenda uneven (Rogerson, 2006 :235).

Rabie (2011), Nel (2001) and Rogerston (2006, 2009) point to the complexity of economic planning generally and the lack of expertise and experience in local government specifically as key causes leading to LED challenges. One of these is the limited success of integrating local LED plans with poverty reduction programmes (Lootvoet & Freud, 2006:254). A number of analysis caution that LED is essentially a social policy that diverts public focus from business development (Rabie, 2011:223; Rogerson, 2006: 230). It is argued that the narrow definition of the constitutional interpretation of local government's role in economic development should be applied and therefore their role is restricted to create a conducive environment through useful infrastructure development, uninterrupted access to basic service delivery, allocation of public contracts and provisioning of community social services. Bartik (2003) cautions that if local government is directly funding LED activities, the developmental impact must justify the public expenditure, requiring a "delicate balancing act between public and private interests "(Bartik 2003:40).

IN PROTEST THE PEOPLE DEMAND FOR PROMISES TO BE KEPT

"*Burning down libraries, torching people's houses, and looting spaza shops do not build a strong nation. It does not solve our legitimate problems. It is not a foundation upon which we can collectively build a bright future for our children.*" Opening address by President Jacob Zuma to the Presidential Meeting with Executive Mayors and Mayors to discuss improving service delivery in municipalities held in Khayelitsha, Cape Town (Zuma, 2009b:1)

Just as the 2011 local government elections recorded the highest voter turnout in Municipal Elections, so too has citizens discontent with local government increased. Galvanised by unfulfilled expectations, rampant unemployment, service non – delivery, unchecked maladministration and bitter power struggles; simmering community tensions and citizen's frustration has increasingly boiled over into violent protest. According to the Good Governance Learning Network 2012 *A Civil Society Perspective on Local Governance in South Africa* report, recurring community protests are a key indicator that local government is neither healthy nor vibrant and that it is not living up to the ideals expressed in the 1998 White Paper on Local Government (GCLN, 2012:12; Phago, 2005: 131) or citizens expectations.

A service delivery protest action describes "a protest which is galvanised by inadequate local service or tardy service delivery, the responsibility for which lies with a municipality" (Kotz & Taylor, 2010:20). If citizen satisfaction is a one of the indicators of public value levels (Moore, 1995: 36-37) then the sharp increase in service delivery protests must service as a clarion call to all of South Africa.

FIGURE 1: MAJOR SERVICE DELIVERY PROTEST 2004 – 2010   **FIGURE 2: MAJOR SERVICE DELIVERY PROTEST JAN - MAY 2012**
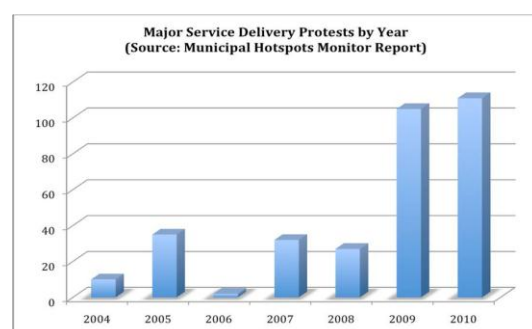
(Karamoko, 2011:7)

(City Press, 2012)

Delivery delayed, development stalled, poverty increases, communities frustrated

The debate must start off by doing a serious assessment of the strengths and weaknesses of this sphere (local) of government ... and ask whether we are making a positive impact on delivering services to our people." (Mantashe, 2010:1)

Political leaders and public officials have consistently acknowledge that the delivery responsibilities placed on local government may be too many and the expectations of delivery by citizens too high. The then Minister of the former Department of Provincial and Local Government (DPLG), Minister Sydney Mufamadi recognised that "municipalities within South Africa are facing almost unprecedented challenges such as new boundaries, meeting large service and infrastructure backlogs and stimulating local economic development. It is easy to be overwhelmed and therefore not deliver (South Africa, 2000:1). Nine years later the State of Local Government in South Africa Report 2009 conceded that "the national government may have created expectations that local government cannot fulfil, or placed a burden on municipalities that perhaps only the strongest amongst them can carry"(2009:6). 2010 was in many ways a remarkable year for South Africa, but for local government little appears to have changed '2010 marks the anniversary of ten years of democratic local government. Despite significant gains, research and assessments have shown that there are many municipalities that are in deep distress. This distress refers to their faltering ability to deliver services, to manage their institutions, and to engage in empowering public engagement with communities' (South Africa, 2010:5). Today, Minister Boloyi concedes that " In fact, judging from the rate of occurrence of protests and the violence associated with them, the picture looks more challenging now than what led to the Local Government Turn-around Strategy development" (Boloyi, 2012b:1]

Local government has been allocated the responsibility for economic growth, public participation and delivery of basic services. In effect the strength of democracy is inextricably linked to the delivery of local government, "So, when we speak of a capable state and a developmental state, what we mean is, first and foremost, a capable local government" (Gordhan, 2012:1). Taking into account the decisive role of local government "as the basis of all public structures" (Reddy & Sabela, 2006:4), it is little wonder that there is an acute national sensitivity to its wellbeing. President Zuma at a meeting with executive mayors to discuss improving service delivery in municipalities emphasised that "municipalities are the first door that citizens knock on for service delivery needs, and that the current community protest is a sign that the problems facing the country in terms of public services are urgent and need to be discussed by all spheres of government." (Karodia, 2010:6; Zuma, 2009b:1).

What is alarming, is that despite the public announcements and indabas, municipalities remain under resourced, under qualified in respect of institutional capacity, challenged to deliver basic services with an ever increasing governance deficient (Burger, 2006:7; Phago & Malan, 2004:481; South Africa, 2009:9 and GGLN, 2010:16)

Core Areas showing signs of stress
Taking a sample of key public documents, the following core areas of concern have been identified by government that place municipalities under distress and continue to stress service delivery. It is noted that local government challenges are well documented, ongoing and as yet unresolved.

2009	2009	2011	2012
Local Government Turnaround Strategy	State of Local Government in South Africa	Diagnostics Overview	Department of Cooperative Governance and Traditional Affairs Budget Vote Speech
Factors linked to the system of Local Government	Huge service delivery and backlog challenges, e.g. housing, water and sanitation;	Too little South Africans work.	Policy over expectations with associated burdensome requirements
Policy and legislative factors	Poor communication and accountability relationships with communities	The quality of school education for most black people is sub-standard.	Socio – economic conditions at local level not addressed by policies and plans of state
Political factors	Problems with the political administrative interface;	Poorly located and inadequate infrastructure limits social inclusion and faster economic growth	Council and municipal administration exposed to interference, undue influence and undermining by political parties and individuals
Weaknesses in systems monitoring	Corruption and fraud;	Spatial challenges continue to marginalise the poor	A breakdown of the social fabric of society with failing values breeding unethical behavior, corruption, a culture of demand and non – payment and an increasing lack of accountability.
Non-responsibility taken for actions	Poor financial management, e.g. negative audit opinions;	South Africa's growth path is highly resource-intensive and hence unsustainable	Destructive infighting and increasingly violent community protests
Shortages of capacity and skills	Number of (violent) service delivery protests;	The ailing public health system confronts a massive disease burden	An absence of communication resources leading to limited accountability, less transparency and an eroding of public participation and accountability.
Weak intergovernmental support and oversight	Weak civil society formations;	The performance of the public service is uneven	
Issues associated with the intergovernmental economic system	Intra-and inter-political party issues negatively affecting governance and delivery;	Corruption undermines state legitimacy and service delivery; and	
	Insufficient municipal capacity due to lack of scarce skills.	South Africa remains a divided society	
(SALGA 2011b: 15)	(South Africa, 2009:4)	(South Africa, 2011a:7)	(Boloyi, 2012)

While public sector analysers agree with the challenges identified by government, a number of experts believe that the causes of local government failure is both systemic and chronic (Pillay, 2007a; Ballard , Adam Habib & Valodia, 2006; Desai, 2002; McDonald, 2002). For Ballard, Adam Habib & Valodia (2006) "the ANC's implementation of neo-liberal economic policies has meant disaster for the vast majority of South Africa's poor. Increasing unemployment and economic inequalities associated with neo-liberal policies have also pushed even more of South Africa's population into the poverty trap" (2006:402). Tighter fiscal constraints has compromised the state's ability to fund poverty alleviation projects and curtailed developmental programmes. This at a time when, they argue, studies have shown that poverty and inequality have increased (Ballard et al, 2006: 403-405) for all but the upper class and the black political, economic and professional elites particularly who have benefitted from the economic liberalisation policies of the day

Apartheid left a crippled economy that is shifting from being a predominately primary producer to a service sector orientated economy. This has resulted in large scale attrition at the bottom end of the labour market (Bhorat, 2006: 275). With rapid casulisation of work about 1.6 million jobs have been created but seven million are required of which five million are new entrants and two million are individuals previously employed looking for work.

National Government has devolved responsibility to local government with no concomitant increase in budget (Bhorat, 2006:405) with Lootvoet & Freund (2006) believe that economic development in particular has become a "guiding rationale behind the myriad of existing, and a host of new, responsibilities (2006:229). For local government to provide services, they must pay for themselves, thus introducing the cost recovery principle that is currently being rigidly applied. Living in poverty many citizens are unable to afford services resulting in what Ballard et al (2006) referred to as a "pincer movement of the poor" (2006:405). While government has increased the provisioning of service delivery, access remains elusive for communities, with citizens unable to pay for services resulting in cut offs and evictions (McDonald, 2002:162). Desai (2002) contends that a culture of non – payment is no longer prevalent but rather economics of non – payment.

Recognising the role local government has played in developing and strengthening democracy at a community level (GGLN, 2012:5), community protests will increase in number and violence (Gumede, 2012:92) unless the systemic failures in the provision of basic services are decisively resolved (Karodia, 2010:33) with a recognition that wealth does not trickle down (Turok, 2008:3) and poverty and economic inequality must be substantively addressed.

REQUIRED ACCELERATED DEVELOPMENT, WANTED GOOD GOVERNANCE, NEEDED INNOVATION

Government has recognized the fault lines in local government and a number of strategic national initiatives have been launched to stem the tide of under delivery. However there is agreement that it is "time to infuse new ideas and practices to enliven local governance, enable agency, facilitate mediated development scenarios and enhance accountability" (GCLN, 2012:12).

Burger (2006), in the inaugural address of the Stellenbosch University School of Public Leadership (nee School of Public Management and Planning) *Transform, perform… or just conform? Evaluating SA public management reform initiatives* introduces, explains and "provides a specific interpretation of public governance as dependent variable of management reforms (2006:5). Of particular relevance to the current South African context and construct, and of significance to this study, Burger (2006) presents Good Governance as the third public philosophy following Traditional Bureaucracy and NPM. The principal tenants of this philosophy are to deliver appropriate public services and that society is "developed in a context – sensitive" manner (2006:5) and that delivery and development including all concomitant impacts are sustainable and in this way effect actual investment into society, the economy and the environment. The World Economic Forum's (2011) FAST

government model is located within the philosophy of good governance. The FAST model, (flatter, agile, streamlined and tech-enabled organizations (2011:12) is designed to support innovative public services, effectively meet citizens' needs, caring for scarce natural resources and creating new public value (2011:12).

In particular innovation is required to advance the reconceptualisation of state – citizen relations to one which fosters recognition that both are co-owners and co–producers of development. This requires of government to adapt and evolve in order to deliver public value that is valuable to citizen. It is now imperative to inculcate joined–up–thinking (Michie, 2006:103), strategising and acting both horizontally and vertically across government, citizens, civil society and the private sector. By so doing local government will build capacity to "effectively operate in the complex but dynamic networks (World Economic Forum, 2011:5) of multi stakeholder delivery arrangements.

In this way a uniquely South African social compact will be initiate, that moves the country and all of her citizens from "dependency to development (Mantashe, 2011 Interview) by shifting from " a me to a we culture" (Gumede, 2012: 83) and by recognising "that we are all responsible for a better life for all" (Mothlanthe, 2011 Interview)

CONCLUSION TO CHAPTER 3

The fact that local government is the closest sphere of government to its community provides a platform for municipalities to interact "closely with its inhabitants in order to play a meaningful role in the development of the socio-economic conditions for its locals" (Phago & Malan, 2004:482*).* Government has clearly articulated the importance of local economic development in advancing the national strategic agenda, contribution to the growth trajectory of South Africa and creating decent work opportunities on a large scale.

 In particular, local economic development is required to contribute to the ten main priorities identified by the Presidency (South Africa 2011f) that underpin the strategic direction of government namely; Strategic Priority 1: Speeding up growth and transforming the economy to create decent work and sustainable livelihoods, Strategic Priority 2: Massive programme to build economic and social infrastructure, Strategic Priority 3: Comprehensive rural development strategy linked to land and agrarian reform and food security, Strategic Priority 4: Strengthen the skills and human resource base, Strategic Priority 5: Improve the health profile of all South Africans; Strategic Priority 6: Intensify the fight against crime and corruption, Strategic Priority 7: Build cohesive, caring and sustainable communities, Strategic Priority 8: Pursuing African advancement and enhanced international co-operation, Strategic Priority 9: Sustainable Resource Management and use and Strategic Priority 10: Building a developmental state including improvement of public services and strengthening democratic institutions (South Africa, 2011f: 1-3).

However the modalities of LED have not been clearly defined, resulting in a wide range of LED strategies being applied from pro market to pro poor, from facilitating a conducive environment to directly funding micro businesses, from a fully fledged department to a single desk within the marketing and communication department. While the policy framework is "confusing" (Rabie, 2011:8; Lootvoet & Freund 2006: 228), there is agreement that economic development must be anchored in partnerships.

CHAPTER 4: FREEDOM STILL ELUSIVE – AWAITING ECONOMIC LIBERATION

The importance of economic transformation as a component of political liberation in South Africa is apparent in the ANC's most recent policy document *THE SECOND TRANSITION? Building a national democratic society and the balance of forces in 2012*, "Our political transition was never only about freedom from political bondage. From the onset, democratisation was inextricably linked with freedom from socio-economic bondage, captured in the motto: a better life for all" (ANC, 2012:6).

Having established the growing national frustration with increasing levels of poverty and decreasing levels of service delivery including the under development of local economic development, this chapter focuses on the imperative of economic transformation within national liberation. The chapter begins with an exploration of South Africa's economic performance, how it is currently measured and notions on how it should be measured. This is followed by future predictions of the national economic trajectory and in particular its formal sector labour absorption potential. The contribution and function of SMMEs is examined as well as the critique of the SMME promotion approach as a decisive economic intervention is considered. The current national SMME acceleration policy imperatives, national approach and development characteristics in relation to addressing the national priorities of job creation, wealth distribution and economic transformation is analysed. The study of entrepreneurship is the focus of the second section of this chapter as a critical driver in the establishment of new ventures and the growth and expansion of small business. The chronically ailing status of entrepreneurship in South Africa is examined, the environmental, structural and systemic challenges impeding the spirit of entrepreneurship and their dire consequences for job creation in South Africa

GROWTH IS NOT THE SAME AS DEVELOPMENT

(Turok, 2008b.161)

The society we seek to replace was, to a very significant degree, built on the law of the jungle of the survival of the fittest. Accordingly, the weakest who was denied access to power became the landless, the unemployed, the uneducated, the surplus people deported to the so – called homelands, the victims of abject poverty" (Mbeki, 2002:32)

Economic policy makers have argue that prior to the global economic meltdown, the South African economy was performing well having had the longest continued sustained economic growth in South Africans economic history (Mohammed, 2011:17, Van der Berg et al, 2007:1), despite the persistent challenges of high levels of unemployment and sever economic inequality (Cassim, 2006:56; Michie, 2006:86; Mohammed, 2011:17; Herrington, M: 115). Mohammed (2011) argues that applying the conventional measurement of economic performance namely GDP growth is too narrow for the South Africa's environment as it equates only to production and is not indicative of citizens well being. Mohammed argues that the French Stiglitz Commissions measurement of economic performance and social progress (2008) is much more appropriate as it is a broader measurement that takes into account income and consumption together with wealth as well as the distribution of these three factors in society (Mohammed, 2011:17). Based on this measurement South Africa's economic performance has been consistently poor (Mohammed, 2011:17) unsustainable (Mohammed, 2011:35) and destabilising.

Regardless of which measurement is applied, there is a growing recognition that continued economic inequality is the Achilles heel of the fledgling South African democracy clearly evident in the recent assessment of the post normalisation economic trajectory made by the ruling party "South Africa is approaching the end of its second decade of freedom. During this near 20 years, we have fundamentally transformed the political landscape of this country, and laid the foundations for progressively meeting basic needs. However, there is also widespread consensus – expressed in a variety of ways – that our society faces fundamental challenges

that inhibit it from achieving its goal of an inclusive, non-racial and non-sexist country, and growing consensus that this centres on the triangle of poverty, inequality and unemployment "(ANC, 2012:35).

Furthermore realisation that acknowledging the challenges of economic disparity is no longer enough and economic transformation is now obligatory if South Africa's political democracy is to flourish and survive is articulated in the National Development Plan – Vision 2030, "to accelerate progress, deepen democracy and build a more inclusive society, South Africa must translate political emancipation into economic wellbeing for all. It is up to all South Africans to fix the future, starting today" (2012:37).

The National Development Plan Vision 2030 (2012:38) concurs with Herrington (2011) assessment that the current formal sector is unlikely to be able to absorb the currently unemployed and the growing number of new entrants into the labour force (Herrington, 2011:115). With STATS SA, reporting that there is little prospect of the mounting number of new entrants into the job market being able to secure economic security in the formal economy (Stats SA, 2002:10). This will add to the burgeoning unemployment rate creating considerable developmental pressure with concomitant impacts of increased poverty, and crime with a reduction in productivity and economic growth (Herrington, 2011:15).

There are numerous empirical studies that show small, medium and macro enterprises (SMMEs) contribute significantly to GDP, job creation, economic participation, wealth distribution and the growth of secondary markets (Herrington, 2011:116; Venesaar & Loomets, 2006:2; Berry et al, 2002:4; Fran, 2003:9; Berry 2007:1; Mahadea & Pillay, 2008:431; Mills, 2011:18). While a vibrant SMME sector is important to all economies, both theoretical and empirical arguments and evidence shows that they are particularly important to developing countries and specifically for those with significant employment and income distribution challenges. This is because they play a dynamic role in generating growth generally and pro – poor growth in particular (Berry 2007:1-3; Fran, 2003:1).

A smaller number of studies question the "privileged treatment given to SMMEs in developmental literature" (Castel – Branco, 2003:1) and have reservations as to the direct impact of a SMME lead approach to economic development. SMME sceptics put forward four key arguments questioning the efficacy of directly linking SMME development to economic growth. Firstly it is suggested that promoting large enterprises would be more advantageous as empirical evidence from both industrial and developing countries (Beck & Demirguc–Kunt, 2004:1) show that large firms provide more stable employment, better working conditions with higher wages and more benefits. Secondly it is contended that there is an incorrect assumption that SMMEs by their very nature are inherently more labour intensive and collectively create greater employment than large firms would (Beck & Demirguc–Kunt, 2004:1). Thirdly sceptics question the "validity of considering firm size to be an exogenous determinant of economic growth (Beck & Demirguc–Kunt, 2004:2; Castel–Branco, 2003:6) rather the nature and size of economic activity is determined by factors such as available resources, technology and economic–industrial development polices. Finally it is cautioned that SMMEs should not be viewed as a panacea (Castel–Branco, 2003:3) and rather a business environment view should be adopted that promotes all enterprises regardless of sizes as contributors to growth (Beck & Demirguc–Kunt, 2004:2; Castel–Branco, 2003:6).

Despite this criticism South Africa's position set down in the South African National Development Plan Vision 2030 reaffirms the policy imperative of SMME promotion; recognising the crucial role played by the SMME sector in addressing the developmental challenges faced by South Africa and their contribution to the national vision of eliminating poverty and reducing inequality stating that most new jobs are likely to be sourced in domestic-orientated businesses, and in growing small-and medium-sized firms (South Africa, 2012:39).

Historically South Africa's economy has been structurally skewed to favour white ownership, large corporations and the industro–mining sector (Naidoo, 2006:110; Cassim, 2006:56; Herrington, 2011:116). Pre 1994 employment was mainly generated in large corporations and the public sector with small business noted by their absence with little or no government promotion (Herrington, 2011:116; Berry et al, 2002:6) and in the

case of black owned enterprises active repression (Berry et al, 2002:33). Post 1994 the new government introduced sweeping policy reform. The economic approach adopted, as argued by Cassim (2006), was pro-growth, pro-fiscal discipline and pro-reform but not pro-poor (2006:56). Cassim further argues that democratic South Africa's economic model prioritises growth at the expense of employment creation (2006:56).

Government has actively promoted SMME's as a key agent in delivering on the national objectives of economic growth, employment generation and income redistribution (Berry et al, 2002:1) with the government "explicitly identifying the promotion of SMME's as a policy imperative" (Mahadea & Pillay, 2008:431) as articulated in the White Paper on National Strategy for the Development and Promotion of Small Business in South Africa (213 of 1995). The White paper intended to create an enabling environment for SMME growth as a way of "addressing basic inequalities in the economy" (Berry et al, 2002:34) by firmly setting the vision and emphasising the importance of small business promotion in the national economic framework "the promotion of the small-enterprise sector of our economy is one of these critical areas. Not only is it of great importance for the rate of job creation and income generation in our country, but it deserves particular attention since the sector has been greatly neglected in the past in particular black-owned and controlled small enterprises" (South Africa, 1995b:3].

Concurrently to the public sector undergoing fundamentally transformation post 1994, the corporate sector embarked on significant restructuring programmes, resulting in formal sector job contraction and a rapid growth of the informal sector (Herrington, 2011:116; Berry et al, 2002:5).

Despite this growth South Africa's poverty levels and unemployment rate is disproportionately high in comparison to international levels (Herrington, 2011:116). According to the 2010 Finscope Small Business Survey, (Finmark Trust, 2011) there were 5,979,510 small businesses operating in South Africa in 2010, (Finmark Trust, 2011:9) a marked increase from the last recorded figure of approximately 2.2 million in 2006 (GEM, 2012:17). Of theses 78.7% were in the retail industry and 21.3% provide services to their clients (Finmark, 2011:10). In South Africa SMME's contribute over 40% to the national GDP and more than 50% of total employment (Herrington, 2011:117).

The majority of small enterprises in South Africa however are survivalist and of these the majority are black owned between the ages of 35–44 years old with a minority being run by women (IDC, 2008:1; Finmark Trust, 2011:26, GEM, 2012,22). It is noted that in South Africa men are 1.5 – 1.6 times more likely than women to own their own business (GEM, 2012, 22) and the age of new entrepreneurs is significantly older (age 35–44) than other efficiency driven economies (age 25-34) (GEM, 2012:23) . Herrington (2011) argues that sustaining and increasing the number of successful SMMEs in South Africa is "vitally important to the long term well being of the country" (2011:116). While new ventures infuse much needed vitality into the South African economy, it is equally important to recognise the importance of established business ability to address key economic priorities namely creating jobs, distributing wealth and generating secondary economic opportunities by buying in goods and services (GEM, 2012: 20).

Entrepreneurship is recognised (Michie, 2006:86; OECD, 2008:5; IDC, 2008:1; Herrington, 2011:116; GEM 2012:1; Berry, 2007:3; Mills, 2011:18) as a critical driver of a growing economy and vital in advancing job creation, equalising wealth, promoting innovation, and dynamically shaping change in the economic environment.

ENTREPRENEURSHIP

Africans themselves must finance their freedom and economic development (Mbeki, 2011:11)

Definitions of entrepreneurship seems to be as diverse as entrepreneurs themselves however there is a consensus (Marting & Osberg, 2007; Dees, Haas & Hass, 1998; Herrington, 2011, Patouillard, 2007) in attributing French economist Jean-Baptiste Say in the early 19th century with the original description of an entrepreneur, as one who "shifts economic resources out of an area of lower and into an area of higher

productivity and greater yield, (Patouillard et al, 2007: 31). The Austrian economist Joseph Scumpter built on Say's concept of value creation by recognizing the "unternehmer" (Patouillard et al, 2007:31) or the spirit of the entrepreneurship "required to drive economic progress, absent which economies would become static, structurally immobilized, and subject to decay" (Marting & Osberg, 2007:31).

Subsequent definitions have built on the dynamic and change agent characteristics inherently required of entrepreneurs typified by Marting & Osberg's definition "it connotes a special, innate ability to sense and act on opportunity, combining out-of-the-box thinking with a unique brand of determination to create or bring about something new to the world (2007:31) and Drucker (1993) "the entrepreneur always searches for change, responds to it, and exploits it as an opportunity,"(1993:25). Patouillard et al (2007) identifies the characteristics inherent in an entrepreneur including; the ability to identify innovation and to be an early adopter of new opportunities, the commitment and passion required to pursue them and an 'unflinching willingness to bear the inherent risk' (Patouillard et al, 2007: 31).

The impact of entrepreneurs forms the central theme of a number of definitions, most clearly articulated in Dess et al "Entrepreneurs create value"(1998:2) and Stevenson et al, "entrepreneurship is at the root of economic improvement (1990 :19)

THE STATE OF ENTREPRENEURSHIP IN SOUTH AFRICA

*The outstanding faults of the economic society in which we live are its failure to provide for full employment and its arbitrary and inequitable distribution of wealth and incomes (*Keynes, 2002: NP)

Seventeen years after the White Paper on the National Strategy for the Development and Promotion of Small Business in South Africa of 1995 declared that "the stimulation of SMMEs must be seen as part of an integrated strategy to take this economy onto a higher road-one in which our economy is diversified, productivity is enhanced, investment is stimulated and entrepreneurship flourishes" (South Africa, 1995b:3) South Africa has yet to attain a vibrant small business sector integrated across the broader economy (Berry et al, 2002:92)

 According to the authoritative and comprehensive (Herrington, 2011:117),Global Entrepreneurship Monitor (GEM), first published in 1999 and now covering more than 80 economies (GEM, 2012:8), South Africa's rate of early–stage entrepreneurial activity is "far below the average of comparable economies around the world (GEM, 2012:4). GEM's primary measure of total early-stage entrepreneurial activity (TEA), based on the percentage of the adult population between the ages of 18 and 64 years that are in the process of starting a new business or have recently done so, shows that South Africa's rate in 2011 was 9.1% marginally higher than the 8.9% rate in 2010. This is despite the conducive environment created by economic policy and public programmes intent on stimulating new venture creation. Likewise, South Africa's established small business ownership rate at 2.3% is significantly lower than the comparable average of participating efficiency–driven countries rate of 7.2% (GEM, 2012:20). This ranks South Africa 52nd out of 54 countries evaluated, just above Hungry and Venezuela. Of grave concern is the difference between the rate of new venture creation in South Africa at 9.1% and the rate of established small business at 2.3% showing a substantial decrease of 6.8%.

 It can be deduced that the small business environment in South Africa is challenging and not conducive to small enterprise sustainability and growth. This conclusion is given further authority by the research conducted by Nemaenzhe (2010) in his doctorial thesis *Retrospective Analysis of Failure Causes in South African Small Business* and Olawale & Garwe (2010) in their research paper *Obstacles to the Growth of new SMEs in South Africa* in which it was reported that small business failure rates in South Africa average between 70%-80% within the first seven years of establishment as opposed to Australia with a failure rate of 4%-8% (Nemaenzhe, 2010:13). This means that with a low established business success rate, the anticipated extent of job creation, economic growth and equalising of income distribution extrapolated from the number of new ventures registered will not be realised. The implications of a low rate of enterprise development and a hostile small

business growth environment is evident in the Adcorp Employment Index (2012) which reported that approximately 440 000 small business have closed in the last five years with a concerning drop from 250 000 people starting new ventures in 2001 to only 58 000 in 2011 (Adcorp, 2012:1). In real terms by applying the average ratio of 12 persons employed by each small business, the reduction in entrepreneurial activity has reduced the economy's job creation potential by 2.3 million jobs (Adcorp, 2012:1).

Exacerbating the lower than expected impact of small business in addressing South Africa challenges of unemployment and economic inequality is that 34.8% of emerging business owners are necessity entrepreneurs rather than opportunity entrepreneurs. The GEM South Africa 2011 report (2012) defines necessity entrepreneurship as "having to become an entrepreneur because one has no better option" (GEM, 2012:29), while opportunity entrepreneurship, "is an active choice to start a new enterprise based on the perception that an unexploited, or underexploited business opportunity exists" (GEM, 2012:29). It is imperative in South Africa to encourage opportunity entrepreneurship as these enterprises employ significantly more people and contribute significantly more too economic activity than businesses established out of necessity (Berry et al, 2002:92; Mahadea & Pillay, 2008:447).

ENTREPRENEURIAL CONDITIONS

"*Despite the progress made, and despite our status as an upper middle income country by virtue of our GDP per capita, extreme income inequality (reflected in our Gini coefficient), deep poverty, and lack of access to opportunities persist, still reflecting the old fissures of race, gender, class and geography. The majority of low-income households are still black, female-headed and rural. Fault lines in our society also took on new forms, for example the growth of inequality within the black community, deep poverty in cities due to inward migration in search of work, and lack of opportunities based on class. Women continue to earn and own less than men, even though differences in years of education and labour market participation rates have narrowed*." (ANC, 2012:7).

Bosma, Wennekers & Amoros have developed what they call the Entrepreneurial framework conditions described as the "necessary oxygen of resources, incentives, markets, and supporting institutions to the growth of new firms" (2011: 43). Of particular relevance to this study is the identification and ranking of those conditions that act as a constraint to new venture creation and impede small business development and growth.

Most studies identify a lack of finances and access to funding, government policies and education and training as the three most constraining factors in impeding entrepreneurship in South Africa (GEM, 2012:43, Herrington, 2011:120 – 133)

Entrepreneurial Finance

Of 10 indicators the World Bank in their report *Doing business 2010 South Africa*, comparing business regulations in 183 economies identified, the most decisive was access to credit (World Bank, 2011:2). A significant number of studies concur with the World Bank's position stating that the unavailability and inaccessibility of all instruments of finance including public grants and or subsidies is a key limiting factor to the extent and vitality of entrepreneurship in the South Africa (Cassim, 2006;81; GEM, 2012:40; Olawale & Garwe, 2010:731; Fan, 2003:17; Mahadea & Pillay, 2008:433; Berry et al, 2002:20; Herrinton, 2011:125; Tambunan, 2008:4)

Government Polices

While a number of studies recognize that there is an array of government policies that have contribute to the creation of a conducive environment that promotes entrepreneurship, all criticised the gap between intention and implementation. Citing bureaucratic legislative compliances and onerous administrative requirements of both starting and administering a business as factors that impeded entrepreneurial activity (Van Rooyen &

Antonites, 2007: 329; GEM, 2012:43, Olawale & Garwe, 2010:737; Fan, 2003:17; Tambunan, 2008:4). The cost implications of government policies is highlighted by Herrington who notes that in 2004 the compliance cost for a small business with a turnover of less than R1 million per annum is 8.3% of total turnover (2011:128).

Government Support Programmes

The public small business support programme illustrates both the challenge of securing funding and the obstacles of government policy. Despite the policy imperative, a plethora of high funded initiatives and the ongoing restructuring for efficiency these programmes are citied for suboptimal implementation, a persistent distrust gap between institution and intended beneficiaries, limited awareness, institutions clustered in urban areas and services duplicated (OECD, 2008:5; Herrington, 2011:27; Berry et al, 2002:38; GEM, 2012:26; Olawale & Garwe, 2010:736; Nemaenzhe, 2010: 179).

Entrepreneurship Education

Mahadea & Pillay (2008) argue that internal factors constitute the highest risk for new ventures and the greatest burden for established SMMEs (2008:466). Research indicates that the performance of SMMEs to a large degree is determined by the education, training, management competencies and experience of the entrepreneur (Mahadea & Pillay, 2008:435; GEM, 2012:40; Olawale & Garwe 2010:731). South Africa SMME owners and managers are placed at a disadvantage having graduated from a poor education system compounded by having limited if any business skills training resulting in inadequate management competencies compounded by very little business experience (Nemaenzhe, 2010:179; Fan, 2003:20; Berry et al, 2002:71).

Clustering of Factors

Nemaenzhe argues, in his PHD thesis on *Retrospective Analysis of Failure Causes in SA Small Business*, (2010), that the failure of a business is most often as a result of a combination of challenges. These challenges are individually threatening but together terminate the viability of the business. It is therefore necessary, if South Africa is to advance economic growth by promoting small business, to ensure all entrepreneurial framework conditions are conducive to new venture creation and small business development (Nemaenzhe, 2010: 210)

CONCLUSION TO CHAPTER 4

National Development Plan – Vision 2030 has articulated the national strategic economic agenda, "to accelerate progress, deepen democracy and build a more inclusive society, South Africa must translate political emancipation into economic wellbeing for all. It is up to all South Africans to fix the future, starting today." (South Africa, 2012:24). Equally the plan of action has been unambiguously set out, to raise employment through productive growth by increasing exports, improving the skills profile of the nation, lowering the cost of living for the poor, investing in infrastructure, reducing the regulatory cost for small business, facilitating private investment and improving the performance of the labour market (South Africa, 2012:109). Partnerships are recognized by the National Development Plan – Vision 2030 as key to raising confidence which will result in an increase in investment which is required to increase employment that will raise productivity and result in an increase in income generation (South Africa, 2012:109).

This will create an environment conducive for sustainable opportunity entrepreneurs who will expand the SMME sector, contributing to the economy with job creation and wealth distribution (Mahadea & Pillay, 2008:431)

CHAPTER 5: SOCIAL FRANCHISING - BIG MAC WITH MORALS

If we have chosen the position in life in which we can most of all work for mankind, no burdens can bow us down, because they are sacrifices for the benefit of all; then we shall experience no petty, limited, selfish joy, but our happiness will belong to millions, our deeds will live on quietly but perpetually at work, and over our ashes will be shed the hot tears of noble people   Karl Marx (Letter to his father 1837)

The previous chapters have mainly addressed the context, construct, imperatives and challenges faced by post normalisation South Africa and the dire need for innovation, dynamism and courage if the national developmental agenda is to be met and the aspirations of the citizens realised. Chapter 5 introduces social franchising as a business model motivated by social development. This chapter begins with a contextualisation of social entrepreneurship including characteristics, motivations and history. The difference between profit taking entrepreneurship and profit making social entrepreneurship is examined. Indicators to calculate the benefit of social enterprises for society has been examined as well as critique voiced against the social entrepreneurship business and developmental model disputing viability, sustainability and scalability. The second section of this chapter presents Social Franchising as a sub set of social entrepreneurship. Social Franchising is analysed in respect of a model description, key characteristics, benefits and failure factors.

SOCIAL ENTREPRENEURS: AN ENTREPRENEUR WITH A CAUSE

Social entrepreneurs are a product of the 21 centaury, described as "an amalgamation of social champion and captain of business" (Mseme, 2010a:10), having the "passion of a social mission with the image of business like discipline" (Dees, 2001:1). At this time of rising poverty and hardship, social uncertainty and upheaval, liquidated corporations and bankrupt governments – innovation and consciousness is required to if we are to "together and without delay, begin to build a better life for all South Africans. This means creating jobs, building houses, providing education and bringing peace and security for all." (Mandela, 1996:1)

The blending of entrepreneurial efficiency with social dynamism enables "the innovation associated with business creation to increasingly be applied to social problem solving in order to find effective and sustainable solutions (Alvord et al, 2003:136). Social enterprises are defined by the Global Agenda Council on the Future of Government (2011) as "a way to leverage the innovative potential of entrepreneurship for social and economic development – particularly in settings where neither the government nor the market is likely to produce value using traditional means" (2011:21). Tracey & Javis (2007) describe social entrepreneurship as "the notion of trading for a social purpose is at the core of social entrepreneurship, requiring that social entrepreneurs identify and exploit market opportunities, and assemble the necessary resources, in order to develop products and/or services that allow them to generate "entrepreneurial profit for a given social project" (2007:671).

Alvord, Brown, & Letts, (2002) have identified three primary characteristics of social entrepreneurship synthersised from the numerous definitions available namely "combining commercial enterprises with social impacts" (2002:3), "innovating for social impact" (2002:4) and "catalyze social transformation" (2002:4). Thus social entrepreneurs applying their business expertise establish ventures that deliver social goods and are commercially viable. Recognising, that social entrepreneurs are primarily motivated to solve social problems, by applying innovative solutions they are able to realize a viable business case. Being inspired to find solutions to social challenges means that the objective is to share and scale up delivery, " so that social entrepreneurship at its best produces small changes in the short term that reverberate through existing systems to catalyze large changes in the longer term" (Alvord, Brown, & Letts, 2002:3)

The practice of social entrepreneurship is not new, but traditionally these entrepreneurs were considered unique and distinctive, often seen as philanthropists or wealthy with development as a hobby. This field of study is emerging as the number of social entrepreneurs grows and their impact increases. As it is still in its infancy compared to other business studies theories (Doeringer, 2010: 292, Alvord, Brown, & Letts, 2002:3)

there has been few independent evaluations conducted and even fewer academic studies. In the main, research to date, has studied social enterprises in relation to other business models. However by naming and defining the practice of operating a sustainable business that delivers social benefits and operates by "blurring sector boundaries"' (Dees, 2001:1) the field of study is gaining momentum (Tracey & Javis, 2007:667).

Profit makers not profit takers

The primary difference between business entrepreneurs and their social enterprise counterparts lies in motivation. The former is motivated by profit taking whilst the latter has a dual motivation of social transformation and profit making (Martin & Osberg, 2007:34; Boschee & McClurg, ND:2). The second difference is located in the value proposition. Entrepreneurs calculate market viability against profits and use profits as a measure of success while social entrepreneurs measure social transformation and justice (Boschee & McClurg, ND:2). The third area is in the identification of a viable market with entrepreneurs targeting consumers that can afford to pay (Mseme, 2010:14) and social entrepreneurs targeting citizens that are underserviced, vulnerable and poor (Auerswald 2009: 2). Finally social entrepreneurs are motivated by social justice and build their business model for replication as opposed to entrepreneurs that protect their models with copy rights and laws suits.

Measuring transformation one transaction at a time

In order to calculate the benefit of social entrepreneurship to society, three factors must be taken into account; the value of the services delivered the cost of not having the service delivered and the economy generated by delivering the service (Bishai, et al, 2008: 185; Dees, 2001: 4).

A number of indicators have been formulated to calculate the viability of social enterprises. These are unique to social entrepreneurship reflective of the inherent blended aims. According to Bayliss & Kessler (2006) this requires measurements of access, affordability and sustainability but not profitability (2006:23). Boschee & McClurg (ND) propose a key indicator of success would be the degree to which a change in the social dynamics and systems has been effected and if the original problem has been addressed (ND:4). Patouillard, Goodman, Hanson, & Mills (2007), agree that impact assessment is the key, indicated by the degree to which barriers of access have been overcome (2007:2). AMSD (2004) has developed 3 indicators; the first measures the extent to which local assets are mobilised, local capacity is built and the extent to which a movement is built, the second indicator measures the knowledge repository and in particular developing and sharing the model innovations, implementation and best practice and finally the extent to which partnerships are established across a diverse cross section of stakeholders (AMSD 2004: 142).

But is the business of the poor, poor for business?

Most of the critique of social entrepreneurship is directed towards NGO's and NPO's that convert their existing services or an extension thereof into a social enterprise in order to replace lost funding. As Casselman (2007) explains the crucial entrepreneurship component with the required initiating entrepreneur is absent resulting in a high failure rate amongst this type of social enterprises (2007:1).

Social Entrepreneurs are inherently activists and susceptible to becoming the political voice of the marginalized communities they operate in. Equally a social enterprise could be a springboard for a person not with social entrepreneurship aims but political ambitions (AMSD 2004: 144)

For Gbenga (2006) writing on the African social enterprise experience poverty is a wicked problem bringing with it clusters of symptomatic challenges such as health care, education, economic equity and political representation. This requires the fundamental changing of the philosophies, systems and structures that underpin the current society as opposed to tinkering with provisioning through small enterprises (Gbenga, 2006: 2).

On a more practical level, Brown as well as Tracey & Javis (2003) believe that all social enterprises are just too small, are not able to grow due to under capitalisation and therefore will never reach financial independence (Tracey & Javis, 2003:671) or the scalability required to make any real impact on social challenges (Brown, 2002:3)

INTRODUCING SOCIAL FRANCHISING

There is limited authoritative research on social franchising generally and the theory underpinning the model, framework designs, implementation practices and delivery evaluation in particular, with the majority of studies being case studies. While almost all of these cover the health sector, (Montagu, 2002:122) the references are pertinent as principles have been synthesized for this study and added to which there is a close correlation between the health and education sector (Lynch, 2004.5).

FRANCHISING – FROM SINGER SEWING MACHINES TO STREET WISE 2

Franchising is a well established and highly structured business model (CWV, 2005:5) used across all sectors of the economy with over one million franchisees worldwide (Ngo, Alden, Pham & Phan 2010:908). In the simplest terms" one firm (the franchisor) sells the right to market goods or services under its brand name and using its business practices to a second firm (the franchisee)" (Ngo, Alden, Pham & Phan, 2010:908). In more detail, franchising is where an organisation or individual "purchases the rights to operate a unit, of an already established business, leveraging the owners brand system and philosophy for an initial upfront investment and monthly fee based on revenue' (CWV, 2005.5). Inherent in the franchise relationship is mutual expectation and responsibility where "the franchise holder or the franchisor, commits to market the brand, provide training, business support and collectivised buying facilities. In exchange the franchisee commits to conducting business at a standard and level determined by the franchisor, the enterprise blueprint, and grow the individual franchise site" (Montagu, 2002 123; Tracey & Javis, 2003:688).

THE BENEFITS IN A BOX

The franchising model delivers against both strategic macro imperatives and local micro objectives. It is an effective means to introducing business ownership particularly to first time entrepreneurs (Ngo et al, 2010:908). Firstly it assists in overcoming financial constraints frequently experienced by new ventures with a limited ability to carry initial costs, fund delayed business uptake and exclusion from main stream funding sources (Tracey & Javis, 2003:688). Franchising allows a new entrepreneur access to an established brand (CWV, 2005:6) with rapid start up, limited capital risk (Montagu, 2002:121) and an established customer base. The new entrepreneur benefits from an existing tested business model, with operational systems and administrative procedures established (CWV, 2005:6). Operating costs are reduced (Leahy & Villeneuve-Smith, 2009:122), training and support provided and marketing coordinated nationally (CWV, 2005:6)

SOCIAL FRANCHISING – AN ENTERPRISING DEVELOPMENT

Social franchising is a blend of the commercial and social enterprise models; the practice is commercial, the motivation social, (Montagu, 2002:122). Social franchising is motivated equally by "economic sustainability and social good" (Mseme, 2010b:8). The key elements of social franchising is that the enterprise operates as a viable commercial venture with the required replicability, uniformity and standards, located in communities in need and providing goods and services that have a social impact, achieving profit making not taking (Yunus, 2007:1).

 In defining social franchising Montagu (2002) refers to the advantage of Social Franchising as to "assure the availability of services; determine the quality of services and raise awareness so that the services will be utilised' (Montagu,2002: 123). Volery & Hackl (2009) describe social franchising as, "it not only promises to help address the question of how to provide innovative entrepreneurs with the structure and support

necessary to convert their interest in social enterprises into sustainable businesses, but it also provides a roadmap for implementing these ventures" (2009:1).

Social Franchising is structured in the same way as commercial franchising with a coordinating agency (franchisor) that determines the social outcomes, sets the required standards, provides the set up infrastructure and systems, selects the participants, conducts the training, procures centrally and conducts monitoring and evaluation (Bishai, et al, 2008 :190; Volery & Hackl, 2009:8). Most importantly this body is the custodian of the delivery values and development imperatives of the programme and as such must ensure that the public good component is being effectively delivered as well as the continued commercial viability of each participant is being maintained (Bishai, et al, 2008: 191; Mseme, 2010:8 ; Ngo, Alden, Pham & Phan, 2010:1).

Social franchising establishes a network of outlets (franchisees) that are locally owned in targeted communities, providing social services as prescribed by the coordinating agency (franchisor) (Volery & Hackl, 2009:8). Franchisees charge users of the services a fee that is calculated by taking into account the affordability of the users and profit making for the franchisee as well as a fee to be paid to the franchisor for central services rendered (Ngo, Alden, Pham & Phan, 2010:2-3).

The social franchising model employs a highly standardised, service orientated, vigorously monitored and well branded 'business model' designed to increased access to services, promote service excellence, provide services affordability, advance economic participation and enhance citizens quality of life (Leahy & Villeneuve-Smith, 2009:12; CWV, 2005:iv; Lynch, 2004:2; Bishai, et al, 2008:92). The combination of service access, improved quality and affordability is expected to increase service use (Ngo, Alden, Pham & Phan, 2010:2 – 3; Lynch, 2004:2) important to government in terms of extending delivery provisioning in the market of need rather than means and for the franchisee in terms of financial growth and sustainability.

NOT ALL FRANCHISES WORK

Montagu (2002) sounds the warning that not all franchise work in the private sector. He further cautions that taking into consideration the challenges inherent in delivering social services compounded by the challenge of embedding a new model, effectively developing and implementing social franchising on a national scale will be a monumental task (2002:124). Lynch (2004) points to the difficult in standardising, measuring and monitoring social services (2004:2). Montagu agrees that monitoring is critical but difficult in respect of social service delivery made more important but more complex as the number of franchisees increase. The difficulty in replicating and scaling up nationally is highlighted by a number of authors (Global Health Group, 2008:3), "one of the greatest challenges faced by social enterprise generally is their inability to scale up, social franchising ventures must move beyond pilot into a fully operational stage with national reach (Volery & Hackl, 2009:1).

Reputation is fundamental to the success of the franchise model, citizens are not convinced that the public sector is able to deliver quality service which can be transferred to and taint the reputation of the franchise. Equally the national franchise reputation is reliant on the level of service delivered locally at every site (Montagu, 2002:1; Skelly, 1996). The social franchising model is built on the public sector funding the start up cost of the facility, therefore a legislative and legal framework will have to be drafted that will accommodate the utilisation of public funding, (Lynch, 2004:1; Mseme, 2010b:9)

CONCLUSION TO CHAPTER 5

The research conducted by Mseme (2010b) found that social franchising as a model does resonate with the key challenges of local government community development services (2010b:20). Additionally it was found that social franchising has the ability to deliver on national development priorities including small business development and job creation (Global Health Group, 2008:3; Lynch, 2004.2; Leahy & Villeneuve-Smith, 2009:12; CWV, 2005:IV), community development and education provisioning (Lynch, 2004:2; Montagu, 2002:2; Bishai, et al, 2008: 191; Ngo, Alden, Pham & Phan, 2010:2 – 3; Yunus, 2007:1) and skills development and training (Bishai, et al, 2008:92; Lynch, 2004:4; Yunus, 2007:1).

The research completed by Mseme (2010b) conducted in the City of Johannesburg concluded that social franchising is capable of extending community development service delivery and accelerate economic growth at local government level (2010:21b)and with addition research and development should be made available as part of the delivery mechanisms for the National Development Plan – Vision 2030.

ARE PPP'S THE PANACEA?

Public Private Partnerships is in contradiction to advancing from dependency to development" (Matashe, 2011 Interview)

INTRODUCTION

For the purpose of this study the analysis of Public Private Partnership (PPP) is narrowly focused on answering the research question can social franchising arrangements be established as service delivery instruments within the current PPP legislative framework? This necessitates an analysis of the scope and nature of PPP's, the current legislative environment, regulatory requirements at a local government level and the correlation if any between the current received thinking on the philosophy of PPP's in relation to the values of social franchising.

This chapter contextualises public governance philosophies, interrogating NPM in particular. This is followed by an assessment of PPPs which includes analysing a range of definitions, examining the various forms of PPP's and outlines the South African regulatory framework. Finally an alignment assessment has been conducted to ascertain if social franchising can be initiated under and compliant to the existing national PPP legislative.

THE SHAPE SHIFTING PUBLIC ADMINISTRATION

"*In a world that is increasingly complex, turbulent and demanding, hierarchical vertical integrated government has proven too rigid and unresponsive*" (Wilkens, 2003:174)

The existing global public arrangements and national government constructs have increasingly become unable to respond to the unstable, dynamic, stratified and demanding needs of the citizens they serve, this according to Osborne and Gaebler (1992) and supported by Skelly (1996), is largely due to a disconnect with existing service delivery mechanism that require "stable environments, simple delivery functions, where all customers require exactly the same service and quality of performance is relative (Skelly, 1996:5).

Public sector researches and social commentators (Skelly, 1996; Wilkins, 2003; Russel & Bvuma 2001:; Gumede, 2012; GCLN 2012; Karodia, 2010; Desai 2002; McDonald 2002; Pillay 2007a; Pillay 2007b) have long indicated that with "shrinking resources, growing delivery mandates, unresolved backlogs and citizens frustration alternative, innovative and flexible mechanisms of delivering services is required" (Mseme, 2011a:5). This can be done at best by abandoning and at least reforming traditional government bureaucracy into institutions that can, "respond to the challenges of improving the capacity of government to manage change, promote innovation and meet their infrastructure and service delivery obligations more efficiently and effectively (Fyfe 2004:640). Nzimakwe (2006) agrees, believing that public institutions face limited policy choices (2006:48) in a demanding environment of increasing citizen's needs and decreasing public resources. Governments are "responding to this challenge by exploring and implementing alternative methods of service delivery and strategies of development" (Nzimakwe, 2006:48).

Public governance philosophies as presented by Burger (2006) can be defined as the "style of interaction between a government and the society that it governs" (Olowu, 2002:5; World Bank, 1994). According to Wilkins (2003) the governance philosophy that is adopted by a government is informed by the nature of the service required and the community into which it would be delivered, " anchored in a spectrum of options that mirrors the diversity of the nation, its government and its public institutions.'(Wilkins, 2003: 173).Selecting the philosophy is according to AMSD (2004) at the point of values symmetry between leadership, administrators and citizens.(AMSD, 2004: 5). Once adopted the public governance philosophy will determine the context and construct of public planning and delivery, the relationship between state and society and the management of public administration

NPM was formulated in response to the challenges of Traditional Bureaucracy, described by Burger (2006) as, while having created a state bureaucracy that was organized, strong and trustworthy it was by its very nature hierarchical, powerful and unresponsive to the dynamics of the communities it was designed to service (2006:5). Shaped by the conservative politics of Thatcherism and Reganisims NPM has, according to Jutting (1999), at the policy centre a belief that "hierarchical bureaucracy is inherently inefficient and that the introduction of market mechanisms will substantially enhance the efficiency of public service delivery" (Jutting, 1999:5). This has been based on the central premise that "government must concentrate on policy making rather than service delivery (Skelly, 1996:5) or more clearly, " making operations more goal focused like those of the private sector" (AMSD, 2004:3). NPM, according to Bayliss & Kessler, (2006) 'borrows heavily from public choice economics' (2004:7) advancing the embedding of the efficiency of the private sector into the public sector particularly in the core public management areas of service delivery management, planning implementation and budget management (AMSD, 2004: 3).

Until recently NPM has dominated the public management discourse with ideological champions mainly lead by the developed world supported by economic defenders mainly located in the developing world. Ideological champions of NPM, whose arguments are laid out in the writings of Ngowi (2009) believe that the private sector service delivery is superior having enhanced "sustainability, efficiency and effectiveness. It is generally more dynamic, resilient, creative, innovative and vibrant than the public one." (Ngowi, 2009:34). Economic defenders of NPM, are principally motivated by "seeking new sources of long term-investment capital" (Haarhoff, 2008:2).

In practice NPM is intent on shaping government by 'making the operations more like those of the private sector' (AMSD, 2004:3) through shifting public administration into a transactional platform of contracts between principals and agents turning public officials into resource managers and citizens into clients. NPM ushered in according to Jutting (1999) this "new area of administration reform and a redesign-"reinventing"-of government activities" (Jutting, 1995:5) culminated in a redefinition of the State as a regulator and services seen as a benefit, introducing privatisation of services with a user charge being introduced (Bayliss & Kessler, 2006: 6).

Whilst NPM is a public sector delivery model research field on its own, the relevance to this research is that this model has introduced 'productivity, marketization and decentralisation' (Battaglio & Condrey, 2006:1; AMSD, 2004:3) into the public administration lexicon and promote such mechanisms as commercialisation, privatisation and most notably public private partnerships (AMSD, 2004: 3).

POLITICAL WILL DOES NOT BALANCE BUDGETS

The ever growing gap between expenditure and revenue is a challenge for all governments and in particular for developing countries with significant needs and a small tax base. Proponents of NPM point to the advantage of applying strict financial control and budget efficiencies which results in an increase in revenue collection allowing for increased service provisioning (Bayliss & Kessler, 2006: 7). Secondly by applying strict administration and accounting management wasted and fruitless expenditure is limited. Thirdly by introducing control mechanisms, reporting systems and stringent impact evaluation cost savings will be achieved that can be applied to pro-poor programmes (AMSD 2004: 4).

Wilkins (2003) argues that by introducing goal orientation and performance management into the public administration, results increase which are directly linked to planning priorities which are in turn reflective of the delivery priorities and therefore citizens' satisfaction in the public service (Wilkins,2003: 175).

PUBLIC SERVICE NOT FOR SALE

Just as external environmental constraints initiated the debate that shaped the ideological formulation of NPM so too has external crisis catalysed a new dialogue, "the crisis has increased the focus on the role of

government, and in particular on government failure to regulate and prevent systemic collapse" (South Africa, 2011b: 54).

Whilst proponents of ASD argued that NPM is as much motivated by efficiency as, "reconnecting with citizens and building delivery networks among the private and volunteer sector, as it is about strengthening governance, framed by an ethic of service innovation" (Wilkins, 2003:174). Jutting disagrees contending that business interests co-opted the formulation of NPM and business managers have driven the implementation. Cameron (2009) agrees that NPM is in fact not a well formulated, articulated and "coherent theory but a discrete set of ideas" (2009:3) that are drawn from two distinct schools namely private management and the application of market mechanisms. The former contributed efficiency, performance agreements and autonomous mangers with tight financial control and the latter privatisation and PPP's as a way of improving efficiency of service delivery.

The NPM theory of absolutism must be challenged (Mseme, 2010:11). The public sector is not underperforming wholesale and neither is the private sector wholesale performing. Ngowi (2009) contends that there was a paradigm shift from the public sector been the sole agent of service delivery to their current role of procurer of services and "facilitator for the private sector (market) –led economic development and growth" (Ngowi, 2009:34). Gumede (2012) agrees citing that one of the most dangerous consequence of the state primarily being a purchaser of services is cheque book politics (2012:105) which circumvents the policy making process to the determent of democracy (2012:105). Burger (2006) contends the NPM mangers "delivering what counts not necessarily what works best for society in the long run" (2006:5). Additionally mangers goal orientation often leads to delivery by performance contract rather than contributing to the integrated organisational vision. The approach of considering citizens as clients engenders user pay policies leading to exclusion of the poor and marginalised thereby replacing citizen democracy with consumer democracy (Karodia, 2012:33). Bayliss & Kessler (2006) and Fyfe (2004) develop this argument further by contending that the utilisation of services for a fee approach weakens the social contract between government and citizens (Bayliss & Kessler, 2006:4), challenges the principle of universal access to services, and undermines social justice and equity (Fyfe, 2004: 641).

The argument used that there are significant inefficiencies in the public sector to justify NPM is challenge by a number of NPM detractors who argue that the reason for being of the public and private sector is different and therefore it is neither sound nor sustainable to apply a private sector solution to the public sector but rather remedy and strengthen the public sector (Bayliss & Kessler, 2006: 1; La Vake, 2003: 1). Leading on from this argument is that the capacity and capabilities of the state are not generally suited to contract management resulting in an unbalance relationship in the favour of the private sector (Wilkins,2003:180; AMSD 2004:3). Finally the fundamental tenets of government, access, equity and justice are replaced with efficiency, productivity and profitability (Haque, 2001 *in* Bayliss & Kessler, 2006:21) alienating government from the people by introducing an independent service provider not elected nor accountable to the people (Fyfe 2004: 641).

"The reorganisation of our public service on free market business principles that abound at local government level can have an inimical impact on the development of a common understanding of the common good. The use of private sector concepts such as client, although intended to promote efficiency, may render the citizenry invisible in the eyes of the public service" (Sangweni & Mxakato – Diseko, 2008:47)

PUBLIC – PRIVATE PARTNERSHIPS

With no single definition of PPP's the analysis of what constitutes a PPP is as contentious and emotive as arguments in support and opposition of PPP's as a beneficial public service delivery mechanism. Definitions of PPPs range from the linear, " a contract between a public institution and an individual or privately owned or controlled partnership, company, trust or other for profit legal entity (Gitsham et al in Reddy et al, 2003:204) to the complex, Jutting (1995) that defines public private partnerships as an "institutional relationships

between the state and the private for-profit and/or the private not for-profit sector, where the different public and private actors jointly participate in defining the objectives, the methods and the implementation of an agreement of cooperation (Jutting, 1999:5).

Nzimakwe (2006) and Haarhoff (2008) both emphasises the partnership aspect with Nzimakwe indicating that it is "far more than contracting but significantly less than a merger" (2006:48). Haarhoff (2008) goes further by defining PPP's as "a concept involving the public and private sector working in co – operation and partnership" (Haarhoff, 2008:15) and highlights the delivery side of PPP's, " permit [ing] an expansion of infrastructure provision, an expansion beyond what government on its own could achieve given budgetary constraints and lack of project management skills" (Haarhoff, 2008:1.). Maserumule et al (2006) specifies that PPPs are simply put "the private sector delivering public goods and services that would previously have been done by a public institution or agency" (2006:220).

Importantly for this study Maserumule et al (2006) introduces into the definition the recognition of multiple variations of PPP agreements including "outsourcing, contracting out, privatisation and franchising" (2006:220). The South Africa legislative definition of a PPP is "a contract between a public sector institution/municipality and a private party, in which the private party assumes substantial financial, technical and operational risk in the design, financing, building and operation of a project" (South Africa, 2004a:4).

 In respect of the forms of PPP there is according to Jutting (1995) much confusion over the term PPP stating that they are neither a "development strategy nor a loose interaction between different agents" (Jutting, 1995:5) despite institutions and agencies promoting privatisation and subsidies under the guise of PPP's with Mitchell-Weaver & Mannig (1991) warning "privatization is privatization and subsidies are subsidies; public private partnerships they are not" (1991:49). While AMSD narrows the participating parties to a PPP as the private sector and the public sector (AMSD, 2004:3), Mitchell-Weaver & Manning (1991) and Jutting (1995) emphasise that PPPs are not necessarily only with the private sector but can include various partners across the spectrum from the private sector to civil society.

 For this study two definitions are most relevant, Jutting's (1995) definition of a PPP as an "institutional relationships between the state and the private for-profit and/or the private not for-profit sector, where the different public and private actors jointly participate in defining the objectives, the methods and the implementation of an agreement of cooperation" (Jutting, 1999:5). The National Treasury defines the private party eligible to partner in a PPP as "The regulation defines a private party to a PPP agreement in the negative, explicitly excluding public institutions. PPPs in South Africa are thus specifically defined to exclude public-public partnerships. Not-for-profit entities are not excluded from the definition of a private party but their capacity to carry substantial financial, technical and operational risk in a project will determine the role they are able to play in a PPP" (South Africa, 2004a:4)

DIFFERENT FORMS OF PUBLIC PRIVATE PARTNERSHIPS

There are as many permutations of PPPs as there are PPP agreements, with as many methods of categorisation. Fyfe (2004) lists these methods by finance arrangement, governance structure or by intensity of public delivery responsibility (Fyfe, 2004:240). The latter categorisation has been developed by Wilkins (2003) into a matrix with the respective axis measuring level of control and partner responsibility or "autonomy and accountability" (2003:175). Valkama & Anttiroiko (2009) apply a bi-macro category system based on selection process namely competitive (tender) or cooperative (delivery partnerships with Service Level Agreements) (Valkama & Anttiroiko, 2009: 8)

The literature has identified and detailed five main models of PPP (Skelly, 1996:4; Bishai et al, 2008:190; AMSD 2004:12; Bayliss & Kessler, 2006:9; Jutting 1999:7; Freise, 2009:6)

Service contracts which are short term operational agreements with management remaining the responsibility of the public institution

Operation and management contracts are generally short term contracts with the private party being responsible for operations and management for a fixed fee with performance bonus.

Leasing agreements the income stream is purchased by the private party along with the risk.

Build-Operate-Transfer (BOT) requires of the private partner to design, build, operate and maintain the service delivery project.

Design-Build-Finance-Operate (DBFO) schemes, the BOT scheme is applied additionally requiring the private sourcing of capital.

THE REGULATORY FRAMEWORK

The scope for PPP's in South Africa has been determined by the constitution, the framework located in legislation and the detail defined in numerous regulations, provisions and circulars (South Africa, 2004d:1-31)

Section 217 (1) of the Constitution of South Africa of 1996 deals with state procurement and in particular charges government to do so in a "fair equitable, transparent, competitive and cost effective manner (South Africa, 1996:123). This must be read in conjunction with Section 33 (1) of the Constitution of 1996 that affords all citizens the right to administrative access (South Africa, 2004d: 15)

Framework legislation includes those that deal with public procurement and in particular the Preferential Procurement Policy Framework Act of 2000 that requires of organs of state to establish a preferential procurement policy and to follow a tender procedure for preferential procurement of goods and services. The Promotion of Administrative Justice Act of 2000 and in particular section 3(2)(a) stipulates that a tender process is an administrative process and must be compliant by being lawful, procedurally fair and justifiable and the Prevention and Combating of Corrupt Activities Act of 2004 in so far as preventing corruption.

The framework legislation dealing with finance management include the Municipal Finance Management Act of 2003 specifically deals with PPP's in Section 120 (South Africa, 2003:117) and stipulates that a municipality may enter into a PPP on the condition that affordability, value for money and transfer of risk is demonstrated. Public Finance Management Act of 1999 places the responsibility of PPP administration with the Public Accounting Officer.

Treasury has released numerous regulations, circulars and notes dealing with PPP's. In particular Regulation 16 outlines the process and procedures of identifying, establishing and managing PPPs.

LEGISLATIVE ALIGNMENT BUT NOT ON CORE ELEMENTS

There is alignment in respect of delivery through partnerships, enterprise development and advancement of redistributive equity ownership. One of the objectives government has articulated in respect of motivating for PPPs is the establishment of strategic partnerships to accelerate delivery. The PPP legislation does promote small business generally and in particular robustly supports black, women and youth ownership (South Africa, 2004b).

IMITHETHO YAMANJE AYIHAMBISANI – THE MISALIGNMENT IS TOO GREAT

The rationale for adopting a social franchising model is to extent public services to poor and vulnerable communities and to provide residence of those communities with viable and sustainable economic opportunities and in particular encouraging small business ownership. The legislative definition of PPP's (South Africa, 2004a) from the onset indicates that a core principle applied is for the private sector partner to assume the financial risk. The Treasury's PPP Manuel (South Africa, 2004a) referring to Treasury's Standardised PPP provisions (South Africa, 2004c) which specifically deal with financing of PPP states "PPP's typically involve the private party raising both debt and equity to capitalise the project" (South Africa, 2004a:7). The Municipal

Finance Management Act of 2003 expressly stipulates that a requirement of municipalities to enter into a PPP is to transfer the risk (2003:117).

While NPO's are eligible to act as the partner, National Treasury has determined that the risk profile is increased by their participation (South Africa, 2004:4). Taking into account that the communities earmarked for social franchising are impoverished and the target new business owners poor, it is not possible for the beneficiaries to make any financial contribution or carry any risk. At the core of the social franchising model is for the state to carry the infra structure costs and start up expenditure and in exchange the private sector partner will provide services at a standard set by government.

The second motivation for selecting a PPP, other than passing upfront costs to the private sector is to access technical skills and implementation processes either not available within the public sector or more efficiently provided by the private sector (South Africa, 2004a). In terms of the social franchising model one of the key roles, if not the most important, is for the state to provide social franchise holders with training both in respect of business management and ECD provisioning.

CONCLUSION TO CHAPTER 6

Partnerships, defined as "an arrangement between a government institution and one or two more parties (inside or outside government) where there is an agreement to work cooperatively to achieve public policy objectives" (Nyamukachi, 2004:11) are an intentional and integral part of the South African delivery paradigm. They have been a common approach threaded through all iterations of the national strategic policy frameworks from the RDP, "Reconstruction and development will be achieved through the leading and enabling role of the state, a thriving private sector, and active involvement by all sectors of civil society which in combination will lead to sustainable growth" (South Africa, 1994:26) to Gear, "the South African Government recognises in GEAR the need for co-operation with the private sector in order to address the infrastructure backlog (Khosa, 2001:413 and as citied in Haarhof, 2008:15) and the New Growth Path (South Africa 2011b) which calls for an "improved trust between the public and private sectors and ensure that private actors are treated as partners in policy design and implementation and that the private sector in turn responds to and facilitates the realisation of national objectives" (South Africa, 2011b:133). South Africa's future position has been articulated, undergirded by the developmental state, and overarched by partnerships, "A common theme emerging in the debate is the need for a more nuanced balance between the role of government, the private sector and the market to achieve dynamic economic growth. Successful countries such as China and South Korea illustrate this (South Africa, 2011c: 55).

Precedence has been set in delivering social services through partnership models; locally a hospital was built by means of a PPP and internationally both education and health services have been delivered to vulnerable communities by means of PPP arrangements (Wang, 2000:2).

Partnerships must be located in a conducive political environment, a transparent legal framework and a committed administrative structure (Wang, 2000:4). The form the partnership takes must be determined by the nature of the need, societal values and ideology, the capacity to regulate the relationship, the systems to monitor the inputs, outcomes and impacts and the will of the partners (Gentry and Fernandez, 1998:2).

Partnerships must be built on a foundation of transparency, honesty and integrity. All partners must agree on the objectives, practice open dialogue and build an equal relationship of trust (Jutting, 1999:7) Collaboration must be goal orientated, specific, bound, creative and dynamic in order not to stifle initiatives in bureaucracy, allowing for time, energy and effort to be spent on improving service delivery (Kaul, 1998: 116).

"Fighting poverty, unemployment and inequality should be like fighting a war. Every resource and talent within the state should be marshalled to tackle these problems as quickly as possible "(Gumede, 2012:94).

CHAPTER 7: EDUCATION – THE HOLY GRAIL

THE YELLOW BRICK ROAD

"Education should not be viewed as a way to escape poverty, but rather a as a way to fight it" (Julius Nyerere as quoted in Kiti, 2008:106)

It is not within the scope of this study to neither engage with the educational aspects of education nor interrogate the developmental aspects of ECD. This study focuses on the public value of provisioning, innovative affordable delivery mechanisms and accelerating community and economic development at a local level.

In any event the determinative role of Education has been extensively recognized manifest in its deceleration as a fundamental universal human right (Sayed, 2008:55) essential for the exercise of all other human rights, "It promotes individual freedom and empowerment and yields important development benefits." (UNESCO, 2011b). The positive impact of education on a wide range of development indicators has been substantiated by numerous academic studies (Maile,2008:xi), notably demonstrated by the International Institute for Applied Systems Analysis (IIASA) and the Vienna Institute of Demography (VID) of the Austrian Academy of Science in their 2008 study *Economic Growth in Developing Countries: Education Provides the Ke*y. This study provides "unambiguous evidence of consistently positive, statistically significant effects of education on a country's economic development." (IIASA, 2008:2). These findings support the UNESCO's assertion that education "is a powerful tool by which economically and socially marginalized adults and children can lift themselves out of poverty and participate fully as citizens" (UNESCO, 2011b) and is "the best insurance against poverty" (UNESCO, 2011a). The World Bank equally attributes education to being "one of the most powerful instruments for reducing poverty and inequality and lays a foundation for sustained economic growth" (World Bank, 2011).

The long term beneficial impact of education is recognized as having an even more decisive function in the growth and development of developing countries with every year of schooling attended translating into a 10% increase in individuals future income levels (Kiti, 2008:102; Maile, 2008:xii). The African Union, notoriously fragmented as argued by Mirithi (2007:9-14), unanimously regards "education as a key instrument in achieving its vision of developing quality human resources and contributing towards increased mobility of Africans around the continent" (African Union, 2007:1). The constructive intervention of education on the foremost challenges faced by developing countries is emphasized by Yoshitomi (Wang, 2003) with a positive correlation to national economic development, emancipation of women and breaking the cycle of intergenerational poverty (Yoshitomi, 2000:3)

Chapter 7 locates Education in the national agenda, contextualises public education provisioning historically and details limitations in current delivery. The second part of this chapter deals in-depth with Early Childhood Development. The analysis begins with a description of ECD followed by a comprehensive examination of the impact of quality ECD on children generally and vulnerable children in particular. The current status of ECD delivery in South Africa has been examined leading into the evaluation of provisioning challenges and their impact on priority beneficiaries; the poor, those at risk and those that live in rural areas. This chapter concludes with an appraisal of future plans articulated in legislative visioning, political intentions and national planning

BUILDING OUR FUTURE DREAMS ON THE BROKEN INSTITUTIONS OF THE PAST

With Education having being identified as one of South Africa's five national priorities, its place on the national development agenda has been firmly established and its importance emphasized by Deputy President K

Mothlanthe who has extensively addresses the issue of Education, "Education is the single most important priority that can shift the country's current trajectory in respect of economic, social and developmental challenges. Education is not only about employment and development, but education broadens community views , shifts mindsets, changes attitudes and makes possibilities into probable" (Mothlanthe, 2011:1) and "Education is without a doubt a lever to uplift individuals, their families and society at large. Nowhere is this true than in South Africa, where education should serve as a weapon against the scourge of poverty among our people" (Mothlanthe, 2010b:08). In South Africa the transformative crux lies in the multi – dimensional relationship between Education and Development, as eloquently explained by Dr Saleem Badat, Vice Chancellor Rhodes University, in his address *The Challenges of Education and Development in Twenty – First Century South Africa* (2009:2-13), in which he refers to "education as development… education for development [and] …education in development" (Badat, 2009:2)

Dr Badat accounts and analyses the history, politics, position, choices and challenges of education in post Apartheid South Africa , according to which the education system inherited from Apartheid, was "profoundly shaped by social, political and economic inequalities of a 'race', class, gender, institutional and geographical, nature" (Badat, 2009:3). This is epitomized in the infamous utterances of Dr Verwoed at the time South Africa's *minister for native affairs* and later to be prime minister from 1958 to 1966 speaking on the then governments policy on education in 1954, "It is the policy of my department that [black] education should have its roots entirely in the Native areas and in the Native environment and Native community... The '*Bantu*' must be guided to serve his own community in all respects. There is no place for him in the European community above the level of certain forms of labour... What is the use of teaching the Bantu child mathematics when it cannot use it in practice? That is quite absurd. Education must train people in accordance with their opportunities in life, according to the sphere in which they live." (Mbeki 2011:6; South Africa 2011b: 6.)

Addressing this travesty of human rights, dignity and justice the democratic South African Constitution of 1996 declared the right of all "to basic education" (South Africa, 1996a) subsequent policy gave substance to this right including the 1995 White Paper on Education that directed the state to redress educational inequalities, (South Africa, 1995:21), National Education Policy Act of 1996 which commits to a national education system that serves the needs of all citizens equally (South Africa ,1996) and the South African Schools Act 1996 that directly correlates education to advancing democratic transformation, poverty alleviation and economic well being. The Education White Paper 3 of 1997 went even further to linking education to achieving political democratization, economic reconstruction and national development (South Africa 1997).

South Africa's National Draft Development Plan that "charts a new path for the country" (South Africa, 2011a:1) identifies education as a cornerstone in the new national development blue print to eliminate poverty and reduce inequality over the next two decades (South Africa, 2011a:1). Education is one of the two highest priorities, "failure to raise employment and improve the quality of education would signal failure" (South Africa, 2011a: 1) as it is central to South Africa's long term development: "empowering people to define their identity, take control of their lives, raise healthy families, take part confidently in developing a just society and play an effective role in the politics, economics and governance of their communities (South Africa, 20011b:261).

THE YELLOW BRICK ROAD IS POTHOLED

"*Although education cannot transform the world, the world cannot be transformed without education*" (citied in Chisholm, 2004:13)

A number of expert scholars and practitioners are warning that the growing expectations in South Africa that education will bring about social transformation are too high, emphasising that while education is a critical component of development, it is not an autonomous change agent (Maile, 2008:xiii). Wolpe and Unterhalt (1991) argue that education is accorded "immense and unwarranted weight as a mechanism of … social

change" (1991a:2). They argue that while education is a necessary component for social transformation "it is not a sufficient condition" (Wolpe et al, 1991a:3). This position is supported by Nasson, who believes that '"education (is) an important participating force, but not an arbitrating one (citied in Badat, 2009:6) and Sayed who argues that the link between education and poverty reduction is cyclical rather than a simple linear or cause and effect relationship (Sayed, 2008:53) .

In order to fully realize democracy, overcome racial and class divisions and give effect to social transformation, there must be a change in conditions, institutions and attitudes, meaning that "structures and processes of educational change must be linked to changes in other social conditions and institutions" (Wolpe et al, 1991a:3). In particular it is proposed by amongst others Wolpe et al (1991), Weiler (1978) and Badat (2009) that education must be accompanied by and in concert with political and economic development strategies in order to give effect to social transformation, with Weiler stating that "there is little evidence to suggest that education … is likely to have an appreciable impact on the achievement of greater distributive justice in the society at large, as long as that society is under the influence of a relatively intact alliance of economic wealth, social status and political power which is interested in preserving the status quo" (1978:182).

It is recognised that education alone cannot overcome the schisms of history, class, race, gender, politics and geography that still fragment our national agenda, societal psyche and social fabric. However it is equally true that universal access to quality education is a "critical equalizer … for a nation like ours to defeat social ills such as poverty and inequality, we need a strong education system that empowers ordinary South Africans to respond with confidence to the imperatives of modern society (Mothlanthe, 2010a: 08)

Carrying forward privilege position poverty and prejudice

The challenges of repairing, re-orientating and re-building education post liberation in Africa generally has been well documented (Wang, 2003:3; Jansen, 2007; Van der Berg, Burger, Burger; de Vos, du Rand, Gustafsson, Shepard, Spaull, Taylor, Van Broekhuizen & Von Fintel, 2011) and particularly by Weaver, Rock & Kusterer (1997:167-171) who argue in their analysis of *Post Colonial Education Challenges in Sub – Saharan Africa* that Sub Saharan Africa specifically was severely handicapped by the actions and non – actions of their colonial masters and the subsequent post democracy drag of reconstruction. They explain that the colonial powers of Sub Saharan Africa invested the least, in comparison to other colonial powers, on education (Weaver et al, 1997:167). Post independence saw a concerted effort to increase access to education requiring significant expansion at a considerable cost (Weaver et al, 1997:168). However despite the massive public spend; return on investment has been low with education levels still lagging behind global standards (Jansen, 2011:100). This, according to Weaver et al (1997:168) is indicative of an inherent structural crisis of the education systems, "trapped by budget squeeze, enormous demographic challenges and efficiency and quality problems" (Weaver et al, 1997:168).

South Africa in particular suffered the brutal consequences and continues to bear the burden of the twin-legacy of colonialism and Apartheid entrenching a distorted, racially based, inferior education system, "one of Apartheid greatest crimes was the provision of substandard education to black people. Access to public education was limited and quality poor (Teffo, 2008:72; Maile, 2008:1; South Africa 2011a:05). The Weaver et al (1997) post colonial education crisis narrative is the story of South Africa's education tragedy, a wicked problem inherited from a wicked system.

South Africa currently has one of the highest spend of GDP on education at 5.4% (Jansen, 2011:99), attested by the budget 2011 "Education takes up the largest share of government spending – 21 per cent of non-interest allocations – and receives the largest share of the additional allocations." (Gordhon, 2011:9). Public spend in education since 1994 has enabled 64% of all public schools to be no – fee schools, 18 000 schools receive daily meals under the child feeding schemes, an ever increasing spend on 23 universities demonstrated by the increase from R7.1 billion in 01/02 to R15.3 billion in 08/09 (Jansen, 2011:9) and according to Jansen, "this

multi – pronged progressive and comprehensive budget for education would be the envy of any developing country" (Jansen, 2011:99).

Despite these reforms the quality of education remains disappointing (Naidoo, 2006:120; Bloch, 2008:126; Carter, 2008:22; Jansen 2011: 98; Van der Berg et al 2011:03). There is agreement as demonstrated by Wang (2003), that promoting education and health in most developing countries is difficult (Wang, 2000:3.) Post democratic South Africa has come a long way yet persistent problems bedevil the education system preventing the realization of constitutionally and legally enshrined rights, "By the age of eight there are already very large gaps in the performance of school children in the top 20% of the population versus those at the bottom 80%" (Van der Berg et al, 2011:03). It is argued that additional resources will not significantly improve the situation in poor schools. Most importantly for this study it is argued by Weaver et al (1997:169) that too large a portion of the budget is spent on higher education as opposed to primary education in violation of the rules of good public policy which requires the largest portion of public monies be spent on services with the largest social benefits (Dunn, 2010:226) and that access should not be denied on the basis of ability to pay.

It is noted that a South Africa post 1994 adopted a diametrically opposed position, as expressed by South African Deputy President K Mothlanthe, "A developing nation such as ours will be much better served by consistent investment in adult education" (Mothlanthe, 2010a 11).For van de Berg et al (2011), Badat (2009) and Jansen (2011) the problems lie deeper, are systemic and possibly related to factors such as management, motivation and expectations. Badat (2009) argues that unless South Africa acknowledges shortcomings, examines weaknesses, take accountability and consider innovative solutions for persistent shortcomings, "we will continue to deny millions of South Africans an education" (Badat, 2009:11). A position supported by the National Development Plan (South Africa, 2011c:05) which states that "the economy has failed to create jobs at the pace necessary to reduce extremely high unemployment, and the education system has failed to ensure that equalised public spending on schooling translates into improved education for poor black children. Raising educational outcomes and increasing employment levels would mean more opportunities for young people, higher productivity growth, rising incomes, increased tax revenue, less dependence on grants, reduced scope for the politics of patronage, greater social cohesion, higher levels of investment and more space for creativity" (SA The Planning Commission, 2011c:05).

EARLY CHILDHOOD DEVELOPMENT, INVESTING TODAY FOR TOMORROW

 "Unless Early Childhood Development is effective, the smallest component of education will result in the largest component of education to be unsuccessful or less successful." (Mothlanthe, 2011 08)

Defining ECD in South Africa

"Early Childhood Development (ECD) refers to a comprehensive approach to policies and programmes for children from birth to nine years of age with active participation of their parents and caregivers" (South Africa, 2001a:5) Subsequently this limited definition was expanded to "the processes by which children grow and thrive physically, mentally, emotionally, spiritually, morally and socially (South Africa, 1995a:ii, South Africa, 2001a:8).

The National Department of Education, building on the Education White Paper 1 on Education and Training (1995a), defined the national vision of ECD in democratic South Africa in the Interim Policy for Early Childhood Development (1996b) as the "bedrock for child and family life, as well as for future learning. It will be concerned with the holistic development of the young child and ensure an environment characterised by safety, protection, anti-bias and cultural fairness, so that attitudinal and psychological healing, reconciliation and the start of nation building can take place at a young age." (South Africa, 1996b:12). Progressing from the vision the White Paper No 5 on Early Childhood Development set out the purpose of ECD in 2001 stating that ECD is to "protect the child's rights to develop his or her full cognitive, emotional, social and physical potential" (South Africa, 2001a:8).

As part of the preparation phase of the review of the National Integrated Plan for Early Child Development 2005 – 2010, the Department of Performance Monitoring and Evaluation in the Presidency and the Inter-Departmental Steering Committee on Early Childhood Development commissioned a diagnostics review of the current state of ECD (South Africa, 2012b:2). The report proposed that the currently applied definition of ECD should be broadened to "all services that promote or support the development of young children. These range from infrastructural provision such as water and sanitation, social security, birth registration and health services to safe and affordable day-care, opportunities for children to learn together in structured programmes, and preparation for formal schooling." (South Africa, 2012b:3). With a separate definition as a sub set of ECD for Early Child Care and Education (ECCE) services, defined as "services and programmes that provide care and developmentally appropriate educational stimulation for groups of young children in centres and/or in community or home-based programmes" (South Africa, 2012b:3).

The ECD Impact

Evidence of the wide ranging and far reaching impact of quality ECD provision, has been reported over the last two decades (South Africa 2012b:3). Underscored by research, public policy statements credit quality ECD provisioning with an increase in capacity both educational efficiency and future earnings (Welborn, No date:2; Reynolds, 2001:2339; Barnett, 2008:4; Argue, 2008:1; Sayed, 2008:59; South Africa, 2001b:1; South Africa 2012b:15), increased development both in respect of health and longevity, (Welborn, No date:2; South Africa, 2001b:1; South Africa 2012b:15) and increased social adjustment both social interaction and good citizenship (Sayed, 2008:59; South Africa, 2001b:1; South Africa 2012b:15). Additionally ECD is attributed with reducing public spend by decreasing children's chance of school failure and providing early intervention for children at risk, showing signs of developmental lag and social problems thus reducing the need for more costly less successful later remedial services (Welborn, No date:3; Argue, 2008:1; Sayed, 2008:59) Linked to this ECCE attendance enables timely and appropriate interventions which can reverse the effects of deprivation and maximise the development of innate potential (Mseme, 2010b:15; South Africa, 2001b:15).

A significant number of experts concur with Heckman (2000) and Grantham–McGregor et al (2007) that early childhood development is indicative of a student's future school trajectory and professional achievement (Argue, 2008:1; Welborn, ND:2; Kiti 2008:106; Sayed, 2008:59). Kiki (2008) and Heckman and Grantham–McGregor concur that unless developing countries invest in ECD socio–economic development of the country will not be achieved (Kiki, 2008:106). This is because from birth to age 2 is the most important time for growth in the human brain (Shore, 1997; Welborn, No date:2; South Africa 2012b:15) with both local and international research showing that many children born into poverty may confront their greatest and most long lasting disadvantage during gestation and the first few years of life (Porteus, 2004:339). Equally the capacity to control emotions and form social attachments is formed by age 2 and by age 3 children have developed most of their capacity to acquire language (Welborn, No date:2; South Africa, 2001b:1; South Africa 2012b:15).

Those attending quality ECCE facilities have better language, maths and social skills on entering their first year of formal schooling (South Africa, 2001b:1; South Africa 2012b:15). This means that they are able to fully engage with schooling and its environment from the onset, increasing their confidence, scholastic achievement, extra curricula participation and social engagement. ECCE attendance in institutions with trained practitioners along with good parental involvement reduces reported abuse cases and increases good nutrition and physical health benefits (Welborn, No date:2; MAIMH, 2002; South Africa, 2012b:15). This results in reduced retention rates and use of special needs services (NRC, 2000). Those who have receiving quality ECD support score higher on mental tests consistently throughout their education and are more likely to graduate from a four year University / FET course (Welborn, No Date:2; FPG, 2000). By the age of 27 children who participated in ECD interventions have higher education completion rates, higher income, fewer arrests and less welfare participation (Argue, 2008; Schweinhart et al, 1993; Welborn, No Date:2).

 Consequently, an investment in ECD results in significant long term public saving by reducing the costs of crime, social support and remedial education (Argue, 2008; Welborn, No Date:2; Sayed, 2008:59). However a

number of researchers, typified by Renolds (2001) and Barnett (2008) emphasise that the positive impact of ECD on an individual is not incremental to the number of years of ECD education attended.

Children are not the only primary beneficiaries of ECD provisioning, parents and child carers are freed to take up opportunities to further their education or seek employment. This dramatically increases the status of impoverished families in particular and contributed to the breaking of persistent intergenerational poverty (Thabiso, 2004*:*4; Maile 2008:161; South Africa, 2012b:15). Additionally the expansion of ECD services "provides opportunities to create work and potential career opportunities"(South Africa, 2012b:15).

Early Childhood education has immense educational and wider social benefits and its extensive provision must be a policy priority. The Nobel Prize winner for economics James Heckman writes that "it is a rare public policy initiative that promotes fairness and social justice and at the same time promotes productivity in the economy and in society at large. Investing in disadvantaged young children is such a policy (Badat, 2009: 9). However in South Africa 85% of a child's capacity for learning is determined before age 5, while 95% of public investment in education occurs after age 5 (Mseme, 2010a:9; Welborn, No Date:3)

CURRENT DELIVERY

The public ECD competency is principally the province of four national departments namely the Department of Education, Heath, Social Development and the Department of Women, Children and People with Disabilities in the office of the President. The Department of Education is primarily responsible for the 6–9 age cohort, with the Department of Health and Social Development primarily focusing on the 0–5 age cohort (South Africa, 2001c:5). The Department of Women, Children and People with Disabilities is mandated to play an oversight role.

This sharing of ECD service provisioning requires effective inter–sectoral cooperation in policy development and strong partnerships in delivery. According to the Department of Education's nationwide audit of ECD provisioning in South Africa (2001c) collaboration was a "striking feature" of the ECD sector (South Africa, 2001c:5) with 17% of provision provided by government and 83% by NGO's (South Africa, 2001c:5). It is noted that this trend has remained evident in the Rudolph and Berry study (2012) that ascertains that the government provides 40% of ECD provisioning and NGO's 60% (Rudolph & Berry, 2012:13). The increase in the percentage of public provisioning relates to the introduction of Grade R.

In respect of accurately analysing and profiling the ECD sector, Proteus contends that "it is not possible to definitively delineate and describe the extent and nature of ECD service provision either, pre or post 1994" (Proteus, 2004:347). However two studies, while dated, are generally referred to by both policy makers and experts alike (City of Johannesburg, 2006), as indicative of the current provisioning status namely the more narrowly focused 1992 Work Bank and Centre for Education *Policy Development* (Padayachee et al, 1994) and the larger more in-depth Department of Educations' national *ECD Audit* (South Africa, 2001c). In recognition of South Africa's rapid transformation over the last decade, the extension of public provisioning and review of national prioritise, this study has where available and reliable included more current data even though these more recent studies are limited in size or scope.

Size of provisioning

The results of the ECD Audit was published in 2001 (South Africa 2001c) and found that nationally only 16% of children between the ages of 0 – 6 years old attend ECD centres regularly (South Africa, 2001c:35).This can be further disaggregated with 21% of 5 – 6 year olds, 15% of 3-5 year olds and 5% of children under 3 recieving ECD provisioning (City of Johannesburg, 2006:20). According to Statistics South Africa's *Mid-Year Population Estimates*, 2011 of the 50 586 757 people in South Africa (South Africa, 2011e), 18 million are children and of these 27 % are under the age of 4 years (Moruane, 2012:6). The *Diagnostics Review of the ECD Sector* (2011) stated that" more than a million children under the age of four are attending an out – of – home programme" (Richter, 2011:22). The Department of Social Development estimates that currently 32% of eligible children

attend ECD facilities (Skosana, 2012:5). It must be noted that the increase between reported enrolments in 2001 to enrolment 2012 could in part be attributed to Grade R enrolment. A key consideration in respect of current provisioning is that the Southern and Eastern African Consortium for Monitoring Educational Quality (SACMEQ) suggests that 43% of learners of families in the poorest 20% of our population have little or no access to ECD provisioning while 85% of learners from the richest sections of the South African population receive at least one year ECD education (Jansen, 2011:100)

Extent of current provisioning

As reported by the *ECD Audit* (South Africa, 2001) the 1,030,473 children attending ECD (South Africa, 2001c:35) are enrolled in 23 482 ECD sites nationally with the majority of these being located in urban areas (60%) and in the provinces of Zulu Natal (24%) and Gauteng (23%).

TABLE 1 : PROVINCIAL DISTRIBUTION OF ECD SITES NATIONAL ECD AUDIT 2001

Province	No of Sites
Eastern Cape- EC	3 231 (14%)
Free State- FS	1 665 (7%)
Gauteng- GP	5 308 (23%)
KwaZulu-Natal – KZN	5 684 (24%)
Mpumalanga – MP	1 367 (6%)
Northern Cape – NC	422 (2%)
Limpopo- LP	1 987 (8%)
North West – NW	1 174 (5%)
Western Cape – WC	2 644 (11%)
South Africa	**23 482 (100%)**

(South Africa, 2001c:28)

Training

In respect of training the, the *National Audit* 2001 (South Africa, 2001c) found that only 12% of care givers had the requisite qualification, with 23% having had no training at all, 7% had a non ECD related qualification and the majority of 43% had undergone various NGO run training (South Africa, 2001c:41).

TABLE 2: QUALIFICATION LEVEL OF ECD CAREGIVERS NATIONAL ECD AUDIT 2001

Qualifications	No training	NGO training	Under qualified	Qualified	Non – ECD qualification	Total
Frequency	11033	20730	7563	5620	3615	48561

(South Africa, 2001c:41)

It appears that the extent of the training gap has yet to be bridge, despite the efforts of the EPWP ECD practitioners training programme. In respect of the EPWP programme, the Department of Social Development reported that almost "18 000 ECD practitioners have been put through ECD levels 1-5 training in partnership with the ETDPSETA (Skosana, 2012:5). The Expanded Public Works Programme (EPWP) adopted in 2003, is a component of governments strategy to reduce poverty. The aim of the EPWP ECD programme is to "skill 19

800 practitioners over 5 years, thereby increasing their capacity to generate an income and at the same time improve the care and learning environment of these children" (City of Johannesburg, 2006:31).

The more recent UNICEF study (2011) did not determine the percentage of trained to untrained caregivers and practitioners, however of those that have undergone further education 15% have completed a short course on ECD, 17%, 20% and 13% obtained an ECD certificate Level 1, 4 and 5 respectively, unspecified courses 8%, diplomas 7%, university degrees 22%, postgraduate diploma 4% and postgraduate degree 0.6% (UNICEF, 2011:36).

Quality of ECD provisioning

The positive impacts of ECD will not be realised unless there is a "learning – rich environment" (Potterton, 2012) or more specifically, as indicated by Hasina Ebrahim, an ECD expert at the University of the Free State and deputy chair of the South African Research Association for Early Childhood Development" You don't want to squeeze vulnerable children into an environment that further marginalises their development potential. We have access but access to what" (Ebrahim, 2012).

The training level of ECD practitioners and care givers is one of the primary contributing factors in the quality of ECCD provisioning, others include level of infrastructure, provision of equipment, access to services, nutrition provided and learning programme administered. A key indicator of the quality of provisioning at an ECD centre is its registration status. Registration refers to 3 centres of compliance; local government permitting, Department of Education registration and Department of Social Development registration (Thabiso Consulting, 2008:5). While the *National Audit* 2001c (South Africa, 2001c) found that a total of 64% of sites were registered, 72% of these were Grade R providers (South Africa, 2001c:32). The City of Johannesburg's 2008 profile of provisioning reported that 42% of ECD sites were registered with one or more of the three certification centres but of that only 5% were registered with all three and the vast majority only registered at the Department of Social Development to receive subsidies (Thabiso Consulting, 2008:5).

In respect of quality of the education programme provided the UNICEF study (2011) rated 29% of registered and 11% of unregistered community facilities as providing a good quality education programme (UNICEF, 2011:vi). A key consideration in assessing the quality of provisioning in the education sector is the number of children per class. In respect of class room size 20% of registered community-based and 7% of unregistered community-based facilities had more than 40 children per classroom, in comparison to the norm that has been set at 20 per class for pre-Grade R (UNICEF 2011, VI).

FIGURE 3: INFRASTRUCTURE AUDIT BY ENROLLED POPULATION NATIONAL ECD AUDIT 2001
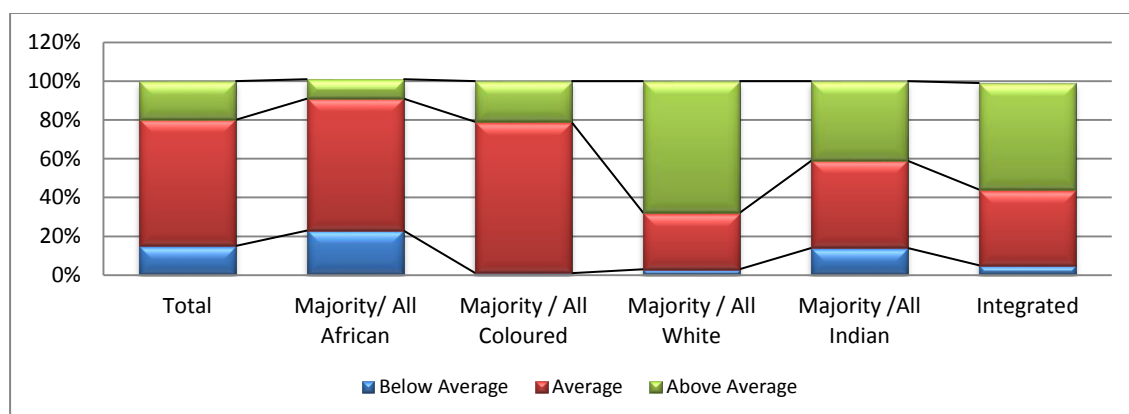
(South Africa, 2001c:47)

The findings of the national *ECD Audit* 2001 and the UNICEF study 2011 are similar in respect of the skewed demographical correlation to the quality of infrastructure. The UNICEF study found, not surprisingly, that the

condition of infrastructure in unregistered ECD facilities was poor and maybe a significant factor in preventing these centres from legalise their status (UNICEF, 2011:61). This mirrors Laryea–Adjei (2008) assertion that there is a relationship between quality of provisioning and the registration status of the ECD centre (2012:18)

Finances and Funding

Learner fees have consistently been the principle source of income for ECD. In 2001 it was reported that more than 25% of sites had no other source of income. In respect of fees, 90% of ECD sites did charge fees however almost half of these surveyed in the national *ECD Audit* (2001c) indicated that fees are not regularly paid despite a third of these only been R25 per month or less (South Africa, 2001c:34)

FIGURE 4: PAYMENT RATES NATIONAL AUDIT 2001
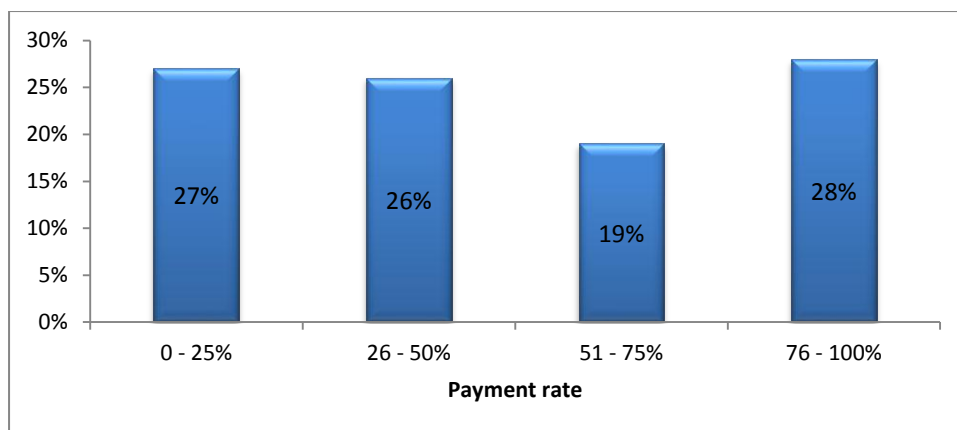
(South Africa, 2001c:33)

According to the City of Johannesburg's study conducted in 2006, 50% of ECD sites surveyed are totally dependent on parent's fees that are less than R50.00 per month with a low regular payment rate (City of Johannesburg, 2006:43). The 2011 study by UNICEF into *Tracking Public Expenditure and Assessing Service Quality in Early Childhood Development in South Africa*, found that monthly fees for 2009 were an average of R143, ranging from R58 per month in the ECD sites servicing the poorest communities to R531 in the richest (UNICEF, 2011:iii).   Low fees and low payment rates is a featured of ECD sites particularly in low income communities placing a significant number of ECD centres in a continuous perilous financial position.

FIGURE 5: PERCENTAGE OF INCOME RECEIVED BY ECD CENTRES FROM ALTERNATIVE SOURCES OF FUNDING
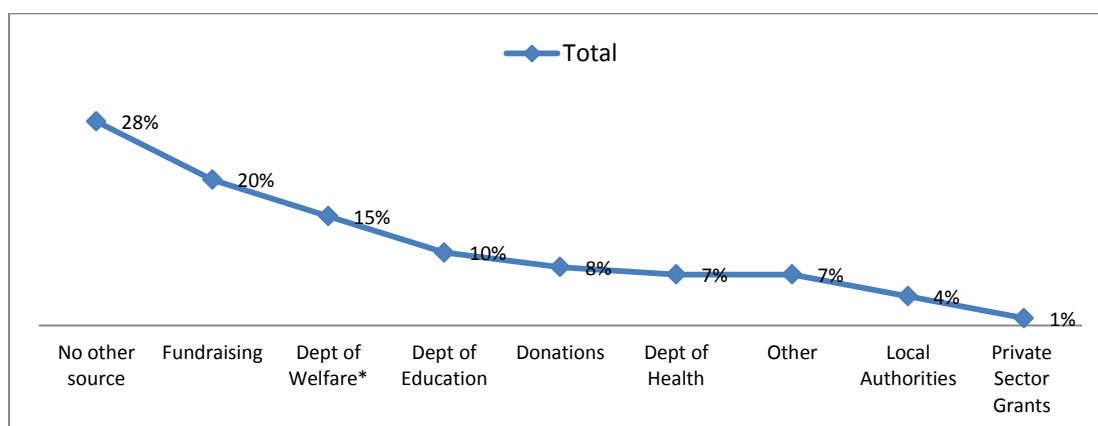
(South Africa, 2001c:33)

Public Expenditure and Funding channels

It is not possible to precisely calculate the public budget allocation and actual expenditure on ECD. This is due to several factors mainly because ECD cuts across a number of departments and is often located in larger programmes. In the absence of an ECD master framework, there are no identifiable ECD line items against budgets. In the same way local government does not specifically account for ECD expenditure and according to Richter et al (2011) in the main do not fund ECD activities.

While it is not possible to ring fence and examine the ECD funding streams in Department of Social Development (DoSD) and Department of Basic Education (DBE), the total DSD budget for per child subsidies, transfers to NPO's and EPWP programmes, recognising the probability of double counting, is estimated at around R1.2billion per annum (Richter et al, 2011:34). Additionally government has allocated about R1 billion per annum for children under six in the ever increasing Child Support Grants (CSG) budget. The total GDE budget for Grade R only is recorded as R3.3 billion per year, both the DBE and DSD has reported a substantial increase in ECD related spending, "far exceeding inflation" (Richter et al, 2011:34). The Department of Health has multiple ECD related programmes, unfortunately they do not collect expenditure data by age group of beneficiaries.

The National ECD Audit (2001c) reported that the DoSD subsidy programme in 2000, costs an estimated "R50 652 per site per annum" (South Africa, 2001c:18).The Department of Social Development reported in 2005 that it provided support to a total of 8,429 registered ECD sites and subsidised a further 4,612 sites to a total amount of R360,819,317 throughout the country (South Africa, 2005:24). By 2011 this number had substantially increased and of the estimated more than a million children under the age of four that are attending an out–of–home programme, 467 000 receive a means test subsidy in 18 826 registered centres (UNICEF, 2011:2; Richter, 2011:22). This calculates to about 2 in 5 children (0-4 years old) in any crèche or preschool receiving a subsidy (Richter, 2011:24). In 2011, DSD subsidies accounted for 41% of all income into the ECD sector (UNICEF, 2011:42)

While there are a number of public subsidies available to ECD centres, experts and practitioners have consistently highlight key challenges. Taking into consideration the significant amount of children needing ECD, the high level of poverty and the number of at risk children "government funding to this sector is minimal" (South Africa, 2001c:35). As pointed out by Richter et al (2011) while it is clear that more funding is required in the absence of ECD provisioning costing and population mapping of the actual need, it is impossible to determine the actual shortfall (Richter et al, 2011:35).

The Diagnostics Review of the ECD Sector (2012) reports that children between the age of 3-5 are eligible for subsidised attendance at early learning and care centres but only if the centre is registered, is an NPO and parents can afford the school fees (Richter, 2011:22). Access to funding is hindered through exclusionary stipulations with criteria requiring being registered and having to comply with a lengthy and bureaucratic application process and subsequent administratively burdensome reporting process (City of Johannesburg, 2006:31). It is argued that the most vulnerable children attending the most poor equipped ECD facilities are the least likely to benefit from these public subsidy schemes.

Cost of ECD services

Limited data is available on the actual cost of ECD provisioning with all studies (South Africa, 2001a; City of Johannesburg, 2006; Thabiso Consulting, 2008; UNICEF, 2011; Richter, 2011) reporting that ECD centres do not have adequate administration and accounting systems with very few ECD practitioners having any business skills resulting in "weak bookkeeping being endemic" (UNICEF, 2011:vii). The 6 main expenditure categories that were identified by the UNICEF study in decreasing order of total expenditure are salaries (51%), other (30%), food (15%), LTSM (3.2%) and rent (0.5%) (UNICEF, 2011:44).

The City of Johannesburg's prefeasibility investigation into the development of an institutional model and training programme for ECD (2006) reported costs in relation to the EPWP training programme and particularly that creating a work opportunity in ECD cost R23 520 for a learnership and R19 000 per person per year for a skills programme (City of Johannesburg, 2006:37). According to the DoSD and as a result of a Ministerial Determination wages for ECD caregivers have increased by 100% between 2004 and 2008 (Skosana, 2012:5) however they are still low considering in 2001 just under half of all ECD educators earned less than R500/month (South Africa, 2001c:54).This has been confirmed by the UNICEF 2011 study which found that practitioner working in community ECD facilities were paid an average of R2 170 per month for staff and R3 063 per month for principals (UNICEF, 2011:iii). It is noted that this study found that where ECD facilities are part of a public school and wages paid by PERSAL they were more than double than those of their colleagues working for community ECD sites (UNICEF, 2011:iii)

DELIVERY CHALLENGES

ECD is a constitutional right

The South African courts have confirmed that "a rights-based framework requires that the state must bear and fulfil responsibility for the realisation of services necessary to give effect to rights protected by the Constitution" (Martin, 2012:4). The components that constitute ECD enjoy an elevated constitutional status including health, education, nutrition and social services. Most importantly Section 28 (South Africa, 1996:13) and Section 29 of the Constitution (South Africa, 1996:14) have determined that these rights are not progressively realised unlike other socio – economic rights. Effectively this means that these rights should be immediately available and universally accessible to all children in South Africa (Richter et al, 2011:27; Martin, 2012:5).

However the current approach adopted and articulated in the Children's Act is premised on "the philosophy of progressive realisation" (Martin, 2012:5). This is evident in Section 4(2) of the Act which stipulates that government must take all reasonable measures within the available resources and furthermore in Section 93 (1) Provincial MECs for Social Development are not required to but may provide and fund early childhood development programmes. The constitution therefore places a clear obligation on the state to take all legislative and support action to ensure the realisation of the rights guaranteed in the constitution including appropriate, well developed policies, effective plans and programmes that are implemented (Richter et al, 2011:21).

Following on from the Constitutional Court Grootboom judgement, it is incumbent on the state to make provisions to secure the rights guaranteed in the Constitution of South African of 1994 particularly for the most vulnerable members of the ascribed communities including if required special and additional measures (Martin, 2012:6)

Just not enough

"*One of the factors that limit access to education for the poor is the availability of schooling*" (Sayed, 2008: 60)

The Department of Social Development has reported that currently approximately 3,2 million children between the ages of 0–4 years old do not receive any ECD services and the majority of these are vulnerable children living in poor communities (Motshekga, 2005:11; Skosana, 2012:5; Richter et al, 2011:22; South Africa, 2012a:300). Government mainly attributes the uneven distribution of ECD sites, according to the National Development Plan 2030, to the majority of ECD facilities being privately owned (South Africa, 2012:498). The National Development Plan 2030 predicts that by 2030 about 7 million children under the age of 6 will call South Africa home (South Africa, 2012a:297), of these 4 million will be under the age of 3, 2 million in the age cohort 4 – 5 years and just less than 1 million 6 year olds (South Africa, 2012a:298). While the majority will reside in urban areas, a significant number will still live in rural areas.

The *National Development Plan 2030* (2011) calls for 2 years of compulsory quality preschool enrolment for 4 and 5 year olds (South Africa, 2012:300) and further to provide universal access to good quality ECD provisioning for all 0 – 3 year olds. This means that in addition to closing the existing gap (Motshekga, 2005:11; Skosana, 2012:5) provision for the two new ECD compulsory grades will have to cater for 2 million children requiring 100 000 new teachers and with an ideal class size of 20 (Mail & Guardian, 2012:5), 50 000 new classrooms.

Children left out

The Diagnostics Review of the ECD Sector (2011) estimates that only 20% of the poorest 40% of households in South Africa has access to some form of out of home care including ECCE programmes and centres (Richter, 2011:22). The City of Johannesburg has calculated that approximately 59.2% of children living in the city that do not have access to ECD services live in dire poverty (City of Johannesburg, 2006:31). For children often the decision of whether they are have access to ECD services or not is dependent on their race, age, the families economic status and the province they live in (Williams & Samuels, 2001; Richter, 2011:22; Morunae, 2012:12; South Africa, 2012a:300). Therefore research shows those children who are, black, aged 0 – 4, are disabled, living in poverty in rural areas are 80% less likely to access ECD programmes or centres.

For children with disabilities the obstacles preventing access is even greater with limited provision in both mainstream and specialized facilities (Richter, 2011:25). The Department of Women, Children and People with Disabilities in the President's Office reported that only 9% of children with disabilities access ECD services (Moruane, 2012:5). Recognizing the challenge it must be note that this is a considerable improvement on the 1% of children with disabilities who attended out of home ECD centres in 2001 (South Africa, 2001c:40).

Access, but to what?

It would be incorrect to assume that attending an ECD centre is sufficient, the quality of provisioning is as important as access. Numerous experts (Martin, 2012; Khosa, 2010; Laryea–Adjei, 2012; South Africa, 2012a:300) strongly voiced concern in respect of the quality of provisioning best described by UNICEF as , "evidence showed that there was reason for serious concern about the quality of the services offered by ECD facilities" (UNICEF, 2011:2) in South Africa. The Department of Education, believes that ECD has not only suffered from continued fragmentation and marganilisation , but the predominant model of provisioning has been "inherited from a white, Euro – centric, middle class context" (Hornby, 2005:11). ECD particularly in poor communities often provides babysitting services as opposed to catering to children's health, nutrition, education, psychosocial, social and exercise needs (Thabiso Consulting, 2009:8). Symptomatic of the quality challenges present nationally, the City of Johannesburg profile of ECD service provision (Thabiso Consulting, 2008) found that although 88% of the ECD sites surveyed responded yes to having a comprehensive, formal, documented daily programme, it was found that less than 33% could provide any evidence of such a programme and only 18% of sites had adequate inside educational learning equipment and outside play equipment (Thabiso Consulting, 2008:23). Even if rates of participation are high, a key consequence of low levels of quality education is high levels of repetition in higher schooling, low levels of retention and low rates of completion (Sayed, 2008:60)

Funding but not for fees, buildings or people

There does appear to be a consensus that the funding available is neither adequate (Martin, 2012:9; Giese & Budlehder, 2012:6-10) nor addressing the priority needs of the most vulnerable children (Richter et al, 2011:22)

Sayed (2008) argues that while improving access and quality of education is vital, it is not sufficient to address the challenge of providing education to the poor (Sayed, 2008:61). The key lies in reducing the cost of education both in terms of direct and opportunity cost.

Although subsidies are means tested, inequality persists and is compounded by the State not providing for infrastructure development, start up costs, nor remuneration, all critical in those communities of greatest need (Richter et al, 2011:24; Giese & Budlehder, 2012:15, Laryea–Adjei, 2012:18)   According to public funding criteria ECD facilities are only eligible if certified (Richter et al, 2011:21). Obtaining certification to a large extent depends on a high set of standards (Giese & Budlehder, 2012:6-10) including having highly developed infrastructure. This precludes illegal sites from obtaining funding as they are not able to comply (Giese & Budlehder, 2012:13). Equally funding is not available for all categories of ECD expenses and in particular staff wages, thus requiring ECD facilities to charge fees. The 2001 ECD Audit found that 75% of ECD centres were fee based, which has since risen to 100% by 2011 (UNICEF, 2011: iii) despite the subsidy (UNICEF, 2011:44).

Therefore the current subsidy regime privileges those children who can access centre-based services and whose families can afford fees (Sayed, 2008:60; Richter, 2011:24) at the expense of those children most in need, of indigent parents who cannot afford fees, are most often excluded from ECD services. There is no subsidy standardisation across provinces with Giese & Budlehder (2012) demonstrating that the DSD subsidy in North West is set at R1800.00 with Western Cape being R3000.00 (2012:20). This perpetuates social, economic and individual inequalities between regions of the country and between families (Richter et al, 2011:35).

Good Public Policy

"85% of a child's capacity for learning is determined before age 5, while 95% of public investment in education occurs after age 5" (Mseme, 2010:9).

Despite the long term societal returns generated by ECD expenditure, the public investment remains disproportional low in comparison to public investment in higher education. It is estimated that "almost three times less is spent on early learning and care (excluding Grade R) than on primary education and nine times less than tertiary education" (Richter et al, 2011:40). Richter et al argues that a "better public value balance" (2011:23) would be achieved with state funding of 0 – 2 years old however the current state subsidy paradigm favours children from 3 – 6 years old. Despite Richter et al (2011) research being commissioned to inform the National Development Plan, it appears that the decision has been made to not only maintain the status quo but extend state support to the 4 – 5 year olds as recommended in the National Development Plan – Vision 2030 with compulsory ECD enrolment (South Africa, 2012:300)

FIGURE 6: EXPENDITURE PER CHILD/STUDENT ENROLLED IN EDUCATION AS A % OF GDP PER CAPITA
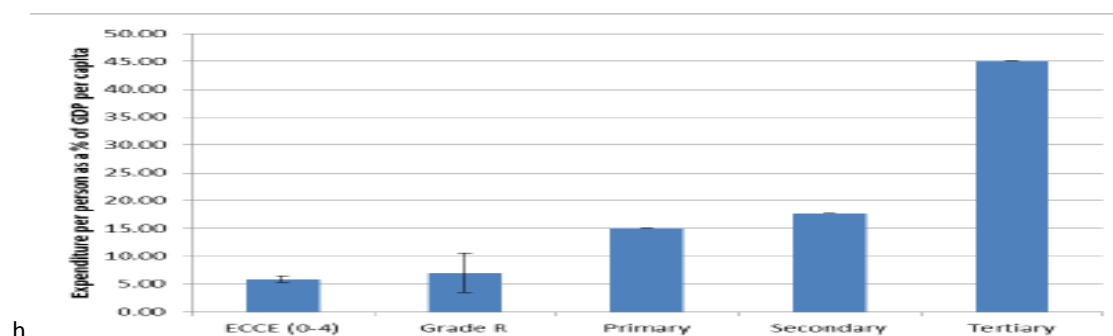
Fragmented and uncoordinated

 Proteus (2004), Argue (2008) and Richter et al (2011) argue and as reflected in the National Development Plan – Vision 2030 (2012a:300) that while there are references in all ECD related policies to coordination between the various line Departments no lead responsibility has been mandated, no coordination mechanism identified and only dependency subsidies rather than development funding provided. Martin (2012) asserts that the state is not compliant with their own policy as they have failed to secure integrated and coordinated policy development, programme implementation and adequate resourcing (2012:9). Martin goes further to state, a

position supported by Richter et al (2011) that this state of fragmentation and un-coordination contributes towards the state failing to meet the reasonableness requirement set by the Constitution (Martin, 2012:9).

Where is local government?

Local Government is recognised as the delivery nexus for public development programmes (South Africa, 1996:81; Kotz and Taylor, 2010:206; SALGA, 2011a:10), and yet their role in ECD appears to be non compulsory, generally limited to by law enforcement and mostly tacked on to poverty alleviation objectives, vulnerable children protection programmes and women and youth empowerment budgets. Giese & Budlehder (2012) point to the absence of ECD in IDP's across local municipalities as indicative of the absence of ECD in the strategic agenda at the local government sphere (Giese & Budlehder, 2012:6-10)

Ignoring the enterprise development opportunity

It has been strongly argue and in particular by Proteus (2004:258) that the White Paper on Education and Training (South Africa, 1995) ignored the findings of the national *ECD Audit* and in particular that ECD is a source of employment for women with 80% of ECD services being provided by community based organizations. The policy position has been made in favour of a school–based reception year or Grade R at the expense of women empowered community–based centres. This has resulted in a shift of funding, training and enrolment to public primary schools away from micro and small women owned ECD enterprises.

Training dictated by market forces

With the introduction of universal accesses to Grade R there has been a marked shift in emphasis, funding and posts. This has resulted in many training providers "eliminating their ECD programs and focusing on the Foundation Phase, Grades 1-3" (Argue, 2008:4).

The social cluster, namely Department of Health, Education and Social Development, developed an integrated Strategy which includes training of ECD practitioners through the EPWP. Two challenges in respect of this programmes has been identified, first in relation to the strategy intention of not offering training up to a equivalent diploma level (Argue, 2008:4) and on an implementation level it has yet to reach its number of persons trained target.

In the absence of business administration skills

The UNICEF study into *Tracking Public Expenditure and Assessing Service Quality in Early Childhood Development in South Africa* (2011) found that less than half of all ECD sites surveyed kept a record of petty cash and even fewer kept any kind of financial records (UNICEF, 2011:ii-iii). Early Childhood Development Centres were seen as a low barrier entry new venture creation, located in the township that allowed women in particular to enter into and fully participate in the economy by Local Economic Development Departments. Research conducted by Mseme (2010) in the City of Johannesburg provides evidence of how women were encouraged to open ECD centres in the absence of educational or business capacity or support mechanisms.

The result has been the "mushrooming tendency of ECD facilities or centres in almost every corner in the township and various communities; existing for a short period if funds get drained and children relocate to another centre or development disrupted" (Moruane, 2012:13). Equally the provincial subsidy claim process remains manual, labour intensive and bureaucratically bound resulting in late payments, incorrect payments or no payments at all (Giese & Budlehder, 2012:14).

The uncooperative cooperative governance

"*While children's rights have formed a central conceptual pillar for post – apartheid policy development ECD has generally been relegated to the periphery of policy attention*" (Porteus, 2004: 339).

Despite research, draft guidelines, polices and plans a major challenge continues to be the fragmented government response to ECD (Richter et al, 2011:26; South Africa, 2001c:10) with a persistent absence of an integrated inter-departmental implementation framework and clear coordination between the relevant departments.   (Richter et al 2011:22; City of Johannesburg 2006:31). The differing and often contradictory sets of department requirements pose enormous challenges for ECD sites and create a number of complexities with regards to achieving compliance of ECD sites (Marock & Train, 2007:5; Giese & Budlehder, 2012:17).This has resulted both in a duplication of authority and a vacuum of responsibility described by ECD practitioners as" bureaucratic negligence that has chronically denying access to services to children in the townships" (Argue, 2008:9) while there is an "over regulation of detail such as the size of a toilet (Thabiso, 2009:4).

Mind the gap of information

Currently the majority of early learning and care services tend to be area – based, small scale and servicing a limited geographically determined community. There are as yet no "exemplary models of integrated ECD planning or service delivery at scale" (Richter, 2011:24). In the absence of the study of practical implementation, analysis of consequences and development of best practice in a South Africa context, the process of policy review is flawed and improved policy making limited (Dunn, 2008:1). The lack of large scale, in-depth and update analysis in respect of ECD generally and provisioning into poor communities in particular hampers the effective development of policy (Dunn, 2010:20), budgeting of programmes and evaluating progress (Morra Imas & Rist, 2009:112). The findings of the *National ECD Audit* (2001) as highlighted by Porteus (2004), is under representative of poor communities, has not included illegal ECD sites and has neither enumerated nor asses the quality of programme (Porteus, 2004:348). Subsequent studies such as those conducted by the City of Johannesburg, are narrow in respect of size, geographical area and scope. This limits the value of indicative analysis and hinders relevant policy arguments being formulated (Dunn, 2012:20)

WHERE TO FROM HERE?

The history of ECD in South Africa

Historically the majority of children in South Africa were born into deprivation, poverty, adversity and inequality (South Africa, 2001c:10; Richter, 2011:20). Their development was severely inhibited by a range of political, social and economic inequalities and inadequacies inherent in the Apartheid system and structures. Poverty with its consequential low levels of nutrition, inadequate access and poor quality of health care and education, a lack of basic community infrastructure and low household resources particularly stunted the growth and development of young children (South Africa, 2001c:10; Richter, 2011:20).

Under the Apartheid, ECD was considered the responsibility of parents generally and mothers in particular (City of Johannesburg, 2006:13). As a consequence the sector was marginalised, devalued and fragmented. While the previous regime did to a limited degree make provision for those children classified as white, black children were excluded and vulnerable (South Africa, 2001c: 6; Richter, 2011:20). An unintended consequence has been the emergence and growth of a vibrant NGO sector that filled the vacuum in the ECD sector arising from governments neglect (2001c:10). Post normalisation these NGO have continued to advocate, support, facilitate and provide services and training into the ECD sector, making a significant contribution to the governments endeavour to provide holistic care for all South African children.

The importance of ECD has significantly increased in democratic South Africa with an intrinsic and distinct belief in the principles of community social responsibility. A key element of this paradigm of social justice was the conviction to redressing the past inequalities practiced against children and afford all children their "full

rights and every opportunity to meet their full potential (City of Johannesburg, 2006:13). The National ECD Audit (2001) described the approach to ECD adopted post normalisations as being "strongly committed to the holistic development of children and intent on finding creative and appropriate ways of addressing the developmental needs of all South African children" (South Africa, 2001c:11)

However the democratic South African government "inherited a fragmented education system designed to fail the poorest of South Africa's children" (Argue, 2008:3). Between 1994 and 2001, more than 30 polices, pieces of legislation, programmes and projects were enacted "demonstrating government's commitment to help improve the conditions in which children live and their prospects into the future" (Richter, 2011:20).

Argue , (2008) argue that because of this proliferation of polices and acts by numerous departments that were responsible for one aspect of a multidimensional field, access to programmes has not dramatically increased, quality remains poor, public action remains fragmented and "bureaucratic negligence" continues (Argue, 2008:1).

ECD in the public sphere: legislation, mandate, competencies and future plans

The genesis of the Governments position on and response to ECD can be found in the South African Constitution (1996), which enshrines the rights of young children including "their right to basic education, health care, nutrition and security" (South Africa, 2001c:14). The constitutions locates children in the centre of development with most of the components of ECD enjoy an elevated constitutional status including health, education, nutrition and social services. Most importantly Section 28 (South Africa, 1996:13) and Section 29 of the Constitution (South Africa, 1996:14) have determined that these rights are not progressively realised unlike other socio – economic rights (South Africa, 2001c:8; Martin, 2012:5).

In order to realise the rights conferred by the Constitution of 1994, the government had by 2001 enacted 30 separate pieces of policies, laws and programmes aimed at improving the conditions under which children live and grow (Richter, 2011:10) across all three spheres of government. In further strengthened South Africa's commitment to the development of children a number of international and regional rights instruments have been signed including; the African Charter on the Rights and Welfare of the Child, the Convention on the Rights of the Child, Education for All and the Millennium Development Goals (Richter, 2011:26; South Africa, 2001c:7)

 It is not in the scope of this study to undertake an in-depth detailed ECD policy review and analysis bearing in mind the cross sectoral competence and fragmented nature of ECD provisioning which has lead to the vast number of policies, acts and programmes that have been implemented post 1994 . This study will focus on those policies and processes that have determined the national ECD agenda, arrangements, prioritise and provisioning. A detailed study by Proteus (2004) and a more summarised narrative in Argue (2208) provides for a more comprehensive chronological analysis of the South African ECD policy development path.

One of the most important determinates of the ECD policy framework was the pre 1994 National Education Policy Investigation (NEPI) established to investigate education policy options located within the broad objectives of the mass democratic movement. One of the 12 reports produced specifically dealt with ECD. The NEPI recommendations contributed to the formulation of the national ECD policy position in three key areas; it located ECD in the rights based approach both in respect of children's rights to " live and develop to their full potential" (NEPI, 1993:116) and women's rights "to have choice and control over their own lives" (NEPI, 1993:116) and it motivated for a "partnership in financing of ECD services between the state, households and the private sector" (Proteus, 2004: 351) with the final responsibility resting with the state. Finally NEPI strongly motivated for an increase in public expenditure to redress and extend equitable service provision.

The Constitution of South Africa of 1996 sanctioned and strengthened the irrevocable transformation of every aspect of the South African society, most importantly in respect of guaranteeing human and by extension children's rights. These principles have been articulated in the White Paper on Education and Training (South

Africa, 1995a) that identified ECD as a priority, committed government to free and compulsory education and introduce the reception year for 5 year olds (Proteus, 2004:352).

 In 1996 the Department of Basic Education released the Interim Policy on ECD (1996b) which establish the broad policy statement for ECD, including advocating working partnerships. In 2001 the Department of Basic Education conducted a national ECD Audit (2001c) and implemented the Impilo Pilot Project. The latter, important because it was used to justify the future policy determinations of subsidies (Proteus, 2004:353), despite subsidies not being part of the pilot. In 1997 a new funding model and procedure was implemented in terms of which subsidies were allocated per capita (Grade R) replacing the subsidy through posts system previously applied. While the new system is more equitable Argue (2008) contends that it has disadvantaged small community – based ECD facilities catering for younger learners (Argue, 2008:4),and is not sufficient to attract qualified teachers into township schools with Grade R classes. Similarly Proteus (2004:354) points to The Education White Paper (5) on Early Childhood Development (South Africa, 2001a) that singles out 5 – year olds for provisioning at the expense of pre – reception years thereby effectively shifting the challenges of ECD provisioning in part to already over burdened public schools and the remainder largely to Social Development for subsidies.

The Children's Act No 38 of 2005 broadened the definition of Early childhood development to mean, the process of "emotional, cognitive, sensory, spiritual, moral, physical, social and communication development of children from birth to school going age" (South Africa, 2005b:152). The Act instructs the Minister of Social Development to compile a national strategy in consultation with all relevant and interested Departments and further delegates ECD as a Provincial co – competence. This gave rise to the National Integrated Plan for Early Childhood Development in South Africa – Tshwaragano Ka Bana (2005-2010**)** developed in partnership by the Department of Social Development with the Department of Education, Department of Health and the Office on the Rights of the Child (Richter, 2011:26). This strategy took significant strides towards a more holistic and integrated approach to ECD (SA 2005b:26) in South Africa by requiring synergistic policy making, collaborative programme development and joint programme implementation *(*South Africa, 2005b:5). Further to this ECD has been identified as a priority focus in the Expanded Public Works Programme, with the focus on training in particular.

Most importantly, The National Development Plan-Vision 2030, (2012) has strategically and decisively articulated the significant role of ECD generally and for the development of vulnerable children in particular. It has recommended that the definition of ECD be expanded to include all the development needs of children and this broader definition for the basis of all ECD strategies employed in South Africa. It has assigned the core responsibility for ECD to the Department of Basic Education with the continue requirement placed on relevant departments to provide strategic support services and has determined that "resources allocation should gradually reflect the changes in institutional responsibility for early childhood development." (South Africa, 2012:302). The National Development Plan – Vision 2030 calls for the extension of ECD services to all children under the age of five (South Africa, 2012:28), that development of infra structure and services must differentiate and be responsive to the specific needs of urban and rural children (South Africa, 2012: 300) and that programmes must cater for specific age groups with a recommendation that children 0 – 3 years old are best "served through clinic, home and community based programmes" (South Africa, 2012:300) and 4 – 5 year olds in structured learning programmes. The perennial coordination weaknesses between departments and sector role players must be addressed and collaboration strengthened (South Africa, 2012:301) and in particular the guidelines, norms and standards must be standardized with particular attention to access by children with disabilities.

Crucially for this study, the National Development Plan – Vision 2030 encourages innovation in the manner in which services are delivered and in respect of funding and finance mechanisms. It has been recognized that the current funding approach is not sufficient and calls for the testing and development of funding models that cover the comprehensive package of services (South Africa, 2012:301). Equally importantly the role of the private sector provider is acknowledged with a stronger role for government being proposed as essential

including strengthening the coordination between the public and not for profit sector. Finally training needs have been addressed with a recommendation that government support is provided for training institutions and intermediary agencies to support community based programmes (South Africa, 2012:301).

CONCLUSION TO CHAPTER 7

Much still needs to be done to ensure that ECD becomes a compelling rather than a competing priority within the national agenda. The challenge lies in bridging the gap between policy and practice. Strategies must be developed to advance ECD service provision that is "comprehensive, coordinated, provided in an equitable manner, and funded at a level to achieve their objectives" (Richter et al, 2012:20). This will require different approaches, flexible and responsive to needs, in partnerships, addressing coordination weaknesses, strengthening collaboration and develop innovative funding models (South Africa, 2012a:300).

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CHAPTER 8: EKURHULENI METROPOLITAN MUNICIPALITY

LOOKING FORWARD THROUGH THE REARVIEW MIRROR

If you would understand anything, observe its beginning and its development.   Aristotle

Post-democracy South African Cities face a triple – challenge, tasked with both redressing and reforming local societal constructs they must further achieve ever-increasing service delivery levels. This requires of cities to strategically navigate the complexity of globalisation, deliver on evolving national policies and priorities, reconstruct and reconcile the desperate legacy of racial and class inequality and in so doing, address issues of economic and social justice. These challenges and contradictions are sharpest in Ekurhuleni, meaning 'place of peace', which serves as a microcosm of the broader South African reality, past and present. According to Nieftagodien historically "the story of the East Rand [*now Ekurhuleni*] is in fact the story of South Africa's development in the 20[th]century" (Nieftagodien, 2006:109). An opinion shared by Barolsky, "This is a space marked and contoured, inevitably, by some of the critical social and economic processes of the 20th and 21st Century in South Africa, namely, mining, urbanisation, segregation and apartheid" (Barolsky, 2005:20). The convergence of national legacy, local history and contemporary global challenges in Ekurhuleni makes it an appropriate site for the comprehensive, robust, and accurate testing of innovative rapid public service delivery mechanisms.

The purpose of this chapter is to introduce Ekurhuleni Metro as the study site for this research. This is particularly important as Ekurhuleni Metro is not as known or studied as the other major metropolitan areas in South Africa. Additionally taking into account the history of this area, the challenges of amalgamation and the subsequent challenges typical of local government Ekurhuleni is an effective, robust and relevant test site. This chapter begins with a narration of the unique and violent history of the area, its industrialisation, urbanisation and alienation under Apartheid. The second part of this chapter profiles contemporary Ekurhuleni Metro according to economic indicators, social capital indicators, good governance and public administration structures and practices.

The East Rand finds its origin at the end 19 Century as a mining settlement, initially with gold mines in Nigel and Benoni and coal mines in Brakpan and Springs (Nieftagodien, 2006:93). Initially not as profitable as Johannesburg mines, by the 1920's to early 1950's the East Rand had matured becoming the primary gold mining area, producing more than half the country's total gold production annually (Nieftagodien, 2006:94; Allen, 1992:135). The concentration of the mining industry in the East Rand resulted in the establishment and growth of secondary manufacturing industries in the area (Ekurhuleni Metropolitan Municipality, No date:22). Both Nieftagodien (2006) and Bonner (1995) note the impact of the 2nd World War on the nascent manufacturing sector shifting into weapon production.

The concentration of mining and manufacturing on the East Rand was a magnet for those seeking employment, with a significant influx of unskilled and semi-skilled labour (Bonner, 1995:116). The rapid growth in the manufacturing sector in the East Rand is evidenced in that "by the end of the 1940's the East Rand already employed approximately one third of industrial employees on the Witwatersrand" (Nieftagodien, 2006:94).

Bonner considers the mass migration and urbanization of African workers in particular as an "event of epochal significance" (Bonner, 1995:115) in shaping the South African political construct, "Mass African urbanisation generated many of the grievances and pressures which propelled a new Afrikaner nationalist alliance to power in 1948, it underlay much of the programme of apartheid and it was responsible for the rise of a new and

potent mass African nationalism in South Africa. In a whole variety of ways, we may conclude, it led us to where we are today" (Bonner, 1995:115).

The pull of work prospects in the mining/manufacturing hub for the townships such as Thokoza, Vosloorus, Kathorus and Tembisa, meant rapid urbanisation, and chronic overcrowding, with Bonner describing it as townships "bursting at the seams" (Bonner, 1995:120) which lead to a proliferation of informal settlements (Karam & Sihlongonyane, 2006:143; Ekurhuleni Metropolitan Municipality, 2011:9). It was in part a response to these conditions and in part that the military – manufacturing complex, critical to the Apartheid regime, was located in this industrial heartland between Boksburg, Springs and Nigel, that the Apartheid regime designed and stringently implemented a grand design for the East Rand (Nieftagodien, 2006:107). Consequentially the brutal mix of strategic security imperatives and firebrand Afrikaner nationalism practiced by the blue collar artisanal classes of the mines and steel mills, resulted in the most stringent application of oppressive legislation, segregated spacial structuring and the intentional underdevelopment under the Apartheid regime.

Equally in opposition the struggle against oppression in the East Rand was revolutionary, radical and unforgiving. The intensification of the opposition to Apartheid in the 1970's and 80 is synonymous with the intensification of violence in the East Rand, "deeply inscribed within the contemporary landscape are the shadows and contours of the extremity of violence out of which this 'place of peace' has been born" (Barolsky, 2005:19). Bonner and Ndima characterises it as "matters of style and ethnic stereotyping were being allied to economic rivalry. It needed (and got) an injection of political intolerance to produce a truly combustible mixture" (Bonner & Ndima, 1999:12). As Bonner and Ndima show, "as the political stakes were raised in 1993 in anticipation of the 1994 elections violence exploded with unprecedented ferocity" (Bonner & Ndima, 1999:13). Thus the transition between war and peace has been more difficult in the East Rand, with Bonner and Ndima (1999) confirming that the period between July 1990 and April 1994 was the most bloody in Gauteng with a death toll of 1 207 people and confirmed injuries of 3 697 as a result of running battles between hostel dwellers, squatter populations and township residents, with the "The East Rand being the epicentre of violence in this initial phase as it was in later ones, accounting for 36.3% of total deaths and 67.6% of total injuries.(Bonner & Ndima, 1999:2).

Post-1994 challenges of rebuilding societies, redressing service delivery inequality and reconstructing skewed infrastructure has been particularly problematic for Ekurhuleni, "this shadow of violence continues to be embodied in the subjectivities and the bodies of residents as a legacy of trauma or physical wound. It remains traced both visibly and invisibly in the topography of the landscape, its architecture, its physical renovations built on scarred psyches, damaged bodies and devastated foundations. This remains the base of peace. Inscribed in peace too are the multitude of structural deprivations which are the inheritance of apartheid, the squalor of poverty, of homelessness, of joblessness." (Barolsky, 2005:19).

Unlike other Metropolitan Municipalities Ekurhuleni was not established from a single existing City administration but rather as an amalgamation of several disparate towns, administrative areas, townships and informal settlements (Ekurhuleni Metropolitan Municipality, 2011:6). Established after the local government elections of December 2000, by ambitiously unifying nine erstwhile towns and 11 administrations, it incorporates the disestablished councils of Alberton, Benoni, Boksburg, Kempton Park/Tembisa, Germiston, Springs, Nigel, Brakpan and Edenvale, as well as the Khayalami Metropolitan and Eastern Gauteng Services Councils. Ekurhuleni is now the country's fourth-largest municipality and one of six metropolitan areas within South Africa (Ekurhuleni Metropolitan Municipality, 2010:3). The realities of the current South African social construct with informal settlements neighbouring plush golf estates, massive unemployment alongside unfilled job vacancies and the complexity of service delivery to disparate communities converge, and are at their sharpest, in Ekurhuleni (Ekurhuleni Metropolitan Municipality, 2011:13).

Ekurhuleni remains particularly vulnerable to current challenges both globally and locally, including job losses due to the global recession," Ekurhuleni is probably more exposed to the vagaries of globalisation than many other urban areas, as its production base is more concentrated on goods and less on services" (Ekurhuleni, 2010:22), internal migration placing additional stress on overcommitted public provisioning, community unrest citing a lack of accountability, service delivery and political uncertainty.

LOOKING IN THE MIRROR TODAY

Economic indicators

Ekurhuleni Metropolitan Municipality has a substantial local economy that contributes significantly to the both the national total production and employment (Ekurhuleni, 2010:21). Machaka and Roberts (2006) confirms Ekurhuleni's dominant national economic position," Ekurhuleni covers the largest concentration of industrial activity in South Africa and in all of sub–Saharan Africa." (Machaka, & Roberts, 2006:121).

TABLE 3: EKURHULENI KEY ECONOMIC COMPARATIVE STATISTICS 2006 BASELINE DATA

	Ekurhuleni	Gauteng	South Africa
Region Area (m^2)	1 928	16,579	1 221 246
Population	2 699 394	9,079,610	47 560 742
Population density (nr of people per km^2)	1400	596	39
Economically active population\ (as % of total pop)	57.3%	57.0%	40.5%
No of households	868 976	3 155 402	12 883 990
Average household income Rand currency prices)	107 349	142 905	94 090
Annual per capital income (Rand currency prices)	34 557	45 642	25 489
Gini coefficient	0.59	0.58	0.64
Formal sector employment (estimates)	696 204	3 670 360	9 896 088
Informal sector employment (estimates)	98 234	477 803	2 110 379
Unemployment rate	34.3%	30.0%	37.7%
% of persons in poverty	24.2%	22.9%	44.4%
Poverty gap (R million)	1 172	3 903	37 897
Human Development Index (HDI)	0.68	0.71	0.62
Index of Buying Power (IBP)	0.08	0.35	1.00
Share of economic output (GVA %of SA 2006)	6.6%	33.7%	100.0%
Economic growth 1996 – 2006	2.7%	4.1%	3.4%

(Global Insight Southern Africa, 2008)

The global downturn originating in the developed world has become the "worst global economy crisis since the Great Depression of the 1930s" (Qhena, 2009:3) and is noted for its global reach, severity and speed. For the Ekurhuleni economy, characterised by manufacturing, the negative impact and concentric repercussions of the economic downturn in the small business sector are amplified and concentrated (Barchiesi, 2010:19). Confirming the predictions of the EMM GDS 2025 not only did the formal sector employment barely grow, the manufacturing sector shed jobs adding to the approximately 2.5 million, or one third, of the local population living in poverty (Ekurhuleni, 2010:25; Global Insight Southern Africa, 2008:13). This has been compounded by migration, principally motivated by economic survival, continues with Gauteng being the preferred destination. These predominantly low skilled workers are drawn to Ekurhuleni's manufacturing hub believing that their chances of employment as semi or unskilled labour are higher (South Africa, 2011e:13). For

Ekurhuleni Metro, this has resulted in an increase in the level of bad debt with a concomitant decrease in the available budget.

Social capital indicator

Whilst there is a significant body of research surveying and analysing the history, status and progress of national social capital development and, to a lesser degree, provincial data the dearth of valid, germane and up–to-date research focusing on social capital by local jurisdictions is noted. The limited research that has been conducted locally is predominately located in the City of Johannesburg or Cape Town. Therefore the most valid information currently available, although dated, remains the South African Statistics National Census 2001. Recognizing the full gamut of social capital definitions, for the purposes of this study, the Schiff (1992) definition, located in the developing world context, has been applied, "the set of elements of the social structure that affects relations among people and are inputs or arguments of the production and/or utility function" (Schiff, 1992:160). Therefore the Ekurhuleni information cohorts studied are limited to those that reference social relations that have productive benefits.

FIGURE 7: CENSUS 2001 EKURHULENI: AGE COHORT
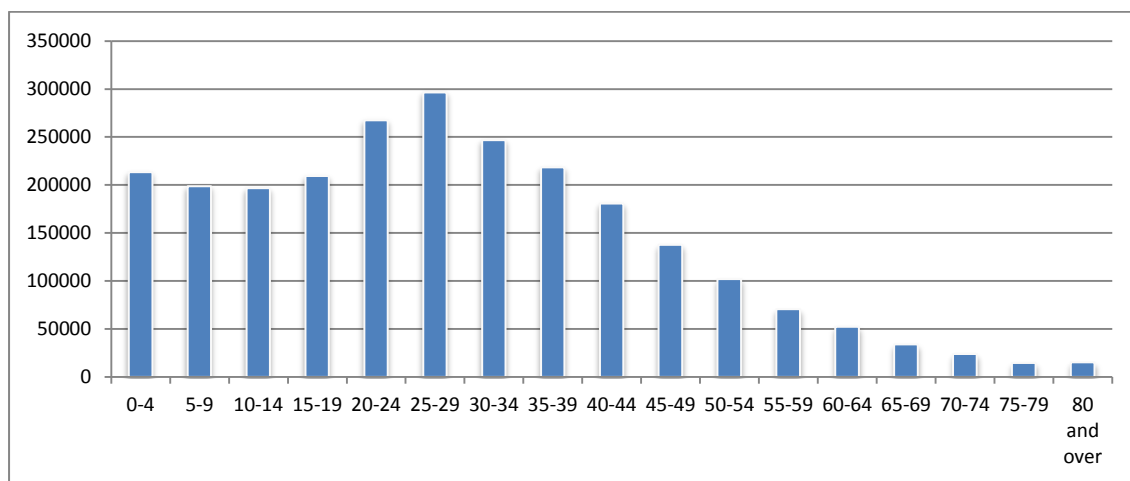
(South Africa, 2010b:1)

Of particular relevance to this study is the age cohort of 0-4 with a total population of 213 351 children living within the boundaries of Ekurhuleni that should be attending ECD. However according to the Census 2001 (South Africa, 2010b:15) only 33 165 children were registered at preschool, leaving 180 186 children not attending ECD. Therefore 84% of children in Ekurhuleni fall outside of the critical early education development net.

FIGURE 8: CENSUS 2001 EKURHULENI: YOUNG PERSONS CURRENT ACADEMIC LEVEL ATTENDANCE
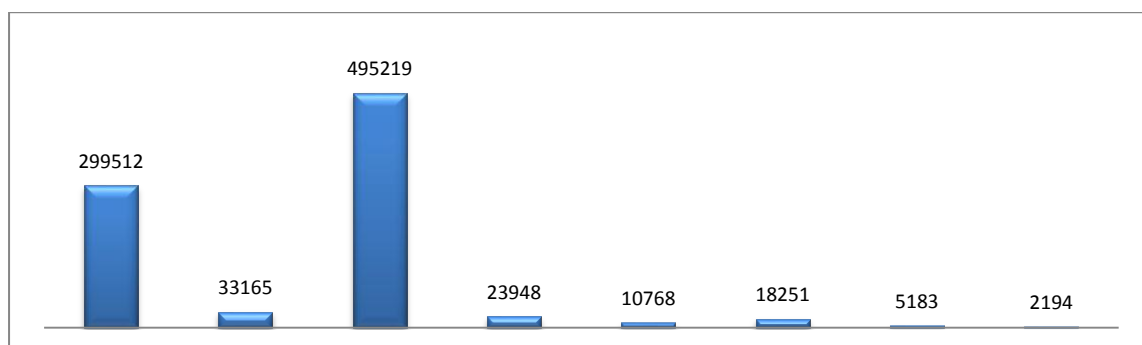
(South Africa, 2010b:15)

Of equal significance are the age cohorts 35 – 54 with GEM studies showing that in South Africa levels of entrepreneurial activity are highest in this age group (Driver, Wood, Segal & Hemington, 2001:21). In Ekurhuleni 26% of the total population are aged in this entrepreneurial boom category. However of equal concern is the correlation between successful entrepreneurship and level of education, in essence higher educational levels are associated with higher levels of entrepreneurship and correspondingly these enterprises are more likely to survive (Driver, Wood, Segal & Hemington, 2001:22). Only 10% of Ekurhuleni adults have attended higher education with the majority of 36% having only completed some secondary education level.

FIGURE 9: CENSUS 2001 EKURHULENI: SCHOOL LEAVERS HIGHEST EDUCATION ACHIEVED
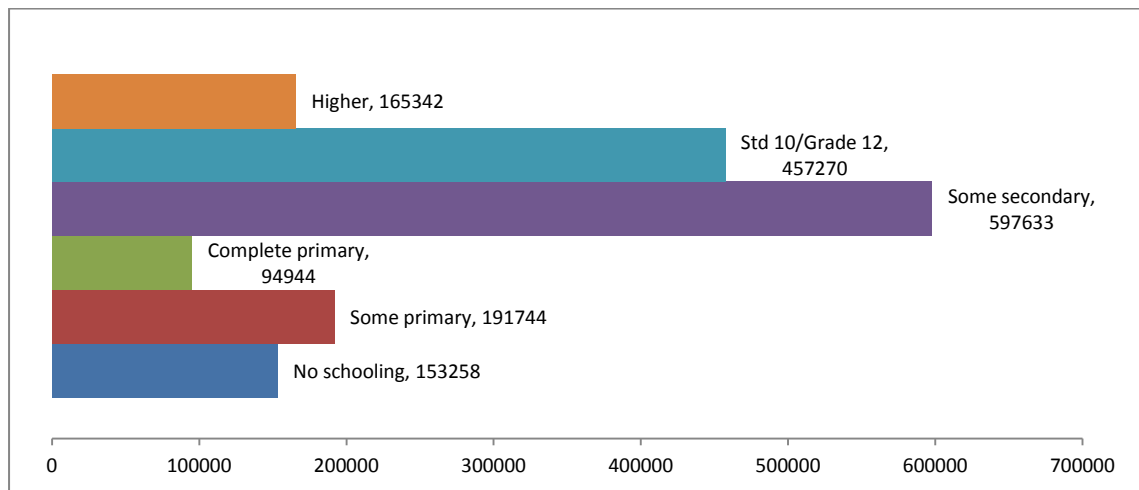
(South Africa, 2010b:19)

The National Planning Commission in its Diagnostics Report June 2011 asserts "that levels of poverty and inequality have a historical basis in apartheid and are driven principally by the fact that too few people work and that the quality of education for many black people remains poor." (South Africa, 2011a:7). Similarly unemployment has a gender bias with more women being unemployed nationally and within Ekurhuleni only 34 % of the total population of women are economically active as opposed to 50% of the total male population. Likewise of the total number of people employed, 69%, are male and only 39% are female.

FIGURE 10: CENSUS 2001 EKURHULENI: EKURHULENI CENSUS 2001 ECONOMICALLY ACTIVE (15 – 65 YEARS OLD) BY GENDER
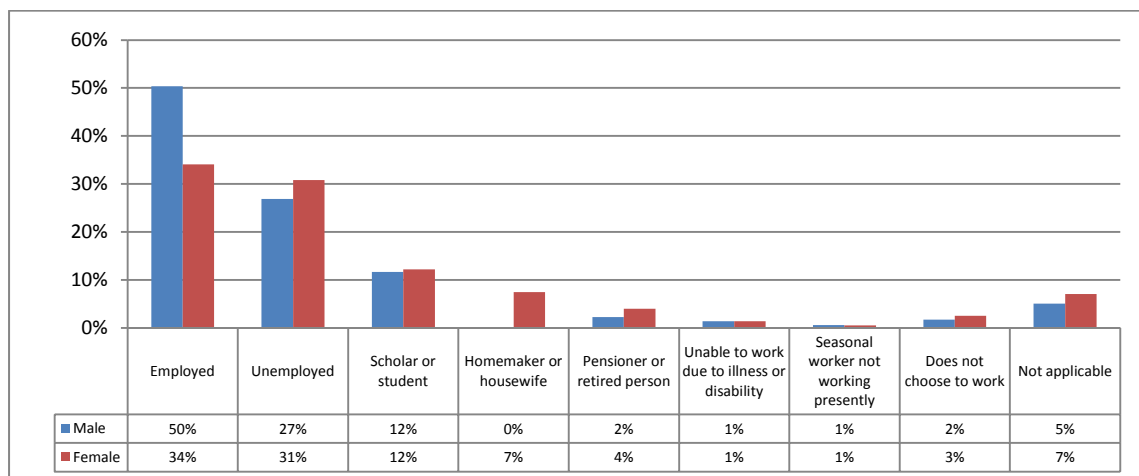
This is important for this study as research has indicated that the majority of ECD enterprise owners are women (Mseme, Mseme, Millian & Marock, 2006:45). By extrapolation with a large percentage of women not

economically active there is a real potential for take-up of innovative enterprises development initiatives that advance women ownership.
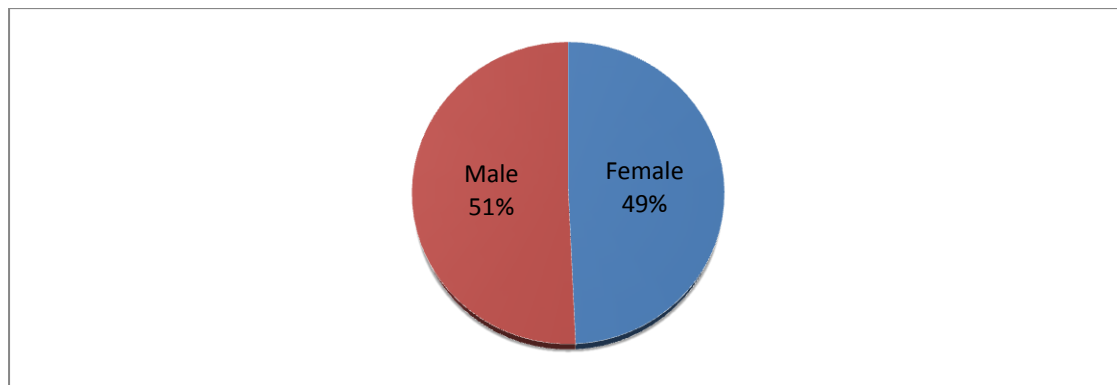
**FIGURE 11: CENSUS 2001 EKURHULENI: GENDER COHORT**

A substantial number of families in Ekurhuleni have no income earned into the household; the Ekurhuleni Growth and Development Strategy 2025 (GDS) estimated that by 2010 55% of the economically active population of Ekurhuleni was either unemployed or employed in the informal sector (Ekurhuleni Metropolitan Municipality, 2010:22). This clearly indicates the economy's labour absorption rate is very low (Ekurhuleni Metropolitan Municipality, 2010:22), that new entrants into the economy are not easily going to secure formal employment and that "poverty and inequality, is our biggest challenge" (South Africa, 2011a:08). Having such a high number of no income or low income families substantiates the urgent need for local accelerated sustainable income generation interventions.

FIGURE 12: CENSUS 2001 EKURHULENI: HOUSEHOLD INCOME
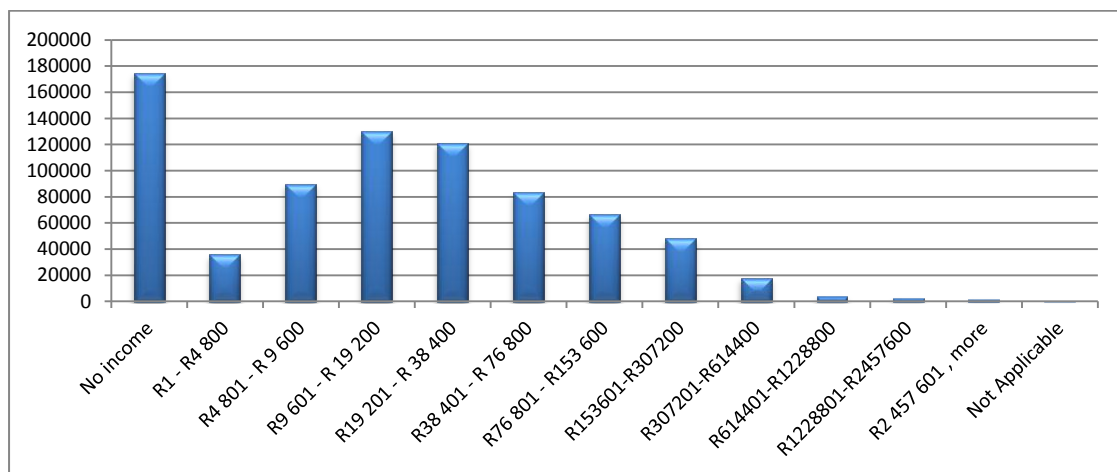
Globally the contribution of small, medium and micro enterprises (SMME's) in initiating economic growth, accelerating economic recovery and circulating economic benefits has been increasingly researched and empirically evidenced (Berry, 2007:2). The benefits of a vibrant SMME sector that creates new enterprises and sustains established small business have been recognized by Fan (2003) , Herrington (2011), Venesaar and Loomets (2006) and Tambunan (2008) respectively and includes that SMEs are the engine of growth, critical for poverty reduction and job creation contributing to the overall GDP of the country (51:116). Importantly for this study Tambunan (2008) views the critical contribution of SMMEs "as a large provider of employment opportunities, and hence a generator of primary or secondary sources of income for many households" (Tambunan, 2008:2).

FIGURE 13: CENSUS 2001 EKURHULENI: WORK STATUS
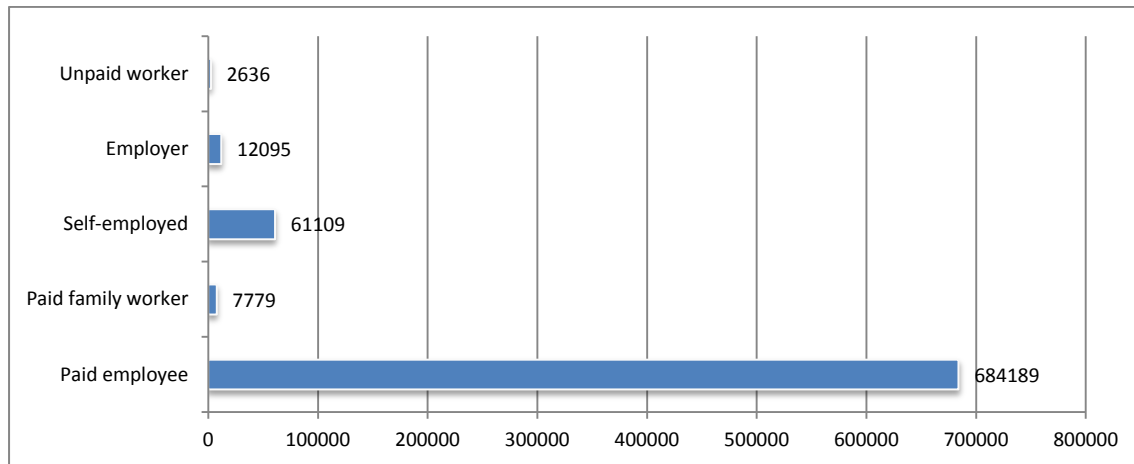
(Venesaar, & Loomets, 2006:2).

Noting the low number of 'self employed' recorded in Ekurhuleni Census 2001 Barchiesi's (2010) research in Ekurhuleni found that of those a high number are survivalist enterprises" (Barchiesi, 2010:75). The low rate of self employment in Ekurhuleni could, in part, be due to no active programmes to encourage number venture creation as seen in the functional areas delivery report in the Ekurhuleni Metropolitan Municipality Annual Report 2009/2010 (Ekurhuleni Metropolitan Municipality, 2011b:200-204) equally concerning is that one of the few job creation focused programme in Ekurhuleni has been suspended.

TABLE 4: DEPARTMENT PERFORMANCE AGAINST PERFORMANCE TARGETS FOR EMM ECONOMIC DEVELOPMENT JOB CREATION

UOM		Q1	Q2	Q3	Q4	TARGET
Number of jobs created through the One company One job campaign		0	0	0	41000	41000
		ACT Q1	ACT Q2	ACT Q3	ACT Q4	PREV YR
		0	0	0	0	
COMMENTS Q1	The project was put in abeyance due to recession.					
COMMENTS Q2	The project was put in abeyance due to recession.					
COMMENTS Q3	The project was put in abeyance due to recession.					
COMMENTS Q4	The project has been resuscitated and will be vigorously pursuit in future years					

(Ekurhuleni Metropolitan Municipality, 2011b:202)

Governance and administration

Political Structure

"*Converting democratic ideals into practice required, among other things, initiating a radical overhaul of the machinery of government at every level, working towards service delivery, openness and a culture of human rights. It has required a more integrated approach to planning and implementation to ensure that the many different aspects of transformation and socio – economic upliftment cohere with maximum impact.*" (Ekurhuleni Metropolitan Municipality, 2011:17)

The Ekurhuleni Metropolitan Municipality (EMM) was constituted in terms of the Local Government Municipal Structures Act 117/1998 as a category A Municipality (Ekurhuleni Metropolitan Municipality, 2010:57). EMM has implemented an Executive Mayor with Mayoral Committee system as well as a Ward Participatory System (Ekurhuleni Metropolitan Municipality, 2010b:45). This translates, for EMM, into a Mayoral Committee constituted of 10 full-time Councillors each responsible for a portfolio (Ekurhuleni Metropolitan Municipality, 2011b:8). These portfolios include; Corporate Services and City Planning; Community Safety; Roads and Transport, Water and Energy; Health, Economic Development; Finance; Sport, Recreation, Arts & Culture; Environmental Development; and Housing (Ekurhuleni Metropolitan Municipality, 2011b:8). The portfolio committees are chaired by the respective Members of the Mayoral Committee and are, in terms of delegated

powers, tasked to "make recommendations to the Mayoral Committee, take certain resolutions and have the political oversight in their relevant departments" (Ekurhuleni Metropolitan Municipality, 2010:59).

There are 88 elected Councillors (Clrs) in Ekurhuleni, each representing a ward, and 87 additional proportional representative Councillors. The Ward Clr chairs the ward committee, a system established in 2001 as a "key institutional mechanism intended to contribute towards bringing about people-centred, participatory and democratic local governance." (Smith, 2008:4). The rationale for ward committees is to provide support for the elected Councillors by creating a bridge between ward communities and the political and administrative structures of municipalities (Smith, 2008:4). Political oversight of the administration is the responsibility of Section 80 committees, while the Development Tribunal is tasked similarly over the physical development of the Metropolitan area (Ekurhuleni Metropolitan Municipality, 2011b:8)

Administrative structure

"*The establishment of a single local authority to replace a number of previously independent local authorities, each with its own distinct developmental needs, agenda and work culture, raised a host of developmental and administrative challenges, not least of which is the challenge to formulate a uniting vision and strategy pertaining to the development of the area as a whole over the medium to long term*" (Ekurhuleni Metropolitan Municipality, 2010:3).

A new Executive team was appointed in response to increased internal tensions in the EMM administration and decreasing levels of service delivery, "President Jacob Zuma commissioned an investigation into two of Gauteng's municipalities, Ekurhuleni and Tshwane, both having been crippled by political and administrative squabbles in the past two years" (News 24, 2010:1). A provincial support team was appointed by the MEC for Gauteng Local Government and the Executive Mayor of Ekurhuleni in April 2009 tasked with developing a "case for change" for the EMM (Ekurhuleni Metropolitan Council, 2010c:24).

FIGURE 14: EKURHULENI METRO MUNICIPALITY CHANGE MODEL 2010
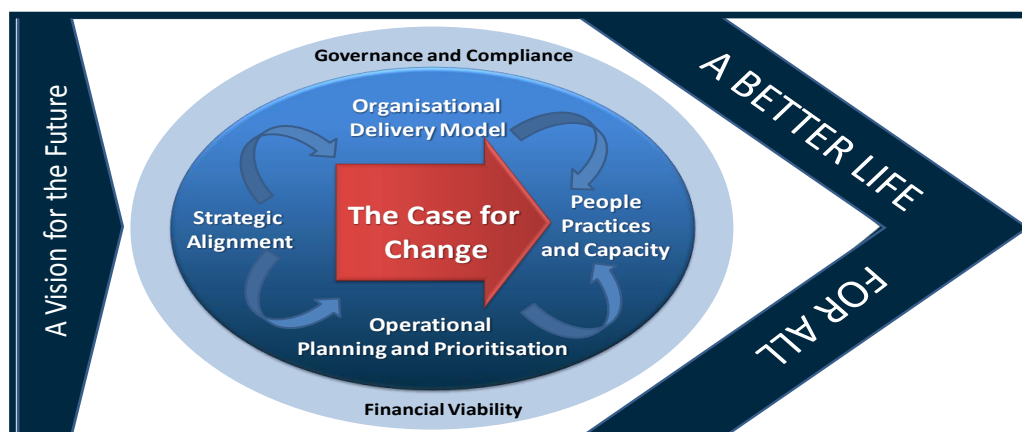
The support team's organizational diagnostic found five imperatives for change, namely that; (1) there is a lack of strategic alignment vertically, no horizontal integration, poor planning and an inability to monitor and evaluate (2) Service delivery is hampered by an ill-conceived organizational structure with design amendments plagued with implementation challenges (3) Staff capacity challenges in certain delivery areas with over capacity in other areas. Ill-discipline, high turnover, an ageing workforce and a very high vacancy rate is prevalent (4) Financial viability is a challenge within Ekurhuleni with respect to cash flow shortages as a result of poor debt management and inefficient credit control, exacerbated by a shrinking revenue bases and increased service demands for free basic services (5) Corporate governance is of serious concern within the municipality with supply chain management, performance management, financial management, structural

problems and labour relations all areas of concern from a governance perspective." (Ekurhuleni Metropolitan Council, 2010c:25).

In order to address the challenges negatively affecting service delivery excellence a new organisational structure was approved on 25 November 2010. Constituted by 7 Departments providing institutional management, 4 Corporate Services Departments and 13 Service Delivery Department (Ekurhuleni Metropolitan Municipality, 2010b:47) and tasked to give effect to the new organisational mission statement adopted of "Ekurhuleni provides sustainable and people-centred developmental services that are affordable, appropriate and of a high quality. We are focused on the social, environmental and economic regeneration of our city and communities, as guided by the principles of Bathopele, and through the commitment of a motivated and through the commitment of a motivated and dedicated team" (Ekurhuleni Metropolitan Municipality, 2011b:8).

FIGURE 15: EMM ORGANOGRAM SERVICE DELIVERY
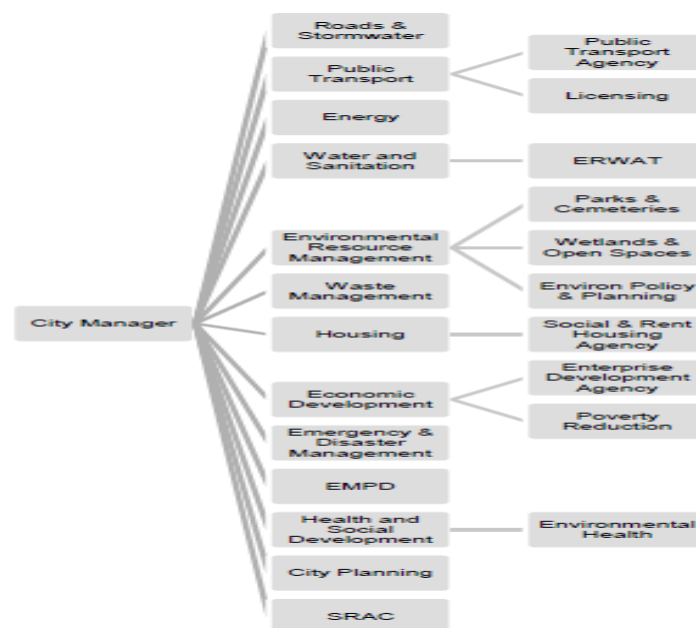
(Ekurhuleni Metropolitan Municipality, 2010b:49)

Of particular relevance to this study in the revised administration structure is that the service delivery area of ECD is a function of the Women and Children unit, a one person desk within the Department of Health and Social Development. The secondary research area of this study, namely economic development, has two sub clusters focusing on the delivery priority areas of poverty alleviation and most notably an Enterprise Development Agency.
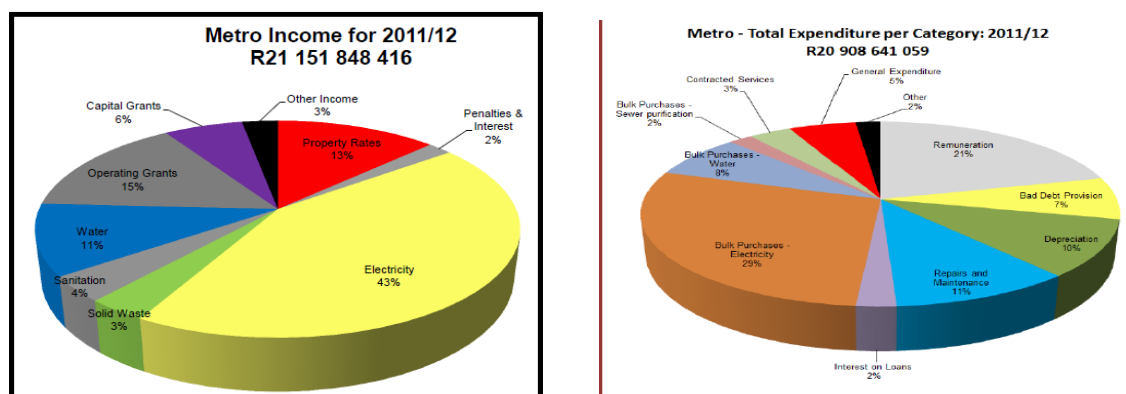
Conclusions for chapter 8

Ekurhuleni is an appropriate test site to assess innovative service delivery mechanisms as Mohan aptly stated "If tested in the robust, dynamic and challenging environment of Ekurhuleni and it works – it is not to say it will definitely work in every environment but the likelihood it will, is almost certain "(Mohan, 2010 Interview).

The history which has forged the Ekurhuleni construct is marked, even by the standards of Apartheid South Africa, by extreme discrimination, segregation and inequality. This has constructed an operating context similar, but more acute, to all post democracy South African local government as described by Cashdan (1998), that is beset with challenges of increased poverty, rising unemployment, service delivery backlogs , financial mismanagement and popular dissatisfaction (Cashdan, 1998:159).

In the age of globalization, local municipal areas are as sensitive to the impacts of international fluctuations as national actions and local events. Ekurhuleni is often referred to as the engine of the South African economy generally in recognition of its significant contribution to the national GDP and specifically to the concentration of manufacturers in Ekurhuleni. Due to Ekurhuleni's high export economy and by extension surrounding communities have been affected by the global crisis much earlier, more intensely and much more extensively than other areas in South Africa. With a current unemployment rate estimated at 40% nearly a third of the approximately 2.5 million people living in Ekurhuleni live in poverty and of theses approximately 98% are Africans (Ekurhuleni Metropolitan Municipality, 2010:25).

Although the numerical supply of labour in Ekurhuleni is correlated to private sector employment demand and, noting that the community has a fairly high literacy rate (84%), technical skills levels are low creating a dichotomised labour market. This so called 'insiders' and 'outsiders', (Ekurhuleni Metropolitan Municipality, 2010:23) termed by the Ekurhuleni Growth and Development Strategy 2025 refers firstly to those equipped with the appropriate and relevant skills, while the latter, mostly female, are those without skills further entrenching exclusion, poverty, deprivation and violence (Ekurhuleni Metropolitan Municipality, 2010:26). Only 16% of young children in Ekurhuleni are attending ECD education, leaving 84% excluded from the universally established developmental benefits of ECD. Further compounding the crisis of vulnerable children, according to the Ekurhuleni Growth and Development Strategy (2005) is that, "malnutrition, especially amongst children, remains a severe challenge" (Ekurhuleni Metropolitan Municipality, 2010:26).

Ekurhuleni has had to overcome the complexities of enforced township amalgamation, whilst addressing acute service delivery backlogs compounded by being a high migration destination. Recognising that services are being delivered the current status of service provision is typified as "just not enough to address the current and ever growing needs of the community generally not to mention the needs of those residence who survive in the largest number of informal settlements nationally right here in Ekurhuleni (Twala–Maluleke, 2010 Interview) Service delivery excellence has been hampered by "political and administrative squabbles in the past two years" (News 24, 2010:1) highlighted in the Auditor General's report 2009 which noted "irregular expenditure to the amount of R 288 718 000 was incurred " *and* specifically identified by the Ekurhuleni Turnaround Strategy 2010 as critical shortcomings in respect of strategy, management, staffing, service delivery and governance" (Ekurhuleni Metropolitan Council, 2010c:25).

Decisively for this study, the informal sector of the Ekurhuleni economy, whilst often dismissed as survivalist, unsustainable and temporary is thriving. The Ekurhuleni Growth and Development Strategy 2030 recognises, in concert with a principle hypotheses of this study, that "investment of quality and universal services, skills training and resources in the various sectors will result in more serious attempts to create sustainable opportunities in the economy, especially to realise broad based black economic empowerment and the development of available small business sector (Ekurhuleni Metropolitan Municipality, 2010:22).

CHAPTER 9: SURVEY ANALYSIS AND FINDINGS ON THE STATE OF ECD PROVISIONING IN EKURHULENI METROPOLITAN MUNICIPALITY.

INTRODUCTION

A survey was conducted amongst ECD facility owners in the Ekurhuleni Metropolitan Municipality to build a profile of the state of current ECD provisioning, understand their challenges, ascertain their needs and gauge their willingness to partake in a social franchising initiative. Questions put to the survey respondents were classified into 5 broad categories namely (1) registration status and contravention incidents (2) Resource and training status, availability, condition and needs (3) Administration and expenses (4) Challenges and needs (5) Willingness to partner and conditions under which partnerships would be considered and consequences of partnering.

This chapter reflects the analysis of the survey conducted both graphically and narratively. The voice of those interviewed has been reflected by recording direct, unedited quotes, recognising and in defence of "*what is freedom of expression? Without the freedom to offend, it ceases to exist*." (Salman Rushdie)

Methodology

A survey design was selected as it is most appropriate to "provide a broad overview of a representative sample of a large population (Mouton, 2008:152). The survey instrument was set up as an administered structured questionnaire conducted face to face collecting both quantitative and qualitative data. Questions were a mix of closed questions applying a Likert rating scale and opened ended discursive questions assessing individual responses and reasons informing opinions or beliefs. The interview sample was 83, which equals 15% of the total universe available. The sample frame was determined by the total number of ECD sites listed on a contact database owned by Ekurhuleni Metropolitan Municipality. The selection was a stratified random sample (Welman, Kruger & Mitchell, 2010:61) with the strata applied including geographical location, registration status, size, ownership and type of facility structure.

It must be noted that computerised numbers were assigned to each survey responded at the beginning of the survey. These numbers have been used throughout the surveying process and have been captured as such in this study. This was done to protect the identity of the respondents and the integrity of the survey analysis. Respondents agreed to participate in the survey on condition of confidentiality citing their dependence on local government in particular.   A matrix of respondent numbers and associated details has been included as an addendum for academic purposes only.

SURVEY ANALYSIS AND FEATURED FINDINGS

FIGURE 16: PERCENTAGE OF ECD SITES REGISTERED
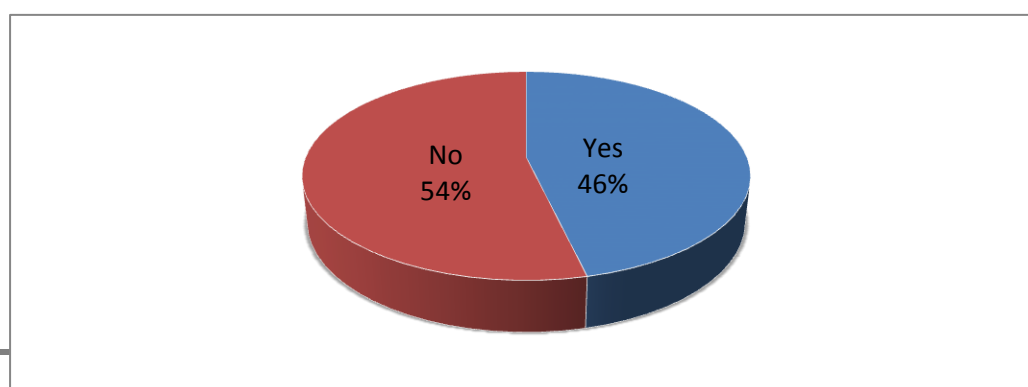
In terms of the legislation ECD sites are required to be registered and compliant in order to operate legally. Further compliance is required if funding is sought; the nature of which is dependent on the source of the funding, such as Provincial Department of Community Development or Health. Of the 83 ECD sites interviewed for this study, 45 were not registered at all. While 37 are registered only 9 are fully registered and able to access all supports available. The majority are only minimally licensed, enough to operate as a business but not enough to gain access to development support and funding. The ECD practitioners interviewed for this study all strongly criticised the compliance requirements as illogical " You know they want me to put in special small baby toilets, they are four times the price of the ones in toilets, the big ones, why, we have a step and a plastic ring in the toilet it works and costs little" (Interview 56, 2011) and too onerous "The municipality people came and said because I have more than 10 children I have to have more spaces, so much for each child. That means that I need more space here for each child than the house here in the shacks that stays [sic] a whole family" (Interview 81, 2011).

The EMM however insist that the regulations are not intended to simply impede the development of ECD enterprises but to protect the children, as articulated by Mr Lucky Tsekeli Head of the Ekurhuleni Women and Child Desk in the Department of Community Development "We don't arbitrarily institute rules, ECD is not like selling sweeties at the taxi rank. It is about children, their safety, well being and development. This we will not compromise on" (Tsekeli, 2011 Interview). This view is shared by Mr Bafaana chairperson of Usizo la Bantwana and member of the Ekurhuleni Metro ECD Council , " You know, we understand why all these requirements and by – laws they are important to protect the children, you know here in the informal settlements we have crèches in shacks with 30 to 40 kids on the cold floor just plastic bags under them and a open coal fire inside the shack and toilets are buckets outside, but these things that is needed for our children cost money and our people are poor and unemployed" (Bafana, 2011 Interview)

FIGURE 17: PERCENTAGE OF ECD SITES RECIPIENTS OF FUNDING
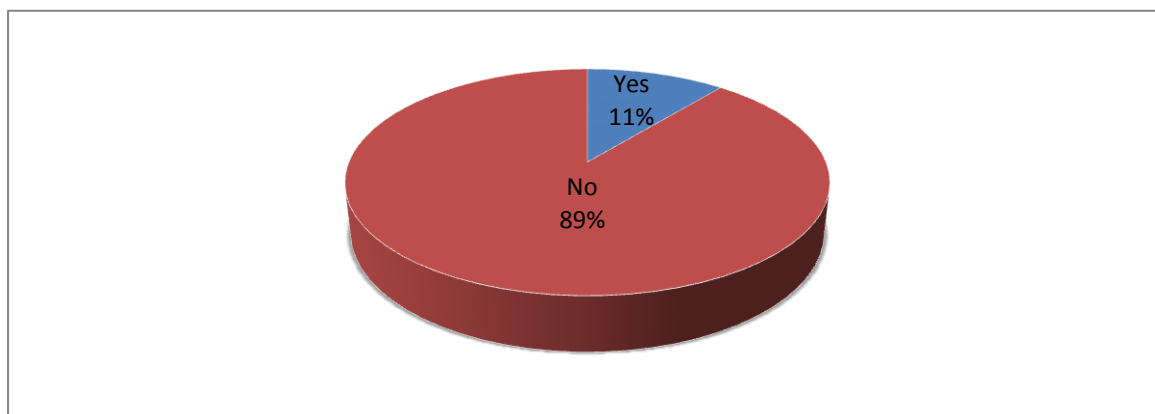
Only 9 of the ECD sites surveyed had received funding and of these only 1 receives funding on a continuous basis. Ekurhuleni Department of Social Development has granted once off funds to 6 of the ECD sites ranging from R2500.00 to R23 000.00. The latter allocated to one ECD centre for refurbishment purposes. One ECD site received R5000.00 from the Mayors discretionary fund. Single allocation only grants have been received by 2 of the ECD sites from NGO funders. In order to gain access to funding, ECD centres must be compliant however they require funding to affect the build, renovations and refurbishment required. In respect of funding management the ECD owners have no expertise and very little experience resulting in lost opportunities and

more often agreeing to unreasonable funding arrangements. This is evidenced in one of the largest Food and Beverage Companies operating in South Africa erected small billboards situated against the boundary fence facing the road side of many of the ECD sites in the areas of Thokoza and Davyton. The ECD owners were unanimous in insisting that the agreement was a monthly payment of between R100 to R250 per month depending on the location of the site. Payments were received for two months payments were received and since then none "You see this sponsorship it was agreed they would pay like Cell C every month with those towers, but we have received nothing" (Interview 12, 2011).

Both Mr Bafana and Mr Tsekeli indicated that there was no contractual agreement signed and the company in question is alleging that a once off payment over two months purchased for 20 years of utilization was agreed." We have looked into this but with no contract the Metro Legal Department has advised that there is very little to no chance of success. Of course legal battles are expensive and ECD owners do not have very much money" (Tsekeli, 2011 Interview). Mr Bafana agrees with Lucky however he believes that the EMM should assist especially as they have "a whole department of lawyers" (Bafana, 2011 Interview).

FIGURE 18: ECD SITE HAS BEEN FINED IN THE LAST 12 MONTHS
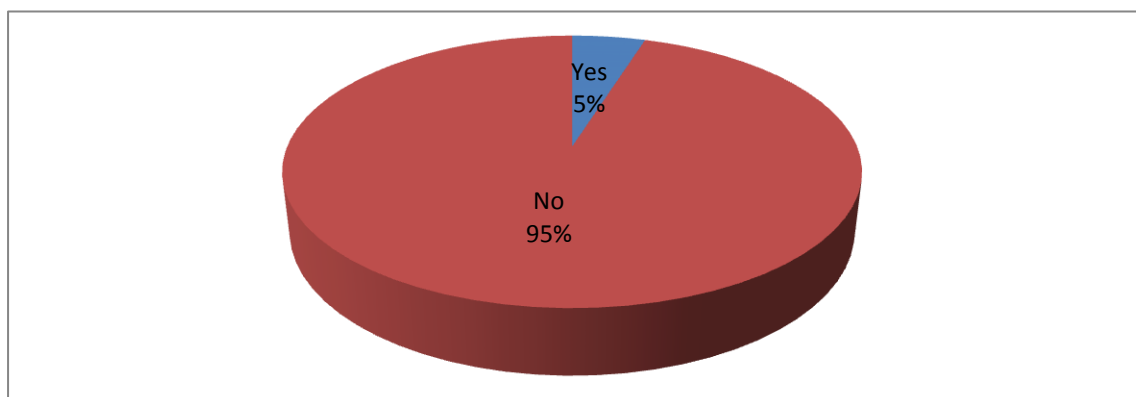
Of the fines issues 50% equalling 2 ECD sites, were due to permit infringements, one due to incorrect zoning and one due to non – compliance of by laws. All fines issued were for an amount of R2000.00. Taking into consideration the low compliance rate, the equally low fine rate can be a consequence of limited enforcement and high corruption rates; both of these have been identified as challenges in Ekurhuleni, " We get visits often, especially near the end of the month" (Interview 25, 2011)

FIGURE 19: NO OF CHILDREN REGISTERED BY ECD SITE
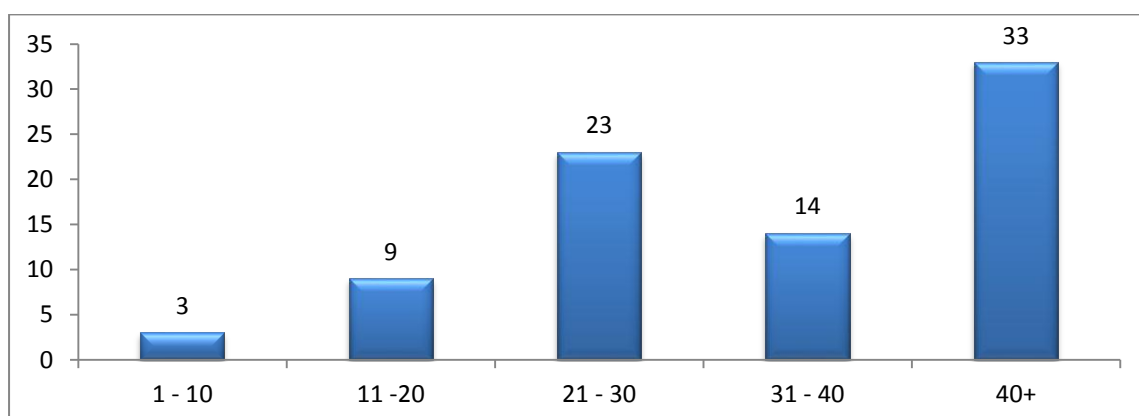
A significant number of ECD sites in Ekurhuleni cater for 40 or more children, with the majority having 31 or more children registered. This appears as much a reflection of the fundamental economic principle of demand and supply as the basic business principle of viability; low fees requiring economies of scale, " Look over there that is where my children come from, 17 years of freedom and they live in shacks like rats and with the rats"(Interview 56, 2011). Of importance to this study is that the complexity of ECD provisioning increases in

relation to the number of children attending requiring in particular additional material resources, increased staff, larger facilities and more stringent health, safety and education requirements.

FIGURE 20: TYPE OF ECD SITE INFRASTRUCTURE
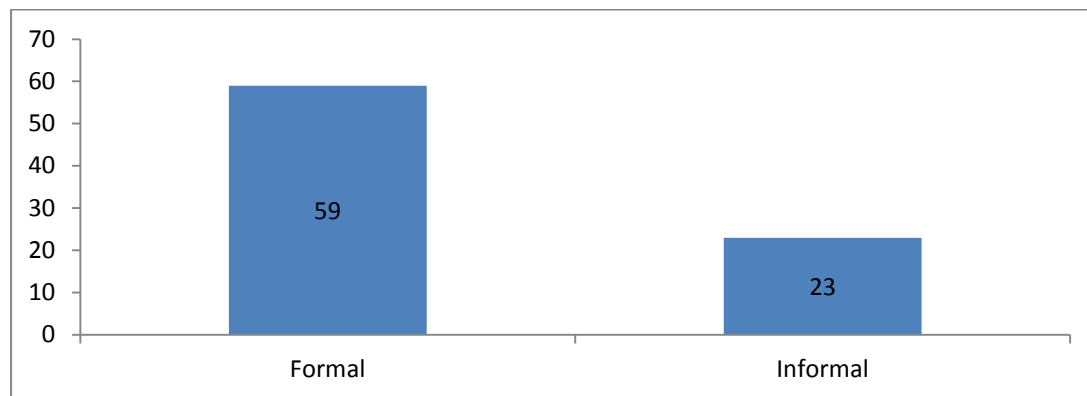
FIGURE 21: DESCRIPTION OF DWELLING TYPE
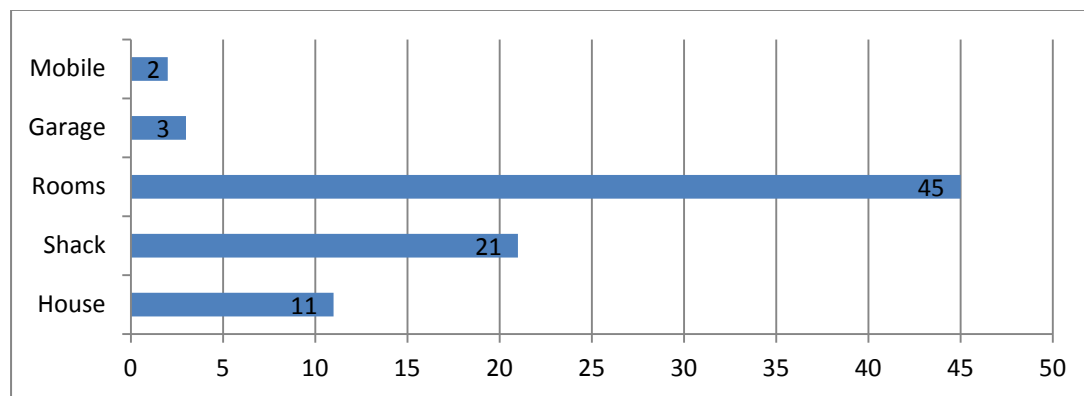
Of the ECD sites surveyed in this study 72% of respondents classified their infrastructure as formal structures however in describing their facilities further, it is evident that this included 'back rooms' and 'add on structures'. The majority of ECD facilities are housed in rooms additional to the primary structure on the property followed by informal structures (shacks), " I have 32 kids here in this shack, no water, no electricity and no toilet, yes we want to be in rooms and one day a building but I don't have enough money for that and it is better these kids are with me than on the streets, you know a few here the parents have not come to fetch they are here awhile now" (Interview 3, 2011).

FIGURE 22: NO OF LEARNERS ATTENDING THE ECD FACILITY IN COMPARISON TO SIZE OF ECD FACILITY
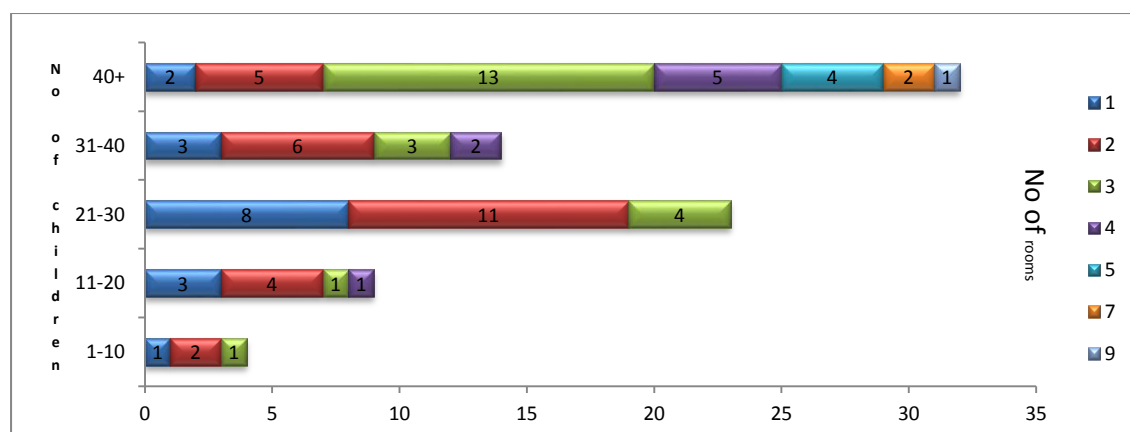
57% of ECD sties surveyed have 31 children or more registered and of these 68% are operating in three or less rooms. This is in contravention of both the legislative requirements as lay down nationally and local bylaws. Conversely only 18% of the ECD facilities surveyed are compliant to the set down space requirements, " We are here in the back room but the municipality says we are part of this house I pay rent for these 2 rooms from the man that owns this house and we eat and learn here all 36 children together" (Interview 7, 2011)

FIGURE 23: PROVISION AND CONDITION OF OUTSIDE PLAY EQUIPMENT
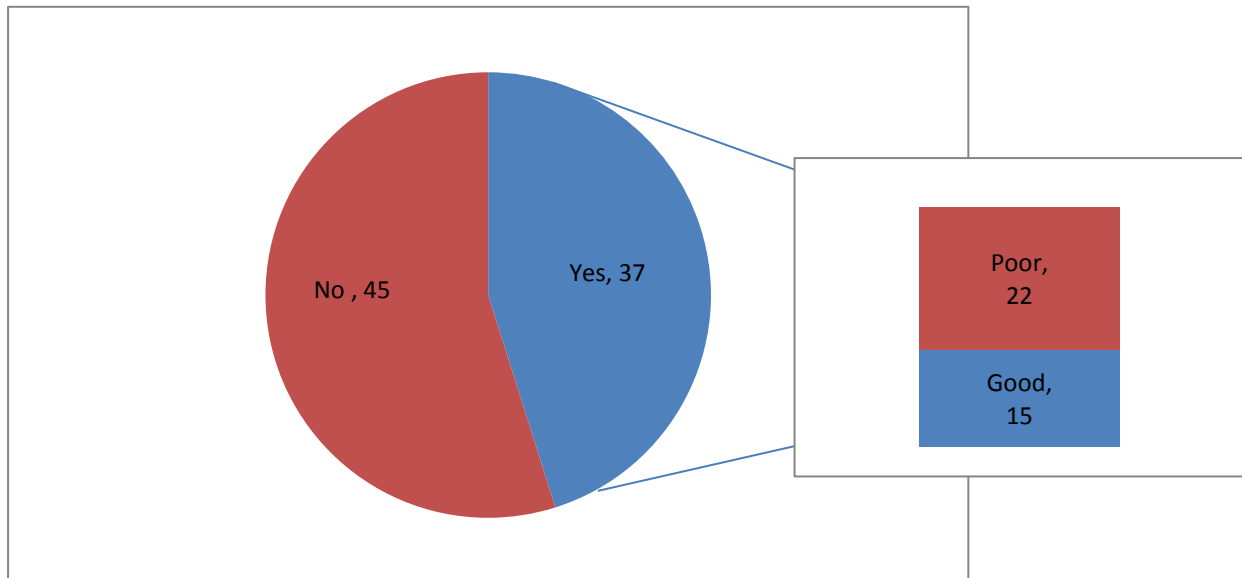
FIGURE 24: PROVISION AND CONDITION OF INSIDE PLAY EQUIPMENT
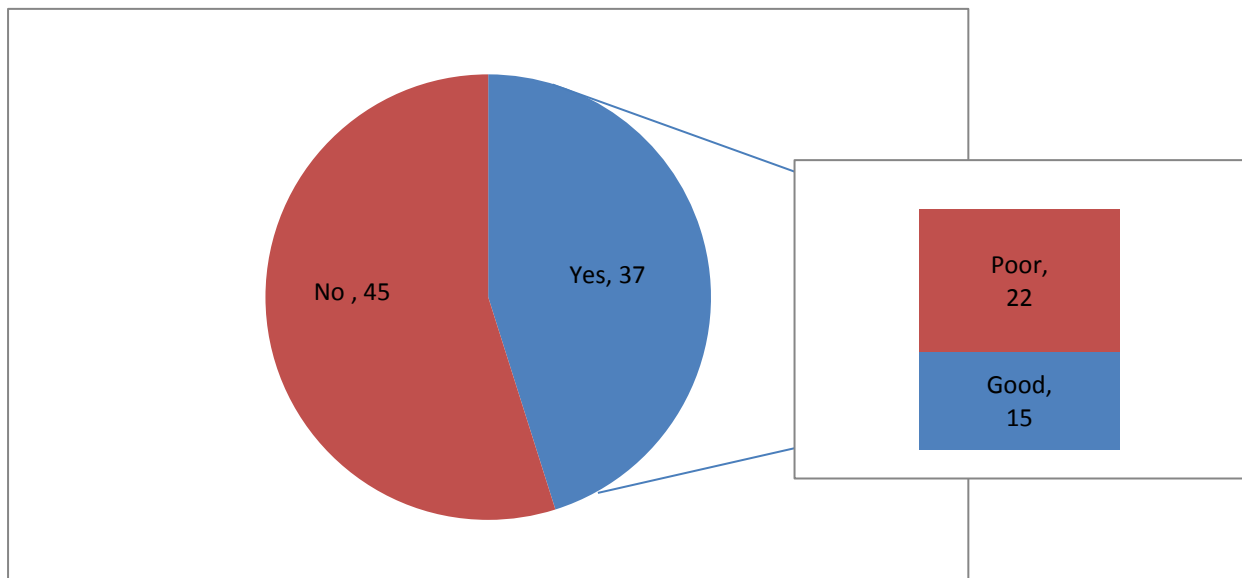
The majority of ECD sites do not have outside nor inside play equipment, both instrumental in advancing development, learning and socialisation in young children. Of the 34% of ECD sites that do have outside equipment, 57% is in poor condition. Having equipment in poor condition means that the children are not receiving the full benefit of the equipment at best and at worst it poses a considerable health and safety risk to the children. Similarly only 45% of ECD centres have inside play equipment resources of which 59% is in poor condition.

In the same way, ECD provisioning is severely hampered by a lack of learning resources including 54% of crèches not having access to learning equipment, 44% not having access to any books and only 5% of those who do have books have more than 10 books available (library).There are no toys at 43%, no bathroom equipment at 67% and no blankets at 39% of the ECD facilities surveyed in this study. The only basic necessities for running a developmental, effective and healthy ECD facility that is currently sufficiently resourced, present in 93% of the ECD facilities surveyed, is eating utensils.

FIGURE 25: ENABLING RESOURCE PROVISION
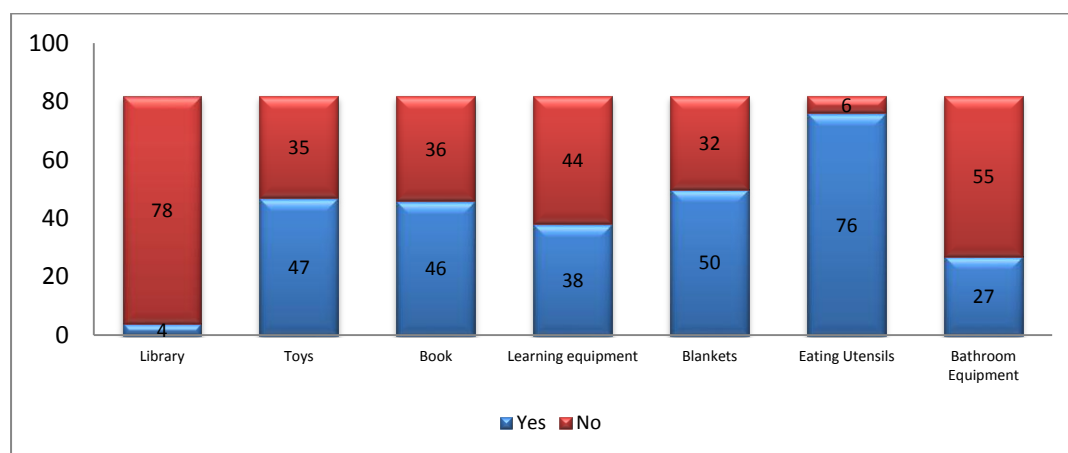
Assessing the levels of administration is a valid measure of the well being of management of the ECD facility which in turn is a key determinant in the enterprise development including viability, sustainability and growth.

FIGURE 26: STATUS OF ADMINISTRATION SYSTEM
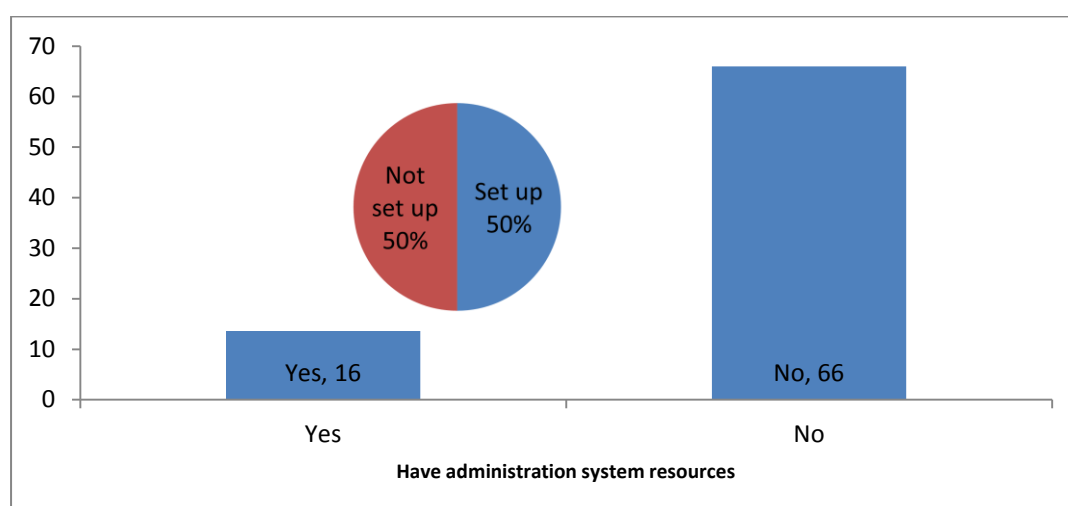
Only 16 of the 83 ECD facilities surveyed have administration resources and of those only 8 have set up an administration system. Of these one utilises a technology platform for accounts, administration (newsletters and parent communication) and compliance administration (reports to funders) with the remaining 7 being

paper based (attendance registers and fees payable accounts only). It must be noted that all ECD facilities that have established administrative systems have managed and maintain these systems with information accessible, filing systems well administered and financial accounts up to date. "This is a business not a home care play group for a bit of extra spending money, no business will stay in business without proper books and things" (Interview 33, 2011).

In respect of technology as previously stated only 1 ECD facility interviewed has an operating computer with a printer. Five other ECD facilities had computers that had been donated by an international programme for technology recycling from developed to underdeveloped countries. However these computers were outdated and inoperable including having electrical plugs that are not compatible to local sockets. Mr Bafana, indicated the extent of this practice   "We have this dumping of old and broken things from computers to toys. A computer that can't switch on because the plug does not fit in the wall is as useful to us as a second hand puzzle with 25 pieces of a 75 piece puzzle missing".

Ms Z Mtshali ECD Director from the Gauteng Department of Health explained that this phenomena is quite common and of particular concern in respect of food and medicine dumping, "We have international and local companies and NGO's dumping at due date or even after, this is product that could not be sold and is then written off against CSI or tax even baby food. South Africa would not allow the food to be sold here because of the high salt content so the company gave it to an NGO to disturbed as a gift" (Mtshali, 2011 Interview)

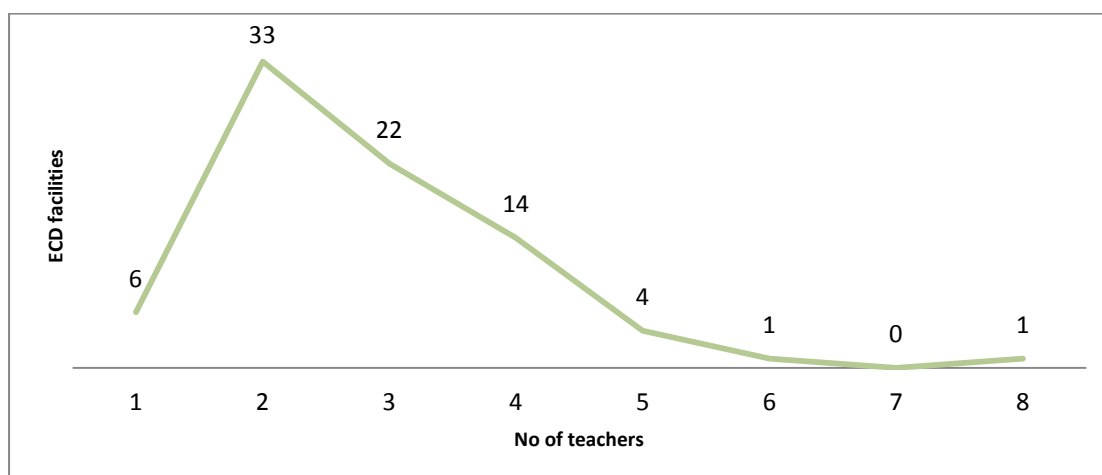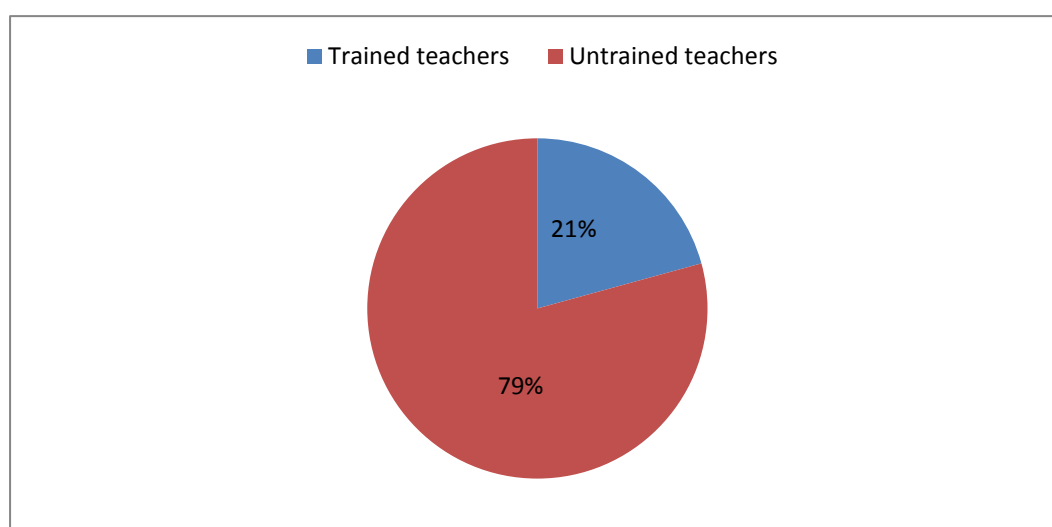**FIGURE 27: NO OF TEACHERS AT AN ECD SITE**

FIGURE 28: TOTAL % OF TEACHERS TRAINED AND UNTRAINED

The

teacher children ratio is extremely high with the majority of ECD sites (61 sites) having 3 teachers or less, with 33 sites having only 2 teachers. Only 6 ECD sites all of whom cater for 40 children or more have 5 or more teachers, conversely 15 sites of 40 or more children have 3 or less teachers.

TABLE 5: NO OF TEACHERS AND NO TRAINED IN RELATION TO NO OF CHILDREN REGISTERED AT AN ECD SITE

		1 Teacher	No Trained	2 Teachers	No Trained	3 Teachers	No Trained	4 Teachers	No Trained	5 Teachers	No Trained	6 Teachers	No Trained	8 Teachers	No Trained
No of children registered	1-10	1	1	2	0										
	11-20	3	0	6	1										
	21-30	2	0	13	0	7	3	1							
	31-40			5	2	7	2	1	0						
	40+			7	0	8	1	11	4	4	2	2	1	1	0
	Total	6	1	33	3	22	6	13	4	4	2	2	1	1	0
		No of ECD Sites													

Only 21 % of the Teachers working at the ECD sites surveyed have any type of post Grade 12 training. Of those 41% have achieved ECD Level 4 , 11 % ECD Level 3, 5% ECD Level 2, 29% have achieved ECD Level 1, 5% having achieved N1 certification and the remaindered indicated that they had completed short courses or enrichment workshops. Training of ECD practitioners has been identified as a key priority in the sector, resulting in Gauteng Government establishing the ECD Institute with its principle objective of coordinating training and development for ECD practitioners and owners. To this end the Gauteng ECD Institute has selected Ekurhuleni as its pilot for its newly developed curriculum materials and training programme "based on ECD Level 1 – 5" (Mentor 2011 Interview). Mr Tsekeli indicated that "training and development is what we are mandated to deliver on that is our key function, but the need is significant and the budget allocation is limited. It is better now that we are in partnership with the Province, but our courses and workshops are always too fill and I spend a lot of time trying to negotiate more lunches for less money" (Tsekeli, 2011 Interview).

FIGURE 29: STATUS OF ECD OWNER / MANAGER TRAINING

 The recognition of the importance of training was voiced by the majority of ECD practitioners interviewed however cost is the commonly referred to barrier " We need training, we are not doing things here to learn, we try but we need training but where will the money come from" (Interview 12, 2011) and" I have applied for my teachers to go the ECD Level 2 and then 3, no answer none from Province and none from here in Ekurhuleni, I attend all the workshops you go and they talk but this is not for certification and then they say yes it will come soon this funding but we need it now for these children to go to school with the basics" (Interview 34, 2011) and bluntly stated " Those children in the suburbs go to crèche that looks like the school with teachers and desks and pens even computers and so when they get to primary they can read and write already. Here in the squatter camps our children have no pens, no paper and no books to read, nothing even

to eat. Nothing will now change we will still be like this when our children are big because they will always be behind. We need to be educated so that we can educate the little ones" (Interview 82, 2011)

The training status of care givers is even direr than teachers in the ECD sector; only 11 of the 85 ECD facilities interviewed have collectively employed 19 care givers and of those only 2 have received training.

Only 40% of all Owner /Managers of ECD facilities have received training and of those none have undergone any business training.

FIGURE 30: MANAGER / OWNER TYPE OF TRAINING
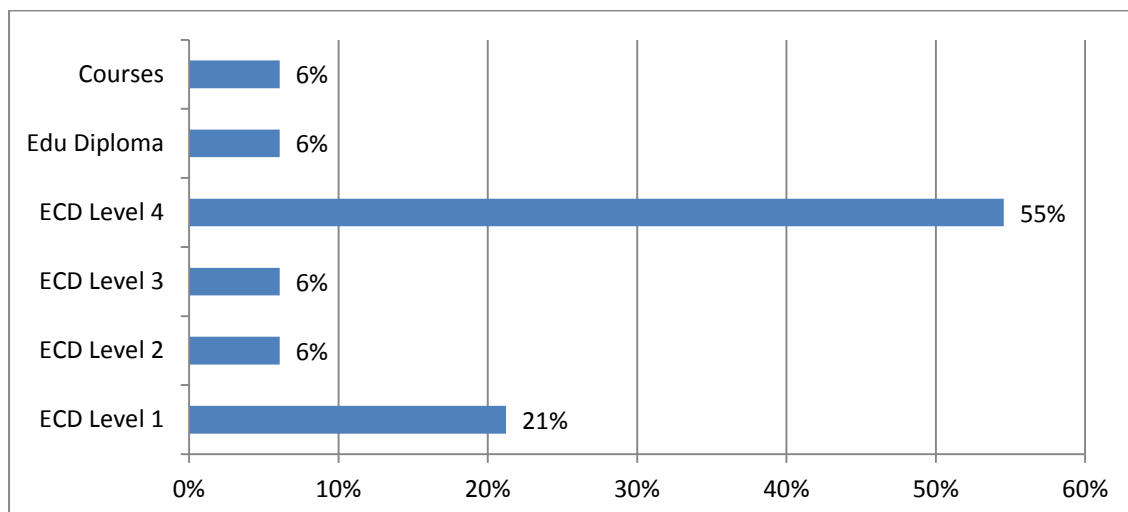
FIGURE 31 : FINANCIAL STATUS OF ECD SITES
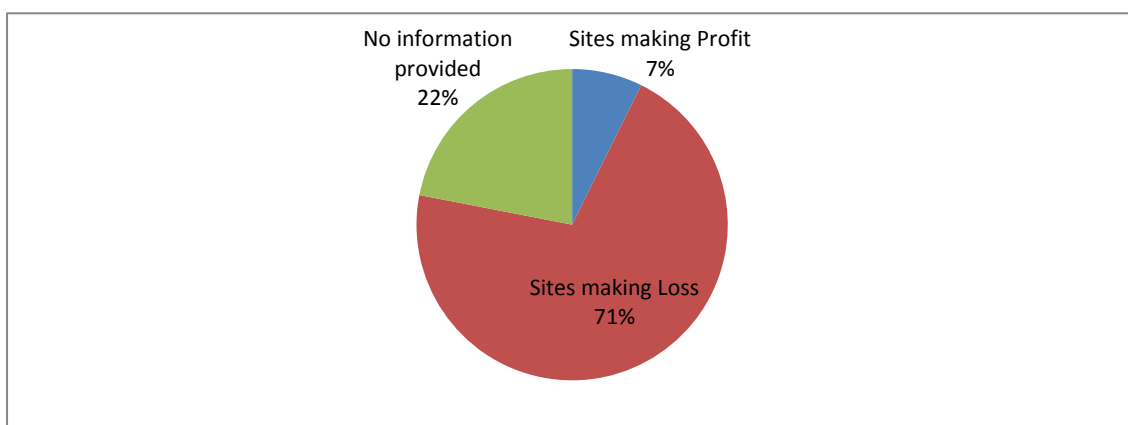
The majority of ECD enterprises indicated that they are not profitable, with 7% being profitable and 22% with no information provided.

In respect of the profit making sites, they share two commonalities; firstly they are all located in formal infrastructure and a house in particular and much more importantly they have an understanding of finances, despite no training, and expenditure information, despite not having a formalized administration systems, " You need to sign in as a guest in the book, I keep everything written down in books, how much we spend, how much we money comes in and who owes, I even make a record of where I can get the cheapest goods so we buy soap here and mealie meal at a different place"(Interview 8, 2011).

Of those that indicated that they are in a loss making state, very few could with any certainty provide information on expenditure, income and outstanding debts. The ECD sites surveyed that could not provide information were mostly as a result of not having any information to provide, with a minority indicating that financial information is confidential, "I don't have any money left over after I have paid everything in a month, that is all I can tell you" (Interview No 55, 2011)

It is not possible, due to the inadequacy of the data collected, to provide an in-depth analysis of expenditure. It is however evident that the single largest expenditure for ECD enterprises is salaries with the majority spending between 50%-70% of income on wages, this is followed by food expenditure, municipal services and finally cleaning materials and incidentals. It is noted that very few ECD sites indicate that they purchase ECD resources with only one purchasing regularly, "Yes we buy every month something, we spend approximately 5% of our income on development resources"(Interview 77, 2011).

13 of the ECD enterprises interviewed charge fees of R100 per month, the lowest in the range, however of these none indicated profitability. The most expensive is a fee of R450 per month, charged by a single ECD site that is profitable and well resourced however is not registered. The average fee charged by ECD enterprises is R150 per month. Only three ECD enterprises reported that they do not have any outstanding fee debts, "Look they pay when they can, all of the parents, so they don't pay for two months and then they get a job and pay the outstanding fees" (Interview 8, 2011), and "What can we do we cannot kicks these children out, this is a safe place for them and here they get food and care and education" (Interview 41, 2011).

FIGURE 32: BULK SERVICE PROVISIONING TO ECD SITES
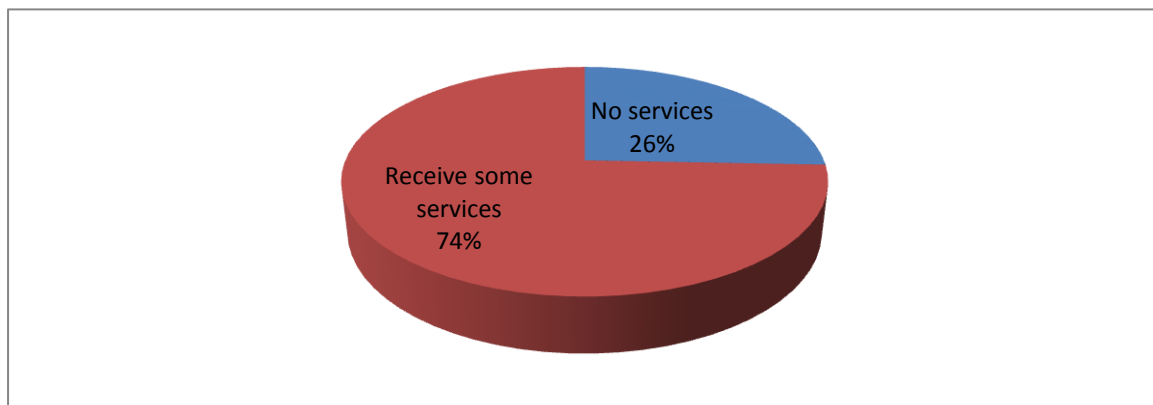
ECD owners/managers were asked to list the services they receive from local government. The overarching observation is that a significant number of respondents did not know what services local government provide exactly and furthermore a number of services they did list are provincial competencies. It was equally noted that community development and economic development support provided by local government was not listed. Of the ECD sites interviewed only 8 receive all bulk services provisioning from the local government, 24 receive no services at all and 50 receive at least one but less than all services provided.

FIGURE 33: ARE LOCAL GOVERNMENT SERVICES USEFUL
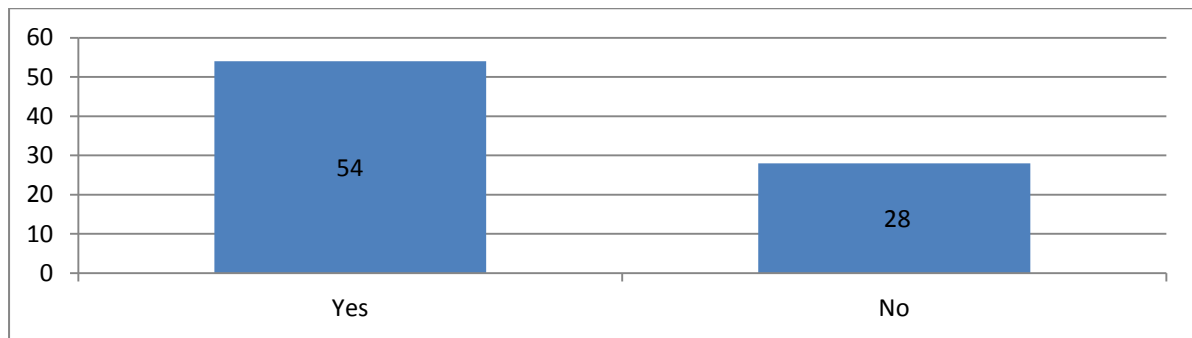
ECD practitioners and owners were asked to identify their 5 key challenges and to prioritise these on a scale from 1–5. The rating scale was based on a variation of the Likert scale as described by Welman, Kruger & Mitchell (2010:156) selected for its easy compilation and readability resulting in a higher response rate

TABLE 6: CHALLENGES FACED BY ECD ENTERPRISES

Challenge	Priority					Total No of times listed
	1	2	3	4	5	
11 month year	0	1	0	0	0	1
Access to land	1	10	8	0	0	19
All resources required	0	1	3	4	0	8
Cost of electricity	0	0	1	0	0	1
Cost of water	0	0	0	1	0	1
Food	1	0	0	1	0	2
Formal building	2	3	0	1	1	7
Funding	55	10	8	1	1	75
Low fees	1	0	0	0	0	1
Low intake	0	0	0	1	0	1
LRA non compliant	0	1	0	0	0	1
Need furniture	0	1	0	0	0	1
Need training	1	2	3	3	1	10
No community participation	0	5	2	0	2	9
No electricity	0	1	2	0	1	4
No learning materials	0	0	1	0	0	1
No parents committee	0	0	1	0	2	3
No public parks/playgrounds	0	0	0	0	2	2
No public social services	0	0	3	0	0	3
No sector network	0	0	1	2	0	3
No tarred roads	0	1	1	3	1	6
No toilets	0	0	0	1	0	1
No toys	0	0	3	0	0	3
No water	2	0	0	0	0	2
Non-compliant	5	7	4	2	1	19
Non payment of school fees	5	8	7	4	2	26
NPO registration	0	0	1	0	0	1
Regular electricity outages	0	0	1	2	0	3
Rent too high	0	1	0	0	0	1
Rezoning cost	8	6	2	4	1	21
Water leaks	0	0	3	1	0	4

Funding was listed as the key priority amongst the most number of respondents as well as being listed the most number of times across all 5 priority scales. The cost of rezoning in order to comply with the newly proglimated by – laws that requires all ECD sites to be rezoned, including retroactively, according to number of children on premises was identified by a number of respondents as their principal challenge. This was the

third most often cited challenges across the 5 level priority scale. Non-payment of school fees was listed second most often with accessing land the fourth most often cited.

FIGURE 34: SUPPORT REQUIRED FROM LOCAL GOVERNMENT
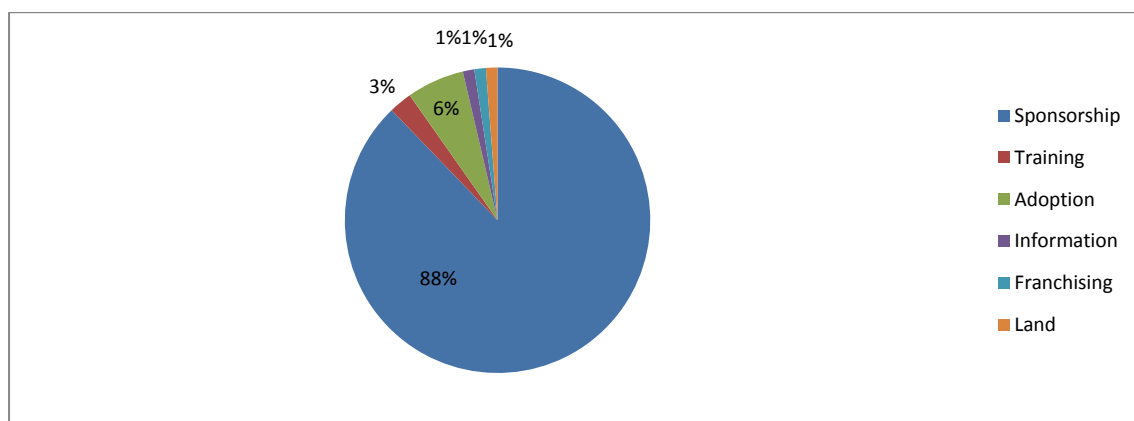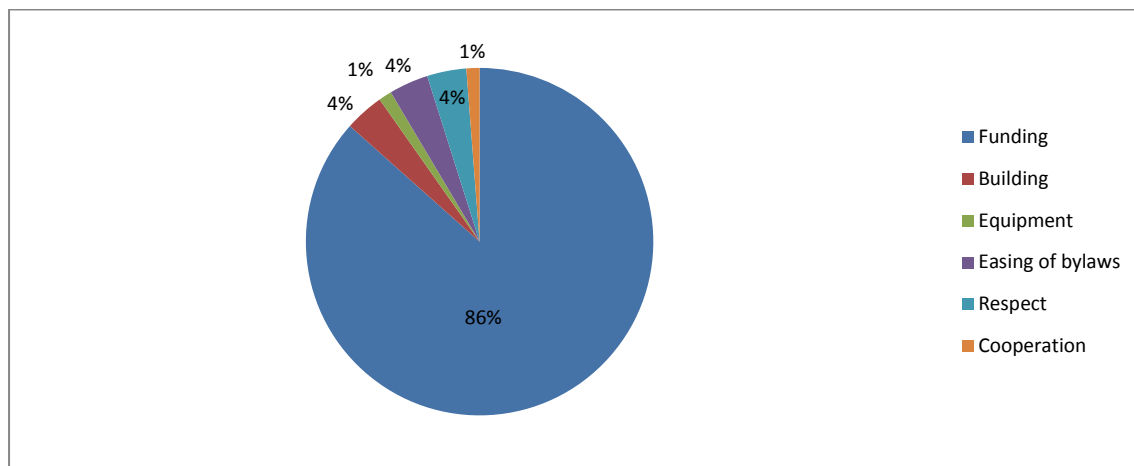
FIGURE 35: SUPPORT REQUIRED FROM THE PRIVATE SECTOR

As was to be expected the main type of support needed by the majority of ECD sites from both local government and the private sector is funding. In respect of Local Government support in accessing buildings and easing of bylaws reflected directly against the challenges listed. Of interest is the number of ECD owners who indicated that they need respect from local government. "They don't see that we are helping to do government job, teaching job is government's job and we are doing it. Instead they shout and command and give out fines" (Interview 43, 2011).

This view was echoed by Mr Bafana, "We don't think they are serious about partnerships, this new zoning by law why, why are they doing it, some ECD centres have been operating in the same place for 20 years and now they must pay R8000 to be zoned, we said let us come up with a solution and their response is we have a solution you must just comply" (Bafana, 2011 Interview). Mr Tsekeli acknowledged that the relationship between ECD enterprise owners and the EMM is marked by conflict, is located in distrust and typified by command and control, he however explains "This is an important sector for us, we are jointly responsible for these children's health, safety and development. For years there has been no policy, programme or monitoring, now we are doing this and naturally it is difficult to be normalised and formalised and regularised" (Tsekeli, 2011 Interview). When put to the sector, the response was succinctly captured by Interview 18, "If we are jointly responsible why are they not helping us, they make the rules and we have to deliver it is about paying that is all they want more money" (Interview 18, 2011)

The areas of support requested of the Private Sector refers to adoption, this is explained by Mr Bafana "You know you have adopt a cop well there was this initiative by a baby food company, adopt an ECD centre and then for every box of baby food bough 10c went to the ECD site. A few local ECD centres were included in that project – it all stopped when Gauteng Department of Health hear about it, they would rather have breast milk only and poor ECD sites" (Bafana, 2011 Interview).

 Ms Z Mthalsi clarified that "policy is being developed jointly with the Department of Education, Social Development and ourselves that will prevent any advertising of products that are detrimental, unhealthy and harmful, we support breastfeeding for babies, all the evidence locally and internationally supports our position, we will not allow a product that is unhealthy in terms of baby food with high sodium content, never mind our breastfeeding position to come around the backdoor and advertise to communities that can't afford to be giving their babies this food, can't afford financially or health wise. We know this cause dissatisfaction but it is our responsibility in Health to take care of health today and tomorrow especially for the children. Look so if tomorrow they come and say a cigarette company want to adopt them should we say yes, no we have no problem with the idea just not any product " (Z Mthali :2011 Interview)

FIGURE 36: STATUS OF THE ESTABLISHMENT OF A PARENTS COMMITTEE
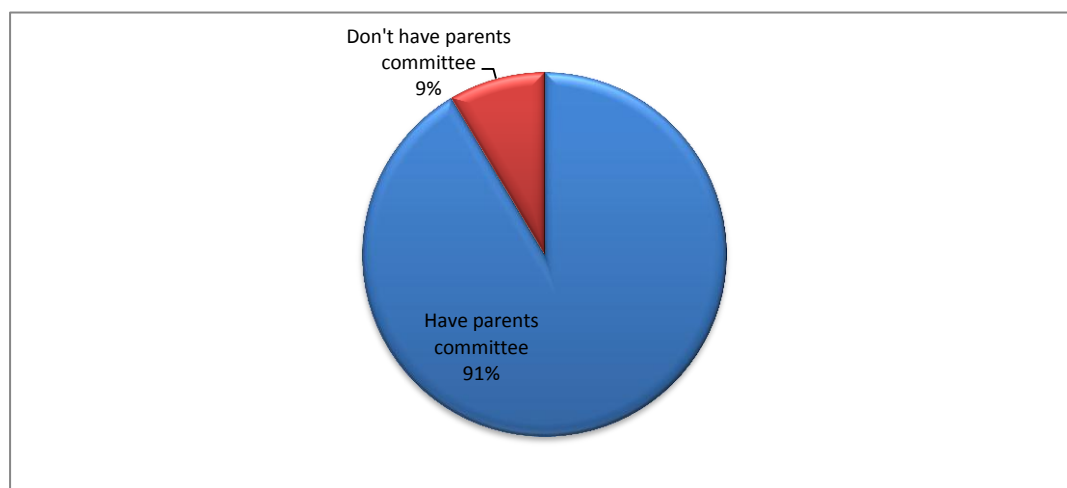
The majority of ECD facilities have established a parents committee. This indicates that parents are active participants in their children's ECD provisioning, are interested in the well being of the school,   are willing to contribute time and effort to develop the institution and most importantly see the value of Early Childhood Development.

FIGURE 37: WOULD PARENTS PAY MORE FOR A BETTER ECD SERVICE
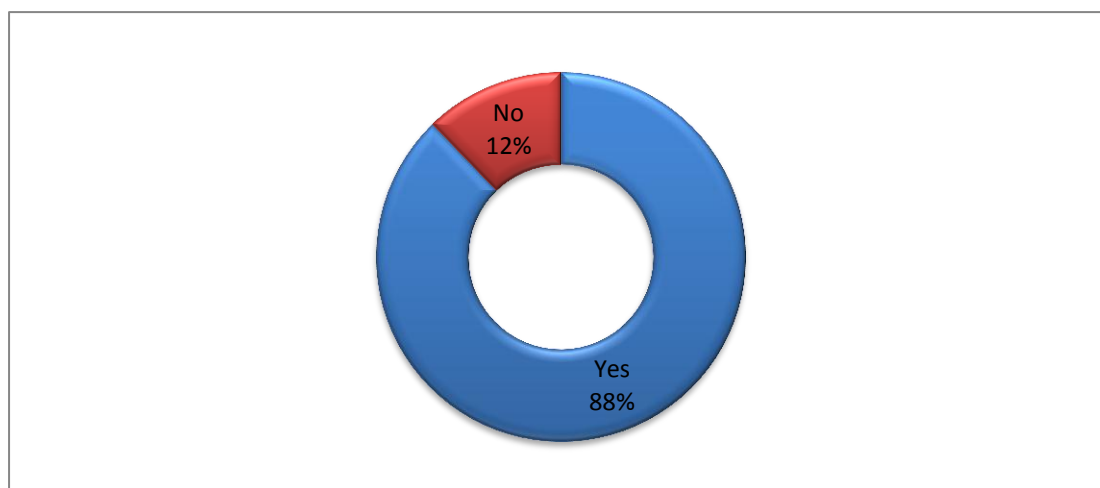
The link between financial viability and service delivery levels is a maxim of business. This is best described by Heskett, Jones, Loveman, Sasser & Schiesinger (1994) as the Service Profit Chain, "that establishes relationships between profitability, customer loyalty, employee satisfaction and productivity" (Heskett, Jones, Loveman, Sasser & Schiesinger, 1994:164)

The majority of ECD practitioners and owners surveyed felt strongly that many parents could pay more and would, if the infrastructure and services provided were of a better quality, "Yes there are many people in the area that are taking their children to suburb schools and they are not cheap at all but they have everything there better than here" (Interview 27, 2011). The principal difficulty lies in the missing link in the Service Profit Chain, namely capital. Having access to capital to build, operate and resource an ECD facility is a critical challenge as evidenced by all of the ECD practitioner / owners interviewed for this survey, "We want to upgrade and have land to build a proper building, nobody want to live in or work in a shack, that is my dream to have the children in a house with grass and toilets" (Interview 68, 2011)

FIGURE 38: NO OF ECD FACILITIES THAT HAVE ESTABLISHED FOOD GARDENS
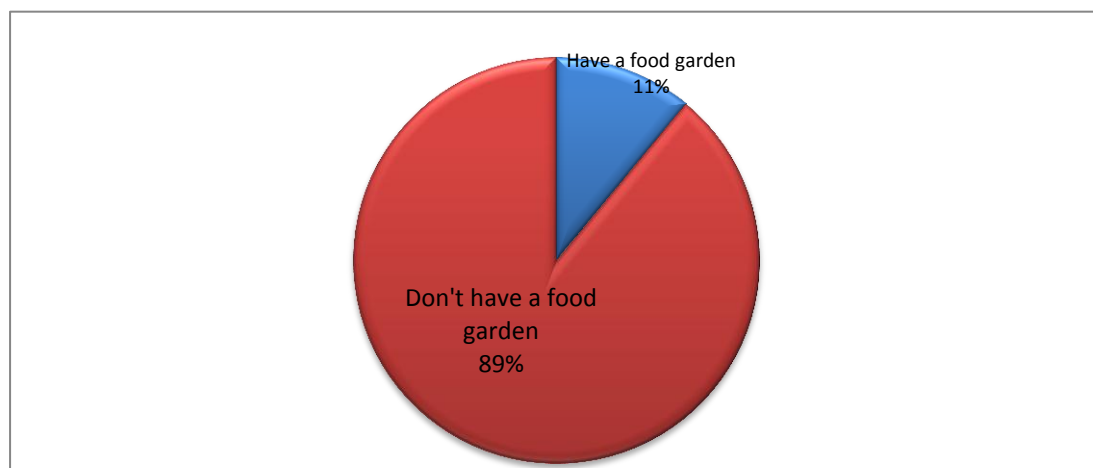
Having establishing a food garden is indicative of levels of problem solving, resourcefulness and innovation being applied. These are significant contributing factors to the successful introduction and establishment of progressive development and pioneering partnerships. Only a minority of ECD facilities have established a food garden, despite them having to prepare meals daily, the ever increasing cost of food and their limited financial means.

FIGURE 39: DOES YOUR COMMUNITY TRUST GOVERNMENT TO DELIVER SERVICES
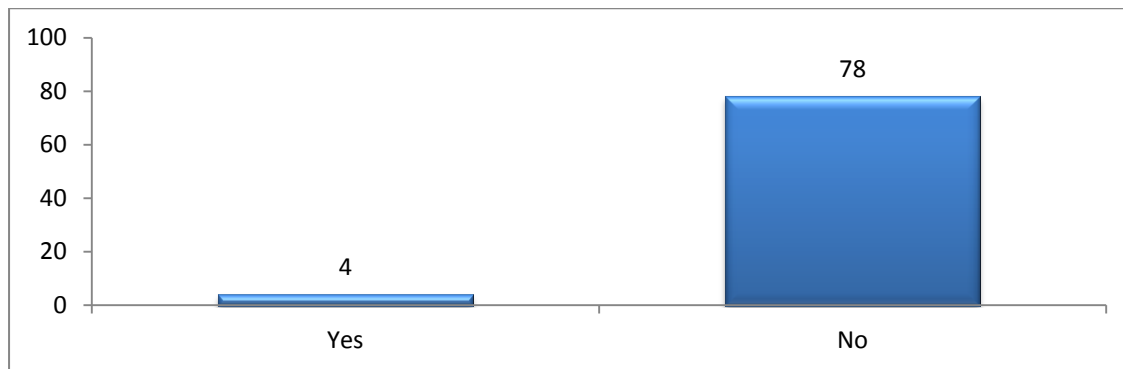
The overwhelming majority of persons surveyed for this study do not believe that their community trusts government to deliver services, " Look we all had believed that it will change and now where are we, nothing has changed for us. When the people protest before it used to be just unemployed youth and we said you must give these leaders a chance the ANC belongs to us heh, now all the community is angry and we will protest all of us old young everyone" (Interview 6, 2011). This is reflective of the growing discontent in Ekurhuleni communities with slow transformation, increased poverty, poor service delivery and endemic maladministration. This view has been echoed by Mr Tsekeli " There is less trust and a sense of goodwill from our community partnerships, our partners want less engagement and more implementation they say" (Tsekeli, 2011 Interview). Mr Bafana confirmed the growing impatience with waiting "We don't want to go to any more meetings were the officials have presentations that say they are making plans or coming with a report, if you have not made a plan in 17 years you can't do it and you need help" (Bafana, 2011 Interview)

FIGURE 40: WILLINGNESS TO PARTNER
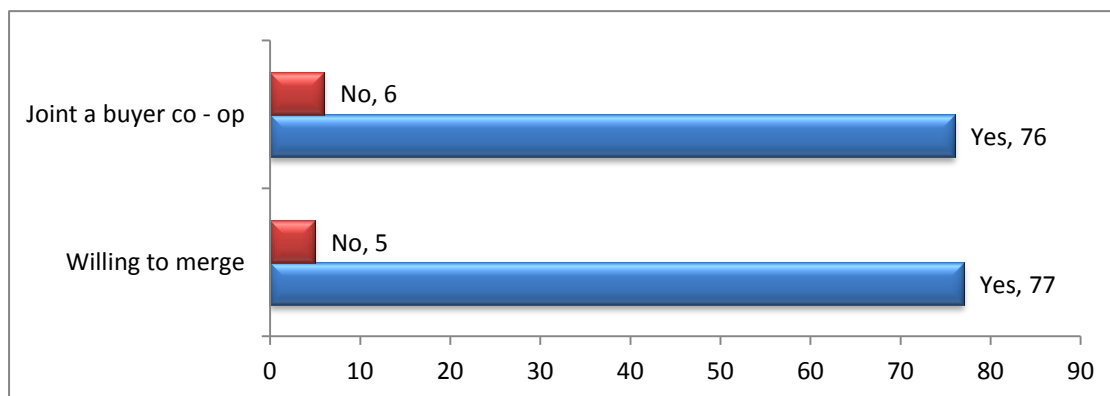
A significant majority of ECD owners indicated a willingness to both participate in a buyers co – op and to merge with surrounding ECD sites in order to achieve increased economy of scale thereby securing viability and improving sustainability, " Yes of course we can merge together and share facilities and work together" (Interview 34, 2011) further echoed by Interview 5, " We have 10 crèches in our area and we are all finding it difficult, we can share our facilities, the lady down the road got outside play equipment donated but I have a transport. If we got together we could have some money left over at the end of the month for our salaries as owners" (Interview 5, 2011).

Of those respondents that indicated that they were not willing to participate, only 1 indicated no across both questions. The negative response appeared to be motivated by experience and emotion in the main, " No we tried that once working with other crèches on this area forum, it took up a lot of time and we all needed help

so nobody could help the other we were all at the same level" (Interview 16, 2011), this response is further emphasised by Interview 81 "We are attached to the church and therefore will not be in a position to amalgamate but we can cooperate" (Interview 81, 2011) and emphatically stated by Interview 13 " We have worked very hard, we started with nothing, not everybody around in this area has worked so hard and now they just want to get given" (Interview 13 , 2011).

FIGURE 41: WILLINGNESS TO PARTICIPATE IN A FRANCHISE MODEL
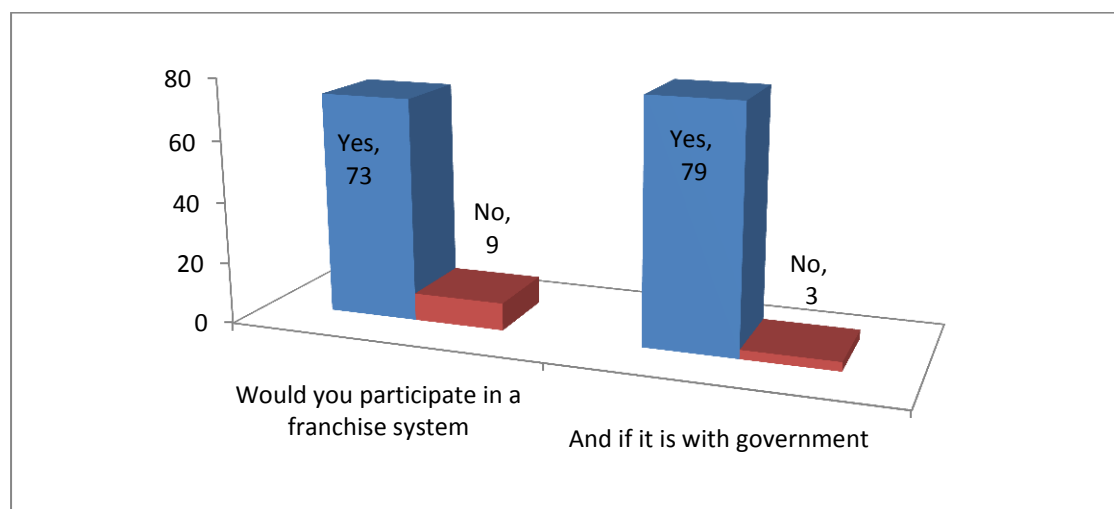
The vast majority of ECD owners surveyed during this study, indicated that, firstly they understood the concept of franchising "of course we know franchising like Chicken Lichen" (Interview 69, 2011) and secondly and most importantly that they would be willing to participate in a franchise model, "Yes I would definitely" (Interview 23, 2011).

When it was proposed to the respondents that government becomes the franchise holder, the support for the proposal increased to 96%. Respondents' rationale for indicating a positive response to a franchise relationship with government can be synthesised into ownership, trust and expertise. The survey respondents indicated that they did not believe government would want to take them over like a private sector partner might, "Government does not support nationalisation, look how Julius has been calling for it and they say no" (Interview 54, 2011), secondly there remains a high degree of trust in the ANC and by extension the government, "They are our party, the party for the poor and so the government is committed to help us"(Interview 42, 2011), finally respondents are confident that Government does not have the skills to run ECD facilities, " They don't know how to run ECD they don't have the skills and they don't have teachers" (Interview 34, 2011).

Respondents indicated that while they supported a franchise model in partnership with government they did not feel similarly about PPP's or private sector partnerships. In respect of PPP, both Ekurhuleni leadership and officials indicated that "they are too complicated and not really for local government, mainly set up for

national infrastructure" (Tsekeli, 2011 Interview) and Ms K Twala–Maluleke MMC Health and Social Development, "It is my understanding that there is not a lot of support generally but here definitely none", (Twala–Maluleke, 2011 Interview). ECD owners believe that partnering with the Private Sector would make them vulnerable to take over, "No they have money and skills and lawyers and they like money so much they have to own everything" (Interview 55, 2011).

Finally, definitively and succinctly in support of an ECD social franchising Mr Bafana indicated," Our members would be very willing and able to participate in a pilot social franchise with Ekurhuleni local government, absolutely I see only win – wins here".(Bafana, 2011 Interview)

CHAPTER 10: SOUTH AFRICAN CASE STUDY-ASHA

INTRODUCTION:

ASHA is described as "a community-based organisation which supports the cost-effective community management of 40 preschools supporting more than 5 000 pupils, their families and community. "Our people are our management. Our centers are safe havens protecting children from abuse, providing interesting learning opportunities, and helping to preserve vulnerable families" (Mseme et al, 2006: 43).

ASHA, was established more than 70 years ago, as a derivative of the Association of European and African Women established in 30's, as a multi-racial society that worked for the improvement in the lives of women in Soweto (Marock, & October, 2006:1). Originally the purpose built centres were utilised as in-home pre-school care centres later evolving into 40 fully fledged well equipped day care centres staffed by trained and experienced teachers, providing a holistic programme of education and care from 07h00 to 17h00 each day (Linington & Excell, 2004:138). To date 50 000 children have passed through the ASHA, "gaining a solid foundation on which to build their future and in turn, contribute to the country as a whole." (ASHA, 2011:1)

This case study is based on primary research that was conducted by Mseme, Mseme, Millian & Marock starting in 2006 and has continued in partnership with the City of Johannesburg. Secondary data has been utilized to updating the primary research, for the purposes of this study.

ASHA is relevant to informing this study as it is organized with a central administration body that provides direct support and auxiliary services to their ECD schools.

BACKGROUND:

START UP:

ASHA was formally established as a Voluntary Association in 1955, with a fully racially integrated committee, both highly contentious and illegal at the time. This was in direct response to the call for assistance, from women running temporary crèches for finance, advice, support and in order to comply with the bureaucratic requirement of being affiliated to a recognised welfare organisation so as to receive state funding (Mseme, 2005:88). Through 40 years of Apartheid, despite the increasing government pressures to stop cooperative relationships between white and black women and with the tightening grip of "bantu education", which according to authors such as Taylor & Francis (1982), Fedderke, de Kadt & Luiz (2000) and Vally, Dolombisa & Portevsk (2002) was a cornerstone in the architecture of the Apartheid grand design ASHA grew in size and strength and by the mid 1980's 40 preschools were linked to the association.

Post 1994 ASHA began in earnest to build links with all stakeholders and associate emerging networks (Marock & October, 2006:2) in order to intensify the empowerment of the ASHA ECD facility operators and increase service delivery to the day care centers beneficiaries. Stakeholders lead a strategic decision to restructure the organisation to match the new environment and meet the emerging challenges and opportunities (Mseme, 2005:89). By 1997 the redesign of ASHA had commenced with the main restructuring being the organisational separation into two divisions namely pre-schools and a standalone training division. In the year 2000 ASHA's community-led transformation was complete. Parents now had full participation in the running of ASHA, through the parent service committees with ASHA Board representation. Pre-school principals and vice principals were now elected to the Management Committee and its associated service committees (Mseme, 2005:89).

LEGAL STATUS:

ASHA is registered as both a Non-Profit Organisation (NPO) and a Section 18a Education Organisation which affords ASHA tax exempt status

The ASHA Trustees own the ASHA Pre-schools Association and the ASHA Training Trust. This means that both separate legal entities are owned by the Trustees. The CEO of ASHA Pre-schools and the CEO for the ASHA Training Trust report to their respective Boards as well as to the Trustees (Mseme, 2005:90; Marock & October, 2006:3; Mseme et al, 2006: 43).
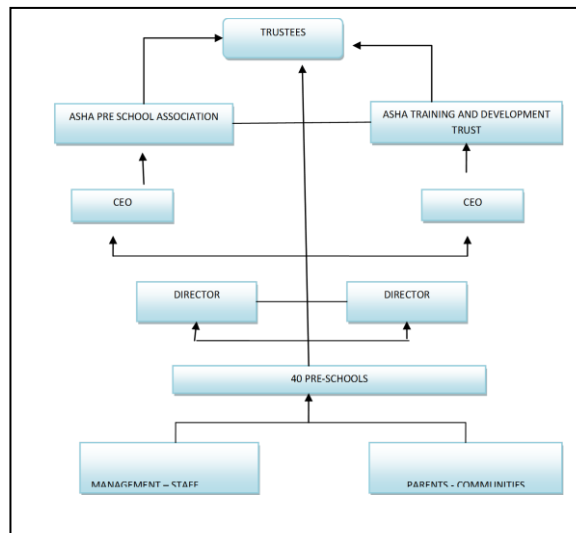
OPERATIONAL STRUCTURE:

FIGURE 42: ASHA ORGANOGRAM

Description of Functions:

The ASHA Head Office is responsible for the management and quality assurance of the pre-school staff and training facility. Importantly, ASHA Head Office is responsible for fund raising, contract management and overall oversight of the various programmes. Additionally the maintenance and outsourcing function management is located in the ASHA Office

ASHA has developed a highly efficient staff organogram with a purposeful skew to a high number of operational staff located at ECD sites in ratio to administrative functions located at Head Office (Marock & October, 2006:3). All teachers that work at the ASHA ECD facilities are employed as part of the ASHA Head Office staff compliment (Marock & October, 2006:4). Additionally ASHA employs two Monitoring and Evaluation offices located at head office tasked with overseeing and monitoring the operations and quality assurance of the various sites. The two field workers work closely with the Management Committee, which is constituted by elected representatives of the ECD sites, to oversee the internal people management functions and to ensure good governance compliance (Marock & October, 2006:4). The Management Committee together with the ASHA HO staff oversee areas such as disciplinary and dispute resolution matters, staff incentives and employment matters (provident fund) and payroll management. Each ECD site has a principle that manages the staff and monitors the service delivery at each local site.

COLLABORATIVE RELATIONSHIPS:
ASHA has longstanding funding relationships with in excess of 250 individuals, organizations, international funding agencies, charities and private sector sponsors (ASHA Pre-School Association, 2011:1). Additionally relationships have been forged over time with contractors and service providers, for the cost effective supply of food, services and maintenance to the sites and the provision of training for the teachers.

DESCRIPTION OF SERVICES:

SERVICES AND PROGRAMMES OFFERED:
ASHA offers a suite of centralized, standardize and quality controlled services to all member ECD sites, service uptake is either compulsory, in respect of governance management, or voluntary in respect of support services (Mseme et al, 2006: 46).

Marketing: Core brand development and promotion is delivered nationally with individual schools responsible for local marketing within the respective communities. Key brand attributes that form the core global messaging is reliability, quality care and education (Mseme et al, 2006: 46).

Accounting and Fundraising is both national competences. In respect of Accounting, functions include bookkeeping, contract negotiations and ensuring statutory compliance. Fundraising encompasses sourcing

both financial and in kind funding and includes completing of applications and business plan including drafting applications and expenditure reporting under the Nutrition Programme of the Gauteng Provincial Department of Social Development (Mseme et al, 2006: 46).

Bulk buying is a central service and includes perishable goods such as food and materials large and small such as building, maintenance, furniture, educational aids and stationary (Mseme et al, 2006: 46).

Human Resource Management is a national function and includes payroll management for all 40 crèches, conducting disciplinary procedures and staff negotiations, dispute resolution and managing the provident fund and group life schemes for staff (Mseme et al, 2006: 46).

Quality control: This is a critical national responsibility and includes teacher assessment, education evaluation, healthy and safety, good nutrition, monitoring access and quality of infrastructure. The quality assurance process in place ensures that individual performance is recorded on a computerised database, analysed and reported back to the individuals and their specific facility management. Every staff member and every child at ASHA has a portfolio of work to demonstrate their competence (Mseme, 2005:91).

In addition to management and administrative services provided by ASHA, the Early Childhood Development Programme is prescribed to all member facilities and provides each ECD site with a fully developed daily holistic **educational programme** including regular educational outings. The delivery thereof is strictly monitored by education specialists (Mseme, 2005:91).

A multi-disciplinary team of speech and hearing, physiotherapy, occupational therapy and social work therapists provide **intensive therapy** once a week to all children identified as requiring these services. The programme includes parents into the process to support, further home-based therapy for these children (Mseme, 2005:91).

TRAINING & EDUCATOR STANDARDS

The ASHA Training Trust is a registered and accredited training provider with the ETDPSETA . It provides for training of teachers, assistance and so called 'floaters' for long and short courses. Training is sourced through a number of service providers with approximately 40% of the short courses being provided and funded by the Department of Labour. The balance of the training is conducted by established NGO's in the two ASHA training centers, the Elizabeth Resource Centre and the Randfontein Centre (Marock & October, 2006:5).

A two tier stringent monitoring of programme delivery and standards is undertaken. The first is internally conducted by the ASHA Board and the second externally conducted quarterly by expert evaluators under the directorship of the ASHA Training and Development Trust

TEACHER TRAINING PROGRAMME:

The ASHA offers an accredited career path "mainly to women" (Marock & October, 2006:5) who join the organisation as teachers, as well as ECD skills, and other competencies essential to their jobs. Training programmes includes skills competencies such as management, bookkeeping, emergency care, food gardening, numeracy, language, trauma counselling, community leadership and parent committee training (Marock & October, 2006:5).

The training approach that has been adopted emphasizes progressive learning and continuum education. Frequently a volunteer will undergo fundamental training and over a period of time move into a 'floater' salaried position, deployed to facilities as a temporary replacement, progressing to an entry level teacher, developing in expertise and experience into a Grade R Teacher. "This training is continuous and very effective, the majority of Principals have moved through the system to their current positions" (Marock & October, 2006:5).

OUTREACH:

ASHA offers three community building outreach programmes namely the Awareness Programme, Community Leadership Programme and Inclusion Programme.

In recognition of many of the children's vulnerable home conditions including poverty, sickness and broken family structures the Awareness Programme provides families with skills and support to build a healthy and supportive home environment. This programme addresses issues such as HIV / Aids, enhancing family relationships; communication, conflict and problem solving; coping with children with special needs; personal finance; divorce, custody, maintenance; domestic violence and substance abuse

 "ASHA believes that the quality of life for their children will improve if the communities in which they live are transformed and the rights of women and children valued and safeguarded (ASHA, 2011:1). In order to achieve sustainable transformation ASHA promotes change in "the beliefs, attitudes and skills of individuals within these communities" (Marock & October, 2006:6). To catalyze change ASHA's elected parent committees, staff and selected community members receive leadership training that includes personal leadership modules, management and community development and entrepreneurial skills (Marock & October, 2006:6).

In line with the recommendations of the Educational White Paper 6, one teacher at each preschool has been trained to assess children for special needs. In 2003, 20% of ASHA children were identified as needing specialised intervention to address learning delays (Mseme et al, 2006: 46).

DESCRIPTION OF INFRASTRUCTURE:

GEOGRAPHICAL LOCATION
FIGURE 43: LOCATION OF ASHA SITESMAP
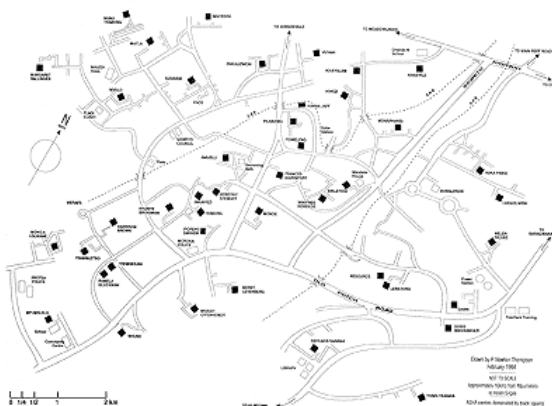
All 40 ECD sites are located in the Soweto area. The Pre-School administrative office is operated out of Randfontein, and the Training Trust is located in Brixton (Mseme et al, 2006: 50).

LAND, BUILDINGS AND EQUIPMENT
The majority of land utilized by ASHA was donated by the Johannesburg City Council on a long-term lease some significant, but undetermined, time ago (Mseme et al, 2006: 46). Construction of the 40 ECD centers was funded through donations and is owned by the ASHA Trust. ASHA maintains and secures the land and buildings utilizing sub contractors. It is noted that due to the age of many of the buildings, maintenance and refurbishment is an ever growing cost (Marock & October, 2006:9). "Equipment in the facilities is basic" (Marock & October, 2006:10) mostly donated, second-hand and well used. In the main classrooms are acceptably equipped, obviously more and better equipment and teaching materials would be appreciated, but creative ways around these issues have been devised. This innovation is clearly seen the application of teacher training on recycling with a great deal of the equipment being homemade, great initiative and is, as result of being created in the community, culturally appropriate.

MARKET ANALYSIS:

SOCIO-ECONOMIC NEEDS ANALYSIS
ASHA specifically, intentionally and from the onset provides services to poor communities. It is estimated that approximately 70% of the children came from homes that had no income other than government grants (Mseme et al, 2006: 51). The poverty index amongst the ASHA community is rising as a consequence of the

economic recession, "further exacerbated by the continued impact of HIV AIDS with an increased number of child head households and decrease in household income" (Mseme et al, 2006:50). Additionally there is a growing concern of the consequence of teenage parenthood that presents specific challenges in that "the parents are themselves still in school and have no income to support or educate their children." (Marock & October, 2006:10). This perception has been validated by the study conducted by Panday, Makiwane, Ranchod and Letsoalo (2009) of the HSRC, for UNICEF on behalf of the Department of Education, in which two featured findings are noted namely " Learner pregnancies are higher in schools that are poorly resourced , those located in poor neighbourhoods (no-fee schools and schools located on land independently owned), as well as in schools that involve considerable age mixing (combined schools)" (Panday et al, 2009: 6) which equally apt describe the communities ASHA is located in and " over two thirds of young women report their pregnancies as unwanted because it interferes with educational aspirations and imposes greater financial hardships in a context of high levels of poverty and unemployment (Panday et al, 2009: 6). ASHA is oversubscribed with entry waiting lists at all of their 40 schools. New sites are urgently required however ASHA does not have access to any more land and funds to finance construction. This means that "hundreds of children are turned away at the start of each school year" (Marock & October, 2006:10).

SIZE

The facilities vary in size from the smallest which caters for 50 children, to the largest which has 200 (Mseme et al, 2006: 51). Each site caters to 3 age groups between 18 months to 5 years and at least one Grade R class per pre-school.

ADVERTISING, PROMOTIONS & MARKETING

There is no real requirement for a formal enrollment marketing programme for the schools as they are unable to meet the current demand and are annually oversubscribed. Generally word–of–mouth and parents/siblings having attended the schools are the dominant referral mechanisms, "bearing testimony to the "long and successful history within Soweto" (ASHA, 2011:1).

There is a formal, active and professional advertising and marketing campaign aimed at "Friends of ASHA" targeting funders and donors both locally and internationally (Mseme et al, 2006: 52). This campaign employs a variety of communication tools including newsletters, events, a website and relationship management. It is must be emphasized that there is dedicated staff exclusively employed to successfully secure funding, financial or in kind and that international donors are significant contributors to the activities of ASHA.

FINANCIAL STRUCTURE:

As with all of the administrative services within the ASHA structure, there is a uniform fee structure for learners and a standardised salary structure for all employees. These are collected and paid by the central office (Mseme, 2005:91).

COSTINGS:

Monthly fees per child is on average R400.00 per child. This excludes the National Nutrition Programme Grant. An additional minimal amount per child per month is levied for outings and fundraising, but is not often paid by parents who are already struggling to make the monthly fee payment (Marock & October, 2006:11).

Fees are collected via direct deposit with a payment policy, which is applied on a case-by-case basis, stipulating that non-payment by the 7th of the month precludes the child from attending classes. This is not strictly applied due to high unemployment among parents.

The Nutrition Programme by the Department of Social Development subsidies all the children to the amount of R6.00 per child per day times 22 days over a one year period (Mtshali, 2011 Interview). The total grant to

the 40 crèches amounts to R6 million per annum. This grant is approved based on a means test of household income and is targeted at the poorest of the poor (Mseme, 2005:91; Mseme et al, 2006: 53) .

Salaries are standardised throughout the organisation. All other purchases are made through the central purchasing office from contracted suppliers, and are drawn from a budget that is structured and applied to all 40 facilities (Mseme, 2005:91; Mseme et al, 2006: 53; Marock & October, 2006:11). The Marock & October (2006) ASHA case study comprehensively analysed the income and expenditure of ASHA based on the 2005 Annual Report, which was the last to be generally distributed. Based on that analysis a percentage distribution income and expenditure model has been calculated.

FIGURE 44: ASHA INCOME AS A % BASED ON 2005 REPORTED FIGURES
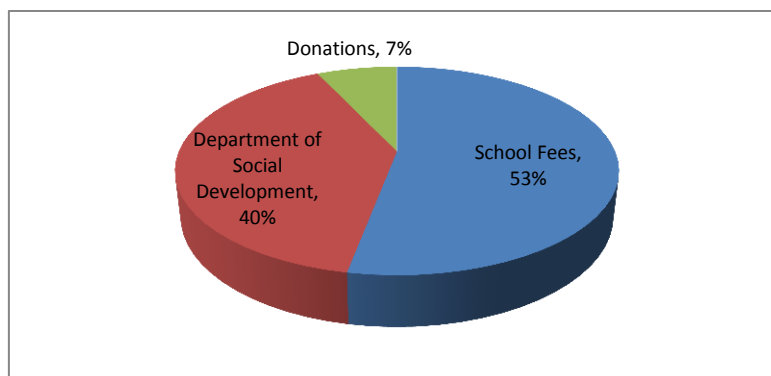
FIGURE 45: ASHA EXPENDITURE AS A % BASED ON 2005 REPORTED FIGURES
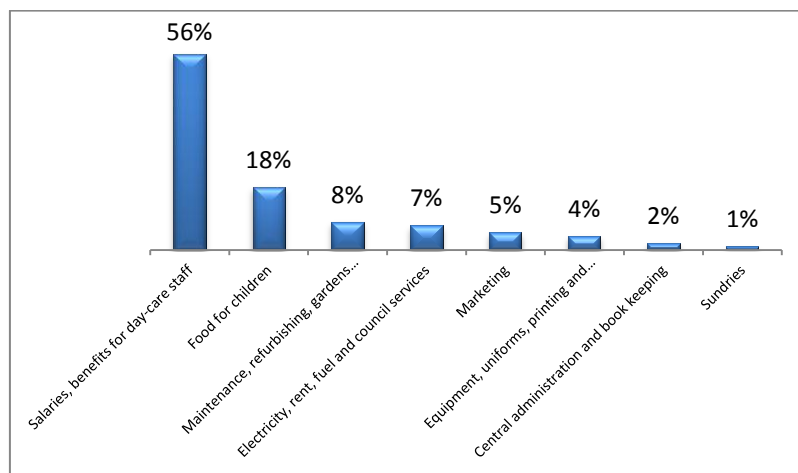
IMPACT AND RISK:

SUCCESSES

The strategic success of the ASHA model can be synthesized from evaluative research previously conducted (Mseme & Millan, 2006:1) as central planning and administration local delivery and empowerment.

Key benefits of the centralized model include economies of scale, effective administration & HR expert knowledge of governance and systems, effective monitoring and evaluation and dedicated personnel to source and access government grants in addition to donations and funds from international and national donors, agencies and funders.

Additional factors which have been identified as contributing to the success of the ASHA model (Mseme & Millan, 2006:1) is role played by strong partnerships including service providers, the community and long term benefactors. The active outreach programme promotes the advocacy role played by ASHA, increases ASHA's relevance in the community and builds trust between the broader community and ASHA.

CHALLENGES

Financial viability and sustainability is at the core of the challenges faced by ASHA (Mseme & Millan, 2006:1). Fees income is low with limited prospect of substantial increase due to the socio-economic circumstances of the community served. Consequently ASHA remains heavy reliance on annual donor contributions which has two fundamental limitations; firstly uncertainty of budgeting and secondly inhibits growth to meet community needs (Mseme & Millan, 2006:1).

LESSONS LEARNT

The ASHA case study findings relevant to this study are firstly that a centralized model benefits effective administration, economics of scale, good governance and finance controls, securing funding and conducting effective monitoring and evaluation

Size of organization matters, small but highly expert head office to contain costs and large in relation to number of affiliated ECD justify economies of scale.

Economies of scale and bulk buying systems must be applied to all services, purchasing and funding applications. This system should be further strengthened by establishing a service provider programme that will establish relationships, negotiate discounts and ensure quality of service.

Centralised finance, administration and HR alleviates pressure on the sites allowing focus on delivery of education and ensure effective operational process and procedures are applied.

Effective monitoring and evaluation can be applied with internal and external monitoring by expert individually and comparatively across all sites. .

Strong partnerships are fundamental to the acceptability, usability, viability and sustainability of ECD provisioning within communities

The level of success increases in ratio to the dedicated expertise available. Educators must focus on education supported by strong administrators, aided by experts in compliance and good governance procedures and enabled by funding and relationship building experts.

CHAPTER 11. CONSTRUCTIVE COUNSEL – FROM LEADERS, ADVISERS AND IMPLEMENTERS

INTRODUCTION

The key findings of this studies literature review, the outcomes of the survey and the case study were synthesized and put to political leaders, policy makers and policy implementers for clarification and constructive counsel. The outcomes of these interviews informed the context, construct and composition of the social franchise model designed in this study.

METHODOLOGY

10 qualitative in – depth semi structured interviews were conducted; all administered face to face (Welman, Kruger & Mitchell, 2010:211). These interviews were exploratory and engaged on a number of issues and innovations that have not been determined by any policy statement, legislation or regulation. This has meant that individual responses have been synthesized and where direct comments have been quoted and attributed permission has been given. A matrix of the interviewees and logistics of interview have been included as an addendum

No	Person Interviewed	Designation	Category
1	Mr K Motlanthe	Deputy President of the Republic of South Africa	Leadership
2	Mr G Mantashe	Secretary General of the ANC	Leadership
3	Mr T Manuel	Minister in the Presidency	Leadership
4	Ms K Twala-Maluleke	MMC Community Development and Health Ekurhuleni Metropolitan Municipality	Leadership
5	Ms K Mohan	Advisor to the Gauteng MEC Economic Development	Advisor
6	Mr S Mkhwanazi	Senior Project Advisor: Performance Management Desk National Treasury	Advisor
7	Ms Z Mtshali	Director ECD Gauteng Province Department of Health	Implementer
8	Ms V Mentor	Chief Director ECD Institute Gauteng Provincial Government	Implementer
9	Mr L Tsekeli	Director Women and Children Community Development Department Ekurhuleni Metropolitan Municipality	Implementer
10	Mr Bafana	Chairperson of Usizo la Bantwana and member of Ekurhuleni Metro ECD Council	Implementer

INTERVIEW STRATEGIC COUNSEL

ON THE ISSUE OF THE DEVELOPMENTAL STATE

The Leadership category clearly articulated that the developmental sate philosophy lies at the heart of the national strategic agenda, " Good, yes , let's talk about development not dependency " (Mantashe, 2011 Interview).The South African iteration of the philosophy was emphised and in particular that the developmental state as conceived in South Africa is locally appropriate, applicable and realistic. "Our national future is the priority and it is imperative that everybody understands the objectives, and the timeframes that we must all pull together believe together and succeed together. We must recognising the enormity of the task before us all" (Mothlanthe, 2011 Interview). The Leadership category cautioned that the developmental state is a philosophy and the National Development Plan – Vision 2030 is "exactly that a plan in which we all have a role to play so it can't be government failed to implement or the private sector puts profits before the national good or NGO's are underfunded. The plan in a developmental state is the responsibility of all citizens" (Manuel, 2012 Interview)

The Adviser category was more circumspect in relation to understanding, embedding and advancing the developmental state philosophy across all three spheres of government, "recognising that this process is an ongoing process, it will empower the country, the economy and our people however this is still at a national focus a national perspective model , it requires a high level of planning, expertise, cooperation and control. At local level we still need to get the basics right" (Mohan, 2011 interview). The limited participation of citizens in crafting the South African philosophy was of concern to the Advisors category and in particular that communities appeared to have a limited understanding of the philosophy and in the absence of any real political education there is a risk of alienation, "it must be remember that if we are to advance on the National Democratic Revolution we must design government to deliver in a nationally appropriate way and to guard against citizens alienation, implementation must be locally steered" (Mohan, 2011 Interview.

The Implementer category referred to the Constitution broadly in responding to questions on the nature and characteristics of the developmental state. There was no indication of an understanding of the role the public administration must play in the developmental state and there was a general consensus that the developmental state referred to national politics rather than local delivery.

In respect of local government role, responsibilities, capacity and challenges

There was a general consensus across all categories of the importance of local government, "local government is the engine room of democracy, transformation and delivery" (Twala – Maluleke, 2011 Interview).

While the Leadership category generally agreed that community protests are of concern, they strongly argued that there are many myths, misconceptions and fabrication around community protests and that they are not a sign of an imploding state, "Yes, it is good, yes good, communities protests it is a sign of a healthy democracy. For me, protest place pressure on us to deliver faster. The demand is to accelerate service delivery and so our success is our failure."(Mantashe 2011 Interview). The push pull effect was put forward by the leadership category as a strong driver of community dissatisfaction, "The more we deliver the higher the expectations, the more we are expected to deliver and pressure is placed on us to accelerate the service delivery. This is on two levels as previously explained development delivered creates a demand for accelerated development and secondly development in an area will attract other people into that development node" (Mantashe, 2011 Interview). The equity of development was raised as a concern, "Development is not being implemented in a nationally organized fashion against a plan and timetable that is known, has integrity and is kept too. This means communities fear that they have been overlooked, ignored or disadvantaged because they live in an area with a weak local government" (Mothlanthe, 2011 Interview). The myths that surround community protests, both in igniting the protest and the reporting within the wider public was of concern to the Leadership category, " A violent community protest just outside Cape Town that closed the N2 was mainly started by a battle within a ward committee. The community was told that the Councilor was corrupt and attention was drawn to the Councilors new car. In a poverty stricken community the Councilor who is receiving a salary does seem to have access to sudden wealth." (Manuel, 2012 Interview). In terms of challenges corruption was highlighted "corruption is robbing us of our liberation" (Mothlanthe, 2011 Interview) and, " It is a monsters and must be decisively deal with" (Manuel, 2012 Interview), a lack of capacity, "This is very important one of our biggest challenges is, and everyone agrees on this, it is municipality capacity, financial, budget systems. These kinds of skills and systems need to be developed. But that development must be equitable between areas and number of persons developed" (Manuel, 2012 Interview) and "We have to bring in the right people and those are skilled" (Manuel, 2012 Interview).

The Advisor category argued that challenges in local government are real, fundamental and cause extreme anger amongst communities and require a complete review, "Local Government is a separate power, and the nature of local government, what it should be responsible for, what it is mandated to do, what it thinks it should do, what citizens want it to do and what it actually is doing is certainly not aligned. The local government sphere power and functions should be reviewed. You know local government is currently only responsible for bulk service delivery (Mohan, 2011 Interview). The challenges at local government level was in

part linked by the Advisor category to the shifting nation strategy including the current development state debates, "For local government these shifts have a concentrated effect, firstly delivery happens at this level so what is an ideological debate in some arenas is the operating manual for local government, it defines their priorities, plans and programmes. Continuous change causes delivery chaos no progressive building, no certainty for citizens and with policy changing officials cannot be certain so a few can reinterpret objectives, can concentrate power can endanger our democratic revolution"(Mntshali, 2011 Interview)

For implementers the challenges of local government are acute, "People look at local government and say not delivering but who looks at how much we are expected to deliver, with little or no budget and all the time do more, do better, be quicker, (Tsekeli, 2011). The Implementers question the conviction of national government to build capacity and increase service delivery at local level, " Look if they were serious why don't they send their best leaders here instead they want to go national and just talk about turn around strategies" (Bafana, 2011 Interview).

On Economic Development

All categories agreed that economic development is crucial and decisive in achieving the national transformation, strengthening democracy and realizing the equality and equity agenda, "our collective attention and national efforts' must be focused on economic development, we cannot say we are liberated when our people are poor, unemployed and living in shacks" (Manuel, 2012 Interview). The consequence of not advancing economic development was raised by the Leadership category, "we must see this as a war a war against poverty and act as if we are under attack so we must work together across all sections of society because hungry people are not going to be patient forever and why should they be? (Twala – Maluleke, 2011 Interview). What constitutes economic liberation was also raised in this category, "economic liberation is about operational exposure. We should not be excited by ownership but by CEO's. It is CEO's that make the decisions not the shareholders. Education is the key – we need to enhance skills and the system" (Mantashe, 2011 interview).

For advisors economic transformation is not the sole responsibility of government but will require all stakeholders in the economy to contribute in a meaningful way "Local Government is a challenging environment but critical in our quest to transform our society and I use the word quest specifically. As we are redefining our societal construct, maturing our legislative frameworks and determining our political landscape, economic transformation will only be realised if local government structures, institutions, communities and stakeholders evolve and transform." (Mohan, 2011 Interview). The shifting national agenda was raised in respect of economic policy, "We have left economics including local economics in the hands of planners, we need to decide where we stand we have moved from a peoples centred, pro –poor ideology of RDP to GEAR which is institution centred, pro targeting to this mutable developmental state rainbow style." (Mohan, 2011 Interview).

For implementers economic development is an imperative but policies and programmes are seen to be impractical, isolate and irrelevant, "We are not making a difference, we are told that we are responsible for creating a conducive environment for economic development but without assistance black people in the township cannot take advantage of the environment. They need direct aid and we are offering them networking workshops" (Bafana, 2011 Interview).

On Partnerships

"We must all pull together believe together and succeed together through delivery partnerships. Recognising the enormity of the task and the limitations of public service, it is only through partnerships that communities will be serviced , democratic transformation strengthened and economic development realize. Partnerships will address backlogs of service delivery, deliver on current infra structure requirements but also deliver on future social needs so that South Africa will no longer be a country of 2 worlds." (Mothlanthe, 2011 Interview). For Leadership delivery partnerships were seen as the key mechanism to advance the national strategic

agenda and achieve the Vision 2030. "The National Development Plan is anchored in partnerships, we have to get them right, and not only in crisis" (Manual, 2012 Interview).

For implementers partnerships pose a unique set of challenges, " Of course we recognize that we need to work in partnerships but how, we call stakeholder meetings and everyone comes and agrees on what needs to be done and then nobody knows how to take it forward. There is no mechanism" (Mntshali, 2010 Interview)

ON PPPS

The Leadership category did not view PPP's necessarily as a significant economic instrument, with one responded arguing against PPPs " It is a myth the PPP's accelerate or even deliver public service. Who takes the risk in PPP's – it is fundamentally about the state guaranteeing the private sector returns – this cannot be supported. It is not the states responsibility to underwrite the profits of capital" (Mantashe, 2011 Interview).

For Advisers PPPs are a legitimate economic instrument that should be utilised more deftly, " Policy makers have been vocal in their opposition of PPPs but this is ideological, PPP are a business model that creates an environment goof for service delivery and good for business. PPP's create viable business; established, emerging and new venture creation (Mkhwanazi, 2010 Interview). The accusation that PPPs are an instrument of capital is refuted by the Adviser category, "PPPs are incorrectly perceived as pro business but in fact a key delivery of PPPs in the South Africa is that they advance empowerment with 40 % of the deals being BEE" (Mkhwanazi, 2010 Interview). In terms of project selection, it was explained that ," One of the key determinates is if the service will improve and if it will cut the cost of service delivery. No matter the model deployed, increased service delivery and decreased cost are key considerations and the main drivers in our decision making" (Mkhwanazi, 2010 Interview). On being asked if the current PPP legislation could be extended to cover Social Franchising, the response was clear, "No, on so many levels success must be clearly determinable – not easy with social services, the third party must carry the risk of start up, ownership was be clearly determined and in the respect of building this must include land to construction. Furthermore what if parents don't pay is government required to guarantee a level of revenue? Additionally and importantly accountability is critical. The risk when viewing from the transactional PPP process and relationship is risky but this seems to be about partners in as opposed to paying for a service. "(Mkhwanazi, 2010 Interview).

IN RESPECT OF EDUCATION AND ECD IN PARTICULAR

All categories extolled the advantages of education but it was the Deputy President Mr K Mothlanthe (2011) that stressed the value of Education and specific for South Africa "The Deputy President indicated that he believed that Education is the single most important priority that can shift the country's current trajectory in respect of economic, social and developmental challenges. The Deputy President spoke on Education not only being about employment and development, but that education broadens community views , shifts mindsets, changes attitudes and makes possibilities into probable. The Deputy President went on further to say that of course education is important for the youth but the older generation is just as liberated by education and the very young hold the key to forever breaking with our past, breaking intergenerational poverty and breaking old held customs and constructs. He concluded this discussion by saying that education will guard our transformation and ensure stability, development and growth into the future (Mothlanthe, 2011 Interview)

In respect of ECD, all categories confirmed that it is critical and until recently has not received the attention it should have, "Unless Early Childhood Development is effective, the smallest component of education will result in the largest component of education to be unsuccessful or less successful" (Mothlanthe, 2011 Interview) and "The national Development Plan has put ECD on the national agenda where it should be" (Manual, 2012 Interview).

In respect of its location, "This has not been one of our core functions (local government), however because we are a caring government and because we are citizen focused, these delivery objectives are as important to us, our priorities reflect both our core function and social issues. I think ECD should be a local government competency. Social programmes must deliver on our priorities such as creating jobs, helping the indigent and

empowering our citizens. We believe that ECD is a sector that requires strong partnerships. Our focus is on compliance but to achieve that we need to empower ECD owners and that requires partnership between all stakeholders. Also we believe that the focus on ECD should be in every community in Ekurhuleni. " (Twala–Maluleke, 2011 Interview)

ON SOCIAL FRANCHISING

While none of the interviewees had any particular knowledge of social franchising, one explained the response was unanimous in support with the Treasury highlighting areas to note.

In respect of local location, "That the delivery objective of development is located at the most local level, that it is premised on self determination with public services being directed by the needs of the citizenry and most important state participation in order to advance economic participation, equity and advancement. That this model seems intent on unleashing local potential." (Mothlanthe, 2011 Interview)

In respect of enterprise development, " This model can fit into our strategic direction of needing a developmental path not a fiscal path, we must move away from welfare support to productive activities support" (Mantashe, 2011 Interview)

In respect of service delivery, "This is exactly what we are wanting innovative, responsible and realistic proposals on how to implement the National development plan" (Manual, 2012 Interview) and "Yes I believe we should look at this more closely, being financially viable, delivering on government services, targeting the poor creating jobs, wealth and compliantly educating our children (Twala–Maluleke, 2011 Interview) and "If we are talking about economic delivery and community development social compacts translated into concrete delivery partnerships then yes absolutely" (Mohan, 2011 Interview).

In respect of model services and development, "Of particular importance is educating the ECD educators – questions that should arise out of this kind of study for future studying is should ECD training be offered by universities or some other kind of institution, what is the basic curriculum requirements and of course should ECD be seen as Education and therefore offered by the state, should it be free and what other services could be clustered into ECD provisioning" (Mothlanthe, 2011 Interview).

Funding Options, "Nutrition is a critical component in the development of young children and without good nutrition children will not benefit fully from ECD. We are not responsible for funding ECD centres - but government should be, (Mtshali, 2011 Interview)

Areas to note, "How to justify intervention in a sector of the private sector, how to determine who the state assists and who can pay, critically and we repeat critically, accountability, verification and monitoring these are public funds and finally and most importantly the state may not be in competition with the private sector or itself." (Mkhwanazi, 2011 Interview)

In closing "I believe this model, no I would call it a mechanism has great potential it advances on a range of priorities. Start with an enabling framework in part what you are doing, and most importantly where is the money coming from it can't come from local government it is already stretched too far and of course accountability who is accounting and who is accountable. Finally build capacity, it is difficult to introduce new ideas into the public service, partly because it moves slowly, it is responsible and conservative with public money, but often because if you are drowning in delivering now you will be unwilling and incapable of considering innovation. If we are to advance on the NDR we must design government to deliver in a nationally appropriate way and to guard against citizens alienation, implementation must be locally steered" (Mohan, 2011 Interview)

CHAPTER 12: THE EKURHULENI SOCIAL FRANCHISING MODEL

PARTNERSHIPS DELIVERING DEVELOPMENT

Partnerships have long been recognized as key to public delivery; however the urgency to establishing public delivery partnerships that are ideologically palatable, politically acceptable, and legislatively compliant and advances service delivery sans corruption is evident and shown by this study. The advantages of Municipal Service Partnerships are well recorded (Robins, 2008:2) and include allowing municipalities to concentrate resources, allow managers to focus on core strategic delivery and not get caught up in the mechanics of service delivery, improve efficiency, customer services, quality, implementation of best practice and reduce cost (South Africa, ND:2). "A key innovation of the Systems Act and its amendments is the idea of service provision through municipally owned entities termed "municipal entities" (South Africa, 2004e:9). The Systems Act of 2000 as amended empowers municipalities to form entities under strict regulations governing their formation, governance and activities. Amendments to the Act determined that only three forms can be applied in respect of entity structures namely a private company, a service utility or a multi-jurisdictional service utility. In all three forms municipal entities will always have organs of state holding the majority control (South Africa, 2004e: 10).

According to the South African Constitution of 1996 the executive and legislative authority of a municipality is vested in its municipal council. The Constitution gives municipalities the obligation to ensure that municipal services are delivered in a sustainable way. The White Paper on Local Government (1998) recommends that municipalities look for innovative ways of providing and accelerating the delivery of municipal services. The Municipal Service Partnership (MSP) White Paper (2004e) provides a clear framework within which to leverage and marshal the resources of public institutions, CBOs, NGOs, and the private sector towards meeting the country's overall development objectives.

Internationally, development agencies are defined as "independent organizations, shaped by public and private institutions, with the aim of implementing strategies of shared territorial development, with particular emphasis on favouring access for the most marginal portions of a population to opportunities of income and decent employment (ILO, 2003). In South Africa, the IDC defines a development agency as "A development agency is an entity with public interest and accountability but which uses private sector tools and strategies. It can be defined as a specialised entity essential to fill the gap between the crafting of development plans and their implementation. It is a delivery tool, owned by the municipality to coordinate and manage public resources, potential investors and regional investment opportunities in accordance with identified development objectives. Its task is to pursue key strategic projects, catalytic in nature, which can have a major impact in the local environment (IDC, 2008b1).

Development agencies are tasked with leveraging opportunities, to promote integrated development that will improve the socio – economic conditions of the community. Most importantly they seek to bring together the public and private sector along with civil society "to address specific developmental objectives" (IDC, 2008b). Development Agencies particularly focus their delivery on areas that are poverty stricken and underdeveloped and priority areas.

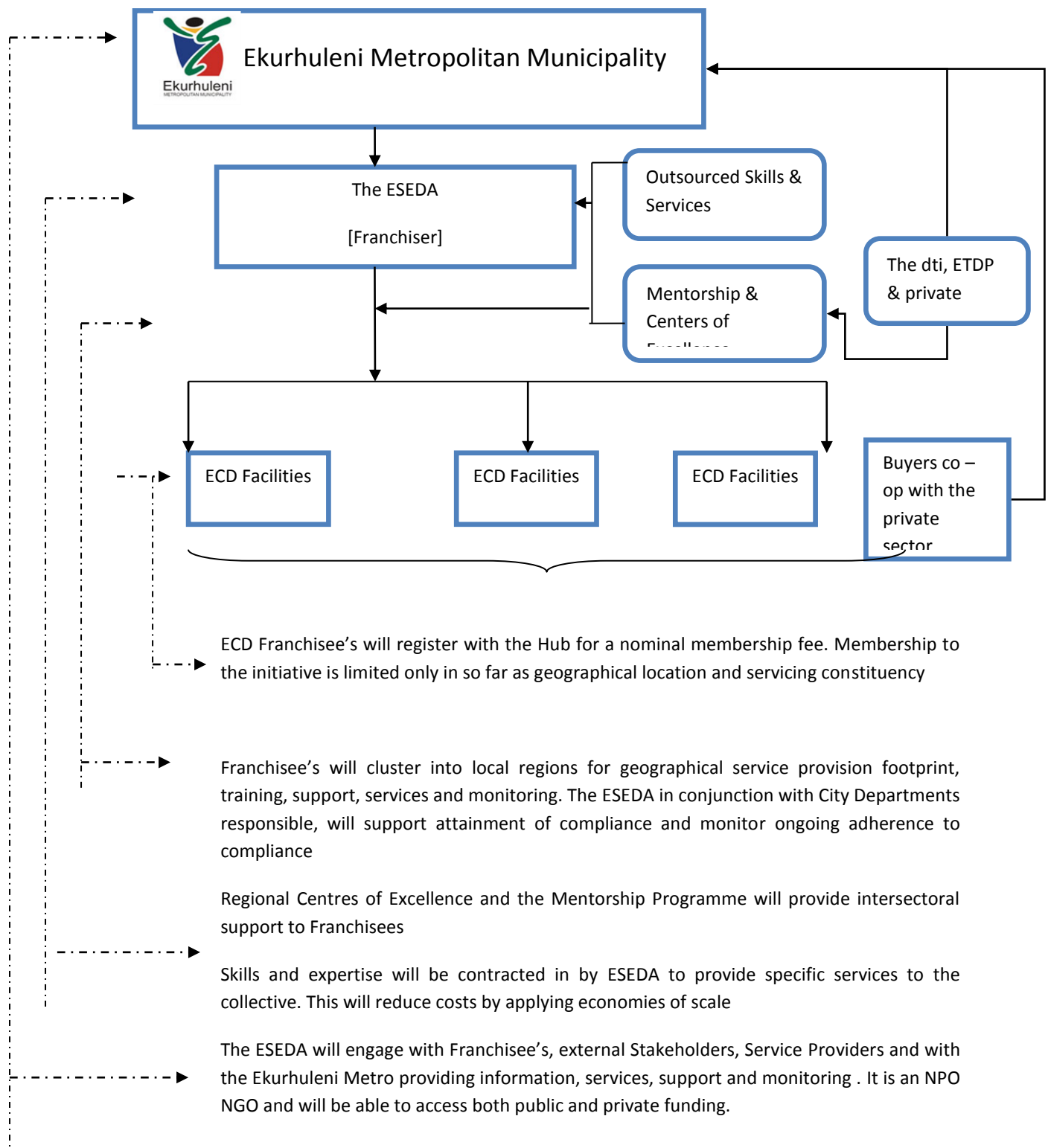**FIGURE 46 : MUNICIPAL ENTITY FUNCTION AS OF 30 JUNE 2006**
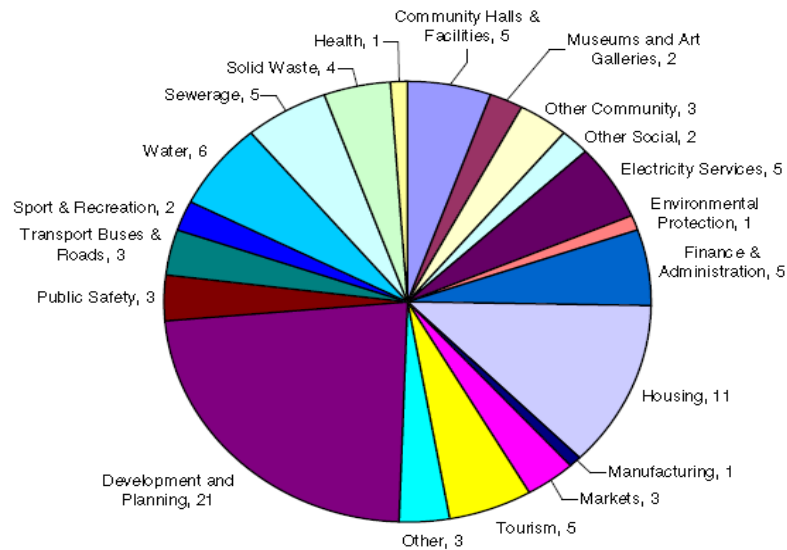
(South Africa, 2006:3)

It is proposed that a Social Enterprise Development Agency is established by Ekurhuleni Metro. Social Franchising will be one of the development instruments promote and ECD will be one of the sectors targeted. This study has provided evidence that the philosophy and principles of Social Franchising are most appropriate and applicable to South Africa's developmental vision and current under developed reality. As such Social Franchisers could be established to deliver a range of public services not just ECD, waste management and primary health are two such services.

Introducing Ekurhuleni Social Enterprise Development Agency (ESEDA)

Innovation and experimentation in delivery mechanisms that advance pro – growth interventions have underscored the following advantages in the Agency Model that is rooted in the local area with a clear mandate and accountability to the relevant sphere of government, focused and with a comprehensive agenda and strategy for development.

The ESEDA will have the flexibility to function but anchored in the strategic developmental agenda of Ekurhuleni Metro, informed by the political leadership of Ekurhuleni Metro and reporting to Ekurhuleni Metro Instructional Structures. It will enhance institutional efficiency and efficacy in order to strengthening the relationship between economic growth, community development and enterprise development. It will employ dedicated capacity organised to implement targeted social enterprises and priority social franchise programmes, by establishing project driven multi stakeholder partnership, accessing dedicated funding, apply rapid implementation deployment mechanisms and visible evidence delivery in communities. It will access additional resource streams both monetary and in kind from the private sector, public sector, international sector and establishing financial instruments to fund the social enterprises and social franchises. The process of establishing a development agency is regulated by the Local Government Systems Act, of 2000 and the Local Government Municipal Finance Management Act, of 2003 (the MFMA). Jointly they provide for a municipal service being rendered through a 'municipal entity', in this instance and agency. The establishment process is a stringent 2 phase procedure; (1) the planning process (2) Section 78 process which is constituted by 4 stages (2i) First assessment (2ii) First decision (2iii) Second assessment and (2iv) Second decision. Once all the criteria and requirements have been complied with, the process completed and all Stakeholders agreed, the ESEDA will be constituted.

Ekurhuleni Metropolitan Municipality

The ESEDA

[Franchiser]

Outsourced Skills & Services

Mentorship & Centers of Excellence

The dti, ETDP & private

ECD Facilities

ECD Facilities

ECD Facilities

Buyers co – op with the private sector

ECD Franchisee's will register with the Hub for a nominal membership fee. Membership to the initiative is limited only in so far as geographical location and servicing constituency

Franchisee's will cluster into local regions for geographical service provision footprint, training, support, services and monitoring. The ESEDA in conjunction with City Departments responsible, will support attainment of compliance and monitor ongoing adherence to compliance

Regional Centres of Excellence and the Mentorship Programme will provide intersectoral support to Franchisees

Skills and expertise will be contracted in by ESEDA to provide specific services to the collective. This will reduce costs by applying economies of scale

The ESEDA will engage with Franchisee's, external Stakeholders, Service Providers and with the Ekurhuleni Metro providing information, services, support and monitoring . It is an NPO NGO and will be able to access both public and private funding.

DELIVERY STRUCTURE

The Ekurhuleni ECD Social Franchise located within the ESEDA will for the most part reflect a conventional franchise business structure. ESDA will be the Initiator who will be responsible for developing the founding principles, constituting the board of Stakeholders including representatives from the private sector and civil society, and actively supporting the Franchisers as well as monitoring delivery.

The ESEDA will constitute a hub which will provide a range of services to franchisees (ECD facilities), these services may be sourced from either internally within the hub or based on cost and accessibility of expertise outsourced. As the ESEDA is external from the municipal departments it will be able to receive public and private funding, have a flexible, dynamic and robust organisational structure and to be exclusively and completely focused on the establishment and growth of Ekurhuleni Social Enterprises and Social Franchising in particular.

A key competence of the hub is to ensure compliance with regulations, uniformity of core delivery components and appropriately excellent quality of service delivered. Additionally the hub will play an advocacy role, implement support programmes, collectively market and fund raise, monitor and conduct social research and impact assessments. A key function of the Hub is to facilitate the amalgamation of existing micro centre's that alone will never achieve viability and sustainability

 As the number of franchisees increases, even taking into account a potential increase in the staff compliment the support and monitoring function is going to increase tenfold. This will be further compounded by an increase in auxiliary liaison and fund raising requirements. It is therefore proposed that a mentorship programme and in the medium term Centers of Excellence should be established. The mentorship programme will identify well resourced and willing non franchisee ECD facilities that will provide information, support, in field training and share resources with franchisees. Centers of Excellence will be established as the Ekurhuleni Social Franchise initiative matures. These centers will be franchisee who have completed the life cycle of the initial support and compliance phase. Franchisees will then advance to the mentorship programme and provide assistance to new franchisee entrants. It is proposed that the ESEDA in partnership with the dti and the private sector establishes the pilot Centre of Excellence which will be used as a Centre of Excellence incubated trial. Mentors and Centers of Excellence will be regionally based and provide outreach services to Franchisees geographically cluster locally.

SERVICE OFFERING

FRANCHISEE TARGETING

Ekurhuleni Social Franchise (ESF),a programme of ESEDA must reflect the developmental state imperatives, the delivery priorities and the social franchising vision; a commitment to extending and strengthening service delivery to poor communities. It is therefore imperative that the ESF applies franchisee eligibility criteria.

The ESF will be open to:

ECD facilities which are geographically located within the boundaries of the Ekurhuleni Metropolitan Municipality and;

ECD facilities that provide service to the 0 – 6 age group and;

ECD facilities who provide services to the poor, vulnerable and marginalized as per the indigent policy defined by DPLG or;

ECD facilities who operate in degradated or "hot spot" areas as defined by the Ekurhuleni Growth and development strategy;

ECD facilities who operate on the periphery

It is noted that the ESF will have to conduct a City wide audit in order to proactively seek out eligible ECD facilities and encourage membership into the ESF. Additionally those designated social areas which do not

have existing ECD facilities should be identified and in partnership with existing public SMME development agencies encourage ECD opportunity entrepreneurship.

SERVICE DESCRIPTION

From the primary research conducted in this study it is evident that ECD facilities require a holistic service. This includes accessing funding streams, accessing information and training and skills development. Without all three components included in the ESF the franchisee is at risk of becoming dependent, disempowered and offering deteriorating levels of service excellence. Equally Ekurhuleni Metropolitan Municipality must receive significant social returns on their investment to attach value to the ESF and therefore assure sustainability

The ESEDA (Franchisor) will through collective bargaining, economies of scale and advocacy provide the following services:

Securing Resources: The ESF will identify and secure resources, public, private and earned, appropriate and applicable to the needs of the Franchisees to be distributed by the ESF as defined by the Franchise agreement. The ESF will develop an ECD facilities blueprint (infrastructure and resources) and existing facilities will be retrofitted up to standard. New facilities will be provided with a fully fitted ECD facility. It must be noted that one of contributions from Ekurhuleni Metropolitan Municipality will be the donating of public buildings that are currently standing empty and are either hijacked or falling into disrepair.

Compliance: The ESF will in conjunction with the relevant inspectorates ensure that the Franchisee is compliant. Ongoing compliance will be secured through training delivered by the ESF, toolkits provided by ESF and compliance checks conducted by ESF.

Administrative: The ESF will provide Administration assistance all Franchisees including Accounting (Monthly book keeping, taxes and debt control) HR and IR (Recruitment, retention and well being of staff) Policies and procedures (HIV Aids, Equity, Employment and Skills)

Training: Training is a critical service the ESF will provide to the Franchisees. This will include identifying training requirements facilitating training as well as accessing funding for the actual training. Additionally the ESF will record the training data to be available for social impact study. This will be conducted in partnership with ETDPSETA will

Collective purchasing: The ESF will negotiate reduced rates on the procurement of goods and services applying economies of scale including food, cleaning materials, capital goods, learning materials, arts and crafts, stationary, and equipment

Advocacy : Taking into consideration the importance of ECD and the fact that the sector is undergoing significant changes with regards to legislation and accompanying prioritise, advocacy is crucial. The advocacy function must address three distinct target audiences namely Government in respect of information, legislation and engagement, the public in respect of importance of ECD for children, solicit support and engagement, ECD facilities participation and retention, the private sector in respect of funding and skills transfer and civil society in respect of funding and skills transfer

ECD Knowledge Repository: The collection, interpretation and distribution of verified information is of significant planning value. The ESF will act as the hub allowing information to flow down to the ECD franchisees as well as from the franchisees into the broader community. Data reporting can become a source of income to the ESF

Accessing support: By acting as a focal point the ESE will enable ECD Franchisees to access a wide range of resources, skills, knowledge, programmes and support grants for the children and the facilities allowing the ECD sites to focus on providing quality care and service excellence To social grants for children falling within the designated target as specified by the relevant legislation.

Quality assessment and monitoring: The ESF will ensure through a vigorous monitoring regime that ECD franchisees attain and retain compliance and meet standards. Additionally the ESF will report on the social impact and sustainability of the programme. It is important to note that the core focus of the monitoring will include the overall development of the child (this will include education and learning skills acquired as well as matters pertaining to health, physical and emotional development),

The Franchisee through commitment, participation and empowerment will:

Deliver an excellent service: The ECD franchisee will ensure that the service delivered is compliant to the ESF blueprint at all times which will include attaining and retaining a compliance certification, creating an environment that is innovative, fun and educational sound, having facilities that are well maintained secure and regularly upgraded, ensuring that the children are loved, supported and protected, healthy and well nourished and that the enterprise is economically sustainable within the Social Franchise model

Access: The ECD facilities will engage with the ESF to ensure that the children who are eligible for grants are receiving such, if not the ECD will assist with initiating the process primarily with regards to information. Importantly the ECD practitioners will identify those children at risk and inform the relevant focal point as established by the ESF.

Information: The ECD franchisees will act as a principal source of information for the parents and Ekurhuleni Metropolitan Municipality with regards to ECD focused issues. Additionally ECD facilities will provide a secondary information resource to by acting as a public information distribution centre and community meeting venue

Build relationships: Social relationships are generally weak in marginalised and alienated communities. The ECD franchisees have an important role to play in establishing and strengthen community, sector and stakeholder relationships focusing on the collective energies of all, speaking with one voice to uplift and empower the most number of vulnerable children.

Catalyse social empowerment: The ECD franchisee will through effective informing, assisting and supporting initially the children and by extension entire families' catalyse social empowerment. This will include not only information with regards to citizen's rights, responsibilities and social grant programmes but also how to access theses programmes.

Report on impact studies: The ECD franchisees will be required to comply with an extensive reporting and monitoring regime which not only includes the key elements of good governance and social impact but fundamentally assess the positive impact of the programme on the children with regards to a gamut of criteria (Health, welfare, emotional well being and educational..

Ekurhuleni Metropolitan Municipality will initiate the ESF and provide:

Provide resources: Ekurhuleni Metropolitan Municipality will facilitate the start up and establishment of the ESF. It will also seek to create an enabling environment for the ongoing sustainability of the ESF by seeding programme start up funding. This will not require legislative changes as it is in compliance with the current project funding regime. As the franchisor is an NPO NGO the Metro is able to allocate resources as a programme in compliance with the MFMA. Additionally and importantly the Ekurhuleni Metropolitan Municipality will identify unused buildings that are often hijacked or derelict and refurbish them as part of the EPWP programme.

Streamline legislative and compliance environment: Ekurhuleni Metropolitan Municipality will create the enabling environment for ECD facilities generally and the ESF in particular.

Awareness: The awareness and marketing campaign must speak both internally within Government and externally to the broader community. The Ekurhuleni Metropolitan Municipality will include the ESF in all

relevant and appropriate marketing and publicity campaigns and mechanisms. Inform all relevant and appropriate government forum of the ESF and facilitate buy in.

Monitoring and Evaluation: The approach to M&E adopted focuses on: the individual (the comprehensive development of the child) and practitioner development, the enterprise (that is the ability of the ECD facility to sustain itself and enhance its ability to provide quality services, the ESF as well as society including the impact on the family and the economy. Ekurhuleni Metropolitan Municipality will be responsible for establishing the ESF Board with stakeholder representation including the private sector and civil society. Ensure good governance as practiced by Ekurhuleni Metropolitan Municipality informed by the MFMA. Monitor the service delivery of the ESF on annual basis. The ESF will monitor the service delivery of the Franchisees on a monthly basis. There will be an impact evaluation conducted every 3 years to allow for a comprehensive review.

FUNDING FRAMEWORK

The development of a comprehensive funding model for the ESF that will ensure viability and sustainability of the EFS as well as being legislatively compliant requires further in-depth study. This is important as it will contribute to the extent to which the National Development Plan objectives in regards to ECD are implemented.

FUNDING MODEL FRAME

A funding model must be designed to ensure that the ESF programme develops a diverse array of financing strategies involving multiple sustainable funding streams. This approach responds to the many types of financing interventions that are required [capital costs, education and professional development for staff and operating support programmes to cite but a few.] From the survey conducted by this study it is evident that the EC sector is under financed lacking resources to deliver quality care to children, be affordable to parents and adequate compensation to staff. Financial solutions selected must seek auxiliary sources of income other than just the families who use child care. A common theme being proposed in resolving this global challenge is that child care costs should be shared among all beneficiaries – families, communities, the private and public sector.

VIABILITY OF FRANCHISEES

The franchise model is by its very nature highly co – dependent, the franchisor and franchises must all be financially profitable for the network to remain stable. A constant refrain heard throughout this study was that ECD facilities are not self sustainable and there is a belief that they never will be. However this study has offered three key factors that when analysed collectively show that ECD facilities can be viable. Firstly if services levels are increased, fees can be increased. The ASHA model is relevant, higher fees are charged, each franchisee is financially sustainable and does pay a fee to the central body. Thirdly one of the main tasks of the ESF is to actively promote the amalgamation of unsustainable micro centers into larger facilities. By (1) charging a monthly fee of R300 informed by the average charged by ASHA, (2) applying ASHA's ratio of spend (3) accessing all current grants as detailed in Addendum 2 and (4) amalgamating into larger facilities, ECD enterprises can not only be sustainable but profitable.

Cost and Breakeven Analysis	% distribution					
No of Children		20	40	60	80	100
Potential Income		R 91 320	R 182 640	R 273 960	R 365 280	R 456 600
Attendance Fees		R 72 000	R 144 000	R 216 000	R 288 000	R 360 000
Government Nutrition Subsidy		R 19 320	R 38 640	R 57 960	R 77 280	R 96 600
Potential Expenses		R 38 521	R 77 043	R 115 564	R 154 086	R 192 607
Salaries, benefits & Bonus for day-care staff	52%	R 20 051	R 40 102	R 60 154	R 80 205	R 100 256
Food for children	14%	R 5 553	R 11 105	R 16 658	R 22 211	R 27 763
Rent	1%	R 193	R 386	R 578	R 771	R 964
LTSM	3%	R 1 234	R 2 468	R 3 702	R 4 936	R 6 170
Other	30%	R 11 491	R 22 982	R 34 473	R 45 964	R 57 454
Surplus/Deficit		R 52 799	R 105 597	R 158 396	R 211 194	R 263 993

FIGURE 47: COST AND BREAKEVEN ANALYSIS
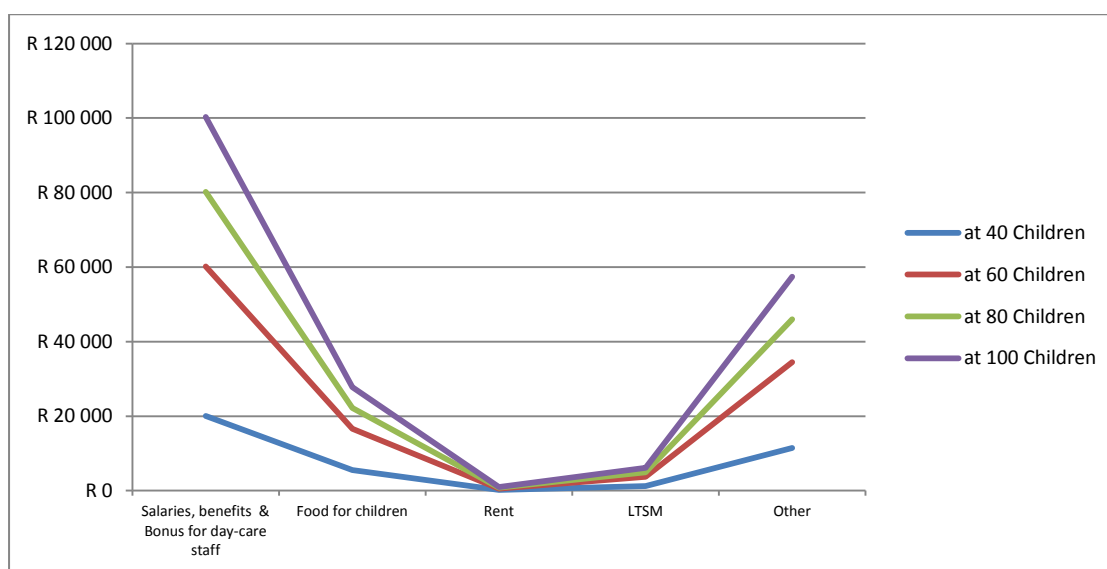
FUNDING SOURCES

It is anticipated that there are numerous funding sources to enable the activities of the ESF.

These funding sources will include:

- Membership fees from franchisees (it is seen as critical that the franchisees do make a contribution to the ESF in order to instil value);
- The ESF will, in terms of its contractual obligations, be required to develop an income generating component which could relate to charging well resourced ECD facilities to perform services that it is undertaking for its members, and/or it could include income generating activities in a related area such as making and selling resources utilised in an ECD site, a waste management programme in which reusable waste is sorted into materials that can be sold to ECD sites for usage in arts and crafts – in both of these examples, members may access these materials at a reduced rate while better resourced ECD facilities will purchase these resources at a market related rate);

- The ESF will need to ensure that it secures the various grants and support available to ECD sites in an effective manner, this includes access to social grants, as well as assisting ECD facilities to access grants from the ETDPSETA and the Provincial Skills Fund to enable practitioners and other staff to receive training;
- The ESF will also ensure that it enables ECD sites to access resources, services and goods at a reduced rate through creating economies of scale and thereby increasing its purchase power.

In addition potential sources of funding could include:

- Donors, corporate sector and individuals making voluntary contributions;
- Allocation from government departments at a provincial, national level and local level;
- The ESF could access additional income through making the products of its research available (this is likely to emerge from the monitoring and evaluation activities outlined in this document); and,

Further, it is proposed that the following funding streams are explore

Gaming Fees: The South African National Lottery and Provincial Gaming Boards should be approach to be funding partners as both have charitable trusts that hold substantial funds derived from a percentage of the profit from the gaming institution.

Property Development Levy: Property developers who build large residential complexes place additional pressure on community services and facilities. National government and Treasury in particular should be lobbied to allow local government to charge a levy on the planning permission of such development to be ring fenced for the ESF.

CONCLUSION

INTRODUCTION

This chapter is a summary of the main arguments and research findings in this study within the framework of the identified research problem and stated research objectives in Chapter 1. The main problems that the research aimed to address were that despite the pivotal role played by local government there has been a limited deliberation on how to adequately address the challenge of poor service delivery or innovative solutions to advance and accelerate delivery, alleviate poverty, achieve growth and address inequality. South Africa has begun to meet the international understanding of critical developmental, social and economic advantages of ECD. The National Development Plan Vision 2030 has determined that ECD should be available to all children in South Africa with it being compulsory for all aged 4 – 6 years old. This will require a considerable injection of infra structure, resources and teachers. Whilst the National Development Plan has chartered South Africa's development path up to 2030 there is no indication of how it will be paid for. ECD facilities are mainly owned by women, are mico enterprises mostly unregistered with very limited resources and almost no educational programme. As they are servicing poor and vulnerable communities it is imperative to find a mechanism that will provide them with support, resources and skills if we are to break intergenerational poverty and advance socio – economic class equity. Social Franchising has to date been mainly located in the NGO sector running small programmes in isolated communities . This has inhibited theoretical engagement, adaption for adoption evaluation and consideration for inclusion in the main stream suit of delivery mechanism as an appropriate strategic option to realise the imperatives of a developmental state in South Africa. There is a growing recognition that partnerships will assist in broadening, strengthening and enhancing service delivery generally and at local government in particular. PPPs are a partnership mechanism developed as part of the NPM philosophy that has been legislated in South Africa.   The current legislative regime, establishment procedures, bureaucratic administration and implementation appears to be tailored for large, national capital infrastructure projects as opposed to private social public partnership variations.

The aim of this research was to develop a governance model for Social Franchising of Early Childhood Development to be delivered at local government level using Ekurhuleni Metropolitan Municipality as the research study site. The governance model will include a proposed policy arrangement, institutional construct, organisational delivery formulation and establishment strategy.

- To conceptualise a local government social franchise governance model that will provide early childhood development services into the community, including the appropriate policy arrangement, institutional construct, organizational delivery formulation and establishment strategy.
  - Determining the current early childhood development policy, the national vision and agenda and the existing conditions of ECD service provision.
  - Evaluating the value of entrepreneurships in advancing the South African national strategic priorities, the current status, conditions, challenges and opportunities.
  - Describing social franchising with the underpinning philosophy, the characteristics, benefits and challenges to be addressed in a public delivery model that must be founded on good governance and accountability and be informed by both the dual objective of social delivery and business sustainability
  - To assess whether the current South African Public Private Partnership legislative framework is able to accommodate social franchising arrangements

This chapter will present the key arguments and conclusions for each of the stated research objectives, before concluding with final remarks on the potential use of the presented indicator framework.

SUMMARY OF RESEARCH FINDINGS AND CONCLUSIONS

Arising from this study, is has been established that ECD is a developmental service to be delivered to all young citizens of Ekurhuleni to advance their educational success, identify and address children at risk and vulnerability and break the cycle of poverty. Equally importantly ECD services offer opportunities for enterprise development, promoting women ownership and creating economies generally and poor and marginalised communities in particular. Whilst each facility inherently exhibits individuality the provision of service excellence, the compliance requirements and the current challenges faced by the facilities are universal. The current ECD provisioning is limited to mainly affording the advantaged more advantages. If a child is black from a poor family living in an informal settlement or rural area and further is a child with disabilities there is very little likelihood that they will be accessing ECD services and if they are it is less likely that it will be in a registered, well resourced centre with trained teachers, enough care givers, an education programme and sufficient stimulation both mentally and physically. The current challenging ECD sector environmental conditions and correspondingly the significant community enabling and empowering impact of the ECD sector unambiguously endorses the applicability of Social Franchising as a transformative, viable and delivery orientated business model. At its core Social Franchising is designed to deliver services to marginalised and poor communities, much need in South Africa today. It will contribute to the achieving of the National Development Plan and as an instrument of implementation it will advance the current policy into programmes. Social franchising should be located in the local government sphere as it lies at the intersection between two local government competencies, community development and economic development. Recognising the ever increasing responsibilities allocated to local government and the ever increasing citizen frustration, social franchising will contribute to the delivery of services, add public value and increase citizen satisfaction with public delivery. The foundation on which this Social Enterprise model has been designed and developed is partnerships and the delivery framework is set by partnerships. Finally while PPP's are not a viable option, establishing a Social Enterprise Development Agency is compliant to current legislation, will create the necessary structure and system to support this innovative initiative and will deliver a broad range of social enterprises one of which is social franchising and all of which will make a significant contribution to poverty alleviation, enterprise development, job creation and community development.

LIMITATIONS

RESEARCH
In the absence of comprehensive financial reporting, government in terms of project and subsidy spend and ECD enterprises in terms of income and expenditure it is not possible to calculate the cost benefit of ECD Social Franchising as a policy option.

Leaders, advisors and implementers had limited previous knowledge and no experience of Social Franchising. This made it difficult for them to provide in – depth counsel. This was further compounded by their hesitancy to comment on an innovative mechanism outside of a mandate or legislative guideline, this was particularly true for the implementer's category.

There is very limit academic studies on the theory construct and impact of social franchising. Most of the research was self authored by small NGO's seeking funding and reporting on the success of their small scale in isolated communities women's health initiatives.

.The Ekurhuleni Metropolitan Municipality had informed all ECD facility owners a week prior to the survey commencement that they would have to apply for zoning rights including retroactively. This was at a cost of R8000.00 for each site. This decision had been made without any consultation and had caused significant anger amongst ECD owners. As a result it dominated the survey response.

SOCIAL FRANCHISING MODEL
The response to a development agency was not tested amongst Stakeholders in Ekurhuleni and should form part of future research

The viability of ECD scenario calculated in this study is reliant on parents paying higher fees for better service. This has not been tested and parents must be included in a future research process

The willingness, ability and contribution by the private sector was not tested and not quantified. This could make a significant difference in the viability or otherwise of the franchise model.

POTENTIAL VALUE OF THIS RESEARCH

This research will contribute to the local government body of knowledge generally and mechanisms to advance broaden and strengthen access to service delivery, the quality of service delivery and the equitable distribution of services. Equally this study will advanced the consideration of alternative mechanisms of delivering services by introducing innovative partnerships that are not locked in the political paradigm of pro capital or pro poor. This study has contributed to the academic investigation of social franchising and shifting the location of the social franchising model into a broader consideration. This study adds to the transformation of the South African economy by promoting opportunity entrepreneurship and offering women a chance to own and run profitable enterprises which in turn will create secondary economies and employment. Finally this research is making a contribution in moving from visioning and planning to design and implementation of the Developmental state philosophy and the National Development Plan.

CONCLUSION OF CHAPTER 13

This chapter concludes this study with a summary of the research conducted and the principle findings derived the stated objectives of this research study. This chapter provides a brief overview of the limitations experienced during the research and of the Social Franchise Model that has been developed. This chapter concludes with the benefits of this research having been done.

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ADDENDUM

PUBLIC FUNDING MATRIX

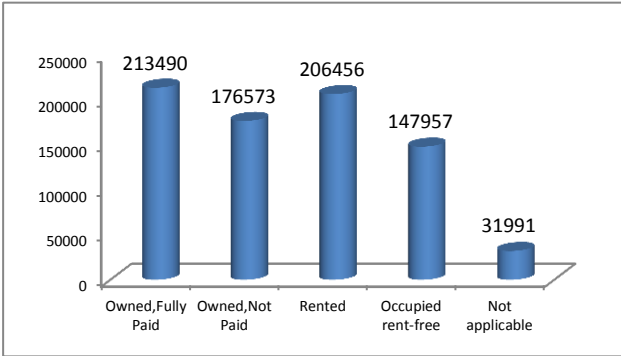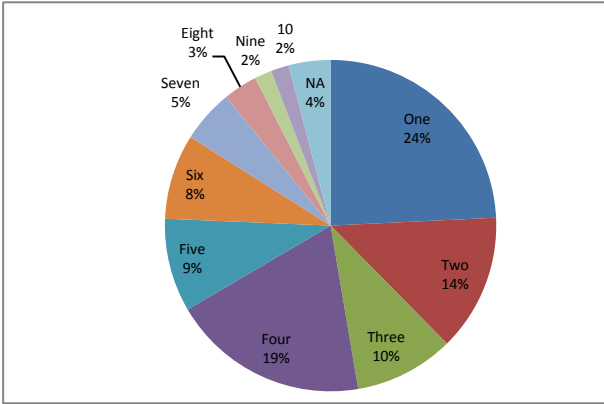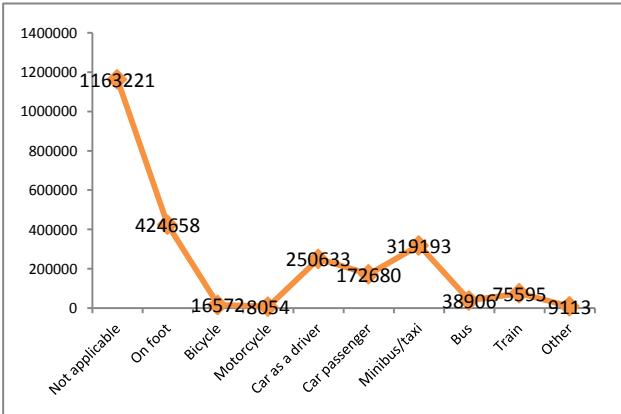**TABLE 7**: FUNDING STREAMS AVAILABLE FROM PUBLIC INSTITUTIONS 2012

Source	DSD	DoE*	EPWP	NDA
Subsidies				
Description	R 12 – R15 per child per day	Subsidies for community-based Grade R (per-child or salaries). R 5 – R17 per child per day.	Subsidised children R15 per child per day	ECD is one of the NDA's strategic focus areas with particular reference to: • Food security • Strengthening leadership and management capacity • Infrastructure (limited, in exceptional cases)
Eligibility	Children 0 -4 years whose caregivers pass the income means test and who attend a registered ECD centre			
Description	NPO programme funding some of which are ECD centres Care dependency grant for children with disabilities (South Africa, 2005:21)	Funding related to educational programmes e.g. materials Funding for training of practitioners and learnership stipends	Increasing ECD centres Minimum stipend as from November 2010 (R63/day) Incentive grants for government entities that have created 35%+ of their target number of "new" EPWP jobs. ECD training expanded beyond 0-4 year age group Community Works Programme (COGTA): ECD-related activities can be included in work done by community members.	
Accounting of public spend	Difficult to analyse as both accounted for in a much larger child care and protection services budget	Difficult to analyse as ECD programmes are sub –programmes in larger programmes and stipends vary across sites	EPWP reporting noted as " unreliable and contradictory" and vulnerable to double counting (Giese & Budlender, 2012:8)	Funded from national DSD budget with monthly, quarterly and close of programme reports
Performance	Not specifically required, part of	Not specifically required, part of a	None available	Monthly, quarterly and close of programme

evaluation	a larger programmes	larger programmes		reports including programmes impact assessments
Total spend reported	Subsidy funding has increased: < R335m in 2003/04 to more than a billion rand in 2011/12	Distinct budget programme for ECD = 2% of total DBE budget	Not available	R11.6 million invested in ECD in last 3 years noting that the number of projects funded declined over past two years Allocation for 2011/12: R161,4 million, but under spent .Plans to increase ECD investment over time to R37 million by 2014/15 = 40% NDA budget

(Giese & Budlender, 2012:6-9)

*The DOE does fund Grade R-Schools however that is not the focus of this study

KEY BASIC INFRASTRUCTURE COMPARATIVE STATISTICS IN MATRIX

Focal Area	Status Quo	Census 2001 Ekurhuleni Metro Statistics (South Africa, 2010b)
Housing	Ekurhuleni has the highest number of informal settlements 112 comprising of 170 000 informal units (both shacks and backyard units) (Ekurhuleni Metropolitan Municipality, 2010:26)(29:6)	**FIGURE 48:TENURE STATUS** **FIGURE 49:NO OF ROOMS**
Spatial Structure	Central east – west mining and industrial belt Residential boundaries to industrial belt Rural Agriculture areas in north – east and central portion of the Metro Municipality	Mining mostly abandoned with economic, environmental and special negative consequences Apartheid planning evident resulting in spatial fragmentation and structured inequality (Ekurhuleni Metropolitan Municipality, 2010:9)
Transport	Total road network of 8320km including 360km's of National Freeways and 1 300km of Provincial road networks Germiston rail HUB and OT Tambo International Airport is located in Ekurhuleni 11 000minibuses taxis operate in the area carrying approximately 335 000 passengers daily. 22% of total network gravel 12% of tar roads experiencing structural problems	**FIGURE 50:MODE OF TRANSPORT**

|	25% of tar roads and 62% of gravel roads poor or worse than minimum acceptable condition Large % of planned Provincial roads still not built (Ekurhuleni Metropolitan Municipality, 2010:13)	
Electricity Distribution	The Municipality distributes electricity to approximately 280 000 domestic, 5 000 industrial and 15 000 business customers with Eskom distributing directly to a further approximately 156 000 customers (Ekurhuleni Metropolitan Municipality, 2010:17) Electricity infrastructure especially in mining zones is ageing and frequently breaking down. Interrupted power supply has been identified as one of the principal challenges (Ekurhuleni Metropolitan Municipality, 2010:17)	**FIGURE 51: SOURCES OF ENERGY**
Portable Water Supply	Rand water supplies portable water to Ekurhuleni Metropolitan Municipality which distributes to approximately 660 000dometic, 6 400 industrial and 1 600 business customers(Ekurhuleni Metropolitan Municipality, 2010:17) The backlog of access to portable water is estimated at approximately 45 000 connections (Ekurhuleni Metropolitan Municipality, 2010:17) Mine water drainage, acid mine water and aged failing infrastructure is causing significant economic and environmental challenges.	**FIGURE 52:SOURCE OF DOMESTIC WATER**
Waste	An estimated 1.2million tons of refuse is collected annually and disposed at the 5	**FIGURE 53: REFUSE COLLECTION**

available land fill sites or 35 mini disposal sites.

Significant backlogs exist in the provision of waterborne sewage connections. Backlog of approximately 100 000 new connections
 (Ekurhuleni Metropolitan Municipality, 2010:18)
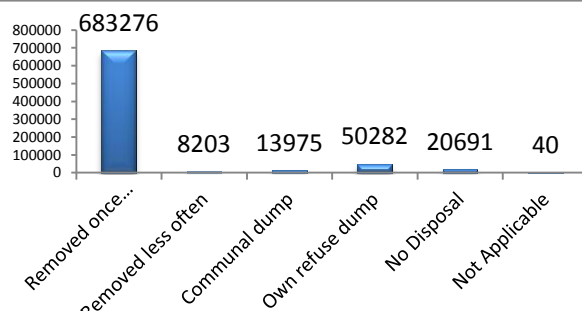
FIGURE 54:TOILETS
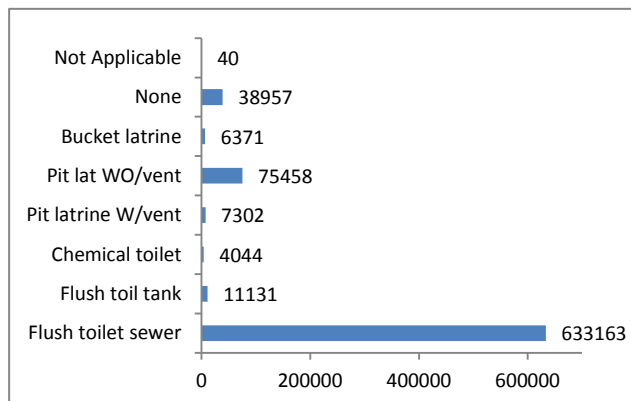
SURVEY PARTICIPANTS DATA

CONFIDENTIAL

No	Name	Address	Person interviewed	Date
1	Kgotso Day Care	1750 Kgotso st	Benidictto Mthwthwa	01 08 2011
2	Zamokuhli Day Care	15621 Ubambo st ext 16 Vosloorus	Victoria	20 07 2011
3	Mzamo Child Care	5953 Ext 23 Rondebult Germiston	Doreen	29 07 2011
4	Sonwabo Playgroup & Creche	6817 Ext 5 Pamridge 1451 Zihlahla st	Baby Mkanez	22 07 2011
5	Care Bears Day Care	387 Endwell st Puhle Park Phase 3	Dena Burds	29 07 2011
6	Nazarene Pre school	8498 Ext 6 Palm Ridge	Emely Langa	27 07 2011
7	Tshireletso Day Care	1603 Ext Rondebult Germiston	Susan Mabele	24 07 2011
8	Malwande Day Care	1775 Spanspek st ext 2 Rondebult	Kholeka Mkasakasa	01 08 2011
9	Eben-erer Day Care	6006 Ext 5 Palm Ridge	Dorothy	28 08 2011
10	Preety Bees Day Care	538 Makeena Section	Precious	29 07 2011
11	Lethàbong Day Care	843 Kathlehong Gardens	Jessica Nkosi	20 07 2011
12	Knowledge For The Young Day Care	369 Radebe Sec Kathlohong	Baby	23 07 2011
13	S'Phamandla Day Care	6296 Molele Ext 2		
14	Thembisile ECD	6274 Stidosthando st	Principal Victorias	23 07 2011
15	English Literacy Pre school	1416 Makusi	Vincentiah & Christinah	01 08 2011
16	Kagiso Pre school	7037 Intendokwane Vosloorus	Yiny Pekane	29 07 2011
17	Knowledge Day Care	4287 Bukhulu Street Palm Ridge	Fiki Leah Nkosi	27 07 2011
18	Horizon Pre school	6075 Rondebult Ext 23	Pomeza Xeco	27 07 2011
19	Will of God Day Care	Ganie Fould Street	Milda Mkweta	27 07 2011
20	Reholesile Day care	Makause Informal Settlement	Monica Tshwane	27 07 2011
21	Thandakahle Day care	18612 Tsietsi Ext 8	Diponso Motloung	01 08 2011
22	Keebie Home	458 Belmore Informal Settlement	Martha Mabele	27 07 2011
23	VET Childcare	46 Spillsburg Street Germiston	Mariah Netshithuthuni	27 07 2011
24	Vukukhane cc	01 Johan Rissik Road Delpoort Germiston	Lucy Mokoena	27 07 2011
25	Sinehiemda Day care	32 Lupen Street	Nthabiseng Ramakaima	27 07 2011
26	Rose of Hope	A72 Maluluke Street Goodhope Ext 5 Germiston	S Lushaba	23 07 2011
27	Kanak Kids	K2 Fatana Informal Settlement	Machoena Daisy Rampou	20 07 2011
28	Olwethu Day care	7075 Moleleti Ext 2 Katlehong	Sarah Thembem Jiyane	25 07 2011
29	Sunrise Early Learning Centre	12 Kwamele South Katlehong	Ethel Mtshila	02 08 2011
30	Mabande Pre school	2277 Ext 9 Germiston South	Elizabeth Magadle	03 08 2011
31	Thuthuka Day care	62 Katlehong Gardens	Zodwa Mzansi	03 08 2011
32	Ratanang Malenor	274 Katlehong Gardens	Patricia Magaso	03 08 2011
33	Little Sisters Day care	93 Dikole Katlahong	Busiwe Tshabalala	02 08 2011
34	Shalom Educare	14950 Zonkezizwe Ext 3	Portia Moekoa	30 07 2011
35	Mothed Daycare	651 Nhlapo Section Katlehong	Maria Ramaku	01 08 2011
36	Diepollo ecd	7499 Roodekop ext 31	Diepollo Manyama	03 08 2011
37	Leseding pre school	817 Ramokonopi west Kathlehong	Eddie Moleke	02 08 2011
38	Young nation	7988 ext 7 Palm Ridge	Lilian	24 07 2011
39	Siyakhula Recreation & pre school	2054 Amazinyo st	Bosiswa Nkenkana	20 07 2011
40	Thabana Mokena daycare	10282 Madi street Thokoza	Patricia Mogasho	29 07 2011
41	Batlokoa daycare	7078 Seketse st Thokoza	Nthabiseng	02 08 2011
42	Remmoho E learning	6423 Pitso Thokoza	Motshidisi	03 08 2011
43	Siphuxolo daycare	12612 Pholapark Thokoza	Nozuko Klaus	02 08 2011
44	Thabong daycare	477 Phases B Buhle Park	Samna Legote	02 08 2011
45	Informed kids care	Ntuli Street Thokoza	Nomsa Shange	02 08 2011
46	Thokozane daycare	54 Mokokeng Section Kathlehong	Mary mokeele	24 07 2011
47	Khwezi daycare	531 Phase 5B Buhle Park	Nobuzwe Sifumba	01 08 2011
48	Boipelo daycare	303 Phase 5A Buhle park	Annah Mbume	20 07 2011

49	Mathandis daycare	96 Mofokeng section katlehong	Ellen Radebe	29 07 2011
50	Zamokuhle daycare	493 Phase 4A Buhle park	Magdeline Khabanyane	29 07 2011
51	Tsoarante pre school	13587 Tsietsi Ext 8 Palm ridge	Thabisile patricia Ngwenya	01 08 2011
52	Kopanong daycare	11958 Phase 2 Ext 7 Tsitsi	Maria Sekgobso	03 08 2011
53	Amazing Grace daycare	7641 Sonwabo St Chicken Farm Katlehong	Grace mabelane	02 08 2011
54	Happy Angels pre school	312 Mavimbela Section	Phindile Mlaba	03 08 2011
55	Ikusasa daycare	577 Malete st Khumalo Valley Katlehong	Dlomo	20 07 2011
56	Vuyolethu pre school	152 Sau section Katlehong	Melita Vuyelwa Matenge	01 08 2011
57	Daksona daycare	13337 ext 8 Palm ridge	Matshelane Cecilia Mamabolo	01 08 2011
58	Ann's pre school	9518 Luthuli str ext 2 Tokoza	Anna Sebilai	24 07 2011
59	Thabang Junior daycare	2210 Kathlehong	Eunis Mohong	01 08 2011
60	Vuyani daycare	8613 Isabelle st Roodekop	Nozabalise Mpata	20 07 2011
61	Thespo Tumelong datcare	11675 ext Palmridge	Catherine Monoge	20 07 2011
62	Help them learn daycare	541 Ramokonop West	Mirriam Ingwane	01 08 2011
63	Thembelihle daycare	13365 Namhlange st ext 8 Tsietsi Palmridge	Lindiwe Kubheka	01 08 2011
64	Bathabile daycare	4133 Kusasa st Phumula	Zanele Mbele	02 08 2011
65	Sizanani daycare	7714 ext 5 Tseitsi	Maureen Hadebe	02 08 2011
66	Phathakahle daycare	13612 Tsietsi ext 8 Palmridge	Diponso Motloung	02 08 2011
67	Tswelopele pre school	7131 Sunrise Katlehong	Maria Thelejane	01 08 2011
68	Happy kids maduya daycare	6982 Sunrise Zonkizizwe Ext 2	Dikeledi mabuya	24 07 2011
69	Tinytots daycare	7177 Sunrise Katlehong	Thandi Mashini	03 08 2011
70	Ikhaselihle	7494 Sunrise	Viera Moyane	03 08 2011
71	Senamile daycare	178 Magagula Heights Kathlehong	Philisiwe Ntuli	29 07 2011
72	Lathabong daycare	2701 ext 2 Palmridge	Thelma Khoza	01 08 2011
73	Kgutsong daycare	4135 Palm ridge ext 3	Josephina	20 07 2011
74	Bahlaloga daycare	10720 ext 8 Tsietsi	Anicki Kganyago	24 07 2011
75	Mashudu pre school	673 Magagula Heights	Lebohang Sengu	02 08 2011
76	Little flower pre school	7Borgward st Edenpark	Sophie Mokhesi	02 08 2011
77	Thuthukani Bantwana daycare	3597 Luvuyo st Roodekop	Rosebud Makhathini	20 07 2011
78	One day care	168 Phase 5A Buhle park	Lerato Jane Makoanyana	02 08 2011
79	Maunongwe daycare	20547 Umbomboyi str Mfunda park Vosloorus	Sibongile Sithole	20 07 2011
80	Oakgona Daycare & Preschool	13337 ext 8 Palm ridge	Matshelana Mamabolo	27 07 2011
81	Sakkhile Day Care	472 Twala Section	Maleysaysi Vilakazi	01 08 2011
82	Siyaphambili Daycare	14578 Zonkiezizwe Ext 3	Nesi Sihlangu	29 07 2011
83	Happy tots	13457 ext 8 Palm Ridge	Grace Mabelane	27 07 2011

Questionnaire for the ECD owners   **Confidential**

Name of ECD site		
Address		
Person Interviewed		
Date		

Registered	Receiving funding	From where	How much	Have you been fined	Why	How much

No of children	1-10	11-20	21-30	31-40	40 +

Outside Equipment	Yes	No		Good Condition	Poor Condition

Inside Equipment	Yes	No		Good Condition	Poor Condition

Administration Equipment	Yes	No		Set Up	Maintained

Infrastructure	Describe structure	No of rooms	Kitchen	Library

	Yes/No		Yes/No
Toys		Blankets	
Books		Eating utensils	
Learning Equipment		Bathroom equipment	

No of teachers		Are they trained		Highest level		No training	
No of caregivers		Are they trained		Highest level		No training	
Managers		Are they trained		Highest level		No training	

Money required monthly				
Money collected monthly				
Salaries as a percentage of spend	Food as a percentage of spend	Municipal services as a percentage spend	Educational tools as a percentage of spend	Profit
Any other major spend				
Fees per month		No of non-payment		

How many other ECD sites in your area	
Would you be willing to combine physically	
Would you be willing to participate in a buyers copo	
Do you have a food garden	
Do you have a parents committee	

What services does local government provide to you now	Is this useful to you

Your Key Challenges	Priority Ranking

What support do you need from government	Priority Ranking

What support do you need from the private sector	Priority Ranking

Would you be willing to participate in a franchising arrangement	
And if it was with government	
Would parents be able to pay more for better services	
Do you think the community trust government service delivery	

Any other comments:

INTERVIEW PARTICIPANTS DATA

Confidential

No	Person Interviewed	Designation	Date of interview	Type of interview	Location of interview	Category
1	Mr K Motlanthe	Deputy President of the Republic of South Africa	1 August 2011	Face to face	10th floor Luthuli House Johannesburg	Leadership
2	Mr Gwede Mantashe	Secretary General of the ANC	8 July 2011	Face to face	8th floor Luthli House Johannesburg	Leadership
3	Mr Trevor Manuel	Minister in the Presidency	3 May 2012	Face to face	Reef Hotel Johannesburg	Leadership
4	Ms K Twala Maluleke	MMC Community Development and Health Ekurhuleni Metropolitan Municipality	26 August 2011	Face to Face	Mayoral Offices Ekurhuleni Metro Council Building Germiston	Leadership
5	Ms K Mohan	Advisor to the Gauteng MEC Economic Development	28 June 2011	Face to face	Mug & Bean Killarney	Advisor
6	Mr Sithembiso Mkhwanazi	Senior Project Advisor: Performance Management Desk National Treasury	23 June 2011	Face to face	National Treasury Pretoria	Advisor
7	Ms Zamazulu Mtshali	Director ECD Gauteng Province Department of Health	15 June 2011	Face to face	Gauteng Department of Health	Implementer
8	Ms V Mentor	Chief Director ECD Institute Gauteng Provincial Government	28 May 2011	Face to face	ECD Institute Johannesburg	Implementer
9	Mr L Tsekeli	Director Women and Children Community Development Department Ekurhuleni Metropolitan Municipality	23 June 2011	Face to face	EMM Alberton Customer Care Centre	Implementer
10	Mr Bafana	Chairperson of Usizo la Bantwana and member of Ekurhuleni Metro ECD Council	23 June 2011	Face to face	EMM Alberton Customer Care Centre	Implementer

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[i] Adapted with thanks The Invitation Oriah Mountain Dreamer