AN INSTITUTIONAL CAPACITY MODEL OF MUNICIPALITIES IN SOUTH AFRICA

Louis Adrian Scheepers

Dissertation presented for the degree of Doctor of Philosophy in Public Management and

Development Planning in the Faculty of Economic and Management Sciences at

Stellenbosch University

Supervisor: Prof Erwin Schwella

December 2015

DECLARATION

By submitting this dissertation electronically, I declare that the entirety of the work contained therein is my own, original work, that I am the sole author thereof (save to the extent explicitly otherwise stated), that reproduction and publication thereof by Stellenbosch University will not infringe any third party rights and that I have not previously in its entirety or in part submitted it for obtaining any qualification.

Signature: ....

Date: ....

i

ABSTRACT

Local government occupies a special place in the architecture of state in South Africa and there is an increasing realisation that the performance of local government is critical in respect of poverty alleviation and the rendering of services to communities. There is, however, also a need to focus on the capacity of individual municipalities to improve their quality of governance and levels of service delivery. This dissertation therefore presents a model, the Municipal Institutional Capacity Model (MICM) that can be used, outside of the present research for the dissertation, to facilitate the development of tools for the assessment of the institutional capacity of municipalities in South Africa.

As background to the study, and also as a key informant towards the ultimate design and construction of the model, six eras in the development of the South African state, with special reference to the system of local government, are identified and described, namely (1) the pre-colonial era; (2) the colonial era (laying the basis for race-based governance); (3) the Union years (institutionalising race-based governance); (4) the apartheid era (entrenching race-based governance); (5) the pre-negotiations phase (challenging race-based governance); and (6) the democratic era. This timeline represents an enriching of the historiography of the development of the South African state by including a narrative on the system of governance of one of the pre-colonial societies found in South Africa.

At the centre of the South African local government system lie a set of developmental ambitions, contained in the White Paper on Local Government, the Constitution and the

suite of local government that regulates local government in South Africa. The lofty ideals contained in this framework create a standard against which to measure the system of local government and the outputs and outcomes that it produces. At the same time, the discourse on the developmental state and developmental local government has developed into a theoretical framework that underlies the developmental ambitions of both the South African state and the importance of the system of local government in achieving these ambitions.

The MICM is constructed in three sections consisting of two capacity areas, namely, a primary capacity area (leadership) and a secondary capacity area (innovation); and a set of four key institutional capacity elements, namely (1) long-term visioning and planning; (2) fiscal management; (3) public participation; and (4) human resources.

The dissertation can be classified as a non-positivist, descriptive and explanatory qualitative study. In line with this classification, the model was validated by internal as well as external validation. The internal validation is based on a triangulation of calibrating the MICM with (1) the continuities between the different eras of local government development in South Africa; (2) the developmental mandate of local government; (3) the constitutional and legislative mandate of local government in South Africa; (4) the status quo in respect of local government performance in South Africa; and (5) the discourse on institutional capacity and capacity measurement. The external validation of the model consisted of an expert validation workshop in which four experts engaged with the MICM and considered whether the MICM provides predictive and structural validity and whether the model outputs agree with an external entity, in this case, municipalities in South Africa.

OPSOMMING

Plaaslike regering bekleë 'n spesiale plek in die samestelling van die Suid-Afrikaanse staat en daar is 'n toenemende bewuswording dat die prestasie van plaaslike regering belangrilk is ten opsigte van die aanspreek van armoede en dienslewering aan gemeenskappe. Daar is egter ook 'n behoefte om te fokus op die kapasiteit van individuele munisipalitieite ten einde hulle vermoë om goeie regering en vlakke van dienslewering te verbeter. Hierdie proefskrif bied daarom 'n model aan, die Munisipale Institusionele Kapasiteitsmodel (MIKM) om, buite die raamwerk van die navorsing vir hierdie proefskrif, die ontwikkeling van hulpmiddels te fasiliteer waarmee die institusionele kapasiteit van munisipaliteite in Suid-Afrika gemeet kan word.

As agtergrond tot die studie, sowel as 'n belangrike inset tot die uiteindelike ontwerp en samestelling van die model, word ses eras in die ontwikkeling van die Suid-Afrikaanse staat, en spesifiek die stelsel van plaaslike regering, geïdentifiseer en beskryf. Hierdie eras is (1) die pre-koloniale era; (2) die koloniale era (waarin die basis vir ras-gebaseerde regering gelê is); (3) die Unie-jare (waarin ras-gebaseerde regering geïnstitusionaliseer is); (4) apartheid era (waarin ras-gebaseerde regering vasgelê is); (5) die periode voor onderhandeling (waarin ras-gebaseerde regering uitgedaag is) en (6) die demokratiese era. Hierdie tydlyn verteenwoordig 'n verryking van die historografie van die ontwikkeling van die Suid-Afrikaanse staat deur die insluiting van 'n narratief oor die regeerstelsel van een van die voor-koloniaanse gemeenskappe wat in Suid-Afrika aangetref was.

Aan die kern van die Suid-Afrikaanse stelsel van plaaslike regering is 'n stel ontwikkelings-ambisies, vervat in die Witskrif op Plaaslike Regering, die Grondwet en die reeks wetgewing wat plaaslike regering in Suid-Afrika reguleer. Die hoë ideale wat in hierdie raamwerk vervat is skep 'n standaard waarteen die stelsel van plaaslike regering en die uitsette en uitkomste wat dit lewer gemeet kan word. Terselfdertyd het die diskoers oor die ontwikkelingstaat en ontwikkelingsgerigte plaaslike regering gegroei tot 'n teoretiese raamwerk wat die ontwikkelingsambisies van die Suid-Afrikaanse staat ondersteun, sowel as die belangrikheid van plaaslike regering ten einde hierdie ambisies te verwesenlik.

Die MIKM bestaan uit drie afdelings wat bestaan uit twee kapasiteitsareas, naamlik 'n primêre kapasiteitsarea (leierskap) en 'n sekondêre kapasiteitsarea (innovering); en vier kern institusionele kapasiteits elemente, naamlik (1) lang termyn visie & beplanning; (2) fiskale bestuur; (3) openbare deelname; en (4) menslike hulpbronne.

Die proefskrif kan geklasifiseer word as 'n non-positivistiese, beskrywende en verduidelikende kwalitatiewe studie. In lyn hiermee was die model gevalideer deur middel van beide interne sowel as eksterne validering. Die interne validering is gebaseer op 'n triangulering van kalibrering van die model met (1) die gemeenplase tussen die verskillende eras van die ontwikkeling van plaaslike regering in Suid-Afrika; (2) die ontwikkelingsmandaat van plaaslike regering in Suid-Afrika; (3) die grondwetlike en statutêre mandaat van plaaslike regering in Suid-Afrika; (4) die status quo ten opsigte van die prestasie van plaaslike regering in Suid-Afrika; en (5) die diskoers oor institusionele kapasiteit en kapasiteitsmeting. Die eksterne validering het bestaan uit 'n werkswinkel van kundiges waarin vier kundiges deur die die MIKM gewerk het en oorweeg het of die MIKM

voorspelbaarheids- en strukturele integriteit bied en of die model uitsette ooreenstem met

'n eksterne entiteit, in hierdie geval munisipaliteite in Suid-Afrka.

ACKNOWLEDGEMENTS

1. I must thank my parents, Louis and the late Mariana Scheepers, who have worked hard to provide us with the opportunities to be the best that we can be and who have inculcated in us the belief in education as a means to improve oneself, as well as the society that one is a part of. Above all, thank you for the love that has always been a part of the house in which we grew up.

2. Mamma Tilly, thank you very much for your love and the impact that you have had on my life.

3. My wife, Penny, and daughters, Genevieve and Luché, for your unwavering love and support and for providing me with the space and time to pursue this dream.

4. My supervisor, Prof Erwin Schwella, who has become a mentor and a person that I look up to for intellectual, academic and social guidance. Thank you very much for accompanying me on this stimulating journey.

5. Thank you also to the members of the external validation panel (Prof Jaap de Visser, Dr Hildegarde Fast, Dr Leanne Scott and Adv Werner Zybrand) for their valuable input.

6. I owe a debt of gratitude to Dr Elizabeth (Liz) van Aswegen for her editing of the dissertation. Thank you very much for helping me to improve the final product.

7. I need to acknowledge all the teachers throughout my primary, secondary and tertiary education career. You have all contributed to my intellectual growth.

8. To all my colleagues in local government, may we always remember that we are privileged to be able to serve our communities, and may we always do so in humility and to the best of our abilities.

DEDICATION

This work is dedicated to the memory of my late mother, Mariana Scheepers (neé Piedt).

LIST OF ABBREVIATIONS

ANC	-	African National Congress
ANCYL	-	African National Congress Youth League
BCE	-	Before common era
BEE	-	Black Economic Empowerment
BLA	-	Black Local Authority
B.Tech	-	Baccalaureus Technologiae
CAT	-	Capacity Assessment Tool
CFO	-	Chief Financial Officer
COSATU	-	Congress of South African Trade Unions
DBSA	-	Development Bank of Southern Africa
DEIC	-	Dutch East Indian Company
DNA	-	Deoxyribonucleic acid (used figuratively in this dissertation)
ECSA	-	Engineering Council of South Africa
HIV/Aids	-	Human Immunodeficiency Virus/Acquired immune deficiency syndrome
IDP	-	Integrated Development Plan
ILGM	-	Institute for Local Government Management
IMFO	-	Institute for Municipal Finance Management Officers
KCA	-	Key Capacity Area
KCE	-	Key Capacity Element
LGNF	-	Local Government Negotiating Forum
LGSETA	-	Local Government Sector Education and Training Authority
LGTA	-	Local Government Transition Act No. 209 of 1993
LGTAS	-	Local Government Turnaround Strategy
MDB	-	Municipal Demarcation Board
MDG	-	Millennium Development Goal

MICM	-	Municipal Institutional Capacity Model
MM	-	Municipal Manager
MTEF	-	Medium-Term Expenditure Framework
NCBF	-	National Capacity Building Framework for Local Government
N Dip	-	National Diploma
NDP	-	National Development Plan
NP	-	National Party
NPC	-	National Planning Commission
OECD	-	Organisation for Economic Co-Operation and Development
PAC	-	Pan-African Congress
PIMS	-	Planning and Implementation Management Support
PR	-	Proportional Representation
PrEng	-	Registered professional engineer
RDP	-	Reconstruction and Development Programme
RSC	-	Regional Services Council
SANAC	-	South African Native Affairs Commission
SMRS	-	Sustainable Municipal Reporting System
TLC	-	Transtitional Local Council
UN	-	United Nations
UNCED	-	United Nations Conference on Environment and Development
UNDP	-	United Nations Development Programme
UNMD	-	United Nations Millennium Declaration

Table of Contents

LIST OF FIGURES

LIST OF TABLES

CHAPTER 1

INTRODUCTION

1.1   Background

The importance of local government in the array of state institutions is often emphasised by scholars and lay commentators alike. Pieterse and Van Donk (2008:51) note in this regard that "there is a growing realisation that the basic services and core settlement infrastructures that municipalities provide are critical to the larger, and increasingly important, policy concerns with unemployment and inequality". The performance of local government is relevant to the discourse on poverty alleviation as a result of the special place of local government in the architecture of the state in South Africa, its role as the sphere of government most directly involved in the rendering of services to communities and individuals (Scheepers, 2004:2; Mothae, 2008:822), and the implementation of the national developmental agenda (Scheepers, 2004:1; Asmah-Andoh, 2009:104). Schmidt (2008:113) refers to the characterisation of local government, by the erstwhile Minister responsible for the Reconstruction and Development Programme (RDP), Minister Jay Naidoo, as the hands and feet of the RDP. He, Schmidt (ibid.), however, imputes a cynical meaning to this depiction, namely a move away from the new concept of equal spheres of government, back to the hierarchical state architecture as existed under apartheid.

The goal of this dissertation is to develop a model of the institutional capacity of municipalities in South Africa. In pursuit of this goal, a model is presented that can be used

to facilitate the development of qualitative and quantitative diagnostic analysis tools for the institutional capacity assessment of individual municipalities.

1.2   Relevance of the Study

Local governance and service delivery has had sufficient airing in both scientific publications and lay forums, such as the press and the blogosphere (Abrahams, Fitzgerald & Cameron, 2009:1046). The current situation in South Africa, however, calls for a fresh synthesis of the question of municipal performance and the scientific means to assess the institutional capacity necessary for municipalities to perform their constitutional obligations.

The study is particularly relevant, as municipalities seem increasingly unable to meet the service-delivery expectations of the communities that they serve. This inability is illustrated by the increase in service-delivery protests throughout the country. Some commentators also ascribe the recent xenophobic violence, concentrated over a period of approximately four weeks in June 2008 and breaking out sporadically in different localities throughout the country ever since, amongst others, to failures of service delivery (Bekker, 2010:131).

Although local government has played a major role in extending services like water, sewage, refuse removal, electricity and safe streets to the majority of people that in the apartheid years did not have access to these most basic services (Christmas & De Visser, 2009:109), after more than twenty years into democracy there is concern across the board about the efficiency, effectiveness and sustainability of local government. Atkinson (2007:53) notes that many towns in South Africa have experienced mass protests,

marches, demonstrations, petitions and violent confrontations reminiscent of the rolling mass action that characterised the end of the apartheid era in the late 1980s and early 1990s.

According to Hemson, Carter and Karuri-Sebina (2009:151), there is increasing realisation that South Africa is faced with grave challenges in respect of the capacity of the state in relation to skills, numbers of professionals, the ability to manage complex systems, and, in the final analysis, the ability to deliver on its mandate.

Over the years, the state and other role players have committed vast resources to building local government capacity (Buhlungu & Atkinson, 2007:31). This has been done through programmes like Siyenza Manje, Project Consolidate, Planning and Implementation Management Support (PIMS) Centres, the Integrated Sustainable Rural Development Programme, Urban Renewal Programme, the Ilima Project (Old Mutual) and the Consolidated Municipal Transformation Programme (Ndletyana & Muzondidya, 2009:29–31). Notwithstanding these resource allocations, the State of Local Government Report issued by the Department of Cooperative Government & Traditional Affairs (Republic of South Africa, 2009a:4) lists the following as persistent local government developmental challenges:

- Huge service delivery and backlog challenges, e.g. housing, water and sanitation.

- Poor communication and accountability relationships with communities.

- Problems with the political administrative interface.

- Corruption and fraud.

- Poor financial management, e.g. negative audit opinions.

- Number of (violent) service delivery protests.

- Weak civil society formations.

- Intra- and inter-political party issues negatively affecting governance and delivery.

- Insufficient municipal capacity due to scarce skills.

The limited institutional capacity of individual municipalities contributes to these challenges and their persistent nature. Municipalities in South Africa are still plagued by the residue of centuries of colonialism and apartheid, resulting in uneven development and access to developmental opportunities (Binns & Nel, 2002:921; Ndletyana & Muzondidya, 2009; Republic of South Africa, 2009b:11). In addition, the global economic environment and issues relating to climate change, as well as resource and capacity constraints, present current challenges that face all municipalities. Indications are thus that South African municipalities face both current and historical challenges that impact negatively on their ability to fulfil their constitutional mandate of giving priority to the basic needs of their communities and promoting social and economic development in their areas of jurisdiction.

Notwithstanding the challenges in respect of state capacity broadly, and local government capacity in particular, the database of current and completed research of the National Research Foundation[1] contains a mere 16 research projects dealing with institutional capacity. Of these 16 research projects, 13 are at master's level and only three at doctoral

---

[1] http://stardata.nrf.ac.za/starweb/CCRPD/servlet.starweb?path=CCRPD/ccrpd.web&id=ccrpd&pass=ccrpd

level. On the other hand, the database contains 200 research projects on performance management, with 177 at masters and 23 at doctoral level.

The Local Government Turnaround Strategy (LGTAS) (Republic of South Africa, 2009b:19), adopted by the national cabinet of South Africa on 2 December 2009, lists the following as its objectives:

1) Ensure that municipalities meet the **basic service needs** of communities

2) Build clean, effective, efficient, **responsive and accountable** local government

3) Improve performance and **professionalism** in municipalities

4) Improve **national and provincial policy, oversight and support**

5) Strengthen **partnerships** between local government, communities and civil society

This study contributes towards achieving the objectives set out above and therefore assists in creating local governments that are capacitated to meet their developmental objectives.

1.3   Research Problem

The local government environment in South Africa is characterised by widespread dissatisfaction on the part of a range of individuals and organisations with regard to governance and service delivery in the local government sphere. Atkinson (2007:53) lists

three main causes for the mass protests that are taking place as a result of this widespread dissatisfaction. These main causes are:

- Ineffective municipal service delivery.

- Poor responsiveness of municipalities to community grievances.

- A culture of self-enrichment characterised by conspicuous consumption by municipal councillors and staff.

In addressing the status quo of a local government system and individual municipalities that are in distress, emphasis is often placed on the inputs that provide the enabling environment in which municipalities function, that is, amongst others, legislation, demarcation and funding, and the outputs produced by municipalities, that is, products and services. There seems to be an absence of focus on the institutional capacity required to process these inputs into acceptable outputs.

The research problem that informs this study is, therefore, the absence of a valid, reliable and relevant model for use, inter alia, by the national government and the nine provincial governments in South Africa to determine the institutional capacity of individual municipalities. This diminishes the ability of these spheres of governments to perform their constitutional obligation of monitoring and supporting local government.

The research problem is, however, not restricted to the current challenges faced by the local sphere of government in South Africa. Even if all the governance and service delivery challenges that beset local government at present were resolved, and municipalities were all able to fulfil their constitutional and developmental mandates, it would still be necessary to measure the institutional capacity of municipalities on a regular basis. In finding a solution to the research problem through this dissertation, an institutional capacity model is presented, which will, it is hoped, have both current and future value.

1.4   Research Goal and Objective

The goal of the study is to improve understanding of the performance context of the system of local government as well as of individual municipalities in South Africa.

The research objective that flows from this goal is to develop a model of the institutional capacity of municipalities in South Africa. This model is diagnostic in orientation and is available to national and provincial governments in South Africa in pursuit of fulfilling their constitutional obligation to monitor, support and strengthen local government. The model is also able to inform individual municipal turnaround and/or institutional strengthening strategies for the 278 municipalities in South Africa. The model is not, however, limited to the current time and space realities of local government in South Africa, but will remain relevant as the local government environment changes.

In addition to the primary use of the proposed model by the national and provincial governments, other role players involved in municipal capacity building, for example, the

Development Bank of Southern Africa (DBSA) can also use the model to focus their capacity-building efforts on the areas of greatest need.

The institutional capacity model is calibrated to take into account a key feature of South African society, namely the uneven distribution of wealth (Schwella, 2001:369). According to Asmah-Andoh (2009:102), "[p]overty is unevenly distributed amongst the nine provinces of the country". Makgetla (2007:146), on her part, refers to the dichotomy between the poorest and richest municipalities in South Africa; in 2004, Makhuduthamaga in the former Lebowa homeland, spent just R50 per capita for each of its 250 000 inhabitants, while Overstrand in the Western Cape Province spent R4 000 per capita for its 56 000 residents. In line with the United Nations Millennium Declaration, which, inter alia, commits signatories to the eradication of global poverty, and the first MDG, namely the eradication of extreme hunger and poverty, the challenge in South Africa is not to distribute poverty evenly, but to reduce it and eventually eradicate it.

1.5   Research Questions

The dissertation deals with the vexing question of municipal performance and the underlying institutional capacity that municipalities must possess in order to assert their power and perform their functions efficiently, effectively and sustainably. It sets out to develop an institutional capacity model that can facilitate the assessment of the institutional capacity of municipalities in South Africa.

In pursuit of the above goal, namely the development of an institutional capacity model to facilitate the assessment of institutional capacity of municipalities in South Africa, the dissertation deals with the following two main questions, which, in turn, are supported by a set of sub-questions:

Question 1

What is an extensive definition of institutional capacity of municipalities in South Africa?

Sub-questions

- What are the generic definitions of institutional capacity available in the literature?

- What are the elements making up the institutional capacity of municipalities in South Africa?

Question 2

How does one measure the institutional capacity of municipalities in South Africa?

Sub-questions

- What is an appropriate framework for institutional capacity of municipalities in the South African context?

- How should a model of the institutional capacity of municipalities in the South African context be constructed?

1.6   Research Design and Research Methods

This dissertation can be classified as a non-positivist, descriptive and explanatory qualitative study. According to Babbie and Mouton (2001:53) and Webb and Auriacombe (2006:592), the qualitative research paradigm makes use of an insider perspective, also termed the emic perspective, as the point of departure. The researcher has served in various positions of leadership and management in local government in South Africa, including as municipal manager and/or administrator of four municipalities and also as a member of the national executive council of the Institute for Local Government Management. He has been involved in institutional assessment and capacity building in local government. The researcher therefore qualifies to be considered an insider in respect of local government in South Africa, and his insider perspective has, it is hoped, resulted in rich, detailed and textured data (Webb & Auriacombe, 2006:592) that can enhance the value of the study in the continuing search for knowledge in the social sciences, especially public administration and more specifically local government management.

The study is divided into two phases:

Phase 1:   Conceptualisation

- Design

- Literature review:

  o The development of the South African state

  o Local government transformation in South Africa

- o Developmental local government

- o Context and challenges of local government performance

- o Institutional capacity

- o Model construction

- Identification and review of existing assessment models.

Phase 2:   Develop an institutional capacity model

- Isolate institutional elements that impact on local government performance.

- Present final model.

The conceptual structuring of the dissertation follows a funnelling process that can be depicted as follows:
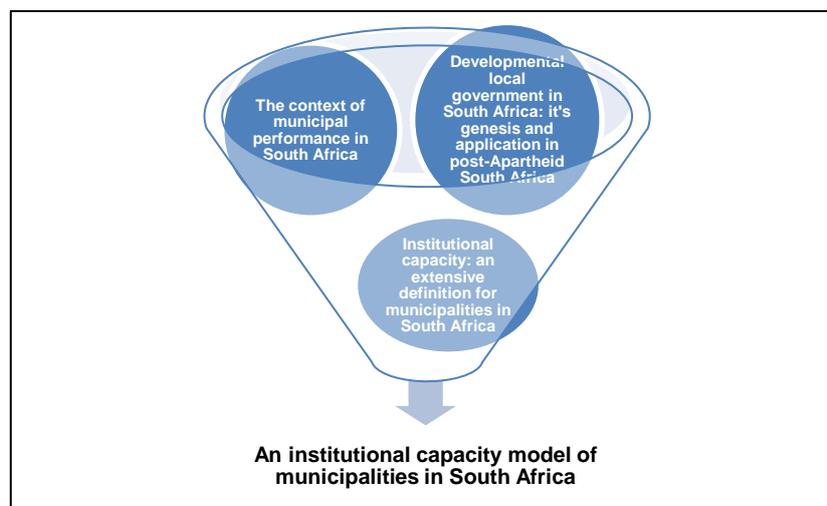
Figure 1.1: The conceptual flow of the dissertation

11

The research methods used are a combination of a literature study and model construction. The literature study, contained throughout the dissertation, provides a conceptual basis on which the model construction is based. Secondary sources, including books, journal articles, Internet articles and material from international donor and capacity-building agencies were consulted and critically analysed. All these sources were subjected to a rigorous assessment of their scientific and scholastic merit and are only referenced because they passed muster in this assessment. The model construction, on the other hand, resulted from examining existing capacity assessment models and determining their effectiveness in assessing the institutional capacity of municipalities in South Africa. Accordingly, through the literature review, the elements that impact on the institutional capacity of municipalities were distilled and a new model for institutional capacity assessment in local government developed.

A slight adaptation of the eight-step process described by DeVellis (2003:60–101) was used as a basis for developing the institutional capacity model. These eight steps are:

1. Define what must be measured.

2. Create a list of the elements that impact on institutional capacity.

3. Determine the format for measurement.

4. Subject the list of elements to review by experts.

5. Consider inclusion of expert recommendations.

6. Rank and score the list of elements.

7. Develop a sample institutional capacity model.

8. Verify and test the institutional capacity model in a 'live' environment.

The model was validated by internal as well as external validation processes. The internal validation consisted of a triangulation of the calibration of the MICM with (1) the continuities between the different eras of local government development in South Africa; (2) the developmental mandate of local government; (3) the constitutional and legislative mandate of local government in South Africa; (4) the status quo in respect of local government performance in South Africa; and (5) the discourse on institutional capacity and capacity measurement. The external validation, in turn, consisted of an expert validation workshop in which four experts considered whether the MICM provides predictive and structural validity and whether the model outputs agree with the external entity that is the subject of the dissertation, namely, municipalities in South Africa. The external validation workshop made use of an adaptation of the Delphi method to guide the program of the workshop. Sub-sections 5.4 and 5.7 below provide further elucidation in respect of the model development process and the internal and external validation performed on the model.

In summary, it can be said that the MICM is a result of the examination of the literature in respect of the development of local government in what is today known as the Republic of South Africa found in Chapters 2 and 3 of the dissertation; the literature in respect of institutional capacity, its definition, the elements that it consists of, its usefulness and existing capacity models found in Chapter 4; the literature on model development and model validation found in Chapter 5. The model presented, the MICM, fused the applicable parts of the literature referred to into a workable theoretical model that can be used as a

13

basis to inform institutional strengthening of individual municipalities and the system of local government as a whole.

1.7   Delineation

The research is concerned with developing an institutional capacity model to facilitate the assessment of the institutional capacity of municipalities in South Africa. This was achieved by developing a model that would be applicable across all three categories of municipalities in South Africa.

A feature of the local government environment in South Africa is that the legislative framework within which it operates is largely consistent for all municipalities across the country. This consistency can be seen in the fact that the Constitution does not differentiate between the categories of municipalities in respect of the status of municipalities, objects of local government, developmental duties of municipalities, the role of municipalities in cooperative government, the powers and functions of municipalities, the composition and election of Municipal Councils, membership of Municipal Councils, terms of Municipal Councils, internal procedures of Municipal Councils, privilege, and the publication of municipal by-laws (Republic of South Africa, 1996).

The suite of legislation governing local government, enacted in terms of the Constitution and flowing from the White Paper on Local Government (Republic of South Africa, 1998), entrenches this consistency in that it does not discriminate between the categories of municipalities in terms of its planning, implementation and reporting requirements.

The model developed in this dissertation thus may be applied in all municipalities in South Africa.

Although it is possible to examine the system of local government as a whole, this study is only concerned with the study of the institutional capacity of municipalities. The institutional capacity model thus only focuses on the elements and areas that constitute institutional capacity and the way these elements and areas interact with one another.

1.8   Chapter Outline

The dissertation is structured as follows:

Chapter 1: Introduction – This chapter serves as an introduction to the dissertation by identifying the research problem, listing the research questions and objectives, explaining the significance of the research, delineating the area of focus of the dissertation and explaining the research design and methodology used in the dissertation.

Chapter 2: The South African State: A New Historiography – This chapter provides a historical perspective on the development of the South African state, with specific focus on the development of local government, to the point of democratisation in 1994. It deviates from the conventional historical narrative in South Africa, that is, to start the timeline at 1652, the year in which the Dutch East India Company (DEIC) established a refreshment station in what is today known as Cape Town. Government in one of the so-called pre-

colonial communities, the Khoikhoi, is included in the narrative, resulting in a richer and more textured narrative and historiography on the development of the South African state. The chapter also lists the continuities and discontinuities between the different eras of the evolution of the South African state.

Chapter 3: Local Government Transformation – This chapter provides an exposition on the status quo of local government post the attainment of democracy in 1994. The chapter focuses on (1) exploring the developmental state and developmental local government as a theoretical framework within which to develop an institutional capacity model of municipalities in South Africa; (2) providing a description of the Constitution and other legislation applicable to local government; (3) discussing the macro-system of local government, including organised local government, categories and types, municipal demarcation, fiscal arrangements, and the role of political and administrative office bearers; (4) reviewing local government performance post-democracy; (5) highlighting the challenges faced by local government; and (6) identifying the continuities between the different eras in local government described in this as well as the preceding chapter.

Chapter 4: Institutional Capacity – This chapter provides an exposition of the theoretical framework within which the municipal institutional capacity model presented in Chapter 5 is developed. The chapter deals with (1) defining the concept institutional capacity; (2) examining the use of institutional capacity assessment as a diagnostic tool; (3) reviewing the usefulness of institutional capacity assessment; (4) analysing existing institutional capacity models; and (5) isolating the dimensions of institutional capacity in municipalities in South Africa.

Chapter 5: A Proposed Institutional Capacity Model – This chapter presents the institutional capacity model and (1) discusses measurement as scientific activity; (2) examines models and their definition and application in the social sciences; (3) describes the model development process; (4) presents the Municipal Institutional Capacity Model; (5) lists and describes the key capacity elements and key capacity areas of the MICM; and (6) describes the model validation process.

Chapter 6: Conclusions and recommendations – This chapter contains the summary, findings and conclusions.

CHAPTER 2

THE SOUTH AFRICAN STATE: A NEW HISTORIOGRAPHY

2.1   Introduction

What is today known as the Republic of South Africa has gone through various epochs to become what it is characterised as post-1994, namely a democratic developmental state. Similarly, the system of local government in South Africa has evolved through various incarnations to its present characterisation as developmental local government. The goal of this chapter is to provide a historical perspective on the development of the South African state, with specific focus on the development of local government, to the point of democratisation in 1994 and immediately thereafter.

Pursuing this goal, that is, providing a historical perspective on the development of the South African state to the point of democratisation in 1994 and immediately thereafter, with specific focus on the development of local government, is underpinned by two broad objectives.

Firstly, a discussion is presented on the definition of local government, with reference to the Constitution of the Republic of South Africa, 1996 (hereafter the Constitution), other legislation, the history and etymology of the term 'municipality' as well as the views of authors on the subject.

Secondly, a timeline description of the development of government systems in the nation state that is now known as the Republic of South Africa is presented. This timeline starts with an exposition of the Khoikhoi community and their systems of governance in the pre-colonial era; followed by the colonial era heralded by the arrival of Jan van Riebeeck and the establishment of a refreshment station for the Dutch East Indian Company at the Cape in 1652, and the British colonial era culminating in the end of the South African War in 1890; thereafter the period leading up to the establishment of the Union of South Africa in 1910–1948; the apartheid era that commenced with the National Party victory in the 1948 elections; the pre-negotiations phase in the 1980s; and finally, the transformation of the local government system with the establishment of democratic, non-racial local government in South Africa.

2.2   Defining Local Government

The Constitution determines in section 40 that government in South Africa "is constituted as national, provincial and local spheres of government which are distinctive, interdependent and interrelated". This classification of local government as being equal in stature to the provincial and national spheres of government is a profound deviation in the roles and status of local government under the previous constitutional regimes in South Africa before the Constitution of the Republic of South Africa adopted as Act No. 200 of 1993 (hereafter the 'interim Constitution') (Scheepers, 2004:29). Emphasising this transformation in the role and status of local government, Steytler and De Visser (2007:1–3) state that through the adoption of the interim Constitution, local government, for the first time in South Africa's history, was recognised as an important institution for the advancement of democracy and development.

Notwithstanding the unambiguous status and roles identified for local government in the Constitution, it is prudent to define local government clearly, in order to ensure unanimity between writer and reader about the institutional unit that forms the basis of this dissertation.

Van der Waldt (2007:4) states that the origin of densely populated human settlements can be traced to the early stages of human culture. He refers to archaeological studies that indicate that the first settled urban areas with a high population density were Mesopotamia (about 3500 BCE), Egypt (3000 BCE) and China and India (3000–2500 BCE). Cloete (1997:1) notes that human beings have been nomads for the greater part of their existence and moved away from this nomadic existence only after they learned food production methods based on cultivating plants and domesticating animals. This, according to Cloete (ibid.), resulted in some people beginning to be involved in non-agricultural work, people living closer to one another and becoming dependent on goods and services provided by others. This led to more dense settlements and ultimately to a hierarchy of urban settlements that included villages/hamlets, towns and cities (Botes et al, 1992:104; Cloete, 1997:2).

These dense populations, usually in areas with good geographic and climatological characteristics like adequate rainfall, navigable rivers, protective mountain ranges and availability of minerals, amongst other things, brought the need for some kind of government to the fore to harmonise the co-existence of people living together in large numbers. When one or the other form of government is imposed on human settlements through a democratic election or other means, a municipality is established (Botes et al, 1992:104).

20

Villages, towns and cities serve certain functions, including that of security, and economic, cultural, social, political, judicial and religious functions. Settlements might initially be established to serve one or the other of the above functions. Botes et al (1992:104) and Cloete (1997:2) state, for instance, that most South African towns started off as religious centres; this is evidenced by the centrality of church buildings and how these towns developed around the church buildings. Botes et al (1992:104), on the other hand, hold the view that the primary purpose of human settlements is to serve as place of residence for people and that these settlements only later acquire other functions as economic, cultural, social, political, judicial and religious centres. It can be assumed that the functions of a settlement become more complex as these settlements become denser and their population increases.

The etymology of the word 'municipality' can be traced to the Latin word *municipalis*, which in turn is derived from the word *municipium*. A *municipium* referred to a settlement with some authority, but that was still subject to the central government of the Roman Empire (Botes et al, 1992:104; Cloete, 1997:2).

Local government has been described in various ways by a number of authors. Thornhill (2008:492) states that local government frequently presents the first contact between an individual and a government institution. He refers to the oft-repeated statement that "local government is government closest to the people". Alderman Ebrahim Nackerdien (c. 2005), at the time Speaker of the Saldanha Bay Municipality, in a private discussion with the researcher, inverted this statement and opined that "local government is also where the people are closest to government", intimating that it is the sphere of government

21

against which the community can most easily protest. This view is borne out by the increasing number of service delivery protests aimed at municipalities in South Africa.

Craythorne (1997:8) identifies two functions of local government, namely (1) to exercise authority and wield power; and (2) to represent, or to speak for, others. The following key characteristics of local government can be identified (see Loughlin, in Pratchett & Wilson, 1996:39 and also Reddy, 1999:10):

- **Multi-functionality** -   local governments are responsible for a broad range of functions
- **Discretion**   -   local governments have wide discretion to determine local answers to local challenges
- **Taxation**   -   local governments have revenue-raising capacity
- **Representation**   -   local governments have legitimacy through regular elections

According to Reddy (1999:9), local government is the level of government created to bring government closer to the people and facilitate the participation of citizens in the political processes that impact on their lives. This description of local government echoes the definition of developmental local government, introduced in the White Paper on Local Government, 1998 (Republic of South Africa, 1998:38) as "local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives".

Stellenbosch University https://scholar.sun.ac.za

Meyer (quoted in Reddy, 1999:10), provides a definition of local government that might be problematic in one respect. According to him, local government is composed of "local democratic units within the democratic system which are subordinate members of the government vested with prescribed powers, controlled governmental powers and sources of income to render specific local services and to control and regulate the geographic, social and economic development of defined local areas". He is correct in delineating the powers that local government wields, the services that local governments have to deliver, their sources of revenue and the geographic area that they are responsible for. Characterising local government as 'subordinate' does, however, not sit well with the new constitutional order that makes provision for spheres of government as opposed to levels of government. Figures 2.1 and 2.2 below depict the system of government in South Africa before the interim Constitution and the system of government post the interim Constitution.
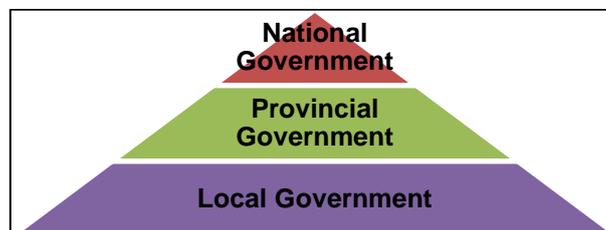
Figure 2.1: System of government before the interim Constitution
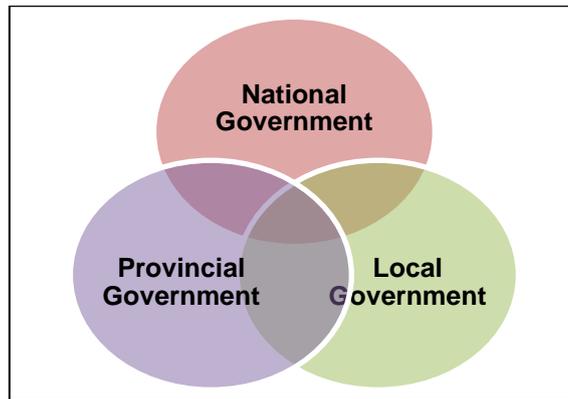
Figure 2.2: System of government after the interim Constitution

In the light of the authors cited above, the following definition of local government is used in this dissertation:

Local government refers to the units of government, collectively and individually, known as municipalities and found in the local sphere of government, which, working with citizens and groups within their different communities, have the powers assigned to them in the Constitution, are responsible for delivering a defined set of services and the promotion of social and economic development, with defined resources in a specific geographic area.

2.3   The Development of the South African State

Robinson (2008:27) points to the continuities between the current developmental incarnation of local government in South Africa and the colonial and apartheid past. To this can also be added the pre-colonial past. She is at pains to explain that recognising these continuities should not be perceived as painting a negative scenario only, as it not only

deals with power relations and fresh patterns of supremacy and subjugation, but also with "how the past has laid a foundation for today's efforts at urban governance".

Elphick and Giliomee (1989:561) state the following in the final paragraph of the final chapter of their volume titled *The Shaping of South African Society, 1652–1840,* in respect of the social, political and economic relationships in the Cape around the time that the Masters and Servants Ordinance was enacted in 1841:

> ... this encompassed a conviction amongst whites, especially in agricultural regions, of their distinctiveness from the diverse peoples amongst whom they lived, their virtually exclusive access to power and wealth, and their expectation to be served by cheap labourers drawn from other groups. These convictions and social realities formed the fateful legacy of the pre-industrial Cape to the modern people of South Africa.

It is in this light that the following sections on the governance systems found amongst the Khoikhoi, the period after the establishment of a refreshment station at the Cape in 1652, the introduction of the Union of South Africa and the apartheid era must be viewed. Not only did the institutional architecture of local government as it is known in South Africa today take shape, that is, the separation of political and administrative structures (Heymans & Mmakola, 1997:8), but was segregation inserted into the DNA of local government in particular and government in general, resulting in the spatial, economic and social inequality that characterises villages, towns and cities in South Africa even after close to two decades of democracy. These sections therefore not only provide a diachronic description of the development of the South African state in these periods, but

also identify the continuities, both positive and negative, that influence government in general, and particularly local government, to this day.

According to Thompson (2001:1): "(M)any historians of the white South African establishment start their history books with a brief reference to the voyage of Vasco da Gama round the Cape of Good Hope in 1497 – 98 and then rush to the arrival of the first white settlers in 1652." Similarly, writers often use the establishment of a refreshment station by the DEIC in what today is known as Cape Town as the commencement of systems of government in South Africa. Also, the commencement of local government is traced to the implementation of the system of *heemraden* in 1682 and the appointment of the first *landrost* in 1685. The promulgation of the Cape Municipal Ordinance in 1836 is also identified as a key milestone in the development of the system of local government in South Africa (see for instance Floyd, 1952:97, Green, 1957:1; Cloete, 1997:9; Tsatsire, Raga, Taylor & Nealer, 2009:130; Van der Waldt, 2007:3–5).

Some historians, notably Elphick, Giliomee, Mbenga, Thompson, Hamilton and Ross, are, however, challenging the bias evident in the historiography of writers that were shaped by the colonial, imperialist and apartheid environments in which they researched and wrote. Thompson (2001:2) notes that even though colonialism, capitalism and apartheid played havoc with the social forms and cultural traditions of indigenous Africans developed over many centuries, these social forms and cultural traditions have not been entirely eradicated. Hamilton, Mbenga and Ross (2010:3–4) express similar views.

Elphick (1977), Elphick and Giliomee (1989) and Thompson (2001) describe the political systems that characterised the communities of Khoikhoi that the European visitors encountered in the south-western Cape, first by Bartolomeu Dias in Mossel Bay in 1487, Vasco da Gama in 1497 and Jan van Riebeeck in 1652. Adding the political and governance systems of these indigenous communities to the narrative on the development of the South African state and the system of local government in South Africa is not only long overdue, but might also hold clues to understanding contemporary political and governance processes in South Africa. This dissertation therefore also includes a section on the political system used by the Khoikhoi communities in an effort to start a process of enriching the narrative on and historiography of the development of the South African state and local government in South Africa.

The focus on the Khoikhoi and their political systems does not imply that other communities with observable political systems were not also present in what is today called South Africa. Other communities that existed include the Nguni and Sotho/Tswana communities, as well as the Mapungubwe state that could be found at the junction of the Sashe and Limpopo rivers (Hall, 2010:113). The focus of this dissertation and resultant considerations of space, however, preclude the inclusion of sections on these and other pre-colonial communities. It does however seem as if there is a need for more focused research on the systems of governance found in pre-colonial societies and how these systems and their associated processes and procedures impact on the modern political systems, processes and procedures in South Africa.

2.3.1 Government in Khoikhoi communities

When Jan van Riebeeck landed at the Cape in 1652 he did not find a barren, uninhabited country. Hunter-gatherers (hereafter hunters) have inhabited the areas to the north and east of Table Bay for millennia and Khoikhoi pastoralists have been present there for centuries. These ancient communities, however, only survived 150 years of colonial rule before their social and economic systems disintegrated and they were absorbed into the colonial society as a subservient labour class (Elphick & Malherbe, 1989:3).

The purpose of this dissertation is not to focus on the debates in respect of terminology and what the different pre-colonial communities should be called. Also, whether Khoikhoi and hunters were different parts of the same group have been the subject of debate among scholars of history, archaeology, anthropology and various other sciences over many years. These debates are not key elements of this dissertation; instead, in this section a description is provided of the political system that was found among the groups that inhabited the south-western Cape and met the early visitors from Europe and the colonial settlers in 1652. In the light of this, the terminology used by Elphick (1977) will be utilised in this section. The section also identifies a possible link between the political actions of these communities and their present-day descendants.

Elphick (1977:3–10), drawing on the work of various scholars, comes to the conclusion that the Khoikhoi, a group of former hunters who assumed a pastoralist lifestyle, gradually drifted from in or near modern-day Botswana (see also Elphick & Malherbe, 1989:5), into the south-western Cape where they encountered hunters (sometimes called San, a

derogatory term used by the Khoikhoi) who have been in the area for millennia. These various communities, that is, Khoikhoi and hunters, co-existed mostly peacefully and in symbiotic relationships through small-scale trade like pastoralists providing milk in exchange for the game that could be offered by the hunters. Sometimes, however, conflict arose when, for instance, pastoralists invaded former hunting grounds of the hunters or hunters viewed the cattle and sheep of the herders as fair game (Thompson, 2001:14). The relationships between hunters and herders can be described as complex, and according to Elphick (1977:23), encompassed war, trade, clientage and intermarriage.

What follows is follows a description of the Khoikhoi society and political system as described by Elphick (1977:43–48), Elphick and Malherbe, (1989:3–7), Thompson (2001:10–30) and Ross (2010:168–76).

Observers often use their own frames of reference to describe social structures that they are not used to. According to Elphick (1977:43), seventeenth-century observers of Khoikhoi society thus used terminology to describe the social composition of this society that was more suited to the societies that they had knowledge of in Europe and southern Asia. The difference between Khoikhoi society and these European and Asian societies, was that European and southern Asian societies were based on permanent occupation of land, whereas Khoikhoi society was structured along kin groups and not based on geographic units (see also Elphick and Malherbe, 1989:6). They, the seventeenth-century observers, that is, therefore erroneously used terms like 'village' and 'nation' to describe Khoikhoi society, whereas what they referred to as Khoikhoi villages (in South African parlance, the *kraal*) was both mobile and dynamic in terms of its composition, traits that villages in Europe and southern Asia did not have.

Elphick (1977:43) refers to Agnes Hoernlé's depiction of Namaqua in the early twentieth century and states that this is a credible model against which available evidence on earlier Cape Khoikhoi can be tested. This (Hoernlé's) model makes provision for three layers of organisation, that is, (1) the extended family, (2) the sib (clan), and (3) the tribe. Observers of the Cape Khoikhoi in the seventeenth century did not note the clan structure, but it is likely that the kraal can be equated to the clan observed by Hoernlé. These observers, according to Elphick, described the kraal as the unit of local government: "The Dutch felt that the kraal was the chief living unit when the tribe was dispersed, and when it camped together they could still recognise the pre-existing kraals which composed it" (Elphick, 1977:44; see also Thompson, 2001:13–14).

It can be deduced that the Khoikhoi system of government was a two-level system, consisting of the kraal as the lower level (local government) and the tribe as the higher level (central government). The Khoikhoi themselves identified the following as Khoikhoi tribes in their interaction with early white officials: Goringhaicona, Goringhaiqua, Gorachouqua, Cochuqua (there were two discernible tribes, each with its own leader who shared this name), Chainouqua, Hessequa, Hamcumqua and Guriqua/Chariguriqua (Elphick, 1977:44–45; see also Elphick & Malherbe, 1989:7; and Ross, 2010:171). In addition to this list, they also identified the Namaqua as a group of tribes, thus fitting into Hoernlé's depiction above, with a culture alien to their own, and the hunters, whom they called 'San'.

A key characteristic of Khoikhoi society, also observed by Hoernlé in respect of Namaqua society, is its dynamic nature and its perpetual state of change. Increase in population or wealth, or the emergence of a good leader, might lead to a kraal hiving off from their tribe

and establishing a new tribe. This meant that political unity at a tribal level was never a given.

Various ranks of leadership were assigned by Khoikhoi to their own leaders. These ranks include: *khoebaha* (believed by Jan van Riebeeck to mean "overlord of all the kings and chiefs of the country", a title only held by the chief of the Hamcumqua); *khoeque* (meaning rich man, referring to distinguished rulers); *humque* (a less esteemed title, also meaning headman); and *chamhuma* (the title of a subordinate chief in a divided tribe). Notwithstanding the above terms that denote certain levels of leadership, Elphick uses the terms 'chief' for tribal leaders and 'captain' for leaders of a kraal, "[S]ince it is rarely known what title the Khoikhoi gave to individual leaders" (Elphick, 1977:46).

The office of chief passed from father to eldest son in the tribe's dominant kraal, until that kraal ceased to exist or was dislodged by another. Arrangements were in place for a son to take over the *de facto* leadership of a tribe if a chief lived to an old age, with the original chief, however, retaining his ritualistic privileges and responsibilities. When a chief, on the other hand, died young and the heir was still a child, the deceased chief's brother could be installed as regent. Chiefs also commonly had a second-in-command, usually the chief's brother or brother-in-law. The chief was aided by a council of kraal captains who met under his chairpersonship and at his kraal. The main agenda point of this tribal council was to mediate inter-kraal disputes (Elphick, 1977:46–47). Of interest is that the chiefs, even though sovereign rulers in theory could be overruled by their councils of captains; some form of democracy was thus prevalent.

31

Notwithstanding the provision for hereditary leadership, political power in Khoikhoi society at both tribal and kraal level was frail, and a meritocracy closely tied to wealth and resourcefulness was evident (Elphick & Malherbe, 1989:6). Elphick (1977:48) makes an important observation in respect of the Khoikhoi chiefs and their relationship with their subjects. Unlike in other societies where chiefs were not only held in reverence, but also feared by their subjects, the Khoikhoi guarded against their chiefs exceeding the limitations of their authority. Elphick notes a case where the youth of a tribe led the majority in a rebellion against the chief (shades of the African National Congress Youth League leading the charge against former president Thabo Mbeki?). He also quotes Hahn, who recalls how Namaqua chiefs, who had a whiff of authoritarianism about their actions, could be ridiculed by the women of their tribe: "Once I saw a chief sitting by, when the young girls sang into his face, telling him 'that he was a hungry hyena and a roguish jackal; that he was a brown vulture who is not only satisfied with tearing the flesh from the bones, but also feasted on the intestines'."

Thompson (2001:26) describes similar democratic practices among the Basotho and Batswana, where men had appreciable freedom of speech to criticise their chief or councillors, and in some instances even to leave their chiefdom to join another. He points to the inherent tension of a sovereign chief with a vocal populace, and uses two contradicting Sesotho sayings to illustrate this tension, namely *Morena ha a fose* (the chief can do no wrong) and *Morena ke batho* (no people, no chief).

The Khoikhoi polities described above perform the two functions of local government identified by Craythorne (1997:8), namely, (1) to exercise authority and wield power, and (2) to represent, or to speak for, others. They, the Khoikhoi polities that is, also meet most

of the key characteristics of local government highlighted by Reddy (1999:10), namely locality (even though the Khoikhoi kraals were mobile and not confined to a specific geographic area, the locality where the kraal finds itself was subject to the government of the captain and the chief); legal personality (the Khoikhoi was not a literate society, so even though no written constitution and legislation existed, certain conventions and practices were in place); autonomy and governmental powers (the captains and chiefs held dominion over their subjects); and participation and representation (this was achieved through the council of captains and the ability of subjects to challenge their leaders on matters over which they felt strongly).

It is not the purpose here to establish a link between the political practices of the Khoikhoi communities and their challenging of their political leaders and modern-day political activities in South Africa. There do, however, seem to be some similarities between the actions of pre-colonial societies and those of present-day South Africa in respect of their reactions to the political elite.

According to Thompson (2001:6), "[the Khoisan] contributed a high proportion of the genes of the 'coloured' people, who constitute 9% of the population of the modern Republic of South Africa". Groenewald, 2008:19) shows that even though the coloured population declined from 54.2% in 1996 to 50.2% of the Western Cape population in 2007, the coloured community is still the biggest community by far in this province. This is also the province in which the most pronounced swings in provincial election results occurred. The table below, showing the three leading parties in the provincial elections in 1994, 1999, 2004, 2009 and 2014, illustrates this:

Table 2.1: Swings in electoral support in provincial elections in the Western Cape 1994–2014

1994 Provincial Election Western Cape			1999 Provincial Election Western Cape		
No	Party	% of vote	No	Party	% of vote
1	National Party	53	1	African National Congress	42
2	African National Congress	33	2	New National Party	38
3	Democratic Party	7	3	Democratic Party	11
2004 Provincial Election Western Cape			**2009 Provincial Election Western Cape**		
No	Party	% of vote	No	Party	% of vote
1	African National Congress	45	1	Democratic Alliance	51
2	Democratic Alliance	27	2	African National Congress	32
3	New National Party	11	3	Independent Democrats	5
2014 Provincial Election Western Cape					
No	Party	% of vote			
1	Democratic Alliance	59.29			
2	African National Congress	32.96			
3	Economic Freedom Fighters	2.11			

(Information obtained from the Independent Electoral Commission at www.elections.org.za
and processed by the researcher)

Based on the above, it seems as if the people of the Western Cape are, in present times, just as able to reject their political leaders as the Khoikhoi were in previous times.

In provinces other than the Western Cape, it appears that communities are using means other than the ballot to express their dissatisfaction with the performance of the political elite. In these provinces, the phenomenon known as service delivery protests seems to be the method of choice to express dissatisfaction. Atkinson (2007:53) notes in this regard that many towns in the recent past have experienced mass protests and violent

confrontations reminiscent of the period of mass rolling action that characterised the mid-1980s and continued right up to the advent of democracy.

The general-secretary of the Congress of South African Trade Unions (COSATU), Zwelinzima Vavi, spoke the following words at a press conference in Johannesburg (Steenkamp, 2010):

> We're headed for a predator state where a powerful, corrupt and demagogic elite of political hyenas are increasingly using the state to get rich, … [Just like the] hyena and her daughters eat first in nature, the chief of state's family eats first in this predator state.

These words resonate with the recollection of Hahn above, of the women mocking a Namaqua chief.

The practice of ridiculing and even removing chiefs from authority when they are not performing to the expectations of their subjects can be viewed as one of the continuities between previous eras of local government and modern local government in South Africa and is characteristic of the active citizenry that South Africa seems to have. In the present South Africa, communities make their unhappiness known through service delivery protests and in some instances councils and councillors are removed from office either through interventions by provincial and/or national government or through democratic elections.

The societies that existed prior to colonial settlement of South Africa deserve to be included in the narrative on the development of governance in South Africa. Being cognisant of, and understanding the principles on which these societies operated, might make it easier to understand present-day political and social events.

2.3.2 Laying the basis for race-based government

In section 2.2 above, reference is made to the different functions that human settlements perform, and how these settlements start off with limited functions and, as the density and populations of the settlements grow, the complexity of the functions that they serve also grow. The settlement at what is now known as Cape Town followed a similar development. The council of the DEIC, based on advice received from two of their officers who were stranded at the Cape for a year, decided to establish a permanent refreshment station and junction at the Cape where their large fleets that were underway to and from Europe and the East could procure vegetables, meat, water and other victuals and where their sick sailors who needed rest and recuperation could be better cared for than on the deck of a ship sailing on the high seas. The DEIC at the time of the establishment of the refreshment station thus had no commercial or economic designs for the Cape, and in fact the refreshment station was run at a considerable financial loss for the DEIC in the 143 years of its existence (Ross, 1989:243).

Initially it was expected that the DEIC would be able to fulfil its mandate of providing provisions to the ships of the DEIC that passed the Cape and later also to other ships through trade with the Khoikhoi (Ross, ibid*.).* There was therefore no need for any

governmental arrangements and the refreshment station was managed as a local company office that rendered services to its employees (Heymans & Mmakola, 1997:8). This view however soon changed, essentially for two reasons as explained by Ross (2010:175–176).

Firstly, the DEIC was focused on growing its business and improving its profits. These expansionist ambitions would be best served by exercising sovereign control over the territories that impacted on their value chain. In some areas the DEIC's desire for control was restricted by the existence of powerful polities that at the least were their equals and in some instances even their superiors. An example of this was the shogun of Japan. In other instances, the DEIC could implement its expansionist vision free from control of strong local political offices: examples of this included Java and Sri Lanka.

Secondly, the ships that came past the Cape needed more than just meat. Other commodities like vegetables, fruit, wheat and wine were also needed. The DEIC therefore encouraged its officials from as early as 1657 to leave the employment of the company and set themselves up as farmers (Ross, 1989:244; Thompson, 2001:33–35). The first of these prospective farmers consisted of nine men released from service to the DEIC and allocated land next to the Liesbeek River, in the vicinity of modern-day Rondebosch, to commence with a farming enterprise. These fledgling farmers, who became known as free burghers, were soon followed by other former employees of the DEIC who were released to start enterprises as artisans and retailers. Not all people who settled at the Cape as part of the DEIC settlement were therefore still in the employ of the company and this led to a need for public services.

The growth of the population at the Cape further fuelled the need for some form of government to develop (Ross, 2010:191). According to Ross (1989:244), even though the colony at the Cape had firmly taken root by the year 1700, the colony was still very small. The Khoikhoi had been incorporated into the colonial economy as a subservient labour class, and slaves were also imported to supplement the labour requirements of the colony. By 1830, however, the population of the colony had grown from 2 000 to 150 000 and the geographic boundaries had reached the Orange and Kei Rivers. In addition, by 1830, towns had been established in Stellenbosch, Paarl, Worcester, Genadendal, Swellendam, Port Elizabeth, Graaff-Reinet and Grahamstown.

Green (1957:1–15) makes a distinction between rural and town government in respect of the formal local government systems that could be found in the early Cape Colony. He identifies two influences on the development of local government in South Africa. These are the Dutch influence, which he describes as pre-Napoleonic, and which, according to him, asserted its influence through the system of *landrosten* and *heemraden* in rural government and the urban *raad der gemeente* found in the urban setting of the Cape. The second influence identified by Green is the British influence which mainly had an impact on urban local government and which also created the separation of judicial administration from civil administration and heralded the introduction of elected representatives at the Cape before the adoption of the English County Councils Act in 1888. This, namely the separation of judicial and civil administration, can be identified as a continuity between past and present local government and is reflected in the form and function of present day local government.

In 1679 Commander Simon van der Stel founded the settlement that came to be known as Stellenbosch in the valley of the Eerste River. This was followed in 1682 by the appointment by Van der Stel of four *heemraden* from among the free burghers living in Stellenbosch. The tasks of the *heemraden* included settling disputes between free burghers about boundaries, as well as other local matters. In 1685 a visiting Special Commissioner, Van der Rheede, appointed a *landrost* for Stellenbosch, who was the magistrate for the area entrusted to him. The *landrost* together with the *heemraden* formed a council known as the College of *Landrost* and *Heemraden* with the *landrost* as chairperson. This Stellenbosch council was the first historical prototype of a local authority in South Africa comparable to present day municipalities and was replicated in all the major urban settlements in the Cape Colony outside of Cape Town (Green, 1957:1–2; Cloete, 1997:9–11).

In 1786 a Committee of the High Court (*Kollege van Commissarissen uit den Raad van Justitia*) was established that consisted of three DEIC officials and three burghers appointed by the Council of Policy. This committee was the result of a petition signed by 500 free burghers and submitted to the Council of Seventeen of the DEIC. The tasks of this committee included fixing the price of bread and meat, making suggestions on means of taxation, exercising control over public works, and to "act generally as a municipal commission for Cape Town" (Green, 1957:8). In 1793 the committee's powers were extended to include also the following (Green, 1957:8–9):

a) The repair of streets, highways and public buildings (including corn-mills).

b) The collection of night-watch charges or a hearth tax, a chimney tax, and lion and tiger money (or capitation tax).

c) The licensing of trades, such as butchers and bakers.

d) The administration of corn supplies, received from the Company and their sale to bakers, and the farming out of windmills to the profit of the burghers' treasury.

e) The control of the night watch (consisting of a sergeant, a corporal, a drummer and about a dozen men).

f) The control of wykmeesters or wardmasters, and the nomination to the Council of Policy of candidates to fill vacancies in their ranks.

g) The valuation of land granted to inhabitants.

h) Measures to avert scarcity and dearth of food supplies.

The Committee of the High Court was replaced by a body called the Burgher Senate in 1796 after the British assumed control of the Cape in 1795. In 1802, when the British handed the Cape back to the Dutch, the Burgher Senate was replaced by the *Raad der Gemeente*. The *Raad der Gemeente* was based on a form of qualified franchise as only free burghers that paid certain taxes could vote and councillors had to be prosperous and eminent burghers, had to be resident in or close to Cape Town three years before their election, had to be at least 25 years old and had to be able to read and write Dutch. The *Raad der Gemeente* was in turn replaced by a Burgher Senate when the British reoccupied the Cape in 1806. This Burgher Senate was done away with on 26 December 1827, which left Cape Town without a municipal authority until 1839, when the Cape Town Municipal Board Ordinance, 1839, was adopted (Cloete, 1997:10–11).

In 1836 the Cape Municipal Ordinance, Ordinance 9 of 1836, was promulgated. In terms of this ordinance, all the towns in the Cape Colony, with the exception of Cape Town, obtained municipal councils, with Beaufort West being the first town to obtain a municipal

council on 3 February 1837. The Cape Municipal Ordinance served as a prototype for legislation regulating municipal affairs in Natal, the Orange Free State, and Transvaal (Cloete, 1997:10–11; Tsatsire et al., 2009:131).

Under the 1836 Ordinance only property owners had the right to participate, either as voters or candidates, in the elections for the different boards of commissioners that governed the municipalities that were established. Commissioners were elected for a term of three years, with a mandate inter alia to manage basic service delivery and administer property taxes. Also, the 1836 Ordinance created the scope for the different boards of commissioners to adopt regulations appropriate for their respective municipalities and also to implement public participation mechanisms (Tsatsire et al., 2009:131). Cloete (1997:11) avers "popular participation through councils with elected members and financial independence remained features of the municipal authorities developed in South Africa after 1836". Even though this highlights two further continuities, namely, (1) democratically elected councillors, and (2) financial independence, Cloete's contention should be subjected to the qualification that democratically elected local government was not available to all South Africans until 1995 and that financial independence is a theoretical concept rather than lived reality for many municipalities in South Africa.

The system of local government used in South Africa today has many structural characteristics that betray its roots in the English system of local government; this is as a result of the establishment of formal local government through the 1836 Ordinance when the Cape was a British colony. Cameron (1995:397) describes the classical English system of local government in the following terms:

- Local governments are constitutionally distinct from national government and are responsible for a substantial range of services.

- Local governments have revenue-raising capacity, their own treasuries, separate budgets and accounts.

- Local governments have their own personnel, with the right to hire and fire such staff.

- Policy is decided by local councils, consisting of elected representatives (councillors).

- National and provincial government administrators should only play a monitoring and support role.

A further aspect of local government in South Africa that finds expression even today and has its origin in the British colonial period is the use of mayoral and councillor attire, that is, mayoral and councillor robes, mayoral hats, chains and gloves, etc. Even though there is no statutory requirement for the use of these adornments, many municipalities still use at least the mayoral chain as a sign of office.

Two other aspects that also seem to resonate through all the eras of local government in South Africa are the capacity and propriety of elected and appointed officials. Interestingly, Green (1957:13–14) refers to a commission of inquiry that was established in 1826 into the judicial and civil administration of the Colony. Green (ibid.), states the following about the findings of the commission:

... irregularities and abuses attaching to the collection of taxes had led to the recent dismissal and prosecution of the town treasurer, and to the suspension of the municipal comptroller and auditor. The commission added that the senate as constituted held out no hope of permanent improvement in the town's administration, financial or otherwise. Its members could not give sufficient attention to the day-to-day execution of municipal affairs, nor resist 'the effect of those corrupt or servile influences by which the interests of the public committed to their charge' had been compromised.

It thus seems as if municipal capacity and propriety have been perennial issues even in the early stages of formal municipal government in South Africa (refer also to section 2.3.1 above, and the reference to the song about a chief that resembled a hyena). These matters, capacity and propriety, remain a question to this day and can be identified as a continuity between previous eras of local government and modern local government in South Africa.

The development of government institutions at the Cape and later in the rest of South Africa has a distinctly European character. This raises the question why such a strong European influence can be observed. Elphick and Giliomee (1989:521–522) identify three schools of thought on the pervading European dominance in South Africa. Firstly, they refer to the views of liberal historians of the 1920s and 1930s who trace the roots of racial dominance by whites in South Africa to the Dutch period prior to 1795. According to them, racial control is a South African invention that originated as a result of "Calvinism, isolation and frontier strife" that created group identity and a disposition to use race and colour as a means for social and economic discrimination. Secondly, they refer to a group of revisionist historians, mainly consisting of Marxists, who stress the impact of post-1867

43

industrial capitalism on racial relationships in South Africa. According to the revisionist historians, an encompassing racial hierarchy did not develop in the Dutch period, and the Dutch emphasised class instead of racial identity in respect of the social structure of the early Cape colony. Thirdly, they identify an intermediate view that credits both the impact of the frontier society immediately after colonisation as well as the impact of the industrial revolution for the way in which race relations in South Africa developed.

Elphick and Giliomee (ibid.) largely share the intermediate view, with one significant addition. They note that, in the Cape society of 1840, race and class were both striking social formations that strengthened each other at the top and bottom rungs of society. In the agricultural regions all landholders were European, and those that were not European almost exclusively occupied the ranks of lowly paid, unskilled labour. This is a situation that endured throughout the different developmental stages of what has subsequently become the Republic of South Africa. This is a view shared largely by Worden (2012:73–74). Thompson (2001:156; 167) states in this regard that white gold miners earned 11.7 times what their black counterparts earned in 1911; this increased to 14.7 times in 1951. The table below indicates how this skewed pattern is reflected in the dichotomy between population and share of income of the different population groups in South Africa in the period 1970–1996.

Table 2.2: Share of population/share of income of population groups in South Africa

	Share of total income						Share of population					
	1970	1980	1991	1996	1996	2001	1970	1980	1991	1996	1996	2001
	Whiteford & Van Seventer estimates (percentage)				Our estimates (percentage)		Whiteford & Van Seventer estimates (percentage)				Our estimates (percentage)	
African	19.8	24.9	29.9	35.7	38	38	70.1	72.4	75.2	76.2	78	80
White	71.2	65.0	59.5	51.9	47	48	17	15.5	13.5	12.6	11	9
Coloured	6.7	7.2	6.8	7.9	9	9	9.4	9.3	8.7	8.6	9	9
Asian/ Indian	2.4	3.0	3.8	4.5	5	6	2.9	2.8	2.6	2.6	3	3
Total	100	100	100	100	100	100	100	100	100	100	100	100

(Source: Leibbrandt, Poswell, Naidoo & Welch, 2006:102)

According to Elphick and Giliomee (1989:522), race and class as characteristic of South African society, did not as much emerge, as it was created by legal dictate in the first decade of colonisation. The legal status groups established by the DEIC created the framework within which the social groups developed and which provided the framework for separation that later became institutionalised in the Union of South Africa and under apartheid. Elphick and Shell (1989:184) identify three distinctive groups that could be found in the first decades of the Cape colony. These groups could be differentiated based on "religion, culture and physical appearance" and were (1) Khoikhoi, (2) European settlers, and (3) slaves. Elphick and Giliomee (1989:529) sub-divide the European settler group into DEIC employees and free burghers. A further, more important, differentiation between these groups was legal status, the Khoikhoi standing outside of the colonial legal system and being subject to their traditional authorities as opposed to the laws and authority of the DEIC; the Europeans falling under the fiat of the DEIC; and the slaves

being the property of others. They describe the manner in which the authorities in the early Cape colony dealt with the different groups:

> Company officials and colonial courts discriminated among the four status groups in many areas of daily life, such as domicile, right of marriage, right of movement, taxation, militia service, land ownership, and so on. In the official view one's legal status – more than one's race, religion, origin, culture or colour – determined one's opportunity for advancement: most important, before 1795 only Company servants, free burghers and free blacks could hold land on secure tenure or gain political power in the official hierarchy of the colony.

> (Elphick & Giliomee, 1989:529)

It is therefore clear that the unequal legal status afforded by the early colonial authorities to the different groups found in the colony laid the basis for the racial discrimination that became the hallmark of South African society and government. This ultimately culminated in the institutionalisation of racism through apartheid and the disparities that endure even in the second decade after democratisation. Put differently, one of the major continuities from the colonial period to the present is the impact the legal status afforded to individuals and groups has on individuals and groups, and how this persists even after the legal status has changed.

The colonial period, between 1652 and 1840, can be described, amongst others, as the period in which the basis was laid for a race-based system of government, including local government, in South Africa.

2.3.3 Institutionalising race-based government

In the previous section a case was made that the foundations for race-based government in South Africa were laid early in the colonial period that started when Jan van Riebeeck established a refreshment station for the DEIC in what today is Cape Town. The varying legal status afforded to the different groups found in the colony provided the framework within which an unequal social system developed that provided a distinct advantage to white members of South African society as opposed to their black compatriots.

At the end of the South African War, on 31 May 1902, the treaty of Vereeniging was signed. Even though the Boer forces put up a valiant fight against the imperial forces of Britain, at the time of the signing of this treaty the Boer forces were "eroded by deaths, captures, and desertions, their field strength had declined to about 22,000 men, most of whom were under-nourished, ill-clad, exhausted and dispirited" (Thompson, 2001:143). In these circumstances the British high commissioner, Lord Milner, was instrumental in the drafting of the treaty and he wanted to ensure that the British military victory resulted in lasting British domination in Southern Africa. The Treaty of Vereeniging also included a commitment to a sentiment found on both Boer and British sides: the franchise for blacks would be decided only after the imposition of self-government. With blacks not having had the franchise in the Boer Republics, it was inevitable that this right would also be denied them after the introduction of self-government. The Union of South Africa was formed in in 1910, consisting of a three-tier unitary system of government with a Westminster-styled parliament at national level, four provinces governed jointly by an administrator appointed by the central government, and elected provincial councils and local governments created by provinces that also defined their scope and jurisdiction. Needless to say, the distinctive

feature of this three-tier government system was its racial character (Cameron, 1993:417–418).

Terblanche (2002:297) identifies three significant ideological paradigm shifts in South African history and notes that each of these "hardened racial attitudes towards blacks". These three paradigm shifts are: (1) the replacement of evangelical humanitarianism from 1840 onwards by Benthamite liberal utilitarianism and ideas of racial superiority; (2) the legitimising of British imperialism through the racial ideologies of Social Darwinism and white superiority; and (3) "the rise of an aggressive and religiously oriented Afrikaner Christian Nationalism from the 1930s onwards, and the hardening of racist ideology during the NP's implementation of apartheid after 1948". Equally, Beinart (2001:71) notes that the move away from what he terms "Victorian liberalism" and the substitution thereof by Social Darwinism influenced "native policy".

Thus, the period that followed the colonial period, from the establishment of the Union of South Africa to the 1948 elections (hereafter referred to as the Union years), became the period in which race-based government, especially local government, was institutionalised. It is in this period, as well as the years leading up to it, that the Union government adopted legislation and instituted commissions that would provide the institutional basis for the implementation of the devastating policy of racial oppression that resulted in the skewed and unbalanced society as depicted in Table 2.2 above.

The commissions and legislation that provided the basis for the development of the race-based system in South Africa include:

- South African Native Affairs Commission (chaired by Godfrey Lagden), 1903–1905.

- Native Land Act, 1913.

- Housing Act, 1920.

- Transvaal Local Government Commission (chaired by Colonel Frederick Stallard), 1922.

- Native Urban Areas Act, 1923.

- Representation of Natives Act, 1936.

- Native Laws Commission (chaired by Judge Henry Allen Fagan), 1946–1948.

According to Thomas (2010:117), the reports of the above Commissions all share a common theme of Africans as "rooted in rural, collectivist lifestyles" and this has probably led to the establishment of the bifurcated state as described by Mamdani (1996). This meant that on the one hand, rural Africans were controlled through customary authority, and on the other, Africans in urban settlements were relegated to the periphery and were excluded from the discourse on civil society and civil rights that was so important for the settler colonialists. This theme was, unsurprisingly, echoed in the legislation adopted by the various governments in the Union years and institutionalised race-based government and the spatial, economic, social and political ordering of cities, towns and rural areas in South Africa.

The Native Land Act of 1913 is often cited as the pivotal Act that accelerated the subjugation of blacks in general and Africans in particular in that, in the words of Terblanche (2002:249), "thousands of Africans were proletarianised and forced into wage labour". It was, however, the South African Native Affairs Commission (SANAC) that laid the basis and provided the theoretical basis upon which segregation and race-based

discrimination was built until it was dismantled in the 1990s. The SANAC report dealt with the following matters (*SANAC Report*, 1903–1905: Table of Contents):

- Land tenure

- Tribal system, native law and custom, administration

- Family life and habits

- Marriage by native custom

- Education

- Liquor

- Labour

- Taxation

- Representation

Terblanche (2002:246) notes the following about the importance of the SANAC report:

> The SANAC report became, if not immediately, a major vehicle for the ideological justification of segregation, the proleterianisation of Africans in the northern provinces, and the principle of migrant labour with a subsistence base in the 'native reserves'. Its approach was accepted unreservedly when the Land Act was promulgated in 1913 …

If the SANAC report provided the overall basis for segregation and race-based discrimination, the Stallard Commission report provided direction to the Union government in respect of urban policy for Africans. The Stallard Commission report can therefore be described as the blueprint for segregation and race-based discrimination in local government. Barichievy (2006:4) describes the central place of the Stallard Commission

report in urban policy in the Union and apartheid years as follows (see also Terblanche, 2002:255 and Thomas, 2010:118):

> The Stallard Commission of 1922, deploring "miscegenation" and the tendency for mainly unemployed poor whites and blacks to live "cheek by jowl" in squalid locations and shanty towns spelled out the thrust of urban native policy in words that have since been chiselled in stone in the annals of South African history: 'The Native should only be allowed to enter urban areas, which are essentially the white man's creation, when he is willing to enter and to minister to the needs of the white man, and should exit therefrom when he ceases so to minister'.

The different pieces of legislation listed above, namely the Native Land Act, 1913, Housing Act, 1920, Native Urban Areas Act, 1923 and Representation of Natives Act, 1936, translated the positions contained in the reports of the SANAC and Stallard Commission into enforceable legislation.

The growing industrialisation and increasing urbanisation of blacks is what gave rise to legislated segregation (Worden, 2012:42–43; Thomas 2010:116). Prior to the 1920s, municipalities were responsible for the housing and administration of Africans, which led to localised and differing policies being implemented by the various municipalities. However, segregation did not start in mining towns, but in towns where merchant and commercial interests were dominant (Worden, 2012:42). Worden refers, for instance, to the so-called "sanitation syndrome" in Cape Town and Port Elizabeth, identified by Swanson (see also Beinart, 2001:77). The outbreak of bubonic plague in Cape Town in 1902 and the fact that dock workers were exposed to infection from the produce that they unloaded led to the

forced removal of these dock workers and other Africans from the centre of town to Ndabeni. In Port Elizabeth, the workers were also forcibly removed, but no alternatives were provided for them and they then squatted on land outside the municipal boundary. In Durban, initially, racial control was focused on Indians, as they were regarded as a commercial threat. The outbreak of the plague in 1902 as well as the impact of the Bambatha rebellion in 1906 led to the Durban and Pietermaritzburg municipal authorities establishing so-called "native locations".

Notwithstanding the efforts by the government to curb the growth of the urban African population, the numbers of urban Africans rose. In addition, some campaigns, for example, the establishment of squatter camps by homeless urban Africans under leaders like Schreiner Baduza James Mpanza as well as the founding of movements like the Sofasonke (we shall all die together) Party. The commission chaired by Judge Henry Fagan, the Native Laws Commission, did its work within this context and dealt with the laws in respect of Africans in urban areas, and the pass laws applicable to them, as well as the use of African migrant labour. The commission identified an almost trebled increase of urban Africans from 587,000 to 1,794,212 between 1921 and 1946. They also noted a general move out of the reserve areas. The Fagan Commission was not in agreement with the notion of complete segregation between blacks and whites as well as policies aimed at sending Africans back to the reserve areas. In respect of the pass laws, the commission suggested the formation of a centralised labour bureau to control the movement of African labour in addition to the development of the reserve areas. Importantly, the commission accepted the reality of a permanent urban Native population and recommended the building of more housing for this group.

In addition to the above official commissions and pieces of legislation, the opposition Reunited National Party under the leadership of Dr DF Malan instituted the Sauer Commission in 1947, largely in response to the Native Laws Commission. The Sauer Commission recommended even harsher segregation measures than the Native Laws Commission and was used as a policy platform by the Reunited National Party ahead of the 1948 general elections. When the Reunited Party, together with the minority Afrikaner Party, won the 1948 election, this policy platform was translated into the official policy of apartheid that became the central policy of the new government.

The period leading up to the formation of the Union of South Africa and the years between the formation of Union in 1910 and the general election in 1948 can be described as the period in which the basis for segregation and race-based discrimination that was laid in the colonial period was institutionalised through the reports by various commissions and the legislation that flowed from them. According to Terblanche (2002:239): "This period was not only one of state-building, during which white political domination was consolidated, but also one in which the state – on behalf of foreign-owned mining corporations – built the institutional and physical infrastructure of white supremacy."

2.3.4 Entrenching institutionalised race-based government

The National Party (NP) under the leadership of Dr DF Malan won the 1948 general election and immediately set about implementing its policy of apartheid, based mainly on the recommendations of the Sauer Commission (see 2.3.3 above). The new government that took office after the 1948 election did, however, not implement a new policy platform,

but accelerated and more aggressively pursued spatial segregation, influx control and race-based discrimination (see Heymans & Mmakola, 1997:1; Terblanche, 2002:312–313). Beinart (2001:143) states the following in this regard: "Malan's now Herenigde (reunited) NP built its policy on the foundations of the segregationist legacy laid by Rhodes and Milner, Kruger and Shepstone, Hertzog and Smuts."

Even though the NP did not enter government with a "complete blueprint" (Beinart, 2001:145) or "grand plan" (Terblanche, 2002:302) for accelerating segregation (see also Koorts, 2010:111), Beinart (2001:148) identifies seven pillars on which the system of apartheid was built. These are:

- a clearer definition of races;

- exclusive participation by whites in and control over central political institutions;

- separate institutions and territories for blacks;

- spatial segregation in urban and rural settings;

- control over movement of Africans to cities;

- more delineated division in the labour market; and

- segregation of all amenities and facilities.

Thompson (2001:190), on his part, identifies four ideas that were central to the system of apartheid:

54

- Firstly, that South Africa comprises four racial groups, namely whites, Africans, coloureds and Indians.

- Secondly, that whites are the only civilized racial group and should have absolute control over the state.

- Thirdly, that white interests should take precedence over Black interests.

- Fourthly, that the white group formed a single nation (consisting of Afrikaans and English speakers) and that Africans should be divided into ten nations, artificially making the white group the majority and all other groups' minorities.

Shortly after assuming power in 1948, the NP started implementing the system of apartheid through an expansive legislative platform (Thompson, 2001:190). The recommendations of the Sauer Commission were translated into the following key Acts:

The Group Areas Act

The Group Areas Act is in fact a collective name for three Acts. The first of these was enacted in 1950 and was known as the Group Areas Act No. 41 of 1950 and was amended in 1952, twice in 1955, in 1956 and 1957. In 1957 this Act was repealed and replaced with the second version, Group Areas Act No. 77 of 1957, which was amended in 1961, 1962 and 1965. The third was the Group Areas Act No. 36 of 1966, amended in 1969, 1972, 1974, 1975, 1977, 1978, 1979, 1982, and 1984.

The purpose of these laws was to create spatial separation on racial grounds between the different South African population groups. The words of the Stallard Commission: "The Native should only be allowed to enter urban areas, which are essentially the white man's

creation, when he is willing to enter and to minister to the needs of the white man, and should exit therefrom when he ceases so to minister", found legislative expression, in the urban context, in the different versions of the Group Areas Act.

The Prohibition of Mixed Marriages Act and Immorality Act

These two Acts were designed to deal with the fear of and hostility towards "miscegenation" (see Koorts, 2010:114).

The Prohibition of Mixed Marriages Act No. 55 of 1949 was a short Act that outlawed marriages between what were called Europeans (whites) and non-Europeans (blacks, including African, Indian and coloured).

The Immorality Amendment Act No. 21 of 1950 amended the Immorality Act of 1927 and extended the prohibition of sex between Europeans and natives to also include sex between whites, coloureds and Indians.

According to Beinart (2001:147), sexual intercourse between white men, Afrikaners included, and black women was not uncommon. This, according to Beinart (ibid.), can however be described as the playing out of patriarchal domination over subordinates, rather than evidence of any display of affection.

The Population Registration Act No. 30 of 1950

This Act prescribed compulsory classification on the basis of race for all South Africans on a national register. Initially only three racial categories existed, namely, black, white and coloured. Later a fourth classification, Indian, was added. The classification on the National Population Register to a large degree determined the social and political rights, educational opportunities and economic status of South African citizens. "This insistence on ascription by race, which increasingly determined public and private rights, as well as intrusive state regulation, seemed to epitomize the archaic imperatives of Afrikanerdom" (Beinart, 2001:148).

The Separate Representation of Voters Act No. 46 of 1951

This Act removed coloured voters from the parliamentary voters' roll. The Act was declared invalid by the Appeal Court in the case of *Harris v Minister of the Interior 1952(2) SA 428(AD)*. After initially attempting to replicate the British Privy Council through what was called the High Court of Parliament, and this effort also declared invalid by the Appeal Court, the response by government was to increase the number of Appellate Division judges from five to eleven, enlarging the Senate from 48 to 49, and passing the South Africa Act Amendment Act No. 2 of 1956, thereby validating the Act that was declared invalid by the Supreme Court (Koorts, 2010:125–126). The government could do this as South Africa was at that stage subject to parliamentary sovereignty, immunising the legislature and executive from effective scrutiny by the judiciary. This, that is parliamentary sovereignty, is one of the few discontinuities between the current system of government in South Africa and its previous incarnations.

The Reservation of Separate Amenities Act No. 49 of 1953

This Act made it legal for the state to provide racially segregated public facilities and services. The Act even went as far as to state that these segregated facilities and services did not have to be of equal standard.

The above pieces of legislation are but an excerpt of the legislative platform upon which the successive apartheid governments built the system of apartheid.

In the previous section reference is made to the context within which the Fagan Commission did its work, namely, one of growing African urbanisation and how the state should deal with it. "Spatial segregation, influx control and political discrimination after 1948 however asserted more firmly the official status of African people as temporary sojourners, mostly labourers, in urban areas" (Heymans & Mmakola, 1997:1). To a certain extent the Fagan Commission went against the principles laid down in the Stallard Commission Report. Terblanche (2002:313) states the following in this regard:

> When the Fagan commission (1946–8) stated that the continuing expansion of urban industries and the growth of a permanent African population was inevitable and desirable, and that they should be regulated but not inhibited, it took the side of the anti-Stallardists. When the report of the Sauer commission – the NP's 'blueprint for apartheid' – was published in 1947, it took a strong Stallardist position.

Notwithstanding the views of the NP just before and just after the party won the 1948 election, the reality of government soon dawned on them. This resulted in key ideologues of the party dividing the policy of apartheid into 'purist' and 'practical' conceptions. The purist conception of apartheid was held to be what is morally desirable and the long-term ideal, one in which the majority of Africans would be *re-tribalised* and only be allowed into urban areas on a temporary basis, while only a small minority of Africans would be *de-tribalised* and therefore permanently urbanised. The practical conception, on the other hand, took the economic realities and labour needs of the increasingly industrialised South Africa in the 1930s–1960s into consideration and was therefore more focused on the control of African urbanisation as opposed to trying to halt it (Terblanche, 2002:316, see also Worden, 2012:101).

It is in this context that Williams (2000:167) refers to the speech that Dr HF Verwoerd, then Minister of Native Affairs, made in parliament on 30 May 1952. In the speech Dr Verwoerd posited the following:

- Every town or city, especially industrial cities, must have a single corresponding black township.
- Townships must be large, and must be situated to allow for expansion without spilling over into another racial group area.
- Townships must be located an adequate distance from white areas.
- Black townships should be separated from white areas by an area of industrial sites where industries exist or are being planned.
- Townships should be within easy transport distance of the city, preferably by rail and not by road transport.

- All race group areas should be situated to allow access to the common industrial areas and the CBD without necessitating travel through the group area of another race.

- There should be suitable open buffer spaces around black townships, the breadth of which should depend on whether the border touches on densely or sparsely populated white areas.

- Townships should be a considerable distance from main, and more particularly, national roads, the use of which as local transportation routes should be discouraged.

- Existing wrongly situated areas should be moved.

- Everybody wants his servants and his labourers, but nobody wants to have a native location near his own suburb.

At the same time, local government at the time was not engendering trust among the white population, as the quotation below from Floyd (1952: preface) shows:

> The great majority of people in South Africa have some vague idea that local government is not on a sound basis. Not fully understanding the present system they are at a loss as to what is wrong. Generally the tendency is to blame the councillors or the officials. The fault is sought with persons and not with systems.

In line with the view that all Africans should be linked to a tribal area under tribal leadership and that this should be the system in which the political aspirations of Africans should be addressed, the Bantu Self-Government Act was adopted in 1959. In terms of this Act, eight

self-governing 'states' were created (this number was later increased to ten). The chiefs in these rural areas were imbued with legislative, judicial and administrative functions, a departure from British system of separating judicial functions from administrative ones, as referred to in section 2.3.2 above.

At the same time, in the urban areas, limited measures were implemented to accommodate black people in these urban environments. Strict segregation was enforced as well as tighter control over the movement of Africans into the urban areas. Similarly, institutions were established to give a semblance of political accommodation. These institutions were rooted in the apartheid logic and had no real powers. Prior to 1960 some Advisory Boards were established to support white local authorities with the management of townships. In 1960 Urban Bantu Councils were introduced nationally and in 1971 the Bantu Affairs Administration Act, No. 45 was promulgated. In terms of this Act, responsibility for the administration of urban blacks was taken away from white local authorities and Administration Boards established to fulfil this role. Twenty-two Administration Boards were established throughout the country. They were, however, not elected political structures and had no policy-making functions. In 1983 these Administration Boards were renamed Development Boards and in 1986 they were transformed into the Community Services Divisions of the then four provincial administrations (Heymans & Mmakola, 1997:3).

A key area of focus of the apartheid government immediately after assuming power in 1948 was the 'Afrikanerisation' of the public service and all levers of power within it (Beinart, 2001:148; Terblanche, 2002:302). According to Beinart (ibid.), this 'Afrikanerisation' had a dual purpose, namely, "to provide jobs and secure a pliant

bureaucracy", and this included side lining key English-speakers in the army, military intelligence, railways, South African Broadcasting Corporation, African administration, and the bureaucracy responsible for the economy. Beinart also states that a concerted effort was made to fill Native Affairs posts with members of the Broederbond or NP members. Terblanche (ibid.) adds that not only were almost all state departments 'Afrikanerised', but they were also politicised. In addition, a plethora of new state and semi-state institutions were established and the bureaucracy enlarged through the creation of a welfare system to uplift Afrikaners.

The above 'Afrikanerisation' shows similarities with the current epoch in South Africa. Just as Terblanche (2002:303) identifies the system of racial capitalism on the one hand, and the growing Afrikaner bureaucracy after 1948 as vehicles to transport Afrikaners to their promised land, in post-1994 South Africa, Black Economic Empowerment (BEE) and affirmative action are the vehicles to translate the political freedom obtained by the majority of South Africans in 1994 into economic advantage.

The two decades after the NP took power (the 1950s and 1960s) saw high economic growth rates, largely based on strong support by the bigger industrialised countries. At the same time, the inequality between black and white incomes grew as the Afrikaners climbed the economic ladder, based on the concentration of political and economic power in their hands. Even though Afrikaners mostly benefitted from the economic boom of the 1950s and 1960s, this period proved beneficial to most white business (Terblanche, 2002:304–305). The economic growth, however, also led to greater dependence on black labour. Terblanche (2002:340) notes the following in this regard:

> The scarcity of skilled workers became critical at the beginning of the 1970s. This and the growing gap between the wages of skilled white workers and unskilled black workers became a strong incentive for employees [*sic*] to use black workers illegally to use skilled work. As a result it became increasingly difficult for authorities to enforce job reservation.

The above quotation, even though referring to the situation in South Africa in the 1970s, strongly resonates with the current situation in South Africa where immigrants, whether in the country legally or illegally, are used by employers to circumvent the legislated minimum wages in various sectors, mainly the agricultural sector.

The exclusion of blacks in general, and Africans in particular, from a government system in which they had no significant say, led to growing tension and resistance. The idea that Africans should only enter "white" areas to minister to white needs (see the discussion on the Group Areas Act above) was not sustainable. The urban economy's reliance on black labour, together with the lack of effectiveness of legislative measures to curb it, led to an increase in the urbanisation of blacks (Heymans, 2006:48). In addition, economic factors, including the Organization of the Petroleum Exporting Countries (OPEC) oil crisis of 1973, and the so-called illegal strikes of black trade unions, coupled with geo-political factors like the coup d'état in Lisbon and resultant independence of Angola and Mozambique, started to threaten the apartheid-regime. The 1976 Soweto uprisings and increased levels of protest and challenge to the status quo by especially liberation movements like the ANC and PAC added to the erosion of the foundation of the apartheid system (Terblanche, 2002:305–306). This situation cleared the way for an increase in the challenges to the system, both internally in the country and externally on the global stage, in the 1980s and led to negotiations and democratisation in the 1990s.

The period 1948–1994 can be described as the period within which the institutionalisation of segregation and race-based government was entrenched in South Africa. Towards the latter part of this period the edifice that was apartheid, however, increasingly came under attack, both from inside South Africa as well as internationally.

2.3.5 Challenging race-based government

The beginning of the 1980s saw an escalation in the opposition to apartheid. Many students and other young people who left the country after the 1976 uprisings joined the African National Congress (ANC), and to a lesser extent the Pan-African Congress (PAC), in exile. Also, the resistance movement in the country was re-energised and placed increasing pressure on the apartheid regime.

As indicated in the previous sub-section (2.3.4), the increasing number of Africans that found themselves in the urban environments of South Africa made the need for political accommodation of blacks in general more and more urgent (Seekings, 2000:28; Heymans, 2006:48). At the same time black trade unions grew exponentially in the aftermath of the Wiehahn Commission, from 56 700 members in 1980 to 260 000 members in 1981 (Terblanche, 2002:341). This contributed to a more politicised black community. Van Donk and Pieterse (2006:107) characterise this as a period of countrywide mass action that eventually led to local negotiations, which in turn provided the impetus for national negotiations.

The apartheid regime reacted in various ways to the political aspirations of black communities. For Africans, the overarching idea remained that the homelands would be where African political aspirations would be met (see 2.3.4 above). However, in respect of urban government, elected community councils were established in 1977. These councils, even though they were elected, had only an advisory role and had no real powers and functions. In addition, they did not have any control over the administration in their 'areas of jurisdiction'; instead administrative control was allocated to administration boards that were controlled by white bureaucrats. These community councils were replaced with black local authorities (BLAs) in 1982. The BLAs, which were also elected and had some administrative functions, were still reliant on the administration boards to a large extent and did not constitute full democratic rights for Africans. According to Thornhill (2008:493), "These local structures were not accepted by the Black urban communities as they lacked a proper financial base; they were understaffed; did not possess any significant industrial or commercial areas to generate funds; and were not credible in the communities concerned." At the same time, coloureds and Indians voted for advisory committees in their residential areas. These advisory committees had even less capacity than the BLAs. Contrasted with the position of Africans, coloureds and Indians, whites could vote for municipalities that possessed administrative and financial capacity reminiscent of that found in the developed world. In response to the mounting fiscal and political pressure and as a means to link the racially based local government systems, Regional Services Councils (RSCs) were established in the 1980s. The objective of these RSCs was to fill the fiscal gap of smaller white municipalities and the BLAs; revenue was obtained through the RSC Levies, which were levies on the wage bill and turnover of businesses within the area of jurisdiction of the RSCs (Heymans, 2006:48). RSCs were also seen as "a new means to provide bulk services, supplement local authorities' sources of revenue and introduce multi-racial decision making at the local level" (Heymans & Mmakola, 1997:4).

These RSCs, none the less, were seen as part of the apartheid apparatus and lacked credibility in the broader black communities.

Notwithstanding the non-acceptance of RSCs by black communities, they did achieve some success in respect of redistribution of funds and upgrading of services in less privileged areas. In the 1988/89 financial year the following percentages of funds were spent on the upgrading of black communities per area: Cape Province – 91.7%, central Witwatersrand RSC – 81%, East Rand RSC – 76%, Pretoria – 55%. There were, however, also examples of how political will, or the lack of it, influenced redistributive spending. The Northern Transvaal RSC in the same financial year, for example, spent 84% of its funds on projects in white areas (Heymans & Mmakola, 1997:6).

A discussion of the era immediately before the commencement of negotiations and the onset of democracy in South Africa would be incomplete without a discussion of the role played by civic organisations. Powell (2012:13) notes in this regard: "A powerful civic movement had emerged in response to the appalling conditions in black townships and the government's attempts to establish black local authorities in townships without conceding full citizenship rights to blacks."

What has become known as civic and residents' associations appeared in the late 1970s and climaxed around 1985/86. The process started with the establishment of the Soweto Civic Association in September of 1997 followed by the Port Elizabeth Civic Association in October of the same year. These two forerunners were later followed by, inter alia, the Cape Areas Housing Action Committee, Cradock Residents' Association, Duncan Village

Residents' Association, Durban Housing Action Committee, East Rand People's Organisation, Federation of Cape Civic Associations, Grahamstown Civic Association, Joint Rent Action Committee, Krugersdorp Residents' Organisation, Port Alfred Civic Association, Tembisa and Duduza Civic Association, Uitenhage Black Civic Association, and the Western Cape Civic Association (Heymans, 1993:4; Nthambeleni, 2008:90).

Different theories exist for the emergence of civic organisations in South Africa at that time. Heymans (ibid.) ascribes their rise to the general high level of political activism prevalent in that era. This is a view shared by Nthambeleni (ibid.). Whatever the reasons for the emergence of the civic organisations, it is axiomatic that they played a major role in the final phase of apartheid by putting pressure on the government of the time, and to a large degree, filling the void that existed as a result of the banning of political organisations at the time. Some of the matters that the civic organisations campaigned for included freeing of political prisoners, lifting of the state of emergency, unbanning of political organisations, ending of all race-based government, etc. In addition, Heymans (1993:6) states the following about the focus of civic organisations:

> The local authority structures in African, coloured and Indian areas became particularly prominent targets of civic protest. These formal structures were condemned as symbols of racialistic rule and criticised because they were seen as efforts to further institutionalise secondary citizenship for the residents under their jurisdiction.

According to Heymans (1993:2), the importance of civic organisations is explicable both pragmatically as well as conceptually. He lists the following as pragmatic reasons for the importance of civics:

- They have achieved high visibility in many developing areas. Any agency entering such an area seems destined to identify the local civic(s) as at least one category of stakeholder which needs to be consulted.

- They have established a reputation that they are able to undermine projects and programmes. Development actors therefore find it strategically wise to engage with them.

- In a number of communities, civics enjoy significant support and it is therefore wise to include them if one wants to obtain co-operation from the community.

- Civics have gained sufficient credibility as protagonists against apartheid that members of communities often find it difficult actively to oppose them.

- The turbulence of transition has had considerable impact on the institutional dynamics of development. In sharp contrast to earlier years, when official and 'extra-parliamentary' organisations hardly had any contact with each other, formal and informal interaction – and even negotiation – are taking place at a rapidly increasing rate. Civics are prominent in these processes and it makes practical sense to at least contemplate the benefits and disadvantages of engaging with them about development objectives, programmes and projects.

2.3.6 The establishment of democratic local government

Local government has gone through an extensive process of transformation as part of the overall democratisation and transformation of the South African state. The more than 1100 municipalities that existed prior to the 1994 election (Thornhill, 2008:493) was first reduced

to 843 municipalities and prior to the 2000 local government elections further rationalised into 284 municipalities that were placed into three categories, namely, Category A: metropolitan municipalities; Category B: local municipalities in secondary cities and rural areas; and Category C: district municipalities (Buhlungu & Atkinson, 2007:30). In the lead up to the 2006 local government elections, national government promulgated the Cross-Boundary Municipalities Laws Repeal and Related Matters Act, 2005. In terms of this Act, the number of municipalities was even further reduced to 283 through the disestablishment of cross-boundary municipalities and the incorporation of those municipalities that spanned more than one provincial boundary into other municipalities. With the 18 May 2011 local government elections, the number of municipalities was again reduced to 278 with the disestablishment of the Metsweding District Municipality, and the incorporation of the area of jurisdiction of this district municipality, and the local municipalities in its jurisdiction, into the Tshwane Metropolitan Municipality.

The following maps (Figs 2.3–2.6) show how local government in South Africa has changed from the mid-1990s to the present.
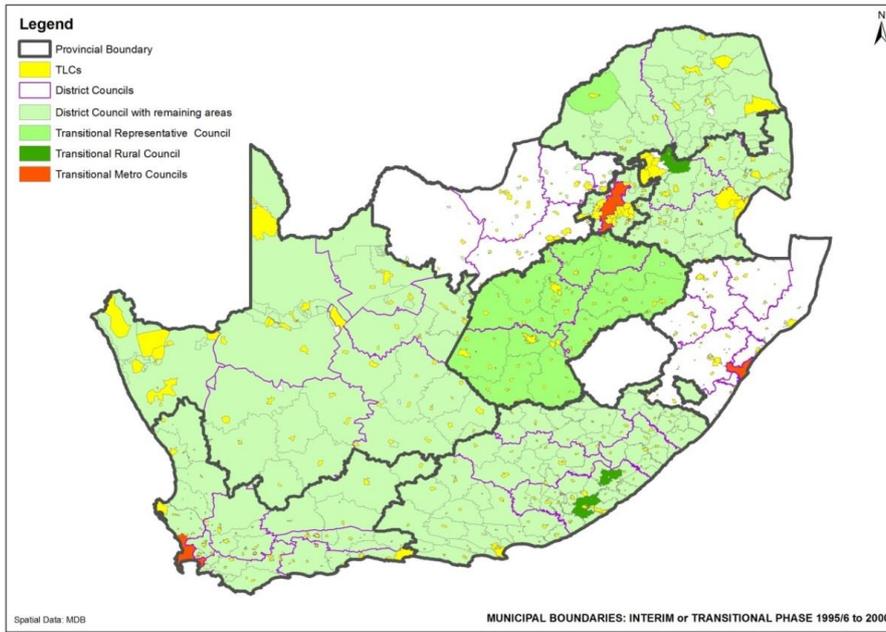
Figure 2.3: Municipal boundaries in the interim phase
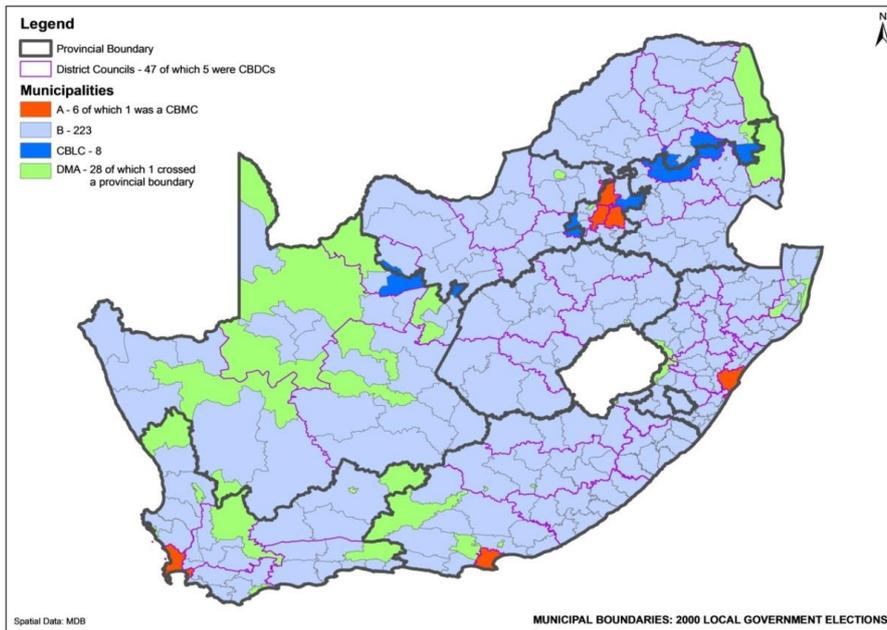
Figure 2.4: Municipal boundaries for the 2000 local government elections

70
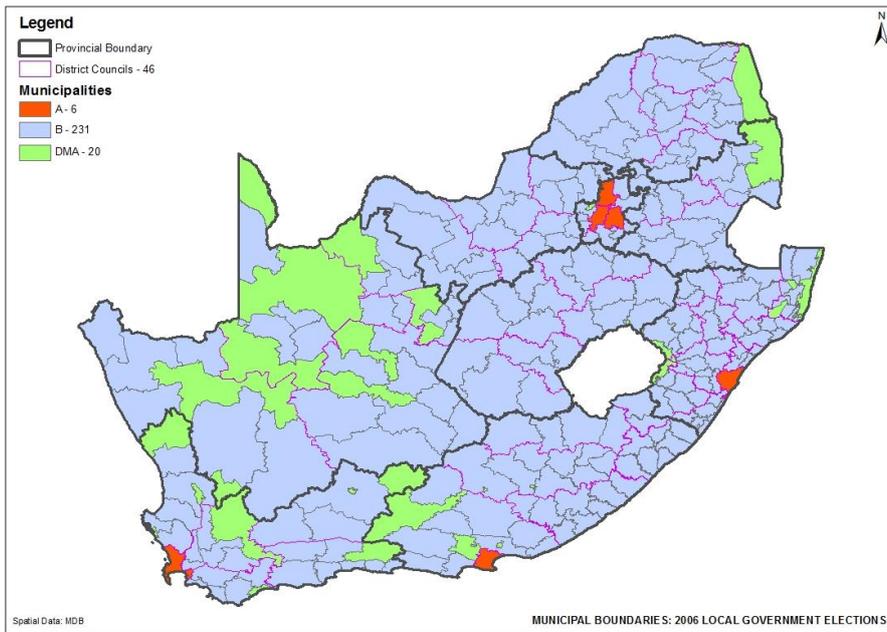
Figure 2.5: Municipal boundaries for the 2006 local government elections
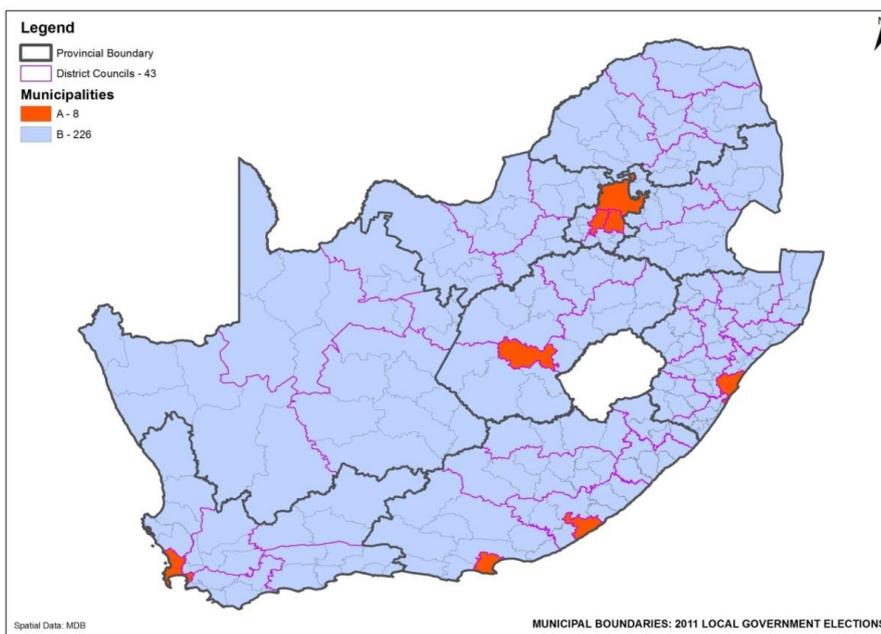
Figure 2.6: Municipal boundaries for the 2011 local government elections

(Source: Ovens, 2013: slides 16, 21, 23 & 25)

Even though the concept of transformation in South Africa underlies the move away from a race-based system of segregation that evolved through the various periods described in sub-sections 2.3.2–2.3.4 above, to a non-racial, constitutional democracy, this concept, that is transformation, is defined and described in various ways by different authors. It seems that there is general consensus amongst authors that transformation is a multi-dimensional concept. It is, however, in what these different dimensions are that there seems to be a difference of opinion. According to Williams (2000:168), transformation embodies both formalistic, that is, constitutional and legal dimensions, on the one hand, and normative dimensions on the other. Wessels (2008:23), on the other hand, identifies two dimensions to the concept of the transformation of the South African public sector, namely, (1) the action dimension, and (2) the purpose dimension. Williams (ibid.), correctly, postulates a more nuanced approach that includes the following seven dimensions: (1) epistemological, (2) conceptual, (3) historical, (4) empirical, (5) institutional, (6) managerial, and (7) practical.

The transformation of local government in South Africa takes place within the broader context of the transformation of the South African state from being racially based and pseudo-democratic to a system that is developmental, non-racial and democratic. The use of the present tense in the previous sentence is intentional, as it is necessary for all systems to continuously transform to adapt to the changing environment within which they operate (Scheepers, 2004:4).

Notwithstanding the view expressed in the previous paragraph, namely that local government transformation is, and should be, a continuous endeavour, the current epoch of local government transformation was heralded when the last apartheid government in

South Africa instituted the Thornhill Commission of Enquiry in the early 1990s to consider various options for the future of local government.

The Commission suggested five models, including racially-based as well as non-racial models. During this time, and as a reaction to the disintegration of the Black Local Authorities (BLAs), the Interim Measures for Local Government Act No. 128 of 1991 was enacted. The purpose of the Act was, amongst others, to facilitate service delivery in areas where the BLAs had collapsed and to enable the setting up of joint structures between towns and townships.This Act was, however, rejected by the African National Congress (ANC) and the South African National Civic Organisation (SANCO). Instead, these organisations called for the dissolution of racially-based structures of local government and the establishment of local government structures that would address the differences in the urban landscape between 'black' and 'white' areas.

The Local Government Negotiating Forum (LGNF) was established in 1993, facilitating negotiations between what were termed 'statutory' and 'non-statutory' stakeholders. The LGNF was composed as follows:

Table 2.3: Composition of Local Government Negotiating Forum

LOCAL GOVERNMENT NEGOTIATING FORUM	
Statutory	**Non-Statutory**
Department of Local Government	South African National Civic Organisation
Four Provinces (Local Government)	African National Congress
United Municipal Executive	National Party
Transvaal Municipal Association	Democratic Party
Major Cities Association	
Association of Management Commitees	

(Source: Havenga, 2002:109)

The LGNF led to the enactment of the Local Government Transition Act No. 209 of 1993 (LGTA) and the inclusion of a chapter on local government in the Constitution of the Republic of South Africa 1993 (Act No. 200 of 1993, the Interim Constitution) (Heymans & Mmakola, 1997:7).

The LGTA introduced three phases that would characterise the transformation of South African local government from racially based to non-racial, developmental and democratic. These phases are the (1) pre-interim, (2) interim, and (3) final phases.

Pre-interim phase

The pre-interim phase started on the date that the LGTA came into effect. In this phase, local negotiating forums gained statutory recognition and had to appoint temporary councils that would govern until elections were held. This included determining municipal boundaries, appointing councillors, and establishing financial systems. The pre-interim phase came to an end with the local government elections of 1995/96.

In the pre-interim phase:

- negotiating forums become statutory structures;

- 'local governments of unity' were established;

- local governments were, inter alia, tasked with:

    – determining budgets;

    – selecting executive committees;

- local governments became important mechanisms for creating stability.

Interim phase

The interim phase commenced when the pre-interim phase came to an end, thus with the local government elections of 1995/96, which allowed for the establishment of transitional local government structures. In larger cities and smaller towns, Transtitional Local Councils (TLCs) were established, and in the metropolitan areas, a two-tier system consisting of Transitional Metropolitan Councils and Metropolitan Sub-Structures emerged.

It was envisaged that the interim phase would be the period within which the legislative framework for democratic local government would be bedded down. This was achieved to some extent as the Constitution, 1996 (hereafter the Constitution); Organised Local Government Act, No. 52 of 1997; Local Government: Municipal Demarcation Act, No. 27 of 1998; Local Government: Municipal Structures Act, No. 117 of 1998; and the Local Government: Municipal Systems Act, No. 32 of 2000 were enacted before the end of the

interim phase (see Fig. 8 below). After the Constitution, which provided the basis for the independent sphere of local government, the White Paper on Local Government, 1998, is the most influential policy.

In the interim phase the following occurred:

- Transitional councils (843) were established.

- These retained a skewed racial representation as:

  – 50% of the wards had to be located in the area of the former white local authorities;

  – there was a 60/40% split between ward and proportional representation;

  – former white local authorties had a guaranteed 30% representation.

- Metros had a two-tier system, consisting of metro level and substructure level.

- Transitional Local Councils were single-tiered organisations.

- A complex system of rural councils existed.

- The final constitution was adopted, local government policy framework was formulated, and some key local government legislation drafted.

Final phase

This phase is erroneously termed, in the opinion of this researcher, as local government transformation should be a dynamic, never-ending process. Nevertheless, in this phase of

local government, transformation of the newly designed system was brought into operation with the 2000 local government election. For the first time in the history of South Africa a formal local government system was put into place that was wholly non-racial. The new system has had many successes but also faces many challenges (see 3.6 and 3.7 below).

In the final phase:

- Democratic local government came into being, consisting of 3 categories:

  – Category A: Metropolitan

  – Category B: Local

  – Category C: District

- A two-tier system for local government outside of metropolitan areas and a single tier for metropolitan areas were established.

  (Cameron, 2006:78; Van Donk & Pieterse, 2006:111–118; Ovens, 2012: slide 6–8)

2.4   Summary

This chapter set out to provide a historical perspective on the development of the South African state, with specific focus on the development of local government, to the point of democratisation in 1994 and immediately thereafter.

It commenced by providing a definitional discussion on local government. This was achieved by examining the Constitution and other legislative pronouncements on the status and role of local government in democratic South Africa. The history of local government globally, as well as in South Africa, was examined, and the etymology of the term 'municipality' was presented.

The views of some scholars on the definition of the term 'local government' were provided, and based on all the above the following definition of local government is proffered:

Local government refers to the units of government, collectively and individually, known as municipalities and found in the local sphere of government, which, working with citizens and groups within their different communities, have the powers assigned to them in the Constitution, are responsible for delivering a defined set of services and the promotion of social and economic development, with defined resources in a specific geographic area.

Hereafter a historical exposition of the system of government and the development of the South African state was provided. This exposition differs from most other accounts of this history in that it also addressed pre-colonial society and the governance systems found in the Khoikhoi community.

The chapter shows that South African local government, as part of the broader South African state, has a rich and nuanced history that allows for lessons to be learned from it in order to make local government more effective, efficient, sustainable and developmental.

<u>**CHAPTER 3**</u>

LOCAL GOVERNMENT IN SOUTH AFRICA POST 1994

3.1   Introduction

The previous chapter, Chapter 2, provided a historiography of the development of the South African state from the pre-colonial era to the period immediately after the democratisation of South Africa in 1994. Unlike in most writings on the subject, the history presented there commences with an exposition of local governance and its development as found in the pre-colonial Khoikhoi communities. This is followed by the colonial period (1652–1890), thereafter the period leading up to and including the Union of South Africa (1890–1948), the apartheid years, the period immediately before democratisation, and the establishment of the new local government system. The chapter commenced with a discussion on the definition of local government.

The goal of the present chapter is to provide an exposition on the status quo of local government post the attainment of democracy in 1994.

This goal, to provide an exposition on the status quo of local government post the attainment of democracy in 1994, is pursued through five objectives, namely, (1) exploring the developmental state and developmental local government as a theoretical framework within which to develop an institutional capacity model of municipalities in South Africa; (2) providing a description of the Constitution and other legislation applicable to local

government; (3) discussing the macro-system of local government, including organised local government, categories and types, municipal demarcation, fiscal arrangements, and the role of political and administrative office bearers; (4) reviewing local government performance post-democracy; (5) highlighting the challenges faced by local government; and (6) identifying the continuities between the different eras in local government described in this as well as in the preceding chapter.

3.2   Developmental Local Government

Poverty and its debilitating effects constitute the topic of human enquiry throughout the world. The General Assembly of the United Nations (UN) at its 55th session in September 2000 ratified the United Nations Millennium Declaration (UNMD), which committed signatories of the Declaration to the eradication of global poverty and the advancement of peace and stability by 2015 (Mathews & Ohadi, 2008:751). The Declaration, which was ratified by 189 nations and signed by 147 heads of state (UNDP, 2010b), includes a list of eight goals, known as the Millennium Development Goals (MDGs), which "provide a clear, comprehensive and quantitative approach towards poverty reduction" (Mathews & Ohadi, 2008:752). These goals are to eradicate extreme poverty and hunger; achieve universal primary education; promote gender equality and empower women; reduce child mortality; improve maternal health; combat HIV/Aids and other diseases; ensure environmental sustainability; and develop a global partnership for development.

In the pursuit of the MDGs, questions are increasingly being raised about the role that the state should play in mitigating the impact of poverty on people and the environment. In

South Africa, the notion of a developmental state, that is, a state in which government leads a strong, concerted effort for economic growth (Levin, 2009:944), has become a popular topic in this discourse on poverty alleviation.

Some scepticism exists about whether it is possible to construct a developmental state in South Africa for the following three reasons.

Firstly, a key difference between the developmental states of East Asia, where the idea of a developmental state originated, and the present-day South Africa is the authoritarian nature of those states and their weak civil societies, contrasted with the constitutional democracy and relatively active civil society in South Africa today (Gumede, 2009:7; Edigheji 2010:4). It is for this reason that Edigheji (ibid.) posits a democratic developmental state based on ideological orientation (towards developmentalism) and the political and administrative institutional architecture required. Similarly, Fakir (2005:1) challenges the binary view of the 'developmental' state versus the 'democratic' state and argues persuasively that these terms are not mutually exclusive but can exist comfortably together.

Secondly, South Africa is a mineral-rich country, whereas the classical developmental states have developed in mineral-poor countries. Edigheji (2010:3) refers to the so-called 'Resource Curse' that could hamper the construction of a developmental state. He describes the 'Resource Curse' as the situation that can develop when the abundance of resources "can trigger corruption, distributional conflicts, rent-seeking behaviour, and so on".

82

Thirdly, there are some legacy deficiencies inherent in South Africa, which differentiate it from the East Asian developmental states. These are: (1) the skills base, and (2) the "social cohesion legacies" that those states could rely upon (Butler, 2010:184).

Constructing a democratic developmental state in South Africa would thus happen within a context and environment that is not conducive to its taking root, based on the classical developmental states in East Asia. There however seems to be commitment, at least from the government of the day, to implement a developmental state in South Africa (Edigheji, 2010:2).

In the context of the present dissertation, the view espoused by Edigheji (2010:4) on the relationship between strong institutions and the developmental state warrants repeating. He states:

> In thinking about constructing a developmental state in South Africa (as anywhere else), it is important to focus on the country's institutional architecture (the internal institutional configuration and the nature of its relations to non-state actors) and its policy orientation. It is institutions that will determine a democratic developmental state's capacity to formulate and implement its policy and programmes. By democratic developmental state we mean a state that could act authoritatively, credibly, legitimately and in a binding manner to formulate and implement its policies and programmes.

In this regard, local government and individual municipalities are important elements of the developmental state in South Africa; it can thus be argued that the success or failure of the

South African developmental state hinges on the ability of the system of local government and the 278 municipalities individually to discharge their constitutional mandate in an efficient, effective and sustainable manner. Koma (2010:113) avers in this regard, "a developmental state implies that municipalities assume a greater and significant role in economic and social development". In South Africa, developmental local government is presented as a theoretical discourse for underpinning this important role for local government in the development context.

The developmental DNA of the current local government system is contained in the Constitution. Section 152 of the Constitution lists the objects of local government as providing democratic and accountable government for local communities; ensuring the provision of services to communities in a sustainable manner; promoting social and economic development; promoting a safe and healthy environment; and encouraging the involvement of communities and community organisations in matters of local government. Municipalities are thus enjoined to move away from the previous narrow focus on providing services like water, sewage, refuse removal and suchlike, to a wider focus that includes socioeconomic development and the involvement of communities in their own government. This process can also be described as the move away from 'government' (the power to govern) to 'governance' (the act of governing) and forms part of a global realisation that civil society must be enabled to share the responsibility for governance (see, for instance, Mogale, 2003:220; Raga & Taylor, 2005:141).

According to Pieterse and Van Donk (2008:52), the very core of the South African local government system is embodied in its developmental ambitions, which in turn are defined in the White Paper on Local Government of 1998 (Republic of South Africa, 1998:38) as

"local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives".

The drafters of the South African Constitution, 1996, and the legislation that flows from it have thus created lofty ideals against which to measure the system of local government and the outputs and outcomes that it produces. Atkinson (2002:2) notes that a development-oriented government requires that its internal relationships be set up in a manner that will result in the attainment of specific developmental goals. She also points to three questions in relation to the design of the local government system in South Africa and the important role that it must play in achieving the broader developmental objectives of the country, and even the continent (Atkinson, 2002:4). These questions are:

- How would developmental local governments look?
- How would they function?
- What would their relationship be with the rest of the governmental system?

Powell (2012:11–12) provides some answers to the above questions, and these are mostly not positive. Powell states that the vision for developmental local government included the following four elements: (1) the country would be divided into municipalities with an elected municipal council; (2) there would be integration of racially divided group areas with a common tax base; programmes of national reconstruction and development would be guided by local development plans; (3) there would be partnerships between citizens and municipalities to build non-racial communities; and (4) expenditure would be redirected to

services in poor black communities. According to him, these lofty ideals were not realised and he describes this non-realisation (Powell, 2012:12) in the following terms:

"[In] the four terms of national government, local government reforms were not unfolding episodes in a continuous, uninterrupted process of implementing the White Paper's vision for developmental local government. Policy and local institutions were shaped less by original design than by changing political and economic realities in the country, competing national policy objectives, often by strategic miscalculations, and more lately by competition for power in the ANC.

The outcome of eighteen years of local government reform was not the new society imagined in the White Paper, but an imperfect transition that is local government today: Formal electoral competition coexists with increasingly violent public protests between elections. Pockets of performance endure amidst systemic corruption and mismanagement. And the expectations of policy-makers continually exceed local delivery capacity and the skills base of the economy. Local government is a reflection of South African society, and it is the deeper fault lines in our society which have consistently shaped the design and impact of policy.

Implementing a developmental state and making developmental local government a reality requires a capable state, also in the local sphere. The National Planning Commission (NPC) (National Planning Commission, 2011b) considers this matter of such importance that it devotes an entire chapter in the National Development Plan (NDP) to it. The NPC identifies the following seven factors as the precursor to uneven performance at local, provincial and national level: (1) tensions in the political/administrative interface; (2)

instability of the administrative leadership; (3) skills deficit; (4) erosion of accountability and authority; (5) poor organisational design; (6) inappropriate staffing; and (7) low staff morale. These factors seem to confirm the persistent local government developmental challenges identified in the State of Local Government Report issued by the Department of Cooperative Government & Traditional Affairs (Republic of South Africa, 2009a:4, see section 1.2 above).

Developmental local government provides a coherent framework within which local government transformation and development can take place. Even though the discourse on the developmental state and local government is characterised by differences of opinion and conflict, this is not uncommon in the social sciences.

3.3   Local Government Legislative Framework

South Africa is described as a constitutional democracy in which, inter alia, the Constitution of the Republic of South Africa, 1996 (the Constitution) is supreme and the rule of law is applicable. One of the consequences of this statement of values as found in sections 1 and 2 of the Constitution is that the duties, objectives and rights of local government are codified in a suite of legislation starting with the Constitution itself, and also including a range of other national, provincial and local government legislation.

The Constitution, 1996, situates local government at the heart of an ambitious programme aimed at dealing with developmental backlogs, the eradication of poverty, the

implementation of sustainable development and the provision of safe and secure environments (Mogale, 2003:227; Buhlungu & Atkinson, 2007:30).
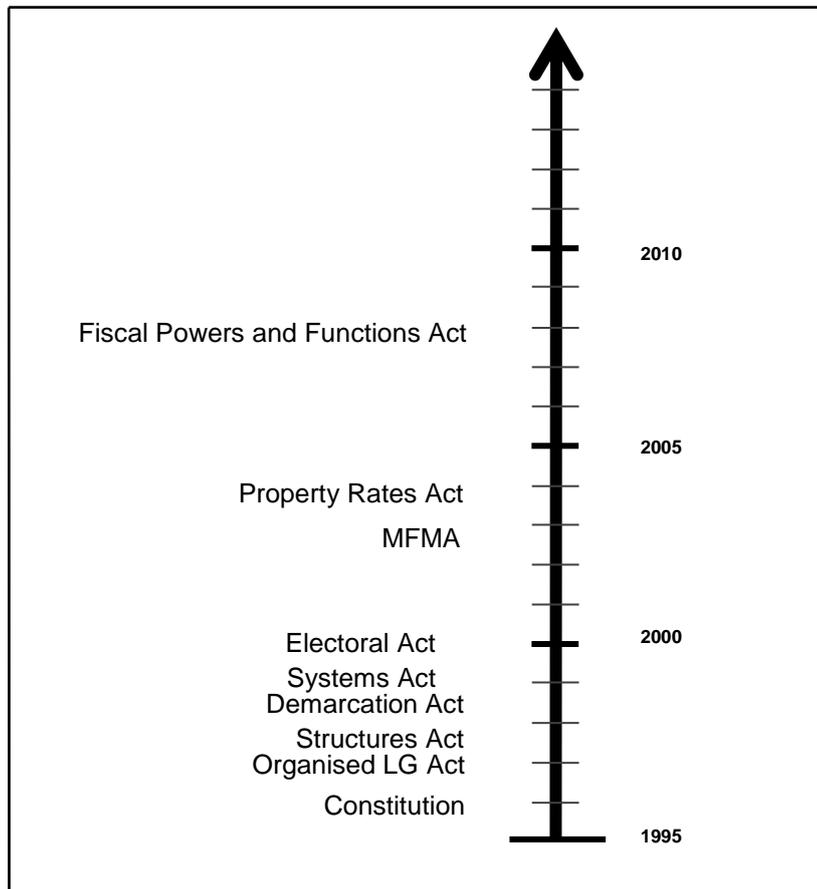
Figure 3.1: Key local government legislation timeline

(Source: Synthesis of Van Donk & Pieterse, 2006:114; Ovens, 2013: slide 13)

This important status of local government is further emphasised by the role it played in spearheading the overall transformation from apartheid to democracy. The White Paper on Local Government 1998 (Republic of South Africa, 1998) states in this regard: "The crisis in local government was a major force leading to the national reform process which began

in 1990." This view is also held by Vyas-Doorgapersad (2010:45) and Heymans (2006:48). Steytler and De Visser (2007:1-3) quote the first president of the Constitutional Court who averred, in the context of the 1995 local government elections, that local government is "of national importance and that the establishment of local governments is widely seen as being necessary for reconstruction and development to proceed at a grass roots level".

In this section an exposition of the existing national legislation applicable to local government is provided.

3.3.1 The Constitution

The Constitution, 1996, which had its genesis in the Freedom Charter adopted at the Congress of the People at Kliptown on 26 June 1955 (Mafunisa, 2009:728), provides the values and principles underlying South Africa after racially based government was replaced with democratic government in 1994. South Africa can be described as a constitutional democracy, founded on the values of human dignity, equality, human rights, non-racialism, non-sexism, the rule of law, a multi-party system of government, accountability, responsiveness, and transparency. The South African state is divided into three spheres of government. These spheres are distinctive, interdependent and interrelated (Republic of South Africa, 1996; Thornhill, 2009:671), and are termed national, provincial and local government. Each of these spheres has legislative and executive responsibility for a range of functions, which are listed in schedules 4 and 5 of the Constitution. This constitutional entrenchment of local government is a key feature of the South African state.

Cameron (1995:396–397) identifies three sub-categories to describe decentralisation as a form of relationship between levels of government. These concepts are: (1) devolution, (2) deconcentration, and (3) delegation. In this context, the following definitions are applicable to these concepts:

Table 3.1: Decentralisation: devolution, deconcentration & delegation

Decentralisation		
The transfer of responsibility for planning, management and resource use and allocation from the central government and its agencies to field organisations of these agencies, subordinate units of government, semi-autonomous public corporations, area-wide, regional or functional authorities, or non-governmental private or voluntary organisations.		
Devolution	**Deconcentration**	**Delegation**
Is the conferment of rule-making and executive powers of a specified or residual nature on formally constituted sub-national units.	Involves the transfer of workload from the central government head offices to regional branches located outside the executive capital.	Entails the transfer of broad authority to plan and implement decisions concerning specific activities to organisations such as local authorities that are technically and administratively capable of performing them.

(Source: Cameron, 1995:396–397)

Subsidiarity, or put differently, the principle that governance should take place as close as possible to the citizens (Local Government Project, 2008:2) is a key feature of the Constitution, even though it is not explicitly stated as such. Section 156(4) is the key section in respect of subsidiarity in the Constitution and reads as follows:

(4)　　The national government and provincial governments must assign to a municipality, by agreement and subject to any conditions, the administration of a matter listed in Part A of Schedule 4 or Part A of Schedule 5 which necessarily relates to local government, if-

(a)　　that matter would most effectively be administered locally; and

(b)　　the municipality has the capacity to administer it.

The local government sphere consists of municipalities established for the whole of the territory of South Africa (Mafunisa, 2009:728–729) and the executive and legislative authority of a municipality vests in its Municipal Council (Republic of South Africa, 1996). The Constitution goes as far as declaring that each municipality "has the right to govern, on its own initiative, the local government affairs of its community" and that "the national or a provincial government may not compromise or impede a municipality's ability or right to exercise its powers or perform its functions". These constitutionally guaranteed powers and functions of local government in South Africa, irrespective of whether it has the financial and administrative ability to exercise the powers and perform the functions, sets South Africa apart from many other countries (Heymans, 2006:52). An example of what seems to be the rule in respect of the lack of constitutional protection of local government worldwide is Namibia, where the president of that country can only establish a municipality if he is of the opinion that the municipal council will be able:

(aa)   to exercise and perform the powers, duties and functions conferred and

imposed upon a municipal council in terms of the provisions of this Act;

(bb)   to pay out of its own funds its debts incurred in the exercise and

performance of such powers, duties and functions;

(cc)   to comply with all its other liabilities and obligations so incurred;

(Republic of Namibia, 1992)

Christmas and De Visser (2009) caution, correctly in the view of this researcher, in respect of the appropriateness of the South African local government system and its constitutional powers, notwithstanding the capacity of individual municipalities to perform functions and exercise the powers allocated to it in terms of the Constitution. Christmas and De Visser (2009:109–110) state the following in this regard:

As appropriate as such a vehicle for co-operative governance may seem within a democratic context, having three spheres of government operating each with a degree of autonomy makes for complex relationships, which also impact on the effectiveness and efficiency of government. As a relatively new sphere, local government is faced with the challenge of establishing its autonomy. National and provincial government have therefore had to re-conceptualise their political attitudes towards local government in line with the new constitutionally entrenched ideal of developmental local government. In practice, however, different approaches are evident across sector departments. These approaches range from being respectful of local government autonomy to clearly patronising.

The heart of the Constitution, in respect of local government, can be found in section 152(1). This section, with the heading "Objects of local government" provides five things that local government must do, or in the wording of the Constitution, what the "objects of local government are". These five "objects" are: (1) provide democratic and accountable government for local communities; (2) ensure the provision of services to communities in a sustainable manner; (3) promote social and economic development; (4) promote a safe and healthy environment; and (5) encourage the involvement of communities and community organisations in the matters of local government. These five objects can be split into two categories, namely (1) what should be done by local government; and (2) how they should do it.

Table 3.2: The 'what' and 'how' of the objects of local government

WHAT	HOW
Provide services to communities sustainably.	Provide democratic and accountable government.
Promote socio-economic development.	Encourage community participation in local government affairs.
Promote a safe and healthy environment.	

(Source: Republic of South Africa, 1996, interpreted by the researcher)

The powers and functions of local government in South Africa are neatly delineated in section 156. In terms of this section, municipalities:

93

- have executive authority and the right to administer the functions listed in Schedules 4B and 5B of the Constitution;

- have executive authority and the right to administer any other function, beyond those listed in Schedules 4B and 5B of the Constitution, properly assigned to them by provincial or national government;

- have legislative authority, through the adoption of by-laws, over the matters listed in Schedules 4B and 5B of the Constitution, as well as those functions properly assigned to them by provincial or national government; and

- have the right to exercise any power concerning a matter necessary or incidental to the effective performance of their functions.

The functions in Schedules 4B and 5B of the Constitution that municipalities are responsible for are the following (see overleaf):

Table 3.3: Functions in Schedules 4B and 5B

SCHEDULE 4B	SCHEDULE 5B
Air pollution	Beaches and amusement facilities
Building regulations	Billboards and the display of advertisements in public places
Child-care facilities	Cemeteries, funeral parlours and crematoria
Electricity and gas reticulation	Cleansing
Fire-fighting services	Control of public nuisances
Local tourism	Control of undertakings that sell liquor to the public
Municipal airports	Facilities for the accommodation, care and burial of animals
Municipal planning	Fencing and fences
Municipal health services	Licensing of dogs
Municipal public transport	Licensing and control of undertakings that sell food to the public
Municipal public works	Local amenities
Pontoons, ferries, jetties, piers and harbours	Local sport facilities
Stormwater management systems	Markets
Trading regulations	Municipal abattoirs
Water and sanitation services	Municipal parks and recreation
	Municipal roads
	Noise pollution
	Pounds
	Public places
	Refuse removal, refuse dumps and solid waste disposal
	Street trading
	Street lighting
	Traffic and parking

(Source: Republic of South Africa, 1996)

Chapter 3 of the Constitution enjoins all three spheres of government to promote and facilitate sound intergovernmental relations. The constitutional framework makes provision for an inviolate sphere of municipal government that has the legislative and executive authority in relation to the local government functions in terms of Parts B of schedules 4 and 5 of the Constitution, as well as other functions entrusted to municipalities in applicable legislation.

In addition to this municipal independence, however, provincial governments are given the powers to:

- provide for the monitoring and support of local government in the province (s 155(6)(a) of the Constitution, read with the power in s 154(1) to "support and strengthen" local government);
- promote the development of local government capacity to enable municipalities to perform their functions and manage their own affairs (s 155(6)(b) of the Constitution);
- see to the effective performance by municipalities of their functions in respect of matters listed in Schedules 4 and 5, by regulating the exercising of their executive authority by municipalities (s 155(7) of the Constitution).

The Constitutional Court further elucidated this arrangement in respect of the relationship between provincial and local government in the First Certification Judgement

(Constitutional Court, 1996). The court held that the "ambit of provincial powers and functions in respect of [local government] is largely confined to the supervision, monitoring and support of municipalities". It contextualised the provincial powers of intrusion over local government in the following manner:

> What [the text of the new Constitution] hereby seeks to realise is a structure for LG [local government] that, on the one hand, reveals a concern for the autonomy and integrity of LG and prescribes a hands-off relationship between LG and other levels of government and, on the other, acknowledges the requirement that higher levels of government monitor LG functioning and intervene where such functioning is deficient or defective in a manner that compromises this autonomy. This is the necessary hands-on element of the relationship.

Provincial executives are thus empowered to intervene in the affairs of municipalities in their provinces, within the constitutional framework described above. The purpose of the intervention must be to assist the municipality to remove the deficiencies that gave rise to the intervention in the first place.

3.3.2 National legislation

The above constitutional provisions are strengthened and supported by a suite of national legislation that includes the following Acts.

Table 3.4: Suite of local government legislation

Act	Purpose
Organised Local Government Act, 1997 (Act 52 of 1997)	To provide for the recognition of national and provincial organisations representing the different categories of municipalities; to determine procedures by which local government may designate representatives to participate in the National Council of Provinces; to determine procedures by which local government may consult with national and provincial government; to determine procedures by which local government may nominate persons to the Financial and Fiscal Commission; and to provide for matters connected therewith.
Local Government: Municipal Demarcation Act, 1998 (Act 27 of 1998)	To provide for criteria and procedures for the determination of municipal boundaries by an independent authority; and to provide for matters connected thereto.
Local Government: Municipal Structures Act, 1998 (Act 117 of 1998)	To provide for the establishment of municipalities in accordance with the requirements relating to categories and types of municipality; to establish criteria for determining the category of municipality to be established in an area; to define the types of municipality that may be established within each category; to provide for an appropriate division of functions and powers between categories of municipality; to regulate the internal systems, structures and office-bearers of municipalities; to provide for appropriate electoral systems; and to provide for matters in connection therewith.
Local Government: Municipal Electoral Act, 2000 (Act 27 of 2000)	To regulate municipal elections; to amend certain laws; and to provide for matters connected therewith.
Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)	To provide for the core principles, mechanisms and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of local communities, and ensure universal access to essential services that are affordable to all; to define the legal nature of a municipality as including the local community within the municipal area, working in partnership with the municipality's political and administrative structures; to provide for the manner in which municipal powers and functions are exercised and performed; to provide for community participation; to establish a simple and enabling framework for the core processes of planning, performance management, resource mobilisation and organisational change which underpin the notion of developmental local government; to provide a framework for local public administration and human resource development; to empower the poor and ensure that municipalities put in place service tariffs and credit control policies that take their needs into account by providing a framework for the provision of services, service delivery agreements and municipal service districts; to provide for credit control and debt collection; to establish a framework for support,, monitoring and standard setting by other spheres of government in order to progressively build local government into an efficient, frontline development agency capable of integrating the activities

Act	Purpose
	of all spheres of government for the overall social and economic upliftment of communities in harmony with their local natural environment; to provide for legal matters pertaining to local government; and to provide for matters incidental thereto.
The Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)	To secure sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government; to establish treasury norms and standards for the local sphere of government; and to provide for matters connected therewith.
The Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004)	To regulate the power of a municipality to impose rates on property; to exclude certain properties from rating in the national interest; to make provision for municipalities to implement a transparent and fair system of exemptions, reductions and rebates through their rating policies, make provision for fair and equitable valuation methods of properties; to make provision for an objections and appeals process; to amend the Local Government: Municipal Systems Act, 2000, so as to make further provision for the serving of documents by municipalities; to amend or repeal certain legislation; and to provide for matters connected therewith.
Local Government: Municipal Fiscal Powers and Functions Act (Act 12 of 2007)	To regulate the exercise by municipalities of their power to impose surcharges on fees for services provided under section 229(l)(a) of the Constitution; to provide for the authorisation of taxes, levies and duties that municipalities may impose under section 229(l)(b) of the Constitution; and to provide for matters connected therewith.

The above legislation can be grouped into two broad categories, namely (1) legislation that establishes and maintains the system of local government (macro-legislation); and (2) legislation that regulates the activities of individual municipalities (micro-legislation). The legislation contained in the above suite of local government legislation can be divided as follows on this basis:

Table 3.5: Division between macro- and micro-legislation

MACRO-LEGISLATION	MICRO-LEGISLATION
Constitution of the Republic of South Africa, 1996	Local Government: Municipal Structures Act, 1998 (Act 117 of 1998)
Organised Local Government Act, 1997 (Act 52 of 1997)	Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)
Local Government: Municipal Demarcation Act, 1998 (Act 27 of 1998)	The Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)
Local Government: Municipal Electoral Act, 2000 (Act 27 of 2000)	The Local Government: Municipal Property Rates Act, 2004 (Act 6 of 2004)
	Local Government: Municipal Fiscal Powers and Functions Act, (Act 12 of 2007)

The suite of legislation in Table 3.4 above, the regulations promulgated in terms of it, other national legislation applicable to local government, as well as provincial legislation applicable to local government, represents what can be termed over-regulation.

Steytler (2008:3) characterises this potential over-regulation as 'strangulation' and warns, rightly, against the negative impact of this approach on the ability of local governments in South Africa to fulfil their constitutional, legislative and developmental mandates. He states the following in this regard:

> Overregulation has consequences that are inimical to developmental local government, including the following:
>
> - Complying with an elaborate legal framework carries a considerable price tag not affordable by all municipalities.
> - Where the legal framework requires highly skilled personnel for the implementation of particular processes, the need to outsource such processes may lead to the disempowerment of the council and the community it serves.

- Overregulation stifles innovation, experimentation and local responsiveness, the very lifeblood of local self-government.

- Compliance with the legal rules can become more important than achieving the object of the rules.

- Overregulation becomes a mode of thinking; the received wisdom becomes that "more is better" rather than the old adage that "less is often more".

- Possibly the worst consequences of overregulation is when municipalities opt out of the lawful way of governing where compliance is too difficult or costly.

The evident over-regulation of local government can be a real barrier to local government performance and should be reconsidered.

3.4   Local Government: Macro-System

The Constitution determines that municipalities must strive, within their financial and administrative capacity, to achieve the objects of local government set out in subsection 152(1), namely:

- to provide democratic and accountable government for local communities;

- to ensure the provision of services to communities in a sustainable manner;

- to promote social and economic development;

- to promote a safe and healthy environment; and

- to encourage the involvement of communities and community organisations in the matters of local government.

Sub-section 2.3.6 above describes the process of establishing democratic local government in South Africa. As part of this process the number of municipalities in South Africa was reduced from 1100 prior to democratisation to the current number of 278. In determining the number of municipalities and their borders, the Municipal Demarcation Board (MDB) established in terms of the Local Government: Municipal Demarcation Act, had to take the following principles into consideration (Thornhill, 2008:498):

- The interdependence of people, communities and economies.

- The need for cohesiveness and integration.

- The financial viability and administrative capacity of the municipality.

- The need to share and redistribute financial and administrative resources.

- Provincial boundaries.

- Areas of traditional rural communities.

- Existing and proposed functional boundaries.

- Existing and expected land use.

- Topographical, environmental and physical characteristics.

- Administrative consequences of its boundary determination.

- The need to rationalise the total number of municipalities.

The demarcation processes in the interim phase as well as in preparation for the final phase of local government has led to municipalities becoming progressively bigger in respect of geographical area of jurisdiction and population. This is evident in the reduction of the number of municipalities from 1 100 before democratisation to 843 for the

1995/1996 local government elections, 284 for the 2006 local government elections and 278 for the 2011 local government elections (Cameron, 2006:82; Thornhill, 2008:498).

Even though there can be no doubt with regard to the need for rationalising municipalities and combining structures that were previously divided based on race, questions however remain about the efficacy of having larger municipalities.

The South African local government system consists of 278 municipalities organised into three categories, namely 8 metropolitan, 44 district and 226 local municipalities (*South African Yearbook: 2012/2013*, 2013:299). These municipalities have the right to govern, on their own initiative, the local government affairs of their communities, and the executive and legislative authority of a municipality is vested in its Municipal Council.

Section 7 of the Local Government: Municipal Structures Act, 1998, determines the following as the types of municipalities that can be established in the different categories. These types are:

- Collective executive system, which allows for the exercise of executive authority through an executive committee in which the executive leadership of the municipality is collectively vested.
- Mayoral executive system, which allows for the exercise of executive authority through an executive mayor in whom the executive leadership of the municipality is vested and who is assisted by a mayoral committee.

- Plenary executive system, which limits the exercise of executive authority to the municipal council itself.

- Sub-council participatory system, which allows for delegated powers to be exercised by sub-councils established for parts of the municipality.

- Ward participatory system, which allows for matters of local concern to wards to be dealt with by committees established for wards.

A key feature of local government in South Africa is that individual municipalities have revenue-raising capacity. Section 229 of the Constitution determines that a municipality may impose (1) rates on property and surcharges on fees for services provided by or on behalf of the municipality; and (2) if authorised by national legislation, other taxes, levies and duties appropriate to local government or to the category of local government into which that municipality falls, but no municipality may impose income tax, value-added tax, general sales tax or customs duty.

Notwithstanding the revenue-raising authority of all municipalities, there is considerable differentiation between municipalities that are largely reliant on their own sources of revenue and municipalities that are dependent on grants and transfers from provincial and national government. According to the *State of Local Government Finances and Financial Management as at 30 June 2013* report (Republic of South Africa, 2013:29), one metropolitan municipality and six secondary cities rely on national government transfers for the funding of more than 75% of their capital budgets for the 2012/2013 financial year, while 66 municipalities rely entirely on such transfers, indicating a total lack of revenue generation.

The National Treasury (Republic of South Africa, 2013:4) identifies the following eight measures of financial health:

- Cash as a percentage of operating expenditure.

- Persistence of negative cash balances.

- Over / (Under) spending of original operating budgets.

- Under spending of original capital budgets.

- Debtors as a percentage of own revenue.

- Year of year growth in debtors.

- Creditors as a percentage of cash and investments.

- Reliance on national and provincial transfers.

Measured against these indicators, 95 municipalities are in financial distress. This list does not include any metropolitan municipalities but includes five secondary cities, namely Polokwane, Govan Mbeki, City of Matlosana, Emfuleni and Emalahleni.

3.5   Local Government: Micro-System

The Local Government: Municipal Systems Act, 2000, determines that municipalities are made up of the political structures and administration of the municipality, as well as the community of the municipality. These three components of the municipality have different rights and duties in the case of the political structures and the communities, and duties only in the case of the administration of the municipality. These rights and duties are as follows:

Table 3.6: Rights and duties of political structures

POLITICAL STRUCTURES	
Rights	**Duties**
Govern on its own initiative the local government affairs of the local community.	Exercise the municipality's executive and legislative authority and use the resources of the municipality in the best interests of the local community.
Exercise the municipality's executive and legislative authority without improper interference.	Provide democratic and accountable government.
Finance the affairs of the municipality by charging fees for services, imposing surcharges and other taxes, levies and duties.	Encourage the involvement of the local community.
	Strive to ensure that municipal services are provided in a sustainable manner.
	Consult the local community about the level, quality, range and impact of municipal services provided by the municipality and the available options for service delivery.
	Give members of the local community equitable access to the municipal services to which they are entitled.
	Promote and undertake development in the municipality.
	Promote gender equity in the exercise of the municipality's executive and legislative authority. Promote a safe and healthy environment in the municipality.
	Contribute to the progressive realisation of the fundamental rights contained in the Constitution.

Table 3.7: Rights and duties of communities

COMMUNITIES	
Rights	**Duties**
Contribute to the decision-making processes of the municipality.	When exercising their rights, to observe the mechanisms, processes and procedures of the municipality.
Submit written or oral recommendations, representations and complaints to the municipal council or to another political structure or a political office bearer or the administration of the municipality.	Pay promptly for service fees, surcharges on fees, rates on property and other taxes, levies and duties imposed by the municipality.
Provide prompt responses to their written or oral communications, including complaints, to the municipal council or to another political structure or a political office bearer or the administration of the municipality.	Respect the municipal rights of other members of the local community.
Be informed of decisions of the municipal council, or another political structure or any political office bearer of the municipality, affecting their rights, property and reasonable expectations.	Allow municipal officials reasonable access to property for the performance of municipal functions.
To regular disclosure of the state of affairs of the municipality, including its finances.	Comply with by-laws of the municipality applicable to them.
Demand that the proceedings of the municipal council and those of its committees must be open to the public, conducted impartially, without prejudice; and untainted by personal self-interest.	
To the use and enjoyment of public facilities. To have access to municipal services which the municipality provides.	

Table 3.8: Duties of administration

ADMINISTRATION
Duties
Be responsive to the needs of the local community.
Facilitate a culture of public service and accountability among staff.
Take measures to prevent corruption.
Establish clear relationships, and facilitate co-operation and communication between it and the local community.
Give members of the local community full and accurate information about the level and standard of municipal services they are entitled to receive.
Inform the local community how the municipality is managed, of the costs involved and the persons in charge.

The elected representatives on metropolitan and local municipal councils consist of two kinds of councillors, namely, (1) ward councillors who are directly elected by the electorate in a geographic unit called a ward, and (2) proportional representation (PR) councillors who are elected through the party list system. The municipal councils are made up of 50% ward councillors and 50% PR councillors.

Councils of district municipalities consist of 60% of councillors who represent the local municipalities within the jurisdiction of the district municipality and 40% of councillors who are elected through a party list system at the district level.

Municipalities that have a collective executive system elect an executive committee and the executive leadership of the municipality is collectively vested in this executive committee. The chairperson of the executive committee is elected from the ranks of the executive committee and is called the mayor. The mayor of a municipality with an

executive committee (1) presides at meetings of the executive committee, and (2) performs the duties, including ceremonial functions, and exercises the powers delegated to the mayor by the municipal council or the executive committee.

Municipalities with a mayoral executive system elect an executive mayor from amongst their councillors, who in turn appoint a mayoral committee also from the ranks of their councillors. The executive mayor may delegate specific responsibilities to each member of the committee, may delegate any of the executive mayor's powers to the respective members, and may dismiss a member of the mayoral committee. Section 56 of the Local Government: Municipal Structures Act, 1998, determines as follows in respect of the powers and functions of an executive mayor:

56(1)   An executive mayor is entitled to receive reports from committees of the municipal council and to forward these reports together with a recommendation to the council when the matter cannot be disposed of by the executive mayor in terms of the executive mayor's delegated powers.

(2)   The executive mayor must—

(a)   identify the needs of the municipality;

(b)   review and evaluate those needs in order of priority;

(c)   recommend to the municipal council strategies, programmes and services to address priority needs through the integrated development plan, and the estimates of revenue and expenditure, taking into account any applicable national and provincial development plans; and

(d)   recommend or determine the best way, including partnership and other approaches to deliver those strategies, programmes and services to the maximum benefit of the community.

(3)   The executive mayor in performing the duties of office must—

(a)   identify and develop criteria in terms of which progress in the implementation of the strategies, programmes and services referred to in subsection (2)(c) can be evaluated, including key performance indicators which are specific to the municipality and common to local government in general;

(b)   evaluate progress against the key performance indicators;

(c)   review the performance of the municipality in order to improve—

(i)   the economy, efficiency and effectiveness of the municipality;

(ii)   the efficiency of credit control and revenue and debt collection services; and

(iii)   the implementation of the municipality's by-laws:

(d)   monitor the management of the municipality's administration in accordance with the directions of the municipal council;

(e)   oversee the provision of services to communities in the municipality in a sustainable manner;

(f)   perform such duties and exercise such powers as the council may delegate to the executive mayor in terms of section 32;

(g)   annually report on the involvement of communities and community organisations in the affairs of the municipality; and

(h)   ensure that regard is given to public views and report on the effect of consultation on the decisions of the council.

(4)   An executive mayor must perform a ceremonial role as the municipal council may

determine.

(5)   An executive mayor must report to the municipal council on all decisions taken by

the executive mayor.

All municipal councils must have a chairperson, who is known as the speaker. The

speaker of a municipality is elected from the ranks of the councillors of the municipality

and has the following functions in terms of section 37 of the Local Government: Municipal

Structures Act, 1998:

37.   The speaker of a municipal council

(a)   presides at meetings of the council;

(b)   performs the duties and exercises the powers delegated to the speaker in

terms of section 32;

(c)   must ensure that the council meets at least quarterly;

(d)   must maintain order during meetings;

(e)   must ensure compliance in the council and council committees with the

Code of Conduct set out in Schedule 5: and

(f)   must ensure that council meetings are conducted in accordance with the

rules and orders of the council.

The Structures Act precludes a person from serving as speaker and mayor or executive

mayor at the same time. In municipalities with a plenary executive system, which limits the

exercise of executive authority to the municipal council itself, the speaker is known as a mayor.

De Visser, Steytler and May (2009:8) identify an important structural weakness in the system of local government in South Africa. Unlike in the national and provincial governments, where there is a definite separation between the executive and the legislature, in local government the executive and legislative authority of a municipality vests in the municipal council. This leads to two questions, namely, (1) who directs the administration, and (2) what is the position of the chairperson of the council?

In systems where there is a definite separation of powers between the legislature and the executive, the answers to these questions are easy. The answer is, firstly, that the executive directs the administration and the legislature oversees the executive. There is thus only an indirect relationship between the legislature and the administration, and the executive has ultimate control over the administration. Secondly, where there is a definite separation between the legislature and the executive, the chairperson of the legislature is in control of the legislative functions and is not involved in any executive functions.

This clearly is not the case in local government in South Africa and makes oversight and direction of the administration complicated; on the face of it, it does harm to the *nemo iudex in sua causa* rule of natural justice, as the legislature has oversight over executive processes of which it is the final authority.

The administrative head of a municipality is the municipal manager and all municipalities must appoint a person to the position of municipal manager.

55(1)   As head of administration the municipal manager of a municipality is, subject to the policy directions of the municipal council, responsible and accountable for—

(a) the formation and development of an economical, effective, efficient and accountable administration-

(i)   equipped to carry out the task of implementing the municipality's integrated development plan in accordance with Chapter 5;

(ii)   operating in accordance with the municipality's performance management system in accordance with Chapter 6; and

(iii)   responsive to the needs of the local community to participate in the affairs of the municipality.

(b) the management of the municipality's administration in accordance with this Act and other legislation applicable to the municipality;

(c) the implementation of the municipality's integrated development plan, and the monitoring of progress with implementation of the plan;

(d) the management of the provision of services to the local community in a sustainable and equitable manner;

(e) the appointment of staff other than those referred to in section 56(a), subject to the Employment Equity Act, 1998 (Act No. 55 of 1998);

(f) the management, effective utilisation and training of staff;

(g) the maintenance of discipline of staff;

(h) the promotion of sound labour relations and compliance by the municipality with applicable labour legislation;

(i) advising the political structures and political office bearers of the municipality;

113

(j) managing communications between the municipality's administration and its political structures and political office bearers;

(k) carrying out the decisions of the political structures and political office bearers of the municipality;

(/) the administration and implementation of the municipality's by-laws and other legislation;

(m) the exercise of any powers and the performance of any duties delegated by the municipal council, or sub-delegated by other delegating authorities of the municipality, to the municipal manager in terms of section 59;

(n) facilitating participation by the local community in the affairs of the municipality;

(o) developing and maintaining a system whereby community satisfaction with municipal services is assessed;

(p) the implementation of national and provincial legislation applicable to the municipality; and

(q) the performance of any other function that may be assigned by the municipal council.

(2) As accounting officer of the municipality the municipal manager is responsible and accountable for—

(a) all income and expenditure of the municipality;

(b) all assets and the discharge of all liabilities of the municipality; and

(c) proper and diligent compliance with applicable municipal finance management legislation.

114

3.6   Local Government Performance

Since the democratisation of the South African state and the local sphere of government, great strides have been made in respect of extending services to individuals and communities that have historically not had the benefit of basic services like water, sanitation, refuse removal, proper streets, electricity, and democratic government. The figures below indicate the improved access of communities in respect of the following services: potable water, RDP-level sanitation, electricity, and refuse removal.

Percentage of households with access to potable water

	90-100	80-89	70-79	60-69	50-59	40-49	30-39	20-29	10-19	0-9
Census 2001	21.37	25.64	10.26	7.69	9.40	5.98	5.13	5.98	5.56	2.99
Census 2011	49.15	13.68	11.97	10.26	4.70	5.56	2.56	1.71	0.43	0.00

(Y-axis: Percentage of Municipalities, from 0.00 to 60.00)
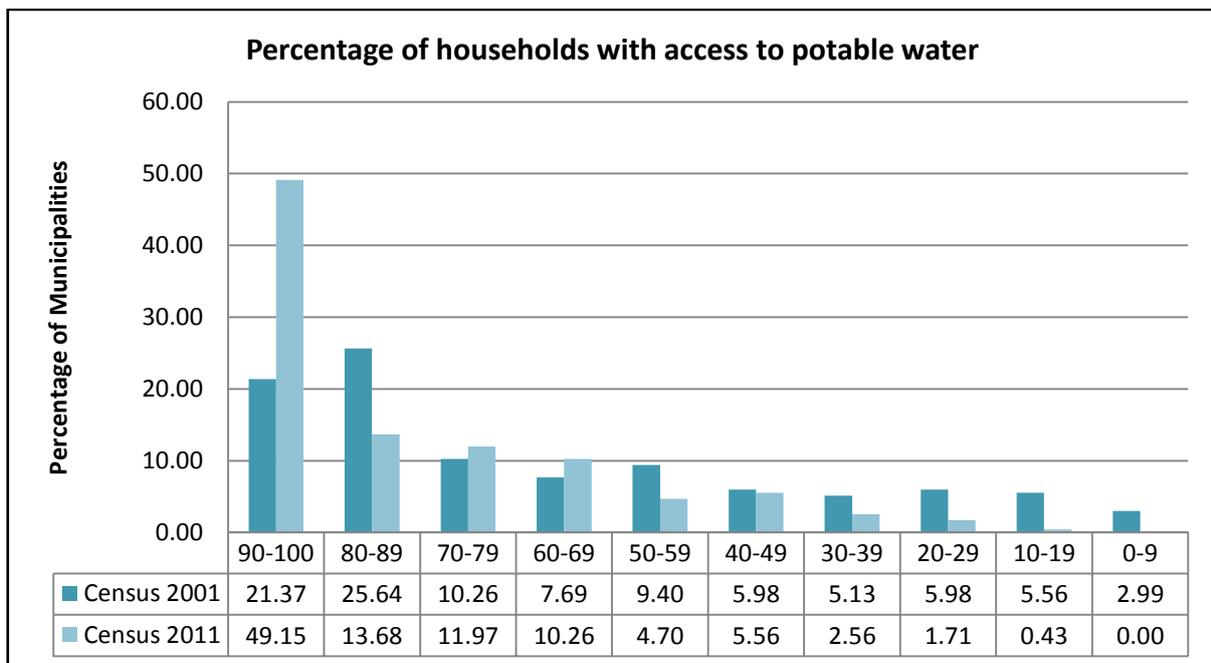
Figure 3.2: Percentage of households with access to potable water

115

Pecentage of Households with Access to RDP sanitation

	90-100	80-89	70-79	60-69	50-59	40-49	30-39	20-29	10-19	0-9
Census 96	0.4	6.4	9.4	11.1	6.8	11.5	7.7	10.3	11.5	24.8
Census 2001	3.0	12.4	9.4	12.4	11.5	8.1	10.3	13.7	15.8	3.4
Census 2011	12.0	21.4	17.9	8.5	5.1	12.0	11.5	9.0	2.6	0.0
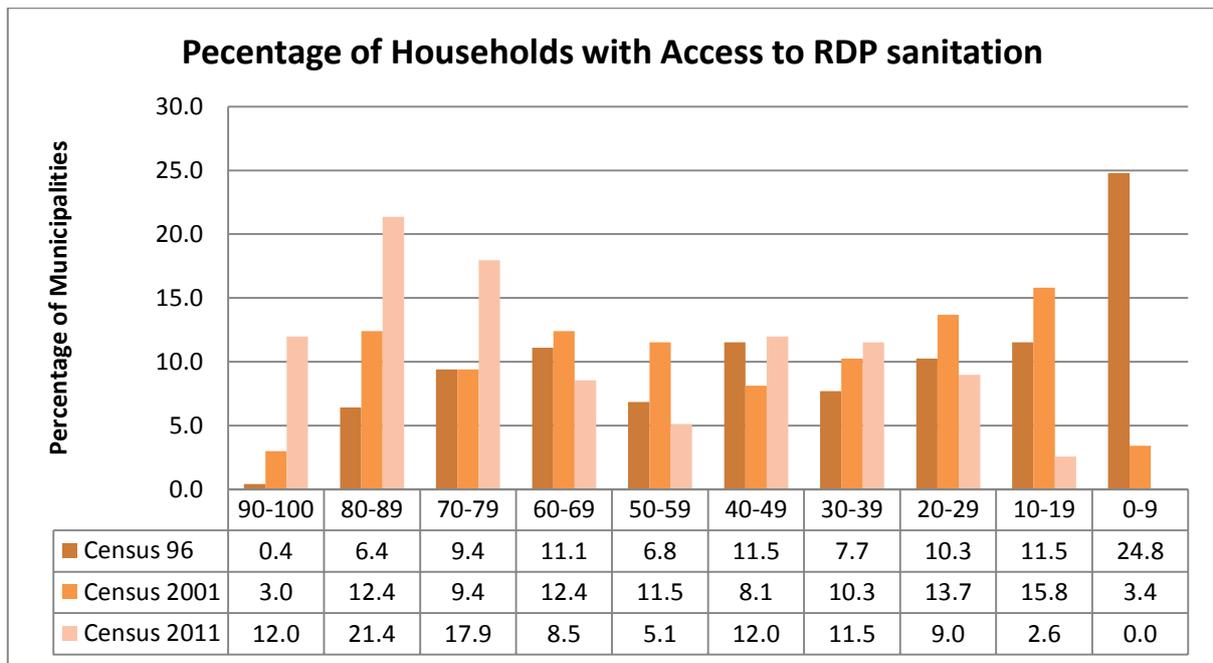
Figure 3.3: Percentage of households with access to RDP sanitation

Pecentage of Households within a Municipality to Electricity

	90-100	80-89	70-79	60-69	50-59	40-49	30-39	20-29	10-19	0-9
Census 1996	0.4	9.0	16.7	17.5	10.7	9.8	8.5	11.1	7.7	8.5
Census 2001	5.1	19.2	23.9	20.5	7.3	6.0	7.3	5.6	3.8	1.3
Census 2011	31.2	36.8	15.0	7.3	3.8	3.0	1.3	1.3	0.4	0.0
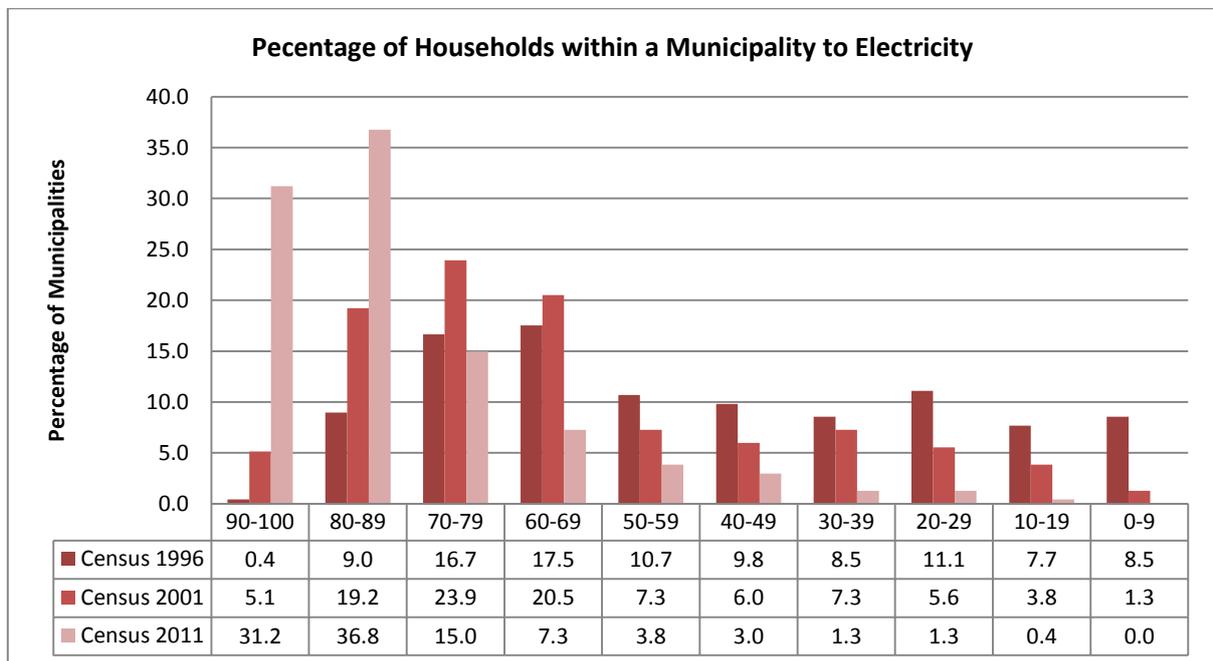
Figure 3.4: Percentage of households with access to electricity

116
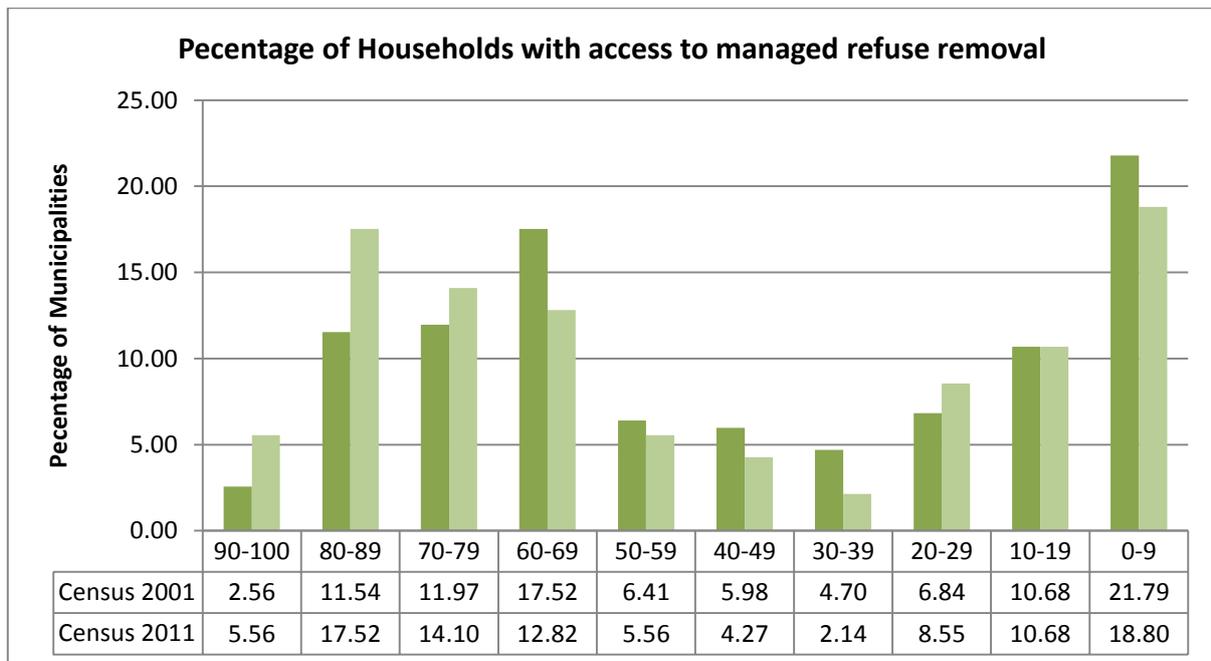
Figure 3.5: Percentage of households with access to managed refuse removal

	90-100	80-89	70-79	60-69	50-59	40-49	30-39	20-29	10-19	0-9
Census 2001	2.56	11.54	11.97	17.52	6.41	5.98	4.70	6.84	10.68	21.79
Census 2011	5.56	17.52	14.10	12.82	5.56	4.27	2.14	8.55	10.68	18.80

(Source: Ovens, 2013: slides 52–55)

Notwithstanding this increase in access to services and the developmental nature of the system of local government in South Africa (see sub-section 3.2 above), as embodied in the Constitution and the suite of legislation flowing from the 1998 White Paper on Local Government (see sub-section 3.3 above), there seems to be widespread dissatisfaction with the quality and quantity of service delivery in many municipalities. In the context of the present dissertation, the definition of service delivery proffered by Hemson et al. (2009:156) is used, namely that service delivery is "the end product of a chain of plans and actions involving municipal and provincial plans and national budgets, a range of institutions, and local consultation".

Allan (2006: slide 6) identifies the greatest challenge to the new system of local government as: "the ability to deliver services within the new system". He further states that municipalities were largely left to their own devices in the new environment and were exposed to untested methods listed in the Local Government: Municipal Systems Act, 2000. In this context, the ability to meet service delivery expectations would hinge on two things: (1) local capacity to deliver, and (2) access to adequate resources.

Local government in general, as well as individual municipalities, clearly struggle to meet these service delivery expectations. Koma (2010:112) states in this regard: "[T]he performance of numerous municipalities across the country has thus far clearly demonstrated huge deficiencies in as far as the fulfilment of both their constitutional and legislative obligations is concerned."

Atkinson (2007:55) identifies the massive protest that started in Diepsloot, Johannesburg, on 5 July 2004 as a key moment in post-apartheid community protests. Approximately 3 000 protesters took to the streets and demanded that councillors be sacked owing to the poor services residents received. This was followed in early September 2004 by violent protests in Harrismith in the Free State, and thereafter Phumelela Municipality in the northern Free State. The townships of Warden, Memel and Vrede then followed suit and the phenomenon of service delivery protests was exported to municipalities throughout the country. Violence also became a more common feature of these service delivery protests.

A pattern has now been set for communities to display their dissatisfaction with anything ranging from lack of access to basic services such as water, sewage, electricity and

rubbish removal; corruption and nepotism; councillors' failure to respond to demands and written protests; failure by the municipality and Eskom to provide 'free basic electricity'; poor service delivery; unacceptable living conditions; unwarranted salary increases; irregularities in the allocation of tenders and RDP houses; weak management; and a host of other reasons.

According to Karamoko (2011:4), an average of 8.73 community protests per month took place in South Africa in 2007; this figure increased to 9.83 per month in 2008 and nearly doubled to 17.75 per month in 2009. This trend continued in the first half of 2010 with an average of 18 protests per month between January and May and tapered off to 6.14 per month for the rest of the year, resulting in an average of 11.08 protests per month for 2010 (see also Managa, 2012:2).
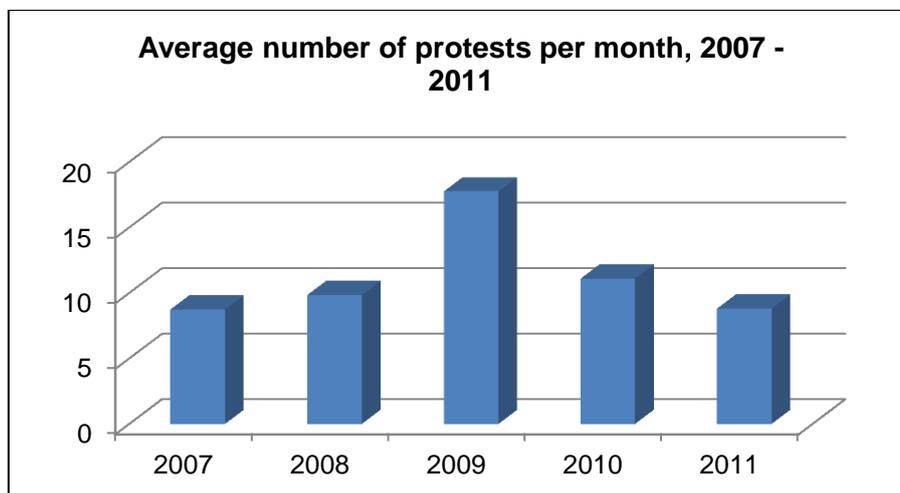
Figure 3.6: Average number of protests per month, 2007–2011

(Source: Karamoko, 2011:5)

The State of Local Government in South Africa: Overview Report (RSA, 2009a:11) identifies the spread of protests throughout the nine provinces for the period January–July 2009 as follows:
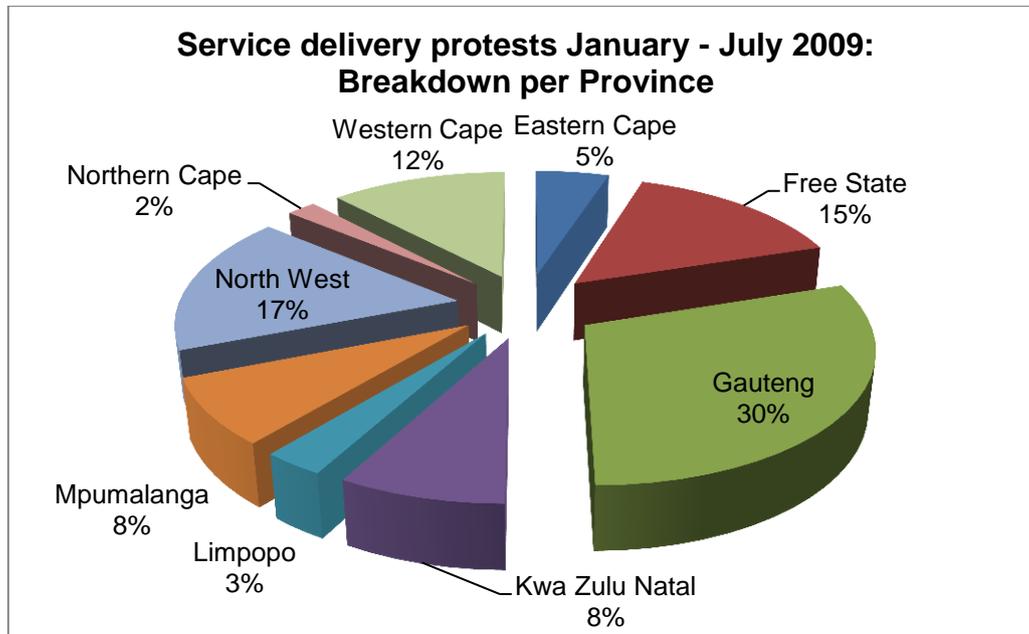
Figure 3.7: Service delivery protests January–July 2009: Breakdown per province

(Source: Republic of South Africa, 2009a:11)

Given the improved access to services as portrayed in Figures 3.2–3.5 above, it might be appropriate to examine the reasons for the phenomenon that is known as service delivery protests. Atkinson (2007:53) argues that there are municipal-specific underlying reasons as well as system-specific underlying reasons why service delivery protests take place. On the one hand, there are three municipal-specific reasons: (1) ineffectiveness of municipalities in respect of service delivery; (2) non-responsiveness to citizens' grievances by municipalities; and (3) the culture of self-enrichment and conspicuous consumption

exhibited by some councillors and municipal officials. On the other hand, uncertainty around powers and functions, as well as capacity building, also creates the environment within which service delivery protests flourish. Karamoko (2011:2) states that protesters frequently mention the absence of accountability by government officials and the lack of public participation as factors that aggravate their service delivery complaints. Managa (2012:2), on his part, ascribes service delivery protests to broken promises made by political parties when campaigning. Kulipossa (2004:773) argues that South Africa, just like Uganda and Zimbabwe, has put too much strain on the capacity of weak local governments, and by doing so, has created opportunities for poor resource management by reducing the control over local officials by central government, without developing proper mechanisms for local accountability or providing adequate resources to perform the functions that were devolved. The Multi-Level Government Initiative (www.mlgi.org.za) portrays the grievances behind service delivery protests between February 2007 and August 2012 as follows:
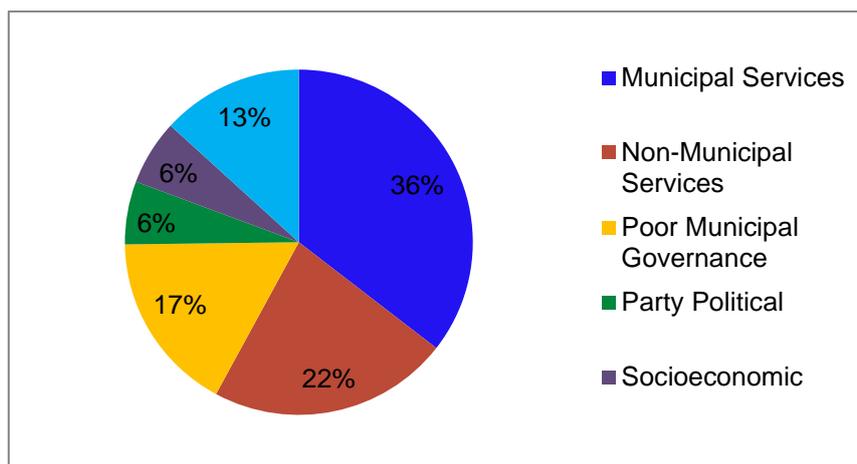
Figure 3.8: Grievances behind service delivery protests February 2007–August 2012

(Source: http://www.mlgi.org.za)

121

It is worth noting the negative connotation attached to how councillors and officials are viewed and the continuity in respect of the probity of elected and appointed local government officials identified in the different epochs of the development of local government and described in sub-section 3.7 and as continuity 2 in sub-section 3.8.2 below.

Also, service delivery protests attest to an active citizenry, albeit one that does not use all the tools available under democracy to show their displeasure and bring about change. This resonates with other similar examples described throughout Chapter 2 of this dissertation and included as continuity 3 in 3.8.3 below.

It is stated in the first paragraph of this dissertation that the performance of local government is relevant to the discourse on poverty alleviation as a result of the special place of local government in the architecture of the state in South Africa, its role as the sphere of government most directly involved in the rendering of services to communities and individuals, and the implementation of the national developmental agenda. This special place of local government, however, also has a detrimental effect on the system of local government as well as individual municipalities, and the performance of this system and these municipalities. Atkinson (2007:53) states in this regard, "municipalities are facing severe strain in attempting to deal with poverty, unemployment, marginalised communities, urbanisation, and HIV/AIDS".

A further key element that impacts on local government performance is the technical and strategic capacity of political and administrative leadership in local government. De Visser

et al. (2009:22–23) identify attitude and a lack of skills among councillors as underlying reasons for service delivery failures. They make the following strong statement about councillors:

> For the underskilled and unemployed, the position of councillor is the most lucrative position of employment that can be obtained. It is thus a very prized position that does not always attract the appropriately skilled persons. Given the fact that the majority of councillors do not have other employment, the councils start working as if they are a full-time council, thus not enabling the skilled, employed persons to participate.

Municipalities are complex institutions requiring skilled, experienced, knowledgeable and committed officials, especially in senior management positions. The positions of municipal manager and chief financial officer bear particular responsibilities, the municipal manager as he/she is the accounting officer and bears overall responsibility for the management of the municipality; and the chief financial officer as he/she, under the direction of the municipal manager, is responsible for the Budget and Treasury Office, the municipality's finances, and for compliance with finance-related legislation and council policies. When these positions are vacant and people are temporarily acting in them, it leads to instability, which in turn might have a detrimental effect on the financial health of municipalities (Republic of South Africa, 2013:7). The vacancy rate in the positions of municipal manager and chief financial officer in municipalities in South Africa at 31 August 2013 was as follows:

Table 3.9: Municipalities with acting municipal managers & chief financial officers at 31/08/2013

2013		Acting MM		Acting CFO		Both Acting	
		No.	%	No.	%	No.	%
Eastern Cape	45	6	13.3%	6	13.3%	3	6.7%
Free State	24	1	4.2%	10	41.7%	1	4.2%
Gauteng	12	2	16.7%	4	33.3%	0	0.0%
KwaZulu-Natal	60	9	14.8%	12	19.7%	6	9.8%
Limpopo	30	9	30.0%	5	16.7%	2	6.7%
Mpumalanga	21	4	19.0%	5	23.8%	2	9.5%
Northern Cape	32	9	28.1%	8	25.0%	4	12.5%
North-West	23	5	21.7%	5	21.7%	1	4.3%
Western Cape	30	3	10.0%	5	16.7%	3	10.0%
All municipalities	278	48	17.3%	60	21.6%	22	7.9%

(Source: Republic of South Africa, 2013:7)

Koma (2010:115) refers to the Local Government Sector Education and Training Authority (LGSETA) 2007 annual report in which it is revealed that, at the time, 31% of municipal managers had qualifications other than in finance, law, public administration, or planning and development; 28% of chief financial officers did not hold finance-related qualifications; and 35% of technical managers did not have engineering qualifications.

The Municipal Demarcation Board (MDB) (2012:26–35) in the 2010/2011 Capacity Assessment shows an improvement in the qualifications of municipal managers (MMs) and chief financial officers (CFOs). The level of qualifications of technical services directors is, however, cause for concern.

Over 30% of municipal managers have a higher degree (master's or doctorate); 16% hold honours degrees; 15% have bachelor's degrees plus diplomas; and 22% have a bachelor's degree; thus over 85% have at least a bachelor's degree or higher. However, 10% have only a matriculation certificate and a diploma as their highest educational qualification.

Only 39% of technical services directors have a bachelor's degree or higher, while 37% have only a post-matriculation diploma. This is an improvement on the 2008 situation, but is still cause for concern as these managers are responsible for large infrastructure projects and basic service delivery, requiring technical knowledge and experience.

The engineering profession can be divided into three categories, namely:

- **Registered professional engineers (PrEng):** An engineer registered with the Engineering Council of South Africa (ECSA). This requires a BSc Eng./BEng degree with requisite practical experience,
- **Technologists:** typically holds a B.Tech degree, and
- **Technicians:** typically holds a N Dip diploma.

(MDB, 2012:50)

The figure below indicates the spread of the different engineering categories throughout the country.
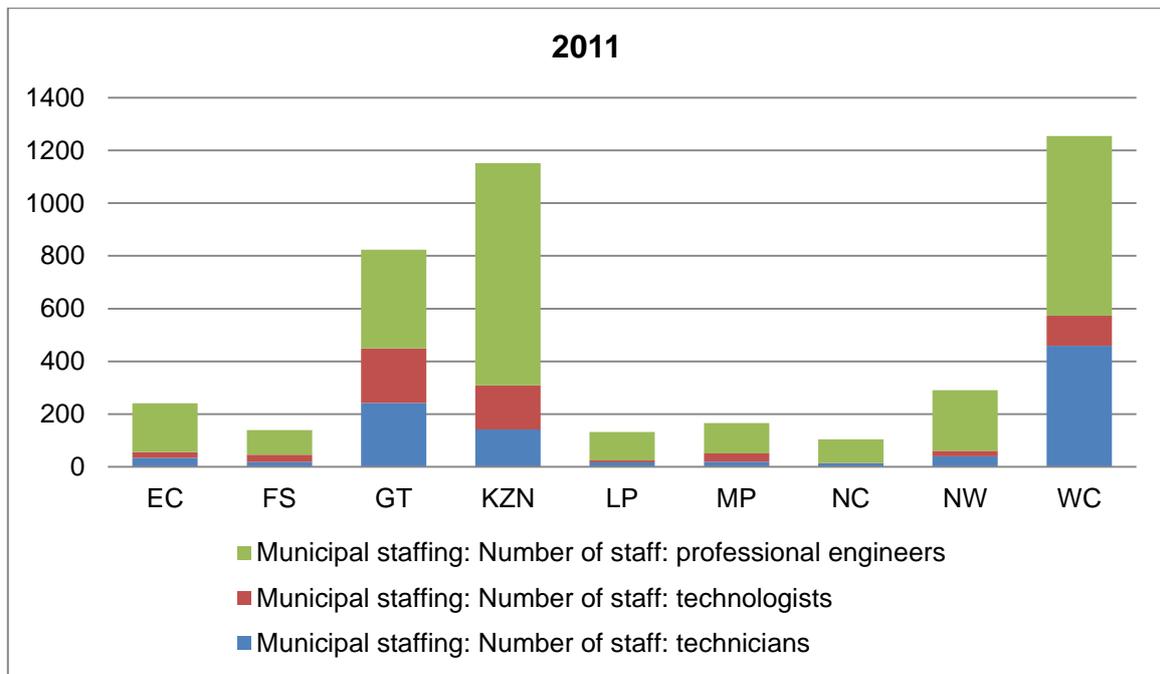
Figure 3.9: Engineering professionals by province

(Source: MDB, 2012:53)

Another worrying trend is the low level of relevant experience of senior managers in local government. The report shows that municipal managers have been in their position for an average of 3.34 years with 10.58 years of relevant work experience. CFOs have been in their current positions for an average of 3.6 years, with an average relevant work experience of 11.24 years. Technical services directors have been in their positions for an average of 4.53 years, with 10.82 years of relevant work experience.

Further, no data could be found in respect of qualifications in management held by local government managers. Neither is there any requirement, apart from the requirements of the Local Government: Municipal Finance Management Act: Municipal Regulations on

126

Minimum Competency Levels, for managers in local government to be subjected to continuous professional development. This exacerbates the low levels of relevant experience and shortage of appropriately qualified technical staff described above.

The question that now arises is how to improve the levels of service delivery by local government, and remove any reasons for people to protest? The next sub-section synthesises the challenges evident in the current reality of local government in South Africa and also presents some solutions to these challenges.

3.7   Local Government Challenges & Solutions

The Local Government Turnaround Strategy (LGTAS) (Republic of South Africa, 2009b:19), provides an adequate set of objectives that local government can aspire to. Achieving these objectives will greatly assist in municipalities fulfilling their constitutional and developmental mandates. These objectives are:

1) Ensure that municipalities meet the **basic service needs** of communities.

2) Build clean, effective, efficient, **responsive and accountable** local government.

3) Improve performance and **professionalism** in municipalities.

4) Improve **national and provincial policy, oversight and support.**

5) Strengthen **partnerships** between local government, communities and civil society.

In two earlier sub-sections, 3.6 and 3.7, a range of matters in respect of the current reality of local government in South Africa is elucidated. These matters act as stumbling blocks to the achievement of the above objectives and need to be addressed. They are:

- Constitutional independence versus capacity of some municipalities.

- Over-regulation of municipalities.

- Demarcation issues.

- Fiscal and financial position of municipalities.

- Separation of executive and legislative powers.

- Support to local government.

- Corruption.

- Skills and capacity of elected leadership.

- Management and technical capacity.

The above challenges, to some degree, mirror the challenges identified in the State of Local Government Report issued by the Department of Cooperative Government & Traditional Affairs (Republic of South Africa, 2009a:4):

- Huge service delivery and backlog challenges, e.g. housing, water and sanitation.

- Poor communication and accountability relationships with communities.

- Problems with the political administrative interface.

- Corruption and fraud.

- Poor financial management, e.g. negative audit opinions.

- Number of (violent) service delivery protests.

- Weak civil society formations.

- Intra- and inter-political party issues negatively affecting governance and delivery.

- Insufficient municipal capacity due to scarce skills.

The National Development Plan (National Planning Commission, 2011b:365–366) provides some direction in respect of addressing the challenges of local government. It identifies four areas of targeted actions that must receive attention, namely, (1) stabilise the political/administrative interface; (2) make the public service and local government careers of choice; (3) develop technical and specialist professional skills; and (4) improve the relationship between the three spheres of government.

Twenty years into a democratic South Africa, and nearing fifteen years of a democratic local government dispensation, it might be prudent to review the system of local government and, if needs be, make changes that will allow municipalities to better perform their constitutional and developmental duties and make developmental local government

more than just a lofty ideal, but a workable and implementable framework for local government.

The constitutional and legislative environments within which local government operates, especially the automatic autonomy that municipalities enjoy, must be reviewed. Christmas and De Visser (2009:109–110) caution about the appropriateness of this automatic autonomy for two reasons, namely, (1) the complex relationships required by a system in which three spheres of government, each with its own autonomy, would impact negatively on the effectiveness and efficiency of government as a whole; and (2) the newfound autonomy of local government would require national and provincial government to change their conceptions of local government; this has led to a range of attitudes among national and provincial government institutions, from respectful observance of local government autonomy on the one hand, to clearly patronising behaviour on the other.

The automatic independence that municipalities enjoy, even though much vaunted by the South African government and sections of local government stakeholders, has to be reviewed. Ideally this should not be replaced by a system in which 'higher' spheres of government, that is, provincial and/or national government, have a free hand in respect of determining the status of local government. Instead, what is advocated here is a system with predetermined benchmarks that will ensure that municipalities that meet a certain standard will have autonomy and those that do not meet the standard do not have autonomy.

It can also be argued that the over-regulation experienced by local government (see 3.3.2 above) stems from the inappropriate autonomy that some municipalities enjoy as a result of the prescripts of sections 41 and 151 of the Constitution. A review of the automatic autonomy of local government might obviate the need for this 'strangulation' of local government.

Further, the current situation where there is no separation between the executive and the legislative authority in a municipality should also form part of the constitutional review.

Reference is made in 3.4 above to how the number of municipalities was reduced from 1 100 in the pre-interim phase to the current 278. It is evident from this that the MDB has interpreted sections 24 and 25 of the Local Government: Municipal Demarcation Act, 1998 as meaning that bigger municipalities, in respect of geographic size and population numbers, will achieve the requirement in section 25(l) to take into account "the need to rationalise the total number of municipalities within different categories and of different types to achieve the objectives of effective and sustainable service delivery, financial viability and macro-economic stability". It is the view of this researcher that bigger municipalities and further reducing the numbers of municipalities do not necessarily constitute the only way of achieving the above and other requirements of the Municipal Demarcation Act. In fact, larger municipalities sometimes pose challenges in respect of local government's ability to meet its constitutional and developmental mandate (Nyalunga, 2006:15). Reddy (2003:442) states the following in this regard:

Detailed empirical evidence and international experience have shown that mega-city governments tend to be more costly per capita; tend to be less responsive to their local citizenry; are too bureaucratic and inflexible to deliver services where needed most (rural areas) and regional policy objectives can be effectively served without amalgamation.

Where appropriate, smaller municipalities can increase the level of democracy and accountability, and if combined with a differentiation of autonomy as argued for above, together with the implementation of appropriate shared service models, will also ensure the achievement of the other requirements in sections 24 and 25 of the Act.

The fiscal and financial position of municipalities and the vast differences in revenue-raising capacity between municipalities in South Africa are discussed in 3.4 above. This matter correlates with the question of the constitutional autonomy of local government discussed above for two reasons, namely, (1) that autonomy is meaningless if it is not supported by the ability to raise own revenue, making such municipalities subject to other spheres of government directing matters in the municipality through conditions attached to fiscal transfers; and (2) the negative link between fiscal decentralisation and economic growth in developing countries (Schoeman, 2006:112).

Immediately after the establishment of the democratic state in 1994, South Africa was confronted with corruption inherited from the apartheid state and the potential destabilising effect this could have. This persisted into the democratic period and has now become pervasive, with many examples of actual and alleged corruption in the state (Naidoo & Jackson: 2009:4; Managa, 2012:4). The State of Local Government Report (Republic of

South Africa, 2009a:4) and the Diagnostic Overview released by the National Planning Commission (2011a:25–26) identify dealing with corruption, nepotism and fraud as key to improving government and governance in South Africa.

Finally, the matter of the skills and capacity of political and administrative leadership needs attention. It is only if there are skilled and knowledgeable councillors with the ability to oversee municipal administrations (De Visser et al., 2009:45), and skilled, experienced, knowledgeable and committed officials, especially in senior management and technical positions (Managa, 2012:3), that municipalities will be able to perform their functions efficiently, effectively and sustainably.

In respect of councillors, the onus on the one hand is on political parties to improve their selection processes and to ensure that the right mix of skills is deployed to municipal councils; on the other hand, communities need to ensure that they elect, whether through the party lists or in direct elections in wards, people with the ability, knowledge and experience to provide policy guidance to, and monitor municipal administrations.

In respect of managers and technical officials, professionalising local government seems to be the solution. There have recently been some attempts at introducing some form of professionalisation by different role players in the local government environment. These include, but are not limited to, the 2006 Performance Management Regulations issued by the then Department of Provincial and Local Government (Republic of South Africa, 2006); the 2007 Municipal Regulations on Minimum Competency Levels issued by National Treasury (Republic of South Africa, 2007); the 2011 Municipal Systems Amendment Act

(Republic of South Africa, 2011); and the Local Government Regulations on Appointment and Conditions of Employment of Senior Managers promulgated by the Department of Cooperative Government in 2014 (Republic of South Africa, 2014). In addition to these efforts by government departments, organisations like the South African Local Government Association (SALGA), the Local Government Sector Education and Training Authority (LGSETA), the Development Bank of Southern Africa (DBSA), as well as professional bodies like the Institute for Municipal Finance Management Officers (IMFO) and the Institute for Local Government Management (ILGM) have made important contributions in respect of developing professionalism and building capacity in local government (Ndletyana & Muzondidya, 2009:29–31; School of Government, 2012:17). Notwithstanding this, the School of Government (2012:18) states the following about professionalisation and capacity building in local government:

> Despite such positive developments, there seems to be little doubt that they currently fall short of providing a clear, coordinated, coherent and commonly accepted framework for professionalisation. Driven as they have been by different role players with different perspectives and priorities, the initiatives outlined above have in many ways been fragmented and ad hoc.

Local government transformation in South Africa has without doubt led to improved service delivery and governance for the majority of the people of South Africa. It is equally without doubt that the system of local government and the individual municipalities constituting this system are facing very real challenges that will require attention if the system as a whole is to improve even further.

3.8   Local Government Continuities

Local government in South Africa has seen major changes in its structure and application as a particular system of governance. Notwithstanding this fact, a range of continuities can be identified between the different epochs of the development of local government, and to a large extent, the past has laid a foundation for the present system of local government (Robinson, 2008:27).

The *Concise Oxford English Dictionary* (2009:193) defines continuity, inter alia, as "an unbroken connection or line of development". In line with this definition and following on the view of Robinson above, three continuities in the development of the system of local government in South Africa can be distilled, namely, (1) form of government; (2) probity and capacity of political and administrative leadership; and (3) active citizenship.

3.8.1   Form and functions of local government

It seems as if the form of government has remained consistent over the different eras described in the present dissertation. Starting with the pre-colonial society described in sub-section 2.3.1 above, the Khoikhoi, the system is a hierarchical one in which local government is lower than other levels of government. This statement is made advisedly, as the present constitutional framework under which local government functions makes provision for autonomous local government; however, as stated in 3.7 above, this autonomy is meaningless if municipalities cannot exercise their revenue-raising capacity,

making them susceptible to control by other spheres of government through conditions attached to grants and transfers.

The system of local government was formalised with the adoption of the Cape Municipal Ordinance of 1936. This Ordinance set the framework within which local government developed in the Cape, and it was also used as a blueprint for the establishment of local government in Natal, the Orange Free State and Transvaal (Cloete, 1997:11). The 1836 Ordinance established some of the features that are still part of the local government system in South Africa, namely, popular participation through elected representatives; the capacity of local governments to adopt legislation; implementation of public participation mechanisms; and financial independence (Cloete, 1997:11; Tsatsire et al., 2009:131).

The role of local government has remained relatively stable throughout the periods of local government development. Craythorne (1997:8) identifies two functions of local government, namely, (1) to exercise authority and wield power, and (2) to represent, or to speak for, others. Reddy (1999:10), on his part, identify four characteristics of local government, namely (1) locality, (2) legal personality, (3) autonomy and governmental powers, and (4) participation and representation. All the systems of local government identified in this dissertation, starting with the Khoikhoi polities and ending with the current crop of local government, performed these functions and displayed these characteristics.

The functions of local government have also remained largely consistent. The functions of the Committee of the High Court identified by Green (1957:8–9), and listed in sub-section 2.3.2, can be contrasted with the functions of local government under the 1996

Constitution listed in sub-section 3.3.1 above. Even though there are many more functions in the current iteration of local government when contrasted with the functions under previous iterations, this increase in the number of functions can be ascribed to the increased complexity of local government.

It can therefore be stated that the current form and functions of local government build on the form and functions of local government in the past.

3.8.2 Probity and capacity of leadership

Throughout the eras described in this dissertation, there have been questions around the probity and capacity of local government leaders, both elected politicians and appointed officials. This reality is sobering, as it points to a situation that is entrenched and has been part of the system from before the colonial era and is not only synonymous with the current period. The words of Floyd (1952: preface) are just as true for each of the epochs of local government development in South Africa:

> The more local government here is examined the greater becomes the realisation that it is bad. Not necessarily bad in the way that the average man thinks it bad, for he has been greatly influenced by the recent number of corruption cases and commissions of enquiry. It is bad in the sense that it is obsolete and has been, to a great extent, a failure, having cost the country many thousands of pounds that could have been saved by an efficient system.

Floyd, as quoted above, as well as the examples of the young people and women mocking their respective chiefs referred to in sub-section 2.3.1 above; the commission of enquiry set up in 1826 noted by Green (1957:13–14) and described in sub-section 2.3.2 above; and the opinions of Atkinson (2007:53), Karamoko (2011:2) and Managa (2012:2) in respect of the views of communities on the conspicuous consumption and participation in corruption by councillors and municipal officials and how this serves as fuel for service delivery protests, point to a prevailing view, through the ages, that people involved in local government do not exhibit the moral and ethical behaviour that should be required of leaders. Added to this is the lack of skills among councillors pointed out by De Visser et al. (2009:22–23); the lack of experience and management training among senior management in local government; and the low level of technical services directors with a bachelor's degree or higher (all described in section 3.6 above). Taking all of this into account, Floyd's view (see Floyd, 1952:132) seems to be applicable to all the epochs in the development of local government in South Africa:

> Many men and women enter councils with a real desire to serve the public and these honestly do their best in the interest of their area. This is hardly believed by the general public today, who are inclined to think that all councillors are rogues or fools.

3.8.3 Active citizenship

Active citizenship is a characteristic throughout the history of local government in South Africa. In sub-section 2.3.1 above, mention is made of cases referred to by Elphick (1977:48), in which members of pre-colonial societies kept the extent of power held by their chiefs in check. He refers to a case of the youth of a tribe leading an uprising against

their chief, as well as a case recorded by Hahn in which the chief of the Namaqua was derided by the women of his tribe through a song: "He was a hungry hyena and a roguish jackal; … he was a brown vulture who is not only satisfied with tearing the flesh from the bones, but also feasted on the intestines."

In the period that race-based government was institutionalised in South Africa, just prior to and in the years of the Union of South Africa, the Bambatha rebellion took place in KwaZulu-Natal in 1906, and campaigns, including the setting up of squatter camps by homeless urban Africans under leaders like Schreiner Baduza James Mpanza, and the establishment of movements like the Sofasonke (we shall all die together) Party, were embarked on (see sub-section 2.3.3).

Sub-section 2.3.4 provides a description of how the exclusion of blacks from any say in government led to growing tension and resistance in the apartheid years. This culminated in the 1976 Soweto uprisings and led to increased levels of protest and challenge to the status quo by liberation movements like the ANC and PAC.

The 1980s saw the growth of black trade unions, the opposition to attempts to reform the system by providing limited political accommodation of the coloured and Indian communities through the tri-cameral system, as well as opposition to the establishment of Black Local Authorities. The period also saw the establishment and growth of civic organisations as a vehicle for resistance to Black Local Authorities but also the broader struggle for political rights that was waged at the time. This period is described by Van

Donk and Pieterse (2006:107) as a period of country-wide mass action which eventually led to local negotiations, and this provided the impetus for national negotiations.

The actions of people in the pre-colonial society, the Union and apartheid eras, and the decade of challenging the race-based system (1980s), resonate with more recent actions by communities challenging their leadership through service delivery protests as described in sub-section 3.6 above. The manner in which the African National Congress Youth League (ANCYL) led the charge that eventually resulted in the 'recall' of president Thabo Mbeki, as well as the subsequent ANCYL actions against President Jacob Zuma, and the resultant suspension of a large group of its national leadership and the formation of the break-away party, the Economic Freedom Fighters, also echoes the active citizenry of the pre-colonial societies.

3.9   Summary

This chapter set out to provide an exposition of the status quo of local government post the attainment of democracy in 1994. The chapter explored the developmental state and developmental local government as a theoretical framework within which to develop an institutional capacity model of municipalities in South Africa; provided a description of the Constitution and other legislation applicable to local government; discussed the macro- and micro-systems of local government; reviewed local government performance; highlighted the challenges faced by local government; and identified three continuities between the different eras in local government described in this, as well as in the preceding chapter.

An exposition of the discourse on the developmental state and developmental local government was presented. It was argued that the quest for achieving the Millennium Development Goals illuminates the role of the state in alleviating the impact of poverty on people and the environment. Three reasons were advanced for scepticism about the ability to construct a developmental state in South Africa. Further, the importance of the system of local government and the role of individual municipalities in establishing the developmental state were discussed. It was stated that the success or failure of the South African developmental state hinges on the ability of the system of local government and the 278 municipalities individually to discharge their constitutional mandate in an efficient, effective and sustainable manner. Developmental local government was presented as a theoretical discourse for underpinning this important role for local government in the development context.

The constitutional and legislative underpinnings of the system of local government were discussed. In this regard it was stated that the Constitution, 1996, situates local government at the heart of an ambitious programme aimed at dealing with developmental backlogs, the eradication of poverty, the implementation of sustainable development, and the provision of safe and secure environments. In addition to a description of the legislation applicable to local government, a discussion on four important concepts was also provided, namely, (1) devolution, (2) deconcentration, (3) delegation, and (4) subsidiarity. A caveat was expressed about the appropriateness of the South African local government system and its constitutional powers, irrespective of the capacity of individual municipalities to perform functions and exercise the powers allocated to it in terms of the Constitution.

A discussion was presented on the macro- and micro-systems of local government. In respect of the macro-system, the objects of local government were presented, as well as a description of the local government system with reference to the number of municipalities, how their borders are demarcated, the types of municipalities that can be established, as well as the revenue-raising capacity of municipalities. In respect of the micro-system, reference was made to the rights and duties of the three components of municipalities, the different types of councillors that can be elected, and the various political and administrative office bearers that are found in municipalities.

The chapter also discussed the performance of local government after the democratisation of South Africa in 1994. Evidence was adduced that shows that access to services like potable water, RDP-level sanitation, electricity, and refuse removal has significantly improved. Notwithstanding this increased access to services and the developmental nature of the system of local government in South Africa, reference was made to the widespread dissatisfaction with the quality and quantity of service delivery in many municipalities as evidenced by the increase in the number of service delivery protests.

Nine challenges facing local government in South Africa were identified and solutions proffered to address these challenges. The challenges are: (1) constitutional independence versus capacity of some municipalities; (2) over-regulation of municipalities; (3) demarcation issues; (4) fiscal and financial position of municipalities; (5) separation of executive and legislative powers; (6) support to local government; (7) corruption; (8) skills and capacity of elected leadership; and (9) management and technical capacity.

Notwithstanding the major changes that local government in South Africa has seen in its structure and application as a particular system of governance, the chapter concluded with the identification of three continuities between the different eras of local government development identified in the preceding and the present chapter. These continuities are: (1) form of government, (2) probity and capacity of political and administrative leadership, and (3) active citizenship.

This chapter continued and concluded setting the historical and contextual framework for the central goal of the dissertation, namely, the development of an institutional capacity model. The next chapter presents an exposition of the theoretical framework within which the municipal institutional capacity model presented in Chapter 5 is developed.

CHAPTER 4

INSTITUTIONAL CAPACITY

4.1   Introduction

The previous chapter, Chapter 3, examined the status quo of local government after the democratisation of South Africa in 1994. The chapter dealt with the developmental state and developmental local government as a theoretical framework within which to develop an institutional capacity model of municipalities in South Africa; the Constitution and other legislation applicable to local government; the macro- and micro-systems of local government; local government performance post-democracy; the challenges faced by local government; and the continuities between the different eras in local government described in Chapters 2 and 3.

The objective of this chapter is to provide an exposition of the theoretical framework within which the municipal institutional capacity model presented in Chapter 5, following, is developed.

This goal, namely the provision of an exposition of the theoretical framework within which an institutional capacity model of municipalities in South Africa can be developed, is pursued through five broad objectives, namely, (1) defining the concept institutional capacity; (2) examining the use of institutional capacity assessment as a diagnostic tool; (3) reviewing the usefulness of institutional capacity assessment; (4) analysing existing

institutional capacity models; and (5) isolating the dimensions of institutional capacity in municipalities in South Africa.

4.2   Defining Institutional Capacity

The overall objective of this dissertation is to develop a model of institutional capacity of municipalities in South Africa. In order to achieve this objective, it is important to clearly define the concept 'institutional capacity'. This in turn requires an exploration of the definition of 'capacity' as a basis for the construction of a definition of 'institutional capacity'. The definition proffered is based on a review of the lexicology of the words constituting the concepts as well as an exposition of scholarly work on these concepts.

According to Gelderblom (2010:8), "the term 'institution' is often used to describe what sociologists call 'formal organizations'". These formal organisations include universities, municipalities, private corporations, hospitals, etc. This view is in agreement with that of Brinkerhoff (1994:137) who posits that the 'institution' is a general term that ranges in meaning from, on the one hand, being defined as a set of lasting rules or arrangements of behaviour underpinned by societal norms and values, and on the other "as systematized patterns of roles, in short, as organizations, that is formal collectivities that coordinate the actions of groups of individuals to achieve specified goals." This definition is frequently narrowed to those organizations located in the public sector: ministries, parastatals, agencies, commissions, etc." The *Concise Oxford English Dictionary* (2009:486) defines institution similarly, as "an important organization or public body".

The concept 'capacity', like most concepts in the social sciences, does not lend itself to a generally agreed upon definition. Instead, the definition employed is often based on the social science disciplines of sociology, political science, economics, etc., that the user of the concept is schooled in. These social science disciplines also place emphasis on different aspects and components of the respective concepts (European Commission, 2005:6).

The Bureau for Development Policy of the United Nations Development Programme (United Nations Development Programme, 1998:5) defines capacity as "the ability of individuals and organisations or organisational units to perform functions effectively, efficiently and sustainably" and that it is "the power of something (a system, an organisation, a person) to perform or to produce". They also state that capacity is not a static concept, but rather that it is dynamic and that human resources play a key role in the development of capacity. According to the Organisation for Economic Co-Operation and Development (OECD) (2006:12), "capacity is understood as the ability of people, organisations and society as a whole to manage their affairs successfully". Boesen (2006:6) and the European Commission (2005:6) have very similar definitions, Boesen defining capacity as "the ability to execute tasks and produce outputs, to define and solve problems, and make informed choices" and the European Commission stating that "capacity can be defined as the ability to perform tasks and produce outputs, to define and solve problems, and make informed choices". The *Concise Oxford English Dictionary* (2009:127) defines capacity, inter alia, as the "ability or power to do something".

Horton et al. (2003:19) distinguish between capacity and performance. They state in this regard:

In simple terms, an organization's capacity is its **potential** to perform—its ability to successfully apply its skills and resources to accomplish its goals and satisfy its stakeholders' expectations and, in contrast, performance is the **ability** of an organization to meet its goals and achieve its overall mission [My emphasis].

Horton et al. further list the elements of organisational capacity as the resources, knowledge, and processes used by an organisation and that these include staffing; infrastructure, technology & financial resources; strategic leadership; programme and process management; and networks and links with external organisations (Horton et al., 2003:21).

The national government department responsible for local government in South Africa, the Department of Cooperative Governance (formerly known as the Department of Cooperative Governance & Traditional Affairs and before that as the Department of Provincial & Local Government) issued a framework for the building of the capacity of local government in South Africa. This framework, known as the Revised National Capacity Building Framework for Local Government: 2012 to 2016 (NCBF) is the third iteration of a process that commenced in 2001 and has subsequently been influenced by the development of the Local Government Turnaround Strategy and the development of Outcome 9 and the performance agreement between the President of the country and Minister for Cooperative Governance & Traditional Affairs (Republic of South Africa, 2012:3). The NCBF defines institutional capacity of municipalities as simply "the potential or competence (or lack thereof) found within municipalities". It proceeds to state (Republic of South Africa, 2012:4– 5) the following:

147

The aim in structuring a business unit and municipality should be to ensure that it is functional, performs and adequately delivers its services, that is, it has the required operational capacity. This capacity is normally reflected through human resources (adequacy of competent individuals in the municipality); physical resources (facilities, equipment, materials, etc.) and budget; intellectual resources (organisational vision, strategy, planning, performance management, business know-how and technology, inter-institutional linkages, etc.); organisational structure and systems that enable efficient utilisation of resources to realise developmental goals; leadership of the change; policy instruments, including policies, laws, regulations, administrative rules, standards, etc. and the enforcement of the policy instruments.

On their part, Ndletyana and Muzondidya (2009:21) aver that capacity as it relates to municipalities is a multi-faceted concept that includes financial resources, human capital and social capital. They posit an effective municipality as one in which technical skills, material resources and civic engagement combine.

Ability seems to be the common concept found in most definitions of capacity. This cannot be faulted, as capacity, in real terms, has to do with the execution of tasks, functions, powers or other actions. Being able to do what is required is a key part of having the capacity to do what is required. There is, however, in the view of this researcher, another key element that seems to be missed in most of the existing definitions of capacity found in the literature. This element is the commitment to do something, often referred to as political commitment. This element can often be influenced by a collective commitment or lack thereof by a group of people or influential individuals. Examples of this are the commitment of political office bearers to facilitate public participation, the commitment of

148

management teams to improve efficiency or the commitment by organised labour to improve productivity.

The Capacity Development Practice of the United Nations Development Programme Bratislava Regional Centre identifies the link between ability and commitment in their definition of service delivery capacity. They define it as follows:

The mandate, motivation, and means to provide services required and needed by local citizens:

- in a manner that is responsive to changes in requirements and needs over time;
- in a manner that is responsive to the differing requirements and needs of different groups of citizens within the community;
- equitably to all citizens;
- at a price they can afford;
- of the required quantity and quality;
- at the time required;
- in compliance with local, regional, national, and international obligations, regulations, and recognized best practices;
- in a responsible and sustainable manner.

Capacity =		
Mandate	*Responsibility*	
	Authority	
Motivation	*Incentives*	
	Accountability	
Means	*Funding*	
	Staff	
	Knowledge & Skills	

(Source: United Nations Development Programme, 2010a:5)

The interaction between ability and commitment as it relates to the institutional capacity of a municipality can be illustrated by using the following fictitious example. A community, let's call it Community X (hereafter the community), in a municipality named Municipality Y (hereafter the municipality), does not have access to clean drinking water. The ward within which the community falls is represented by a councillor that is not a member of the party governing the municipality. The municipality is financially sustainable and consistently achieves a 99% debt collection rate. The community is the only one in the municipality without access to clean drinking water. In the public participation processes for the compilation of its Integrated Development Plan and medium-term expenditure framework, the municipality is petitioned by members of the community to budget for and implement a water reticulation system for their community. When evaluating the ability of the municipality to deliver a water reticulation system for the community, the following must be taken into account:

- Is there an empowering provision in legislation?
- Does the municipality have the financial resources?

150

- Does the municipality have staff with the technical ability to develop the terms of reference for the project?

Municipalities are required, in terms of section 152(1) (b) of the Constitution "to ensure the provision of services to communities in a sustainable manner". Section 156(1) of the Constitution further states that municipalities have executive authority over the local government matters listed in Part B of Schedule 4 and Part B of Schedule 5 of the Constitution. Part B of Schedule 4 lists, inter alia, the following as one of the matters over which municipalities have executive authority: "Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems."

The council of the municipality, notwithstanding the request from the community and the availability of funding in its Capital Replacement Reserve, did not include a project for the implementation of a water reticulation project in the community in its Medium-Term Expenditure Framework (MTEF). This effectively means that the community will not receive access to clean drinking water in the next three years. It can therefore be argued that the municipality has the ability, including the legal mandate, the people and the finances to provide for the needs of the community, but lacks the commitment to satisfy this need. This dichotomy between ability and commitment must therefore have an influence on the capacity of the municipality to perform its constitutional obligations.

It is also important, in a systems approach context, to correctly situate where municipalities fit in the broader system and therefore what the unit of analysis of the institutional capacity model presented in Chapter 5 is. The Bureau for Development Policy of the United Nations

Development Programme (UNDP) (United Nations Development Programme, 1998:7–10) identifies three levels at which capacity can be analysed. These levels are (1) the system, (2) the entity or organisation (in the parlance of this dissertation, the institution), and (3) the individual. Wachira (2009:7– 9) shares this view, but calls the different levels macro (national institutions), meso (organisation), and micro (individuals, project team). This systems approach can be graphically depicted as follows:
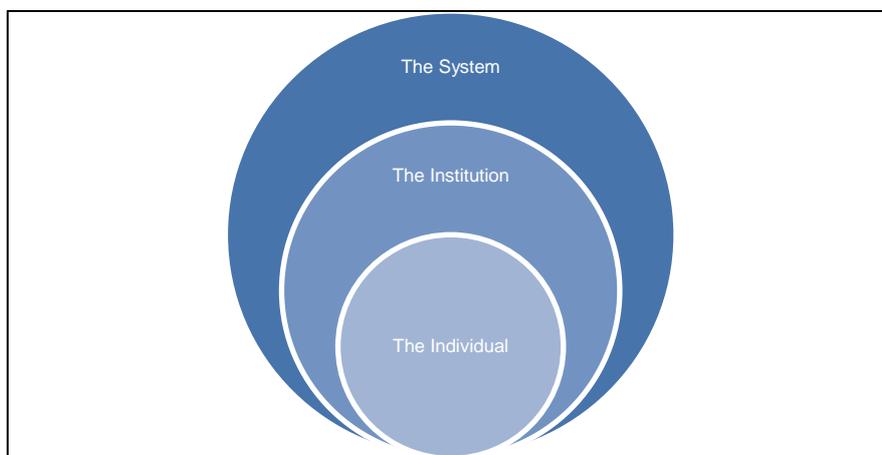
Figure 4.1: The three levels at which capacity can be assessed

(Source: United Nations Development Programme, 1998:7; Wachira, 2009:8)

This dissertation is concerned with the capacity of municipalities in South Africa, therefore at the second level, thus the entity or organisation (Bureau for Development Policy of the United Nations Development Programme) or meso level (Wachira). The implications of the measurements that will be performed through the model will, however, be at the macro level, namely, the system of local government in South Africa.

Based on the above, and especially concomitant with the emphasis by Horton et al. (2003:19) on capacity as potential and not proven, as well as the link between ability and commitment identified by the Capacity Development Practice of the UNDP, Bratislava Regional Centre (United Nations Development Programme, 2010a:5), in this dissertation, institutional capacity of municipalities in South Africa is defined as**: (1) the potential ability; and (2) the commitment of an institution to exercise the powers and perform the functions assigned to it in terms of the Constitution and other legislation efficiently, effectively and sustainably.**

4.3   Elements of Institutional Capacity

Having defined the concept of institutional capacity of municipalities in South Africa, it is now also important to identify what the elements of the institutional capacity model presented in Chapter 5, following, must be. The following is an exposition of what different authors view as the elements of institutional capacity.

Wachira (2009:7) identifies ten elements of institutional capacity. These are: (1) organisational structure, (2) definition of roles and responsibilities, (3) leadership, (4) attitudes and incentives, (5) appraisal procedures, (6) budgetary allocations for various tasks, (7) facilities, (8) access to information, (9) infrastructure and technology, and (10) communication within the organisation.

Lusthaus, Anderson and Murphy (1995:29) describe the elements and sub-elements of institutional capacity as follows:

Table 4.1: Elements of institutional capacity described by Lusthaus, Anderson and Murphy

Strategic Leadership	Leadership	Programme Management	Planning
	Strategic Planning		Implementing
	Governance		Monitoring
	Structure	Process Management	Problem solving
	Niche Management		Decision making
Human Resources	Research		Communications
	Teaching		Monitoring and Evaluation
	Managerial Staff	Inter-Institutional Linkages	Networks
	Technical/Support Staff		Partnerships
Other Core Resources	Infrastructure		External Communications
	Technology		
	Finance		

(Source: Lusthaus et al., 1995:29)

According to Lusthaus, Adrien, Anderson and Carden (1999:60), the outline of organisational capacity consists of seven major, interrelated areas that form the basis of the organisation's performance. These areas are: (1) strategic leadership, (2) human resources, (3) financial management, (4) infrastructure, (5) programme management, (6) process management, and (7) inter-institutional linkages. These major areas are in turn composed of sub-areas or elements, which all differ in importance between different organisations.

The European Commission (2005:16) proposes a six-box model to explain the elements of institutional capacity. This six-box model, which is based on Morgan R. Weisbord's six-box model, looks as follows:

154
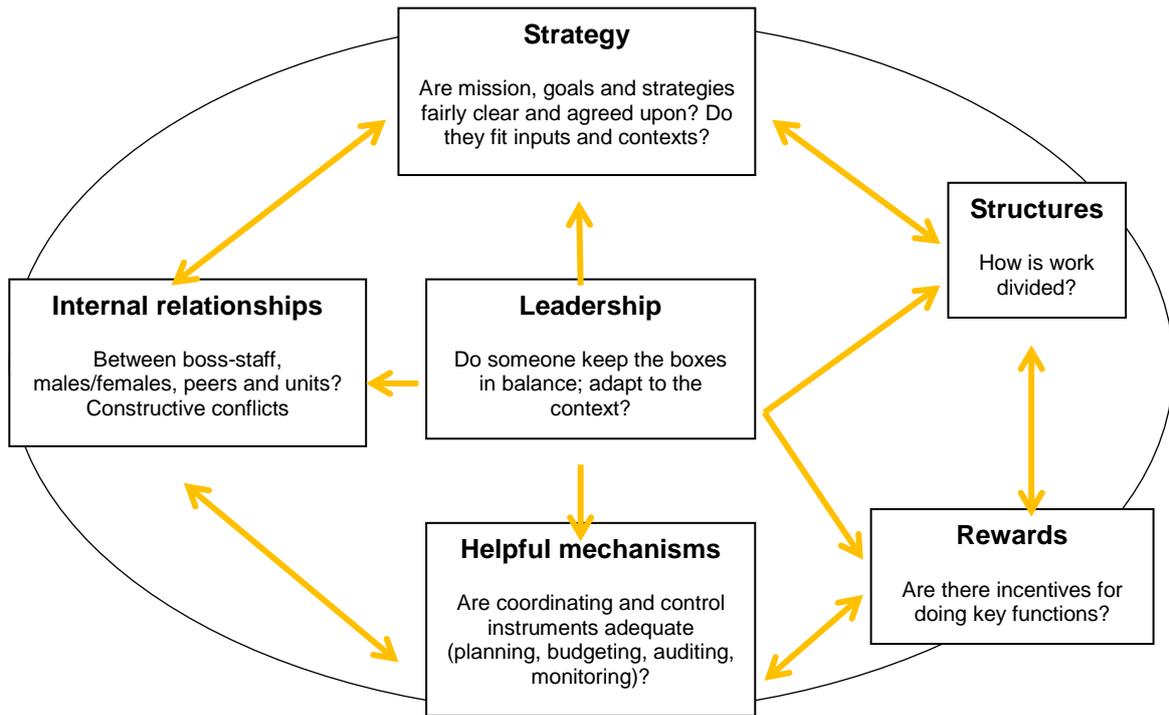
Figure 4.2: The European Commission's Six-Box Model

(Source: European Commission, 2005:16)

It seems as if all the authors above list elements that can be grouped into the following:

- People (leadership, human resources, management, etc.).

- Resources (financial, technology, infrastructure, etc.).

- Processes (strategy, planning, monitoring, communication, etc.).

In line with the definition proffered in 4.2 above, and the exposition of the views of authors on the elements of institutional capacity above, the institutional capacity model presented in Chapter 5 will be structured as follows:

- It consists of two stages, namely, (1) viability, and (2) sustainability.

- Two key capacity areas, namely leadership and innovation, form the bookends of the model.

- The following key capacity elements are included:
  o Long term visioning and planning
  o Revenue
  o Public participation
  o Organisational structure

4.4   The Usefulness of Institutional Capacity Assessment

The performance of local government in South Africa is a topic that seems to receive sustained attention in both lay as well as scientific forums. This attention is appropriate, as local government and its performance impact on the lives and existence of most, if not all, individuals and groups in society. The system of local government and individual municipalities impacts directly and indirectly on individuals, families, communities, small-, medium- and micro-enterprises, big corporations, non-governmental and community-based organisations, political parties and politicians, religious institutions, and all other societal groups. This focus on local government performance is consistent with a focus all

over the world on measuring and managing public sector performance (Melkers & Willoughby, 2005:180; Sole, 2009:3; Talbot, 2010:1–2).

The capacity of individual municipalities is, however, a key dimension that influences their performance (Horton et al., 2003:20; Mc Lennan & Ngoma, 2004:279), and this key dimension does not seem to receive the appropriate level of attention. Lusthaus et al. (1995:2) explain this link between performance and institutional capacity as follows:

> Generally, it is the need or desire to change performance that drives people to engage in institutional evaluations. Performance can be conceived as the tip of the iceberg, the fruits of organizational capacity made visible to the outside world.

Being able to assess the institutional capacity of municipalities and to understand how this capacity can be used as an indicator of potential performance is important for the improvement of the system of local government in South Africa. It is commonly accepted that municipalities in South Africa function in a dynamic environment. They are complex institutions rendering a complex set of services to different communities with often competing needs (Scheepers, 2004:3). The economic principle, namely, that ever-increasing needs must be addressed with limited, and in some instances, diminishing resources, places further pressure on municipalities to constantly increase their capacity to render services to communities efficiently, effectively and sustainably, and play a meaningful role in the social and economic development of their areas of jurisdiction. Consequently, Brown and Harvey's (2006:127) assertion that "[t]o be successful in the twenty-first century, organizations must have the flexibility and the ability for rapid

157

transformation" is especially true for municipalities in South Africa. Put differently, it can be posited that a lack of institutional capacity leads progressively to governance stress and questionable financial viability, which ultimately leads to service delivery breakdown.

4.4.1 Institutional capacity assessment in the open systems context

Strong, vibrant, effective, efficient and sustainable institutions are key ingredients for the realisation of the developmental state and developmental local government as discussed in Chapter 3. Schwella (2013:67) refers to the President of the United States of America, Barack Obama, who, in an address in Accra, Ghana in 2009, opined that capable, reliable and transparent institutions are the key to success in the twenty-first century.

Pidd (2011:3008-3017[2]) posits that a system has four characteristics, namely (1) it has boundaries, (2) it is made up of more than one component, (3) it has internal organisation, and (4) it behaves in a certain manner.

Institutions are often described as open systems, meaning that they receive inputs, use their internal capacity to process these inputs and produce outputs that lead to outcomes and ultimately developmental impacts (Falletta, 2005:3; Boesen 2006:7). In line with this view, a performance model for local government can be depicted as follows:

---

[2] Kindle location.
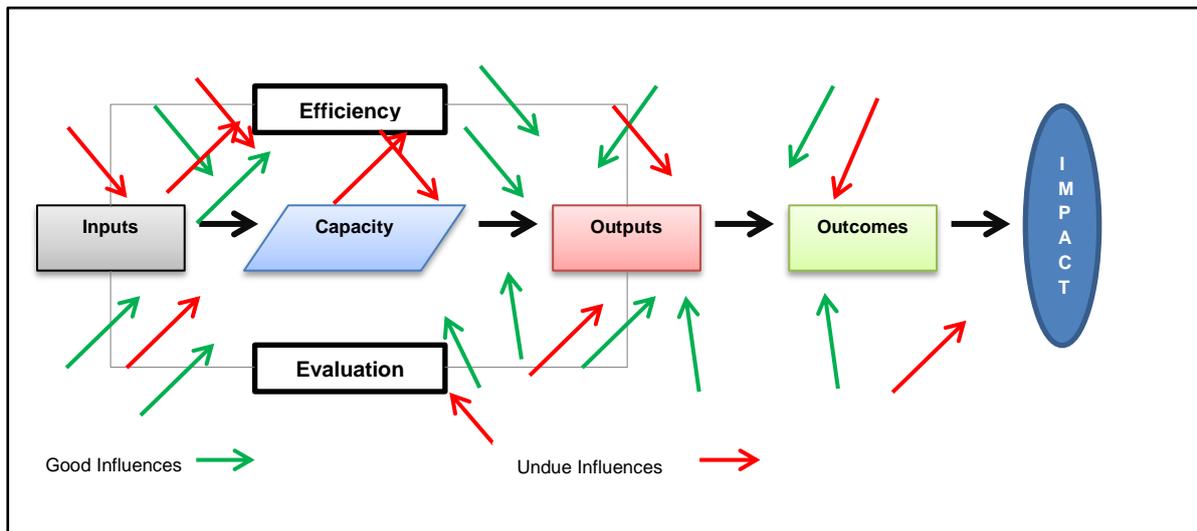
Figure 4.3: Local government performance model

(Source: A synthesis of the models presented by Talbot, 2002:268; and Boesen,

2006:8)

According to Pidd (2011:3032-3044), in the contexts of soft systems methodologies, human activity systems can be differentiated from other systems and the following five characteristics set them apart from other systems:

1. *They are open systems*. The system boundary is permeable in both directions, and there is communication and interaction across the boundary. The cross-boundary exchanges constitute the external relations of the system.

2. *They include human activity*. What people do and how they do it are prime concerns of SSM. It follows from this that human activity systems are dynamic as a result of human action.

3. *They include human intent*. People are not just machines that do things. What they do has meaning and significance for the individuals and groups concerned. Why people do things is often at least as important as what they do and how they do it.

4. *They have a limited life.* They are not eternal, and their life may be quite short.

5. *They are self-regulating.* A process of regulation, control or governance, which maintains it through time, is a characteristic of an open system. Such systems may be in equilibrium, but this stability is not the same as stasis.

Using Pidd's (ibid.) evaluation of a production control system against the above five characteristics of human activity systems, one can describe the system of local government in the following manner. Firstly, it is an open system as it interacts with other systems, both in government as part of inter-governmental relations as well as with the private sector as regulator and initiator of development. Secondly, it includes human activity as it consists of humans in the form of elected representatives, officials and the community. Thirdly, it includes human intent, as it exists to address human needs for basic services and development. Fourthly, it has a limited lifespan and can be replaced if the system does not deliver what is expected of it or the needs of society change. Examples of this are the establishment of formal local government in 1682 with the establishment of the *heemraden* by governor Simon van der Stel (see sub-section 2.2.2), and the transformation from apartheid local government to democratic local government in the 1990s (see sub-section 2.3.6 above). Fifthly and lastly, it is self-regulating in that the Constitution gives it autonomy and the right to govern on its own initiative the local government affairs of its community (see section 151(3) of the Constitution).

Although it is possible to examine the system of local government as a whole, this study is only concerned with the study of the institutional capacity of individual municipalities. The institutional capacity model presented in Chapter 5 thus only focuses on the variables that constitute the capacity of municipalities as institutions and the way indicators for these

variables can be developed, ranked, weighted and used to predict the ability of a municipality to fulfil its constitutional and developmental mandates.

Institutional capacity is an important element in the success or failure of a municipality and sustainable development will remain a pipedream unless priority is given to developing institutional capacity (Mc Lennan & Ngoma, 2004:279, see also Horton et al., 2003:20). Boesen (2006:5) states, admittedly in the context of aid and development agencies, that assessing institutions and capacity is a central component in preparing and implementing support in organisations or groups of organisations. This is also true in respect of the support role that national and provincial governments are constitutionally obliged to play towards local government. The absence of a standardised model with which to measure the institutional capacity of municipalities lessens the ability of national and provincial governments to play a meaningful part in arresting the downward slide in local government performance and its attendant negative impact on the ability of the South African state to mitigate the impact of poverty on the South African people and to realise the MDGs.

Capacity is crucial for any institution to perform its functions and produce the products and services that it is responsible for. In respect of municipalities in South Africa, adequate capacity is an underlying requirement for municipalities to meet the objects of local government found in section 152 and to apply the powers and perform the functions contained in schedules 4B and 5B of the Constitution. Determining capacity is important for understanding the current challenges faced by municipalities, as well as for predicting the potential for municipalities to progressively improve their ability to render services to their communities and facilitate social and economic development in their areas of

jurisdiction. Assessing institutions and capacity is key to provincial and national governments' fulfilling their support role in respect of local government (Boesen, 2006:5).

Improving the ability of municipalities to fulfil their constitutional and legislative mandates, whether building minimum capacity in municipalities that are not meeting constitutional and legislative compliance requirements or enhancing the capacity of already well-performing municipalities, will require a form of organisation development process. Organisation diagnosis is often mentioned as being the most critical part in such an organisation development process (Brown & Harvey, 2006:127).

Talbot (2002:268) debunks the myth that the importance of performance in the public sector is a new phenomenon. He is of the view that performance in its broadest incarnation is as old as government itself. In the last few decades some approaches to organisational performance, both in the public - and the private sector, have crystallised. These approaches include total quality management (TQM), benchmarking and the balanced scorecard (Talbot, 2002:273; Naidoo & Reddy, 2008:37–38). Naidoo and Reddy (2008:45) boldly state in this regard that "[t]otal quality management is an integral part of developmental local government, as it seeks to improve the quality of life of the local citizenry through participatory local democracy and enhanced service delivery".

The nine provincial governments in South Africa bear responsibility for monitoring and supporting local government in their respective provinces (see subsection 3.3.1 above). These provincial governments and the national government are enjoined by the Constitution to support and strengthen the capacity of municipalities to manage their own

affairs, exercise their powers and perform their functions. An assessment model able to measure the institutional capacity of municipalities would greatly assist the provincial and national governments in performing this constitutional function.

Morgan and Taschereau (1996) describe institutional assessment as "a comprehensive approach for profiling institutional capacity and performance". They list the following advantages and limitations of doing institutional assessments.

Table 4.2: Advantages and limitations of institutional assessments

Advantages of institutional assessments	Limitations of institutional assessments
Provide valuable insights into institutions.	Require long-term commitments.
Help reveal capacity and capacity gaps.	Are dependent on the commitment of key internal stakeholders.
Involvement of the institution in its own assessment will result in a more accurate profile of the institution and build internal capacity to self-diagnose.	The volume of information can be overwhelming.
Assist role players to recognise internal and external interrelationships and interdependencies.	Provide little guidance on identifying leverage points for change.
Facilitate a systemic, long-term contextual approach to capacity development.	Are focused on individual institutions and their environment.

(Source: Morgan & Taschereau, 1996)

4.4.2 Institutional capacity assessment as diagnostic tool

Adding a diagnostic element to institutional assessment will increase the impact of the assessment in that it will identify the challenges faced by the institution. Identifying challenges facing the organisation and areas that need attention are key steps in

improving organisational performance (Brown & Harvey, 2006:127). They, Brown and Harvey that is, describe the term diagnosis in the following manner:

> **Diagnosis** is a systematic approach to understanding and describing the present state of the organization. The purpose of the diagnostic phase is to gather information to specify the exact nature of the problem requiring solution, to identify the underlying causal forces, and to provide a basis for selecting effective change strategies and techniques. The outcome of a weak, inaccurate, or faulty diagnosis will be a costly and ineffective OD program.

(Brown & Harvey, 2006:128)

The above extract from Brown and Harvey sufficiently explains the importance of diagnosis, albeit in the context of improving performance. The same holds for understanding institutional capacity and the causal link between inadequate institutional capacity and eventual weak performance. A model purporting to represent institutional capacity must have a diagnostic orientation, or, put differently, must provide the framework to: (1) determine the status quo, (2) evaluate the status quo against a desired state, and (3) identify the gap between status quo and desired state.

Falletta (2005:3) likens what he calls an 'organizational diagnostician' to a physician and, just like the physician who views the body as a total system, the organisational diagnostician views the organisation as an open system, that is, one that has inputs, throughputs and outputs that are connected by feedback loops. This view is also held by Boesen (2006:7), who refers to the fact that institutions are embedded in a context, receive

164

inputs or resources, and use their capacity to process these inputs into outputs (products and services). Boesen (2006:7) further contends that the success of an institution and its prospects for change depend on all three – the context, the inputs and the capacity.

Diagnostic models can be divided into two main groups, namely descriptive models, or those that highlight the status quo and contrast it with a desired state on the one hand, and normative models, those that advocate a specific direction even before the assessment is done, on the other (Noolan, 2004:1). Marshak (2004:2) lists the following organisation diagnosis models:

Table 4.3: Organisation diagnosis models listed by Marshak

MODEL	AUTHOR
Goals, Roles, Procedures & Interactions (GRPI)	Richard Beckhard
Change Model	Richard Beckhard & Wendy Pritchard
Managerial Grid	Robert Blake & Jane Mouton
Four Frames Model	Lee G. Bolman & Terrence E. Deal
Causal Model of Performance & Change	W. Warner Burke & George Litwin
Swamp Model of Sociotechnical Systems	Arthur M. Freedman
Star Model	Jay R. Galbraith
Organizational Performance Model	David P. Hanna
Five Track Model	Ralph Killman
Organizational Dynamics	John P. Kotter
7S Model	Mckinsey Consulting
Metaphors	Gareth Morgan
A Congruence Model for Diagnosing Organization Behavior	David A. Nadler & Michael L. Tushman
Six-Box Diagnostic Model	Marvin R. Weisbord

(Source: Marshak, 2004:2)

Falletta (2005:4) states that a model "provides a systematic way to collect data on the organization and to understand and categorize the data". He also contends "an explicit model greatly aids the diagnostic process, given the complexity of organizations and the massive amount of information available for analysis". He lists four reasons advanced by Burke (in Howard & Associates, 1994) as to why models are valuable. These reasons are the following:

- They help to enhance understanding of organisational behaviour.

- They help to categorise data about an organisation.

- They help to interpret data about an organisation.

- They help to provide a common, shorthand language.

It is in this light, provided by Falletta as cited above, that the institutional capacity model proposed in Chapter 5 is constructed.

4.5   Existing Capacity Assessment Models

Various capacity assessment models exist. These are used mainly by international donor agencies to assess the institutional capacity of aid-receiving organisations. When evaluating these models and structuring a new institutional capacity model for local government, it is prudent to be aware of the South African Excellence Foundation model that can be depicted as follows:
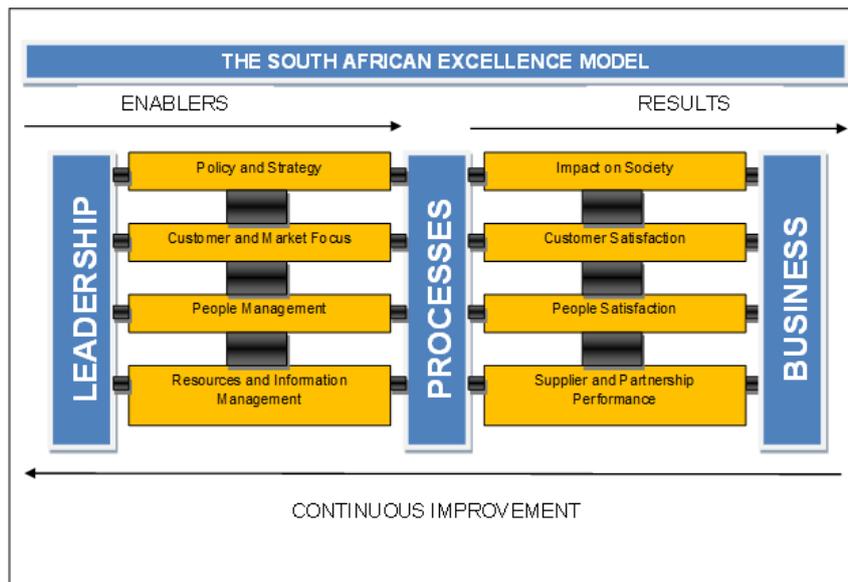
Figure 4.4: South African Excellence Model

(Source: Naidoo & Reddy, 2008:48)

Institutional capacity assessment largely seems to be the preserve of international donor agencies. These agencies use these assessments on which to base capacity development programmes or to evaluate the support absorption capacity of recipient organisations.

Wilson and Beaton (2003:6) divide the tools used for institutional analysis and diagnosis into two groups: those that analyse and diagnose the overall institutional framework and those that look at the organisation in its institutional context. They list the following tools:

167

Table 4.4: Two types of tools listed by Wilson & Beaton

Overall institutional framework	The organisation in its institutional framework
Assessment of institutional capabilities	Open systems model
Impact analysis	7-S
Sponsor evaluation	SWOT
Change forecasting	Organisational sub-elements model
	Problem tree analysis

(Source: Wilson & Beaton, 2003:6)

A senior manager (Mngadi, e-mail, 16 February 2010) in the Department of Cooperative Governance & Traditional Affairs reveals the following assessment models/tools that can be found in the South African local government environment:

- Project Consolidate assessments and evaluations

- Municipal Information Monitoring System

- Vuna

- Capacity Assessment Tool (CAT)

- Municipal Demarcation Board (MDB) assessment

- Treasury assessment

- Workplace skills plans

- LGSETA Sector Skills Plan

- Barometer

- Local Government Skills Audit

In addition to the above models/tools, the DBSA developed a tool called the Sustainable Municipal Reporting System (SMRS). The SMRS is a comprehensive assessment tool,

premised on the three pillars of sustainable development that resulted from the United Nations Conference on Environment and Development (UNCED), held in Rio de Janeiro, Brazil from 3 to 14 June 1992. These pillars are planet (the natural environment); people (the social, spatial-related aspects and manmade interventions); and prosperity (the financial and economic aspects). The KwaZulu-Natal Department of Local Government & Traditional Affairs also developed and implemented a model/tool, called EMMA Plus, which was used to assess municipalities in that province.

4.6   Summary

This chapter set out to provide an exposition of the theoretical framework within which the municipal institutional capacity model presented in Chapter 5 is developed. This goal is achieved through a focus on five broad objectives, namely (1) defining the concept 'institutional capacity'; (2) examining the use of institutional capacity assessment as a diagnostic tool; (3) reviewing the usefulness of institutional capacity assessment; (4) analysing existing institutional capacity models; and (5) isolating the dimensions of institutional capacity in municipalities in South Africa.

Based on the work of authors referenced in sub-section 4.2 above, a definition of institutional capacity is proffered, namely that institutional capacity is (1) the potential ability, and (2) the commitment of an institution to exercise the powers and perform the functions assigned to it in terms of the Constitution and other legislation efficiently, effectively and sustainably.

The views of different authors on the elements making up institutional capacity were examined and the conclusion drawn that these elements can be grouped into three broad categories, namely, (1) people (leadership, human resources, management, etc.), (2) resources (financial, technology, infrastructure, etc.), and (3) processes (strategy, planning, monitoring, communication, etc.).

The usefulness of institutional capacity assessment was examined in the context of the importance of the required improvement of the performance of the system of local government in South Africa and the impact of the economic principle on such performance. Institutional capacity assessment in the open systems context was reviewed, as well as institutional capacity assessment as a diagnostic tool.

The chapter concludes with a section focusing on existing capacity assessment models and ventures to state that institutional capacity assessment seems largely to be the preserve of international donor agencies that use these assessments as a basis for capacity development programmes and to evaluate the support absorption capacity of recipient organisations.

This chapter sets the framework for the central goal of this dissertation, namely the development of an institutional capacity model. The next chapter builds on this framework and presents the Municipal Institutional Capacity Model.

CHAPTER 5

A PROPOSED INSTITUTIONAL CAPACITY MODEL

5.1   Introduction

The previous chapter, Chapter 4, provided a theoretical framework for the development of the institutional capacity model that is the subject of this dissertation. The chapter defined the concept 'institutional capacity'; examined the use of institutional capacity assessment as a diagnostic tool; reviewed the usefulness of institutional capacity assessment; analysed existing institutional capacity models; and isolated the dimensions of institutional capacity in municipalities in South Africa. The chapter showed that, even though institutional assessment is the preserve mostly of international donor agencies, there are some efforts at developing capacity assessment models and/or tools in South Africa.

The goal of this chapter is to present the institutional capacity model. The objectives underpinning this goal are: (1) discussing measurement as scientific activity; (2) examining models and their definition and application in the social sciences; (3) describing the model development process; (4) presenting the Municipal Institutional Capacity Model; (5) listing and describing the key capacity elements and key capacity areas of the MICM; and (6) describing the model validation process.

5.2   Measurement as Scientific Activity

According to DeVellis (2012:2) "measurement is a fundamental activity of science". He further states:

> We acquire knowledge about people, objects, events, and processes by observing them. Making sense of these observations frequently requires that we quantify them (i.e. that we measure the things in which we have a scientific interest). The process of measurement and the broader scientific questions it serves interact with each other; the boundaries between them are often imperceptible.

It is almost without question that the ability to measure is central to the enterprise of science. Measurement as an activity, however, precedes the emergence of science as a discipline (Wright, 1997:33; DeVellis, 2012:3). DeVellis (2012:4), in explaining how far back in history examples of measurement are found, refers to: (1) biblical references to measurement; (2) Aristotle's reference to officials responsible for checking weights and measures; (3) the Socratic method in ancient Greece that can be equated to knowledge testing; (4) the use of civil service testing in China as far back as 2200 BCE; and (5) the 'weight of seven' that formed the basis of seventh-century Muslim taxation. Interestingly, DeVellis (2012:4) also notes that the idea that measurement can include mistakes and that efforts might be made to moderate mistakes has only recently been introduced.

Pidd (2011:3-4) shares the view that measurement is an activity that is so part of the human existence that it is not always recognised for what it is. In this regard he refers to

172

some everyday examples of measurement, for example, recording the growth of children against walls, keeping track of the weight of babies, runners recording their times on practice runs, whether a piece of furniture will fit into a room, and so forth. In all these examples numbers are used as the basis for measurement. Pidd (*ibid.*) cites the example of the Amazonian Pirahã tribe that does not have a vocabulary for numbers, but by using only the concepts some, few and many, can recognise equality and can therefore group objects by size. According to Pidd (ibid.) this shows that humans, even in the absence of a vocabulary that denotes numbers, can roughly distinguish between quantities and that this is the basis for measurement. Notwithstanding this, he asserts that "estimating quantities beyond small values is not something that comes naturally to us" and "it seems that, without some form of measurement system, we are likely to estimate quantities very badly".

In the context of the present dissertation, the question arises of the need for measuring institutional capacity and therefore the need for an institutional capacity model. Pidd (2011:4) provides the answer to this question, albeit in the context of performance measurement in the public sector as opposed to institutional capacity measurement. He refers to the list provided by Osborne and Gaebler in their 1992 book *Reinventing Government*. This list, which according to this researcher is also applicable to institutional capacity measurement, includes the following:

- If you don't measure results, you can't tell success from failure.
- If you can't see success, you can't reward it.
- If you can't reward success, you're probably rewarding failure.
- If you can't see success, you can't learn from it.

- If you can't recognise failure, you can't correct it.

- If you can demonstrate results, you can win public support.

It can thus be said that developing a model to measure the institutional capacity of municipalities in South Africa is part of the long tradition of measurement and scientific activity.

5.3   Models: Definition and Application in the Social Sciences

Using theoretical models is one way of overcoming the human proclivity to not estimate quantities accurately in the absence of a measurement system (see 5.2 above) and, according to Hartmann (2005:1), to enable the activity of science and to organise data, apply theories or to make new theories.

Frigg and Hartmann (2012:1) posit that philosophers are increasingly recognising (1) the importance of models, and (2) the different roles that models play in the practice of science. This, they argue, has led to a proliferation of the types of models found in philosophical literature. They list the following as some of the model types found in the literature: (1) probing models, (2) phenomenological models, (3) computational models, (4) developmental models, (5) explanatory models, (6) impoverished models, (7) testing models, (8) idealised models, (9) theoretical models, (10) scale models, (11) heuristic models, (12) caricature models, (13) didactic models, (14) fantasy models, (15) toy

models, (16) imaginary models, (17) mathematical models, (18) substitute models, (19) iconic models; (20) formal models, (21) analogue models, and (22) instrumental models.

Frigg and Hartmann (2012:1–12) attempt to bring some order to this varied list of model types by referring, firstly, to the areas in which models raise questions. In this respect, they identify the following:

- Semantics (What is the representational function that models perform?)

- Ontology (What kind of things are models?)

- Epistemology (How do we learn with models?)

- General philosophy of science (How do models relate to theory?)

Notwithstanding this proliferation of model types in the philosophic literature, some authors opine that it is impossible to provide a proper definition of the term 'model' (see for instance Hartmann, 2005:1). On their part, Frigg and Hartmann (2012:13), in attempting to answer the question 'what are models?' refer to "a variety of things that are commonly referred to as models: physical objects, fictional objects, set-theoretic structures, descriptions, equations, or combinations of some of these".

There are, however, other authors who do not feel as restricted as Hartmann, and some of their attempts at providing a definition of the term are provided below.

Mouton (2001:195) contends 'model' is one of three types of conceptual frameworks, namely typologies, models and theories. He describes these three frameworks as follows:

Table 5.1: Mouton's three types of conceptual frameworks

Framework	Description
Typologies	Has a classifying or categorising function and is based on single variables.
Models	Provides a systematic depiction of phenomena by identifying patterns and regularities amongst variables.
Theories	Provides an explanation of phenomena by suggesting an underlying causal mechanism.

(Source: Mouton, 2001:195)

Mouton (2001:196) further states that the term 'model' can be considered as one of the most vague terms in the social sciences and points to the similarities between the terms 'model' and 'theory'. According to Mouton (ibid.) the differences between models and theories are mostly "differences of degrees". Jaccard and Jacoby (2010:28–29) hold similar views, with one key exception. Whereas Mouton discerns major similarities between 'models' and 'theories' with some minor differences, they use the terms 'models' and 'theories' interchangeably, thus implying no difference between the two terms.

Jaccard and Jacoby (2010:29) define what they call a 'theoretical expression' and by extension of their view in respect of the interchangeable use of the terms 'model' and 'theory', therefore also 'model expression' as:

> … any external symbolic representation of an internal conceptual system, regardless of whether that symbolic representation is more properly considered a theory or a model by others, and regardless of whether the representation is verbal, mathematical, pictorial/graphic, or physical.

According to Gilbert and Troitzsch (2005:3), "[A] model is a simplification – smaller, less detailed, less complex, or all of these together – of some other structure or system." Importantly, they also state that building a model is a widely accepted way of understanding the world, and that, although widely used within and outside of science, it is something that science and social science have honed over time.

According to Frigg and Hartmann (2012:3), models have two dissimilar representational functions. In this regard, they state:

> On the one hand, a model can be a representation of a selected part of the world (the 'target system'). Depending on the nature of the target, such models are either models of phenomena or models of data. On the other hand, a model can represent a theory in the sense that it interprets the laws and axioms of that theory. These two notions are not mutually exclusive as scientific models can be representations in both senses at the same time.

Frigg and Hartmann (2012:13), in attempting to answer the ontological question, what are models?, note that physical objects, fictional objects, set-theoretic structures, descriptions, equations, and combinations of some of these are variously called models.

177

One can, on the basis of the above, conclude that like most concepts in the social sciences, the term 'model' is difficult to define, and where there have been attempts to define the concept, it has resulted in a multitude of definitions, some of which have some similarities and others which are totally disparate. For the present dissertation, model is defined as **a reductionist representation of municipalities as the target system aimed at explaining and predicting phenomena.**

On the spectrum of model use presented by Pidd (2011:2273-2274), the present model has a high level of human interaction; is mainly concerned with system investigation and improvement; and provides insight. In the words of Pidd (ibid.) the present model is thus a "tool[s] for thinking".
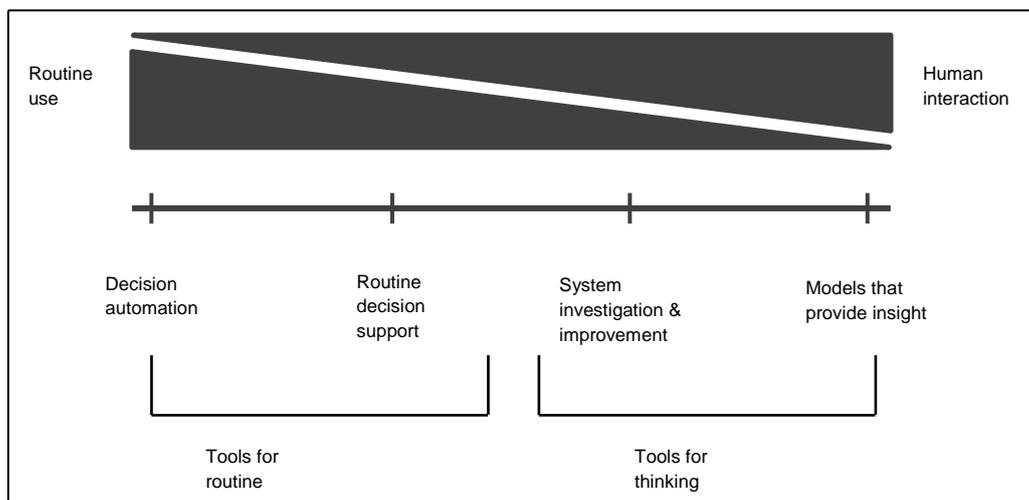
Figure 5.1: Spectrum of model use

(Source: Pidd, 2011:2273-2274)

5.4   The Model Development Process

The process described by DeVellis (2003:60–101), in a slightly adapted form, was used to develop the present model. DeVellis (ibid.) proposes an eight-step process for the development of models; the present dissertation, however, stops at the seventh step and does not include testing of the model in a live environment. The reason for this is that the proposed model's conceptual construct validity was tested in a workshop of experts, in line with the view of Pidd (2011:7836-7837), who states that "validity relates to the acceptability of an idea, theory or model in the expert community of scientists who are operating within a dominant paradigm".

The process that was followed in the development of the proposed model is as follows:

1. Define what must be measured.

2. Create a list of the elements that impact on institutional capacity.

3. Determine the format for measurement.

4. Subject the list of elements to review by experts.

5. Consider inclusion of expert recommendations.

6. Rank and score the list of sub-elements.

7. Develop a sample institutional capacity model.

Furthermore, the six principles espoused by Pidd (2011:2201–2688) underlie the development of the proposed model. These principles are:

Principle 1: model simple, think complicated

Principle 2: be parsimonious, start small and add

Principle 3: divide and conquer, avoid mega-models

Principle 4: use metaphors, analogies and similarities

Principle 5: do not fall in love with data

Principle 6: model-building may feel like muddling through

5.5   The Municipal Institutional Capacity Model

In 3.3 above, the legislative framework governing local government in South Africa was presented. As behoves a country in which the supremacy of the Constitution and the rule of law apply (see section 1(c) of the Constitution), this legislative framework should form the basis of what the institutional capacity of municipalities should be. The Municipal Institutional Capacity Model (MICM) presented here, therefore, is predicated on what was described in 3.3.1 above as the heart of the Constitution in respect of local government, namely section 152. The model is therefore constructed on a dual axis, dealing with 'what' local governments should do on the one hand, and 'how' they should do it on the other. This dual axis is replicated in the definition of institutional capacity proffered in 4.2 above, namely that municipal institutional capacity is "(1) the potential ability; and (2) the

commitment of an institution to exercise the powers and perform the functions assigned to it in terms of the Constitution and other legislation efficiently, effectively and sustainably".

After (1) evaluating what the constitutional and legislative mandate of local government in South Africa is, and (2) reviewing the literature on institutional capacity and institutional capacity models, a model is presented here that can be described as an institutional capacity model of municipalities in South Africa.

According to Horton et al. (2003:22), (1) an organisation's personnel, facilities, technology, and funding constitute its resource base; (2) its procedures and processes for managing its resources and programmes and its external relationships make up its management capacity; and (3) together, these resources and management capacities make up the overall capacity of the organisation.

A key gap that can be identified in the literature is the absence of a focus on innovation in respect of the determination of institutional capacity. This notwithstanding, public institutions, including municipalities in South Africa, are faced with a fast-changing environment that requires their being able to adapt quickly to changes in the technological, social, economic, political and natural environments. Focusing on innovation as a key area of institutional capacity will assist in determining whether a municipality has the inherent capacity to be sustainable in the long term.

This dissertation set out to develop an institutional capacity model. In sub-section 1.2, reference is made to the attention that local governance and service delivery has received in scientific as well as lay forums. Put differently, there seems to be a sustained focus on the performance of local government.

Notwithstanding this focus on local government performance and the role played by local government in improving access to services like water, sewage, refuse removal, electricity and safe streets to the communities that did not under apartheid have access to these services (see Figs 3.2–3.5 in sub-section 3.6), it seems as if local government is not able to achieve the levels of service delivery expected by the communities that they serve. It is posited in sub-section 1.2 that the limited institutional capacity of individual local governments contributes to the challenges faced by municipalities in South Africa and their persistent nature.

Hemson et al. (2009:151) state that there is an increasing realisation that South Africa is faced with grave challenges in respect of the capacity of the state in relation to skills, number of professionals, the ability to manage complex systems, and, in the final analysis, the ability to deliver on its mandate. This is also true for the local sphere of government and there is therefore a need to shift at least some focus to the capacity that local governments must have in order to improve their performance.

Sub-section 4.4.1 above refers to institutions as open systems, meaning that they receive inputs, use their internal capacity to process these inputs, and produce outputs that lead to

outcomes and ultimately developmental impacts. This open system is graphically depicted in Figure 4.3.

The model presented in the present dissertation is a **capacity** model and follows the distinction identified by Horton et al. (see sub-section 4.2) between capacity and performance. It is apposite to again quote the views of Horton et al. (2003:19) here: "In simple terms, an organization's capacity is its **potential** to perform—its ability to successfully apply its skills and resources to accomplish its goals and satisfy its stakeholders' expectations … performance is the **ability** of an organization to meet its goals and achieve its overall mission" [my emphasis].

The Municipal Institutional Capacity Model is therefore concerned with the potential of municipalities, based on the institutional capacity elements listed, to perform the functions and powers allocated to them in terms of the Constitution and other legislation. The model is premised on a two-stage construction, namely the viability stage and the sustainability stage. The model thus attempts to determine the viability as well as the sustainability of municipalities, enabled by their natural, social and environmental endowments and their institutional capacity (leadership & innovation; long term visioning & planning; revenue; public participation; and human resources) to perform their constitutional mandate in the short term. The model presented here therefore can serve as framework to develop tools to predict what the likely performance of a municipality will be, given its institutional capacity (the meso level). These predictions can in turn be used to influence changes at the macro level (the system of local government as a whole). The impact of the model, notwithstanding its application on the meso level, will thus be at the macro level (see sub-section 4.2 above).

183

The model is constructed as three sections consisting of two capacity areas, namely a primary capacity area (leadership) and a secondary capacity area (innovation); and a set of four key institutional capacity elements, namely, (1) long-term visioning & planning; (2) fiscal management; (3) public participation; and (4) human resources. The model should be read in sequence, namely the primary capacity areas and key institutional capacity elements representing a viable municipality, and when the secondary capacity area is added, the basis for sustainability is laid.

The MICM can therefore be described as a two-stage, open-system capacity model and can be graphically depicted as follows (see overleaf):

**MUNICIPAL INSTITUTIONAL CAPACITY MODEL
(MICM)**

Institutional capacity is: (1) the potential ability; and (2) the commitment of an institution to exercise the powers and perform the functions assigned to it in terms of the Constitution and other legislation efficiently, effectively and sustainably.
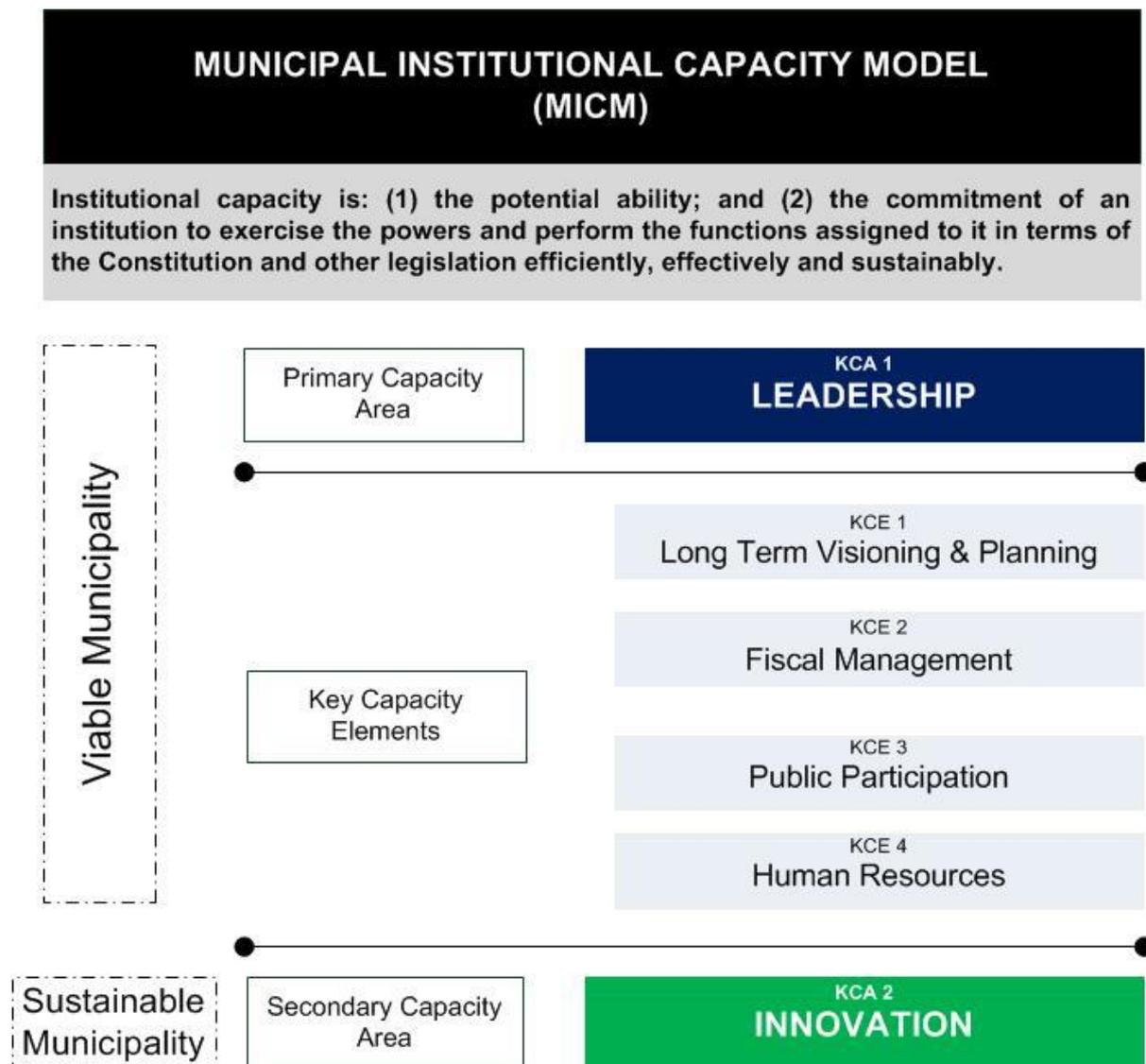
Figure 5.2: The Municipal Institutional Capacity Model

Frigg and Hartman (2012:23) define a theory as "a set of sentences in an axiomatized system of first-order logic". In sub-section 5.3 above, attention is drawn to the views of Mouton (2001:196) about the similarities between the terms 'theory' and 'model'. In the present dissertation, the MICM is presented as a graphic representation of a theory, namely the Open Systems Theory of Institutional Capacity in Municipalities in South Africa.

This theory can be worded as follows. Municipalities in South Africa, based on their historical development and their current constitutional and developmental mandate, must have inherent underlying institutional capacity that enables them to achieve what is expected of them. This institutional capacity includes the ability and commitment to provide democratic and accountable government for local communities; ensure the provision of services to communities in a sustainable manner; promote social and economic development; promote a safe and healthy environment; and encourage the involvement of communities and community organisations in the matters of local government. This ability and commitment is expressed in the relative strength and/or weaknesses of a municipality in respect of a set of four key institutional capacity elements, namely (1) long-term visioning & planning, (2) revenue, (3) public participation, and (4) human resources. These elements are girded by two capacity areas, namely, (1) leadership, and (2) innovation.

5.6   Key Capacity Elements & Key Capacity Areas

The MICM is a model that provides a theoretical framework within which the institutional capacity of municipalities in South Africa can be diagnosed. It is not a tool and does not provide a set of key capacity indicators and a weighting and scoring matrix with which to score municipalities and attach an institutional capacity ranking to them. The MICM on its own can therefore not be used to diagnose institutional capacity, but provides a theoretical framework within which an institutional capacity assessment tool can be developed and applied. Developing such a tool can be an area of further research that can flow from this dissertation.

Instead, the MICM, (1) defines institutional capacity of municipalities in South Africa; (2) identifies the key capacity areas and key capacity elements that make up institutional capacity of municipalities in South Africa; and (3) describes these elements and their importance. This is done within the context of model expression described by Jaccard and Jacoby (2010:29) as "any external symbolic representation of an internal conceptual system" (see sub-section 5.3 above).

The key capacity elements and key capacity areas of the MICM can be described as follows:

5.6.1 Key capacity areas

5.6.1.1 Leadership

See **KCA 1** in Figure 5.2.

Leadership is an important element in the MICM. It is therefore important to clearly explain what leadership means in the context of the MICM, even though, as is stated later in this sub-section, it is difficult to have a commonly accepted definition of leadership. This is done recognising that "both the practice of leadership and the situation in which it occurs need to be understood" (Kirk & Schutte, 2004:235). In this regard Maserumule (2008:441) notes "political and administrative staff components of the municipality must have skills, competencies and knowledge that befit the imperatives of a developmental system of local government". It can thus be said that the capacity of the political and administrative leadership of any municipality is important for the success of the municipality in meeting its

187

constitutional and developmental mandate. Municipalities are responsible for adopting legislation and strategy and implementing it, collecting and allocating resources, and exercising oversight over the administration (on the part of the political leadership) and managing the administration (on the part of the administrative leadership).

According to Bass (quoted in Den Hartog & Koopman, 2011:168), "The study of leadership rivals in age the emergence of civilization, which shaped its leaders as much as it was shaped by them. From its infancy, the study of history has been the study of leaders – what they did and why they did it." This view is also expressed by Schwella (2013:69). This also holds true for local government in South Africa as is evident from the discussion of the development of the South African state in section 2.3.

In sub-section 4.2 of this dissertation, reference is made to how concepts in the social sciences do not lend themselves easily to definition. This is also, and possibly even more specifically so, the case with the term 'leadership'. A search on the Google Internet search engine for the term 'leadership' on 4 July 2014 yielded approximately 177 000 000 results in 0.34 seconds. Gill (2011:3) notes from the literature on leadership that "the burgeoning leadership literature ranges from highly cerebral academic research studies and scholarly treatises that few if any actual leaders will read to idiosyncratic personal prescriptions by self-acclaimed paragons of virtuous leadership of how to be an outstanding leader at the 'popular' end of the spectrum". Olivier (2011:68) refers to Rost, who provides 221 definitions of leadership in which leaders represent others in different ways, including from dictating to them, on the one hand, to discreetly influencing them on the other.

Schwella (2013:69) notes five approaches to leadership, namely, (1) the traits approach, (2) behavioural approach, (3) situational or contingency approach, (4) transformational or new charismatic approach, and (5) the social learning approach. Schwella (2013:68–69) also identifies the specific contextual realities of public sector leadership as, inter alia, including the following:

- Public leadership takes place within the social political system creating the need to understand and work with political processes and role players. The status and motivation of political role players are not the same as those of board members of any company.
- Public leaders have to work with public pressure and protest. In the public domain, these matters are necessary for functional democratic purposes and are not signs of something that might have gone wrong as they may be interpreted in the private sector context.
- Public leaders should actively pursue a sense of democratic public accountability where openness is not only tolerated or accepted, but actively encouraged.

The leadership area of the MICM is also fashioned on the model presented by Adair and Thomas (2004:118–130). This model is premised on the overlap of three 'needs' and is presented as follows:
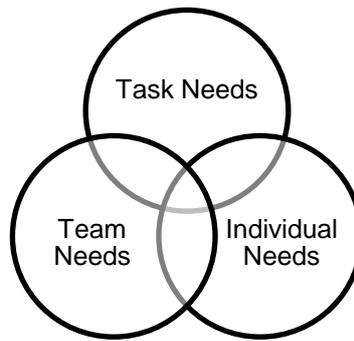
Figure 5.3: The Task, Team & Individual Needs overlap presented by Adair and Thomas.

(Source: Adair & Thomas, 2004:125)

Adair and Thomas further identify seven qualities of leadership, and these qualities underpin the leadership element in the MICM. These leadership qualities are:

Table 5.2: Seven qualities of leadership identified by Adair and Thomas.

		Seven qualities of leadership
1	*Enthusiasm:*	*try naming a leader without it!*
2	*Integrity:*	*meaning both personal wholeness and sticking to values outside yourself, primarily goodness and truth – this quality makes people trust a leader*
3	*Toughness:*	*demanding, with high standards, resilient, tenacious and with the aim of being respected (not necessarily popular)*
4	*Fairness:*	*impartial, rewarding / penalising performance without 'favourites', treating individuals differently but equally*
5	*Warmth:*	*the heart as well as the mind being engaged, loving what is being done and caring for people – cold fish do not make good leaders*
6	*Humility:*	*the opposite of arrogance, being a listener and without an overwhelming ego*
7	*Confidence:*	*not over-confidence (which leads to arrogance), but with self-confidence which people know whether you have or have not got it*

(Source: Adair & Thomas, 2004:121)

It is almost without question that leadership is an important, if not the most important, area when designing an institutional capacity model. Leadership, in the contexts of municipalities functioning under the developmental local government paradigm, is the key capacity area that will influence whether a municipality is viable and ultimately sustainable.

5.6.1.2 Innovation

See **KCA 2** in Figure 5.2.

Just like the term 'leadership', 'innovation' is also a term that almost defies definition. Also, innovation is closely related to leadership, as the one is nearly impossible without the other. Selman (2002:1) notes in this regard:

> Innovation and leadership are closely related. Leadership always has some focus on bringing about a better future. In this sense, leaders are necessarily innovators. We would not normally consider a spectator of the status quo to be a leader.

O'Sullivan and Dooley (2008:4) make interesting observations on the definition of the term 'innovation'. They equally are of the view that the term is difficult to define and in fact opine "the term is often poorly understood and can be sometimes confused with related terms such as change, invention, design, and creativity". They then quote the definition provided by the 1998 edition of the *New Oxford Dictionary of English* which simply defines innovation as "making changes to something established by introducing something new", and take this basic definition and expand it through various steps to eventually conclude with the following definition:

Applying innovation is the application of practical tools and techniques that make changes, large and small, to products, processes, and services that result in the introduction of something new for the organization that adds value to customers and contributes to the knowledge store of the organization.

Innovation thus adds value and is not only about change, but in fact, change for the better. This view is also supported by Selman (2002:2).

Innovation, even though more prevalent in the private sector, can also be found in the public sector (Borins, 2002:467; O'Sullivan & Dooley, 2008:4; Hughes, Moore & Kataria, 2011:4). However, according to Borins (ibid.), conventional wisdom holds that public sector innovation is a "virtual oxymoron". Borins lists four reasons why this is so. These reasons are: (1) according to public choice theory, public sector agencies are usually monopolies and therefore experience no competitive pressure to innovate; (2) the interest of the media, opposition parties and the public in exposing public sector failures (also known as management in a fishbowl) forms a prevailing inhibition to innovation; (3) the drive to minimise corruption and ensure due process serves as a barrier to innovation; and (4) the observation by organisational sociologists that public sector organisations are usually large bureaucracies that are structured to perform their core tasks with stability and consistency, and, in doing so, resist change or disruption of these tasks.

Notwithstanding the above barriers to innovation, the context within which local government in South Africa finds itself, makes innovation a key component of any effort aimed at improving the capacity of individual municipalities and the system of local

government as a whole. Even though the state and other role players have committed substantial resources to building local government capacity, developmental challenges in local government persist (see sub-section 1.2 above). Innovation is a key element that will assist in building sustainable capacity in South Africa's 278 municipalities.

The Framework for Public Sector Innovation presented by Hughes et al. (2011:6) informs the innovation element of the MICM. This framework is presented below:
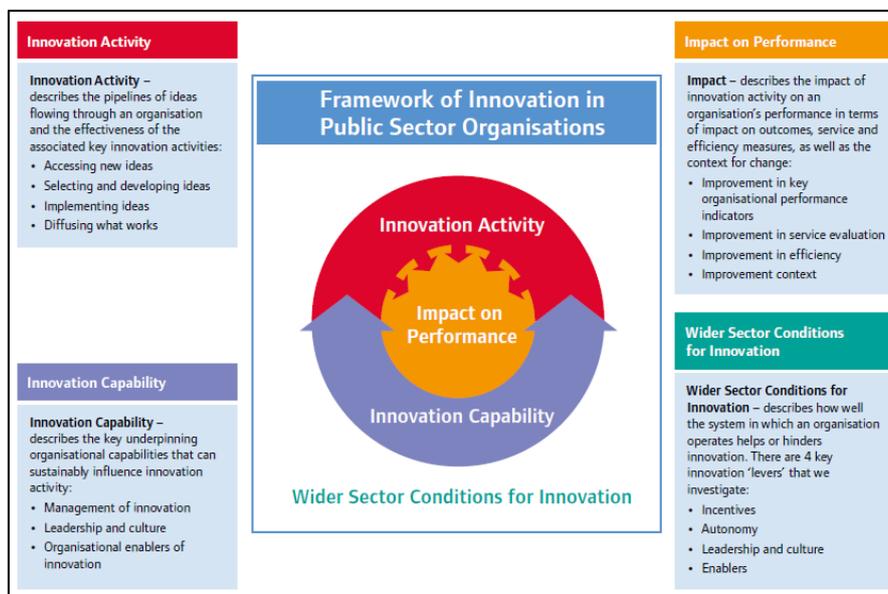

Figure 5.4: Framework for Innovation in Public Sector Organisations

(Source: Hughes et al., 2011:6)

In addition to the above framework, the following six questions for assessing the innovation contexts of organisations, identified by Horth and Buchner (2014:15), will underpin the innovation key capacity element of the MICM:

1. What is the assessment of the municipality's approach to innovation leadership?

2. Where does the municipality need to be for effective innovation?

3. What is encouraging and helping to promote and foster creativity for individuals and the municipality?

4. What is impeding or discouraging creativity for individuals and the municipality?

5. What should be recommended to change or enhance the encouragement, promotion and fostering of creativity for individuals and the municipality?

6. What happens when someone presents a new idea to the municipality?

In assessing whether a municipality has a focus on innovation, it has to be determined whether the municipality understands the nature of the fast-changing technological, social, economic, political and natural environments that it is exposed to and whether it is prepared to consider new ways of meeting the challenges posed by these fast changing environments, notwithstanding the constitutional and legislative strictures that binds it. This requires that municipalities: (1) identify the importance of innovation, (2) develop strategies to integrate innovation into their operations, and (3) implement those strategies.

5.6.2 Key capacity elements

5.6.2.1 Long-term visioning & planning

See **KCE1** in Figure 5.2.

Municipalities are required by the Constitution and the legislation applicable to local government to be efficient, effective and sustainable. In ensuring this efficiency and

effectiveness (short-term objectives) and sustainability (long-term objective) requires of municipalities to properly plan for the future to ensure that they are able to meet the increasing basic and developmental needs of their communities and citizens.

The Municipal Systems Act requires of municipalities to adopt a single, inclusive and strategic plan, called an Integrated Development Plan (IDP) which must, inter alia, (1) link, integrate and co-ordinate plans and have regard for proposals for the development of the municipality; (2) align the resources and capacity of the municipality with the implementation of the plan; and (3) provide the policy framework and underlying basis for the annual budget. Section 26 of the Municipal Systems Act further requires an IDP to contain the following:

26.   An Integrated Development Plan must reflect—

(a)   the municipal council's vision for the long-term development of the municipality with special emphasis on the municipality's most critical development and internal transformation needs;

(b)   an assessment of the existing level of development in the municipality, which must include an identification of communities which do not have access to basic municipal services;

(c)   the council's development priorities and objectives for its elected term, including its local economic development aims and its internal transformation needs;

(d)   the council's development strategies which must be aligned with any national or provincial sectoral plans and planning requirements binding on the municipality in terms of legislation;

(e)   a spatial development framework which must include the provision of basic guidelines for a land use management system for the municipality;

(f)   the council's operational strategies;

(g)   applicable disaster management plans;

(h)   a financial plan, which must include a budget projection for at least the next three years; and

(i)   the key performance indicators and performance targets determined in terms of section 41.

Drucker, as early as 1959, identified the difficulty in defining long-term planning (Drucker, 1959:238), and he postulates that it is easier to define long-term planning by what it is not, as opposed to what it is. He identifies three things that long-term planning is not.

Firstly, it is not forecasting, as, according to him, human beings can neither predict nor control the future. In fact, it is precisely this reason that makes long-term planning necessary. Secondly, it does not deal with future decisions but instead with the impact on the future of current decisions, or as Drucker puts it, the "futurity of present decisions". Thirdly, it is not an attempt to minimise or eliminate risk but the ability to identify and take the right risks.

McKay (2001: 2–3) differentiates between long-term planning and strategic planning. She defines the two concepts as follows:

Table 5.3: The difference between long-term planning and strategic planning

Long-Term Planning	Strategic Planning
The process by which the leaders of an organization determine what the organization wants to look like at the end of a specified period of time – usually three to five years – then use that vision to establish multi-year goals and objectives which describe what the organization wishes to accomplish, and develop programs, tasks, and timelines for achieving them. Long-range planning predicts future conditions and realities, internal and external, and plans how the organization can function effectively within them. Because it involves multi-year projections, it cannot be as specific as short-term or operational planning, which generates a work plan with detailed annual objectives, tasks, methods, timelines, and responsibilities. However, it tends to be more focused on specific objectives and timelines than strategic planning.	*The process by which leaders of an organization determine what it intends to be in the future and how it will get there. To put it another way, they develop a vision for the organization's future and determine the necessary priorities, procedures, and operations (strategies) to achieve that vision. Included are measurable goals which are realistic and attainable, but also challenging; emphasis is on long-term goals and strategies, rather than short-term (such as annual) objectives. Strategic planning assumes that certain aspects of the future can be created or influenced by the organization. Strategic planning is ongoing; it is "the process of self-examination, the confrontation of difficult choices, and the establishment of priorities".*

(Source: McKay, 2001: 2–3)

O'Connell, Hickerson and Pillutla (2011:103) cite the views of various authors on the effect of visioning on organisations:

- It impacts on organisational performance (Kantabutra, 2008a, 2008b; Kirkpatrick & Locke, 1996; Lowe, Kroeck & Sivasubramaniam, 1996).

- Improves group effectiveness (Sosik, Kahai & Avolio, 1999).

- It leads to growth in businesses (Baum, Locke & Kirkpatrick, 1998).

197

All institutions exist to fulfil one or more objectives. Private companies exist to make a profit and non-governmental organisations and community-based organisations are normally single-purpose organisations. Similarly, municipalities in South Africa exist to fulfil the objects of local government as listed in section 152 of the Constitution. Developing a vision, and supporting such a vision with a proper mission and value statement, will strengthen the long-term planning of a municipality.

A municipality's ability to do long-term visioning and planning is a key area in determining the institutional capacity of municipalities in South Africa, and is therefore included in the MICM.

5.6.2.2   Fiscal Management

See **KCE2** in Figure 5.2.

South Africa has been implementing a system of fiscal decentralisation since the previous apartheid system was replaced by a democratic dispensation in 1994 (Momoniat, 2001:1). Municipalities in South Africa have revenue-raising capacity (see sub-section 3.4 above), and should (1) raise the revenue due to them, and (2) utilise the revenue so raised effectively, efficiently and sustainably. The theoretical basis for this fiscal decentralisation is concisely summarised by Schoeman (2006:111) as being grounded in the "so-called First Generation theory" of having government closer to the people (based on work by Arrow, Musgrave, Samuelson, et al.). This theory is premised on the basic view that decentralised government will address the challenges in relation to allocative inefficiency

through making it possible for smaller communities to take charge of their government and ensuring that it is increasingly relevant and accountable.

The ability to raise the revenue due to them; utilise this revenue efficiently, effectively and sustainably; and report on this spending through annual financial statements and in-year reporting requirements set by the National Treasury and/or Provincial Treasuries, therefore forms an important part of a municipality's institutional capacity. This is represented in the MICM as KCA2, namely fiscal management.

A key feature of the South African system of local government is the fact that it is constitutionally protected and that its existence is not predicated on the whim of 'higher' tiers of government. Sub-section 3.3.1 above refers to section 151 of the Constitution that, inter alia, states that local government "has the right to govern, on its own initiative, the local government affairs of its community" and that "the national or a provincial government may not compromise or impede a municipality's ability or right to exercise its powers or perform its functions". Sub-section 3.3.1 also states that these constitutionally guaranteed powers and functions of local government in South Africa set South Africa apart from many other countries.

Section 229 of the Constitution determines that a municipality may impose (1) rates on property and surcharges on fees for services provided by or on behalf of the municipality; and (2) if authorised by national legislation, other taxes, levies and duties appropriate to local government or to the category of local government into which that municipality falls,

but no municipality may impose income tax, value-added tax, general sales tax or customs duty.

The key capacity area for fiscal management (KCA2) is based upon the indicators for financial health identified by the National Treasury of South Africa (Republic of South Africa, 2013:4). These measures are (see overleaf):

Table 5.4: Measures of financial health for municipalities in SA

No	Measure	Purpose
1	Cash as a percentage of operating expenditure.	To determine cost coverage – does the municipality have adequate cash available to meet its operating expenditure requirements?
2	Persistence of negative cash balances.	Identifies whether cash shortages / bank overdrafts pose a "chronic" problem for the municipality.
3	Over / (Under) spending of original operating budgets.	Tests the effectiveness of municipal spending – are municipalities spending in accordance with resources available to them, what is the credibility of the budget and are municipalities able to adjust expenditure should planned revenues not materialise.
4	Under spending of original capital budgets.	Tests the effectiveness of municipal spending – but also provides an indication of whether municipalities are compromising on capital programmes to resolve cash flow challenges, are there planning deficiencies which are impacting on service delivery, etc.
5	Debtors as a percentage of own revenue.	Examines the revenue management capabilities of municipalities.
6	Year of [sic] year growth in debtors.	Is the municipality exercising fiscal effort in collecting outstanding debt? To what extent is financial distress the result of poor debtor management?
7	Creditors as a percentage of cash and investments.	Is the municipality able to meet its monthly commitments – does it have sufficient cash to pay its creditors in line with the requirements of the MFMA (cost coverage).
8	Reliance on national and provincial transfers.	Determine the levels at which municipalities are able to generate own funds to finance revenue generating assets to enhance and sustain revenue generating streams.

(Source: Republic of South Africa, 2013:4)

A municipality's ability to raise the revenue due to it; use it efficiently, effectively and sustainably; and report on such utilisation; is therefore a key area in determining the

institutional capacity of municipalities in South Africa and is therefore included in the MICM.

5.6.2.3 Public participation

See **KCE3** in Figure 5.2.

Like most terms in the social sciences, the term 'democracy' is open to various definitions and is often based on the social science disciplines, for example, sociology, political science, economics, etc., that the proponent of the definition emanates from (Bassiouni, 1998:2).

The word 'democracy' is derived from the Greek words *demos,* which means 'people' and *kratos,* which means 'power' or 'rule' (thus rule by the people). The famous words of Abraham Lincoln, "government of the people, by the people, and for the people", is an apt summary of this term.

Beetham (1998) avers that democracy can be approached from either the perspective of the citizen or the perspective of government. He expresses a preference for using the citizen as the starting point of democracy and states in this regard that it is "from the citizens that democratic governments receive their authorisation, and it is to the citizens that they remain accountable and responsive, both directly and through the mediating organs of parliament and public opinion" (Beetham, 1998:22).

South Africa is described in the founding provisions of the Constitution of the Republic of South Africa, 1996 (the Constitution) (Republic of South Africa, 1996), as a sovereign, democratic state based, inter alia, on the values of human dignity, equality, human rights, non-racialism and non-sexism, the rule of law, universal adult suffrage, regular elections and a multi-party system of democratic government. Ramaphosa (1998:72), however, boldly asserts, "unless applied to the lives of ordinary people in a specific situation, democracy remains a nebulous and untested concept".

Besides being representative, the South African local government system can also be described as participatory. Citizens are not only entitled to vote every five years, but also have the right in terms of the Local Government: Municipal Systems Act, 2000 (the Systems Act) (Republic of South Africa, 2000), to: (1) contribute to the decision-making processes of the municipality; and (2) submit recommendations, representations and complaints to the municipal council, other political structures, political office bearers or the administration of the municipality. In addition, Chapter 4 of the Systems Act specifically deals with community participation and determines in section 16(1) that: "A municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance."

Meyer-Resende (2011:15) identifies the right to participate in public affairs, and to stand for and vote in elections as a basic element of democracy. This right is available to South Africans and should be used, together with other forms of democratic expression, to ensure that they receive the benefits of the rights available to them in the Constitution. It can therefore be said that the South African local government system provides opportunities, (1) through regular elections; and (2) through mechanisms in legislation

enabling citizen participation, for communities and individuals to actively participate in their own governance.

The views of Manor (2004:5–6) about the socio-political disadvantages that poor people face and how this reduces the ability of poor individuals and communities to share in the benefits of democratisation must be noted. He lists the following socio-political disadvantages:

- They are the least confident.

- They are the least well organised.

- They are the least capable of articulating their concerns.

- They are the least knowledgeable about the political and policy processes.

- They are the least able to gain access to those two processes, to benefits that flow from them, and to public services and legal protection.

- They are the least skilled at exerting influence over those two processes

- They are the least well connected (with one another and with influential people).

- They are the least independent of larger economic forces.

At the same time, one should also not adopt a defeatist approach, accepting that socio-economic conditions will always dictate a situation where poor communities find it difficult to use formal democratic systems and processes. Kulipossa (2004:773) refers to fieldwork

he carried out in the Vilankulo Municipality in the Bazaruto region of Mozambique. His words on this warrant repetition:

> In particular, the municipal government has been relatively effective in providing political education, responding swiftly and appropriately to local problems, promoting citizenship and participation, fostering innovation and learning, building and articulating community identity, emphasising diversity, and dispersing power.

From the work of Kulipossa it is evident that South African communities, even though they have been subjected to generations of repression and exclusion from the democratic process, can use the formal democratic processes available in the Constitution and legislation. It however requires that municipalities and their political and administrative leadership create the space for communities to participate, take the inputs of communities seriously and allow such inputs to influence the decisions and actions of the municipality as well as how resources are allocated.

Being a participative state is a key feature of the South African state as well as the South African system of local government, and is therefore a key area in determining the institutional capacity of municipalities in South Africa. It is therefore included in the MICM.

5.6.2.4   Human resources

See **KCE4** in Figure 5.2.

It is an oft-quoted cliché that an organisation's human resources are its most important resources. This also holds true for local government in modern-day South Africa, with one difference, namely, that it is one of the important resources that a municipality needs to be viable and sustainable. Human resources as capacity element stand in a mutual causal relationship with other capacity elements of a municipality. For example, if a municipality has a strong revenue base it will most likely have the ability to employ the best officials and thus have a strong human resource base. Conversely, if a municipality has a strong human resource base it is more likely that such a municipality can develop a strong revenue base. The same logic is applicable to the relationship between human resources and the other elements of local government contained in the MICM.

The Constitution and other legislation applicable to local government, directly and indirectly, refer to the administrative arm of local government.

The Constitution determines that a municipality must strive to achieve the objects of local government within its administrative capacity; and structure and manage its administration, budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community.

Sub-section 195(1) of the Constitution outlines the basic values and principles applicable to public administration in all three spheres of government. The content of this sub-section is so important that it warrants repetition here in full.

195. Basic values and principles governing public administration.- (1)Public administration must be governed by the democratic values and principles enshrined in the Constitution, including the following principles:

(a)   A high standard of professional ethics must be promoted and maintained.

(b)   Efficient, economic and effective use of resources must be promoted.

(c)   Public administration must be development-oriented.

(d)   Services must be provided impartially, fairly, equitably and without bias.

(e)   People's needs must be responded to, and the public must be encouraged to participate in policy-making.

(f)   Public administration must be accountable.

(g)   Transparency must be fostered by providing the public with timely, accessible and accurate information.

(h)   Good human-resource management and career-development practices, to maximise human potential, must be cultivated.

(i)   Public administration must be broadly representative of the South African people, with employment and personnel management practices based on ability, objectivity, fairness, and the need to redress the imbalances of the past to achieve broad representation.

The National Development Plan (National Planning Commission, 2011b:364) identifies uneven state capacity, also in the local sphere, as a precursor to the performance of the public service, as a result of the interaction between a composite set of factors including "tensions in the political-administrative interface, instability of the administrative leadership, skills deficits, the erosion of accountability and authority, poor organisational design, inappropriate staffing and low staff morale". The NPC then proposes the following as a set of measures to address the capacity and performance gaps identified (National Planning Commission, 2011b:365–366):

- Stabilise the political-administrative interface – A focus on skills and professionalism will be ineffective unless the political-administrative interface is clarified to ensure a clearer separation between the roles of the political principal and the administrative head. The current emphasis on "political deployment" needs to be replaced by a focus on building a professional public service that serves government, but is sufficiently autonomous to be insulated from political patronage.

- Make the public service and local government careers of choice – South Africa needs to focus on building a skilled and professional public service from both the top and the bottom. At the top, recruitment and management should be based on experience and expertise, while at junior levels, the state needs to focus on producing the skills and expertise that will be necessary for future public service cohorts.

- Develop technical and specialist professional skills – The state needs to reinvigorate its role in producing the specialist technical skills that are essential to fulfil its core functions, and provide appropriate career paths for technical specialists.

- Improve relations between the three spheres of government – South Africa cannot afford to continue with the current level of confusion about how responsibilities are divided, shared and monitored across local, provincial and national government. We need to recognise the wide variation in capacity, particularly at municipal level, and devolve greater

responsibilities where capacity exists, while building capacity in other areas. Where capacity is more limited, particularly in many rural municipalities, municipalities should be allowed to focus on their core functions and not be burdened with too many extra responsibilities. These challenges can only partly be resolved by clarifying roles and functions. It is inevitable that there will be disagreements about how responsibilities are divided or shared, but national government needs to intervene to mediate disputes and enable consensus to emerge.

- State-owned enterprises – The major state-owned enterprises (SOE) need clear public interest mandates, and straightforward governance structures that enable them to balance and reconcile their economic and social objectives. This includes ensuring there is greater stability in SOE boards and that the chief executive is clearly accountable to the board.

Human resources are key in the establishment of the developmental state and developmental local government in South Africa. It is therefore a key area in determining the institutional capacity of municipalities in South Africa and is therefore included in the MICM.

5.7   Model Validation

As discussed earlier in this chapter, reference is made to models as representations of a selected part of the real world (the target system). It is for this reason, namely, that models are mere representations of parts of the real world that it is important to ensure that a model can do what it claims to do. Put differently, models need to be validated, and in some instances, verified.

In the world of the physical sciences the distinction between verification and validation is apparent. Hahn (2013:879) notes in this regard, in the context of a systems engineering lexicon, that verification is concerned with confirming that the features of the system perform their envisioned functions and meet technical and interface requirements and limitations, in other words, that "the product was built right". On the other hand, validation confirms that the model fulfils the needs of the stakeholders and provides the proper solution to the identified problem, in other words, that "the right system was built". Sallach (n.d.:1) similarly notes that, in the natural sciences, validation is principally a focal process with model outputs directly compared with relevant empirical data. He however states that social science models are faced with "a number of domain-specific validation challenges, including high-dimensionality, cultural indexicality, endogeneity, the lack of accessibility of actor motives and intent, diverse non-linear transitions and contextual effects". This view is also shared by Pidd (2011:7860 - 7871).

Hahn (2013) goes further to argue that in the social sciences the concepts of verification and validation have been combined into the single term, 'validation'. She refers to Thomas:

> … model validation efforts must be concerned with internal validity – the extent to which the relationships between variables are represented correctly in the model (verification) – as well as external validity, or the extent to which the model outputs agree with an external entity, which may be either a real world system or another validated model (validation).

Pidd (2011:7798–7887) presents an interesting discussion on the views of Déry, Landry and Banville (1993) and Roy (1993) on the complexity of validation in management

sciences. This discussion focuses on three perspectives on the epistemology of science, namely, (1) philosophical, (2) historical, and (3) sociological perspectives.

Firstly, from the philosophical perspective, he concludes that that a valid management science model must fulfil three conditions, namely, (1) the model should be based on objective research, (2) should be expressed mathematically, and (3) should be obviously useful and pass critical tests intended to show its inadequacy.

Secondly, in the historical context, Pidd (2011) concludes that validity relates to the acceptability of an idea, theory or model in the community of experts of scientists operating within a dominant paradigm. In this regard he distinguishes between what he terms periods of "normal science" and "revolutionary science". In the period of normal science, the specific scientific community shares a set paradigm and most research is dedicated to confirming the paradigm. However, in periods of revolutionary science, alternative paradigms are proposed and this serves as a precursor to major conflict and disagreement within the specific scientific community.

Thirdly, from the sociological viewpoint, it is accepted that scientific communities share with other areas of human interaction social processes such as conflict, power plays, rational argument, etc. Models are validated when accepted by the community, and the above social processes must sometimes be employed to gain such acceptability.

The table below contains explanations of the type of validity that can be found, as described by Troitzsch (2004:4) and Hahn (2013:878–879).

Table 5.5: Types of validity

Troitzsch			Hahn		
No	Type	Description	No	Type	Description
1	Replicative validity	The model matches data *already acquired* from the real system (retrodiction).	1	Predictive validity	The ability of the model to predict something that it should theoretically be able to predict.
2	Predictive validity	The model matches data *before* data are acquired from the real system.	2	Concurrent validity	The ability of the model to distinguish between two entities that it should theoretically be able to distinguish between.
3	Structural validity	The model not only reproduces the observed real system behaviour, but truly reflects the way in which the real system operates to produce this behaviour.	3	Convergent validity	The degree to which the model outputs are similar to the outputs of other models that they should be similar to.
			4	Discriminant validity	The degree to which the model outputs are not similar to the outputs of other models they should not be similar to.

(Sources: Troitzsch, 2004:4; Hahn, 2013:878–879)

The MICM is not presented as the ultimate model in respect of the institutional capacity of South African municipalities. Instead, as the title of the dissertation indicates (*An Institutional Capacity Model of Municipalities in South Africa*), the MICM is a model based on the emic perspective of the researcher, the historical development of the South African system of local government, the discourse on developmental local government, the

constitutional and legislative mandate of local government, local government performance in South Africa, and the discourse on institutional capacity.

5.7.1 Internal validation of the MICM

Based on the view of Hahn (2013:879) quoted above, namely, that internal validity reflects the extent to which the relationships between variables are represented correctly in the model, the internal validation of the MICM is based on a calibration of the MICM with the:

- continuities identified between the different eras of local government development in South Africa identified in Chapters 2 and 3 of the dissertation;

- developmental mandate of local government, based on the discourse on developmental local government in Chapter 3 of the dissertation;

- constitutional and legislative mandate of local government in South Africa presented in Chapter 3 of the dissertation;

- status quo in respect of local government performance in South Africa presented in Chapter 3 of the dissertation; and

- discourse on institutional capacity presented in Chapter 4 of the dissertation.

Tables 5.5–5.10 below show the alignment and validation of the MICM with the above list. It can thus be said that the MICM meets the replicative validity standard, or put differently,

the MICM "matches data already acquired from the real system (retrodiction)" (Troitzsch, 2004:4).

Table 5.6: Internal validation of KCA leadership

KEY CAPACITY AREA		
Leadership		
MICM REF	**ALIGNMENT**	**SECTION / PAGE REF**
KCA1	Probity and capacity of leadership.	2.3.1 / 32–35; 2.3.2 / 42–43; 2.3.4 / 59–60; 3.6 / 116–120; 3.7 / 126–127; 3.8.2 / 135–136;
	Types of municipalities that can be established in South Africa.	3.4 / 101–102
	Rights and duties of elected representatives, communities & administration.	3.5 / 104–106
	Political office bearers in municipalities.	3.5 / 106–110
	Definition of institutional capacity.	4.2 / 143–151

Table 5.7: Internal validation of KCA innovation

KEY CAPACITY AREA		
Innovation		
MICM REF	**ALIGNMENT**	**SECTION / PAGE REF**
KCA2	Requirement for sustainability in the Constitution.	3.4 / 99–100
	Importance of strong, vibrant, effective, efficient and sustainable institutions.	4.4.1/156–157

Table 5.8: Internal validation of KCE long-term visioning & planning

KEY CAPACITY ELEMENT		
Long-Term Visioning & Planning		
MICM REF	**ALIGNMENT**	**SECTION / PAGE REF**
KCE1	Reference Local Government Municipal Systems Act creating the framework for planning in municipalities.	3.3.2 / 96–97
	Elements of institutional capacity.	4.3 / 151–154
	Strategy as an enabler in the South African Excellence Model.	4.5 / 164–165

Table 5.9: Internal validation of KCE fiscal management

KEY CAPACITY ELEMENT		
Fiscal Management		
MICM REF	**ALIGNMENT**	**SECTION / PAGE REF**
KCE2	Revenue raising capacity as part of the definition of local government.	2.2 / 22; 2.3.2 / 39–41; 3.2 / 83; 3.3.2 / 97; 3.4 / 102–103; 3.8.1 / 133;
	Mandate of Commissioners under the 1836 Municipal Ordinance to administer property taxes.	2.3.2 / 41;
	Lack of financial base of Black Local Authorities and its resultant rejection by the community.	2.3.5 / 64
	Regional Services Councils as measure to fill the fiscal gap of small white municipalities and Black Local Authorities.	2.3.5 / 65
	Financial viability as principle to be considered by Municipal Demarcation Board when demarcating municipalities.	3.4 / 100
	Role of municipal manager and chief financial officer in respect of financial viability and financial reporting.	3.6 / 121
	Fiscal and financial position of municipalities as part of challenges faced by local government.	3.7 / 130
	Financial resources as element of definition of institutional capacity.	4.2 / 145–148
	Resources as an enabler in the South African Excellence Model.	4.5 / 164–165

Table 5.10: Internal validation of KCE public participation

KEY CAPACITY ELEMENT		
Public Participation		
MICM REF	**ALIGNMENT**	**SECTION / PAGE REF**
KCE3	Local government as government closest to the people.	2.2 / 21
	Active citizenry in the different eras of the development of the South African state.	2.3.1 / 32–35; 2.3.3 / 51–52; 2.3.5 / 62–63; 3.8.3 / 136–138
	Participatory characteristic of developmental local government.	3.2 / 82
	Legislative requirement for participatory local government.	3.3.2 / 96–97; 3.4 / 99–100; 3.5 / 105–106
	Service delivery protests as form of expression.	3.6 / 115–119
	Public participation identified as challenge in the local government sphere.	3.7 / 126–127

Table 5.11: Internal validation of KCE human resources

KEY CAPACITY ELEMENT		
Human Resources		
MICM REF	ALIGNMENT	SECTION / PAGE REF
KCE4	Probity and capacity of appointed officials.	2.3.2 / 42–43; 2.3.4 / 59–60; 3.6 / 121–125; 3.8.2 / 135–136
	Requirement of a capable state as part of developmental local government.	3.2 / 79–85
	Legislative framework for local public administration and human resource development.	3.3.2 / 96–97
	Duties of administration in terms of Local Government Municipal Systems Act.	3.5 / 106
	Management and technical capacity as part of challenges faced by local government.	3.7 / 126–127 & 130–132
	Human resources as element of definition of institutional capacity.	4.2 / 144–146; 4.3 / 151–154

5.7.2 External validation of the MICM

The external validation of the MICM was done in the form of an expert validation workshop. This is in line with the classification in sub-section 1.6 above of the dissertation as a non-positivist, descriptive and explanatory qualitative study. Non-positivism can be described as the belief by some social scientists that that the social realm may not be subject to the same methods of investigation as would be the case in research in the natural world. Alessandrini (2012:5) provides the following succinct comparison between positivist and non-positivist research.

Table 5.12: Comparison between positivist and non-positivist research

CHARACTERISTIC	POSITIVIST	NON-POSITIVIST
Dominant data type	Quantitative	Qualitative
Perspective	Objectivist	Subjectivist
Focus	Scientific	Humanistic
Methodology	Experimentalist	Interpretivist
Context	Traditionalist	Reflexive/ reactive

(Source: Alessandrini, 2012:5)

Four experts participated in the validation workshop. They were Prof Jaap de Visser, Dr Hildegarde Fast, Dr Leanne Scott and Adv. Werner Zybrands. Abbreviated curricula vitae of the validation panel are included as an Annexure.

The objectives of the workshop were to:

- Obtain external validation of the MICM; and

- Obtain the views of the participants on the structure and composition of the MICM.

The workshop followed a condensed version of the Delphi method. The Delphi method can be described as a method of investigation in which the opinions of experts are valued in the quest for a correct response to the question at hand. This qualitative research method was developed by Dalkey and Helmer of the Rand Corporation in the 1950s, and is commonly used as a method aimed at achieving convergence of opinion about real-world knowledge obtained from experts within particular fields of expertise. The method is based

on the view that "two heads are better than one, or...n heads are better than one". The Delphi method is a group communication process, aiming to conduct detailed investigations and discussions of a specific issue/topic. It differs from common surveys in that it tries to consider what could/or should be as opposed to what is (Hsu & Sandford, 2007:1; Skulmoski, Hartman and Krahn, 2007:2)

Skulmoski, Hartman and Krahn (2007:1) list the following as positive attributes of the Delphi method:

- It is a flexible research technique that has been successfully used to explore new concepts in different disciplines.
- It is an iterative process to collect and distil the anonymous judgments of experts using a series of data collection and analysis techniques interspersed with feedback.
- It is well suited as a research instrument when there is incomplete knowledge about a problem or phenomenon.
- It works especially well when the goal is to improve our understanding of problems, opportunities, solutions or to develop forecasts.

This process normally takes place through the completion of surveys by the group of experts over at least two rounds. Hereafter a facilitator provides an anonymous summary of the experts' views and shares these with the group. A new round of surveys is then collected and through this process the range of responses is reduced and the views of the experts coalesce towards the correct response (Creamer et al., 2012:135).

The application of the Delphi method for the validation workshop was adapted in that the experts present provided their input in front of one another, and where they changed their minds on a matter it was public. The process was also confined to a three-hour workshop instead of the customary protracted process of the Delphi method. This adaptation of the Delphi method to conduct the external validation of the MICM is in line with the view of Skulmoski, Hartman and Krahn (2007:5) that there is no typical Delphi, but that the method is adapted to suit the research question and context.

It was impressed on the participants in the workshop that their task was to validate the model and not the dissertation. In other words, they were not part of the examination process to determine whether the dissertation meets the academic and scholarly standards required of a PhD dissertation. Instead, it was their task to determine, following Troitzsch (2004:4), whether the proposed model met the criteria of:

Predictive validity   -   The model matches data *before* data are acquired from the real system.

Structural validity   -   The model not only reproduces the observed real system behaviour, but truly reflects the way in which the real system operates to produce this behaviour.

The external model validation is concerned with "the extent to which the model outputs agree with an external entity, which may be either a real world system or another validated model (validation)" (Thomas, in Hahn, 2013:879). The external entity in the present dissertation is individual municipalities in the South African local government system.

The central question that the validation workshop thus considered is whether the MICM is an appropriate representation of the real-world target system, namely, the institutional capacity of municipalities in South Africa. In answering this question it was important to note that the MICM is not presented as the ultimate model in respect of the institutional capacity of South African municipalities. Instead, as the title of the dissertation indicates (*An Institutional Capacity Model of municipalities in South Africa*), the MICM is a model based on the emic perspective of the researcher, the historical development of the South African system of local government, the discourse on developmental local government, the constitutional and legislative mandate of local government, local government performance in South Africa, and the discourse on institutional capacity. Further, the MICM provides a theoretical framework to develop tools to predict what the likely performance of a municipality will be, given its institutional capacity.

The workshop also considered the model against the epistemological perspectives identified by Pidd (2011:7798–7887), namely, the philosophical, historical and sociological perspectives.

In respect of the philosophical perspective, the MICM meets two of Pidd's three requirements, namely, (1) the model should be based on objective research, (2) should be expressed mathematically, and (3) should be obviously useful and pass critical tests intended to show its inadequacy. The MICM is based on objective research (this dissertation) and was found by the expert validation workshop to be useful. In respect of the mathematical expression, the workshop accepted that the MICM is not a tool and does not provide a complete set of key capacity areas, key capacity indicators, and a weighting and scoring matrix with which to score municipalities and attach an institutional capacity

ranking to them. It provides a theoretical framework under which assessment tools can be developed that can have mathematical formulas to underpin it. A key intervention from the statistician on the expert panel (Dr L. Scott) in this regard was that many quantitative tools fail because they are not underpinned by a strong theoretical model, a role that she sees the MICM playing for future capacity assessment tools.

In respect of the historical context and Pidd's conclusion that validity relates to the acceptability of an idea, theory or model in the community of experts scientists operating within a dominant paradigm, the workshop accepted that the MICM was developed within a context in which the rule of law and developmental local government dominate. The model was developed in a period of 'normal' science in which these two discourses were accepted as the guiding discourses for local government in its present incarnation.

From a sociological viewpoint, the workshop was of the view that the model would be accepted by the local government community by the use of positive social processes like rational argument, as opposed to negative social processes such as conflict, power plays, etc.

Two of the workshop participants (Dr H. Fast and Adv. W. Zybrands) expressed the view that they would have been more comfortable if the model were tested in a live environment. After it was discussed, the workshop accepted that the internal and external validation employed in the dissertation would be sufficient. The non-positivist character of the dissertation does not require it to be empirically validated and such empirical validation would not have added significantly to the present dissertation.

221

The workshop considered the following three statements as an outcome:

1. The MICM is an appropriate representation of the institutional capacity of municipalities in South Africa and facilitates the development of tools to measure institutional capacity in municipalities that will have predictive and structural validity.

    OR

2. The MICM is not an appropriate representation of the institutional capacity of municipalities in South Africa and does not facilitate the development of tools to measure institutional capacity in municipalities that will have predictive and structural validity.

    OR

3. The MICM can, with improvements, be an appropriate representation of the institutional capacity of municipalities in South Africa and facilitate the development of tools to measure institutional capacity in municipalities that will have predictive and structural validity.

The workshop concluded by accepting statement number 3, namely that the MICM can, with improvements, be an appropriate representation of the institutional capacity of municipalities in South Africa and facilitate the development of tools to measure institutional capacity in municipalities that will have predictive and structural validity.

The improvements proposed by the workshop were that KCA2 be renamed from 'Revenue' to 'Fiscal Management' and that the narrative on KCE2 (Innovation) be

strengthened. Both these changes have been made to the model and the model has thus passed the external expert validation.

5.8   Summary

This chapter presented the institutional capacity model by (1) discussing measurement as scientific activity; (2) examining models and their definitions and applications in the social sciences; (3) describing the model development process; (4) presenting the Municipal Institutional Capacity Model; (5) listing and describing the key capacity elements & key capacity areas of the MICM; and (6) describing the model validation process.

The importance of measurement in the scientific enterprise was discussed and reference made to examples of measuring activities and records in history. In the context of the dissertation, the value of measurement in the determination of institutional capacity was discussed and a list of the advantages of measuring institutional capacity provided. The dissertation and the model presented in Chapter 5, is thus situated in the centuries-old tradition of measurement and scientific activity.

The chapter also explored the definition of models and their use in the social sciences. The difficulty experienced by some authors in defining the term 'model' was highlighted. Notwithstanding this difficulty, for use in this dissertation, the term 'model' was defined as a reductionist representation of municipalities as the target system aimed at explaining and predicting phenomena.

The process and principles for model development were described and used for the development of the institutional capacity model that is the subject of this dissertation. Based on the information in Chapters 2, 3 and 4, a model, called the Municipal Institutional Capacity Model (MICM) was presented. The key capacity elements (KCEs) and key capacity areas (KCAs) that the MICM is composed of were presented and described. The MICM can serve as framework to develop tools to predict the likely performance of municipalities in South Africa, given its institutional capacity (the meso level). These predictions can then be used to influence the macro level (the system of local government as a whole) in South Africa. The model thus provides information at the meso level but will impact on the macro level.

A process of validation of the model was described in the chapter. This validation process comprised an internal as well as external validation. The internal validation was based on a triangulation of calibrating the MICM with: (1) the continuities between the different eras of local government development in South Africa; (2) the developmental mandate of local government; (3) the constitutional and legislative mandate of local government in South Africa; (4) the status quo in respect of local government performance in South Africa; and (5) the discourse on institutional capacity and capacity measurement. The external validation was based on an expert validation workshop in which four experts engaged with the MICM and considered whether the MICM provides predictive and structural validity and whether the model outputs agree with an external entity, in this case municipalities in South Africa. The workshop concluded that the MICM could, with improvements, be an appropriate representation of the institutional capacity of municipalities in South Africa and facilitate the development of tools to measure institutional capacity in municipalities that

will have predictive and structural validity. The changes proposed by the workshop were effected to the model.

The next chapter, Chapter 6, concludes the dissertation by providing a summary, findings, and conclusions.

CHAPTER 6

CONCLUSIONS AND RECOMMENDATIONS

6.1   Introduction

This dissertation set out to improve the understanding of the performance context of the system of local government as well as of individual municipalities in South Africa. This goal was pursued through the development of a model of institutional capacity of municipalities in South Africa. The model that is presented in the dissertation, the Municipal Institutional Capacity Model (MICM) is diagnostic in orientation and is available to national and provincial governments in South Africa in pursuit of fulfilling their constitutional obligation to monitor, support and strengthen local government. The MICM is, however, not a tool and therefore does not provide a comprehensive set of key capacity indicators and a weighting & scoring matrix with which to score municipalities and attach an institutional capacity ranking to them. The MICM on its own can therefore not be used to diagnose institutional capacity, but provides a theoretical framework within which an institutional capacity assessment tool can be developed and applied. The development of tools using the MICM can be an area of further research that can emanate from this dissertation.

The dissertation is structured as follows:

226

- It is underpinned by Introduction and Conclusions & Recommendations chapters.

- It contains two chapters on the development of the South African state with specific reference to the system of local government, namely:

    o Chapter 2   -   The South African State: A New Historiography; and

    o Chapter 3   -   Local Government in South Africa: The Current Reality.

- It also contains two chapters on the construction of an institutional capacity assessment model, namely:

    o Chapter 4   -   Institutional Capacity; and

    o Chapter 5   -   A Proposed Institutional Capacity Model.

A substantial portion of the dissertation is devoted to a historical exposition of the development of the South African state and the system of local government. The two chapters that deal with this are constructed to, firstly, provide the historical context within which the MICM is developed and presented; and secondly, and perhaps more importantly, to provide the data that would partly inform the construction of the MICM and the key capacity elements and key capacity areas that the model consists of. In addition to this historical data, the MICM is also informed by the developmental mandate of local government, based on the discourse on the developmental state and developmental local government; the constitutional and legislative mandate of local government in South Africa; the status quo in respect of local government performance in South Africa; and the discourse on institutional capacity.

6.2 Findings

The dissertation was designed to answer two main questions, each in turn consisting of two sub-questions. These questions and sub-questions are:

Question 1

What is an extensive definition of institutional capacity of municipalities in South Africa?

Sub-questions

- What are the generic definitions of institutional capacity available in the literature?

- What are the elements making up the institutional capacity of municipalities in South Africa?

Question 2

How does one measure the institutional capacity of municipalities in South Africa?

Sub-questions

- What is an appropriate framework for institutional capacity of municipalities in the South African context?

- How should a model of the institutional capacity of municipalities in the South African context be constructed?

Question 1 and its sub-questions are answered in sub-section 4.2 of the dissertation. The work of Brinkerhoff (1994:137); the Bureau for Development Policy of the United Nations Development Programme (United Nations Development Programme, 1998:5); Horton et al. (2003:19); Boesen (2006:6); Organisation for Economic Co-Operation and Development (OECD) (2006:12); the European Commission (2005:6); Ndletyana and Muzondidya (2009:21); the *Concise Oxford English Dictionary* (2009:486); the Capacity Development Practice, UNDP, Bratislava Regional Centre, (United Nations Development Programme, 2010a:5); Gelderblom (2010:8); the Department of Cooperative Government & Traditional Affairs (Republic of South Africa, 2012:3); and Wachira, 2009:8) provided the basis for the development of a definition of institutional capacity that underpinned the development of the MICM. Definitions ascribed to the term 'institutional capacity' by these authors are referenced and the following definition of institutional capacity is proffered: *Institutional capacity is (1) the potential ability; and (2) the commitment of an institution to exercise the powers and perform the functions assigned to it in terms of the Constitution and other legislation efficiently, effectively and sustainably.*

The answers to Question 2 and its sub-questions are primarily found in sub-section 4.3. The work of Lusthaus et al. (1995:29); Lusthaus et al, (1999:60); the European Commission (2005:16); and Wachira (2009:7) was used as basis to answer the second set of questions. These authors identified a range of elements that make up institutional capacity. These elements are in turn grouped into three broad categories, namely (1) people (comprising leadership, human resources, management, etc.); (2) resources (comprising finance, technology, infrastructure, etc.); and (3) processes (comprising strategy, planning, monitoring, communication, etc.). In answer to sub-question 2.2, the structure of the MICM is described as follows:

- It consists of two stages, namely (1) viability; and (2) sustainability.

- Two key capacity areas, namely leadership and innovation, form the bookends of the model.

- The following key capacity elements are included:

    o Long term visioning and planning

    o Fiscal management

    o Public participation

    o Organisational structure

In addition to the answers to the questions provided above, the following are identified as findings from the dissertation.

Local government challenges

Nine challenges facing local government in South Africa have been listed, namely (1) constitutional independence versus capacity of some municipalities; (2) over-regulation of municipalities; (3) demarcation issues; (4) fiscal and financial position of municipalities; (5) separation of executive and legislative powers; (6) support to local government; (7) corruption; (8) skills and capacity of elected leadership; and (9) management and technical capacity.

<u>Continuities</u>

Three continuities have been identified between the different eras of the development of the South African local government system. These continuities are (1) the form and function of local government; (2) the questionable probity and capacity of political and administrative leadership; and (3) active citizenship.

6.3   Theoretical Discourses

The theoretical discourses within which the dissertation and the model are presented are (1) the developmental state and developmental local government; (2) the constitutional and legislative mandate of local government; and (3) the discourse on institutional capacity and capacity assessment.

The dissertation presents a discussion on the discourse of the developmental state and developmental local government. The dissertation, amongst others, presents an argument that in the quest for achieving the Millennium Development Goals, the role of the state in alleviating the impact of poverty on people and the environment becomes more and more important. It might be difficult to replicate the implementation of a developmental state in South Africa as a result of three reasons, namely: (1) the democratic nature of the South African state and the relatively strong civil society; (2) the mineral resources that South Africa possesses and the resultant impact of the 'Resource Curse'; and (3) the legacy issues prevalent in South Africa.

Nevertheless, the importance of the system of local government and the individual municipalities in establishing the developmental state is highlighted. It is stated in the dissertation that the success or failure of the South African developmental state hinges on the ability of the system of local government and the 278 municipalities individually to discharge their constitutional mandate in an efficient, effective and sustainable manner. Developmental local government is presented as a theoretical discourse for underpinning this important role for local government in the development context.

Also, the constitutional mandate of local government in South Africa, as a state in which the rule of law is applicable, is important. It is stated that the developmental DNA of the current local government system is contained in the Constitution and reference is, inter alia, made to the objects of local government as contained in section 152 of the Constitution.

Further, an exposition of capacity is presented and structured to include the definition of institutional capacity, the elements that comprise institutional capacity; the usefulness of institutional capacity; institutional capacity assessment in the open systems context; institutional capacity assessment as diagnostic tool; and existing institutional capacity assessment models. A key weakness that can be identified in the literature on institutional capacity is the absence of the inclusion of innovation in respect of the determination of institutional capacity. This absence is notwithstanding the fact that public institutions, including municipalities in South Africa, are faced with a fast-changing environment that requires being able to quickly adapt to changes in the technological, social, economic, political and natural environments. The MICM attempts to fill this gap by presenting

232

innovation as a key institutional capacity area, specifically linked to the sustainability of municipalities.

6.4   Presentation of the Model

The model is presented both as a theory or "set of sentences in an axiomatized system of first order logic" *(*Frigg & Hartman, 2012:23) and in a graphic representation. The MICM is constructed as three sections consisting of two capacity areas, namely, a primary capacity area (leadership) and a secondary capacity area (innovation); and a set of four key institutional capacity elements, namely, (1) long- term visioning & planning; (2) fiscal management; (3) public participation; and (4) human resources. The MICM can be described as a two-stage open system capacity model. The MICM enriches the discourse on institutional capacity and capacity assessment by including innovation as a key institutional capacity area.

6.5   Recommendations

The dissertation is concluded with two sets of recommendations, namely (1) recommendations about the use and application of the MICM; and (2) further research that can flow from this dissertation.

In respect of the use and application of the MICM it is recommended that the model be used by national and provincial governments in South Africa, as well as by other

institutions with the mandate to monitor and support local government, to base the development of tools for the assessment of municipal institutional capacity in South Africa. These institutions can use the MICM to facilitate the development of tools for the assessment of the institutional capacity of municipalities in South Africa. In doing this, attempts at strengthening the system of local government and individual municipalities should be focussed on the key capacity areas identified, namely leadership and innovation, as well as the key capacity elements identified, namely long-term visioning and planning, fiscal management, public participation and human resources. These attempts at strengthening local government should be predicated on the dual axis described in sub-section 5.5 above, namely 'what' local governments should do on the one hand, and 'how' they should do it on the other. It is further recommended that the challenges and proposed solutions listed in sub-section 3.7 be utilised by the appropriate authorities and institutions to improve the system of local government in South Africa.

The dissertation touches on areas that require further research which could, for reasons of focus of the dissertation and the required brevity of a doctoral dissertation, not be fully canvassed in the present dissertation. These areas vary from philosophical/theoretical research on the one hand to more practical research on the other and are as follows.

Firstly, it might be interesting to investigate whether there is a link between the behaviour of pre-colonial societies towards their leaders and the electoral behaviour in post-Apartheid South Africa. In sub-section 2.3.1 reference is made to how the Khoikhoi guarded against their chiefs exceeding the limitations of their authority. Table 2.1 shows how electoral support since 1994 in the Western Cape have resulted in a change of government for every election from 1994 - 2009. Even though this dissertation cannot and

does not intend to prove a link between the behaviour of these pre-colonial societies and present electoral behaviour further research into these patterns and whether there is a genetic or evolutionary explanation for this might be illuminating.

Secondly, further research into the theoretical underpinnings of local government in South Africa might be appropriate. In the present dissertation the discourse around the developmental state, and developmental local government as its expression in the local state, is presented as a coherent theoretical discourse for underpinning this important role for local government in the development context. a study comparing this theoretical framework, namely developmental local government, with other theoretical outlooks, for example the 'open opportunity society' advocated by some, might provide for interesting outcomes.

Thirdly, further investigation of the challenges facing local government and proposed solutions to these challenges might be of critical importance for the improvement of local government. Research into this must investigate the macro-, meso- and micro-levels of local government in South Africa. In other words it must consider challenges and solutions at the systemic, municipal and individual local government practitioner levels.

Fourthly, and perhaps most importantly, this dissertation provides a theoretical model within which the institutional capacity of municipalities in South Africa can be diagnosed. To make this framework useful will require the development of an assessment tool including key capacity indicators and a weighting and scoring matrix with which to score municipalities and attach an institutional capacity ranking to them.

BIBLIOGRAPHY

Abrahams, L., Fitzgerald, P. & Cameron, R. 2009. A single public service for South Africa: Process and prospects. *Journal of Public Administration,* 44(Special issue 1), December, 1046–1066.

Adair, J. & Thomas, N. (eds.) 2004. *The John Adair handbook of leadership and management.* London: Thorogood.

Allan, K. 2006. A critical reflection on local government performance. *Service Delivery Review*, 5(2):34–35.

Alessandrini, M. 2012. Non-positivist approaches to research in the Third Sector: Empowered policy-making. [Online]. Available: http://c.ymcdn.com/sites/www.istr.org/resource/resmgr/wp2012/m_alessandrini.pdf. [2014, November 14].

Asmah-Andoh, K. 2009. Implementation of developmental local government. *Journal of Public Administration*, 44(Special issue 1), April: 100–111.

Atkinson, D. 2002. *Local government, local governance and sustainable development: Getting the parameters right*. Cape Town: HSRC. [Integrated Rural and Regional Development Research Programme: Occasional Paper 4.]

Atkinson, D. 2007. Taking to the streets: Has developmental local government failed in South Africa? In Buhlungu, S., Daniel, J., Southall, R. & Lutchman, J. (eds.). *State of the nation: South Africa 2007*. Cape Town: HSRC Press. 53–77.

Babbie, E. 2010. *The practice of social research.* 12th ed. Belmont, CA: Wadsworth.

Babbie, E. & Mouton, J. 2001. *The practice of social research.* Cape Town: Oxford University Press Southern Africa.

Balci, O. 1998. Verification, validation and testing, in Banks, J. (ed.). *Handbook of simulation: Principles, methodology, advances, applications, and practice.* New York, NY: Wiley. 335–393.

Barichievy, KC. 2006. Efficiency versus democracy: Unpacking the decision-making process in South African cities. Unpublished PhD thesis. Pietermaritzburg: University of KwaZulu-Natal.

Bassiouni, C. 1998. Toward a universal declaration on the basic principles of democracy: From principles to realization, in *Democracy: Its principles and achievement*. Geneva: Inter-Parliamentary Union. 1–19.

Beetham, D. 1998. Democracy: Key principles, institutions and problems, in *Democracy: Its principles and achievement.* Geneva: Inter-Parliamentary Union. 21–29.

Beinart, W. 2001. *Twentieth-century South Africa*. 2nd ed. Oxford: Oxford University Press.

Bekink, B. 2006. The restructuring (systemization) of local government under the Constitution of the Republic of South Africa, 1996. Unpublished LLD thesis. Pretoria: University of Pretoria.

Bekker, S. 2010. Explaining violence against foreigners and strangers in urban South Africa: Outbursts during May and June 2008, in Yusuf, A.A. (ed.). *African yearbook of international law, Vol. 16.* Leiden: Brill Nijhoff. 125–149.

Binns, T. & Nel, E. 2002. Devolving development: Integrated development planning and developmental local government in post-apartheid South Africa. *Regional Studies*, 36(8):921–945.

Bless, C., Higson-Smith, C. & Kagee, A. 2006. *Fundamentals of social research methods: An African perspective*. 4th ed. Cape Town: Juta.

Boesen, N. 2006. *Institutional assessment and capacity development: Why, what and how?* [Online] Available: http://ec.europa.eu/europeaid/multimedia/publications/publications/manuals-tools/t106_en.htm [2010, August 3].

Borins, S. 2002. Leadership and innovation in the public sector. *Leadership & Organization Development Journal*, 23(8):467–476.

Botes, P.S. 1996. Scientific methodology (preparation of dissertations, theses and scientific papers in Public Administration). Unpublished. Pretoria: School for Public Management and Administration, University of Pretoria.

Botes, P.S., Brynard, P.A., Fourie, D.J. & Roux, N.L. 1992. *Public administration and management: A guide to central, regional and municipal administration.* Pretoria: HAUM.

Brinkerhoff, D.W. 1994. Institutional development in World Bank projects: Analytical approaches and intervention designs. *Public Administration and Development*, 14(2):135–151.

Brown, D.R. & Harvey, D. 2006. *An experiential approach to organization development.* 7th ed. Upper Saddle River, NJ: Pearson Prentice Hall.

Buhlungu, S. & Atkinson, D. 2007. Politics: Introduction, in Buhlungu, S., Daniel, J., Southall, R. & Lutchman, J. (eds.) *State of the nation: South Africa 2007*. Cape Town: HSRC Press. 27–34.

Butler, A. 2010. Consolidation first: Institutional reform priorities in the creation of a developmental state in South Africa, in Edigheji, O. (ed.). *Constructing a democratic developmental state in South Africa: Potentials and challenges.* Cape Town: HSRC Press. 183–201.

Cameron, R. 1993. Regional Services Councils in South Africa: Past, present and future. *Public Administration*, 71(3), September: 417–439.

Cameron, R. 1995. The history of devolution of powers to local authorities in South Africa: The shifting sands of state control. *Local Government Studies*, 21(3), Autumn: 396–417.

Cameron, R. 2006. Local government boundary reorganisation, in Pillay, U., Tomlinson, R. & Du Toit, J. (eds.). *Democracy and delivery: Urban policy in South Africa*. Cape Town: HSRC Press. 76–106.

Christmas, A. & De Visser, J. 2009. Bridging the gap between theory and practice: Reviewing the powers and functions of local government in South Africa. *Commonwealth Journal of Local Governance*, (2). [Online]. Available: http://epress.lib.uts.edu.au/ojs/index.php/cjlg [2010, August 4].

Cloete, J.J.N. 1971. *Munisipale regering en administrasie in Suid-Afrika*. Pretoria: Van Schaik.

Cloete, J.J.N. (ed.). 1995. *Public administration glossary.* Pretoria: Van Schaik.

Cloete, J.J.N. 1997. *South African municipal government and administration*. Pretoria: Van Schaik.

Concise Oxford English Dictionary. 11th rev. ed. 2009. Oxford: Oxford University Press.

Constitutional Court. 1996. Ex Parte Chairperson of the Constitutional Assembly: In re Certification of the Constitution of the Republic of South Africa, 1996 (4) SA 744 (CC).

Craythorne, D.L. 1997. *Municipal administration: A handbook.* 4th ed. Kenwyn: Juta.

Creamer, M.C., Varker, T., Bisson, J., Darte, K., Greenberg, N. Lau, W., Moreton, G., O'Donnell, M., Richardson, D., Ruzek, J., Watson, P. & Forbes, D. 2012. Guidelines for peer support in high-risk organizations: An international consensus study using the Delphi method. *Journal of Traumatic Stress,* 25(2), April: 134–141.

Den Hartog, D. & Koopman, P. 2001. Leadership in organizations, in Anderson, N., Ones, D.S., Sinangil, H.K. & Viswesvaran, C. (eds.). *Handbook of industrial, work & organizational psychology, Vol. 2.* London: Sage. 166–187.

Déry, R., Landry, M. & Banville, C. 1993. Revisiting the issue of validation in OR: An epistemological view. *European Journal of Operational Research*, 66(2):168–183.

Development Bank of Southern Africa Development Fund. 2009. Sustainable Municipal Reporting System: Assessors manual. Unpublished. Midrand: DBSA Development Fund.

DeVellis, R.F. 2003. *Scale development: Theory and applications.* 2nd ed. Thousand Oaks, CA: Sage.

DeVellis, R.F. 2012. *Scale development: Theory and applications*. 3rd ed. Thousand Oaks, CA: Sage.

De Visser, J., Steytler, N. & May, A. 2009. *The quality of local democracies: A study into the functionality of municipal governance arrangements*. Bellville: Community Law Centre, University of the Western Cape.

Drucker, P.F. 1958. Long range planning: Challenge to management science. [Online]. Available: http://foresight.pbworks.com/f/Drucker+(1959)+Long-Range+Planning++-+Challenge+to+Management+Science.pdf [2014, August 20].

Edigheji, O. 2010. Constructing a democratic developmental state in South Africa: Potentials and challenges, in Edigheji, O. (ed.). *Constructing a democratic developmental state in South Africa: Potentials and challenges.* Cape Town: HSRC Press. 1–33.

Elphick, R. 1977. *Kraal and castle: Khoikhoi and the founding of white South Africa.* New Haven, CT: Yale University Press.

Elphick, R. & Giliomee, H. 1989. The origins and entrenchment of European dominance at the Cape, 1652 – c. 1840, in Elphick, R. & Giliomee, H. (eds.). *The shaping of South African society, 1652 – 1840.* 2nd ed. Middletown, CT: Wesleyan University Press. 521–566.

Elphick, R. & Malherbe, V.C. 1989. The Khoisan to 1828, in Elphick, R. & Giliomee, H. (eds.). *The shaping of South African society, 1652 – 1840.* 2nd ed. Middletown, CT: Wesleyan University Press. 3–55.

Elphick, R. & Shell, R. 1989. Intergroup relations: Khoikhoi, settlers, slaves and free blacks, 1652–1795, in Elphick, R. & Giliomee, H. (eds.). *The shaping of South African society, 1652 – 1840.* 2nd ed. Middletown, CT: Wesleyan University Press. 184–230.

European Commission. 2005. *Institutional assessment and capacity development: Why, what and how.* Tools and methods series: Reference Document No. 1. Luxembourg: Office for Official Publications of the European Communities.

Fakir, E. 2005. The democratic state versus the developmental state: A false dichotomy. *Isandla Development Communiqué,* 2(6)*.* [Online]. Available: http://sarpn.octoplus.co.za/documents/d0001561/P1902-Isandla_Volume2No6.pdf [2014, April 21].

Falletta, S.V. 2005. *Organizational diagnostic models: A review & synthesis: White Paper*. Sunnyvale, CA: Leadersphere Inc.

Floyd, T.B. [1952]. *Better local government for South Africa*. Pietermaritzburg: Shuter and Shooter.

Frigg, R. & Hartmann, S. 2012. Models in science, in Zalta, E.N. (ed.). *Stanford encyclopedia of philosophy*. Stanford, CA: Stanford University.

Gelderblom, D. 2003. *Social institutions*. Cape Town: Oxford University Press Southern Africa.

Gilbert, G.N. & Troitzsch, K.G. 2005. Simulation for the social scientist. Maidenhead: Open University Press.

Gilbert, N. & Terna, P. 2000. How to build and use agent-based models in social science. *Mind & Society*, 1(1):57–72.

Gill, R. 2011. *Theory and practice of leadership*. 2nd ed. London: Sage.

Goldman, I. & Reynolds, K. 2008. Rural local governance, in Van Donk, M., Swilling, M., Pieterse, E. & Parnell, S. (eds.). *Consolidating developmental local government: Lessons from the South African experience*. Cape Town: UCT Press. 131–154.

Green, L.P. 1957. *History of local government in South Africa*. Cape Town: Juta.

Groenewald, C. 2008. Western Cape: An overview, in Marindo, R., Groenewald, C.J. & Gaisie, S.K. (eds.). *The state of the population in the Western Cape Province*. Cape Town: HSRC Press. 7–24.

Gumede, W. 2009. *Delivering the democratic developmental state in South Africa.* Midrand: DBSA. [Development Planning Division. Working Paper Series No. 9.]

Hahn, H.A. 2013. The conundrum of verification and validation of social science-based models, in Paredis, C.J.J., Bishop, C. & Bodner, D. (eds.). Conference on Systems Engineering Research (CSER'13), Atlanta, GA, 19–22 March. *Procedia Computer Science*, 16:878–887.

Hall, S. 2010. Farming communities of the second millennium: Internal frontiers, identity, continuity and change, in Hamilton, C., Mbenga, B.K. & Ross, R. (eds.). *The Cambridge history of South Africa, Volume 1: From early times to 1885*. New York: Cambridge University Press. 112–167.

Hamilton, C., Mbenga, B.K. & Ross, R. 2010. The production of preindustrial South African history, in Hamilton, C., Mbenga, B.K. & Ross, R. (eds.). *The Cambridge history of South Africa, Volume 1: From early times to 1885*. New York: Cambridge University Press. 1–62.

Hartmann, S. 2005. Models as a tool for theory construction: Some strategies of preliminary physics. [Online]. Available: http://philsci-archive.pitt.edu/2410/1/Models.pdf [2014, January 13].

Havenga, B. 2002. The restructuring of local government with specific reference to the City of Tshwane. Unpublished PhD (Public Management) thesis. Pretoria: University of Pretoria.

Hemson, D., Carter, J. & Karuri-Sebina, G. 2009. Service delivery as a measure of change: State capacity and development, in Kagwanja, P. & Kondlo, K. (eds.). *State of the nation: South Africa 2008.* Cape Town: HSRC Press. 151–177.

Heymans, C. 1993. Towards people's development? Civic associations and development in South Africa. *Urban Forum*, 4(1):1–20.

Heymans, C. 2006. Local government organization and finance: South Africa, in Shah, A. (ed.). *Local governance in developing countries.* Washington, DC: International Bank for Reconstruction and Development; World Bank. 47–92.

Heymans, C. & Mmakola, D. 1997. Local government in South Africa: A history. Background paper for the Local Government White Paper Workshop. Pretoria. [Unpublished].

Horth, D. & Buchner, D. 2014. Innovation leadership: How to use innovation to lead effectively, work collaboratively, and drive results. [Online]. Available: http://www.ccl.org/leadership/pdf/research/InnovationLeadership.pdf [2014, July 19].

Horton, D., Alexaki, A., Bennett-Lartey, S., Brice, K.M., Campilan, D., Carden, F., De Souza Silva, J., Duong, L.T., Khadar, I., Boza, A.M., Muniruzzaman, I.K., Perez, J., Chang, M.S., Vernooy, R. & Watts, J. 2003. *Evaluating capacity development: Experiences of research and development organizations around the world*. The Hague: International Service for National Agricultural Research (ISNAR); Ottawa: International Development Research Centre (IDRC), Wageningen: ACP-EU Technical Centre for Agricultural and Rural Cooperation (CTA). [Online]. Available: http://www.crdi.ca/EN/Themes/Evaluation/Pages/IDRCBookDetails.aspx?PublicationID=233 [2013, June 19].

Hsu, C. & Sandford, B. 2007. The Delphi Technique: Making Sense of Consensus. *Practical Assessment, Research & Evaluation*, 12(10), August. [Online]. Available: http://pareonline.net/pdf/v12n10.pdf. [2014, November 14].

Hughes, A., Moore, K. & Kataria, N. 2011. *Innovation in public sector organisations: A pilot survey for measuring innovation across the public sector*. [Online]. Available: http://www.nesta.org.uk/publications/innovation-public-sector-organisations [2014, November 3].

Independent Electoral Commission of South Africa. 2014. [Online]. Available: www.elections.org.za [2014, November 11].

Jaccard, J. & Jacoby, J. 2010. *Theory construction and model building skills: A practical guide for social scientists*. New York, NY: Guilford Press.

Jackson, P., Muzondidya, J., Naidoo, V., Ndletyana, M. & Sithole, M.P. 2009. *South African governance in review: Anti-corruption, local government, traditional leadership*. Cape Town: HSRC Press.

Karamoko, J. 2011. *Community protests in South Africa: Trends, analysis and explanations. Multi-level government initiative*. [Online]. Available: http://www.mlgi.org.za/publications/publications-by-theme/local-government-in-south-africa/community-protests/Community_Protests_SA.pdf [2014, July 18].

Kirk, P. & Schutte, A.M. 2004. Community leadership development. *Community Development Journal,* 39(3), July: 234–251.

Koma, S.B. 2010. The state of local government in South Africa: Issues, trends and options. *Journal of Public Administration,* 45(Special issue 1), June: 111–120.

Koorts, L. 2010. An ageing anachronism: D.F. Malan as Prime Minister, 1948–1954. *Kronos*, 36(1), November*.* [Online]. Available: http://www.scielo.org.za/pdf/kronos/v36n1/v36a05.pdf [2012, December 26].

Kulipossa, FP. 2004. Decentralisation and democracy in developing countries: An overview. *Development in Practice,* 14(6), November: 768–779.

Leibbrandt, M., Poswell, L., Naidoo, P. & Welch, M. 2006. Measuring recent changes in South African inequality and poverty using 1996 and 2001 census data, in Bhorat, H. & Kanbur, R. (eds.). *Poverty and policy in post-apartheid South Africa.* Cape Town: HSRC Press. 95–142.

Levin, R.M. 2009. Transforming the public service to support the developmental state. *Journal of Public Administration,* 44(Special issue 1), December: 943–968.

Local Government Project. 2008a. Institutional subsidiarity in the Constitution: Slapstick asymmetry or a 'rights-based' approach to powers? In *University of Western Cape Research and Roundtable Conference, April 2008, Cape Town*: 1–34. [Online]. Available: http://www.mlgi.org.za/publications/publications-by-theme/local-government-in-south-africa/powers-of-local-government/Institutional%20Subsidiarity%20in%20the%20SA%20Constitution.pdf/view?searchterm=Institutional+subsidiarity [2013, May 5].

Local Government Project. 2008b. Municipal accountability: Assessing municipal accountability tools. [Online]. Available: http://www.mlgi.org.za/publications/publications-by-theme/local-government-in-south-africa/governance-in-municipalities/Assessing%20Municipal%20accountability%20tools.pdf [2014, November 11].

Local Government Project. 2008c. The strangulation of local government. [Online]. Available: http://www.mlgi.org.za/publications/publications-by-theme/local-government-in-south-africa/development-of-local-government/The%20strangulation%20of%20local%20government%20-%201%20April%202008.pdf/view [2014, April 27].

Lusthaus, C., Adrien, M.H., Anderson, G. & Carden, F. 1999. *Enhancing organizational performance: A toolbox for self-assessment*. Ottawa: International Development Research Centre.

Lusthaus, C., Anderson, E. & Murphy, E. 1995. *Institutional assessment: A framework for strengthening organizational capacity for IDRC's research partners*. Ottawa: International Development Research Centre.

Mafunisa, T.T. 2009. Constitutional and legislative framework for effective governance in the South African local government. *Journal of Public Administration,* 44(Special issue1), October: 727–736.

Makgetla, NS. 2007. Local government budgets and development: A tale of two towns, in Buhlungu, S., Daniel, J., Southall, R. & Lutchman, J. (eds.) *State of the nation: South Africa 2007*. Cape Town: HSRC Press. 146–167.

Mamdani, M. 1996. *Citizen and subject: Contemporary Africa and the legacy of late colonialism*. Princeton, NJ: Princeton University Press.

Managa, A. 2012. *Unfulfilled promises and their consequences: A reflection on local government performance and the critical issue of poor service delivery in South Africa*. Africa Institute of South Africa. Briefing No 76. [Online]. Available: http://www.ai.org.za/wp-content/uploads/downloads/2012/05/No.-76.-Unfulfilled-promises-and-their-consequences.-A-reflection-on-local-government-performance-and-the-critical-issue-of-poor-service-delivery-in-South-Africa.pdf [2014, April 30].

Manor, J. 2004. Democratisation with inclusion: Political reforms and people's empowerment at the grassroots. *Journal of Human Development*. 5(1), March: 5–30.

Marshak, R.J. 2004. What's important to look at in organizations, in Craft, K. & Trost, A. *NEA/NTL OD Certificate Program: Diagnosing organizations with impact.* [Online]. Available: http://donblake.com/module3/DiagnosticModels.pdf [2014, November 4].

Maserumule, M.H. 2008. Framework for strengthening the capacity of municipalities in South Africa: A developmental local government perspective. *Journal of Public Administration*, 43(Special issue 3), November: 436–451.

Mathews, S. & Ohadi, N. 2008. Transformative role of local government to achieve the UN Millennium Development Goals. *Journal of Public Administration,* 43(Special issue 4), December: 749–766.

Mc Lennan, A. & Ngoma, W.Y. 2004. Quality governance for sustainable development? *Progress in Development Studies*, 4(4), October: 279–293.

McKay, E. 2001. Strategic planning: A ten-step guide. [Online]. Available: http://siteresources.worldbank.org/INTAFRREGTOPTEIA/Resources/mosaica_10_steps.pdf [2014, November 10].

Melkers, J., & Willoughby, K. 2005. Models of performance-management use in local governments: Understanding budgeting, communication, and lasting effects. *Public Administration Review*, 65(2), March: 180–190.

Meyer-Resende, M. 2011. *Report: International consensus: Essential elements of democracy.* Democracy Reporting International (DRI). [Online] Available: http://www.democracy-reporting.org/files/essential_elements_of_democracy_2.pdf [2014, November 4].

Mngadi, D. 2010. E-mail 16 February.

Mogale, TM. 2003. Developmental local government and decentralised service delivery in the democratic South Africa, in Mhone, G. & Edigheji, O. (eds.). *Governance in the new South Africa: The challenges of globalisation.* Cape Town, UCT Press. 215–242.

Momoniat, I. 2001. Fiscal decentralisation in South Africa: A practitioner's perspective. [Online]. Available: http://info.worldbank.org/etools/docs/library/128819/Momoniat%202001%20South%20Africa.pdf [2014, July 19].

Morgan, P & Taschereau, S. 1996. *Capacity and institutional assessment: Frameworks, methods and tools for analysis.* Gatineau, Quebec: Canadian International Development Agency.

Mothae, L. 2008. Training as an essential tool for successful local government transformation: Developing the culture of learning in municipalities. *Journal of Public Administration,* 43(Special issue 4), December: 820–830.

Mouton, J. 2001. *How to succeed in your master's and doctoral studies: A South African guide and resource book.* Pretoria: Van Schaik.

Municipal Demarcation Board. 2012. State Municipal Capacity Assessment, 2010/2011: National trends in municipal capacity. [Online]. Available: http://led.co.za/sites/led.co.za/files/cabinet/orgname-raw/document/2012/state_of_municipal_capacity_assessment_2010_11_national_trends_report.pdf [2004, April 30].

Nackerdien, E. c. 2005. Private, unrecorded discussion.

Naidoo, P. & Reddy, P.S. 2008. Total quality management and benchmarking in South African local government: Towards improved service delivery. *Politeia,* 27(3):37–53.

Naidoo, V. & Jackson, P. 2009. Reviewing South Africa's efforts to combat corruption in its bureaucracy: 1994 – 2009, in Jackson, P., Muzondidya J., Naidoo, V., Ndletyana, M. & Sithole, M.P. (eds.) *South African governance in review: Anti-corruption, local government and traditional leadership.* Cape Town: HSRC Press. 1–19.

National Planning Commission. 2011a. Diagnostic overview. [Online]. Available: http://www.npconline.co.za/MediaLib/Downloads/Home/Tabs/Diagnostic/Diagnostic%20Overview.pdf [2014, November 3].

National Planning Commission. 2011b. National Development Plan: Vision for 2030. [Online]. Available: https://www.google.co.za/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0CCwQFjAA&url=http%3A%2F%2Fwww.npconline.co.za%2Fmedialib%2Fdownloads%2Fhome%2FNPC%2520National%2520Development%2520Plan%2520Vision%25202030%2520-lo-res.pdf&ei=AHhWU5HFKMje7AaB74H4Ag&usg=AFQjCNEtBP_Dq4v_bXqZiDC0SqhcDgtn6g&sig2=GOzakb19ChW3r4HGcaYk_Q&bvm=bv.65177938,d.ZGU [2014, April 21].

Ndletyana, M & Muzondidya, J. 2009. Reviewing municipal capacity in the context of local government reform: 1994–2009, in Jackson, P., Muzondidya, J., Naidoo, V., Ndletyana, M. & Sithole, M.P. (eds.). *South African governance in review: Anti-corruption, local government and traditional leadership.* Cape Town: HSRC Press. 21–38.

Noolan, JAC. 2004. Diagnostic models: an introduction, in Craft, K. & Trost, A. *NEA/NTL OD Certificate Program: Diagnosing organizations with impact.* [Online]. Available: http://donblake.com/module3/DiagnosticModels.pdf [2014, November 4].

Nthambeleni, NB. 2008. The South African National Civic Organisation: A two-tiered movement. Unpublished DLitt. et Phil. thesis. Johannesburg: University of Johannesburg.

Nyalunga, D. 2006. The revitalisation of local government in South Africa. *International NGO Journal*, 1(2): November: 15–20.

Nyar, A. & Wray, C. 2012. Understanding protest action: Some data collection challenges for South Africa. *Transformation: Critical Perspectives on Southern Africa*, (80):22–43.

Oates, W.E. 2006. *On the theory and practice of fiscal decentralization.* IFIR Working Paper No. 2006-05. [Online]. Available: http://www.ifigr.org/publication/ifir_working_papers/IFIR-WP-2006-05.pdf [2014 April 29].

Oates, W.E. 2008. On the evolution of fiscal federalism: Theory and institutions. *National Tax Journal*, LXI(2): June: 313–334.

O'Connell, D., Hickerson, K. & Pillutla, A. 2011. Organizational visioning: An integrative review. Group & Organization Management, 36(1):103–125.

Olivier, A. 2011. How ethical is leadership? *Leadership*, 8(1), February: 67–84.

Organisation for Economic Co-Operation and Development (OECD). 2006. *The challenge of capacity development: Working towards good practice*. Paris: OECD.

O'Sullivan, D. & Dooley, L. 2008. *Applying innovation.* Thousand Oaks, CA: Sage.

Ovens, W. 2013. 20-year review of local government. [Online]. Available: http://www.salga.org.za/app/webroot/assets/files/Document%20Storer/20%20Year %20Review%20of%20Local%20Government.ppt [2014, April 20].

Paradza, G., Mokwena, L. & Richards, R. 2010. *Assessing the role of councillors in service delivery at local government level in South Africa*. Research Report no. 125. [Online]. Available: http://www.cps.org.za/cps%20pdf/RR125.pdf [2014, April 27].

Pidd, M. 2011. *Tools for thinking: Modelling in management science*. Chichester: Wiley. [Kindle edition.]

Pieterse, E. & Van Donk, M. 2008. Developmental local government: Squaring the circle between policy intent and impact, in Van Donk, M., Swilling, M., Pieterse, E. & Parnell, S. (eds.). *Consolidating developmental local government: Lessons from the South African experience*. Cape Town: UCT Press. 51–76.

Powell, D. 2012. Imperfect transition – local government reform in South Africa 1994-2012, in Booyens, S. (ed.). *Local elections in South Africa: Parties, people, politics.* Stellenbosch: SUN Press; Konrad-Adenauer-Stiftung. 11–30. [Online]. Available: http://repository.uwc.ac.za/xmlui/bitstream/handle/10566/551/PowellLocalGovernm ent2012.pdf?sequence=1 [2014, April 21].

Pratchett, L. & Wilson, D. (eds.) 1996. *Local democracy and local government*. New York: St Martin's Press.

Pretorius, D. & Schurink, W. 2007. Enhancing service delivery in local government: The case of a district municipality. *SA Journal of Human Resource Management*, 5(3):19-29.

Raga, K. & Taylor, D. 2005. Overview of required skills and expertise of councillors at the Nelson Mandela Metropolitan Municipality in terms of the new developmental mandate. *Journal of Public Administration: Conference Proceedings*, *October.* Hatfield, Pretoria: SAAPAM. 139–148.

Ramaphosa, C. 1998. The main elements of democracy: A South African experience, in *Democracy: Its principles and achievement*. Geneva: Inter-Parliamentary Union.

Reddy, P.S. (ed.). 1999. *Local government democratisation and decentralisation: A review of the Southern African region*. Cape Town: Juta.

Reddy, P.S. 2003. Organisational restructuring and structural change: Towards area based metropolitan governance in Durban. *Journal of Public Administration*, 38(4), December: 438–460.

Republic of Namibia. 1992. Local Authorities Act. Government Notice No. 116. *Government Gazette of the Republic of Namibia*, 470, 31 August 1992.

Republic of South Africa. 1996. *Constitution of the Republic of South Africa, Act No. 200 of 1996.* Pretoria: Government Printer.

Republic of South Africa. 1998. *The White Paper on Local Government*. Pretoria: Government Printer.

Republic of South Africa. 2005*. Cross-boundary Municipalities Laws Repeal and Related Matters Act, Act No. 23 of 2005*. Pretoria: Government Printer.

Republic of South Africa. 2006. Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers. Government Notice R805. *Government Gazette*, 29089, 1 August 2006.

Republic of South Africa. 2007. Local Government: Municipal Finance Management Act: Municipal Regulations on Minimum Competency Levels. Government Notice R493*. Government Gazette*, 29967, 15 June 2007.

Republic of South Africa. 2009a. *The state of local government in South Africa: Overview report – National state of local government assessments.* Pretoria: CoGTA.

Republic of South Africa. 2009b. *Local government turnaround strategy*. Pretoria: CoGTA.

Republic of South Africa. 2011. Municipal Systems Amendment Act, Act No. 7 of 2011. Government Notice No 559*. Government Gazette*, 34433. 5 July 2011.

Republic of South Africa. 2012. *Revised national capacity building framework (NCBF) for local government: 2012 to 2016*. Pretoria: CoGTA.

Republic of South Africa. 2013. *The state of local government finances and financial management as at 30 June 2013: Fourth quarter of the 2012/13 financial year: Analysis document.* Pretoria: Chief Directorate: Local Government Budget Analysis, National Treasury.

Republic of South Africa. 2014. Local Government Regulations on Appointment and Conditions of Employment of Senior Managers. *Government Gazette*, 37245, 17 January 2014.

Robinson, J. 2008. Continuities and discontinuities in South African local government, in Van Donk, M., Swilling, M., Pieterse, E. & Parnell, S. (eds.). *Consolidating developmental local government: Lessons from the South African experience*. Cape Town: UCT Press. 24–49.

Ross, R. 1989. The Cape of Good Hope and the world economy, 1652–1835, in Elphick, R. & Giliomee, H. (eds.). *The shaping of South African society, 1652 – 1840*. 2nd ed. Middletown, CT: Wesleyan University Press. 243–280.

Ross, R. 2010. Khoesan and immigrants: The emergence of colonial society in the Cape, 1500–1800, in Hamilton, C., Mbenga, B.K. & Ross, R. (eds.). *The Cambridge History of South Africa, Volume 1: From early times to 1885*. New York: Cambridge University Press. 168–210.

Roy, B. 1993. Decision science or decision aid science? *European Journal of Operational Research*, 66(2):184–203.

Sallach, D.L. n.d. Herding concepts: The contextual validation of social agent models. [Online]. Available: http://computationalsocialscience.org/wp-content/uploads/2011/10/Sallach_csss2011_submission_24.pdf [2013, July 16].

Scheepers, L.A. 2004. Professionalisation of local public administration management. Unpublished MPA research report. Bellville: University of the Western Cape.

Schmidt, D. 2008. From spheres to tiers: Conceptions of local government in South Africa in the period 1994–2006, in Van Donk, M., Swilling, M., Pieterse, E. & Parnell, S. (eds.). *Consolidating developmental local government: Lessons from the South African experience*. Cape Town: UCT Press. 109–130.

Schoeman, N.J. 2006. Rethinking fiscal decentralization In South Africa. *Journal of Public Administration*, 41(2), June: 110–127.

Schoeman, N.J. 2011. *Fiscal performance and sustainability of local government in South Africa – An empirical analysis.* Working Paper 201. [Online]. Available: http://www.econrsa.org/papers/w_papers/wp201.pdf [2014, April 29].

School of Government. 2012. Desk-top study towards the development of a national professionalisation framework for local government: Draft concept paper 1. Submitted to the German International Cooperation (GiZ) and the Department of Cooperative Governance. Bellville: School of Government, University of the Western Cape.

Schwella, E. 2001. Public sector policy in the new South Africa: A critical review. *Public Performance & Management Review*, 24(4), June: 367–388.

Schwella, E. 2013. Bad public leadership in South Africa: The Jackie Selebi case. *Scientia Militaria,* 41(1):65–90.

Seekings, J. 2000. The UDF: A history of the United Democratic Front in South Africa 1983–1991. Cape Town: David Philip.

Sefala, M.J. 2009. Nature and purpose of developmental local government: Case of the Limpopo province. *Journal of Public Administration*, 44(4), December: 1158–1172.

Selman, J. 2002. Leadership and innovation: Relating to circumstances and change. *The Innovation Journal*, 7(3). [Online]. Available: http://www.innovation.cc/discussion-papers/selman.pdf [2014, November 4].

Skulmoski, G.J., Hartman, F.T. & Krahn, J. 2007. The Delphi Method for graduate research. *Journal of Information Technology Education*, 6. [Online]. Available: http://www.jite.org/documents/Vol6/JITEv6p001-021Skulmoski212.pdf.   [2014, November 14].

Sole, F. 2009. A management model and factors driving performance in public organizations. *Measuring Business Excellence*, 13(4):3–11.

South African Native Affairs Commission Report: 1903–1905. [Online]. Available: http://archive.org/details/southafricannati00sout [2012, December 18].

South African yearbook: 2012/2013. 2013. Pretoria: Government Communications and Information System.

Steenkamp, L. 2010. Political hyenas in feeding frenzy – Vavi. *Beeld*, 26 August, 23:25). [Online]. Available: http://www.news24.com/SouthAfrica/Politics/Political-hyenas-in-feeding-frenzy-20100826 [2011, June 18].

Steytler, N. & De Visser, J. 2007. *Local government law of South Africa*. Durban: LexisNexis.

Talbot, C. 2002. Public performance: Towards a new model? In Van Wyk, B., Van der Molen, K. & Van Rooyen, A (eds.). *Outcomes-based governance: Assessing the results.* Sandown: Heinemann. 267–292.

Talbot, C. 2010. *Performance in government: The evolving system of performance and evaluation measurement, monitoring, and management in the United Kingdom*. ECD Working Papers No. 24. Washington, DC: World Bank.

Terblanche, S. 2002. *A history of inequality in South Africa, 1652–2002.* Pietermaritzburg: University of Natal Press.

Thomas, C.G. 2010. The discourses on the right to housing in Gauteng Province, 1994–2008. Unpublished Doctor of Sociology thesis. Johannesburg: University of the Witwatersrand.

Thompson, L.M. 2001. *A history of South Africa*. 3rd ed. New Haven, CT: Yale University Press.

Thornhill, C. 2008. The transformed local government system: Some lessons. *Journal of Public Administration,* 43(Special issue 2), November: 492–511.

Thornhill, C. 2009. Intergovernmental relations: The case of cooperative local government. *Journal of Public Administration,* 44(Special issue 1), October: 671–687.

Troitzsch, K.G. 2004. Validating simulation models, in Horton, G. (ed.). *Networked Simulations and Simulated Networks: Proceedings of the 18th European Simulation Multiconference, Magdeburg, Germany, 13–16 June.* Erlangen: SCS Publishing House. [Online]. Available: http://www.scs-europe.net/services/esm2004/pdf/esm-43.pdf [2014, April 14].

Tsatsire, I., Raga, K., Taylor, J.D. & Nealer, E. 2009. An historical overview of specific local government transformatory developments in South Africa. *New Contree*, 57, May: 129–148.

UNDP *see* United Nations Development Programme.

Union of South Africa. 1949. *Prohibition of Mixed Marriages Act No. 55 of 1949.* [Online]. Available: africanhistory.about.com [2012, December 21].

Union of South Africa. 1950a. *Group Areas Act No. 41 of 1950*. [Online]. Available: disa.ukzn.ac.za [2012, December 21].

Union of South Africa. 1950b. *The Immorality Amendment Act No. 21 of 1950*. Available: disa.ukzn.ac.za [2012, December 21].

United Nations Development Programme. 1998. *Capacity assessment and development in a systems and strategic management context*. Technical Advisory Paper No. 3. Management Development and Governance Division, Bureau for Development Policy.

United Nations Development Programme. 2010a. *Methodology for the assessment of municipal capacities in Turkey and the Western Balkans to deliver services*. [Online]. Available: http://europeandcis.undp.org/ourwork/cd/show/FE928899-F203-1EE9-B4EEF0410100DED8 [2013, July 1].

United Nations Development Programme. 2010b. *What are the Millennium Development Goals?* [Online]. Available: http://www.undp.org/mdg/basics.shtml [2010, April 24].

Van der Waldt, G. 2007. Municipal management: An orientation, in Van der Waldt, G. (ed.). *Municipal management: Serving the people*. Cape Town: Juta. 1–21.

Van Donk, M. & Pieterse, E. 2006. Reflections on the design of a post-apartheid system of (urban) local government, in Pillay, U., Tomlinson, R. & Du Toit, J. (eds.). *Democracy & delivery: Urban policy in South Africa*. Cape Town: HSRC Press. 137–134.

Vyas-Doorgapersad, S. 2010. Capacity building for developmental local government in South Africa. *Journal of Public Administration*, 45(1), March: 43–57.

Wachira, E. 2009. *Organizational capacity audit tool.* [Online]. Available: http://www.gesci.org/assets/files/Knowledge%20Centre/capacity-audit-tool.pdf [2013, June 19].

Webb, W. & Auriacombe, C.J. 2006. Research design in public administration: Critical considerations. *Journal of Public Administration,* 41(Special issue 1), October: 588–602.

Wessels, J.S. 2008. Transforming the public service to serve a diverse society: Can representativeness be the most decisive criterion? *Politeia,* 27(3):21–36.

Williams, J.J. 2000. South Africa: Urban transformation. *Cities,* 17(3):167–183.

Wilson, B. & Beaton, L. 2003. *Promoting institutional and organisational development: A sourcebook of tools and techniques*. London: Department for International Development.

Worden, N. 2012. *The making of modern South Africa: Conquest, segregation and apartheid*. 5th ed. Chichester: Wiley.

Wright, B.D. 1997. A history of social science measurement. *Educational Measurement: Issues and Practice*, 16(4), December: 33–45.

Young, R.D. 2003. Perspectives on strategic planning in the public sector. [Online]. Available:
http://www.ipspr.sc.edu/publication/perspectives%20on%20Strategic%20Planning.pdf [2014, November 4].

ANNEXURE

Abbreviated curricula vitae of members of the external validation panel:

De Visser, Jaap (Prof)

Prof Jaap de Visser is Director of the Community Law Centre (University of the Western Cape, Bellville), a research and advocacy institution, specialising in governance and human rights in Africa. He is a C2-rated scientist with the National Research Foundation of South Africa and co-author of *Local Government Law of South Africa*, a comprehensive textbook on municipal government in South Africa. His research, teaching and consulting focuses on multilevel government, good governance, and federalism in Africa. He has published widely on issues such as local government powers, land use planning, local government, climate change and intergovernmental relations in South Africa and elsewhere on the continent.

Prof De Visser is a visiting professor at Addis Ababa University. He has overseen and conducted research on multilevel government in South Africa, Uganda, Zimbabwe, Ethiopia, Tanzania and Kenya and has consulted for the Independent Evaluation Group (World Bank), UNICEF, UNHABITAT, Forum of Federations, the German Agency for Technical Cooperation (GTZ), South

Africa's Department of Cooperative Government & Traditional Affairs, provincial governments in South Africa, the City of Cape Town, and many other local authorities in South Africa. He was the lead consultant in the drafting of the Western Cape Land Use Planning Act of 2014. Currently, he is co-editing a book on constitution building in Africa, and conducting a case study of local law making in the City of Cape Town.

Fast, Hildegarde (Dr)

Dr Hildegarde Fast completed a bachelor's degree in history and higher diploma in education at the University of British Columbia from 1982–85. She completed a master's degree and subsequently a doctorate in history at the University of Cape Town. She worked as a research co-ordinator at Surplus People Project, an NGO, from 1996 to 1999, and as parliamentary liaison and local government researcher at the Financial & Fiscal Commission from 1999 to 2005. She joined the Western Cape Department of Local Government in 2005, where she is currently head of the Department of Local Government.

Scott, Leanne (Dr)

Dr Leanne Scott was appointed as lecturer in 1995. Prior to this she worked as a full-time research officer in a post funded by the Water Research Commission (1992–1994). She did freelance consulting during 1990–1992 while caring for her young children. She

worked for the Institute for Maritime Technology as an operational researcher from 1988 to 1990. During the period 1984 to 1987 she was employed as a research fellow at the Clinical Operational Research Unit, which is based at University College London, where she explored ways of furthering our understanding of intractable diseases through analysis and modelling.

She obtained a BSc in zoology and statistics from UCT in 1979, a BSc (Hons) in operational research in 1980, and an MSc in operational research in 1983. Her PhD (awarded in 2004) thesis was titled "Legitimacy and Decision Making in Developmental Local Government: Participative MCDA in Stellenbosch".

Dr Scott's current research is focused on two areas, namely:

- Developing, in collaboration with Prof GDI Barr, a new teaching approach, with associated tools and materials embedded in a spreadsheet environment which encourages hands-on experimentation with manipulating numerical information. It also aims to promote a sense of curiosity about statistical concepts in a way that is less dependent on the vagaries of (the English) language and thus more supportive of student learning in a non-mother tongue environment. This focus has led to several published papers and conference presentations. In classic action research style it is firmly rooted in and driven by what happens in the first-year classrooms. This is a collaborative research thrust with other members in the Department of Statistical Sciences.

- The use of multi-criteria decision-making methods in conjunction with problem-structuring methods applied to two distinct areas of concern: (i) natural resource evaluation and (ii) identification and management of problem gamblers in South Africa.

Zybrands, Werner (Adv.)

Adv. Werner Zybrands holds qualifications in public administration, law and business administration. He is an advocate of the High Court of South Africa.

During his initial municipal career he was town clerk of Brakpan for 18 years and Roodepoort for eight years. Between 1987 and 2008 he practised as specialist municipal consultant in respect of training, organisation and management reviews, municipal legal work, institutional development, strategic planning, performance management and public/private partnerships. During this period he also established and headed, as professor, the Centre for Municipal Governance of the erstwhile Randse Afrikaanse Universiteit (later University of Johannesburg).

On 1 April 2008 Adv. Zybrands accepted appointment as municipal manager of Overstrand Municipality and retired from this position on 31 December 2011. Subsequent to his retirement he is still, on a reduced scale, involved in municipal consulting activities.