

Key challenges for local government – the road whereto?

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1. Introduction

As the final tier of government, the South African local government is on a steep transformation curve. Facilitated by the Contitution of the Republic of South Africa Act 108 of 1996, the Municipal Demarcation Act 27 of 1998, the Municipal Structures Act 117 of 1998, and the Municipal Systems Act 32 of 2000, local government in South Africa had to transform itself from approximately 980 individual local authorities to the current 6 metropolitan cities, 46 district municipalities and 232 municipalities.

An important consequence of local government transformation has been the changing nature of government-community interaction and exchange. Restructuring and complex societal needs, all contribute to the dynamic challenges local government are faced with.

It is of course not possible to address all the South African local government challenges within the limitations of this article. A more comprehensive analysis of the complex local government situation should at least consider structural, functional, process, financial, infrastructure, and resource constraints. An attempt will, however, be made to briefly highlight some of the most significant challenges local government is currently facing. The approach followed is informative in nature.

2. The local government scene

There are at least six main reasons why the last decade has been a period of re-examining the roles of local government and the way in which these roles are carried out. These roles include the following:

- socio-political transformation;
- budgetary and resource pressures;
- a lack of responsiveness to public demands;
- ineffective policy programmes (insufficient service delivery);
- the need to compete in a global economy; and
- bureaucratic tendencies.

The right of existence of local authorities is *inter alia* to create an opportunity for the inhabitants of a local area to deal with matters particular to their municipality. A local authority is in fact established to promote the interest (quality of life) of the community concerned. Key elements of good governance include accountability, transparency, combating corruption, participatory governance, and an enabling legal/judicial framework. It can be argued that should one or more of these elements not be met, local government will be faced with a key challenge to remedy the situation.

3. Key challenges

Against the above background some of the key challenges will be considered.

3.1 Service delivery capacity

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South African municipalities face a daunting challenge for service delivery. An infrastructure investment review team in June 1998 estimated the municipal services and infrastructure backlog in South Africa to be in the region of R10,6 billion annually for the past ten years. Other service delivery challenges include the following:

- the improvement of access to services to make them more responsive to the needs of citizens;
- more efficiency in the use of funding;
- a faster ability to change processes and policies when problems are detected;
- better use of technology in supplying services;
- the reduction of the overlap among jurisdictions that promotes confusion and frustration; and
- the improvement of staff capacity to deal with complex environmental issues such as AIDS and poverty.

The South African Government is moving to create more and more alternative service supplying mechanisms. These may be defined as the provision of public services through arrangements other than the traditional departmental structure. A wide variety of approaches are used both within and outside the public sector.

Municipal service partnerships

The introduction of public-private partnerships (PPPs) and other forms of municipal service partnerships (MSPs) have and will continue to impact fundamentally on South African local government approaches to infrastructure and service delivery. PPPs refer to enlisting the private sector to provide services traditionally provided by the public sector. Such new partnerships bring fundamental changes – and challenges – to traditional service delivery mechanisms.

Privatisation, corporatisation and commercialisation

Two widely utilised responses to local government reform have been privatisation, which entails shifting ownership to the private sector through share transactions, and corporatisation, involving the retention of state ownership but introducing new arrangements to allow operation as a private sector enterprise.

While commercialisation implies that government can operate as a business, commercialised entities remaining inside the public service are inherently political. The challenge is that the same mix of social, economic and legal issues influencing the broader political environment will dominate commercial performance. Consequently, it may not be appropriate to assess public sector organisations primarily by standard business criteria.

3.2 Staff capacities

In a local government the resources and infrastructure are important, but undoubtedly it will be the people who, through their management and daily work, will ensure an adequate public service. The South African Local Government Association (SALGA) proposed a human resource development strategy for developmental local government. Developmental local government has four interrelated elements: maximising social development and economic growth; integrating and co-ordinating; democratising development; and leading and learning. It is on the last element that staff capacity should focus.

3.3 Fiscal base

Local authorities are primarily responsible for determining tariffs for services on a

realistic and affordable level. The main financial challenges associated with local government finances revolve around the following areas:

- Limited tax base: only a relative small portion of the local community pays for services – urbanisation also decrease the tax base.
- Bulk tariff increases, e.g. for electricity and water.
- Non-payment of services – central government increasingly has to provide bridging finance to maintain essential services such as sewerage and water.
- Population increases in urban areas resulting in squatter settlements that put further strain on existing infrastructure and limited services.

3.4 Implementing e-Governance

The South African Government increasingly makes use of information technology to deliver certain services electronically. e-Government initiatives are housed in a project dubbed “Information Communication Year 2025”. The State IT Agency (SITA) has been formed to streamline existing technologies and implement new systems in all government departments. Further impetus was provided by the Green Paper on Electronic Commerce for South Africa (November 2000). In February 2001 the South African Government introduced a document titled: “Electronic Government: The Digital Future; A Public Service IT Policy Framework” which was produced by the Department of Public Service and Administration. This Framework can be regarded as a major step towards guiding government institutions into the digital age and thus making South Africa more competitive. The target date for implementation is 2003.

Some of the challenges involved with e-Governance include the following:

- Funding and prioritisation: Balancing the cost for the purchasing of expensive technologies with the cost for immediate service delivery needs.
- Staff layoffs: Due to the computerisation of some administrative functions staff layoffs are inevitable.

- Digital divide: There is a clear distinction between those who have readily access to information technologies and those who do not. Local government should act now. The divide is not getting any narrower.
- Staff capacity: Expertise is necessary to operate complex technologies.
- Technology culture: Only a small portion of the SA society is ready to accept technology to liaise with government institutions.
- Rapid changing technologies: The tendering process for the purchasing of equipment is often not even fully completed before new, improved technologies are available.

3.5 Local economic development and global competitiveness

Good local governance is an essential ingredient for sound sustained development. Local government should create an enabling political and legal environment for equitable economic growth. Public managers are, however, confronted by a dilemma: dealing with immediate socio-economic problems such as housing and poverty, without sacrificing the long-term vision for local economic development. The “Integrated Development Plan” (IDP) that each local authority must compile, has a 25 year projection.

Globalisation has profound implications for local governance. The role of local government is to find a balance between taking advantage of globalisation and providing a secure and stable social and economic local environment. Concern with productivity and innovation must now be prominent concerns for local public management.

3.6 Co-operative governance

Whilst inter-governmental relations (IGR) are only at a formative stage in South Africa, the relationship between and within the different spheres of government is a key challenge – especially in terms of relationships between local and provincial governments. Current mechanisms established to facilitate IGR include the “Inter-Governmental Forum” (IGF), “Ministerial

Forums" (MINMECs), The "National Council of Provinces" (NCOP), and a number of technical committees to support the political structures for IGR, and to promote co-operation and consultation at an administrative level.

4. Local government *quo vadis*? Key recommendations

At this stage one may ask: Is there any hope for South Africa considering the immense challenges we are facing? Is there a road map and where does the road lead?

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When analysing the nature and extent of local government transformation, it becomes clear that management structures of local government, i.e. Mayoral Committees, should guide restructuring efforts to the optimum benefit of local society. From a moral and ethical perspective councillors and public officials should reflect the true desires, aspirations and needs of the community whom they represent. A major ethical dilemma, however, is whose needs should be prioritised? Needs and aspirations should carefully be balanced with available resources and the long-term benefits of the whole community – and not only certain role-players and groupings.

Local government management, including political representatives, should create an environment in which community members can live safely, healthy and in which they can prosper. As a road map to do this, local government should have credible arrangements for the following:

- fostering accountability and transparency at all levels of government and

public administration, including budgetary transparency;

- combating corruption through effective monitoring and reporting;
- fostering greater community participation, freedom of speech, and association to enable the beneficiaries of municipal programmes to participate effectively in determining and meeting their needs;
- applying the *Batho Pele* (people first) principles; and
- enhancing efficiency by building technical and management capacities and skills. The necessary capacities and skills include good communication with citizens and other users of the services, so that the council can determine their needs and whether those needs are being met. They also include financial planning that enables the council to determine how best to pay for service improvement and expansion and how best to obtain the best value for money. Technical skills enable the council to determine the best and most economic way to design and operate a municipal service. In this respect, the creation of Local Government Training Forums per province should receive urgent attention.

Fortunately comprehensive policy frameworks and strategies are in place. The Municipal Planning and Performance Management Regulations 2001 (Regulation 7146, Notice 796), for example, provides a framework for planning and performance management to improve service delivery. The Municipal Infrastructure Investment Unit (MIIU) was also established to provide grant funding and to assist local governments in appointing private sector consultants and with the management of contracts for the provision of municipal services.

One should realise that the road to addressing such immense challenges is a journey, and not a destiny.