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It is befitting, in an editorial of the last issue of the year, to reflect briefly on activities that took place and to use experiences acquired from such activities to predict how the future will look like. Though individual experiences varied to a great extent, a shared experience to which most would agree to; is that the year 2013 was filled with both celebratory and detracting events. The most saddening being the passing of the former State President, Nelson Rolihlahla Mandela; who after lengthy period of sickness, it still is difficult get along with the idea that he has passed on. As South Africans, we were lucky to have him as the State President of the Republic of South Africa. May his soul rest in peace! From an editorial perspective, as the Editor, together with the Editorial Committee of *Politeia*, congratulate the authors that have contributed manuscripts to *Politeia*, acknowledge the critical role of our peer reviewers, the contribution of members of the Editorial Advisory Board and the publisher (Unisa Press) for making *Politeia* a success.

I personally am thankful of the meticulous oversight and value adding role played by the Editorial Committee during the 2013 academic year. Because of the support role of the Editorial Committee and its sub-committees, all planned activities of the year under review are underway. The Editorial Committee will in the first issue of 2014 introduce a reviewed Editorial Advisory Board – yet another activity worthy of being celebrated. Because of the milestones that have been achieved, a positive prediction of future activities is justifiable. During 2014, all South Africans, will exercise their democratic right to vote into government, a political party of their choice; an event that is of interest to academics in both the disciplines – political sciences and public administration. As South Africans, we wish that the elections run as smooth as in the previous years and that they are able to sustain and nurture a democracy in which all are able to prosper.

This Issue – 32 (3) marks the end of the academic year and presents four new contributions to the body of knowledge in the disciplines – Political sciences and Public Administration. Amongst these is an article co-authored by Motingoe and van der Waldt entitled “A Monitoring and Evaluation System Utilisation model for support to South African municipalities”. In this article, Motingoe

and van der Waldt report the results of empirical research that was conducted in a sample of 36 South African local municipalities to determine the extent to which the Provincial Department of Cooperative Governance and Traditional Affairs (COGTA) and the Department of Cooperative Governance (DCoG) utilise the Government-wide Monitoring & Evaluation (M&E) system in support of municipalities. Based on the triangulation of various data sets the authors developed a model for the improved utilisation of the M&E system. From the findings of this empirical research, the authors consider that this model will assist the national and provincial governments in fulfilling their Constitutional mandate (Section 154) to support the local sphere of government in implementing the M&E.

The second article, whose focus is on neopatrimonialism in the Swazi state, has been contributed by Domson-Lindsay. As argued in this article, the literature of neopatrimonialism on African social-political structures surfaced in the 1970s and investigated the rationales behind the privatisation of state power by the African ruling class. Although the body of knowledge of neopatrimonialism is abundant, it has not been systematically analysed in the Swazi political order. Amongst the discussions that are presented in this article are a theoretical analysis of the concept neopatrimonialism, the neopatrimonial basis of authority in Swaziland and its effects, as well as the proposal by the author on what needs to be done to mitigate against severe negative impact. Though this article has identified Swaziland as a study area, its result may be useful to other African countries in which similar dimensions of power exist.

An important characteristic of the third article, which has been co-authored by Uwizeyimana and Cloete, is that it straddles between the core disciplines on which the Journal focus – Political; Science and Public Administration. This article explores the influence of political interests and political affiliation on service delivery, in particular of housing, in the Cape UniCity Council (CT). Through the analysis of scholarly literature and empirical data gathered through interviews with selected representatives of the main political parties, labour unions and community leaders in the Western Cape and statistical analysis of the data collected from the residents of Langa and Delft in CT, the article discover evidence that points to the association between political interests, affiliation and access to housing services provided by different political parties that governed the CT between 1994 and 2008. This could be attributed to the high political contestation found in the Western Cape since the advent of multi-party democracy in South Africa in 1994. The article identifies the need to reconsider effective policy mechanisms to reduce partisan bias in highly politically contested areas such as CT.

The last article is co-authored by Fourie, de la Rey, Styger and van Vuuren and is entitled “Review of subnational credit rating methodologies and the applicability in the South African context. As argued in this article, a prerequisite to enter financial markets is a credit rating. Many subnational governments (i.e. states, provinces or counties) do not have a credit rating, despite the considerable benefits credit ratings endow. In South Africa, none of the nine provincial governments is credit rated and no credit rating methodologies which specifically tailored to cater for the vagaries of South African subnationals exist. This article reviews the global approach to subnational credit ratings and demonstrates the applicability of these to a similar scheme for South African subnationals. It also demonstrates that South Africa could benefit at a national and subnational spheres if a subnational credit rating methodology exists to accurately assess and grade subnational governments. This article also notes the challenges experienced in the development of a subnational credit rating methodology in South Africa and reflects on an evaluation from whose results the benefits are found to outweigh the challenges.

A monitoring and evaluation system utilisation model for support to South African municipalities

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Abstract

Section 154 of the Constitution of the Republic of South Africa (RSA 1996) stipulates that national and provincial government must support and strengthen the capacity of municipalities to operationalise their constitutional mandate. The primary mandate of the provincial Department of Cooperative Governance and Traditional Affairs (CoGTA) and the national Department of Cooperative Governance (DCoG) is to promote sustainable development by providing support to local government. Such support should strengthen the financial, human, technical and administrative capacity of municipalities and enable them to achieve their developmental objectives. To facilitate such support, a Government-wide Monitoring and Evaluation System (GWM&ES) Policy Framework (RSA 2007b) was established. This article reports on the results of empirical research conducted in a sample of 36 local municipalities to determine the extent to which CoGTA and the DCoG utilise the Monitoring and Evaluation (M&E) system in support of municipalities. Based on these results, a model is proposed for the improvement of M&E system utilisation by CoGTA and the DCoG, in order to help them fulfil their support mandate more efficiently.

Keywords: monitoring and evaluation, Monitoring and Evaluation System, cooperative governance, intergovernmental relations, municipalities, Department of Cooperative Governance and Traditional Affairs

INTRODUCTION

Within South Africa's system of cooperative governance and intergovernmental relations (IGR), Section 154 of the Constitution of the Republic of South Africa (RSA 1996) mandates national and provincial government to support the local sphere of government. For this and other purposes, a Government-wide Monitoring and Evaluation System (GWM&ES) Policy Framework (RSA 2007b) was established to foster an integrated framework for the monitoring and evaluation of policy programme implementation endeavours in all spheres of government. In addition, according to the provincial Department of Cooperative Governance and Traditional Affairs Annual Report (CoGTA 2010, 10), the primary mandate of the national Department of Cooperative Governance (DCoG) is to promote sustainable development by providing support to local government initiatives. The support should strengthen the financial, human, technical and administrative capacity of municipalities, enabling them to achieve their developmental objectives. However, the State of Local Government in South Africa Overview Report (CoGTA 2009, 5) points to the fact that despite significant gains, many municipalities are in deep distress. They continue to falter in delivering basic municipal services which include clean water, electricity and sanitation. The Consolidated General Report on the Local Government Audit Outcomes 2009–2010 (AGSA 2010, 96) also indicates that the weak monitoring and oversight processes of systems within the national DCoG and provincial CoGTA lead to decline of audit opinion within the municipalities. The State of Local Government in South Africa Overview Report (CoGTA 2009, 22) also reveals that the causal reasons for the distress in municipalities mainly relate to the following:

- inadequate accountability measures and support systems;
- weak intergovernmental monitoring and support; and
- weak application of intergovernmental checks and balances, that is, the oversight and review process administered by the DCoG.

Considering the above state of affairs, the ineffective monitoring and inadequate intergovernmental support to municipalities make it problematic to achieve key developmental goals such as poverty alleviation, food security, job creation and infrastructure delivery.

The purpose of this article is to report on the findings of empirical research conducted in 36 sampled municipalities in South Africa to determine the extent of a Monitoring and Evaluation (M&E) system support to municipalities. Based on the data analyses a model is proposed for M&E system utilisation in support

of municipalities by CoGTA and the DCoG. The M&E system utilisation model provides solutions on how to eradicate current support weaknesses and how to achieve maximum support to municipalities.

MONITORING AND EVALUATION: CONCEPTUAL CLARIFICATION

Minnaar (2010, 157) defines monitoring simply as ‘a continuous control process’, whilst Van der Waldt (2004, 67) also notes that monitoring involves the constant tracking of performance to determine whether or not objectives are likely to be achieved. Nel (2005, 2:4.28, 5) confirms this view and adds that monitoring is also about the routine checking of information on progress so as to confirm that progress occurs against the defined direction. Prinsloo and Roos (2005, 95) remark in a similar vein that monitoring is the process of ensuring that actual activities correspond to planned activities. Valadez and Bamberger (2000, 12) offer a broader perspective of the term when arguing that monitoring entails a continuous internal management activity whose purpose is to ensure that government programmes achieve their defined objectives within a prescribed time-frame and budget.

As far as evaluation is concerned, Shafrits (1998, 818) postulates that it determines the ‘value or effectiveness’ of an activity for the purpose of decision-making. Van der Waldt (2004, 67) elaborates on this by indicating that evaluation can be regarded as an in-depth process of investigation to determine whether stated objectives have been reached, as well as determining the nature of the processes that were undertaken. Minnaar (2010, 156) confirms this view by stating that evaluation implies the comparison of the actual impact of a project against agreed strategic plans. Fox, Schwella and Wissink (2004, 126) add a further dimension when they explain evaluation as the systematic assessment of a government programme aimed at improving policy and bettering programme decisions. With reference to this, Valadez and Bamberger (2000, 12) postulate that evaluation should be seen as an internal or external management activity meant to assess the:

- appropriateness of a programme’s design and implementation methods in achieving both specified objectives and more general development objectives;
- programme’s results, both intended and unintended; and
- factors affecting the level and distribution of the benefits produced.

Valadez and Bamberger (2000, 14) continue to observe that monitoring and evaluation should be considered complementary parts of an integrated system. Consequently, evaluation should take place either continuously or periodically,

from the time the project is formulated through implementation and the operational phase. Also, information that has been monitored should be fed constantly into the national data bank. This information can be used to improve the selection and design of future projects. In the above context, reference in this article will be made to monitoring and evaluation together as the ‘M&E system’.

M&E SYSTEM UTILISATION: CURRENT STATUS IN SOUTH AFRICAN MUNICIPALITIES

The Report of the Presidential Review Commission on the Reform and Transformation of the Public Service in South Africa (1998) revealed that the Public Service faces serious challenges in the area of monitoring and evaluation. Until 2005, policy programme monitoring and evaluation were not undertaken, managed and coordinated systematically in the South African Public Service (Cloete 2009, 2:293.311, 298). The following aspects are some of the considerations that motivated a Cabinet decision in 2005 to develop a comprehensive GWM&ES:

- a need for regular national government report-backs to the International UN Millennium Goals Initiative on the progress made;
- the undertaking by the Presidency to inform citizens regularly about progress being made with the government’s National Programme of Action;
- donors that are increasingly requiring systematic monitoring and evaluation of projects and programmes that they fund, in order to protect their investments; and
- the institutionalising of national M&E systems which have proved to be international good governance practice (Cloete 2009, 2:293.311, 298).

The GWM&ES Policy Framework (RSA 2007b) stipulates that monitoring and evaluation processes can assist the public sector in evaluating its performance. Thereby such processes can help to identify the factors which contribute to service delivery outcomes in this sector. The Framework further states that monitoring and evaluation help provide an evidence base for decisions on the allocation of public resources and help identify how challenges should be addressed and successes replicated.

In support of the GWM&ES an extensive statutory and regulatory framework was established, which includes the:

- Constitution of the Republic of South Africa, Act No. 108 of 1996;
- Local Government: Municipal Systems Act, No. 32 of 2000;

- Local Government: Municipal Finance Management Act, No. 56 of 2003;
- Framework for Managing Programme Performance Information, 2007;
- Role of Premiers' Offices in Government-wide Monitoring and Evaluation: A Good Practice Guide, 2008;
- Green Paper: National Strategic Planning, 2009;
- Policy on Improving Government Performance: Our Approach, 2010; and
- South African Statistical Quality Assessment Framework (SASQAF), 2010.

In spite of this elaborate framework, Ijeoma (2010, 2:344.360, 351) contends that the GWM&ES in its current form displays clear deficiencies. This instrument is nothing more than an emerging monitoring and evaluation framework based on the collection of disparate documents published by different departments, each from the perspective of its own line function. The Monitoring and Evaluation Framework in Support of Cooperative Governance (RSA 2010, 5) indicates that it is all-important to understand the logic-model approach, which will assist in the achievement of the desired outcomes. The logic model or results-chain illustrates the logical sequence of specific inputs and activities that are needed to produce outputs, which eventually will contribute to the achievement of outcomes and a positive impact.

The performance data generated from the M&E system are used to coordinate support to municipalities, which enables them to perform their functions (RSA 2010, 13). This means that the performance information flowing from the M&E system should guide the provision of technical support to municipalities. The performance information indicates, for example, whether a particular municipality needs either skills or financial support. In this way, the potential challenges in the main function areas, such as finance, human resource, infrastructure, local economic development and governance in municipalities, are detected and corrected timeously. The aim is to enable Government to pre-empt the collapse in service delivery within municipalities while ensuring the achievement of wider developmental objectives. A further aim is to provide national and provincial governments with accurate and timely information about the progress that municipalities have made in achieving Government's key performance targets.

As a result of the negative findings of the State of Local Government in South Africa Overview Report (CoGTA 2009), Government approved a comprehensive Local Government Turnaround Strategy (LGTAS) on 2 December 2009. Poor service delivery in most municipalities over the period of five years preceding 2009, led to the key interventions of the LGTAS. These interventions include effective national and provincial support for municipalities. The LGTAS emphasises tailor-

made municipality support. In this sense, the LGTAS implies a shift away from the one-size-fits-all approach to local government support, towards a differentiated approach in supporting municipalities. The implementation of the LGTAS is premised upon the methodology which underscores a differentiated and targeted support for municipalities. The purpose is to build the capacity of municipalities in the key focus areas, such as human resources, finance, infrastructure, local economic development and governance, and thus turn them into development hubs. The complicated social, economic and environmental issues are identified, analysed and addressed at the municipal government level. Gqogana (2010, 2) indicates in this respect, however, that the multiple support programmes that are implemented to build the capacity of local government have not brought about the desired changes in municipalities.

The Framework for Managing Programme Performance Information issued by the National Treasury (RSA 2007a, 19) indicates that CoGTA is responsible for developing and implementing an integrated M&E system to support municipalities. The Monitoring and Evaluation Framework in Support of Cooperative Governance (RSA 2010, 11) further outlines a process which the national and provincial CoGTA should embark upon by employing an M&E system to support municipalities. For this purpose CoGTA has developed a set of general key performance indicators (KPIs) that address the reporting requirements for the municipalities at national level. These KPIs provide the basis for assessing the progress towards the achievement of stated goals and objectives (Seasons 2003, 4:430.440, 430). CoGTA has also developed an integrated reporting template against which municipalities report on their KPIs.

The DCoG has furthermore embarked on numerous initiatives to support municipalities, including the introduction of the Monitoring, Support and Intervention Bill, 2012 in the National Assembly by the Minister of CoGTA and the project by the DCoG entitled 'Development of a barometer and proposals for institutional arrangements to support the implementation of a differentiated approach to municipal support'. Chapter 3 of the Bill deals with national and provincial monitoring and support. The purpose of the Bill is to make provision for the supervision of provinces and municipalities.

Notwithstanding the above initiatives, the Draft Refined Delivery Agreement (DGoG 2011, 16) identifies performance information that is dispersed across different entities as one of the reasons for the lack of coordination and ineffective support to municipalities. There is no mechanism that brings together various pieces of key information to form an integrated and holistic picture of municipalities with a view to facilitating coordinated responses in terms of either support or other

interventions. Moreover, political oversight structures, such as the Ministerial Implementation Forum and the President's Coordinating Council, do not have at their disposal critical municipal information which could be used for strategic leadership over the local government sphere. The performance information of municipalities will be known to the DCoG and provincial departments of CoGTA and may be disseminated to other national and provincial sector departments. This will enable them to support municipalities in the identified areas of underperformance. In this way, critical coordination and alignment of interventions to strengthen the support to municipalities may be achieved.

The Role of Premiers' Office in Government-wide Monitoring and Evaluation: A Good Practice Guide (RSA 2008, 22) shows that the current implementation of the monitoring and reporting framework for municipalities has been influenced heavily by the Municipal Finance Management Act, No. 56 of 2003 (MFMA). The MFMA stipulates that municipalities must fulfil comprehensive reporting requirements such as:

- monthly financial reports;
- mayor's quarterly reports;
- mid-year performance assessment reports; and
- annual reports.

The Institutionalising Performance Management: A Toolkit for Municipalities (CoGTA 2007, 17) indicates that institutional arrangements refer to the structural mechanisms that have been established to assist with management of processes, such as performance management, within the institution. The Monitoring and Evaluation Framework in Support of Cooperative Governance (RSA 2010, 15) indicates that, in addition to the existing intergovernmental structures provided for in legislation, other existing structures such as M&E forums will be used to support monitoring and evaluation. Figure 1 shows M&E forums across the three spheres of government, including civil society.



Figure 1: Monitoring and evaluation structures

Source: Monitoring and Evaluation Framework in Support of Cooperative Governance (RSA 2010, 16)

As can be seen from Figure 1, the institutional arrangement for monitoring and evaluation provides evidence of community participation. This is done by cascading down monitoring and evaluation to lower levels through the Ward Committee M&E Forum. The functions of each M&E Forum are explained below briefly:

- **National M&E Forum:** This forum allows the following role-players to participate in the implementation and monitoring of the LGTAS, namely: national sector departments, provinces (Offices of the Premiers, provincial Departments, CoGTA), state-owned entities and other key stakeholders, for example the South African Local Government Association (SALGA).
- **Provincial M&E Forum:** This forum supports the coordination of the implementation, monitoring and reporting of the Municipal Turnaround Strategy (MTAS). It also facilitates the participation of sector departments in the sharing of information on their plans.
- **District Municipality M&E Forum:** The forum at this level supports implementation through the sharing of experiences, knowledge and information for continuous improvement.
- **Local Municipality M&E Forum:** The local M&E forum is a vehicle through which civil society's voice is heard clearly, which improves the participation of civil society. Additional pressure is put on Government to achieve higher levels of performance.

It should be evident that the effective implementation of monitoring and evaluation relies on appropriate internal institutional arrangements. However, the Monitoring and Evaluation Systems Approaches and Success Factors (PREVAL 2005) indicate a challenge in this regard. It is found that the lack of understanding of M&E systems' development and application as an administrative or compulsory function is currently hampering their implementation. Ijeoma (2010, 2:344.360, 351) points to the fact that even though the GWM&ES was launched in 2007, currently there are still government departments that are operating without an M&E system, thus making it difficult to determine whether they indeed are able to perform.

The Presidency of South Africa (2008, 2) explains that when the GWM&ES was officially launched in 2007, it was envisaged that the successful implementation of the system would have a huge potential for improvement of the public policy outcomes and impacts on the country. However, Cloete (2009 2:293.311, 299) and Engela and Ajam (2010, 20) observe that the updated GWM&ES implementation plan still contains no detailed implementation strategy, and no time frame has yet been determined to establish the system in South Africa to its full capacity. It can thus be argued that the utilisation of the M&E system, as far as support for municipalities is concerned, is still very limited and way overdue. A model for municipal support is thus required.

RESEARCH METHODOLOGY AND DESIGN

Based on a qualitative research design, semi-structured interviews and questionnaires were utilised as data collection methods to obtain data that were relevant to the research objectives. The reasons for employing these instruments for data collection were twofold. Firstly, to obtain the opinions and perceptions of the relevant officials in CoGTA and the DCoG respectively on the utilisation of the M&E system for the effective intergovernmental support to municipalities, and secondly, to ascertain the opinions and perceptions of officials from the local municipalities on the level of support they receive from the national and provincial government.

Purposive sampling was used to identify respondents from the national government, consisting of the directors in the Provincial and Municipal Government Support branch of the DCoG. The selected members of the population from the provincial government were directors within the CoGTA departments who are responsible for municipal performance management. A sample of 36 local municipalities was selected from a total of 230 local municipalities. This meant that four local municipalities comprising Class 1, Class 2, Class 3 and Class 4 were selected from each of the nine provinces. Out of 36 questionnaires distributed, 27 were completed and returned: 11% from Class 1; 31% from Class 2; 29% from

Class 3; and 29% from Class 4. Data were then obtained from managers responsible for Performance Management Systems but not present in a specific municipality, or from managers responsible for Integrated Development Plans (IDPs).

The questionnaire was divided into sections under the following main headings: Biographical information, Municipal information, Municipal support and Utilisation of M&E systems.

Semi-structured interviews were conducted with relevant officials of the DCoG and provincial CoGTA departments in order to generate qualitative data on the extent to which the DCoG utilises the M&E system for providing effective intergovernmental support to municipalities. Further, semi-structured interviews were conducted with officials from the local municipalities. The objective was to determine whether the level of support they receive from the provincial and national government is adequate, enabling the respective local municipalities to fulfil their statutory obligations. The totality of responses provided a balanced perspective of the respondents' views and opinions regarding utilisation of the M&E system and municipal support.

RESEARCH FINDINGS

The data obtained from the respondents, as well as an analysis of the findings, are presented below.

Municipal support

Figure 2 shows that only 10% of the participants from municipalities indicated that the DCoG and CoGTA constantly monitor and evaluate the progress made by municipalities in achieving their developmental objectives; 13% were of the opinion that this is done in fewer than 50% of the cases; 38% expressed the view that the monitoring and evaluation are seldom done; and 38% also represented the respondents who were of the opinion that monitoring and evaluation are done in between 50% and 75% of the cases.

The respondents in the provinces also had different views: 10% were of the opinion that the monitoring and evaluation of progress in municipalities happen in fewer than 50% of the cases; while 90% stated that these are done in between 50% and 75% as well as in more than 75% of the cases, that is, 45% for each category of respondents.

In the national Government, 20% of respondents believe that the monitoring and evaluation of the progress municipalities are making in achieving developmental goals is being done in more than 75% of the cases; while 30% of respondents

disagreed with the observation that it occurs in fewer than 50% of the cases. However, 50% perceived the occurrence to be in between 50% and 75% of the cases.

It can be seen that the majority of respondents across all spheres of Government viewed the monitoring and evaluation of municipal progress as taking place in between 50% to 75% of the cases. However, during the semi-structured interviews with the researchers, the respondents added that whereas monitoring is done and gaps are being identified, the corresponding support is seldom provided by CoGTA and the DCoG.

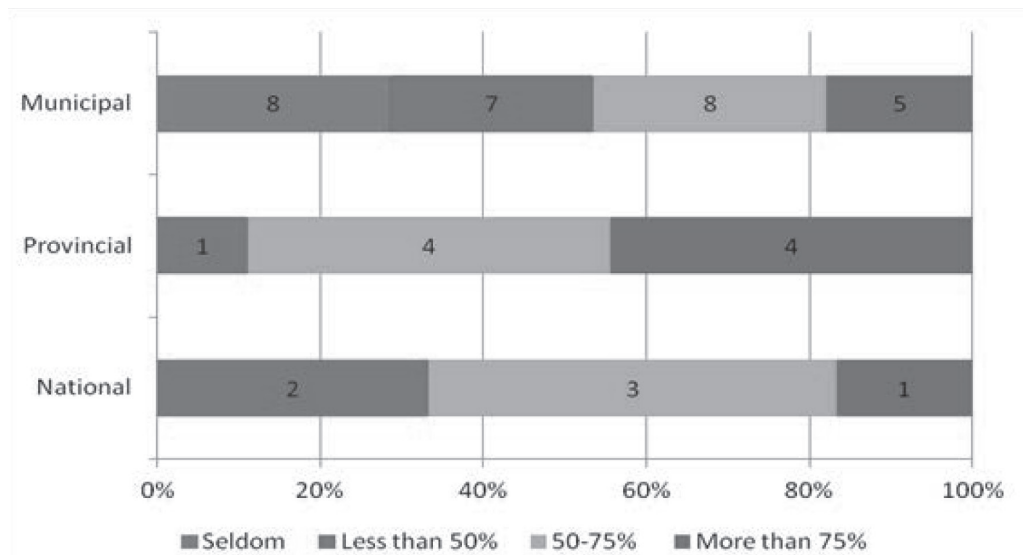


Figure 2: Monitoring and evaluation of municipal progress

The respondents were asked the following question: ‘How effective do you regard the current system of co-operative government and intergovernmental relations in South Africa in terms of strengthening the intergovernmental support to municipalities? Figure 3 shows the responses.

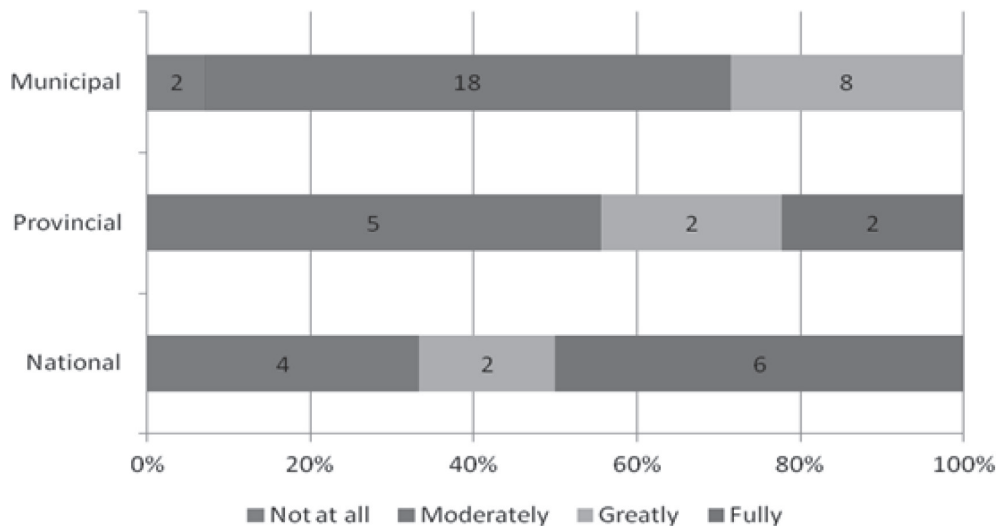


Figure 3: Cooperative government and intergovernmental relations

Figure 3 illustrates that 5% of the respondents from municipalities felt that the system is not effective at all. In contrast 20% were of the opinion that the system is greatly effective and 75% responded that it is moderately effective.

Concerning the responses from the provincial government, 40% of the participants indicated that the system is greatly and fully effective. Furthermore, 60% responded that the system is moderately effective. The figures from the national government revealed that 20% perceive the system as greatly effective, 30% as moderately effective and 50% as fully effective.

Utilisation of M&E system by the DCoG

From Figure 4, it can be seen that of the respondents from municipalities, 13% strongly disagreed that the M&E system is utilised effectively; while 30% agreed and 57% strongly agreed. In the provinces, none of the participants disagreed because 25% agreed and 75% strongly agreed. In the national government, 50% agreed while the other 50% strongly agreed. The study found that the majority of the respondents strongly agree with the utilisation of the M&E system by the DCoG.

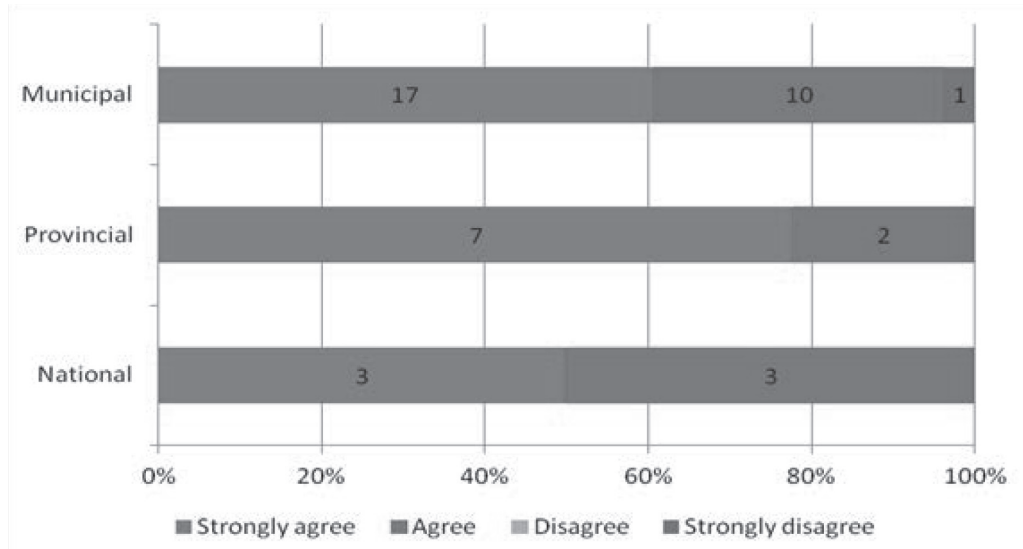


Figure 4: Utilisation of M&E system by the DCoG

During the empirical survey, the respondents in the three spheres of government also identified the following causal conditions for the ineffective utilisation of M&E system to support municipalities.

- Monitoring and evaluation is poorly institutionalised and, as a result, the M&E system is not utilised adequately at all levels of government.
- Municipalities do not have the capacity to understand and employ M&E systems, and only the national and provincial government officials do have a fair understanding of the concept.
- It is not clear whether performance information reports are analysed, as feedback is not provided to municipalities.
- The provincial and national departments of CoGTA and the DCoG respectively are currently unable to detect areas of underperformance in municipalities timeously.
- There is inadequate political oversight in municipalities on the achievement of the developmental objectives.

When asked: ‘Do you think that the provincial and national departments of CoGTA and the DCoG respectively constantly monitor and evaluate the progress made by

municipalities in achieving their developmental objectives?’ the results were as follows (Figure 5).

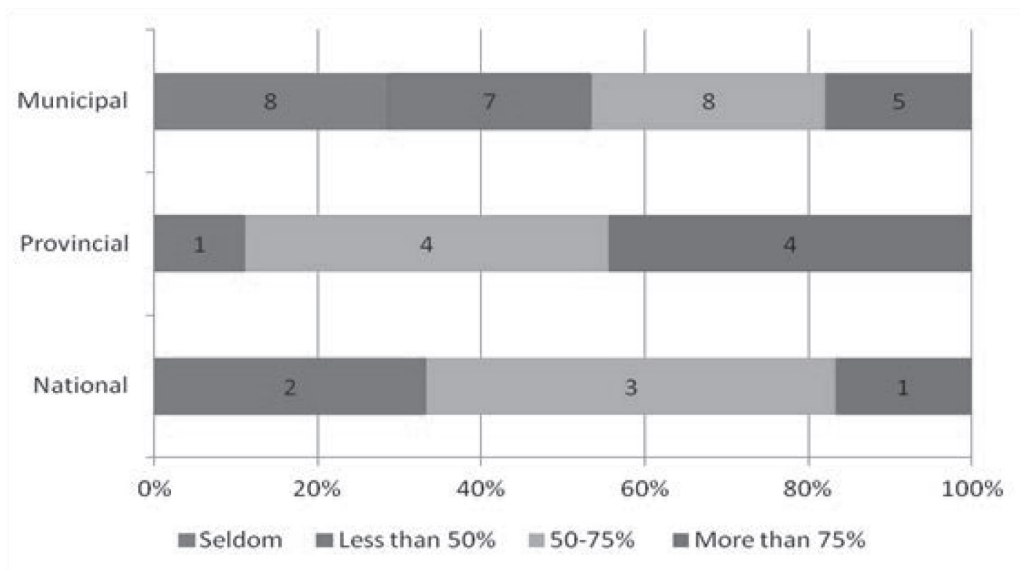


Figure 5: Monitoring and evaluation of municipal progress

According to the above graphical data, 10% of the participants from municipalities indicated that the DCoG and CoGTA constantly monitor and evaluate the progress made by municipalities in achieving their developmental objectives. However, 13% felt that this is done in fewer than 50% of the cases and 38.5% expressed the view that the monitoring and evaluation are seldom done. Nevertheless, 38.5% of the respondents were of the opinion that monitoring and review is done in 50% to 75% of the cases.

The respondents in the provinces also had different views on the matter. From these 10% represented the view that the monitoring and evaluation of progress in municipalities happen in fewer than 50% of the cases. In contrast, 90% stated that monitoring and evaluation are done in more than 50% of the cases, that is, 45% for each category of respondents.

In the national Government, 20% believe the monitoring and evaluation of the progress being made in municipalities on the achievement of developmental goals are being done in more than 75% of the cases. From these 30% disagreed as they stated that monitoring and evaluation happened in fewer than 50% of the cases. However, 50% perceived it happening in between 50% and 75% of the cases.

It can be seen that the majority of respondents across all levels of government viewed monitoring and review of municipal progress as taking place in between 50% and 75% of the cases. This is related to the fact that the respondents complained that, whereas monitoring is done and gaps being identified, the corresponding support is not provided by CoGTA and the DCoG.

The research participants were also requested to rate the overall effectiveness of the DCoG and its provincial departments in supporting the municipalities. The responses in the municipalities were that the support is completely ineffective (5%), ineffective (8%), effective (40%) and extremely effective (47%).

The responses in the provincial departments were that 25% viewed the support as being ineffective and 75% viewed it as effective. In the national Government 50% of the participants stated that the support is ineffective while 50% indicated that it is effective.

The respondents were also asked to list any constraint(s) that, according to them, hamper the provincial and national Departments of CoGTA and the DCoG from giving effective support to municipalities. The respondents in the three spheres of government identified the following constraints:

- shortage of skilled personnel;
- ever-changing/different performance templates which are issued by DCoG and CoGTA to municipalities;
- inadequate budgets at all levels of government;
- poor coordination of activities at all levels of government;
- political interference in the administration, particularly in municipalities;
- non-compliance with legislation at all levels of government;
- appointments of unsuitable personnel (deployments);
- no feedback to the affected municipalities after monitoring and diagnosis of the challenges;
- lack of integrated planning processes and strategies;
- lack of communication mechanisms and strategies; and
- top-down approach.

5.3 Utilisation of the M&E System

The respondents were requested to indicate the extent to which they agree/disagree with the statement that the M&E system is adequately utilised by the DCoG. They showed their choices as follows (Figure 6).

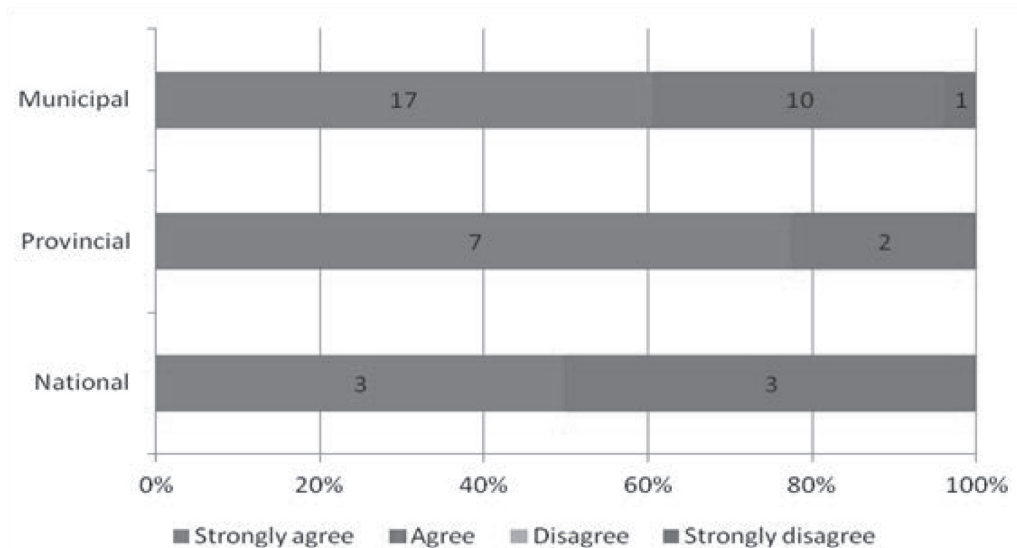


Figure 6: Utilisation of the M&E system by the DCoG

From Figure 6 it can be deduced that, in municipalities, 13% strongly disagreed, 30% agreed and 57% strongly agreed with the fact that the M&E system is adequately utilised. In the provinces, none of the participants disagreed: 25% agreed and 75% strongly agreed. In the national Government 50% agreed and another 50% strongly agreed.

The research found that the majority of the respondents strongly agreed to the utilisation of the M&E system by the DCoG. On average 66% of respondents furthermore strongly agreed that the utilisation of the M&E system should take into account the varying capacities and unique environments of municipalities, as this is critical for targeted support.

The level of intergovernmental support to municipalities was also gauged through the use of semi-structured interviews and questionnaires. The following key findings were made.

- Municipalities do not receive feedback on intergovernmental support, which is required in areas of underperformance.
- Intergovernmental support to municipalities is inadequate, not provided timeously and not addressing appropriate challenges.

As stated, the purpose of the article is to incorporate the above-mentioned empirical findings and take into consideration the causal conditions responsible for the

ineffective utilisation of the M&E system to support municipalities through the development of a model. The model is highlighted in the following section.

M&E SYSTEM UTILISATION MODEL TO SUPPORT SOUTH AFRICAN MUNICIPALITIES

The model consists of the following three main elements, namely: structures and their responsibilities in the national, provincial and local spheres; gathering and flow of performance information; and providing support to municipalities. In identifying the elements of the M&E system utilisation model for municipal support, it was crucial to take into consideration the statutory framework and theory of cooperative governance and monitoring and evaluation, as well as considering the data obtained from the empirical study. Recommendations by the respondents on the key challenges for the DCoG to utilise the M&E system effectively to support municipalities were built into the model.

Figure 7 illustrates the model for the M&E system utilisation to support municipalities, after which each element will be discussed in more detail.

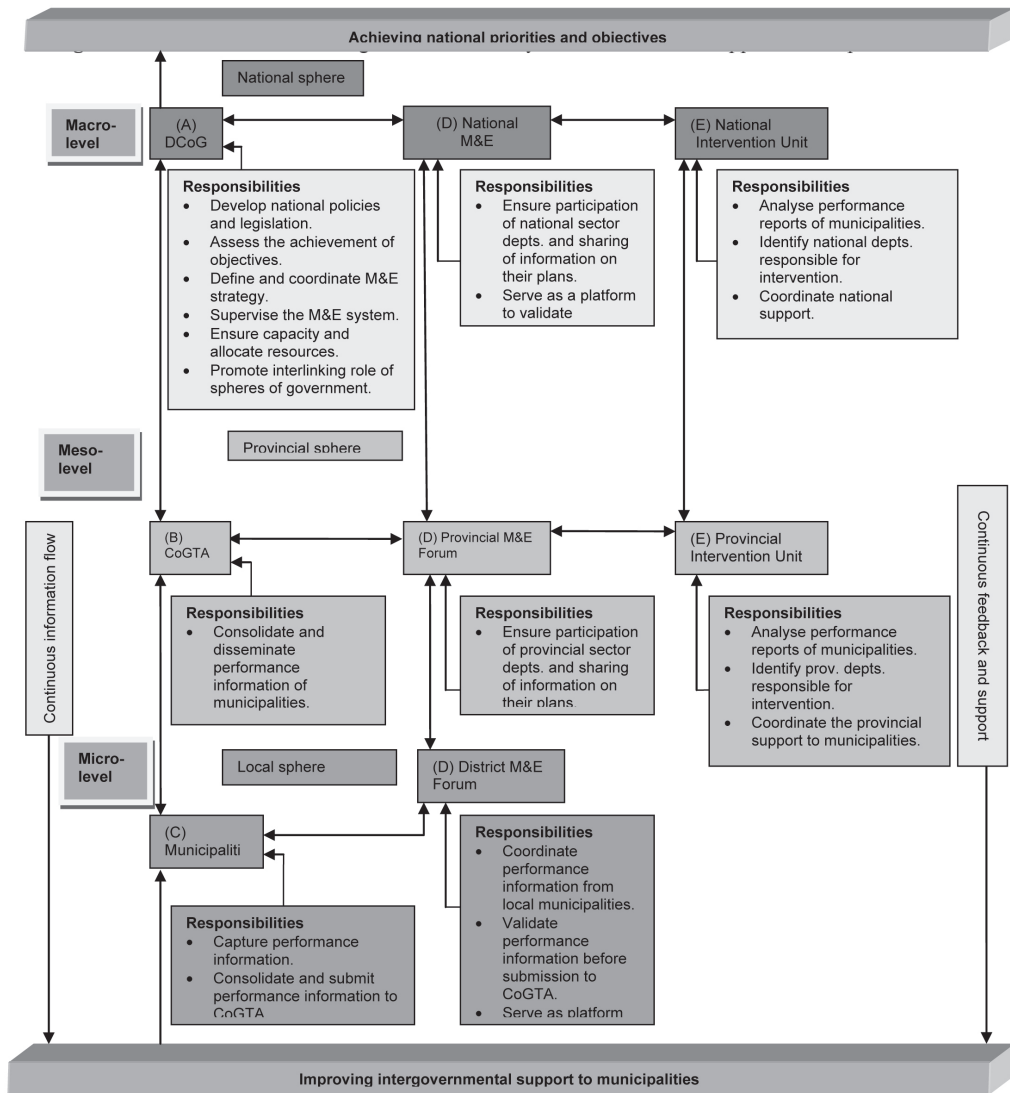


Figure 7: A model for monitoring and evaluation system utilisation to support municipalities

Source: Researchers' own construction

The M&E system utilisation model is divided into macro-, meso- and micro-levels. The macro-, meso- and micro-levels represent the national, provincial and local

spheres of government, respectively. In the following subsections, each element of the model is briefly elaborated to clarify the context of the model.

The structures and their responsibilities in the national, provincial and local spheres

A: Department of Cooperative Governance (DCoG)

The DCoG is responsible for the following:

- **Develop national policies and legislation:** The DCoG has the responsibility to monitor performance and to support the provinces and local government. It should therefore embark on processes to develop new legislative solutions to the identified challenges which hamper provinces and municipalities in achieving their developmental objectives. The main objective is to strengthen the Department by monitoring and supporting the provinces and municipalities.
- **Assess the overall achievement of the national development objectives:** The DCoG should take responsibility for the assessment of local government contributions towards achieving the identified national objectives.
- **Define and coordinate the monitoring and evaluation (M&E) strategy:** The DCoG should describe the approach the institution should follow to create and operate its M&E system that produces credible and accurate information on an ongoing basis. For example, its M&E strategy will outline how the M&E findings may inform strategic and operational planning, budget formulation and execution, as well as in-year and annual reporting. That is, M&E should be integrated with other management processes. It should further describe the purpose of the M&E system, the data the system will collect and how the system will operate. The strategy should also include the list of indicators to be measured.
- **Supervise the M&E system:** The DCoG should therefore supervise the M&E system. This supervision should include developing a standard performance reporting template on the performance of municipalities and determining the timelines for submission of performance reports.
- **Ensure capacity and allocate resources:** The DCoG needs to strengthen its capacity and resources so as to enable it to fulfil its mandate effectively. For example, it was discovered from the empirical data of this study that the shortage of skilled personnel is one of the constraints that hamper both CoGTA and the DCoG from utilising the M&E system effectively. The

DCoG should therefore ensure that there is adequate capacity and resources within its own organisation and CoGTA for the effective utilisation of an M&E system.

- **Promote and foster interlinking role of the spheres of government:** The utilisation of an M&E system to support municipalities is dependent on effective intergovernmental relationships between the three spheres of government. It is therefore imperative that the DCoG plays a role of ensuring that the spheres of government are able to interlink effectively on the vertical and horizontal levels. Interlinking on a *vertical* level entails effective communication and cooperation between the provincial and local spheres of government. Interlinking on a *horizontal* level means effective communication between different national government departments, between provincial governments, as well as between local authorities.

B: Department of Cooperative Governance and Traditional Affairs (CoGTA)

The responsibilities of CoGTA are as follows:

- **Consolidate and disseminate performance information of municipalities:** The various provincial departments of CoGTA will consolidate the quarterly reports received from municipalities in their respective provinces into a provincial report, and forward such a report to DCoG. Additionally, this Department will also align itself with the national DCoG's approach and similarly undertake the applicable actions at a provincial sphere. As indicated above, these actions include:
 - Assessing the overall achievement of the National Development Objectives.
 - Defining and coordinating the monitoring and evaluation (M&E) strategy.
 - Supervising the M&E system.
 - Ensuring capacity and allocating resources.

C: Municipalities

The key responsibilities of municipalities will be the following:

- **Capture performance information:** The data to be collected will be captured at the local municipal sphere. In other words, each local municipality will ensure that the performance information reporting template is populated with

performance information. Municipalities will therefore serve as a point of data collection.

- **Consolidate and submit performance information:** A performance information report of the local municipalities in the district will be consolidated and submitted by the district municipality to the provincial CoGTA.

D: National, Provincial and District Monitoring and Evaluation Forums

The responsibilities that the National Forum will fulfil at national level include the following:

- **Ensure participation of the national sector departments and other stakeholders:** The Forum will ensure participation of the national sector departments, provinces (Offices of the Premiers, provincial departments of CoGTA), state owned entities and other key stakeholders such as the South African Local Government Association (SALGA). Participation at this level will mean that the sector departments and other stakeholders are able to share information and experiences.
- **Validate information:** A number of national departments have responsibilities over the functional areas for which municipalities provide performance information reports. The Forum therefore serves as a platform for such departments to validate the performance information provided by municipalities. The provincial and district forums will fulfil similar responsibilities at provincial and district levels.

E: National and Provincial Intervention Units

The main responsibilities of the National Intervention Unit are as follows:

- **Analyse performance reports of municipalities:** The Unit will analyse the performance reports so as to profile municipalities for differentiated remedial support. Based on the findings of performance reports on specific municipalities, the Unit will embark further on rapid responses and interventions in these municipalities.
- **Identify responsible sector departments and coordinate support to municipalities:** The line units in the national departments have responsibility for the functional areas in which municipalities could be underperforming. They are also ultimately accountable for monitoring and supporting municipalities in their respective areas. The Unit will be responsible to identify, based on the performance reports, the responsible department(s)

and coordinate their support for the identified municipalities. The Provincial Intervention Unit will fulfil similar activities at the provincial level.

GATHERING AND FLOW OF PERFORMANCE INFORMATION

This element of the model describes the collection of data and the path which data could follow within the M&E system. It is imperative that this element places strong emphasis on ‘process’ as the collection, flow and analysis of data will be operated as a continuous process within the micro-, meso- and macro-levels of the model. This element should also entail the bulk of the resources, time and activity invested in the model, as it is critical that reliable performance information is collected.

The DCoG will define and coordinate the monitoring and evaluation strategy. The DCoG has developed a set of general KPIs that address the reporting requirements for municipalities at national level. The Department has further developed and integrated a reporting template against which reporting on indicators by municipalities is done.

In the above context, data will be collected at the level of the local municipalities. That is, the integrated reporting template will be populated by the local municipalities in each district municipal area. A consolidated performance report will then be submitted quarterly by each district municipality to the department of CoGTA in the province, and other structures such as the M&E forum in the district. The various provincial departments of CoGTA will also consolidate the performance reports received from the district municipalities into a provincial quarterly performance report and forward it to the DCoG, the M&E forum and the Intervention Unit in their respective provinces.

PROVIDING SUPPORT TO MUNICIPALITIES

The focus of this element of the model is twofold. Firstly, the element seeks to ensure effective utilisation of performance information received from municipalities so as to support them in performing their core service delivery functions. Secondly, it further ensures that intergovernmental support to municipalities is channelled to prioritised needs and will best accomplish service delivery priorities in municipalities.

Taking into account the above considerations, the performance information gleaned from the performance reports of municipalities will determine the type and level of support for the underperforming municipalities. It is important to indicate that the kind of support municipalities may require from time to time, is determined by the performance reports. Thus the support may include the increase of the

capacity of municipalities in the areas of finance, human resource, governance and infrastructure.

The performance information will further assist the Intervention Units in identifying the national and provincial departments responsible for the functional areas in which municipalities require support. In this way, the Units will also help establish a single window and entry point for the coordination of intergovernmental support to municipalities.

From the above discussion of the three elements, it can be seen that they have interlinking relationships and each contributes to the final outcome of the model. Firstly, the structures that are set up across the spheres of government promote the use of performance information. Secondly, continuous gathering and flow of performance information takes place within the identified structures. Thirdly, the performance information that is received and analysed is utilised to design and implement targeted support and appropriate interventions in areas of underperformance within municipalities. Furthermore, it is of crucial importance that the identification of structures and their responsibilities occur in a continuous cycle to ensure the successful implementation of the model. These responsibilities relate to the three spheres of government, the gathering and flow of performance information, and providing support to municipalities.

CRITICAL SUCCESS FACTORS: IMPLEMENTATION OF THE COMPREHENSIVE MODEL

Based on the literature and research findings of the current study, the successful implementation of the M&E system utilisation model to support municipalities relies on the following factors:

- **Adequate human resource capacity:** This M&E system utilisation model may not be employed effectively without skilled personnel who effectively execute M&E tasks for which they are responsible. Therefore, understanding the skills needed and capacity of people involved in the M&E system (undertaking human capacity assessments) and addressing capacity gaps (through structured capacity development programmes) are critical for the M&E system utilisation model. During the study, the issue of human capacity for M&E systems was noted. For example, it was emphasised that it is vital to ensure that there are adequately skilled monitoring and evaluation staff who can effectively and efficiently complete all activities that are defined in the monitoring and evaluation work plan.

- **Stakeholders:** An M&E system only serves its purpose adequately when the system is accepted by all those who bear certain responsibilities in it or require information from it. Therefore, it is vital to ensure participation of the stakeholders during the development of an M&E system. If the system is created on the basis of a participating approach, then those who made contributions in building the system are likely to take ownership and therefore support it. In the study it was highlighted that it is critical to establish and maintain partnerships with internal and external stakeholders, so as to strengthen the M&E system.
- **Organisational culture:** A negative organisational culture with respect to management of data and dissemination of information may make it difficult for the M&E system utilisation model to be effective. The culture of the organisation should therefore be taken into account in order to achieve effective implementation of the model. The study made it clear that databases which enable stakeholders to access relevant data need to be developed and maintained. In this way policy formulation and programme management are improved and organisational culture is enhanced.
- **Sufficient authority:** It is all important for an institution to create a senior post at each sphere of government in order to lead the M&E unit. This gives the M&E unit sufficient authority and its findings may influence public decision-making, policy changes and allocation of resources. In this way, the model could be implemented effectively and efficiently.

CONCLUSION

The article has reported on the results of empirical research conducted in a sample of 36 local municipalities to determine the extent of M&E system utilisation. Based on these results, the study proposed a model for the improvement of M&E system utilisation by CoGTA and the DCoG to facilitate their support mandate. The proposed M&E system utilisation model provides solutions on how to address and eradicate weaknesses, and how to provide effective support to municipalities. The support from the national and provincial governments to local government should be adequate so as to enable municipalities to fulfil their statutory obligations.

Even though the M&E system utilisation model to support municipalities was developed for CoGTA and the DCoG, any other department can utilise the model by adapting it to suit its requirements. The model provides a reference point against which any institution can consider its own practice and thereby identify areas for improvement in the processes and procedures followed.

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Neopatrimonialism and the Swazi state

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Abstract

Although much has been written about neopatrimonial relations in Africa there has not been any systematic attempt to analyse the Swazi political order from a neopatrimonial lens. This article aims to fill the void by utilising notional and conceptual assumptions of neopatrimonialism to understand the dimensions of power in Swaziland. It argues that two forms of Weberian authority, namely the patriarchal/patrimonial and legal-rational co-exist in an institutionalised form. However, the patrimonial dominates and subverts the logic of the legal-rational order. This subversion leads to institutional weakness, undermining of the public interests and political tensions. In a normative turn, the article draws attention to the immanent potentials within the Swazi political order to address the negative effects of neopatrimonial relations.

Keywords: patrimonialism, neopatrimonialism, Africa, Swaziland, discourse ethics

INTRODUCTION

As a concept, neopatrimonialism has been used widely to describe social-political structures in a number of African states. It has also been used to account for institutional weakness, state failure, nepotism, corruption and predation, violence, underdevelopment, tribalism and its effects in Africa and elsewhere (see, e.g. Bach 2011; Bach and Gazibo 2012; Bayart 1993; Cammack 2007; Chabal and Daloz 1999; Englebert 2000; Gazibo 2006; Jackson and Rosberg 1982; Lemarchand 1972; Sandbrook, 1985, 2000; Van de Walle 2001; Young and Turner 1985; Zolberg 1966). The neopatrimonial literature on African social-political structures emerged in the 1970s and investigated the rationales behind the privatisation of state power by the African ruling class. For some scholars, personalised power was a means to establish political order in the face of social and cultural heterogeneity and its centrifugal tendencies (Roth 1968). The post-colonial state was ethnically diverse and the bond

between the state and the people was tenuous. The ruling elite had to build a nation and this nation building process gave rise to the neopatrimonial order. For others, the patron-client relations which were central to the neopatrimonial system were structured to maintain control over ‘non-consolidated territory’ – as in the case of Zaire – and to manage a complex polity with ‘little economic and institutional development’ (Woods 2012, 347; see also Callaghy 1984). Some analysts believed the neopatrimonial state, with its centralising and patronising character, emerged because of the absence of a legitimating ideology (Médard 1979). There was no consensus on which ideology should be used to govern the state. The literature also showed the effects of neopatrimonial relations. For example, Sandbrook (2000) through an analysis of the political economy of patrimonialism in Africa, concluded that the neo-patrimonial state was anti-developmental. In his view the ‘private appropriation of state’s power’ was a major cause of the development failure of African states (see Sandbrook 2000, 59). One reason for this failure is that economic objectives are often subordinated to the ‘short run exigencies of the ruler and his regime’ (Bach 2011, 281). As several accounts have shown, in the neopatrimonial order, the distinction between private and public is blurred. People occupy bureaucratic office less to perform public service and more to acquire private wealth. The privatisation of the state and its resources undermines the ethics of the public sphere – the common good.

Woods (2012) has made the only major attempt at using the Weberian notion of political domination in the analysis of the Swazi political order. However, he rejects neopatrimonialism and opts for patrimonialism as an analytical category in the analysis of political domination in Swaziland. According to Woods (2012, 362), ‘neither the regime nor the state is (neo) patrimonial’. There has, therefore, not been any major analysis on Swaziland based on the neopatrimonial concept. This omission is curious because Swaziland remains one of the countries in which the term is most apt. Woods grounds his choice in a commitment to Weber’s original notion of patrimonial domination. In the hands of Weber, patrimonial domination is based on compliance which makes it legitimate. In contrast, Woods (2012, 352) argues, the analytical focus of much of the literature on neopatrimonialism has little to do with Weber’s interest in how domination is legitimised – there is ‘practically no examination of compliance’. This loyalty to Weber leads him to reject the hybrid power structures so central to neopatrimonial analyses. For Woods, Weber never envisaged the coexistence of forms of domination. Rather, Weber assumed that as rational-legal forms of domination spread other ‘forms of power and authority would recede’ (Woods 2012, 352). Woods believes that neopatrimonialism has a weak theoretical basis. According to Woods, the source of this weakness is that it crosses three concepts, namely legal-rational and patrimonial forms of authority and regime

types such as authoritarianism and hybrid democratic regimes without any firm basis in any of the categorisation except vague references to Weber's ideal types (for this view, see also, Guliyev 2011, 584. Woods (2012, 351) emphasises that Weber never used patrimonialism to denote corruption, bad governance, violence, predation, state weakness, tribalism, institutional weakness, as neopatrimonial analyses do. For Woods, the concept, and its usage, does not enhance our understanding of the Weberian notion of domination and compliance. Woods sets out to show that Swaziland has an authoritarian regime with patrimonial – not neopatrimonial – characteristics. Woods' (2012, 345) view is that Swaziland emerged out of colonialism without a hybrid power structure – the coexistence of traditional and legal rational forms of domination – because, as he claims, 'patrimonialism (neo) is not inscribed in the institutional logic, formally or informally, of the authoritarian regimes'. And significantly, he claims that what emerged was not a clash of traditional and legal-rational forms of domination, rather a re-assertion of traditional power. Contra Woods, however, this article is set in a neopatrimonial analytical framework. Through empirical evidence, the article will show that the post-colonial Swazi state has an institutionalised neopatrimonial foundation and beyond Woods, it discusses the effects of this hybrid power structure and takes a normative turn to examine steps that can be taken to ameliorate some of the negative effects of neopatrimonial relations.

RESPONDING TO WOODS

Woods is right to claim that the concept neopatrimonialism was not one of Weber's types of authority. Neopatrimonialism is a post-Weberian invention – 'a creative mix' of the legal-rational bureaucratic and personalised forms of domination (Erdmann and Engel 2007, 104). As such, it is bound to transcend Weber's original intent. While the concept retains some of the characteristics of Weber's notion of power and domination it also transcends it. Once it is free from its Weberian moorings, it lends itself to universal application and far reaching conclusions (Erdmann and Engel 2007, 114). It is important to note that although neopatrimonialism, as Woods argues, was not one of Weber's ideal types; he must have envisaged this possibility. Garnev (2009, 649) points out that a careful survey of the ideas and insights in Weber's political writings, particularly his essays on the war time economy – and after – of Germany, reveal Weber's concerns about the implosion of the bureaucratic logic 'because of corrupting influence of politically well-connected actors'. Garnev (2009) reports that Weber used political capitalism to denote the use of relevant administrative and bureaucratic institutions by the state, in order to enact policies in ways that enhanced Germany's economic might. However, what became evident was

the subversion of this process. He observes that bureaucrats no longer followed laid down rules and procedures in executing tasks and formulating decisions resulting in a ‘mosaic of exemptions, immunities and privileges’ and predatory profits for politically powerful actors (Garnev 2009, 655). Weber (cited in Garnev 2009, 655) lamented that, ‘behind the curtain of our communal war time economy’ [the following spectacle is unfolding] ‘a wild dance around the golden calf, gamblers grabbing at every chance opportunity escaping through the pores of the bureaucratic system’.

The author agrees with Woods’ view that the government in Swaziland has a patrimonial base and there is, to a significant degree, compliance with personalised authority. The author also accepts his reasons for the legitimatisation of patriarchal power: it comes from various sources. Acceptance of monarchical rule emanates from the practice of selecting wives from different clans. This practice, it is claimed, makes all Swazis part of the monarchy and by extension the same patrimonial domain. Compliance is based on the strong ties between the monarch and key social actors, including ‘royal notables within the Dlamini clan’, chiefs and political appointees (Levin 1991, 6 cited in Woods 2012). The land is central to the legitimatisation of patrimonial domination and compliance – village chiefs, as representatives of the monarchy, allocate land to subjects in return for their loyalty. It is claimed that Swazis have a common ancestry. Indeed, what lends credence to this view is the fact that Swaziland is a mono-ethnic state, that is, the state and the nation emerged in tandem. The monarch is thus viewed as the head of a one big unified extended family, which is the nation (see Debly 2011). In fact the very existence of the Swazi state is attributed to the leadership of successive Swazi kings – seen through public sentiments like this one: ‘without the king we will no longer be a people’. And Swazis generally, in all walks of life, defer to monarchical authority, the King’s ‘word’ is held sacrosanct in most matters. Often, individuals and groups appeal to the King in their grievances against the government.

Woods (2012, 361) declares that ‘authoritarianism is in crisis in Swaziland’; however, ‘it is not clear to what extent patrimonialism is in trouble’. He cites the challenge from political opposition centred in the urban areas as the reason for this crisis. To Woods (2012, 361), the crisis originates from the ‘difficulties within an authoritarian monarchical regime to stave off threats to its absolute powers’. Woods is obliged to make this move – keeping the two orders, namely authoritarianism and patrimonialism, antithetical. Certainly, this is consistent with the Weberian notion of patrimonialism as legitimate domination. If so, then Woods’ proposition that Swaziland is an authoritarian state with patrimonial characteristics is problematic. Rather, I argue from a post-Weberian perspective, that immanent in patrimonialism is a tendency to monopolise the political space. In this sense, therefore, absolutism

is a patrimonial quality. Thus, it is necessary to revisit the Swazi past to understand this claim.

At the pre-independent constitutional talks, the monarchy insisted that it was the only legitimate voice of the Swazi nation – the King was the ‘people’s mouthpiece’ (Mzizi 2002, 173). There were, however, other political formations, like the Ngwane National Liberatory Congress (NNLC). The monarchy justified its position by conflating political opposition with disunity. In spite of aristocratic opposition to pluralism, the colonial government favoured a liberal constitutional framework as the basis of a post-colonial government in Swaziland. The monarchy grudgingly conceded and formed its own political party – the Mbokodvo National Movement (MNM) to contest the pre-independent elections; it won all seats (Bischoff 1990; Daniel and Vilane 1986; Kuper 1978; Matsebula 2000). Despite the monarchy’s hostility to the liberal constitution, there was no immediate imperative to tinker with the constitution because the opposition had no representation in Parliament. However, parliamentary elections in 1972 changed the composition of the Legislative Assembly. The NNLC won three seats in the then largely working class constituencies of the Mpumalanga region – now Lubombo region (Kuper 1978; Mzizi 2002). Mainly migrant labourers, the electorate did not have strong loyalties to traditional authorities in the rural areas. So, the MNM had to share the parliamentary chamber with a vociferous small opposition that represented a challenge to the historical dominance of the monarchy and its claim to be the embodiment of Swazi identity, and the only voice of the Swazi people. It was this challenge to the patriarchal dominance of the monarchy that moved King Sobhuza II to abrogate the pre-independent liberal constitution, ban political parties and rule by decree on the pretext that the ‘constitution has permitted the importation into our country of highly undesirable political practices alien to and incompatible with the way of life of our society’ (see King Sobhuza 1973). Although, since 2005, Swaziland has had a constitution with a bill of rights, political parties cannot contest elections, form a government or participate in the political processes. The constitution states that the system of government is a democratic, participatory, Tinkhundla-based system which emphasises devolution of state power from central government to Tinkhundla areas and individual merit as basis for election or appointment to public office (Swazi Constitution, section 79). The system thus operates at the administrative and representational (electoral) levels. Administrative decision-making is decentralised into ‘the hands of regional and local officials’ (Woods 2012, 359). The local level administration is the core of the Tinkhundla system. Indeed, it is the source of the term Tinkhundla, which is a collection of administrative and electoral districts. Each of these areas is called an Nkhundla, comprising a number of chiefdoms. The Nkhundla is administered by chiefs and councillors, through what

is called the Bucopho or the administrative council. Its task is to offer administrative services; oversee the development needs of the area; and maintain law and order in accordance with Swazi customary law. Representatives in the House of Assembly, the lower house, are elected on a non-partisan basis from the Tinkhundla. The prime minister, along with other members of the Cabinet, is chosen from the Lower House. Some commentators on Swazi affairs claim that candidates for parliamentary seats are vetted by chiefs to determine their loyalty to the monarchy. These must 'swear allegiance to a local chief' in order to receive the 'royal assent' (Woods 2012, 360). This is how one commentator puts it:

Before one can be elected into Parliament, one has to be a known member of the community. One has to wake up every weekend and go to the chief's kraal to either weed his fields or fix the kraal. Before one does that, one would never see a parliament seat (*Times of Swaziland*, SUNDAY May 2007, p. 5).

The Tinkundla is thus designed to foster compliance to patriarchal domination. Through it the monarchy continues to monopolise political space in order to safeguard its patriarchal authority. Of note is Woods' (2012) assertion that the colonial state helped to lay the foundation for patriarchal dominance in the post-colonial Swazi State. The colonial state rested on bifurcated power structures. The colony in Swaziland, as elsewhere, comprised the local state and the central state (see Mamdani 1996). In Swaziland, the local state – or the Swazi nation ran on patrimonial lines – was administered by the King with the aid of chiefs and royal councillors. White expatriates administered the central state which was anchored in modern political and administrative institutions. Mostly, the colonial state was de-racialised during the twilight years – the transitional period – creating space for Africans to participate in the affairs of the state. However, in Swaziland, the aristocracy, led by King Sobhuza II, resisted attempts to bring the Swazi nation, where most Swazis resided, within the administrative ambit of the central state. This same traditional authority took charge of the state at independence, and as Woods (2012) avers, the modern institutions were too weak – the colonialists were not interested in establishing strong modern institutions – to counter the force of patrimonial leadership style. The transitional period was too short to allow for an emergence of any strong bureaucratic institutions. Although patrimonial relations are evidently strong in Swaziland, it will be wrong to assume that the legal-rational bureaucratic form of domination has no force in present day Swaziland. Against Woods, the author argues that the legal-rational-bureaucratic aspect of domination co-exists with patrimonial authority and that there is public reference and acknowledgement of this duality. These two systems sometimes clash and that personalised power subverts the legal-rational processes; however, it does not completely take over its

operation. I intend to prove these claims through empirical evidence later in the article. The conceptual analysis of neopatrimonialism in the next section largely draws on Erdmann and Engel (2007).

THE NEOPATRIMONIAL CONCEPT

Erdmann and Engel (2007) define the neopatrimonial concept as a derivative of two Weberian forms of authority, namely, the patriarchal/patrimonial and the legal-rational bureaucratic. It is known that in the patrimonial state the ruler organises his political power – his domination over those he rules – ‘over extra-patrimonial areas and men in just the same way as he exercises his patriarchal power’ (see Bruhns 2012, 113). So, under patrimonialism, political and administrative relations are personalised. There is no differentiation between the public and the private realms. In this order political and administrative decisions are determined by private interests. However, in the legal-rational domain decisions and actions are taken without regard to persons. According to Weber, compliance with the legal-rational form of authority flows from an assumption that those in charge of making decisions and implementing them follow laid down universal rules and procedures. Society defers to this authority because it is viewed as rational and objective. For example, bureaucrats possess specialised knowledge on issues and adopt techno-rational methods, value free methods, in executing tasks and resolving societal problems. Bureaucrats, it is alleged, work for the public interests or the common good rather than private interests (see Allison 1969, 1971; Braybrook and Linblom 1963; Cyert and Marsh 1963; Dougherty and Pfaltgraff 1971; Simon 1963; Steinbruner 1974). Policy-makers and government rely on the recommendations of bureaucrats in the formulation of their decisions. In fact bureaucrats help formulate and implement public policy.

Whiles in personalized power relations there is no distinction between the private and public realms this distinction exists under neopatrimonial relations – and there are public references to this demarcation. However, this separation is not always observed because the two logics – the patrimonial and legal rational intersect in various ways. For example, personalised power permeates legal rational system and twists its logic – informal politics invade formal institutions. But, it does not take complete control of formal system (see Erdmann and Engel 2007, 105). The two systems exist next to each other and this relation is institutionalised. According to Erdmann and Engel, citizens in a neopatrimonial system have a certain degree of choice as to which logic to employ to achieve their goals. These authors point out that the exercise of power in a neopatrimonial system is sometimes erratic or unpredictable; it is devoid of the certainty, predictability or calculable exercise of

power embedded in universal rules of legal-rationalism (Erdmann and Engel 2007, 114). The neo-patrimonial system is, therefore, characterised by insecurity. So, actors strive to overcome their insecurity by operating at both levels. For example, technocrats may take decisions or pursue goals which reflect private interest to keep their jobs and privileges. Therefore, in this pattern of social political relations, formal state institutions cannot potentially fulfil their universalistic purpose of public welfare (Erdmann and Engel 2007, 105). The institutions tend to be weak, subject to the control of powerful social actors.

THE NEOPATRIMONIAL BASIS OF AUTHORITY IN SWAZILAND

Swaziland has an institutionalised dual system of government which corresponds to the patriarchal/patrimonial and modern/legal-rational-bureaucratic forms of authority. Both politicians and the public recognise this duality – the traditional and modern (Matsebula 2000, 216). This view, expressed by a member of one of the traditional advisory councils, concretises the relationship between the two: ‘As leaders [traditional] we are like people standing on top of a mountain. We can, therefore, see an enemy from far and advise what should be done (*Times of Swaziland*, 29 July 2007, p 2). We can surmise from this expression that traditional institutions influence decisions and actions of government’.

There are two central national institutions of the traditional form of authority, namely: the Ludzidzini Council and the Liqoqo Council. The former is an advisory body for the Swazi queen mother and the latter for the King. The Ludzidzini Council has primary jurisdiction over Swazi customs and practices, while the Liqoqo Council advises the King on both traditional and modern aspects of government. The modern component comprises political/administrative/judicial institutions like the Cabinet, the Civil Service, the Court and the Parliament. Although the two systems are separate in terms of differing logics, they coexist and permeate each other. This inter-linkage is explained by the King’s executive role in the government, which gives rise to an elaborate system of patrimonial network. His patriarchal power permeates the political, legal and administrative institutions. The King appoints the prime minister and in consultation with the prime minister the rest of the Cabinet. He appoints the justices of the court in consultation with the Judiciary Committee. He appoints 20 of the 30 members of the Upper House of Parliament, the Senate and 10 of the 65 members of the Lower Chamber, the House of Assembly. In addition, it is known that loyalists are rewarded with tenders, jobs, appointments into boards, sinecures and political office, sometimes without the requisite qualifications. There is, therefore, a

widely held view, among Swazis, that these political and administrative institutions are extensions of the monarch's patriarchal power. Consider the following comment:

In the eyes of the Swazi people the cabinet is the king's making. If cabinet fails the masses there is nothing that can be done by the majority except to murmur 'Why is the king not removing this team of loafers' (*Times of Swaziland*, 28 January, 2008, p 25).

However, it is also true that in Swaziland, as elsewhere, not all political and administrative appointments and decisions are made according to informal rules or personalised interests. Instead a significant amount of jobs and appointment are distributed according to fixed procedures, rules and laws that follow the formal course of legal-rationality. So, while some members of Parliament are appointed by the monarch, others are elected through laid down electoral procedures. The Parliament has been noted to side with the public on some occasions against the wishes of powerful elite. It is also through that a significant number of public servants are appointed on professional and educational merit and not all decisions and public policies reflect personal interests.

Individuals, groups and institutions in Swaziland have a choice as to which system to utilise, in any given circumstance in order to achieve their goals. The following example typifies this behaviour. In 2012, the Swaziland National Association of Teachers (SNAT) organised a wild cat strike to press for a 4.5% salary increase for teachers. The government declared the strike unlawful and obtained an injunction from the court against the strike. The government then issued an ultimatum to the striking teachers to either go back to work or be fired. It subsequently fired those who defied the order to return to work. The SNAT leadership utilised the traditional structure to seek a reversal of the government's decision. In the event, the Queen Mother, on behalf of the King, issued a 'royal pardon' and called for the reinstatement of the dismissed teachers. Although the teachers were re-instated, however the government enforced a 'no work no pay rule', which meant that teachers who went on strike from July to August had their salaries withheld. Both teachers and members of the traditional structures interpreted the government's action as defiance of the royal pardon and by extension the King's authority. According to SNAT and its supporters, since the teachers had been pardoned, it was wrong for the Ministry of Education and Training to withhold the teachers' salaries. This assumption was implicit in the lamentation of the President of SNAT when she asked 'for how long will teachers who have a certificate of pardon from the highest authority and decision-making structure of the land continue to suffer?' (*Times of Swaziland*, 30 December 2012, p 5). Some members of the traditional structures argued that once teachers had been pardoned government had no right to cut their salaries. For these

actors the King has the ‘final word on any matter and no one should over-ride his decision’ (*Times of Swaziland*, 13 December 2012, p 4). The government, for its part, relied on laid down legal rules and procedure to justify its action. The Ministry of Education and Training claimed, ‘people should understand that the TSC acts on what has been decided. As long as there is a law that states what should be done to civil servant who absents himself from work, the TSC will apply that law’ (*Times of Swaziland*, 30 December 2012, p. 5).

Indeed, there is some degree of recognition of legal-rational authority by major political actors. Sometimes the two systems clash and personalised authority permeates formal processes and institutions, subvert their logic and weaken them in a manner that they are not able to ‘fulfil their universalistic purpose of public welfare’ (see Erdmann and Engel 2007, 105). The events below illustrate these propositions.

The SPTC-MTN disagreement

The first event is the disagreement between the Swaziland Post and Telecommunication Corporation (SPTC) and the Mobile Telephone Network (MTN) Corporation in Swaziland. MTN started operation in the country in 1998 through a Joint Venture Agreement (JVA) with SPTC in the mobile telephony industry. The legal instrument barred the parties to the agreement from engaging in any venture in competition with MTN. The agreement granted MTN a 10-year monopoly over the marketing and advertising of fixed wireless network or mobile telephone service in the country. As an incentive, SPTC, which is the sole public telecommunication entity in the country, was given controlling shares in the JVA. The distribution of shares was as follows: SPTC: 41%, MTN: 30%, Swaziland Empowerment Limited: 19%; and the King of Swaziland: 10%.

However, in 2011, SPTC declared its intention to sell part of its shares to MTN International and part to the general public (*The Nation*, November 2012, p 18). The corporation reasoned that offloading the shares would free it from its obligation under the JVA and give it the right to set up its own fixed wireless network. The Swazi government blocked the sale of the shares, arguing that it owned the shares because SPTC is a public enterprise. As a result, SPTC transferred the shares to the government and SPTC’s regulating function, which it assumed through the Telecommunication Act 1983, was transferred to the Information, Communication and Telecommunication Ministry. SPTC then began, from December 2010, marketing and advertising a fixed wireless network called the One Mobile Phone Service. But MTN interpreted this action as breach of the JVA and challenged SPTC’s decision in court in 2011. In the first instance, the high court ruled in favour of SPTC on

the grounds that SPTC was no longer a shareholder and was free to compete with MTN since the 10-year monopoly agreement had lapsed. MTN and Swaziland Empowerment Limited (SEL) appealed to the Supreme Court. The court's view was that the Swazi government could not be the beneficiary of the shares because it was not party to the agreement and it could not be assumed that SPTC was a mere agent of the government in the JVA. According to the court, the agreement was between MTN and SPTC, which the court considered an independent or separate entity. In the opinion of the judges, the corporation, according to the Swaziland Posts and Telecommunication Corporation Act 1980, is a 'juristic person separate from government' (*The Nation*, November 2012, p 16). The Supreme Court, therefore, stopped 'SPTC from marketing and advertising fixed wireless Network' service (*The Nation*, November 2012, p 25). MTN complained of loss of revenue and customers as a result of the competition from SPTC, and on orders from the Supreme Court, subsequently filed for arbitration in the International Court of Arbitration (ICA). The ICA affirmed the Supreme Court's decision and ruled that SPTC was liable to pay damages to MTN.

There is evidence in the disagreement of the triumph of private interest over public good as a result of patrimonial power. In 2011, SPTC drew up a strategic plan to market and advertise what it labelled the New Generation Network, starting with the provision of a fixed wireless network service to the public. The corporation felt that MTN's monopoly had made mobile telephony services quite expensive in Swaziland. Its intent was to break this monopoly by offering an affordable fixed wireless network service to the public, particularly in the rural areas. This objective formed part of SPTC's argument before the Supreme Court. It argued that 'it is in the public interest ... to continue to offer its products ... the call rates are cheaper and this will lead to more choice for the consumer' (*The Nation*, April 2012, p 29). But this agenda came up against powerful vested interest – informal politics 'invaded' the operations of SPTC. The prime minister has shares in SEL, an empowerment company which hold 19% of MTN shares and King Mswati III, referred in official document as the esteemed shareholder, holds 10%. Competition from SPTC in the mobile sector will reduce profits and client base of MTN. Already MTN Complained at the ICA hearing that its profits and client base had been significantly affected by SPTC competition (*The Nation*, November 2012, p 26). It claimed it suffered loss of earnings (of about R189 million) and potential subscribers valued at about R106.4 million. It is, therefore, plain to see why powerful interest opposed SPTC's decision to operate a mobile telephone service. The government, through the Minister for ICT, meddled in SPTC's operations by blocking the sale of SPTC shares in the JVA, repeatedly changed the composition of the SPTC Board and replaced uncooperative

CEOs of the corporation all in an effort to stop SPTC from offering an independent mobile telephone service.

In addition to the use of informal, patrimonial power, the government relied on legal rational authority to justify its behaviour: it invoked the decisions of the Supreme Court and the ICA to force SPTC to terminate its fixed wireless network service at a great loss to the public and the corporation. The corporation reported that it had lost about R210 million investments in mobile telephony (*Times of Swaziland*, 24 October 2012, p 2). And the gadgets the public bought from the corporation are now defunct.

The no-confidence vote

The second illustration flowed out of the MTN-SPTC saga. The Parliament, the Lower House, was appalled by the outcome of the feud between MTN and SPTC and blamed the government for the eventual deactivation of SPTC's mobile telephone network. Significantly, the Parliament believed that the Cabinet had frustrated SPTC's efforts to legitimately offload its shares under the JVA because of the vested interests of some members of government in MTN's monopoly. It felt that the government should have taken positive steps to resolve the impasse and this would have prevented the matter from going to court. Earlier, the Parliament had resolved, in a motion on 22 August 2012 that 'in the event Parliament fails to prevent the deactivation, we shall then pass a vote of no confidence in Cabinet' (*The Nation*, January 2013, p 30). The Parliament believed that SPTC's mobile phone service was in the interest of the public. According to some members of Parliament, 'the fixedfones . . . changed people's lives and business for the better. Everyone communicated because communication is power after all' (*Times of Swaziland*, 22 October 2012, p. 4). In fact parliamentary defence of SPTC and the public interest was supported by the Chairman of Ligoqo (a traditional advisory body), Chief Logcogco, when he claimed that 'sustaining SPTC is of national interests compare to pushing MTN's agenda, which has its roots and interest based somewhere else' (*Times of Swaziland*, 8 October 2012, p 2). Acting on constitutional grounds, the Parliament passed a vote of no confidence in the Cabinet on 3 October 2012 (*Times of Swaziland*, 22 October 2012, p 4). According to section 68(5) of the Swazi Constitution of 2005, the King must dissolve the Cabinet in the event of a no-confidence vote. However, Prime Minister Barnabas Dlamini of Swaziland challenged the resolution and declared 'his Majesty's Cabinet is and will continue to be in full control of His Majesty's Government and the nation should remain calm and continue with business as usual' (*Times of Swaziland*, 5 October 2012, p. 2). King Mswati III, exercising his patriarchal authority, refused to honour the constitutional obligation to dissolve the

Cabinet. Instead, he conveyed his displeasure of the parliamentary action to the Speaker of the Lower House. The Speaker subsequently convened a parliamentary session on 15 October 2012 to rescind the vote of no confidence resolution (*Times of Swaziland*, 16 October 2012, p 2). There have been critical comments on the actions of the principal actors in this episode. Some commentators argued that the prime minister erred in declaring the parliamentary vote null and void, emphasising that the validation authority resides with the court. Others argued that the constitutional provision – section 68(5) – compels the King to uphold the parliamentary resolution. They justify this argument on the ground that the Constitution explicitly states that the King, in the event of a no confidence vote shall dissolve Parliament. For some, the reversal of the vote of no confidence by Parliament was unconstitutional – these drew attention to the point that there is no constitutional provision for reversal.

EFFECTS OF NEOPATRIMONIALISM IN SWAZILAND

As noted, neopatrimonial relations can create institutional weakness (Erdmann and Engel 2007; see also Bach 2011), for example, institutions may be unable to perform their public function because of patrimonial intrusion. Most Swazis, for example, label the Parliament as weak. Parliamentarians are regarded as people who are ‘easily employed by those in authority to serve the interests of the elite’ (*Times of Swaziland*, 28 January 2008, p 25). The Legislature has been described as a ‘rubber stamp’, ‘pseudo’, ‘circus’, ‘powerless’ and ‘irrelevant’ to portray its weakness. As in other countries, corruption remains one of the central governance challenges in Swaziland (Freedom House Country Report 2006). Corruption is anti-developmental because it diverts vital resources needed for public projects to socially connected individuals. Showing the scale of corruption in the country, the Finance Minister of Swaziland, Mr Majozi Sithole, revealed that the Swazi government loses about R80 million per month through corrupt practices. He said ‘all those that can hear, listen there is corruption in this country. The country is losing lots and lots of money through corruption. Imagine how wealthy this country would be if it wasn’t for this sickness’ (*Swazi Observer*, 24 February 2011). The minister referred to corrupt procurement practices as a major problem in the country. These acts, for example, increase transaction costs. He hinted that the culprits were known and that they were powerful elites, which made it difficult to take action against them. In fact the Freedom House Report (2006) revealed that the political class in Swaziland see the acquisition of state resources as an entitlement. In response to the African Union’s Convention against Corruption, the government has set up institutions like the Anti-Corruption Commission (ACC) to combat corruption. But, as some have pointed out, it will be difficult for the ACC and supporting institutions like the Police and

the Judiciary to deal with serious cases of corruption which often involve actors with strong patrimonial ties. Some think the executive interferes in the operations of the ACC. Consider this view from the managing editor of the *Times of Swaziland* (7 June 2013, p 19): ‘The ACC has always been described as toothless towards people deserving apprehension (especially those in positions of power within government) but it becomes extremely dangerous to the small fish or those labelled enemies of the state’.

This weakness creates a disconnection between citizens and representatives or between people and institutions because the national interest is narrowly defined.

Sometimes patriarchal authority silences the popular voice. This tendency is expressed in this kinetic imagery:

As Swazis we find ourselves trapped in the oscillating cosmic drama. We are the tragic others. But unlike animals that have no imaginative knowledge of their fate, our great disadvantage is that we know where we are going – hurtling at great speed down the slippery slope without the voice to influence those in the vanguard. We are helpless and powerless, not any amount of shouting, not even sabotage or hostile graffiti will ever change the way we are ruled. We are a breed in a farm, we can only graze where we are driven. We shall be seen and never be heard (*Times of Swaziland*, 25 October 2000, p 17).

Critics believe that the extensive patrimonial networks in Swaziland have created a culture of impunity, lack of accountability, corruption, nepotism and inefficiency in government (*Times of Swaziland*, 22 June 2008, p 24). As noted, the King appoints members of the government and other high level public servants, which makes these officials unaccountable to the public. Such state servants, and others close to the King, often invoke his name to justify their actions and inactions, and to intimidate critics. Here is an example: A parliamentarian criticised an Agricultural Summit organised by the Ministry of Agriculture and Cooperative as a failure and waste of public funds. The Agricultural Minister invoked the King’s name to respond to this criticism as follows: ‘the summit he is criticising was opened by His Majesty King Mswati III. I doubt if the head of state can associate himself with something that will be a failure and a waste of public funds’ (*Times of Swaziland*, 30 January 2008, p 5). For the Minister, the legislator failed to accord ‘utmost respect to the institution of the monarchy’ (*Times of Swaziland*, 30 January 2008, p 5).

To repeat, despite the existence of political parties and the fact that freedom of association is enshrined in the constitution, the desire to maintain patriarchal dominance by the monarchy has led to the monopolisation of political space, which subverts the constitutional dictate. As a result, political parties are ‘outlawed’ from the political process. This monopoly is challenged by the opposition, which includes

the church, some business groups, labour unions, the youth, students, human rights organisations and political groups who insist on being treated as citizens, to use Mamdane's (1996) terminology. The resistance intensifies every election year through protests and calls for the electorate to boycott elections to press the demand for a multiparty order in Swaziland. Sometimes, the resistance takes a violent turn: some opposition groups, operating underground resort to bombings of public buildings and the houses of key supporters of the regime (for these acts of political violence, see *Times of Swaziland*, 2 October, 2005). In the next section, suggestions on how to deal with some of the negative effects of the neopatrimonial order in Swaziland.

WHAT SHOULD BE DONE?

Some political opponents have called for an end to the King's executive function and advocate for a constitutional monarchical dispensation. This call has been made on political grounds. These proponents of constitutional monarchy claim that the monarch's role in government makes him an actor in the political contests between the government and the opposition. This position, they argue, undermines the unifying symbol of the monarchy. On this subject of constitutional monarchy, some commentators have suggested that Swaziland can draw insights from the continent. While traditional leaders stay out of politics, the Constitution acknowledges their power in most African states. The traditional leadership has appreciable jurisdiction over traditional matters. Other commentators have suggested that Swaziland can follow the British model, as in Lesotho, in which the monarch assumes the position of Head of State and performs ceremonial functions (*The Nation*, October 2008, p. 36). Beyond political consideration of national unity, curtailing royal prerogatives in government can help reduce impunity, the effects of clientelism and promote accountability and transparency. These goals can be achieved through political liberalism. Of course, liberal democracies, even the established ones, are not immune from patrimonial tendencies. But these influences are minimal because of the existence of a robust civil society and strong, independent institutions. More significantly, the leader, president or head of state is bound by the rules, norms and procedures of the democratic state which check arbitrary exercise of power.

Thinking of ways to curb the negative aspects of neopatrimonialism also leads to the transformatory potential immanent in the existing order in Swaziland. Some commentators have shown that strong and powerful leaders can use their 'personal control of government' to ensure that the patrimonial elements within the political system do not unnecessarily 'override a commitment to legal-rational forms of control' (see Bach 2011, 278; Crook 1989, 227–228; Sandbrook 1985, 119–121).

They limit patrimonial interference to promote a developmental agenda. Bach (2011) cites Jomo Kenyatta of Kenya, Suharto of Indonesia and Houphouët Boigny of Ivory Coast as examples of such leaders, who combined distribution of patronage with a set of clearly defined developmental goals and policies. As Bach (2011, 278) puts it, they ‘capped’ or ‘ring fenced’ patronage and empowered bureaucrats or technocrats in relevant institutions to pursue development goals. The King of Swaziland is said to be the head or the father of a unified extended family, which is the nation (see Debly 2011). Therefore, culturally, his actions and utterances cannot be challenged which makes him a powerful figure. Certainly, the authoritative status has both negative and positive potentials. It can be used to undermine – as events have shown – or enhance the legal-rational-bureaucratic process. King Mswati III has on numerous occasions expressed a desire to see Swaziland attain First World Status. This society is characterised by high industrial development, high per capital income, strong institutions, and accountable, transparent and efficient government. It is possible for the King to use his personal control of the government to cap patronage and ensure that relevant institutions and bureaucrats within them have the competence and autonomy to craft policies and implement programmes that will help the country achieve first world status. Similarly, the King has the authority to limit the influence of strong patrimonial networks that impinge on efforts to combat corruption. This can be done by personally empowering agencies and institutions fighting corruption in the country.

This article has shown that neopatrimonial relations can undermine the ability to promote public interests. So, how might this interest be defended? Habermas (1992, 373) proposes that under certain circumstances ‘civil society can acquire influence in the public sphere, have an effect in the parliamentary complex [and the court] through its own public opinions and compel the political system to switch over to the official circulation of power’. The Swazi constitution provides such an environment. The constitution, through the Bill of Rights, offers civil society the opportunity to influence and socialise the state. It ‘encourages the active participation of all citizens at all levels in their governance’ (Swazi Constitution, section 58,1). For instance, it provides that the public should participate in the legislative process. In this regard the Parliament has an obligation to consult or solicit the participation of relevant stakeholders in the legislation-building process. The constitution thus provides a space for a discursive interaction between state organs and civil society. Acting on this constitutional dictates, groups and individuals can demand that rational opinions, views, suggestions, submissions generated in the ‘public sphere’ permeate decisions of formal institutions. Such interaction will ensure that policies serve public interest. If they are not social forces have the constitutional right to seek redress through the court. The challenge is how to build a strong, robust, competent and autonomous

civil society capable of engaging the state and defending the public interest. At present, civil society is rudimentary because of weak civic culture, deference to political authority, capacity constraints and state hostility towards activism.

The author proposes that Habermas' (1992) ideas on discourse ethics, or what he terms communicative rationality, can help address political conflicts in Swaziland. As will be seen, these ideas resonate with the Swazi tradition of *Sibaya*. For Habermas, participants in discourse move into a communicative community and rigorously test and examine normative, truth or value claims which have become problematic. He further states that this community is created when:

- (a) All relevant voices are heard, (b) the best of all available arguments, given the present state of our knowledge, are accepted and (c) only the non-coercive coercion of the better argument determines the affirmations and negations of the participants (cited in Dews 1992, 260).

So the communicative community rests on foundations of rationality, consensus, equality, care, justice, fairness, democracy, autonomy and responsibility. The autonomy of participants in a discourse operates at different levels. Agents must have the unconstrained right to 'initiate and perpetuate discourse on any issue' and to question or defend any validity or normative claims (Bernstein 1995, 50). It is also based on the removal of forms of inhibition to discourse such as manipulations and the existence of one-sided binding norms. A free dialogic environment makes 'inner natures of agents transparent' because participants in a discourse honestly expressed both the individual and common needs, wants and interests (Bernstein 1995, 53). This communicative community promotes symmetrical relations among interlocutors. It creates social and material conditions which make equal participation in discourse possible. Members of the dialogic community are guided by a desire to seek consensus on validity of truth or normative claims (Bernstein 1995; Calhoun 1996; Dews 1992; Held 1980). These ethics which are embedded in discourse are just, legitimate and rational. Our 'humanity' Habermas (cited in Bernstein 1995, 50) insists, rests on discourse which he calls the 'unavoidable fiction'. So, for Habermas, normative, truth or value claims that deviate from these ethical standards are distorted, false or pseudo communications. They contain the seeds of social and political strife. To recapitulate, the Habermasian discourse provides the procedure for resolving social-political conflicts in a just and impartial manner; it fosters justice, democracy and consensus building; it offers means to resolve clashes of morality and it goes against authoritarian tendencies. The potential exist to deploy the ethics of discourse to resolve political tensions in Swaziland. The Swazi political tradition has a deliberative component: this is the *Libandla*, what is now called the Peoples Parliament or *Sibaya*, which meets on occasion to deliberate on important

national issues. It is opened to all Swazis, including chiefs, princes and councillors. They meet in a royal enclosure – *Sibaya* – sometimes for days. It is claimed that in this space, everyone is free, aristocrats and commoners, women and men, to stand up and express his or her opinion and that in the past, opinions formed by consensus from this public arena shaped legislations and other major national decisions (Matsebula 2000). Therefore, the ethics of discourse which are also prevalent in the Swazi political tradition can be used to address political conflicts in the country.

CONCLUSION

It is pertinent to conclude by drawing attention to the central propositions of the article. The article argued that the two Weberian forms of authority, namely the patriarchal/patrimonial [or traditional] and the legal-rational bureaucratic [modern] co-exist in Swaziland. This duality is acknowledged in both official and private discourses and practices. The article furthermore pointed out that the patrimonial system subverts the legal-rational bureaucratic logic and accounts for the institutional weakness and disconnection between the public and the political/ administrative institutions. The patriarchal system stifles the popular voice and its tendency to dominate the political space explains the continuing political contestations, which sometimes morph into violence, in the country. Lastly, the author suggested that immanent in the prevailing order, there are opportunities to address some of the negative aspects of neopatrimonial relations in the country.

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Political interests, affiliation and service delivery in the Cape Town Unicity Council

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Abstract

The Western Cape (WC) remains the only province of South Africa which has not been won by the African National Congress (ANC) since the first democratic elections in 1994. It is also the only province in which the ANC, New National Party (NNP), and Democratic Party coalitions (DA1 and DA2) have alternated between 1994 and 2008. The research reported on investigated the null hypothesis (H0) that there was no statistically significant association between affiliation to political party and respondents' access to low-cost housing services provided by different governing parties in the Cape Town Unicity Council (CT) between 1994 and 2008. This H0 was rejected because statistical analysis of primary data collected from the Langa and Delft areas of CT found a statistically significant association between affiliation to political party and respondents' access to low-cost housing services provided by different governing parties in CT during the period between 1994 and 2008. A critical evaluation of low-cost housing data provided by the WC Department of Human Settlements (DHS) and interviews with selected political and community leaders also provided evidence to suggest that almost all political parties that governed CT between 1994 and 2008 often attempted to use the allocation of low-cost housing services either to favour their own supporters or to attract voters of their rival parties. These findings confirm political manipulation of public resources by different incumbent politicians in ruling political parties in CT and justify the consideration of more effective policy mechanisms to reduce partisan bias.

Keywords: political interests, political affiliation, service delivery in South Africa

1 INTRODUCTION

This article reports on a study that investigated whether there was any statistically significant association between affiliation to political party and respondents' access to low-cost housing services provided by different political parties that governed the Cape Town Unicity Council (CT) between 1994 and 2008. Initially, some theoretical issues related to the allocation of goods and services to political supporters in different contexts are explored. This is followed by a summary of allegations and counter allegations about politicisation of the implementation of the subsidised housing policy in CT. The seesawing of control of local governance between different political parties is then summarised, followed by the research hypothesis and research methodologies. The article then proceeds with a statistical analysis of the primary data and a critical assessment of the secondary data to either confirm or reject the null hypothesis (H₀), resulting in a summary of the main findings, conclusions and recommendations.

2 ALLOCATION OF GOODS AND SERVICES TO GAIN POLITICAL SUPPORT

The allocation of goods and services specifically to political supporters is neither new nor limited to the Western Cape (WC) context. A number of attempts to link political parties' decisions and actions to please their supporters include those by Corrigan and Watson (2003) who studied the influence of a general liberal or conservative ideological orientation on the attitudes of decision makers in resource allocation decisions. Their study concluded, *inter alia*, that the political orientation of officials involved in budget allocations is an important predictor of distributive justice (Corrigan and Watson 2003, 1). Other closely related studies include the instrumental approach applied in the United Kingdom (UK) by Boyne, James, John and Petrovsky (2008, 2–10) which concluded that the more socialist-orientated Labour Party was more likely to perform better in services like public health, state schools, and so on, which affect their supporters directly, while the more capitalist-oriented Conservative Party focused more on reducing taxes which would be of more interest to their traditional supporters. The research also found positive links between the Conservative Party's control of public resources and improved service performance in the areas that the party prioritised.

Boyne et al.'s (2008) research was, however, not intended to show how performing or non-performing political parties could use the scarce public resources under their control to favour their potential supporters at the expense of supporters of the opposition parties, irrespective of their different political ideologies. For example,

they did not investigate whether either the Conservative party or the Labour Party used resources they controlled as a governing party to persuade voters of rival parties to shift their loyalties. They also did not try to find out whether any of the leading British political parties could have attempted to satisfy their supporters at the expense of supporters of rival parties.

Khemani (2006, 1–17) attempted to determine whether ‘delegation of fiscal policy to independent agencies’ could reduce rampant partisanship in the distribution of national resource transfers across regional and local governments in India. This study concluded that ‘the transfers that are determined by the central political executive are indeed distributed to favour particular states that are politically important for the central ruling party’ (Khemani 2006, 1–20). The study also claims that ‘the transfers that are delegated to an independent agency serve to constrain such partisan impact’ (Khemani 2006, 17). However, the aim of the study was not to determine whether there is a possible consequence on ordinary Indian voters who may be supporting opposition parties while staying within the states that ‘are politically important for the ruling parties’ (Khemani 2006, 17) at central, regional or local spheres of government. A study similar to Khemani’s was conducted by Carrell and Hauge (2008, 1–14) in the United States of America (US) which hypothesised that ‘the equitable distribution of the Department of Defence Housing Allowance dollars is affected by presidential and congressional electoral politics’. The purpose of this research was ‘to determine whether the executive or the legislative branches of government (the president and/or Congress) of the USA’ have exploited changes to the Department of Defence’s Military Housing Allowance Programme to divert funding to their constituencies (Carrell and Hauge 2008, 24). The authors claim that in the end ‘locations that provided greater support for the winning presidential candidates in the 1996 election received a significant increase in the housing allowances than locations that supported the losing presidential candidates’ (Carrell and Hauge 2008, 1).

Saetren (2005, 560) argues that reviewers of policy implementation often fail to explain how they arrived at ‘their factual statements’. The Carrell and Hauge study falls in this category since it does not explain whether a voter who supports the losing party in a location dominated by supporters of the winning party, was discriminated against by the winning party in terms of the allocation of resources after winning the election. Ardoin and Vogel (2003, 1) conclude that African Americans virtually unanimously support the Democratic Party, but their study also does not show whether an African American soldier (who most likely is a supporter of the Democratic Party) who resides in an area dominated by Republican voters may have been discriminated against after the Republican Party won the election.

Finally, Okecha (2010) conducted a study on the effect of regime politics and services delivery in CT in South Africa in 2009. The study claims that emerging conflicts between political parties, such as the African National Congress (ANC), the Democratic Alliance (DA), the Independent Democrats (ID) and recent local regime changes in CT, have impacted negatively on service delivery (Okecha 2010, 95). However, this investigation was not concerned with the possibility that such conflict and/or regime change could have created conditions in which any or all of the competing political parties could have used service delivery to achieve their own political interests, either by favouring their own supporters and/or by discriminating against supporters of opposition parties who live in CT.

O'Toole Jr. (2000, 283–284) states that 'it seems clear that the practical world is now just as much in need of valid knowledge about policy implementation as it ever has been'. The reason for this is that 'plenty of work regarding policy implementation study remains to be done' because of the need on the part of policy implementers (practitioners) of 'valid knowledge about policy implementation' (O'Toole Jr. 2000, 283–284). The article presents the argument that the impact of partisanship and party political interests on policy implementation remains one of the key aspects that has been ignored in the area of government studies. The following section summarises the main elements of the prevailing discourse about using the allocation of housing services to gain political support in the WC.

3 BACKGROUND TO THE DISCOURSE ON THE ALLOCATION OF HOUSING SERVICES TO GAIN POLITICAL SUPPORT IN THE WC

The WC government provides a unique case study for this research because, with the exception of the province of KwaZulu-Natal, the control of local government has seesawed mainly between the ANC, New National Party (NNP), DA1 and DA2. The DA1 is a coalition between the NNP, the Democratic Party (DP) and the Federal Alliance (FA), which was formed just before the 2000 municipal elections (Cameron 2003, 55; Morange and Sophie 2006, 357). The DA2 is the second version of the DA, which was formed after the 2006 municipal elections. According to Habib and Nadvi (2002, 1) and Venter and Landsberg (2007, 10) the NNP and DA voters (as well as the coalition that resulted from their combination) remain largely, though not exclusively, limited to 'minority groups', including whites, coloureds, and Indians (see also Eldridge and Seekings 1996, 519; Jeppie 1999, 1; Schrire 2001, 144; Seekings 2007, 9).

On the other hand, the ANC's support base is mainly 'weak among the white and coloured voters, but very strong among the Black communities' (Eldridge and Seekings 1996, 521; Jeppie 1999, 1–2; Seekings 2007, 9). The terms 'black' and 'Africans' as used in this context refer to a section of the South African population historically classified as 'black' (or 'Bantu') in terms of apartheid legislation (Posel 2001, 53) and 'black Africans' in the democratic South Africa (Stats SA 2012, 21). Consequently, because the three political parties, the NNP, the DP and the FA, which initially made up the DA1 (2000–2002), are traditionally white parties, their combining against the ANC 'has consolidated race-based divisions in South African society and politics' and in WC politics in particular (Pieterse 2002, 23–31). This has created perceptions in some ANC members of a racial 'ganging-up' against the blacks (Habid and Nadvi 2002, 1).

These considerations illustrate the fact that the WC and CT are arguably the most politically contested areas in South Africa. They are also the results of the fact that political party supporters are largely, though not exclusively, divided along racial lines in this province (Ferree 2006, 1; Habib and Naidu 2006, 91; Posner 2007, 1; Sylvester 2009, 2). Until 2013 the WC is the only province which has not been won outright by the ANC since 1994. As a result, according to Okecha (2009, 22), the ANC made approximately nine attempts to unseat the DA government in Cape Town between 2006 and September 2007. Tables 1 and 2 summarise the frequency of changes in terms of government and the composition of various coalitions that governed the WC and CT between 1994 and 2008 respectively.

Table 1: Premiers of the PGWC: 1994–2009

| Name | Took office | Left office | Political Party |
|-------------------------------|------------------|------------------|--|
| Hernus Kriel (1st) | 7 May 1994 | 11 May 1998 | NP |
| Gerald Morkel (2nd) | 11 May 1998 | 12 November 2001 | NP/NNP (with the support of DP, ACDP) |
| Cecil Herandien (acting) | 12 November 2001 | 5 December 2001 | NNP (with the support of DP, ACDP) |
| Peter Marais (3rd) | 5 December 2001 | 3 June 2002 | NNP (with DP = DA1 Coalition) |
| Piet Meyer (acting) | 3 June 2002 | 21 June 2002 | NNP (with DP = DA1) |
| Marthinus van Schalkwyk (4th) | 21 June 2002 | 23 April 2004 | ANC (with the NNP member as the Premier of the WC) |
| Leonard Ramatlakane (acting) | 23 April 2004 | 30 April 2004 | ANC (with the support of NNP) |

| Name | Took office | Left office | Political Party |
|----------------------|---------------|----------------------|-----------------|
| Ebrahim Rasool (5th) | 30 April 2004 | 25 July 2008 | ANC |
| Lynn Browne (6th) | 25 July 2008 | 22 April 2009 | ANC |
| Helen Zille (7th) | 22 April 2009 | Onward (\pm 2014) | DA2 |

Adapted from: <http://en.wikipedia.org>; Zaaiman (2007, 68–99)

An analysis of Table 1 indicates that there were at least five major changes of government in the Provincial Government of the WC (PGWC) between 1994 and 2009. The NP was the first political party to govern the WC in a democratic South Africa. The term of the NNP spanned the period from 7 May 1994 to 5 December 2001. During this period, the NNP appointed three premiers, namely: Hernus Kriel (7 May 1994 – 11 May 1998); Gerald Morkel (11 May 1998 – 2 November 2001) who was suspended from the NNP and forced to resign the premiership for ‘challenging the party’s decision’ to withdraw from the DA1 alliance (Habib and Nadvi 2002, 332); and Cecil Herandien (acting premier 12 November 2001 – 5 December 2001) who replaced Morkel.

From 5 December 2001 to 21 June 2002, the DA1 governed the WC. In June 2000, the NNP entered into a coalition with two other political parties, the DP and the FA, known as the DA1 (Faull 2008, 1–6; Pieterse 2002, 14). The DA1 government ended in October 2002, when the NNP walked out of the coalition in order to form a new coalition with the ANC (Mattes 2002, 25–26). As Mattes (2002, 25–26) goes on to argue, the ANC changed its position principally to enable NNP Cape Town city councillors to leave the DA and cross- over into an alliance with the ANC, thus giving it control of the only city government in the country that it did not already dominate (see also Faull 2004a, 2–3). It was the NNP defection from the DA1 in the floor-crossing window period of October 2002 that gave control of CT and of the PGWC to the ANC for the first time (Buthelezi 2007, 96–97; Faull 2004b, 2–3; Kotzé 2007, 76). In less than one year, two premiers from the DA (1&2) coalitions were appointed. Peter Marais was appointed and served as the premier from 5 December 2001 to 3 June 2002, and Piet Meyer was acting premier for just over two weeks, from 3 June 2002 to 21 June 2002 (see Table 1).

The DA1 was replaced in the PGWC by an NNP/ANC coalition from 21 June 2002 to 23 April 2004. Initially, Marthinus van Schalkwyk, then leader of the NNP was appointed as premier of the WC (Zaaiman 2007, 83). The ANC was able to participate in the PGWC, initially as part of the NNP coalition, from 21 June 2002. However, the ANC became an apparent *de facto* in the PGWC after beating all its rivals in the 2004 elections. The ANC won the premiership of the WC by combining

its 45.2% votes with the 11.9% votes of its newly acquired ally, the NNP. From 23 April 2004 to 22 April 2009, the ANC appointed its own members in the premier's office. Leonard Ramatlakane was appointed in an acting capacity for exactly one week on 23 April 2004, serving in office until 30 April 2004. He vacated the premier's office on 30 April 2004, when Ebrahim Rasool was appointed as premier of the WC. He served in this office for four years (30 April 2004 – 25 July 2008).

The last member of the ANC to become premier of the WC was Lynn Browne (25 July 2008 to 22 April 2009). Browne was replaced by Helen Zille, the DA2 leader, following the first DA2 outright victory in the 22 April 2009 elections. As a result of its outright victory (51.6% votes), the DA2 is currently the governing party in the WC.

Table 2: Mayors of CMC/CT: 1994/95 to present

| Name | Took office | Left office | Political Party |
|-----------------------|---------------|---------------|--|
| Patricia Kreiner | 1993 | February 1995 | NP |
| Rev. William Bantom | 1995 | December 2000 | NP |
| Peter Marais | December 2000 | November 2001 | DA1 (i.e. DP, NNP, FA) |
| Gerald Morkel | November 2001 | October 2002 | |
| Nomaindia Mfeketo | October 2002 | March 2006 | ANC |
| Helen Zille | 15 March 2006 | 22/04/2009 | DA2 (i.e. DP with 6 other smaller parties without NNP) |
| Grant Haskin (acting) | 22 April 2009 | May 2009 | |
| Dan Plato | May 2009 | 2011 | |
| Patricia de Lille | 2011 | Onwards | DA2 (After outright win of 2011 elections) |

Adapted from: <http://en.wikipedia.org>; South African History Online (2006, 1); Zaaïman (2007, 86–99)

An analysis of Table 2 shows a total of four changes in governing political parties and composition of coalitions in CT between 1994 and 2009. The first local government elections in CT (then City of Cape Town) were held in 1996 (Cameron 2003, 52; McDonald and Smith 2004, 1467). The NNP won the 1996 municipal elections and governed five out of six municipal substructures (administrations) of the former Cape Metropolitan Council (CMC) till December 2000 (Faull 2008, 1–6). During that period, Rev. William Bantom (1995 – December 2000) was the appointed mayor of the CMC, which was renamed as CT in 2000 (Ebrahim 2011, 4).

However, just before the second local government elections in June 2000, the NNP, DP and the FA decided to form a coalition known as the DA1 so as to compete against the ANC under one umbrella, (Masemola 2007, 4). The newly formed DA1 won a comfortable majority of 107 of the 200 seats on the new UniCity (Cameron 2003, 53; McDonald and Smith 2004, 1466).

The DA1 won the second municipal elections held in December 2000 and governed CT for almost a year, appointing Peter Marais to the mayoral position from December 2000 to late November 2001 (Okecha 2009, 6). The DA1 remained in power from November 2001 to October 2002 with Gerald Morkel as mayor of CT (Habib and Nadvi 2002, 331; Zaaiman 2007, 82).

The DA1 lost control of CT in October 2002 as a result of the NNP decision to walk out of the DA1 coalition and to join the ANC (Habib and Nadvi 2002, 332; McDonald and Smith 2004, 1466). A coalition between the ANC and the NNP took control of CT from the DA2 between October 2002 and March 2006 (Morange and Didier 2006, 354). During this period, Nomaindia Mfeketo became the first black female, and member of the ANC, to become mayor of Cape Town since the first democratic elections in 1994. Mfeketo was appointed by the ANC from October 2002 to March 2006 (Okecha 2009, 6).

In the local government elections of March 2006, the DA2 managed to take control of CT (Morange and Didier 2006, 375) by getting six smaller political parties to align themselves with the DA2. The resulting coalition, known as the DA-led coalition, has governed CT since 15 March 2006 up to the present. Three mayors have successively been appointed by the DA2 since March 2006, namely: Helen Zille (15 March 2006 – 22 April 2009), Grant Haskin (acting: 22 April 2009 – May 2009) and Dan Plato (from 22 April 2009 onwards). Plato took over the mayoral position from Zille when the latter became premier of the WC in April 2009. Since April 2009, the DA has been in control of both CT and the PGWC.

4 RESEARCH HYPOTHESES AND METHODOLOGY

4.1 Research hypothesis

Fox, Hunn and Mathers (2009, 12) argue that ‘most (but not all) quantitative studies aim to test a hypothesis’ and they define the term hypothesis as ‘a kind of truth claim about some aspect of the world’. According to Fox et al. (2009, 12), ‘research sets out to try to prove this truth claim or, more properly, to reject the null hypothesis (H₀) – a truth claim phrased as a negative’. The H₀ is rejected if, after statistical analysis, it is found that there is significant statistical association between respondents’ affiliation to political parties and their access to low-cost housing. In statistical terms, the null

hypothesis will be rejected only 'if the probability is less than 1/20 (i.e. $p < 0.05$, where $<$ is read as 'less than'). But, if not, (i.e. p -value > 0.05 , where $>$ is read as 'greater than') the null hypothesis will not be rejected (Rosnow and Rosenthal 1990, 272). In case the null hypothesis is rejected, then the alternative hypothesis will be accepted and vice-versa (The Nuffield Foundation 2008, 3).

The current research attempted to prove or reject the null hypothesis (H0) that there was no statistically significant association between affiliation to political party and respondents' access to low-cost housing services provided by different governing parties in CT between 1994 and 2008. The alternative hypothesis (H1) stated that there was a statistically significant association between affiliation to political party and respondents' access to low-cost housing services provided by different governing parties in CT.

According to Rosnow and Rosenthal (1990, 272) many researchers use the 0.05 level of probability as a kind of critical demarcation point for deciding whether or not to reject the null hypothesis. These authors argue that 0.05 alpha is seen by many scientists as a good 'fail-safe' standard because it is convenient (most statistical tables show 5% values) and stringent enough to safeguard against accepting a statistically non-significant result as significant (Fox et al. 2009, 13; Rosnow and Rosenthal 1990, 272). This would be concluding that the null hypothesis is true while it is not. Thus a p value of 0.05 is also used as a cut-off point for the purpose of this study because it is a widely used conventional level of significance and is stringent enough to safeguard against accepting a statistically non-significant result as significant (Fox et al. 2009, 14–15).

4.2 Methods of collecting and analysing data

The methodology in this article is based on secondary data (which was qualitative) and primary data (which was quantitative). Secondary data was obtained and analysed by way of a literature review. The first source of secondary data is the database of low-cost housing projects that were approved by the WC DHS: Sub-Directorate: Project Approvals (email from Isaac Ampo on 9 November 2009) between 1994 and 2008/09. In terms of the sampling of housing projects, the database provided to the researcher shows that 1 074 housing projects were approved for the whole WC between 1994 and 2008/09. The data used for the research included all 565 housing projects which are specifically located in CT between 1994 and 2008/09. The data were sorted into different categories and organised in Table 3.

The second source of secondary data was the demographic profiles of all suburbs of CT (City of Cape Town – Census 2001: A-Z). The website of the Strategic Development Information (SDI) and Government Information Services (GIS) (SDI

2006) lists 163 suburbs of CT and their demographic profiles. The data selected include the 'racial' demographic profiles of all 163 suburbs of CT. The sources of quantitative primary data include the questionnaires, interviews with political party representatives, leaders of labour unions and community based organisations (CBOs). A total of 1 500 questionnaires were hand distributed by a group of five field workers and the researcher to households on the principle of 'an adult (18 years and older) at home' and on condition that he/she was prepared to voluntarily take part in the study. A total of 750 questionnaires were distributed in the Langa area (with an estimated 5,627 households) and a total of 750 questionnaires were also distributed in the area of Delft (with an estimated total of 12 500 households) (Statistics SA 2006). In total, 1119 questionnaires were received and a total of 381 questionnaires were either not returned or not properly completed. The tools for analysis of this quantitative primary data from questionnaires include a mathematical analysis and the use of Statistical Package for Social Sciences (SPSS) to analyse the Chi-square test (X^2) whenever necessary.

A non-probability sampling approach was followed for the interviews. A total of nine individual respondents were interviewed for the purpose of this study. For the purpose of confidentiality, these respondents will be referred to as respondent A, B, C1, C2, D, E, F, G and H in the article. The researcher consciously selected those institutions and individuals that were the most likely to have the necessary information, agreed to be interviewed by the researcher and appeared to be representative of the target group (Bless and Higson-Smith 1995, 94). Interviewees included two high ranking representatives of the two main political parties (the ANC and DA), two ward councillors and three representatives of CBOs (such as the Anti-Eviction Campaign Organisations), one academic and one representative of the labour movements, namely the Congress of South African Trade Unions (COSATU).

The interviews generated the qualitative data which was processed and analysed by the researcher who first encoded it and then placed it into appropriate categories dealing with the different dimensions of the research problem.

4.3 Minimising the effects of governing parties' term of office: 1994–2008

Because the period covered by the study spanned from 1994 to 2008 and the housing information used was received by the researcher in November 2009, the information on housing projects allocated by the DA2 after November 2009 was not available at the time of the research. The DA2 took control of CT on 15 March 2006 and is still controlling CT till the time of writing (2013). In addition, the housing projects

implemented by the different governing parties stretched over different time lengths and as Table 2 shows, some political parties were in power in CT for longer period than others. For example, the NNP was in power from 1993 to December 2000 (approximately 7 years counted from 1994); the DA1 was in power from December 2000 to October 2002 (approximately 2 years), the ANC from October 2002 to March 2006 (approximately 3.5 years) and the DA2 from March 2006 to the time of writing. The DA2 had been in power for approximately 2.5 years only at the time the housing information used in this research was received (November 2009). In order to minimise any possible distortion that could result from comparing the allocation of housing projects and housing units allocated by different governing parties during their different periods of controlling CT, the researcher used the statistical calculation method. This method takes the total number of housing projects approved, and the number of housing units allocated during the period each governing party was in power, divided by the number of years each governing political party was in power in CT. The following section contains a summary of the analysis of data aimed at determining whether political parties that governed CT between 1994 and 2008 skewed the allocation of low-cost housing in favour of their supporters or not.

5 SKEWING THE ALLOCATION OF LOW-COST HOUSING IN FAVOUR OF POLITICAL PARTY SUPPORTERS

The analysis in this section is based on the list of housing projects provided to the researcher by the WC Department of Housing between 1994 and 2008/09 in November 2009. The housing projects are organised in a manner that shows the number of housing projects approved each year in the WC between 1994 and 2008/9. The analysis of the database of the WC Department of Housing shows that about 1 074 housing projects were approved between 1994 and Mid-November 2009; 565 (or 52.60%) housing projects were approved for the Cape Metropolitan Area (referred to as CT in this study); and about 509 (or 47.40%) housing projects were approved for the rest of the WC Province. There are also five housing projects (two of which are in CT) for which the date of approval is not recorded. These findings are summarised in Table 3 below.

Table 3: Housing projects approved in the WC Province: 1994–2009

| Year | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | Y/U | Total | % | |
|--------------------------------|---|------|--|------|------|--|------|------|--|------|--|--|------|------|------|---|-----|-------|--------|--|
| PGWC | 4 | 30 | 49 | 44 | 28 | 70 | 53 | 59 | 62 | 45 | 126 | 118 | 81 | 84 | 159 | 57 | 5 | 1074 | 100% | |
| Unicity of Cape Town | 1 | 4 | 12 | 13 | 10 | 42 | 42 | 29 | 44 | 17 | 66 | 65 | 36 | 53 | 89 | 40 | 2 | 565 | 52.6% | |
| Rest of PGWC | 3 | 26 | 37 | 31 | 18 | 28 | 11 | 30 | 18 | 28 | 60 | 53 | 45 | 31 | 71 | 17 | 3 | 509 | 47.49% | |
| National/ Provincial Elections | 1994: National and Provincial elections won outright by the NNP (54.8%) in the WC (ANC 33.3%) | | | | | 1999: National and Provincial elections partially won by a coalition between DA1 (40.5.5 NNP; 11.9% DP); (42.9% ANC) | | | | | 2004: National and Provincial elections partially won by the ANC (45.2% with smaller other parties: DP/DA 28.6%; NP/NNP 11.9%) | | | | | 2009: National and Provincial elections won outright by the DA2 (51.6%) | | | | |
| Municipal Elections | 1994 | | 1996: Municipal Elections won by the NP in the City of Cape Town | | | 2000: Municipal Elections won by the DA1 (DP/NP/FA) in CT | | | 2002: Change of government in 2002 when the NNP abandoned the DP/FA coalition to form a new coalition with the ANC | | | 2006: Municipal Elections won by the DA-led coalition of 7 political parties | | | | | | | | |

Source: Uwizeyimana (2011, 251)

Note: Y/U means year unknown

5.1 Housing projects/units allocated by all political parties governing CT: 1994–2008

Table 4 shows a summary of the numbers of housing units approved for coloured, black and white suburbs between 1994 and 2008/09. During this period, different political parties alternated in CT government. Table 4 (blocks A and D) shows that a total of 565 housing projects were approved by the Housing Approval Committee of the Western Cape Provincial Department of Local Government and Housing during the period under discussion. Among them, a total of 124 housing projects were approved between 1994 and December 2000, when the NNP was governing CT. Four of the 124 housing projects approved during the NNP’s term of office translated into zero housing units. Since the NNP was in power in CT for a period of approximately seven years this translates into about 17 housing projects (120/7) approval per year. This means that a total of 102 086 housing units approved between

1994 and December 2000 (as listed in Table 4) or approximately 14 584 housing units per year were a result of 120 housing projects. It also shows that a total of 50 housing projects were approved in a period of two years between December 2000 and October 2002 when the DA1 was governing CT. However, four of the 50 housing projects resulted in zero housing units. This means that a total of 20 906 (or 10 453 per year) housing units distributed to white, black and coloured suburbs by the DA1 (see Table 4) were as a result of 46 (or 23 per year) housing projects. Furthermore, Table 4 (block A and D) also shows that while a total of 191 housing projects were approved between October 2002 and June 2006 (approximately 3.5 years) when the ANC was governing CT, 28 of the 191 housing projects approved resulted in zero housing units. This means that a total of 107 185 (or about 30 624 per year) housing units delivered by the ANC government in the white, black and coloured suburbs (see Table 4) resulted from 163 approved housing projects. The 163 housing projects over a period of 3.5 years translate into 47 housing projects approval per year. Finally, Table 4 shows that a total of 199 housing projects were approved between June 2006 and November 2009 (when the housing information used in this analysis was received). The DA2 had been in power in CT since June 2006, and 39 of the 199 housing projects approved resulted in zero housing units. This means that the 47 886 housing units allocated between the time the DA2 took power in CT and the time of this research (November 2009) resulted from 160 housing projects. This translates into 19 154 housing units and 64 housing projects per annum. The housing unit allocation in suburbs which are dominated by different racial groups during the time different political parties governed CT, was as follows:

Table 4: Housing projects approval and Housing Unit Allocation by individual parties: 1994–2008/09

| A | | B | C | D | D1 | E | E1 |
|-----------------------------|----------------------------------|--|--|---|--|--|---|
| Political party at CT level | Approx. number of years in power | Number of housing projects with ZERO housing units | Approx. number of housing projects approved by each political party's government | Approx. number of housing projects with number of housing units (full duration) | Approx. number of housing projects approved per year | Approx. total housing units approved by each political party (full term) | Approx. total housing units approved by each political party per year |
| NNP:1994–Dec. 2000 | 7 | 4 | 124 | 120 | 17 | 102 086 | 14 584 |
| DA1: Dec. 2000–Oct. 2002 | 2 | 4 | 50 | 46 | 23 | 20 906 | 10 453 |

| | | | | | | | |
|--------------------------------|-----|----|-----|-----|----|---------|--------|
| ANC: Oct 2002-June 2006 | 3.5 | 28 | 191 | 163 | 47 | 107 185 | 30 624 |
| DA2: June 2006-2008/09 | 2.5 | 39 | 199 | 160 | 64 | 47 886 | 19 154 |
| Total housing units: 1994-2008 | | 75 | 565 | 489 | | 278 063 | |

Adapted from: Uwizeyimana (2011, 278)

Note: All numbers are rounded to the nearest unit

5.2 Housing unit allocation in ‘black’, ‘white’ and ‘coloured’ suburbs: 1994–2008

On the assumption that all the housing projects listed in the Housing Database provided to the researcher have been implemented without change, the information summarised in Table 4 shows that about 278 063 housing units were expected to result from these 565 housing projects. The ANC (in charge of CT: October 2002 – June 2006) had the highest number of approved housing units (107 185) for the period of three and a half years. This translates into 30 624 housing units per year. They include 61 358 housing units (or about 17 531 per year) that were allocated for black suburbs; 19 579 units (5 594 per year) in coloured suburbs; 590 housing units (169 per year) for predominantly white suburbs and 25 658 units (7 331 per year) for other/non-specific racial grouping suburbs.

The DA2 has governed CT since 2006 to date. Therefore, at the time of the current study, the housing projects and units approved by the DA2 approved housing units were incomplete. It is highly possible that the DA2 (now in its second term after the 2011 municipal elections) has implemented other housing projects which are not included in the study. Nevertheless, the information available at the time of the study (as summarised in Figure 1) showed that 47 886 housing units had so far been allocated since the DA2 took control of CT (from June 2006 to the time of the study, i.e. November 2009). The rate of 19 154 housing units per year makes the DA2 the second top performer in terms of overall housing units’ allocation in the period covered by this study. The total of 47 886 housing units over the two and half year period the DA2 ruled in CT covered by the research included 26 848 housing units (10 739 per year) that were allocated to black suburbs; 17 915 housing units (7 167 per year) allocated to coloured suburbs; 342 housing units (137 per year) allocated to white suburbs; as well as 2 781 housing units (1 112 per

year) allocated to ‘unidentified’/other suburbs not easily linked to any of the ‘Major Racial Groupings in the UniCity’.

If the number of houses and projects produced is considered, the ANC’s closest competitor for approved housing units for the period under discussion was the NNP whose total was 102 086 housing units (or about 14 584 per year). Table 4 shows that the NNP’s 102 086 housing units included 47 129 housing units (6 733 per year) allocated to ‘black’ suburbs; 40 572 housing units (5 796 per year) to ‘coloured’ suburbs; 3 695 housing units (528 per year) to ‘white’ suburbs and 10 690 units (1 527 per year) allocated to ‘unidentified/other suburbs’ (see Figure 1). The NNP governed CT for a period of about seven years from 1994 to December 2000. The DA1 governed CT for a period of approximately two years from December 2000 to October 2002. Figure 1 shows further that about 20 906 housing units (or about 10 453 per annum) were allocated to suburbs dominated by different ‘Racial Groupings’ during this period, including 11 284 housing units (5 642 per annum) allocated to black suburbs and 9 622 housing units (4 811 per annum) allocated to coloured suburbs. Table 4 shows that no housing units were allocated either to white suburbs or to ‘unidentified/other’ suburbs during the DA1’s term of office in CT. Based on these findings, it can be argued that the ANC outperformed the DA2’s performance in terms of both the total number of housing projects (ANC: 61 358; DA: 26 848) and annual average rate of housing units delivery (ANC: 17 531; DA2: 10 739; NNP: 6 733) in black suburbs but not in coloured (annual average ANC: 5 595; DA2: 7 167) suburbs. Both the DA2 and NNP outperformed the ANC in coloured (ANC: 5 594; DA2: 7 167; NNP: 5 796) and white suburbs (ANC: 169; DA: 137; NNP: 528). The NNP outperformed all political parties in white suburbs.

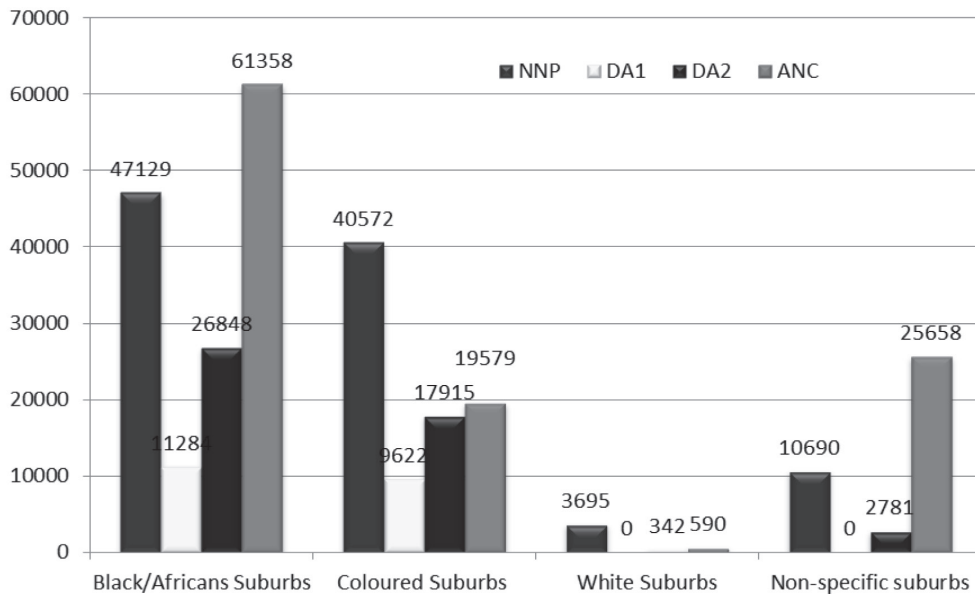


Figure 1: Housing unit allocation in 'black', 'white' and 'coloured' suburbs: 1994–2008

Source: Uwizeyimana (2011, 281)

5.3 Housing projects in suburbs of which black voters are the majority

There are 163 suburbs in CT. A grouping of these 163 suburbs on the basis of the 'Majority Race Group' criterion shows 26 suburbs whose residents are predominantly black. The 'Majority Race Group' criterion used in this study would indicate that there are more 'blacks' than 'whites', 'coloureds' or 'Indians' in each of these 26 suburbs. Based on these criteria, a summary of the 26 suburbs dominated by black voters in CT follows. As seen in Table 4 above an analysis of the housing database provided by the WC Department of Housing shows that about 565 housing projects were approved in CT between 1994 and 2008/09. It also shows that 412 housing projects (out of these 565 housing projects) were located in 17 of the 26 suburbs identified by this study as having 'blacks' as the majority population.

The above analysis shows that 150 housing projects (or about 60 per year) were allocated in black suburbs during the 2.5 year (2006–2008) period the DA2 was in

control of CT than between 1994 and December 2000 when the NNP (with 84) was governing CT. The DA1 approved 41 housing projects in black suburbs (or about 21 per year) during its two year term in CT (December 2000 – October 2002). In comparison with the ANC, the NNP, which governed CT for a period of seven years (1994–2000) without a coalition, and another two years from 2000 to November 2001 in a coalition with the DP/FA (here referred to as DA1), approved the lowest number (191) of housing projects (or just 27 per annum) in black suburbs. The NNP's under performance in black suburbs could be interpreted as a result of its anti-black (i.e. racist) policies but also the fact that it was not expecting blacks to vote for it. On the contrary, in almost a period of three and half years (October 2002 – March 2006) during which the ANC was in charge of CT, it approved relatively more housing projects (135 or about 39 per year) than the NNP (12 per year) and the DA1 (21 per year). The DA2 was, however, able to outperform all other political parties in black suburbs with 150 housing projects (or about 60 per year) during the two and a half years (2006–2008) of its first term considered in this research. The ANC performance cannot be disassociated from the fact that it has the strongest support in black voters of CT and the DA2 outperformance cannot be disassociated from its desire to increase its share of black voters. The fact that the NNP provided the least number of housing units per year in its 7-year rule in the democratic South Africa could be interpreted as its acknowledgement that given its apartheid history, black voters were not ready to vote for it.

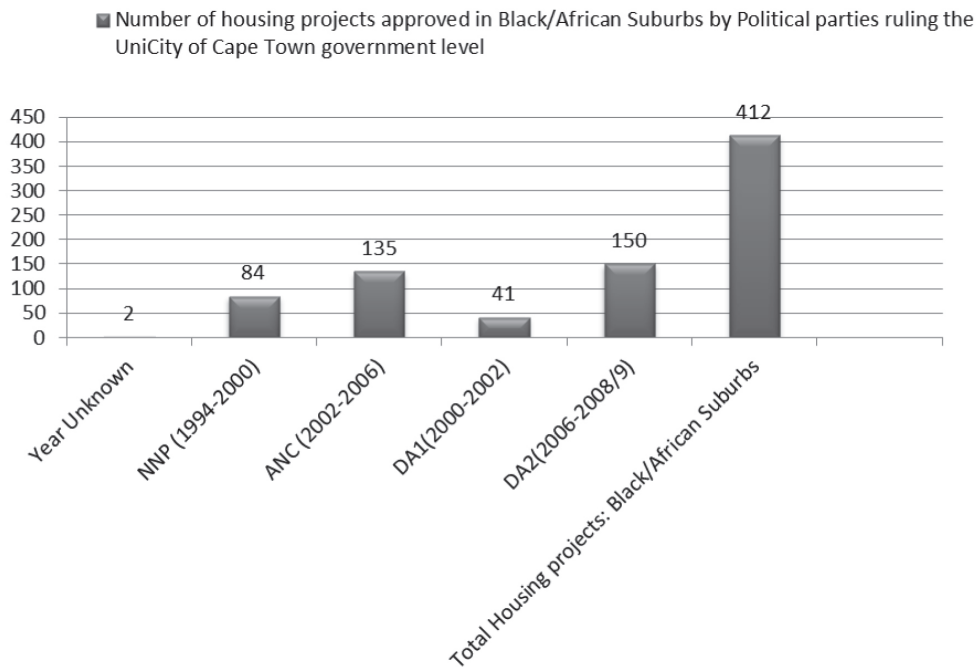


Figure 2: Housing projects in 17 black suburbs: 1994–2008/09
Source: Uwizeyimana (2011, 284)

5.4 Allocation of housing projects and housing projects in coloured suburbs: 1994–2008/09

CT has 65 suburbs in which coloured voters are in the majority. The analysis of the database of housing project approvals shows that only 26 out of these 65 coloured suburbs received housing projects between 1994 and 2008/09. The focus of this study is on these 26 suburbs. A closer look at the database provided by the WC Department of Housing (also summarised in Figure 4) shows that a total of 116 housing projects were allocated in 26 out of 65 suburbs of CT where coloureds are the majority population between 1994 and 2008/09; 28 housing projects (about 4 per year) were approved when the NNP was governing CT (1994–December 2000); 34 housing projects (about 10 per year) were approved when the ANC was governing CT (November 2001–October 2002); 11 housing projects (about 5 per year) were approved when the DA1 was in charge of CT (December 2000–October 2002); and 43 housing projects (about 17 per year) were approved when DA2 was in power in CT (15 March 2006–2008/09). From Figure 3 it is clear that the DA2 approved more housing projects than either the NNP or the ANC during the period under discussion.

In addition, the DA2 recorded the highest number of housing units in the coloured suburbs of CT during the period. In terms of housing units allocation, the NNP allocated 40 572 (about 5 796 per year) housing units; while the DA1 allocated only 9 622 (about 4 811 per year), the DA2 17 915 (about 7 167 per annum, by November 2009) and the ANC 19 579 (about 5 594 per year). While the current research does not claim or attempt to prove causality between the increase in the number of housing projects/units approved and the increase in the election results, the analysis shows clearly that both the DA2 and the NNP outperformed the ANC in the suburb in which coloureds are in the majority. The coloured voters make up 70% of voters in CT and they helped the ANC to achieve a relative majority in the 1999 national and provincial elections and 2004 general elections (45.2%). It was also the coloured voters who helped the DA2 to wrestle control of CT in 2006 and win the 2011 municipal elections and the PGWC elections in 2009 (51.46%). Coetzee (quoted in Rawoot and Ndlovu 2009, 1) argues that the DA2 won the 2009 elections because it was able to show the ‘coloured people that the DA is aware of and understands their particular issues’ and that it is able to deal with them better than the ANC. Access to housing is one of the major issues in the elections of the WC and CT in particular (Legassick 2008, 3).

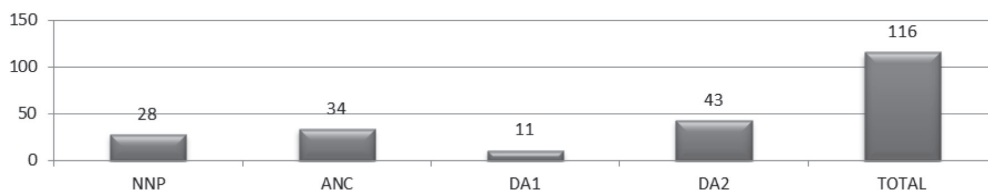


Figure 3: Housing projects approved by political parties that governed CT: 1994–2008/09

Source: Uwizeyimana (2011, 289)

5.5 Housing projects in white suburbs of CT

CT has 72 suburbs in which white voters constitute the majority of residents. Only seven of these 72 suburbs have benefited from the 10 housing projects which were approved by the WC DoH between 1994 and 2008/09. A closer look at the list of housing projects provided by the WC DoH for the period 1994–2009 shows that 1 housing project (or 1 in 3.5 years) was approved in a white suburb when the ANC was governing CT. It also shows that four housing projects (or 4 in 4.5 years) were approved in the white suburbs when the DA (1&2) were governing CT and that four housing projects (or 4 in 7 years) were approved in the White suburbs when the NNP was governing CT. The ratios for the DA and NNP were higher than that of

the ANC, suggesting that ‘non-white’ voters (blacks or coloureds) whose informal settlement is closer to white suburbs were likely to get more housing projects approved for them during the time the NNP/DA coalition governed CT than when the ANC governed the Unicity. While whites are not the primary beneficiaries of low-cost housing, they receive indirect benefits because the existence of shacks in the midst of up-market houses negatively affects the market value of properties in all likelihood owned mostly by DA/NNP supporters (Department of Local Government and Housing 2005, 11).

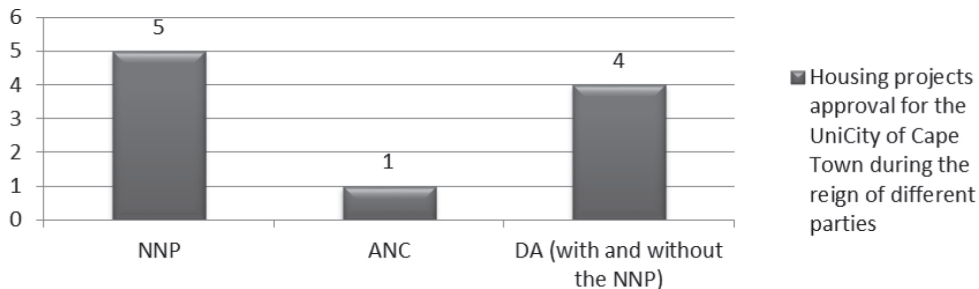


Figure 4: Housing projects for suburbs in which whites are in the majority
Source: Uwizeyimana (2011, 291)

5.6 Housing projects allocated in suburbs where Indians/Asians are the ‘majority racial group’: 1994–2008

Indians/Asians represent 0.08% of the total population of the WC (Jeppie 1999, 2). The use of the ‘Majority Racial Grouping’ criterion as a measurement of population ratios in suburbs of CT indicates that Indians/Asians are not in the majority as a group in any of the 163 suburbs of CT. It is therefore not possible to link any housing project to them. The following sections attempt to find out whether political party affiliations have been a factor in citizens’ access to housing services.

6 POLITICAL PARTY AFFILIATION AS A FACTOR IN CITIZENS’ ACCESS TO LOW-COST HOUSING SUBSIDIES: 1994–2008

6.1 Respondents’ political party affiliation

The analysis of the primary data shows that there were 1 119 respondents of which 682 were members of the DA and 437 of the ANC. Of the total of 1 065 respondents

who identified their political parties, 625 were DA supporters (606 from Delft and 19 from Langa) and 381 were ANC supporters (330 from Langa and 51 from Delft). The rest were divided among the ID (11, with 6 from Langa and 5 from Delft), the SACP (6, with 1 from Langa and 5 from Delft), COPE (10, all from Langa), the PAC (15, all from Langa), and the UDM (15, with 14 from Langa and 1 from Delft). There were 55 respondents who did not reveal their political party affiliations, among whom were 30 respondents from Delft and 25 respondents from the Langa/ Joe Slovo settlements. The SACP and PAC were included in the ANC bloc, while the remaining five parties (UDM, ID, ACDP and COPE) were grouped in the DA bloc. Table 5 summarises the respondents' different political party affiliations before they were grouped into the DA and ANC blocs.

Table 5: Respondents' political party affiliation

| Voters' location | ANC | DA | SACP | ID | UDM | ACDP | COPE | PAC | Unknown | Total |
|-------------------------|------------|-----------|-------------|-----------|------------|-------------|-------------|------------|----------------|--------------|
| Langa | 330 | 19 | 1 | 6 | 14 | 1 | 10 | 15 | 25 | 421 |
| Delft | 51 | 606 | 5 | 5 | 1 | 1 | 0 | 0 | 29 | 698 |
| Total | 381 | 625 | 6 | 11 | 15 | 2 | 10 | 15 | 54 | 1119 |

Source: Uwizeyimana (2011, 303)

6.2 Respondents' political affiliation: A factor in accessing housing services in CT

Table 6 shows that 207 (47.4%) members of the ANC and 230 (33.7%) members of the DA had access to government housing services by the time of the interviews. It also shows that those 230 (52.6%) respondents who were affiliated to the ANC, and 452(62.3%) respondents who were affiliated to the DA, did not have access to government housing services at the time of the interviews.

Table 6: Political party affiliation and access to government housing services

| Access to government housing services | Political party affiliation | |
|--|------------------------------------|-------------|
| | ANC | DA |
| No | 230 (52.6%) | 452 (62.3%) |
| Yes | 207 (47.4%) | 230(33.7%) |
| Total | 437 (100%) | 682 (100%) |

Source: Uwizeyimana (2011, 310)

A computed Chi-Square test was 20.83 and since the p -value of 0.001 was less than the level of significance of 0.05, it meant that political party affiliation was statistically significantly associated with access to government housing services in Langa and Delft. Therefore the null hypothesis (H0) which suggested that there was no statistically significant association between affiliation to political party and access to government housing services was rejected. Instead the alternate hypothesis (H1) which suggested that there was a statistically significant association between affiliation to political party and respondents' access to low-cost housing services provided by different governing parties in CT was maintained.

6.3 Politicians, academics and community leaders' views

Respondent A (interview, 11 August 2010), who was an ANC member and the leader of a major labour union in the WC, did not think housing was used to buy votes in the WC. However, Respondent A agreed with everyone else who was interviewed that, because of its apartheid policies, the NP used housing services along with all other basic services to enrich and woo its supporters. Whites are always cited as having been the main benefactors of the apartheid policies but other interviewees, such as Respondent B, a former ANC Member of the Executive Council (MEC) in the WC, included coloureds and Indians among the people who were also better off compared with blacks under the apartheid government. The testimonies from Respondent B, from community leaders, such as respondents C1 and C2, and from leaders of the Anti-Eviction Campaign organisations such as respondents D and E, as well as arguments from Respondent F, a high ranking official in the WC DHS and finally Respondent G, a former DA Councillor, contradicted Respondent A's refutation of parties buying votes by using housing allocation. Even though none of these senior politicians admitted that his own party has done it or is currently doing it, they all pointed the finger at their rival parties as being 'other political parties' that used the allocation of housing services and other basic services to benefit their supporters. Perhaps the most telling question was the one which asked respondents to state whether they had observed any political party buying votes in their area or suburb on their questionnaires. In Delft, 213 out of 698 respondents reported having observed political parties buying votes. In fact, 60 of them observed the ANC doing so, while one respondent saw the DA doing it. In Langa, 122 out of 421 respondents reported having observed political parties buying votes in their area. Eight respondents had observed the DA; seven had observed COPE, while one respondent had observed the ANC doing it. As Respondent H (interview, 21 May 2010) put it, 'it is no secret that some political parties in the WC do attempt to impress voters by distributing goods'.

7 CONCLUSION AND RECOMMENDATIONS

The current study set out to investigate the null hypothesis (H₀) which suggested that there was no statistically significant association between affiliation to political party and access to government housing services provided by the different political parties that governed CT between 1994 and 2008.

In order to investigate whether and to what extent membership of a particular political party affects respondents' access to low-cost housing services, the researcher asked the views and perceptions of respondents from the two geographical areas of CT (Langa and Delft) which were the main focus of the study. The computation of the Chi-square (X^2) test produced the *p*-value which was less than 0.001 in all the themes dealt with. This was far less than the hypothesis rejection level of 1/20 or 0.05 described in the study. Thus, the H₀ as stated above was rejected.

In addition, a systematic analysis of the database of housing approval provided by the WC DHS and containing all the information on housing projects approval and housing units allocation in CT for the period 1994 to 2008/09, was done. The purpose of this analysis was to assess whether political parties that governed CT between 1994 and 2008 had favoured their supporters in the allocation of low-cost housing services during their terms of office in CT. This analysis provided striking evidence that all incumbent political parties in CT had often allocated more housing projects in suburbs of CT where the majority of residents were likely to be their supporters than in suburbs where the supporters of the opposition parties were in the majority. The analysis of the interviews with representatives of selected political parties, leaders of labour unions and CBOs also tended to corroborate the findings of the statistical analysis and the analysis of the housing database by arguing that some political parties in CT had attempted to impress voters by distributing goods.

The researchers' recommendations for dealing with the political biases which are described in the study include there being a need to implement more effective policy mechanisms to prevent possible political manipulation of the allocation of public resources. Finally, there is a need to re-open up the discussion on how to formulate non-partisan strategies in the allocation of housing services to the people in highly politicised and racially and/or ethnically divided societies such as CT.

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Review of subnational credit rating methodologies and the applicability in the South African context

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Abstract

A credit rating is a prerequisite for borrowers wishing to enter financial markets. While most sovereigns have assigned credit ratings, many subnational governments (i.e. states, provinces or counties) do not, despite the considerable benefits they enjoy. Of the subnational governments that are rated, those residing in developing economies face considerable hurdles. No subnational credit ratings or a methodology to institute these exist for South African subnational governments. This article reviews subnational credit rating methodologies and discusses the applicability in terms of challenges and benefits for such a rating system in South Africa.

Keywords: subnational governments, credit rating, credit rating methodology, South Africa, challenges, benefits, provinces

INTRODUCTION

Subnational governments are defined as all tiers of government and public entities below the sovereign or national government, including states, provinces, counties, cities, towns, public utility companies, school districts and other special-purpose government entities that have the capacity to incur debt (Liu and Waibel 2008, 20). In the South African context, subnational governments refer to provincial governments and their associated departments. Credit ratings reflect the grading of a borrower's ability to meet its financial obligations in a timely manner and, as such, they are a prerequisite to enter financial markets. These ratings rely upon independently audited public financial reports, thereby strengthening fiscal transparency and encouraging sound budget and financial management, as well as good governance (Liu and Tan 2009, 3).

Extensive urbanisation in developing countries has heralded the need for large infrastructure investments. Fiscal transfers and subnational governments' own-tax revenues are rarely sufficient to fund these investments; therefore, these countries' subnational governments are forced to enter the financial market (Liu and Waibel 2008, 1). A requirement for borrowers wishing to enter financial markets is a valid, recognised credit rating, defined as 'the formal opinion of a subnational government's capacity and willingness to honour commercial debt obligations, therefore to repay it in full and on time' (Liu and Tan 2009, 4). For subnational governments, these ratings (and the associated access to financial markets) are ultimately required to finance infrastructure investments. The subnational and its residents would benefit from these ratings in two ways: (1) financing through borrowing would allow subnational governments to keep up with extraordinary infrastructure demands due to urbanisation; and (2) borrowing spreads the costs of financing infrastructure projects across present and future generations that benefit by matching the maturity of the debt to the asset's economic life (Liu and Tan 2009, 14). This benefits the subnational and its residents, as well as the financial market as a whole.

As at August 2013, none of the nine South African *subnational* (or provincial) governments had been credit rated, although the 278 South African *municipalities* had been credit rated by Municipal IQ (2013). In addition, no subnational credit rating methodology currently exists specifically for South African subnationals. One reason why South African municipalities are rated and subnational governments are not is that municipalities generate and publish more comprehensive financial statements since they make use of the accrual basis accounting system, while subnational governments work on the cash basis accounting system. The National Treasury of South Africa (2013b, 6) states in its budget review document that national and provincial governments employ a modified cash basis of accounting

system, while local authorities (municipalities) and public entities use accrual accounting. In 2001, the International Monetary Fund (IMF) recommended that accrual accounting should be used for all government financial statements. The South African government has declared its intention to follow this recommendation over time, but in the immediate future, government data will be presented on a cash basis (National Treasury of South Africa 2013b, 2).

This article reviews subnational credit ratings and demonstrates the applicability thereof in terms of the challenges and benefits of a similar rating scheme for South African subnational governments. Section 2 provides a general definition of a credit rating, which may be used in both the sovereign and subnational context, and provides the specific definitions of a credit rating by the three largest international credit rating agencies. Section 3 explains the influence of a sovereign rating on the subnational's rating and Section 4 outlines the methodologies employed by credit rating agencies to credit rate entities. Section 5 reviews the available literature governing subnational credit rating methodologies. Section 6 introduces the subnational governments of South Africa. In Section 7, the current depth of credit evaluation being applied to South Africa's subnational governments is discussed. Challenges and benefits in developing a subnational credit rating methodology for South Africa are elaborated upon in Section 8 and Section 9, respectively. Section 10 establishes the conclusions reached by the paper and provides some recommendations for the development of an effective subnational credit rating methodology in South Africa.

CREDIT RATINGS

A credit rating can be regarded as the grading of a borrower's ability to meet its financial obligations in a timely manner, and it is determined for companies, individuals and debt issues by lenders and independent agents (Scott 2003, 88). These credit ratings, or gradings, may be used to rate issuers (e.g. companies, governments and subnational governments), as well as issues, such as financial instruments or specific debt instruments. The three largest international credit rating agencies are: Fitch Ratings (Fitch), Moody's Investors Services (Moody's) and Standard and Poors (S&P).

Moody's (2011b) asserts that credit ratings represent an opinion about the relative creditworthiness of an issuer or issue. Moody's (2011a) establishes creditworthiness by answering two fundamental questions, namely:

1. What is the risk to the debt holder of not receiving timely principal and interest payments?
2. How does the level of risk measure up to the risk of similar issuers or issues?

The ratings focus on the long term and should therefore not vary according to business cycles or short-term market movements (Moody's 2011c).

Fitch (2011a, 4) defines its credit ratings as relative risk measures that are opinions of the relative ranking of the vulnerability to default, or of the relative credit quality of an issuer or an instrument. These continuously evaluated and updated opinions are based on established criteria and methodologies, and they are a collective product, that is, no individual, or group of individuals, is solely responsible for a rating. Ratings are not considered to be facts, and therefore they cannot at any time be described as either 'accurate' or 'inaccurate'. The opinions are forward-looking and include views of future performance, making use of future performance indicators, such as forecasts from non-disclosable management projection, sector trends, or wider economic cycle trends and historical performance. As a result, material changes in economic conditions and expectations may result in rating changes.

Fitch's (2011a, 4) credit ratings do not directly address any risk other than credit risk; therefore, they do not pass comment on the adequacy of market price or market liquidity for rated instruments, even though such considerations may affect Fitch's view on credit risk, such as access to capital or likelihood of refinancing.

Fitch's (2011a, 4) ratings are relative measures of risk and, as a direct result, if the same rating is assigned to two entities or obligations, it will not reflect small differences in the degrees of risk. Fitch's ratings neither imply nor convey a probability of default. Therefore they do not provide predictive measures of specific defaults and they do not directly address any risk other than credit risk (Fitch 2011a, 4).

In issuing and maintaining its ratings, Fitch relies on factual information received from issuers, underwriters and other credible sources. Reasonable investigations are conducted in accordance with rating methodologies and reasonable verification of that information from independent sources is produced (Fitch 2011a, 4).

S&P's (2011) ratings express an opinion about the ability and willingness of an issuer to meet its financial obligations in full and on time. In the case of an individual issue, a credit rating expresses S&P's (2011) view on the credit quality of the issue, as well as the relative likelihood that the issue may default. Prior to this definition, S&P (2009) defined credit ratings as relative rankings among issuers and issues of the overall creditworthiness, where creditworthiness encompasses the likelihood of default, payment priority, recovery and credit stability. An issuer or issue with a higher ranking is considered to be of better creditworthiness than an issuer or issue with a lower ranking – higher ranked issuers or issues should default less frequently than issuers or issues ranked lower, all else being equal (S&P 2009). These ratings are forward-looking opinions that

evaluate available current and historical information to determine the potential impact of foreseeable future events (S&P 2011), and they should be comparable across sectors and geographies, as well as over time (S&P 2009).

INFLUENCE OF SOVEREIGN RATINGS ON SUBNATIONAL RATINGS

Sovereign factors exert a major influence on a subnational government's credit rating. This impact arises from the fact that a country's macro-economic management affects the broader economic, fiscal and financial conditions under which a subnational government operates. For these reasons, it is possible that a country's sovereign factors can restrict a subnational government's credit rating and therefore its ability to raise funds in the financial market, as well as its chances to change its credit rating (Liu and Tan 2009, 20–26).

Previously, a national government's credit rating acted as a ceiling for its subnationals' credit ratings, but credit rating agencies revised this policy in 2001, establishing conditions that allow subnational governments to be rated higher than their national government. Very few subnationals, however, are rated higher than the national government, and even if this were to occur, it is unlikely that the subnational's credit rating will be much higher than the national's credit rating, since the former's creditworthiness is impacted by what happens politically and economically on a national level. National governments can either enhance or reduce a subnational government's creditworthiness through various policies and regulations (Gaillard 2006, 8–9; Liu and Tan 2009, 20–26).

Both national and subnational rating methodologies assess governments' political, economic, fiscal, financial and institutional factors and focus exclusively on determining the creditworthiness of these governments. The credit ratings resulting from these rating methodologies represent the credit rating agencies' opinions of a government's ability and willingness to fulfil its debt obligations in full and on time (Gaillard 2006, 10; Liu and Tan 2009, 4).

Both qualitative and quantitative measures are used to assess a government's creditworthiness. Qualitative measures contribute considerably to the assessment of a government's credit rating because, although political, social and institutional factors cannot be quantified directly, they nevertheless provide significant information regarding the government's willingness to repay debt. Quantitative measures, such as debt and other financial ratios, as well as macro-economic variables, are also incorporated into governments' credit ratings (Liu and Tan 2009, 25–26). Subnational credit rating methodologies embrace similar considerations,

but an additional factor must also be considered, namely the national government's credit rating. This is a *prerequisite* for a subnational's credit rating, since a national government's credit rating contextualises the country's economic, fiscal and institutional situation (Gaillard 2006, 8). In the case where a national government and a subnational government are both rated and a change occurs in the national government's credit rating, a similar adjustment usually follows in the subnational's credit rating (Gaillard 2006, 10).

Although South Africa's *subnational* governments are not currently rated, the three largest international credit rating agencies (Fitch, Moody's and S&P) do rate South Africa's *national* government. Therefore, in the event that an international rating agency should be interested in rating these subnational governments, this prerequisite has been fulfilled. However, if this credit rating will not be used on an international level, the effect of the sovereign rating on the subnationals' credit ratings can be neglected since the national government will have the same effect on all nine subnationals.

CREDIT RATING METHODOLOGIES

Each credit rating agency employs its own unique methodology to assess the creditworthiness of issuers and issues, and these methodologies can be either model-driven or analyst-driven (S&P 2009). Normally, credit rating methodologies are a combination of the two.

The inputs (variables) used in credit rating methodologies are grouped into factors, which are determined using mathematical models that select factors that best determine the creditworthiness of a specific type of issuer or instrument and then assign weights to these factors. The factors and weights used in different types of rating methodologies differ according to the characteristics of the type of issuers or issues being assessed. For example, the methodology in terms of factors and associated weights used to assess the creditworthiness of a national government will differ from the factors and associated weights used when assessing a subnational government. Factors and weights assigned to different types of rating methodologies might also differ between rating agencies.

SUBNATIONAL CREDIT RATING METHODOLOGIES

This section summarises the subnational credit rating methodologies of the three international credit rating agencies, as well as the overlap of factors used by these three credit rating agencies to rate subnational governments (presented in Figure

4 in Section 5.4). It is noteworthy that these three methodologies are generic and could be used to determine the creditworthiness of any subnational government, regardless of which country the subnational government resides in. The specific documents used for Fitch and Moody's were 'International local and regional governments rating criteria: Outside the United States' (Fitch 2011b) and 'Rating methodology: Regional and local governments outside the US' (Moody's 2008).

Fitch's subnational governments

Fitch (2011b) assesses the institutional framework within which the subnational government operates, as well as four other principal factors, including: debt and other long-term liabilities; finances; management and administration; and the economic status of the subnational government (see Figure 1). The institutional framework provides the context within which the four other factors interact.

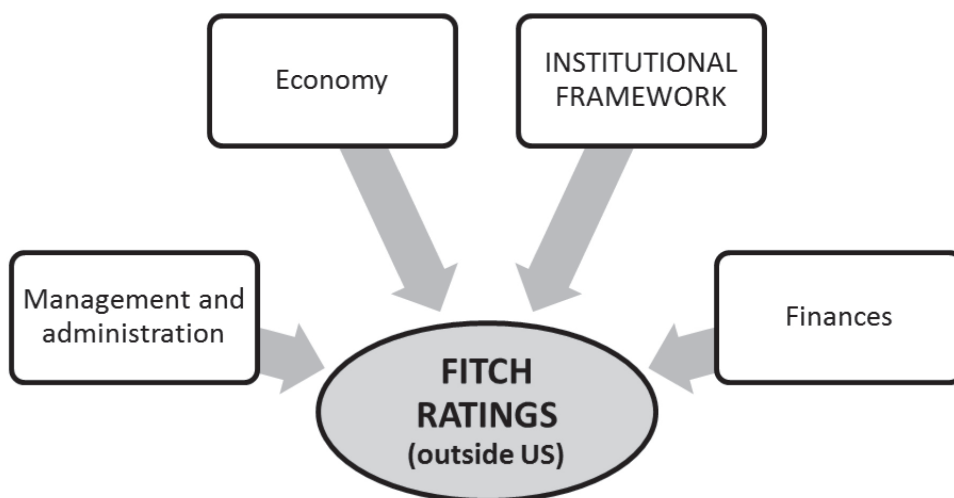


Figure 1: Fitch's factors used to credit rate subnational governments (Authors' own compilation based on Fitch 2011b)

Moody's subnational governments

Moody's (2008) determines the creditworthiness of a subnational by combining two key aspects, namely: the standalone credit quality of the subnational; and an assessment of the probability of the subnational receiving extraordinary support (i.e. the assistance provided by the national government, any other higher tier of government or the subnational's peers to prevent the subnational from defaulting).

The latter criterion reflects the likelihood that the subnational may default in future and therefore require extraordinary support.

The creditworthiness of a subnational is determined by evaluating different variables individually. These are then grouped into six factors, namely, the: operating environment; institutional framework; financial position and performance; debt profile; governance and management factors; and the economic fundamentals of the subnational under review (see Figure 2). Different weights, allocated according to importance, are assigned to the factors to provide an estimation of the subnational's creditworthiness. The first two factors focus on the national government and the country's management system as a whole, and the other four focus on the subnational itself.

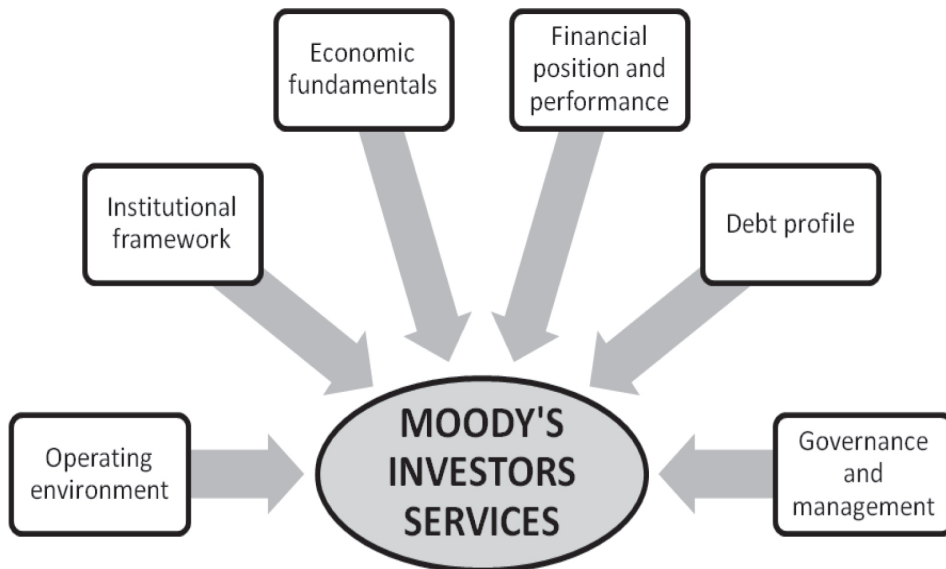


Figure 2: Moody's assessment criteria to determine a subnational government's creditworthiness (Authors' own compilation based on Moody's 2008)

S&P's international subnational government rating methodology

S&P (2010) employs eight factors to determine the credit quality of a subnational government. The first factor – the institutional framework – assesses the institutional and legal background of the subnational government. The remaining seven factors focus on the subnational government itself and are used to determine the standalone

credit quality of the subnational. The factors used to determine the subnational's standalone credit quality are shown in Figure 3.

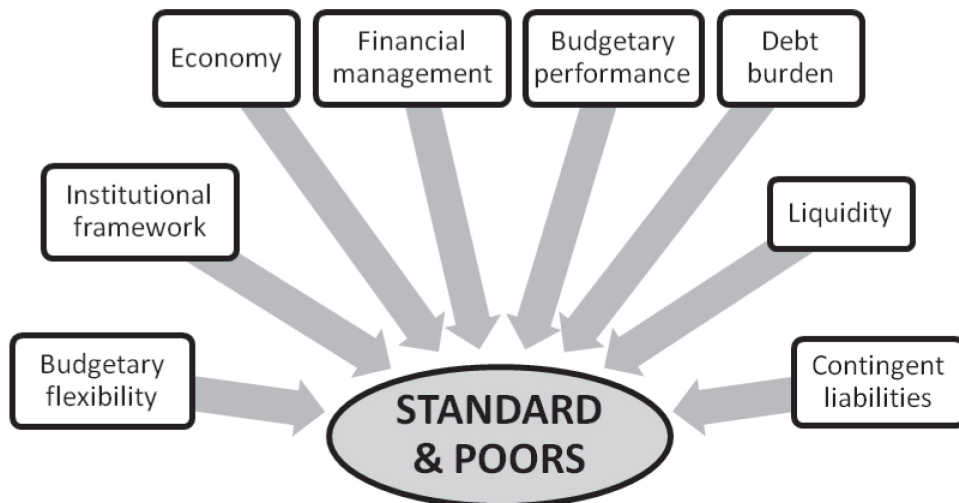


Figure 3: S&P's subnational government credit rating factors (Authors' own compilation based on S&P 2010)

Comparison of the three international credit rating agencies' rating methodologies

There are similarities and differences between the rating methodologies employed by the three major international credit rating agencies to determine the credit quality of subnational governments.

Similarities

The two main similarities between the rating methodologies are the rating *criteria* and the rating *processes*.

- The **rating criteria** used by the three credit rating agencies can be divided into five principal factors, as shown in Figure 4: (1) management quality and strength of subnational institution; (2) sovereign factors, intergovernmental relationships and fiscal arrangements; (3) economic conditions; (4) fiscal performance; and (5) financial and debt position. Four of these (factors 1, 3, 4, and 5) involve only the subnational, while the second element embraces the influence of sovereign factors, intergovernmental relations and fiscal

arrangements on the subnational. These five principal factors summarise the three credit rating methodologies discussed in sections 5.1 to 5.3.

- The **rating processes** followed by international credit rating agencies to determine the credit rating of subnationals are similar to the general ratings process. However, all three agencies place more emphasis on qualitative aspects in the case of subnationals in developing countries, since these may provide information not necessarily revealed by published information (Liu and Tan 2009, 11–14).

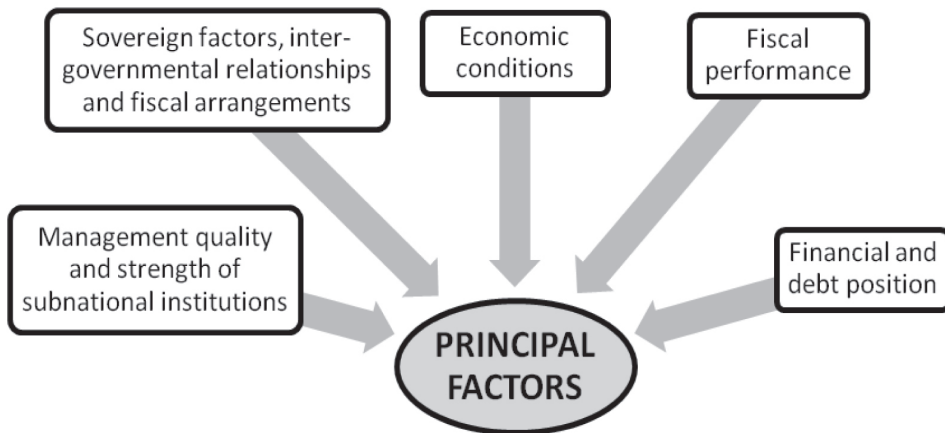


Figure 4: Overlap of factors used by credit rating agencies to rate subnational governments (Authors' own compilation based on Liu and Tan 2009, 5)

Differences

Rating criteria differences are mostly due to the disparate assignment of variables into the five principal factors. Fitch, for example, reviews liquidity under finances, while S&P uses a separate rating category for liquidity, whereas Moody's does not list liquidity as a rating variable explicitly, but rather views it as part of the subnational's financial position and performance. The three agencies' methodologies differ according to the relative weights they assign to different rating variables, the changes to relative weights associated with the variables over time, and the importance they attach to the variables.

- **Relative weights:** Even though the credit rating agencies use the same rating variables and broadly the same rating factors, the relative weights assigned to these differ according to the agency's view of the importance of the variable.

- **Changes to relative weights over time:** As a credit rating agency's view of the importance of a variable alters over time, the relative weight assigned also changes, and these changes (as well as the rate at which they change) differ between agencies.
- **Importance of qualitative variables:** The different views of the credit rating agencies regarding variables mainly apply to the *qualitative* variables used. The importance of qualitative factors is viewed differently by the different agencies (Liu and Tan 2009, 11–14).

The next section focuses on four regional subnational credit rating methodologies and the implementation of these in both developed and developing countries.

Regional subnational credit rating methodologies: Developed economies

The two examples of regional subnational credit rating methodologies for developed economies are Dominion Bond Rating Service Limited's (DBRS 2011) rating methodology for Canadian subnational governments, and Australia Rating's (2010) methodology for Australian subnational governments. Fitch's (2009) credit rating methodologies for Indian subnational governments, as well as the methodology used by Credit Rating Information Services of India Ltd (CRISIL 2011) are discussed as examples of methodologies used for developing economies. Canada, Australia and India were selected as instructive examples because they employ similar subnational government structures to South Africa.

It is interesting to note that although regional subnational credit rating methodologies might consider aspects concerning the intergovernmental structure and relations within the country, national governments themselves are never reviewed. This is because all subnationals reviewed within a country share the same national government and therefore the characteristics of the national government (and therefore the outcome of the factor) remain the same for all subnational governments reviewed. Consequently, it is omitted from the review process.

DBRS's methodology for Canadian subnational governments

Canada's subnational level of government comprises three territories and ten provinces. The methodology captured in this document is used by DBRS (2011) to establish the credit quality of only the ten Canadian provincial governments.

Although there are several differences between provinces, a number of similarities also exist since they all function within the same operational environment. DBRS assesses only two different types of factors to determine the credit rating of a Canadian provincial government, namely: province specific operating risk; and province specific financial risk (see Figure 5).

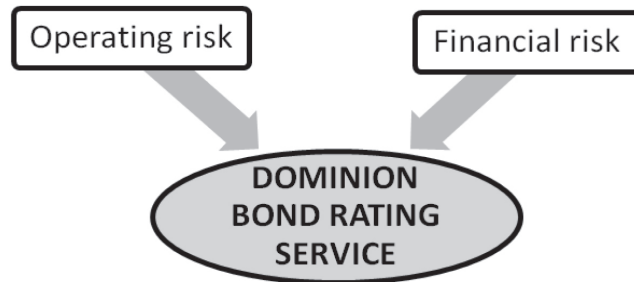


Figure 5: DBRS’s factors used to determine credit ratings for Canadian provincial governments (Authors’ own compilation based on DBRS 2011)

Australia Rating’s credit rating methodology for Australian states and territories

Australia’s history of political and organisational stability guarantees relatively high credit ratings for all of Australia’s six states and two territories. The principal responsibility of the subnationals is to provide the necessary public services and infrastructure. The funds to fulfil these responsibilities are provided by the national government, since the taxation powers and expenditure responsibilities reside with the national government. Australia Rating (2010) examines the current and future economic and financial situation of a subnational, as well as the strategy of the specific subnational government. This analysis entails quantitative and qualitative measures and is based on four different factors, as shown in Figure 6.

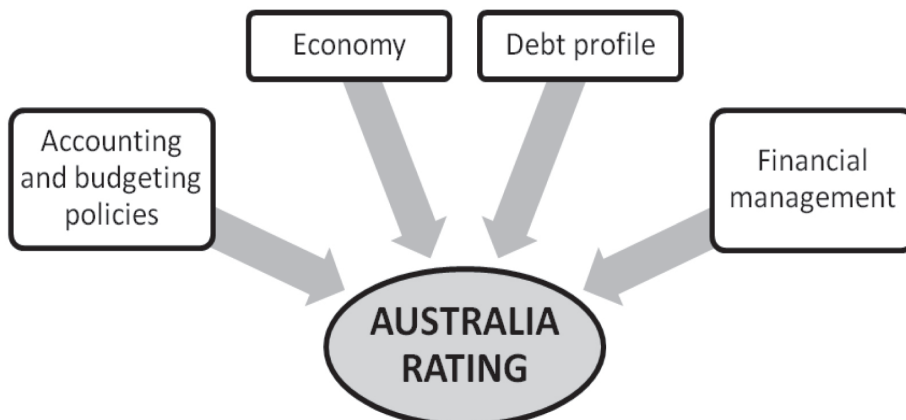


Figure 6: Australia Rating’s factors used to determine credit ratings for Australian subnational governments (Authors’ own compilation based on Australia Rating 2010)

Regional subnational credit rating methodologies: Developing economies

In the next section, two different credit rating methodologies for India are discussed as an example of a developing economy. India's subnational level of government consists of 28 states and seven territories. Both these credit rating methodologies focus on the states and not on the territories.

Fitch's credit rating methodology for Indian subnational governments

Fitch's (2009) credit rating methodology for international, local and regional governments (see Figure 1) forms the basis of the credit rating methodology for India's state governments. Fitch adjusted its international rating methodology to be applicable to India by taking into account India's complex intergovernmental relations and administrative, regulatory and financial structures, as well as the difference in availability and presentation styles of data. Fitch employs five factors to determine the standalone creditworthiness of Indian subnational governments, as shown in Figure 7.

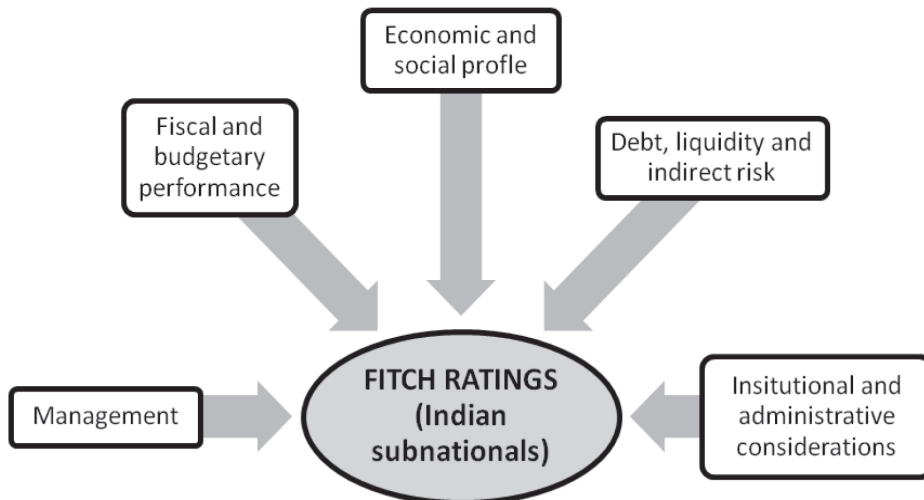


Figure 7: Fitch's factors used to determine the credit quality of Indian subnational governments (Authors' own compilation based on Fitch 2009)

CRISIL's rating methodology for Indian subnational governments

CRISIL (2011) assesses the credit quality of most of India's state governments by making use of three main factors, as shown in Figure 8: the state's economic

structure; the government's finances; and the economic management. The outcomes of the factors of the subnational government under review are compared with the outcomes of the factors of other states when assessing the credit quality of a specific state.

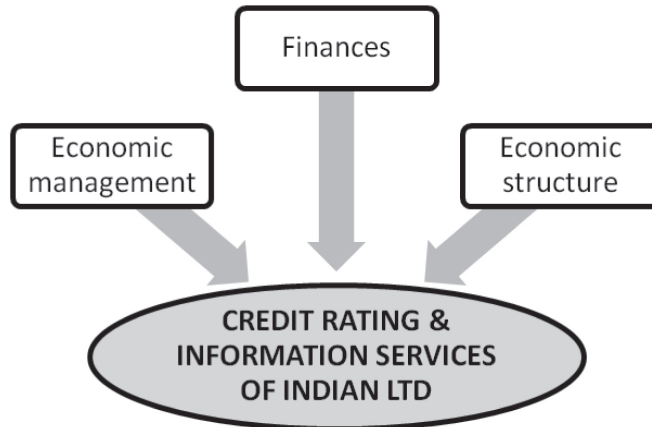


Figure 8: CRISIL's methodology used to determine the credit quality of Indian subnationals (Authors' own compilation based on CRISIL 2011)

Importance of key factors: Developed vs. developing economies

Typically, the key factors used in the credit rating methodologies for developed, as well as developing economies would be roughly the same. However, the relative importance of these key factors will differ for developed and developing countries. Moody's (2007, 6) states that the financial fundamentals (quantitative factors) and the other key factors (qualitative factors) included in the rating methodology for a developed country will be viewed as equally important. Thus, both will equate to 50% of the credit rating. In a developing country, the financial fundamentals (quantitative factors) will only equate to 30% of the credit rating and the qualitative factors to 70% (Moody's 2007, 34), as shown in Figure 9. This principle will also apply to the credit rating methodologies of subnational governments and is thus also relevant when developing a credit rating methodology for South Africa's subnationals.

| | | | |
|-----------------------------|--|------------|--|
| Developing countries | Qualitative factors | 70% | Factor 1 Variable 1 Variable 2 Variable 3 Variable 4 Variable 1 Factor 2 Variable 2 Variable 3 Variable 1 Variable 2 Variable 3 Variable 4 Variable 5 Variable 6 |
| | Financial fundamentals (Quantitative factors) | 30% | Variable 1 Variable 2 Factor 1 Variable 3 Variable 4 Variable 5 Variable 1 Factor 2 Variable 2 Variable 1 Variable 1 Factor 3 Variable 2 Variable 3 |

Figure 9: Importance of key factors in developing countries (Adapted from Moody's 2007, 34)

SOUTH AFRICAN SUBNATIONALS

Section 5 presented and summarised various credit rating methodologies relevant for subnationals and applied these to both developed and developing economies, and in this section South African subnationals will be explored. In South Africa, the subnationals are the nine provinces (and their associated departments) indicated in Figure 10, as they are subordinate to but still represent the national government.

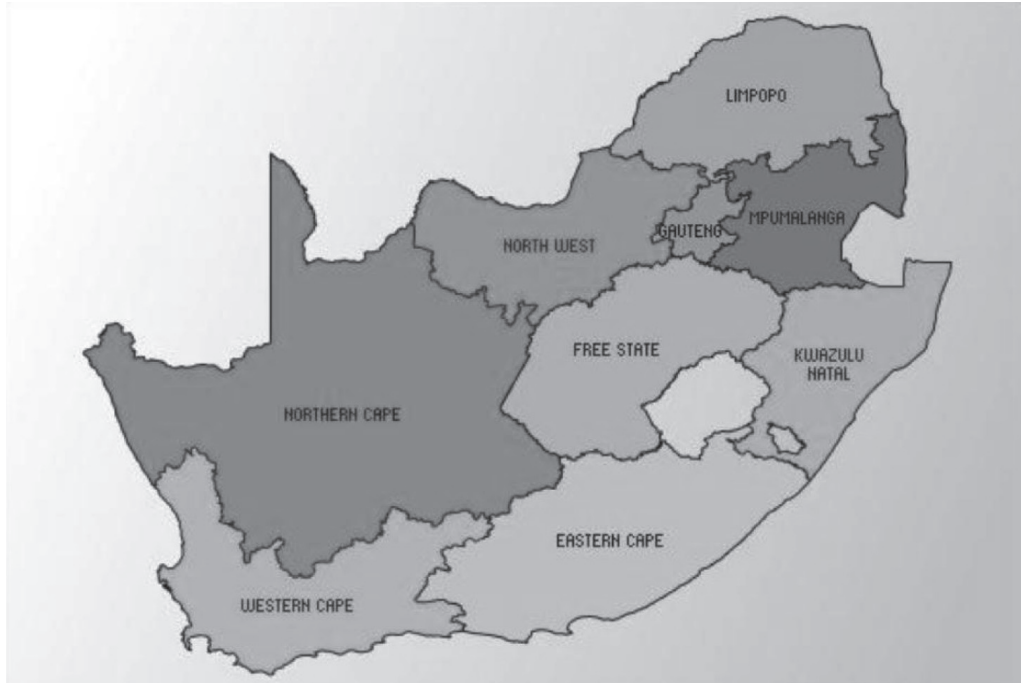


Figure 10: Map of South Africa's nine provinces (Stats SA 2005)

South Africa's constitution established a three-tier federal structure. National government constitutes the first tier of the government system, provincial governments the second and local governments, or municipalities, the third. These government tiers are 'distinctive, interdependent and interrelated' (North West Provincial Legislature 2011b). The South African government operates via three interconnected arms of government, namely legislative, executive and judiciary, and each tier enjoys its own legislative and executive authority – except for the judiciary, which operates independently of tiers (North West Provincial Legislature 2011b).

Each of the nine provinces has its own provincial government. The executive and legislative powers of the subnationals are assigned to the individual provincial governments (SAinfo 2010a):

- **Legislative authority** concerns the power of enacting, amending and repealing legal rules (North West Provincial Legislature 2011a). Subnational legislatures have the power of legislative authority of the province, but are bound by the national and subnational constitution – they must act according to these constitutions and within the limits set by them. Examples of the functional areas assigned to the subnational legislatures alongside the national legislature are agriculture, education (excluding tertiary education),

health services, housing, population development, and regional planning and development (South African Government Information 1996).

- **Executive authority** concerns the power of implementing and enforcing legal rules (North West Provincial Legislature 2011a). The executive authority of a subnational government includes, for example, implementing national and subnational legislation, developing and implementing subnational policy, and coordinating the functions of the subnational administration and its departments (South African Government Information 1996).

South Africa’s provinces (subnationals) are all managed in the same way according to the same regulatory framework, but each is also distinct because of variations in aspects such as land area, population size, gross domestic product (GDP), budget and expenditure, and economic activities, as displayed in Figure 11.

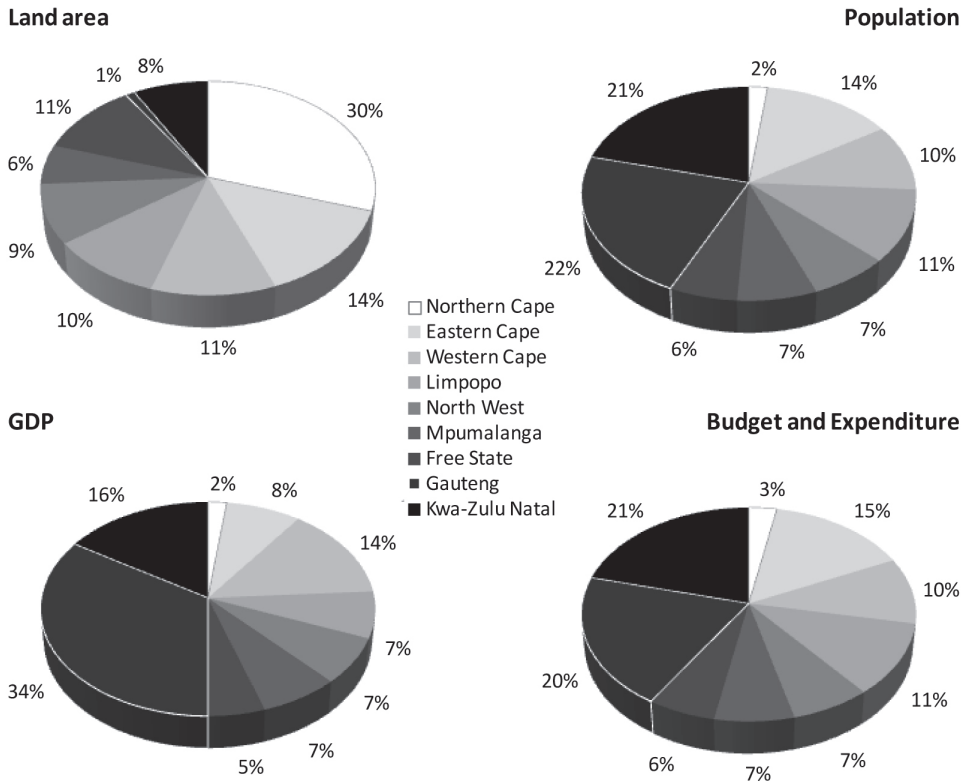


Figure 11: Provincial statistics summary as at the end of 2009 (National Treasury of South Africa 2010a; SAinfo 2010b; Stats SA 2011a; 2011b)

SOUTH AFRICAN SUBNATIONALS AND CREDIT RATINGS: THE CURRENT SITUATION

Currently, no subnational credit rating methodology exists for South Africa's nine provinces. The National Treasury of South Africa (2010b) did develop a Public Sector Risk Management Framework (PSRMF) to aid provincial (subnational) governments in the implementation and maintenance of effective, efficient and transparent systems of risk management and control. The PSRMF was developed in response to the Public Finance Management Act, No. 1 of 1999 (PFMA; SAinfo 1999) and is a principles-based framework, since the institutions to which it applies are diverse. The framework is, however, vague and impractical and is currently under review by the National Treasury (2010b) to address some of the weaknesses (SAinfo 1999).

The current situation in South Africa is that the subnational government cannot access the financial markets because the PFMA stipulates that South African subnationals are not allowed to borrow money.

A concern when developing a subnational credit rating methodology is data availability, as well as data quality. A preliminary investigation with regard to this matter revealed three possible data sources that could be used within the South African context, namely: (1) the subnational government's annual reports (South African Government Information 2013); (2) the Auditor General's (2011) reports; and (3) the Section 32 reports compiled by the National Treasury of South Africa (2013a).

The next two sections will discuss the challenges and benefits of developing a credit rating methodology for subnationals in South Africa, including the challenges concerning the availability and quality of these data sources.

CHALLENGES WHEN DEVELOPING CREDIT RATING METHODOLOGIES FOR DEVELOPING ECONOMIES' SUBNATIONALS

The challenges facing rating agencies in their assessment of developing economies' subnational government credit quality are: (1) uncertainty and risk; and (2) financial reporting, accounting systems and disclosure standards.

Uncertainty and risk

Qualitative measures, and therefore subjective judgment, are important when assessing the credit quality of a government. The qualitative measures need to be

assessed in order to determine the effect that changes may have on the repayment ability, and therefore the credit quality, of a subnational government, for example a new way of allocating revenue, or a change in the legal framework (Liu and Tan 2009, 31).

Changing legal and regulatory frameworks causes uncertainties about the binding nature of agreements with subnational governments. It is therefore even more important to evaluate these for developing countries, since most of the developing countries have evolving legal and regulatory frameworks. Policy changes are a common phenomenon in developing countries and the policy-making process is normally not as transparent as the policy-making process of a developed country (Liu and Tan 2009, 32).

Other experiences common to developing countries that cause insecurity are the lack of management sophistication; the development of the strength of institutions; and the development of the strength of management. The corrupt practices evident in developing countries also pose considerable risks (Liu and Tan 2009, 33).

Financial reporting, accounting systems and disclosure standards

Financial reporting within developing countries is normally conducted in a way required by the national government and therefore does not necessarily comply with international standards. These governments also do not keep historical records in a consistent form, if they keep them at all. This poses a challenge in the forecasting of fiscal capacity, which is a necessity when analysing the creditworthiness of a government (Liu and Tan 2009, 33).

The absence of an auditing culture and independent auditors often limits the disclosure and transparency of provided information. The carelessness of personnel and the inadequate legal systems found in developing countries often cause contingent liabilities to not be reported correctly, if reported at all (Liu and Tan 2009, 33).

Trained professionals are needed to fulfil accounting and auditing tasks. The lack of these professionals in developing countries results in a lack of credibility of the financial reports produced and therefore a general lack of creditworthiness. The integrity of the management team includes a healthy management culture, the absence of corruption and the ability to handle political pressure. These characteristics are required to guarantee the financial soundness of subnational governments, yet they are not common among subnational government management teams within developing countries (Liu and Tan 2009, 34).

The experiences in developing countries influence the binding nature of debt agreements and undermine the credibility of subnational governments.

Challenges applicable in the South African context

Most of the challenges for developing countries listed by Liu and Tan (2009, 31–34), and some unique ones, are applicable to the South African situation. For example, the PSRMF (National Treasury of South Africa 2010b) was developed, amongst other reasons, to aid subnational (provincial) governments in their implementation and maintenance of effective, efficient and transparent systems of risk management and control. This indicates that the South African government recognised that policy-making processes may not be as transparent as they should be and that their risk management could be improved.

Another example of ineffective management in the provincial governments, or more specific in a provincial department, was the handbook scandal of Limpopo Department of Education that was exposed in August 2012 (*News 24* 2012). Fraud and corrupt practices are also a known challenge in South Africa, as in other developing economies. For an example of this, refer to Table 1, which is an extract from the Auditor General of South Africa's report (2010, 59) on fraud in its consolidated general report on the provincial outcomes in 2009 to 2010.

Table 1: Extract from the Auditor General's consolidated general report on the provincial audit outcomes 2009–10: Table 21 – Provincial analysis of investigations completed and in progress (Auditor General of South Africa 2010, 59)

| PROVINCE | NATURE OF INVESTIGATION | | | | Total |
|-----------------|--------------------------------|--------------|-----------------------------|--------------|--------------|
| | SCM issues | Fraud | Financial misconduct | Other | |
| Eastern Cape | 5 | 3 | 5 | 4 | 17 |
| Free State | 11 | | 1 | 6 | 18 |
| Gauteng | 8 | 5 | 6 | 6 | 25 |
| KwaZulu-Natal | 13 | 11 | 7 | 9 | 40 |
| Limpopo | 3 | 2 | | 3 | 8 |
| Mpumalanga | 2 | 6 | 1 | 8 | 17 |
| Northern Cape | 4 | 1 | | | 5 |
| North West | 3 | | 3 | 1 | 7 |
| Western Cape | 4 | 4 | 6 | 24 | 38 |
| Total | 53 | 32 | 29 | 61 | 175 |

The Auditor General's reports are examples that the problem of inconsistent formats also exists in South Africa since the information contained in these

reports changes from year to year. For example, the consolidated general report on provincial audit outcomes from 2010 to 2011 (Auditor General of South Africa 2011, 49) contains a summary of the unauthorised expenditure, the irregular expenditure, as well as the fruitless and wasteful expenditure on a department level per province (as indicated in Table 23 on page 49 of the report). Although some of this information is also documented in the ‘Consolidated general report on provincial audit outcomes 2009–10’, it is not presented in the same format.

The annual financial reports (South African Government Information 2013) of South African subnationals are also a source of information that could be used when developing a credit rating methodology for South African subnationals. In theory, these historical records should be easy to access; however, they are often difficult to obtain in practice.

One problem that stems from using the annual reports and the audit reports as possible data sources is that the data are only available once a year (Auditor General of South Africa 2011; South African Government Information 2013). Ideally, the data ought to be available at least quarterly in order to update the credit ratings on a regular basis once the credit rating methodology is finalised.

Furthermore, the annual reports contain very limited detail on a subnational (provincial) level. The department level annual reports, however, contain more detailed reporting, so the compilers could consider taking the departments’ annual reports and amalgamating them to a provincial level.

Liu and Tan (2009, 4) state that a credit rating gives an indication of the capacity and willingness of a subnational, in this case, to repay debt obligations in full and on time. Due to the fact that provincial governments use the cash basis accounting system instead of the accruals basis accounting system, sufficient information to create such an indicator (whether debt obligations was paid in full and on time) is not available. At best, a proxy for this could be used when developing a credit rating methodology for South African subnationals. Again, since this proxy would have to be based on the data available in the annual reports, this would only be available once a year.

Another problem resulting from the three possible data sources (Auditor General of South Africa 2011; National Treasury of South Africa 2010a; South African Government Information 2013) is that insufficient information exists to represent all five (or four if the credit rating methodology is only used locally) principal factors as identified by the literature. For example, the debt part of the financial and debt position principal factor is not available in any of the three data sources due to the cash basis accounting system being used.

BENEFITS FOR SOUTH AFRICA

Even though many challenges exist, as discussed in Section 8, there would be ample benefits for developing a subnational credit rating methodology for South Africa's provincial governments. For example, if such a methodology were to be established, provincial governments could gain easier access to financial markets once these governments were allowed to borrow money (Gaillard 2006, 5).

The residents of South African provinces could also benefit, as the additional funding obtained could be used for infrastructure development (Liu and Waibel 2008, 3). In addition, borrowing spreads the costs of financing infrastructure projects across present and future generations by matching debt maturity to the asset's economic life (Liu and Tan 2009, 3).

Banks, investors and third parties could use it to decide whether they want to conduct business with a specific provincial government. Credit ratings would enable subnationals with above average ratings to negotiate better collateral and guarantee agreements (Gaillard 2006, 6). More specifically, subnational governments could use the methodology to identify areas in which they could improve. An indirect benefit would be more effective management due to the competition amongst provincial governments that would stem from this. Amongst others, the fiscal transparency as well as the budget and financial management practices of provincial governments would improve as a result of subnational government credit ratings because South African subnational governments would be forced to improve their financial recordkeeping. For example, historical records would have to be more easily accessible and financial reporting would have to take place more often, preferably quarterly, and be more detailed. Overall, credit ratings would also improve credibility and promote investors' confidence (Gaillard 2006, 6).

CONCLUSION AND RECOMMENDATIONS

Rapid urbanisation in developing countries has accelerated the need for large infrastructure investments, but tax revenues from subnationals are frequently insufficient to cover the requisite payments. As a result, financial markets are co-opted, but recognised credit ratings are required for this involvement. This highlights the need for reliable credit ratings for subnational governments. Currently (as at August 2013), none of the nine South African provincial governments is credit rated and no credit rating methodologies specifically tailored to cater for the vagaries of South African subnationals exist.

The article reviewed the global approach to subnational credit ratings and demonstrated the applicability of these to a similar scheme for South African

subnationals. It also demonstrated that South Africa would benefit at a national and subnational level if a subnational credit rating methodology existed to accurately assess and grade subnational governments. The challenges facing the development of a subnational credit rating methodology in South Africa were discussed, but the benefits clearly outweigh the challenges. Some recommendations on the development of such a rating methodology followed.

Considering that the data on a subnational government level are limited, the focus should rather be on (provincial) departments. If possible, this departmental credit rating could then be merged into a subnational level credit rating, should it be preferred.

Also, subnational governments or departments, depending on which are being credit rated, should use the accrual basis accounting system rather than the cash basis accounting system as this will result in more detailed and more appropriate data to be used in a subnational credit rating methodology. The development of a subnational credit rating methodology requires sufficient information to indicate a subnational's capacity and willingness to honour its debt obligations. This information is unavailable at present, so it is recommended that these should be included in the subnational government's financial reporting in future. It is advisable that all the data used to rate these subnationals should be available on a regular basis in order to update the credit ratings as often as possible. Considering the format of the reports used, it is suggested that these should stay constant over time.

Of the five principal factors identified by Liu and Tan (2009, 5), the second principal factor (sovereign factors, intergovernmental relationships and fiscal arrangements) is not applicable in this specific case since the outcome will be identical for all nine subnationals (provinces). Care should thus be taken to ensure that the other four principal factors are represented as well as possible in the credit rating methodology used to credit rate the South African subnationals.

Moody's (2007, 6) suggestion of using 30% financial fundamentals (quantitative) and 70% qualitative factors when developing a credit rating methodology for South Africa may also prove extremely useful.

NOTE

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Zimbabwe's lost decade: Politics, development and society

Lloyd Sachikonye. 2012.

Harare: Weaver Press.

246 pp.

SBN-10: 1779221711

Lloyd Sachikonye's book, *Zimbabwe's lost decade: Politics, development and society*, tackles Zimbabwe's socio-economic, political and historical realities before, during and after its anti-colonial liberation struggles. The author is a reputable Zimbabwean scholar, and his book does not shy away from controversy about Zimbabwe's controversial political economy, land distribution process, or its allegedly politicised police, military, air force and intelligence. The nine-chapter book is divided into two parts: Part I focuses on colonialism, nationalism and the national question, state institutions, political parties, and democracy, constitutionalism and participation; while in Part II the focus is on development, land reform, state and civil society, society, livelihoods and migration, and foreign relations.

METHOD AND APPROACH

Using a comparative perspective, the author strongly indicates skilful use of archival material and historical records to explain colonialism, development of the state and Zimbabwe's development trajectory. The book reflects the work of more than two decades of research on colonialism, political parties, state institutions, development, land reform, state and civil society and the country's foreign relations, which enhances its forceful argument. This helps the reader to understand the complexities of Zimbabwe's previous and contemporary governance realities.

THEORETICAL ANALYSIS

A careful reading of the book suggests the author's use of archival material and past historical records to elucidate his point, particularly on colonialism, development of

the state and the country's development trajectory. The author's thorough research explains Zimbabwe's complex past and contemporary governance realities. While it does not seemingly rely on specific theories to explain such dynamics, nevertheless the list of intellectuals who are acknowledged in the book, namely, sociologists, political scientists, labour experts, civil society activists and scholars from other disciplines, suggests that they may have somehow influenced the author's analysis.

STRENGTHS

Sachikonye has attempted to trace the problems pertaining to Zimbabwe's 'lost decade' (1998–2008), and gives a balanced analysis of the country's post-liberation situation. The book is published soon after many of Zimbabwe's recent political problems, especially the infamous Matabeleland province massacres; post-election violence in some parts of the country, following the 2008 elections that many international analysts and observers thought were stolen by the governing Zimbabwe National African Union- Patriotic Front (Zanu-PF) party. Thus, the author raises pertinent issues and some chapters underscore the need for African countries to comply with the provisions of the African Union Charter on Democracy, Elections and Governance, especially on observance of the rule of law; respect for human and citizen rights; reliance on the checks and balances of the judiciary, executive and legislature; and democratic governance, on which African countries are usually found wanting.

LIMITATIONS

Given the current domestic, regional and international interest in Zimbabwe, any book on the country might be expected to cover virtually every topic about its governance situation. Thus, the author tries to cover as many sub-topics as possible although he focuses on the period between 1998 and 2008. A more appropriate title could have read: *Zimbabwe's lost decades*, since the book covers several decades of the country's political life.

CONTRIBUTION TO SCHOLARSHIP AND AFRICAN DEMOCRATISATION

The book gives a fresh perspective on traditional topics such as colonialism and its impact on Zimbabwe's contemporary governance and socio-economic, political parties, elections and diplomatic realities. Its contribution to quality African

scholarship is particularly evident in its outline of the governing Zanu-PF party's more than 30-year reign and how this has affected virtually all aspects of the Zimbabwean state and civil society inter-relationships. Sachikonye's contribution to scholarship is that the book suggests possible areas for further research analysis such as the role of Zimbabweans in the Diaspora and what Zimbabwe may look like once Robert Mugabe leaves office, although it may be too early to envisage a post-Zanu-PF scenario given the current weak state of the country's opposition parties.

NEW INSIGHTS

Sachikonye's book casts fresh light on two new insights into Zimbabwe's situation, namely the critical role of the 'military-security complex' or army, police, intelligence, and air force in perpetuating Zanu-PF rule; and the substantial role of the country's election authorities, which over the years has ensured the governing party's victory at the polls, albeit indirectly. The former suggests that any post-Mugabe government will find it difficult to operate should the military-security complex remain intact once Mugabe's tenure is over. Yet, given the country's 'strong element of personalisation of leadership' (Sachikonye 2012, 62), this complex could continue to dominate Zimbabwean politics behind the scenes for many years to come if Zanu-PF rule persists. The latter aspect suggests a weak state of the election management body and its apparent difficulties in terms of conducting internationally acknowledged free and fair democratic elections.

STYLE

Written in a simple, yet accessible style, the book will appeal to political science students, scholars, researchers and intellectuals, and those from other disciplines who are interested in Zimbabwe's historical, socio-economic and political developments, barely a few decades after the 'bread-basket' of Africa became known as a 'basket case', as Sachikonye notes. Despite its small font, it is a handy document which should attract the attention of policy-makers, political parties, diplomats, civil society organisations and international donor agencies who seek an African perspective on issues that usually lead to Zimbabwe being viewed as a pariah state owing to its peculiar style of governance.

CONCLUSION

To conclude, *Zimbabwe's lost decade: Politics, development and society* offers a significant intellectual contribution to current debates about democratisation in Zimbabwe and elsewhere in Africa. Thus, Sachikonye's analysis and promotion of quality African scholarship on topical issues that are usually at the top of the agenda at the United Nations, African Union, Southern African Development Community, and other global forums, are of immense value.

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INTERVIEWS

Respondent A, interview on 11 August 2010 at 09:30.

Respondent B, interview on 8 September 2010 at 14:00.

Respondent C1, interview on 21 May 2010 at 15:00.

Respondent C2, interview on 21 May 2010 at 15:00.

Respondent D, interview on 26 May 2010 at 10:00.

Respondent E, interview on 26 May 2010 at 10:00.

Respondent F, interview on 13 September 2010 at 10:30.

Respondent G, interview on 31 May 2010 at 10:30.

Respondent H, interview on 21 May 2010 at 10:00.