

**AN EVALUATION OF THE VALUE OF PUBLIC PRIVATE  
PARTNERSHIP (PPP) INITIATIVES WITH REFERENCE TO  
NGAKA MODIRI MOLEMA DISTRICT MUNICIPALITY**

**A RESEARCH PROJECT SUBMITTED BY  
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**IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE  
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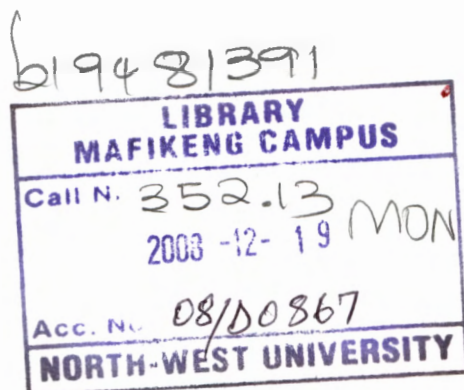
**2008**

## DECLARATION

I Vuyelwa Rinah Monedi, declare that the dissertation for the degree of Master of Business Administration at the North West University (Mafikeng Campus) submitted, has not previously been submitted by me for a degree at this or any other University. It is my work in design and all material referred to has been duly acknowledged.

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Vuyelwa Rinah Monedi



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## ABSTRACT

Public Private Partnerships (PPPs) are arrangements between government and the private sector entities for the purpose of providing public infrastructure, community facilities and related services. This study thus analyses the partnership endeavors undertaken by the Ngaka Modiri Molema District Municipality and their value.

The South African government has turned to the private sector to play a major role in service delivery. PPP is a relatively new approach under which services are delivered by the private sector while the responsibility for providing the services rests with the government. With the different forms of PPP, the municipality has a broad range from which to choose a suitable form of partnership which will benefit it and further benefit the community.

An evaluation research design was used and data was collected through the distribution of questionnaires and informal interviews with the participants. The data collected was analyzed through a qualitative and quantitative method. A qualitative method of research has been used in this study as it enabled the exploration of areas of research and helped add to the pool of information with regard to public private partnerships. Elements of quantitative research method have also been engaged as it helped summarized data that supports generalizations about the phenomenon.

The findings of the study revealed that there is a need for the municipalities to partner with the private sector so as to enhance service delivery. The respondents indicated that the engagement of PPPs can benefit both the municipality and the community. Reduction of backlogs with regard to service delivery, improved infrastructure and prompt service delivery were highlighted as such benefits. It is therefore recommended that PPPs should be implemented particularly where core functions of municipality such as provision of water are examined. This implementation should not be haphazard but should rather be developed within the framework of Integrated Development Plan (IDP) of the municipality.

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## **CHAPTER 1: INTRODUCTION AND ORIENTATION TO THE STUDY**

### **1.1 Introduction**

Public Private Partnerships (PPPs) are arrangements between government and private sector entities for the purpose of providing public infrastructure, community facilities and related services. It is through these partnerships that government will be able to address the issues that relate to service delivery to communities.

This study sought to provide an overview of public-private partnerships; when they should be considered and their potential value to municipalities. Ngaka Modiri Molema District Municipality which is made up of five local municipalities namely Mafikeng Local Municipality, Ramotshere – Moilwa Local Municipality, Tswaing Local Municipality, Ratlou Local Municipality and Ditsobotla Local Municipality was chosen as a case study for empirical analysis of the study. The chapter will look at the background to the study. The problem addressed by this study is also looked into. The significance, aim and objectives of the study also form part of this chapter. Chapter one also includes the research questions addressed and the scope covered by the study. There are limitations to this study and those are briefly explained in this chapter. Research design and methodology which explains the type of study undertaken and how data was collected and analysed are briefly outlined in this chapter. An outline of how the study is organised forms part of chapter one.

### **1.2 Background to the study**

Following the year 2000 local government elections in South Africa, previously racially constituted local authorities have been united into single municipalities. These municipalities were responsible for much larger populations and areas but with minimal funds to cater for services to be rendered to communities and meet their basic needs (Carrim and Kondlo, 2004:1). An enormous challenge faces South Africa's new municipalities to deliver better services - water, sanitation, refuse removal and roads on a

sustainable basis within their areas of jurisdiction. As a result, municipalities are confronted with massive backlogs in services and infrastructure.

Over the past decade, government had been financially squeezed. Public revenue had been declining. More recently, there has been an improvement in the collection of revenue but full potential for this is far from being realised. At local government level, the financial crisis is accentuated by the failure of people to pay for municipal services (Carrim *et al*, 2004:1). In spite of all that, government argues that services have to be delivered to the public. The question of how then arises.

Besides the desperate shortage of funds, the municipalities just do not have the capacity to deliver the services to the people, the government argues, and most South Africans can share this sentiment. This is because there is an acute lack of management skills, technological expertise and appropriate service-orientation. The local government seems to be bloated, inefficient and not geared towards delivery to the mass of the people. Transformation seems to be painfully slow, for the most part, the old white dominated administrations simply absorbed the administrations of the black local authorities and there has not been fundamental transformation of the administration to suit the needs of the new local government system (Carrim *et al*, 2004:1).

The government has turned to the private sector to play a major role in service delivery. This then took various forms from short term, tightly controlled contracting of a select service or even a specific aspect of a service to outright privatisation. A variety of partnerships were considered, including Public Private Partnerships. Public private partnership is a relatively new approach under which services are delivered by the private sector while the responsibility for providing the services rests with the government. It is felt that the private sector will bring much needed financial investment in infrastructure, managerial skills, technical expertise, new technology and cost saving, efficient and effective approaches to service delivery that also provide better quality and greater choice for people (Carrim *et al*, 2004:2).

Many countries, faced with the difficulties of reforming traditional bureaucracy and anxious to quickly improve service delivery and cost effectiveness in public sector operations, have adopted privatisation and marketisation initiatives. This approach is mostly promoted by international agencies. In South Africa, this approach has been adopted to a greater extent, and one key focus recently has been the Public Private Partnerships initiative adopted by government and implemented through the national Treasury department.

Public Private Partnership is an approach to delivering public service that involves the private sector, but one that provides for a more direct control relationship between the public and private sector than would be achieved by a simple (legally protected) market based and arms length purchase. Beyond privately owned public service suppliers are the Public Private Partnerships that have been developed in a more proactive and collaborative mode and which have been recognised and labelled as such (Hood, 1995:2).

Cities around the world are growing at an unprecedented rate. Ngaka Modiri Molema District Municipality, in the North West Province of South Africa can serve as a typical example looking at the rate at which the squatter settlements situated at the entrance of the cities are growing. Over the past number of years, the number of people living in the cities of developing countries has more than tripled. This urban growth continues to be accompanied by alarming increase in the number of people living in poverty. Today, one out of four people living in the cities does so in poverty; another one out of four is classified as relatively poor (Bennett, Grohmann and Gentry, 1999: 3). The rapid concentration of hundreds of millions of people in urban areas has placed an extraordinary strain on governments, both national and local to meet their citizens' basic needs. Many governments are finding that their existing water, sanitation and energy infrastructures are unable to service their rapidly expanding populations. In addition to that, governments realise that their limited financial resources are not sufficient to cover the needed expansion of these services. Governments in some cases lack even the human resources to cater for such needs. Even where governments do find such resources to subsidise public utilities, service is often still poor and sectors of the population are largely unserved.

It is the poor who suffer the most as a result of these circumstances. The World Health Organisation (WHO) estimates that 25 to 30 percent of urban residents in Latin America, Africa and the Middle East lack access to potable water (Bennett *et al*, 1999: 3). Municipal authorities collect less than half of the waste generated each day in these large cities and in many cities, slums and squatter settlements have no access to waste disposal services.

The apartheid South African government, either in terms of inadequate investment or poor operations and maintenance or both, systematically neglected the areas in which most of poor black people lived. In the towns, residents used their only political weapon: non payment for services, a trend which the present government is finding difficult to reverse, particularly since there are few signs of the service improving. It is estimated that between 50 and 80 billion rands are needed over the next five years to eliminate the backlogs in services in the urban areas, depending on the level of service provided (Jackson, 1997:6). The government alone will not be able to provide the most needed services such as potable water, energy and proper sanitation to communities unless partnership with the private sector is considered.

This study focuses on giving a clear view of initiatives within the municipality to provide services to communities. Further definitions of the concepts that will be frequently used in this study will be provided in Chapter two.

### **1.3 Statement of the problem**

Considering the problems related to service delivery in various municipalities, including among others the service delivery delays, this study looked into whether Public Private Partnership initiatives undertaken by the municipalities could be implemented more effectively at municipal level to speed up the service delivery to the communities thus valuable to the municipality and its stakeholders. Preliminary survey has indicated that there exist no structured public-private partnerships in the Ngaka Modiri Molema District Municipality but initiatives with regard to PPPs have been considered in some projects.

The study sought to analyse the value of partnerships between the municipalities and the private sector, the significance of these partnerships and their contribution to effective service delivery. The study also seeks to focus on Ngaka Modiri Molema District Municipality in this regard.

#### **1.4 Significance of the study**

The significance of this study is that it will:

- Help Ngaka Modiri Molema District Municipality to better understand the value of public private partnership initiatives. This is because the management of such partnerships is of great importance.
- Enable the municipality to identify gaps in the implementation of Public Private Partnership initiatives in the Ngaka Modiri Molema District Municipality because such gaps may result in delays in the delivery of services to the public.
- Help Ngaka Modiri Molema District Municipality to enhance service delivery through public private partnerships.
- Increase the body literature of Public Private Partnerships. There is limited writing on the concept.

Through this study Ngaka Modiri Molema District Municipality will be advised on effective and efficient implementation and management of public private partnerships.

#### **1.5 Aim and objectives of the study**

The main aim of this study was to assess the value of public-private partnerships to municipalities because municipalities are a critical developmental sphere of government and therefore central to delivery of services to communities. There are specific objectives set out to be achieved at the end of this study and these are:

- To explore the concept of Public Private Partnerships and review existing literature on the concept.
- To investigate the nature and effect of the partnerships on service delivery.

- To reflect on the socio-economic impact of Public Private Partnerships on the poor.
- To explore the value of Public Private Partnership initiatives to municipalities.
- To investigate the understanding of Public Private Partnerships within the Ngaka Modiri Molema District Municipality.
- To recommend forms of Public-Private Partnerships for the Ngaka Modiri Molema District Municipality.

## **1.6. Research questions**

The study sought to answer the following questions:

- What are the effects of public private partnerships on service delivery?
- What value can public private partnership bring to municipalities?
- Does Ngaka Modiri Molema District Municipality understand public private partnerships and by extension their value?
- What benefits do these partnerships bring to the poor?

## **1.7 Research design and methodology**

The questions raised by this study will be answered through evaluation research where the public-private partnerships within the municipality will be evaluated. Evaluation research is the method of social science that can be used to assess the design, implementation and usefulness of social interventions. It aims at testing interventions to see how effective they are and therefore represents an important means of linking action and research in a constructive manner (Bless & Higson Smith, 1995:47). In this regard the social intervention by the municipality is in the form of these partnerships.

Data was collected through interviews with municipal employees. A questionnaire was also administered. The technique for sampling that was used is purposive sampling. Purposive sampling refers to the division of the population into different clearly recognisable sub-populations or strata with the purpose of collecting expert data on a particular area of knowledge (Brynard, 1997:43). The sample in this regard was from the

municipal employee population who were given questionnaires and community members served by Ngaka Modiri Molema District Municipality. For analysis purposes, a qualitative data analysis method was used but also elements of quantitative data analysis were used as there were questionnaires that were distributed. Qualitative data analysis is the range of processes and procedures whereby data collected is analysed by explanation, understanding or interpretation of the situation investigated. It is based on interpretative philosophy. This type of analysis involves the development of a thorough and comprehension of the phenomenon under study. Classifying data is an integral part of the analysis as the conceptual foundations upon which interpretation and explanation are bases lay on it (Dey 1993: 285). This will be further elaborated in Chapter 3.

### **1.8 Limitations of the study**

The concept of Public Private Partnership is an interesting one, which seems to have drawn attention to it. Individuals are now showing interest to it, but at the moment it has limited articles/ writings. This affected the study in that there was be limited literature review.

### **1.9 Scope of the study**

The study only focused on Ngaka Modiri Molema District Municipality and its constituency for the period 2002 – 2007, although comparisons to other municipalities may be made. This district municipality serves the different members of the community. The findings obtained will benefit Ngaka Modiri Molema District Municipality.

### **1.10 Organisation of the study**

#### **Chapter 1: Introduction and orientation to the study**

This chapter gives an introduction of the study and the problem to be investigated. Introduction to the study, background of the study, statement of the problem, aim and objectives of the study, research design and methodology, organisation of the study and conclusion form part of this chapter.

## **Chapter 2: Literature review on Public Private Partnerships**

This chapter conceptualises Public Private Partnerships by defining it. Existing literature on Public Private Partnerships is evaluated contextually. The Chapter also covers the challenges and benefits of these partnerships.

## **Chapter 3: Research design and Methodology**

The chapter expands on the type of study undertaken and other studies existing in the literature. It sets out the plan for reaching the purpose of the study. The methods of collecting data and its analysis will form part of this chapter as they are explained.

## **Chapter 4: Data presentation and analysis**

This Chapter provides the presentation and analysis of the data. Data is presented in the form of tables and graphs. Both the qualitative and quantitative data analysis methods were employed in this study.

## **Chapter 5: Summary, findings, recommendations and conclusion**

A brief summary of the study is given in this Chapter. The major findings of the study are discussed so as to see whether the set out objectives were reached. Recommendations with regard to the whole study will be outlined in this chapter. Conclusion of the whole study will also form part of this chapter.

### **1.11 Conclusion**

This chapter has given an introduction to the study and the background of Public Private Partnerships. These partnerships are integral towards strengthening and building effective and efficient service delivery within municipalities. In order to address the issue of capacity to deliver services to the people, lack of management skills and technological

expertise, it has been seen that municipalities can form partnerships with the private sector to address such.

What has been discussed in the chapter was the introduction and orientation to the study. The aim and objectives of the study, what the study intends to achieve, statement of the problem and the organisational structure of the study have been clearly outlined. A brief explanation of the research design and methodology was also looked into so as to provide the manner in which the study will be conducted. The next Chapter reviews the literature on the Public Private Partnerships and unpacks the concept of public private partnerships.

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## **CHAPTER 2: LITERATURE REVIEW ON PUBLIC PRIVATE PARTNERSHIPS**

### **2.1 Introduction**

In this chapter the existing literature on Public Private Partnerships and its management is perused and engaged. This chapter seeks to give a theoretical framework or an overview of public private partnerships. The concept is looked at in detail that is, how these partnerships get started, the difficulties and potential benefits that they bring are also addressed. There are different types of public private partnerships which are also looked into in this chapter. In writing the literature review, the purpose is to convey to the reader what knowledge and ideas have been established on Public Private Partnerships.

### **2.2 Definition of terms used in the study**

A number of terms will be frequently used in the study, it is therefore imperative to give definitions which will make understanding of the text easier. Those terms are defined and explained below.

#### **2.2.1 Public sector**

The public sector is that part of economic and administrative life that deals with the delivery of goods and services by and for the government, whether national, provincial or local/municipal. It comprises the sub-sectors of general government (mainly central, state and local government units together with social security funds imposed and controlled by those units) as well as public corporations, i.e. corporations that are subject to control by government units (usually defined by the government owning the majority of shares) (Kanamori and Zhao, 2004: 55). The public sector includes public entities. This involves the setting up of public entities at arm's length from the public service departments to deliver specific services on commercial principles or in formal partnerships with role players from the private or voluntary sectors. These entities usually fund their operations by way of user-pay levies. The South African National Roads Agency, the South African Maritime Safety Agency and the Department of Transport are typical examples (Masilo, 2004:37).

### **2.2.2 Private sector**

The private sector refers to that portion of the economy composed of businesses and households, and excluding government. It covers private corporations (including those in foreign control). The private sector of a nation's economy consists of those entities which are not controlled by the state - i.e., a variety of entities such as private firms and companies, corporations, private banks and non-governmental organizations. These can also be referred to as the private enterprises ([www.ots.treas.gov/glossary/gloss-p.html](http://www.ots.treas.gov/glossary/gloss-p.html)).

Private enterprises refer to profit-making economic units invested and established by natural persons, or controlled by natural persons using employed labour. Included in this category are private limited liability corporations, private share-holding corporations and private partnership enterprises and private-funded enterprises registered in accordance with the Corporation Law, Partnership Enterprises Law and other regulations on private enterprises (Kanamori and Zhao, 2004: 56).

### **2.2.3 Partnership**

Partnership means a collaborative arrangement between various entities, within and between the public sector and the private sector, the community and the non-governmental sector (Mokgalong, 2001:3). The partnering results in the joint provision of service delivery. These work sharing arrangements allow partners to share work, resources, expertise and information for the purpose of service delivery. The delivery of services to the public can be between the public sector and the private sector as in public private partnerships or between two public entities as in public partnerships.

## **2.3 Conceptualisation of Public Private Partnerships**

The emergence of public private partnerships heralds a new era of collaboration between public and private sectors across different levels of government (local, provincial and national). The government may collaborate with the private service provider in any one of the following ways:

- As a funding agency: Providing grant/capital/ asset support to the private sector engaged in the provision of public service, on a contractual/non-contractual basis.

- As a buyer: Buying services on a long term basis
- As a coordinator: Specifying various sectors/ forum in which participation by the private sector would be welcome (Bird, 1994:2).

Public Private Partnerships first emerged in the United States of America in the late 70s and early 80s in response to what was seen as the poor performance of the public sector, and the view that the State had reached its financial limits as far as the provision of public services were concerned. One conceptualisation of public private partnerships is as a network of independent public and private actors who come together to form a cooperative interdependent working relationship to provide improved project management and financing solutions (Mohr, 2003:6).

An enormous challenge faces South Africa's new municipalities. The challenge involves the ability to deliver services such as potable water, sanitation, roads and refuse removal to the communities of their areas of jurisdiction on a sustainable basis. Public private partnerships are one of the options available to municipalities to deliver such services to the communities. Public private partnerships refer to the partnership between the public sector and the private sector for the purpose of delivering a service or a project traditionally provided by the public sector. This approach uses the expertise, investment and management capacity of the private sector to develop infrastructure as well as to improve and extend efficient services to all residents (Fourie, 1999:5). It must be understood that the private sector does not only refer to the private business but also includes the Non Governmental Organisations (NGOs) (Carrim *et al*, 2004:2). Municipal Service Partnerships (MSPs) involving municipalities and outside agencies are being encouraged and public private partnerships are the type of such MSPs. These MSPs have a number of contracts which range from a service contract to a long-term concession (Reddy, Sing and Moodley, 2003:204).

The Department of Constitutional Development is currently working on a regulatory framework for MSPs, the main focus being on the public private partnerships (Carrim *et al*, 2004:2). The department has stated that public private partnerships are but one form of

local government restructuring. Rather than exploring these various forms, however, they have indicated their preference of such partnerships as the best option for solving problems facing the local authorities. Public Private Partnerships describe a spectrum of possible relationships between public and private sectors for the cooperative provision of infrastructure services.

Three things generally distinguish public private partnerships from direct provision of services by government, namely:

- A partnership based on a well articulated 'contract',
- A long term relationship between the public and private sector, and
- Flexibility and responsiveness in decision making (Geeta & Navin, 2005:3).

It is therefore argued that public private partnership leads to improvement in both efficiency and effectiveness in service delivery.

### **2.3.1 Advantages of Public Private Partnerships**

The government's orientation towards public private partnerships must be understood in the broader context of the government's macro-economy policy, GEAR (Growth Employment and Reconstruction). GEAR advocates reducing state spending, deficit and the size of the public sector (Van Niekerk, 1998:2). The GEAR strategy emphasises that there is a need for private sector involvement and participation in government service delivery. It requires municipalities to consider in their planning, initiatives that would encourage and enhance the involvement of the private sector in development through investment and that would generally promote broader investment in infrastructure (Koma, 2001:7). By engaging the private sector in the service delivery programmes, the issue of reducing state spending advocated by GEAR will be addressed. RDP (Reconstruction and Development Programme) is another programme established by government to extend public services (Van Niekerk, 1998:2). Through public partnerships, government will be able to fulfil its promises outlined in the RDP. As a result of this the poor benefit by having services rendered to them and employment is created in the process.

Public Private Partnerships are a recent extension of what has now become well known as the new public management agenda for the changes in the way the public services are rendered. They involve organisations whose affiliations lie in respectively the public and private sectors working together in partnership to provide public services (Broadbent & Laughlin, 2002:446). Public Private Partnerships recognise that both the public sector and the private sector have certain advantages relative to the other in the performance of specific tasks. Public services and infrastructure can be provided in the most economically efficient manner by allowing each sector to do what it does best. Through Public Private Partnerships, the advantages of the private sector innovation, knowledge of technologies, access to finance, managerial efficiency are combined with the social responsibility, environmental awareness and local knowledge of the public sector in an effort to solve problems facing the municipality with regard to service delivery.

Public Private Partnerships are one form of a policy of liberalisation in the way public services are produced and delivered to the public (Broadbent *et al*, 2002:446). They open up the possibilities for the provision of public services not only to come exclusively from organisations owned and controlled by the public sector, but also from partnerships between the public and private sectors. Public Private Partnerships need to be analysed with an open mind as to whether they do provide a better way of providing public services (Broadbent *et al*, 2002:447). This is an argument raised in most cases.

Public Private Partnerships should be seen in light of the need to address infrastructural backlogs and public capacity constraints. Internationally, they were adopted to promote privatisation for ideological ends (Parnell, Pieterse, Swilling & Wooldridge, 2002:153). In South Africa, the use of these partnerships should be seen as part of the government's overall agenda to promote economic development and to extend service delivery to those communities who were previously disadvantaged by apartheid. Once municipalities have developed a sound understanding of the development needs and challenges, they need to formulate a coherent and holistic strategy to address it in the short, medium and long term, underpinned by a comprehensive financial strategy and plan. At this point, municipalities can use a partnership approach to enable them to achieve their development plan.

According to the South African Minister of Finance, Trevor Manuel, public private partnerships are more than just a mechanism to bring private financing into the public sector; they are the preferred method of development (Manuel in Van Niekerk, 1998:1).

There are opposing parties to these partnerships; one argues that public private partnerships are a form of privatisation while the other argues that it is a precursor to privatisation. SAMWU (South African Municipal Workers Union) has vocally rejected these partnerships because it is opposed to the very idea of public services being delivered for profit (Van Niekerk, 1998:2). Public Private Partnerships should not be viewed in that way because they are actually different from privatisation although in practice they can be similar. Privatisation refers to governments selling off commercial enterprises that had been state monopolies (Moe, 1990:12). In Public Private Partnerships, the government retains the ownership of assets; services are contracted out whereas privatisation involves the selling off of state assets.

Although in Public Private Partnerships ownership is retained by the government, the private sector is allowed to manage and use those assets to deliver services and fulfil other functions usually carried out by government. The private sector has to invest capital, infrastructure and technology and contribute to building the capacity of a municipality over a 20-30 year period. At the end of this period, a municipality can retain the assets invested by the private sector and take over the delivery of services as well as carrying out of the other functions again (Carrim *et al*, 2004:2). Basically, the partnership is a contractual agreement between the municipality and the private sector entity to deliver municipal services for a certain period.

### **2.3.2 Perceived disadvantages of Public Private Partnerships**

In addition to the arguments mentioned earlier, there are misconceptions that exist with regard to public private partnerships. These partnerships are often not considered due to erroneous information based on those misconceptions. The most common of the said misconceptions are that:

- By entering into a public private partnership, local government loses control over the provision of services. That is not true in that the local government does not give up its ability to implement its policies or regulate the provision of services. Baker (2003) made a point that in moving to provide public services, using the private sector companies, it was essential that the various governments around the world could exercise some ownership rights and control over the nature, and particularly the pricing of the public services offered by these privatised companies. In the case of Public Private Partnerships, the municipality remains accountable for the provision of services to the public. Further to this, the management of such partnerships also plays a significant role in their effective implementation. The local government establishes the ground rules and has the ability to shape the public private partnership to reflect its own objectives, policies and regulations. It can rather be argued that the local government actually has more control.
- With the knowledge that private companies are profit orientated, there are fears in most communities that the cost of services will increase to pay for the private partner's profit. The partnerships tend to be avoided in some cases due to this misconception, because it is believed that the cost of providing the service will increase to reflect the profits the private partner must realise to stay in business. While the private partner needs to make a profit, it must be earned within the existing or even a lower price for the service. It is the government's mandate to provide services to all communities; therefore the local government would presumably enter into a public private partnership if the price of providing a given service was lower than if provided by the local government itself or if a higher level of service could be provided for the same price by the private partner.

It is therefore important to guard against intentions of the private sector to make profit at the expense of proper delivery of services to communities. This is raised because if unregulated, this pursuit of financial gain can lead to under-investment in the human and social capital that is necessary for meeting basic infrastructure needs.

Public Private Partnerships can be an effective and innovative way of delivering a range of local government services and facilities. They can also be utilised to deliver services that are 'small' and do not involve capital projects, not just large infrastructure projects that tend to capture most public attention. Examples of such 'small' projects include provision of data services, refuse collection and road maintenance. The engagement of such public private partnerships tends to enhance proper service delivery to communities, for example, the long standing ideological stance of the Conservative government that the private sector would provide better public services than if they were supplied solely through the public sector was a driver in the development of Public Private Partnerships in the UK (Broadbent *et al*, 2002:3).

Although there are some opposing parties to public private partnerships, today there is a growing acceptance around the world that these partnerships can be utilised to meet the public sector needs in a wide range of projects in a way that clearly offers better value for money for communities. An indication of the extent to which the public private partnership approach has been adopted in other parts of the world is presented in the table overleaf.

International development of Public Private Partnerships (Public Private Partnership Guidance note 1, 2000)

|              | No. of Deals | Roads | Rail | Water | Waste | Power | Healthcare | Education | Prisons | Offices | Regeneration | Sports |
|--------------|--------------|-------|------|-------|-------|-------|------------|-----------|---------|---------|--------------|--------|
| Australia    | 10-20        | 4     | 4    | 4     |       |       | 4          |           | 4       |         |              |        |
| Belgium      | 5-10         | 4     | p    | 4     | 4     |       | 4          | p         |         |         | 4            |        |
| Canada       | >100         | 4     | 4    | 4     | 4     |       |            |           |         | 4       |              |        |
| Finland      | 0-5          | 4     | p    |       |       |       | 4          |           | 4       |         |              |        |
| France       | >100         | 4     | p    | 4     |       | 4     |            |           |         |         |              |        |
| Germany      | 0-5          | p     | p    | P     | p     |       |            |           |         |         |              |        |
| Greece       | 0-5          | p     | p    |       |       |       | p          | p         |         |         |              | p      |
| Holland      | 0-5          | 4     | p    | P     |       |       |            |           |         |         |              |        |
| Ireland      | 5-10         | 4     | p    | 4     | p     | 4     |            | p         | 4       | 4       | p            |        |
| Italy        | 0-5          | p     | 4    |       | 4     |       |            |           |         |         |              |        |
| Japan        | 0-5          |       |      |       | p     |       |            |           |         | P       |              |        |
| Portugal     | 5-10         | 4     | p    | 4     |       |       | p          |           |         |         |              | p      |
| South Africa | 5-10         | 4     |      | P     |       |       | p          | p         | 4       |         |              |        |
| Spain        | 0-5          | 4     | 4    |       |       |       | 4          |           |         |         |              |        |
| Sweden       | 0-5          |       | 4    |       |       |       |            |           |         |         |              |        |
| UK           | >100         | 4     | 4    | 4     | 4     |       | 4          | 4         | 4       | 4       | 4            | 4      |

4 – Deals closed

p – Deals contemplated

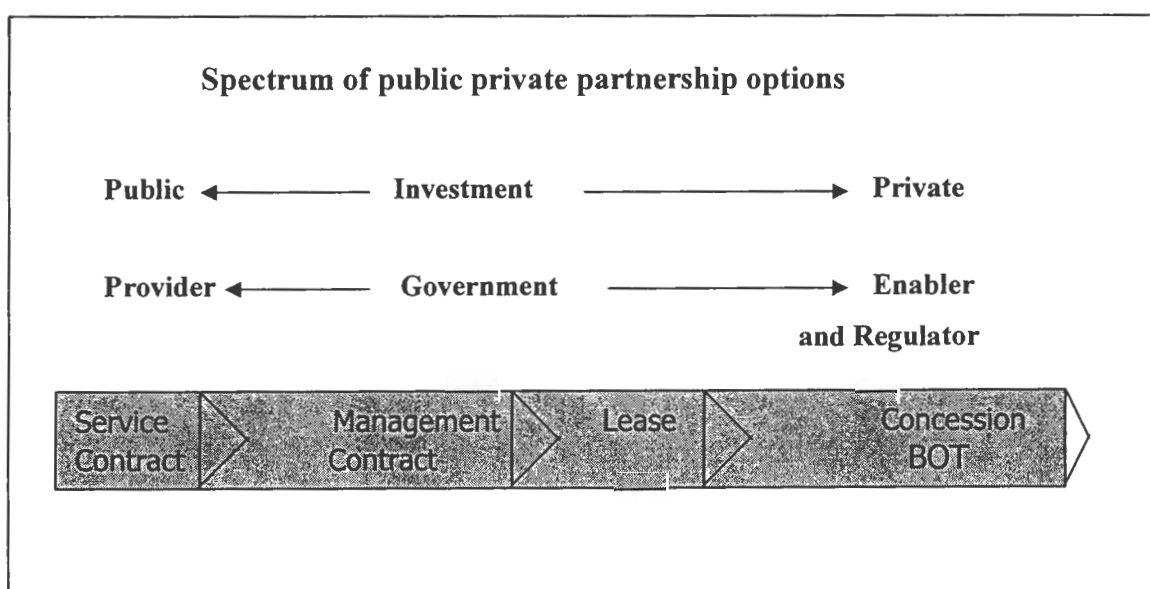
The table above shows that countries such as the United Kingdom have successfully implemented public private partnerships in services such as roads, water, waste and rail. Deals in such services were closed giving the community benefits in that regard. Germany on the other hand is contemplating the involvement of public private partnerships in such services as it has realised the importance and the gain from such partnerships.

Looking at the position of South Africa in the table, the services offered by the municipality (e.g. water, waste, power) have not to a desirable extent engaged the public private partnerships. This to a greater extent is due to the fact that unions are opposed to any form of privatisation. This then gives an implication that local government needs to consider such initiatives so as to deliver services to the communities. Trevor Manuel in his 2006 budget speech mentioned that these initiatives are important and for infrastructure purposes they need to be considered as they contribute to the institutional capacity needed for success in the broad based development journey.

## 2.4 Forms of Public Private Partnerships

Public Private Partnerships embrace a variety of relationships. They can vary in the degree of risk allocated between partners, the amount of expertise required on the part of each partner to negotiate contracts and the implications for each of the partners. A wide range of contractual forms may be adopted by the public sector in establishing partnerships with the private sector, ranging from those where there is a great deal of public sector involvement to those where there is little involvement. Generally, the spectrum of contractual options includes among others design and build, operations and maintenance, lease-purchases, build-operate-transfer services and concession contracts (PPP Guidance note 1, 2000:21). These can also be referred to as forms of public private partnerships that the municipality can engage itself in.

Kumar (2004:3) summarises these forms in the following table:



The table shows the private sector as providing the investment in the partnership so as for the public sector to deliver/provide services to the public. The explanation of the options is as follows ([www.mcaaws.gov.za](http://www.mcaaws.gov.za), 2005):

- ***Design and build:*** This is where the local government contracts with a private partner to design and build a public facility that conforms to the standards and performance requirements of local government. Once the facility has been built, the local government takes ownership and is responsible for the operation and maintenance of the facility. The local government may use this form of PPP in public facilities such as water and waste water treatment, roads, sewer and water systems and halls. This form provides a number of advantages such as access to private sector experience, increased risk placed on the private partner, opportunities for innovation and cost savings.
- ***Operations and maintenance:*** The local government in this case contracts the private partner to operate and maintain a publicly owned facility. This can be applied in a broad range of municipal services such as solid waste removal, road maintenance and parks/landscape maintenance. Potential service quality and efficiency improvements are an advantage that can be provided by this form of public private partnership. Through this form costs can be saved. Although there are such advantages to be gained by the municipality, disadvantages are also there. These include costs to re-enter service if the contractor defaults or the reduced owner control and ability to respond to changing public demands.
- ***Lease purchases:*** With lease purchases, local government contracts with the private partner to design, finance and build a facility to provide public service. The private partner then leases the facility to the local government for a specified period after which ownership vests with the local government ([www.mcaaw.gov.za](http://www.mcaaw.gov.za), 2005). This approach can be taken where local government requires a new facility or service but may not be in a position to provide financing. It can be used for capital assets such as buildings, water and

wastewater treatment plants and vehicle fleets. The approach may provide numerous advantages for the municipality and those are improved efficiency in construction, improvement of services available to residents at a reduced cost and lease payments may be less than debt service costs.

- ***Build-Operate-Transfer (BOT)***: They are designed to bring private investment into the construction of new infrastructure plants. The private partner finances, builds and operates a new facility according to performance standards set by the government. Once completed the private partner transfers ownership of the facility to the local government which then leases the facility back to the private partner under a long term lease during which the private partner has an opportunity to recover its investment, realise a profit and a reasonable rate of return. BOT contracts tend to work well for new facilities that require substantial financing. Construction of facilities such as drinking water or wastewater treatment plants, recreation facilities, roads and waste disposal stations are some of the infrastructure facilities in which BOT contracts are applicable. The public sector obtains the benefit of the private sector construction expertise and maintains ownership of the asset and also the levels of services and fees charged. These in return greatly benefit the community.
- ***Concession contract***: In this type of entity, the private contractor has the overall responsibility for the services it is contracted to provide, including operation, maintenance and management as well as the capital investment necessary for the expansion of services. All fixed assets, however, remain the property of the municipality but they are entrusted to the contractor for the duration of the concession contract and must be returned in a specified condition at the end of the concession period (Municipal Service Partnerships, 1998:2).

Concession contracts are suited to projects that provide an opportunity for the introduction of user charging, particularly suited to roads, water and waste

projects. They provide an increased level of demand risk transfer and encourage generation of third party revenue.

This gives an indication that Ngaka Modiri Molema District Municipality has a wide range of options to choose from in as far as public private partnerships are concerned. The option will depend on the type of service to be rendered and the suitability of the contract.

## **2.5 How Public Private Partnerships should be managed**

Local government should undertake a cautious approach and examine all relevant factors and issues when considering public private partnerships. In deciding on a partnership that the municipality intends to engage in, it is vital that from the outset there is fullest consultation with all relevant stakeholders. Local government will need to prepare for the unique requirements of public private partnerships. This does not necessarily mean increasing the size or complexity of the institution or changing the way in which the local government presently makes decisions on service delivery, rather, it means making the necessary adjustments to existing processes and arrangements for effective public private partnerships.

Municipalities have to be empowered with the skills to draft public private partnership contracts and monitor their implementation. The Municipal Infrastructure Investment Unit (MIIU) has been established by the Department of Constitutional Development to assist municipalities to enter into public private partnerships on favourable terms (Carrim *et al*, 2004:3).

There are four areas that the local government should address before becoming involved in public private partnerships (www.mcaaw.gov.za, 2005). These are:

- Identifying who in the municipality is responsible for public private partnerships and who has authority for the ultimate decision (noting the power to delegate local government authority under sections 191 to 194 of the Municipal Systems Act),

- Developing or accessing the expertise necessary to evaluate, negotiate and implement public private partnerships,
- Establishing policies to guide decisions on public private partnerships, and
- Establishing procedures that enable effective evaluation and delivery of services through public private partnerships ([www.mcaw.gov.za](http://www.mcaw.gov.za), 2005).

In identifying the office responsible or assigning responsibility for public private partnership within the municipality, the local government will need to prepare itself by preparing the necessary policies and procedures and evaluating the opportunities for public private partnerships. The planning and implementation of individual public private partnership initiatives is also of importance. The evaluation, negotiation and implementation of public private partnerships will draw heavily on existing expertise and resources within the municipality.

Most local governments have established line departments on the basis of specific types of services and established staff functions on the basis of specific types of expertise. Given that public private partnerships are applicable to most services provided by the local government and that public private partnerships require a range of expertise, it is to the advantage of the local government to assign responsibility for public private partnerships to a single department or individual within the municipality. This will ensure that:

- There is no ambiguity in who is responsible and accountable for public private partnerships in the municipality,
- There is a consistent message concerning the policies and procedures of the local government with regard to public private partnerships, and
- There is a single point of contact for private sector interests ([www.mcaw.gov.za](http://www.mcaw.gov.za), 2005).

Recognising that the Municipal Council has the ultimate authority and responsibility for entering into public private partnership contract, local government can establish procedures that allow servicing initiatives to be reviewed before they are brought to

Council for consideration. Responsibility for public private partnership could be vested in one committee or department. If the municipality has a system of standing committees as it is the case in the Ngaka Modiri Molema District Municipality, it could delegate the responsibility to a standing committee or expand the mandate of an existing committee. These committees can be charged with the mandate of making recommendations to the council on the policy of the local government regarding the use of public private partnerships for service delivery.

The manner in which these partnerships are managed is of importance; therefore the committee should have an office that will ensure effective management of the public private partnership initiatives. It is the responsibility of the department to ensure that it selects and provides direction to teams established to implement public private partnership programs. Staff within the office will require additional training in key areas to allow them to be effective in initiating, negotiating, managing and implementing public private partnerships. The said key areas include among others, negotiating skills, project management, public process, private sector finance, contract law, risk management and performance auditing and quality control (Mohr, 2003:6).

The office will also have to ensure that it consults with labour unions, private sector interest groups and the public when developing the policy and procedures for public private partnerships. This is to ensure proper operations of projects with agreement of all stakeholders. For control purposes, the office must review and monitor approved public private partnerships to check compliance with the contract, policies and procedures established by the local government so as to ensure that the local government is getting value for money and communities get proper services that are due to them. In case of non-compliance, action should be taken to ensure that the process of service delivery is not delayed. Public private partnerships supposedly constitute a sharing of responsibilities as well as risks. In recognising this blurring of responsibilities between public and private actors, problems associated with achieving public accountability must also be taken into account (Mohr, 2003:7). It may be argued that public private partnerships do not strengthen public accountability because the private sector is not publicly accountable.

Other issues come into play when governments reach out to others to deliver or help deliver government services. Involving the other party in governing raises issues that are not addressed by the traditional managing and governing frameworks. An Organisation of Economic Cooperation and Development (OECD) report (1999:7) points out that “management systems that are desegregated, decentralised and devolved need a new framework to guide behaviour”. It is therefore evident that comprehensive guidelines are needed to govern and manage those making partnerships so that issues of accountability, transparency and protection of the public interest in order to ascertain and restore public trust are not implicated.

In addressing proper management of public private partnerships, it is important to take the key management functions to consideration as these will serve as the barometer for assessing effective and efficient partnerships’ management. Those key functions include:

### **2.5.1 Accountability**

Accountability refers to the duty to answer and report to a higher authority, functionary or institution about the results obtained with the performance of one or more specific function (Masilo, 2004:50). The concept of public accountability provides that the public servants’ actions must be beyond reproach, meaning that they must at all time act within the confines of the law. This can also be applied in the case of partnerships.

Appropriate evaluation and audit provisions are accountability mechanisms that need to be in place for proper management of public private partnerships. Evaluation needs to be done after a certain period to ensure and determine just how successful the arrangement is or has been and to know whether the partnership is accomplishing what is expected. The evaluation and audit findings would therefore have to be reported in time so as to review progress. Because the arrangement involves partners, there must be an agreement from the outset on how disputes among partners are to be settled. Dispute resolution mechanisms are an important aspect of managing with partners and are quite common in the private sector. The success of, in particular, collaborative arrangements depends on

all partners fulfilling their respective responsibilities to hold others to account and take corrective action, when necessary (Kroukamp, 2004:31).

### **2.5.2 Transparency**

To promote transparency, various arrangements can be made and these include communicating information on key policies and decisions to stakeholders and the public. Boards that exercise authority or disburse funds might be expected to have these decisions open to public scrutiny (Kroukamp, 2004:32).

The public needs to have access to information, specific formal provision for consistent and transparency rules need to be in place. For delegated arrangements, without direct ministerial control, provision needs to be made for enhanced transparency to the public, including access to corporate information that is relevant to the delivery of public functions (Kroukamp, 2004:33).

### **2.5.3 Reporting**

Reporting is also one of the mechanisms that would ensure proper management of the partnerships. In reporting, clear public objectives should be highlighted. This would clarify what the arrangement is trying to achieve. There should also be performance expectations. Statements of specifically what is expected to be accomplished by the parties involved and by when should be included in the agreement (Kroukamp, 2004:30).

## **2.6 Challenges of Public Private Partnerships**

Considerable skills are required for designing appropriate public private partnership contracts. These are inadequate in our newly established municipalities and this poses a challenge to the local authorities. Until the question of skills is addressed, there will be problems encountered with regard to the management of the partnerships. The private sector on the other hand has considerable experience and expertise and is favourably positioned to enter into contracts that primarily serve their own interests (Carrim *et al*, 2000). The monitoring and implementation of the contracts is crucial and is the key to the

successful implementation of public private partnership initiatives as it also calls for specialised skills. Municipalities are to a certain extent disadvantaged in this respect therefore, unless the skills are acquired by the municipalities, problems are bound to exist. It is therefore imperative that there is considerable investment in providing municipalities with the skills to effectively monitor the contracts.

Another particular difficulty is ensuring that tariff increases are controlled and job losses are avoided when public private partnerships are considered or implemented (Carrim *et al*, 2000). Negligence in that regard will contravene the objectives of RDP as communities will not afford the basic services which are their constitutional rights. The issue of job losses and tariff increase should therefore be clearly addressed in the contracts and in other ways including the regulatory framework for MSPs. Public private partnerships may open up opportunities for corruption, the bribery of councillors and officials and this could cause problems for the municipality. In the Phillipines, the British water company Biwater has been charged with corruption and in 1997, the French audit court commented on corrupt practices in the French private sector water companies (Carrim *et al*, 2000). While there have been significant successes in public private partnership projects elsewhere in the world, there have also been failures. The overriding cause of these failures has been the failure of the private sector to deliver on what it was contracted to. It is therefore important to be on guard and tighten loose ends when drafting partnership contracts.

## **2.7 Potential benefits of Public Private Partnerships**

The key to public private partnerships for service delivery lies in the ability of local participants to sustain a collaborative process involving private partners whose objective is to pursue a common goal to that of the local government. There must be incentives for participation and a stable set of rules of the game so that each party understands its role and is bound to deliver. Efforts also need to be made to limit the impact politicisation on such arrangements; the priority should be given to delivering services to communities. In order to address the question of all communities getting these services through public private partnerships, the risks especially for the private sector participants need to be

managed carefully. Public private partnerships are not the only solution for the delivery of all services. There are risks in proceeding with these partnerships without critically examining their suitability to specific circumstances. However, local authority can realise the potential benefits when public private partnerships are used.

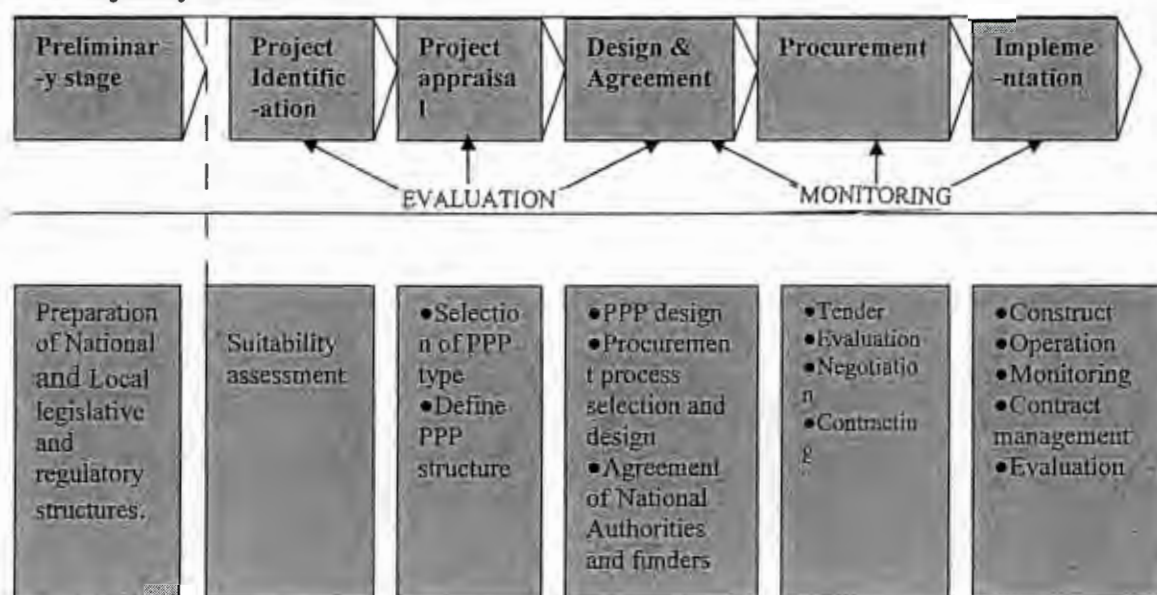
Effective public private partnerships need to be designed and managed to achieve two objectives. First, they must balance the need to produce both public value and private gain if they are to be sustainable. Secondly, they must serve a learning function which allows participants and stakeholders to build the collaborative and technical skills for the provision of services which the communities need (Morgan, 2005:11). Management of public private partnerships is crucial and can enable local authorities to find solutions to the problems they face with regard to service delivery engaging the private sector. Municipal councils must be able to understand costs and performance standards. For proper management purposes, the council must have effective monitoring capacity and must be able to structure performance contracts in a way that can create both incentives for and control over the behaviour of private sector firms. In that case the private sector will adhere to the contract and in turn effective service delivery will be achieved.

Through effective management of public private partnership projects, there have been success stories. Nelspruit located in Mpumalanga province of South Africa experiences growth in its area of jurisdiction. Before 1994, Nelspruit had a population of about 24 000 people. Africans were excluded from the city. After 1994, the Nelspruit Transitional Local Council's (TLC) area of control expanded to at least 240 000 people. As a result, the Nelspruit TLC found itself unable to cope with the demand for new and improved services, such as water and sanitation. In 1995, the TLC estimated the provision of basic water and sanitation services to all residents at about R212 million. Nelspruit's annual capital budget was then R21,7 million, for all services, not only water and sanitation. It is currently estimated that at least R250 million (1997 prices) is required to meet the demand for water and sanitation services – much more than the TLC can borrow. The TLC is allowed 6% annual growth on its capital budget and may not budget for a deficit. The amount available in the TLC's budget for water and sanitation services, as approved by the Department of Finance, is R8, 5 million. (McKenzie & Pieterse (1999: 28).

This expansion resulted in the town being unable to cope with the demand for new and improved services, such as water and sanitation. In order to meet this demand, in 1997 the local council decided to investigate the possibility of private sector involvement in the provision of water and sanitation services. The concession contract option was identified as the best option to meet the challenges faced by the Transitional Local Council. Through a competitive bidding process, and strict compliance with the evaluation criteria defined in a request for proposal, the Transitional Local Council in October 1997 announced “BiWater-Metsi a Sechaba” as the successful bidder. In terms of the contract, BiWater-Metsi a Sechaba will undertake for and on behalf of the Nelspruit Transitional Local Council the supply of water and sanitation services within the municipal area. The service will be delivered subject to the conditions of the contract, the approved tariffs and in accordance with all applicable legislation (file://E:\MUNICIPAL SERVICE PARTNERSHIPS.htm, 1998).

A private company brings economies of scale to a municipal facility, including bulk-purchasing discounts and greater efficiencies in plant operations such as electrical usage and facilities maintenance, all of which result in cost savings and help keep down the cost of providing municipal services to the citizens. In that regard consumers stand a chance of reaping the benefits. EPA (Environmental Protection Agency) estimates that more than \$100 billion in capital investment is needed to bring all water and wastewater systems into compliance. Cities are having difficulties financing these improvements through traditional means. Partnership can be a viable solution. Understanding its benefits and limitations can help local governments find the right fix for their community's water and wastewater needs (Mays & Roy, 1999:5).

### PPP Project Cycle Time line



### Requirements

|                                                                                                                                                                                                              |                                                                                                                                                                                                                |                                                                                                                                                                               |                                                                                                                                                                                                                                |                                                                                                                   |                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Legal context</li> <li>• Institutional capacity</li> <li>• National policy</li> <li>• Integration of projects into EU harmonisation and priority funding</li> </ul> | <ul style="list-style-type: none"> <li>• Desired gains</li> <li>• Obstacles and constraints</li> <li>• Private sector interest</li> <li>• True cost of services</li> <li>• Cost and benefits of PPP</li> </ul> | <ul style="list-style-type: none"> <li>• Needs assessment</li> <li>• Risk allocation</li> <li>• PPP component</li> <li>• Budgeting</li> <li>• Expectation of a PPP</li> </ul> | <ul style="list-style-type: none"> <li>• Integration of PPP into design</li> <li>• Procurement procedure selection &amp; design</li> <li>• Funders requirements</li> <li>• Financial &amp; socio-economic appraisal</li> </ul> | <ul style="list-style-type: none"> <li>• Open &amp; transparent process</li> <li>• Detailed recordings</li> </ul> | <ul style="list-style-type: none"> <li>• Effective implementation structures</li> <li>• Effective working relationship</li> </ul> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|

(Mays & Roy 1995:6)

Mays and Roy (1995:6) give an example illustrated in the table above of a Public Private Partnership project cycle model which may be used by municipalities. The model will give municipalities a framework of how to conduct its partnerships with the private sector depending on the project to be undertaken. The model shows how the partnerships can be engaged in an endeavour to successfully render services to the communities. The different stages are shown, that is, from the preliminary stage of the project to the actual

implementation stage. The preliminary stage shows that the Municipality can draw up and prepare legislative and regulatory structure which will be of help in providing the framework and guidelines of managing the partnership. It is at this stage where each party is aware of what is expected of it.

The evaluation phase comprising of the project identification, project appraisal and design and agreement helps in assessing the suitability of the project and defining the public private partnership structure. The model also indicates that there needs to be a monitoring phase where procurement and implementation of the project are properly monitored. This could be done through contracting the suitable partner, negotiating proper terms and effectively implementing structures and operations.

## **2.8 Conclusion**

Public Private Partnerships are of importance in building strong, effective, efficient and prompt delivery of services by municipalities. For addressing service delivery backlogs and financial constraints experienced by municipalities, public private partnerships have been seen to be providing better solutions. If properly managed, these partnerships could serve as a technique used to curb the problem of service delivery. Although effective, public private partnerships should not be implemented haphazardly. Proper consultation needs to be followed and key responsibilities be outlined. They should be developed within the broader framework of Integrated Development Plans of municipalities.

More activities emerge that make no sense for the public sector to supply services on its own, it needs to form partnerships. Acceptance of this reality implies a readiness to enter into partnerships with the private sector suppliers who are better qualified to provide such services. With the different forms of Public Private Partnerships, Ngaka Modiri Molema District Municipality has a broad range from which to choose a suitable form of partnership which will benefit it and further benefit the community. The next chapter will look into the research design and methodology employed in conducting the study.

## **CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY**

### **3.1 Introduction**

This chapter outlines the design and the methodology used to carry out this study. It explains the importance of the methodology used, the different types of research designs and data collection methods, how the research was conducted and the rationale thereof. A total strategy for this study from the analysis of the public private partnership initiatives and their management to the final plans of gathering data is of importance to achieving the set out objectives.

### **3.2 Explanation of research design and methodology**

A research design is a plan to allow the researcher to test the validity of the hypothesis, taking into account the factors one believes might affect the relationship between the dependent and independent variables (Susan, 1988: 16). It is a specification of the most adequate operations to be performed in order to test specific hypothesis under given conditions (Bless, 2000: 63). This is an indication that with the research design, one is able to come up with the appropriate evidence to conduct the study. Wilman, Kruger & Mitchell (2005:52) define research design as a plan according to which we obtain research participants (subjects) and collect information from them. In it the researcher describes what he/she is going to do with the participants, with a view to reaching conclusions about the research problem or research question.

In explaining what the research design is, De Vos (2001:77) refers to it as a blue print or detailed plan for how the research is to be conducted, operationalising variables so they can be measured, selecting a sample of interest to the study, collecting data to be used as a basis for testing hypothesis and analysing the results. It shows that a research design gives one a plan of how to conduct the research. According to Kumar (2005: 84), research design has two functions. The first relates to the identification and/or development of procedures and logistical arrangements required to undertake a study, the second emphasises the importance of quality in these procedures to ensure their validity, objectivity and accuracy. Hence through a research design you:

- Conceptualise an operational plan to undertake the various procedures and tasks required to complete your study.
- Ensure that these procedures are adequate to obtain valid, objective and accurate answers to the research questions.

Research methods on the other hand refer to the techniques and practices used to collect, process and analyse data, for example, the sample size and methods of sampling, how data will be collected (questionnaires, in-depth interviews, document search), the choice of measurement instruments or tools and how data will be processed and analysed (Bowling, 2002: 143). These methods necessitate a reflection on the planning, structuring and execution of the research in order to comply with the demands of truth, objectivity and validity. With regard to this study, data was collected through interviews and distribution of questionnaires.

The choice of the methodology is subject to the utilisation of qualitative data obtained through interviews and questionnaires. The discussion of the methodology attempts to present some of the specific tools and experiences used to inform the design of the research and the development of an interpretation.

There are several ways of classifying research studies. Distinctions are drawn between quantitative and qualitative research, applied and basic research, and between exploratory, descriptive, correlation and explanatory research (Bless, 2000:37). With basic research the researcher's primary motivation is to contribute to human knowledge and understanding, relating to a particular phenomenon (Bowling, 2002:194). This is usually achieved by gathering more facts and information which enables existing theories to be challenged and new ones to be developed.

Exploratory research on the other hand seeks to gain broad understanding of a situation, phenomenon, community or person (Bless, 2000:41). This therefore shows that this type of a research arises from a lack of information from the area of interest. Exploratory research in nature permits generalisation or at least, intends generalisation (Black &

Champion, 1976:79). This means that there will be more than an attempt to describe the existence and nature of some phenomenon by specifying propositions of generalisation, whereas correlation research involves study of existing relationships between two variables and it is descriptive in nature.

A qualitative research, using exploratory approach enables one to obtain an in-depth look at the forms of public private partnership initiatives that exist in the Ngaka Modiri Molema District Municipality and how these partnerships are effectively managed.

### **3.2.1 Research design**

According to Babbie (2001: 107), research design has two connotations. One connotation refers to alternative logical arrangements to be selected. This connotes experimental research designs and correlation research designs. The other connotation deals with the act of designing a study in its broadest sense. The second connotation basically refers to the plan to allow the researcher to test the validity of the hypothesis drawn. The study undertaken in this regard is that of evaluation research which seeks to gain a broad understanding of a situation or phenomenon, in this case being the management and impact of public-private partnerships on service delivery.

An evaluation research is appropriate in situations in which there is pre-existing knowledge, which will permit the use of standardised data collection methods like a questionnaire (Bowling, 2002:195). The availability of information on public private partnerships and a number of studies conducted on the concept advocate for this type of research.

There are two alternatives for the design of exploratory and descriptive research, the case study and the survey. A case study is distinguished by its exhaustive consideration of one unit (Susan, 1988: 23). The public-private partnership unit of the Ngaka Modiri Molema District Municipality was investigated for the purpose of this study. In order to explore the phenomenon of public private partnerships in the Local Municipalities, a case study was used. This is because the data obtained can be extremely useful in bringing people to

an understanding of complex issues with regard to public private partnership's implementation, uses and management.

Every project requires a research design that is carefully tailored to the nature of the problem. This means that the choice of appropriate research design is important for the study. Three categories of research designs can be distinguished according to the level of scientific rigour involved in proving the cause-effect relationship.

### **3.2.1.1 Pre-experimental designs**

These are the least adequate in terms of scientific rigour and thus are least likely to establish a clear cause and effect relationship between the independent and dependent variables (Bless *et al*, 1995: 68). The pre-experimental design is used by researchers because it has fewer requirements than the other designs. The pre-experimental designs are further grouped into:

- **One shot case study**

The one shot case study is most often used to determine whether an event has any effect upon a group of subjects (Bless *et al*, 1995: 68). The implication is that one variable is investigated at a given time. The dependent variable is measured after the event (post-test) and conclusions are drawn (Bless *et al*, 1995: 68). The researcher in this case needs to have the problem first, and come up with the suggestion of what the solution might be. For example, the Ngaka Modiri Molema District Municipality might be concerned with the service delivery, a new system of doing things or optimising the delivery of services to the communities needs to be introduced (event) and thereafter the achievements with regard to service delivery (dependent variable) will be recorded.

- **Pre-test/post-test design**

In the pre-test/post-test design the researcher measures the dependent variable before (pre-test) and after (post-test) the event that is expected to bring about some change. As a

result, the scores on the dependent measure can be compared over two points of time and the difference between the before and after scores may be due to the event that occurred between them (Bless *et al*, 1995:69).

Using this design, the manager is required to measure the service delivery rate before implementing the new system. The system is then implemented and the success is measured. A finding that the service delivery has improved to a certain extent represents the difference.

- **Intact groups design**

The intact group comparison design uses two groups instead of a single group, one of which is affected by the event or treatment, the other of which is not (De Vos, 2001:80). This design compares the scores of two groups, only one of which was effected by the by the event or treatment. For instance, the researcher has access to two municipalities. The one municipality is to be the experimental group (A) and the other is the comparison group (B). Group A implements the public private partnership initiatives in order to deal with the service delivery backlog. After a certain period, the achievements are measured (post-test). If Group A has improved in terms of service delivery and its results are comparatively successful to Group B, the manager can argue that these work.

### **3.2.1.2 Quasi-Experimental designs**

These are designs which do not meet the exacting criteria of experimental designs but which manage to approximate experimental conditions. Although these designs have fewer requirements than the experimental designs, they can achieve a similar level of scientific rigour (Bless *et al*, 1995:68). The Quasi-experimental designs are classified into:

- **Contrasted groups design**

One solution but not least to the problem of the intact group design is to use groups that are clearly in contrast (Forcesse, 1973:80). In other words, the researcher is interested in finding groups that are dissimilar in character and make a comparison.

- **Time series design**

Time series designs represent an improvement over the one group of the pre-test/post-test design of the experimental groups (Bless *et al*, 1995:70). In this case, rather than relying on a single measurement before and after the event, several measurements both before and after the event are made.

### **3.2.1.3 Experimental designs**

Experimental designs are characterised by their use of randomisation to create two or more equivalent groups (Bowling, 2002:62). The use of randomisation negates the difficulties of ensuring that the groups are identical. Randomisation requires that every subject to be involved in the study has an equal chance of landing up in any of the groups. This can be achieved by first identifying the entire group of subject, then randomly dividing these groups into two or more subgroups (depending on the chosen design) through the use of random number tables, coin flipping or various other techniques (Bless *et al*, 1995: 71). For the purpose of this study, a pre-experimental design was used.

## **3.3 Research methodology**

Research methodology is divided into qualitative and quantitative research. Qualitative research is a generic term for investigative methodologies described as ethnographic, naturalistic, anthropological, field or participant observer research (Fraenkel & Wallen, 1993:379). Unlike other methodologies, with this type of approach, there is a greater emphasis on holistic description, that is, on describing in detail all of what goes on in particular rather than just comparing the effects of a particular treatment as in experimental research (Fraenkel *et al*, 1993:382). It emphasises the importance of looking at the variables in a natural setting in which they are found. Qualitative research involves the use of qualitative data, such as interviews, documents to understand and explain social phenomena. Dawson (2006:14) explains that qualitative research explores attitudes, behaviour and experiences through such methods as interviews or focus groups.

It attempts to get an in depth opinion from participants. There are different examples of qualitative research methodologies and those include:

- Action research: The researcher works in close collaboration with a group of people to improve a situation in a particular setting. The researcher does not 'do' research 'on' people, but instead works with them acting as a facilitator.
- Ethnography: The emphasis in this example is on describing and interpreting cultural behaviour in a group's activities whilst observing its behaviour, taking notes, conducting interviews, analysing, reflecting and writing reports.
- Grounded theory: the emphasis is on the generalisation of theory which is grounded in the data- this means that it has emerged from the data. Participants in this study would all have experienced the process and the development of the theory and might help explain practice or provide a framework for further research. A key is that this theory development does not come "off the shelf" but rather is generated or grounded in data from participants who have experienced the process (Strauss & Corbin, 1998:63).

Qualitative researchers study things in their natural settings, attempting to make sense of, interpret phenomena in terms of the meaning people bring to them (Denzin & Lincoln, 2005:3). A qualitative method was selected as it explores the areas of research, builds new theories on the existing ones and will add to the pool of information with regard to public private partnerships. Qualitative research method provides an advantage in that it is not limited to the definable variables; emphasis is on words and feelings rather than numbers. It uses subjective information and participant information to describe the context or natural setting of the variables under consideration, that is, it seeks a wide understanding of the entire situation. Although there are such advantages, disadvantages also exist. The method's subjectivity of the enquiry may lead to difficulties in establishing the reliability and validity of the approaches and information. Subjective information that may lead to procedural problems and bias of the researcher is unavoidable.

Quantitative research on the other hand relies on the measurement to compare and analyse different variables (De Vos, 2001: 81). Quantitative research deals with data that is numerical (Bless, 2000:89). This means that data is presented by means of exact figures gained from precise measurement. Quantitative research methods are designed to provide summaries of data that supports generalisations about the phenomenon under study. Quantitative research generates statistics through the use of large scale survey research, using methods such as questionnaires or structured interviews (Dawson, 2005:15).

An advantage is that they allow for a broader study involving a greater number of subjects and enhancing the generalisation of the results. They collect a much narrower and sometime superficial dataset and this poses a disadvantage. Another disadvantage is that results are limited as they provide numerical descriptions rather than detailed narrative and generally provide less elaborate accounts of human perception (Kruger, 2003:18).

### **3.3.1 Data collection**

Data collection refers to the process of collecting data to be used during a study. Creswell (2007: 118) sees data collection as a series of interrelated activities aimed at gathering good information to answer emerging research questions. There are several data collecting instruments for research studies. The researcher has to be aware of the nature of the problem, to assist in the selection of the method or instruments to be used to collect data or information (De Vos, 2001: 81). At times, several different instruments may have to be used to obtain data needed to solve the problem.

The data with regard to this study was obtained through interviews with Ngaka Modiri Molema District Municipal Manager and the Officers in the Public Private Partnerships unit of the municipality and also the distribution of questionnaires to different stakeholders. This mode of data collection is used because such data cannot be obtained from observation. The activities, initiatives and occurrences are continually captured often supplementing the observations with in-depth interviews through questions entailed

in the questionnaires of participants and examination of various documents and records relevant to this study. These techniques are very helpful in exploratory research, as well as when considering a pilot survey before the formulation of the final questionnaire. They help to clarify concepts and problems and they allow for the establishment of a list of possible answers or solutions. The different data collection instruments include:

### **3.3.1.1 Interviews**

Interviews involve the collection of data through talking to the respondents and recording their responses. This can be done face to face or telephonically (Bowling, 2002:260). Bless (1995:107) describes interviewing as the most important data collection technique a qualitative researcher possesses. An interview involves direct personal interaction with the participant who is asked to answer questions relating to the research (Bailey, 1994:129). There are many types of interviews, each of which differs from the other in structure, purpose, role of the interviewer and number of respondents involved in each interview and form (Babbie, 1995: 120). There are different types of interviews and these include:

- **Scheduled structured interviews**

This type of interview is the most structured way of getting information directly from respondents. This method is based on an established set of questions with fixed wording and sequence of presentation, as well as more or less precise indications of how to answer each question (McMurtry, 1993:98). With a structured interview, the interviewee is not given enough time to expand on his/her answers.

- **Unstructured interviews**

Unstructured interviews have no strict procedures to follow and are flexible with few limitations. According to Meyer (1999:414), the order may be altered to suit the situation and subject. The interviewee is encouraged to talk freely and fully concerning a particular issue, incident or relationship (Gerber *et al*, 1998:198). The interview is such that the respondents comment on widely defined issues and are free to expand on the topic.

- **Semi-structured interviews**

Semi structured interviews have elements of both the structured and unstructured types of interviews. The degree to which the interviews are structured depend on the research topic, purpose, methodological standards, preferences and the type of information sought, which of course is determined by the research (Schumacher, 1993:151).

- **Advantages of interviews**

An interview bears a number of advantages. Meyer (1999:415) suggests that for one to obtain more reliable information, an interview should be conducted. These are the advantages of an interview highlighted by Meyer (1999: 415):

- The interviewer stands a chance of building a rapport and trust with the interviewee,
- The interviewer is able to detect more accurate and honest responses,
- The interviews are flexible, easy to administer and the response rate is high,
- The interviewer is able to observe the non-verbal behaviour,
- There is control over the order of questions, date, time and place of the interview, and
- Interviews help overcome misunderstandings and misinterpretations of written words or questions (Bless *et al*, 1995:111).

Susan (1988:33) goes on to further indicate that the interviewer is in the position to ask questions at the appropriate time. The said advantages are an indication that an interview can be used as a technique to producing high quality information and data.

- **Disadvantages of interviews**

Interviews also have their own limitations and those include:

- Interviews are more costly and time consuming,
- They are less effective than other methods when sensitive issues are discussed, and

- They are prone to interruptions especially in busy working situations, which may affect the flow of the interview thus affecting the outcomes (Meyer, 1999: 415).

### **3.3.2 Questionnaires**

A questionnaire is a set of questions on a form which is completed by the respondent in respect of a research (De Vos, 2001: 152). A questionnaire is a data-collection instrument containing a selected group of questions chosen because of their relevance and questions which are carefully worded for clarity. The questions asked should produce data needed for the study. To gather data, one has to be creative, meaning, the best type of questions which are used in everyday life have to be created (Baker, 1988: 166). A questionnaire is one of the data collection instruments that was used to collect the data needed in this study.

There are two types of questions considered in a questionnaire and these are open-ended or closed-ended questions. Open-ended questions are questions such as “do you have any comment”, which allow the respondent to explore the answer. Closed-ended questions on the other hand are questions with an option to respond either “yes” or “no” (De Vos, 2003: 172). The researcher should consider carefully whether it would be of value to use either close-ended or open-ended questions in a questionnaire.

#### **3.3.2.1 Types of questions**

##### **➤ Open- ended questions**

These types of questions give the participants the freedom to express their answers and opinions. The respondents are not restricted nor given suggestions or guidelines on how to answer the questions. The open-ended questions are worded carefully so as to present standardised questions to all respondents; this is because the researcher will want to compare the responses. No clues to answers are given and the respondents give their own views and opinions (Babbie, 1995:202).

Open-ended questionnaires have a number of advantages and disadvantages. The advantages are that they impose no restrictions on the responses. In that way the respondents are able to express their views freely. The researcher can use these types of questionnaires when he/she is uncertain or has limited knowledge on the subject matter. The researcher will be able to get more details and more deep noted motives (De Vos, 2001: 123).

The disadvantages thereof include the fact that open-ended questions involve more work on the part of the respondent. They can be time consuming when it comes to administering them. This is because the respondents reveal anything that they think is appropriate and relevant to the subject matter concerned.

#### ➤ **Close-ended questions**

These are the type of questions that are concrete and have a choice of possible answers. The questions give a choice of answers (multiple choice questions) or guidelines on procedures to follow, for example, often, seldom or never. Sometimes only two possibilities are given, yes/no, or agree/disagree which allow for very little differentiation (Bless, 2000:121).

Close-ended questions also have advantages and disadvantages. The advantages are that these types of questions are easy to answer and complete and consume less time. They are easy to score code and tabulate (Bless, 2000:121). The close-ended questions are easier for both the respondent and the interviewer to administer because less time is spent and they are straightforward.

Although there are said advantages, there are also a number of disadvantages and those include the fact that they fail to yield information of sufficient scope or depth and may not discriminate between fine shades of meaning. Fixed alternative responses may make the respondents to give answers that do not accurately express their ideas (Babbie, 1995: 132). Information on the side of the respondent is limited and it may the information needed most.

### 3.3.2.2 Types of questionnaires

There are different types of questionnaires identified and these have their own advantages and disadvantages. The different types include the:

- Mailed questionnaire
- Hand delivered questionnaire
- Telephonic questionnaire

The mailed questionnaire is a questionnaire that is sent off by mail to the respondents in the hope that they will complete and return it. The questionnaire in this case is accompanied by clear, carefully worded prescriptions at the level of understanding of the target population to be researched (Babbie, 1995:153). The first section of a mailed questionnaire must be signed in such a way that it is not threatening and it creates an interesting impression (Bailey, 1994:160). A mailed questionnaire eliminates the influence of a fieldwork researcher (Hudson, 1981: 129). The researcher is able to save time and costs in that travelling personally to the respondents may cost more.

The disadvantage that is posed by the mailed questionnaires is that the non-response rate may be high (Bailey, 1994:160). This may be due to the respondents not mailing back the questionnaire. The application of these types of questionnaires is limited to those who are literate and thus excludes many people from the investigations.

Hand delivered questionnaires on the other hand are those questionnaires that are delivered by the researcher to the respondent so that the respondent can complete them in their own time. With this type of questionnaire it is important that an appointment be made for collecting the questionnaires again and this should preferably not be less than 48 hours after delivery (Bless, 2000:91). Clarifications may be done by the researcher (Hudson, 1981:135). For those questions that are left unanswered the researcher may provide clarification when coming to collect the questionnaire.

Dane (1990:124) points out that in some instances, the researcher simply finds that the respondents may have lost the questionnaire or did not complete it and this serves as a disadvantage of the hand delivered questionnaire. A smaller geographic area may be

covered through this type of questionnaire because the researcher has to deliver on the respondent's hand. These can only be delivered to the minority of respondents due to the location. If the respondents are scattered, it becomes difficult for the researcher to distribute the questionnaire to all of them.

With regard to telephonic questionnaires, the researcher has the opportunity to explain in detail about the study and what is expected of the respondent. Through this, data is obtained quickly and time is saved. The researcher stands a better chance of receiving a high rate of response. Costs are less than the field interview, however, costs can increase substantially when sampling is extended further than the researcher's local telephone zone and his interview lasts long (Baker, 1988:173).

The relevance of the questions in the questionnaire was determined through a pilot study. These were piloted to a few respondents (about 5-10) who commented on the relevance of the questions before full administration of the questionnaire. The objective of the pilot study was also to assess clarity of the statements before the questionnaire is fully administered. All questionnaires distributed for the purpose of this study were accompanied by a covering letter. It is in this letter that the person undertaking the research was identified and a brief description of the purpose of the study will be given. This helps in that the respondents will give full cooperation. Guarantee was also given that all the ethical measures in research will be observed.

### **3.4 Population and Sampling**

Sampling is a method of selecting some members of a group to represent a total. A representative sample has to be selected in order to produce results equivalent to those that would be obtained from the entire population. Population refers to the set of elements that the research focuses upon and to which the results obtained by testing the sample should be generalised (Bless *et al*, 1995:87). According to Welman *et al* (2005:52), the population is the study object and consists of individuals, groups, organisations and events or the conditions to which they are exposed. The population in this study includes

employees in the Ngaka Modiri Molema District Municipality and members of the community. Stratified random sampling was used for selecting community respondents.

A purposeful sampling was used, that is, the researcher selected individuals because they can purposefully inform an understanding of the research problem. There are two types of sampling designs that can be employed when conducting research and these are probability sampling and non-probability sampling.

### **3.4.1 Probability sampling**

This includes simple random sampling, interval or systematic sampling, stratified sampling and cluster or multi-stage sampling. In this type of sampling the researcher determines the probability that any element or member of the population will be included in the sample (Welman *et al*, 2005:56).

- **Simple random sampling**

It is a procedure which provides equal opportunity of selection for each element in a population (Bless *et al*, 1995: 89). The use of random numbers is reliable and the techniques are simple, however, they are limited by their reliance on the existence of a complete list of all elements of the population (Bless, 2000:89).

Random sampling is not feasible in this study. This is because one wants to ensure that a sample that possesses certain characteristics relevant to the study is obtained. The sampling should correspond to the population interest and should be representative of the people in a given community. The researcher should identify the target population, that is, the population to which the researcher would like to generalise his/her results (Mcmurtry, 1993:127).

- **Interval or systematic sampling**

This type of sampling is similar to simple random sampling. The technique of selection however is different, instead of relying on a random number table it is based on the selection of elements at equal intervals, starting with a randomly selected element on the population list (Bless *et al*, 1995:91).

- **Stratified sampling**

The principle of stratified sampling is to divide the population into different groups called strata so that each element of the population belongs to one and only one stratum. Then within each stratum, random sampling is performed using either the simple or the interval sampling method (Bless *et al*, 1995:91).

- **Cluster or multi-stage sampling**

The principle underlying multi-stage sampling is to start by sampling a population which is much more general than the final one. In a second stage, on the basis of the first sample, a new population is considered one which is less general than the first one and a new sample is subsequently determined (Bless *et al*, 1995:93). At each stage sampling is randomly done. This is used when dealing with very large data sets.

### **3.4.2 Non-probability sampling**

This type of sampling includes accidental or availability sampling and purposive or judgement sampling. With non-probability sampling, elements which have a chance of being included have a probability that exceeds zero. In some examples of non-probability samples some elements have no chance (Welman *et al*, 2005:56).

- **Accidental or availability sampling**

This method of sampling involves taking all cases on hand until the sample reaches the desired size (Bless *et al*, 1995:94). The interviewer chooses a convenient place and case and may result in biased conclusion and thus make generalisation risky.

- **Purposive or judgement sampling**

This method is based on the judgement of the researcher regarding the characteristics of a representative sample. The sample is chosen on the basis of what the researcher thinks to be a typical limit (Bless, 2000:92).

- **Quota sampling**

The purpose of this type of sampling is to draw a sample that has the same proportions of characteristics as the whole population (Bless *et al*, 1995: 95).

For this study, a purposive sampling design was used to select the size of the sample. Out of the number of employees in the Ngaka Modiri Molema District Municipality a chosen size was selected, which is knowledgeable about public private partnerships. Elements of stratified random sampling were engaged as this sampling design clustered samples according to the characteristics of different groups. Cross section of ideas were used not only employees but different sections of the community.

### **3.5 Data analysis**

Data analysis is referred to as the process of systematically applying statistical and/or logical techniques to describe, summarize, and compare data (Rosnow & Rosenthal, 1999:432). Analysing data usually involves two steps: first reducing to manageable proportions the wealth of data that one has collected or has available; and second,

identifying patterns and themes in the data (Mouton, 2002: 161). Data can be analysed quantitatively and/or qualitatively (Bless *et al*, 1995:143).

### **3.5.1 Quantitative data analysis**

In quantitative data analysis approach, the researcher focuses separately on the specific variables in the data by applying the various statistical and mathematical techniques. Data analysis in the quantitative paradigm entails that the analyst breaks data down into constituent parts to obtain answers to research questions and to test the research hypothesis (de Vos, 2002: 223). Quantitative data analysis methods include the Univariate analysis and Bivariate analysis.

- Univariate analysis

During this stage the aim is to get a clear picture (or some coherent feeling) of the data by examining one variable at a time (Mouton, 2002:163). This means that all the data gathered on that one variable need to be summarised for easy comprehension and utilisation. This summary can take different forms, such as tabular or graphical display (de Vos, 2002:226).

- Bivariate analysis

This form of analysis is similar to univariate but when the tables analysed have only a few categories, as in many nominal level measurements, bivariate data is represented in tables (Mouton, 2002:165).

### **3.5.2 Qualitative data analysis**

Analysing data in a qualitative study essentially involves synthesising the information the researcher obtains from various sources (e.g. observations, interviews, document analysis) into a coherent description of what he or she has observed or otherwise discovered (Fraenkel *et al*, 1993: 383). Unlike in quantitative research where data is represented statistically or mathematically, qualitative data analysis is in the form of words. Data analysis in qualitative research relies heavily on description; even when certain statistics are calculated, they tend to be used in a descriptive rather than an

inferential sense (Fraenkel *et al*, 1993: 383). For the purpose of this study, a qualitative data analysis method was used but elements of quantitative data analysis methods were also used as there were questionnaires distributed.

### **3.6 Conclusion**

The chapter has given an overview of the research design and methodology. A case study was used as it is distinguished by its exhaustive consideration of one unit. The chapter also outlined the different types of methods of obtaining data and its analysis. For the purpose of this study, hand delivered questionnaires and semi-structured interviews will be used to collect data. The respondents were interviewed by use of an interview schedule. Both the qualitative and quantitative data analysis methods were used in this study. Univariate analysis, which is a form of quantitative data analysis method, was used for data analysis purposes, that is, data gathered on one variable was summarised in a tabular or graphical form for easy comprehension and utilisation. Statistical and/or mathematical approaches will be used in that regard. In the next chapter data will be presented by means of tables and graphs and analysed.

## **CHAPTER 4: DATA PRESENTATION, ANALYSIS AND INTERPRETATION**

### **4.1 Introduction**

Data is presented, analyzed and interpreted in this chapter. The data was collected using questionnaires which were distributed to the community and employees of the Ngaka Modiri Molema District Municipality. A stratified random sampling design was used because it clustered samples according to the characteristics of different groups. This is explained in Chapter 3. The aim and objectives of the study as explained in Chapter 1 will be compared with the results obtained in the analysis.

### **4.2 Review of data collection and response rate**

A total number of one hundred (100) copies of the questionnaire were distributed to the respondents, 20 questionnaires in each of the five local municipalities. Of the distributed questionnaires, seventeen (17) were returned incomplete, seven (7) were never returned, leaving seventy six (76) copies fully completed and returned thus were recorded as the response rate of 76%. The questionnaire was divided into four sections, namely, Section A, B, C and D (Appendix A). Section A looked into the biographical details of the respondents while section B looked into the understanding of the concept of PPPs. Section C addressed the socio-economic impact of the partnerships on the poor whereas section D on the other hand looked into the value and effect of the partnerships on service delivery. These were in line with the research objectives outlined in Chapter 1

Other local municipalities offered less participation and it was tough to get hold of them, more especially Ditsobotla local municipality.

### 4.3 Presentation of data

The data collected is presented below.

#### 4.3.1 Biographical analysis

This section presents “the personal data of the respondents”, which entails their gender, age, marital status, qualifications, and type of business they are in. Table 1 reflects gender differences.

**Table 1: Gender**

| Counter | Frequency | Percent |
|---------|-----------|---------|
| Male    | 35        | 46.1    |
| Female  | 41        | 53.9    |
| Total   | 76        | 100.0   |

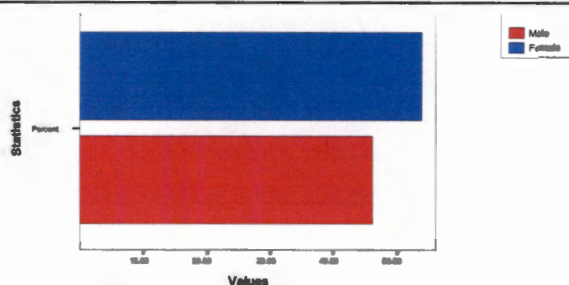
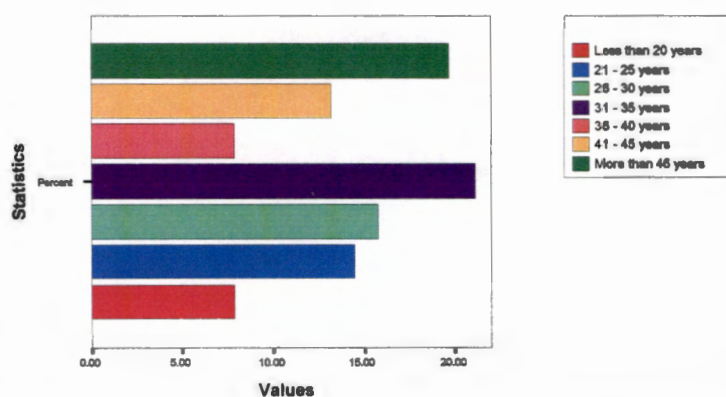


**Table 2: Age group**

| Counter            | Frequency | Percent |
|--------------------|-----------|---------|
| Less than 20 years | 6         | 7.9     |
| 21 - 25 years      | 11        | 14.5    |
| 26 - 30 years      | 12        | 15.8    |
| 31 - 35 years      | 16        | 21.1    |
| 36 - 40 years      | 6         | 7.9     |
| 41 - 45 years      | 10        | 13.2    |
| More than 46 years | 15        | 19.7    |
| Total              | 76        | 100.0   |



The highest number of respondents was of the age group 31 – 35 years which constitutes 21.1% of the total group of 76 participants. It is followed by the respondents who are 46

years and above with a percentage of 19.7% and the lowest groups are those that are 20 years of age and less, and 36 – 40 year olds which constitute 7.9%.

This can be attributed to the fact that most of the respondents were of the ‘working age’ and mostly employed. Respondents of the age less than 20 were mostly learners residing in the said municipality. They were uncooperative as they had no interest in knowing what the study was about.

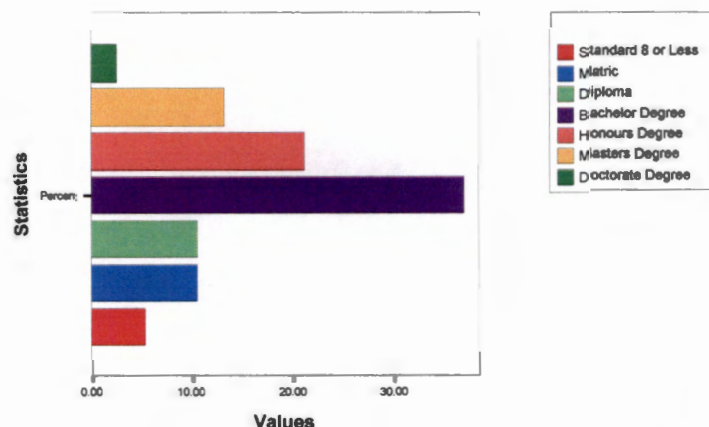
**Table 3: Job title**

| Counter                 | Frequency | Percent |
|-------------------------|-----------|---------|
| Municipal Manager       | 3         | 3.9     |
| Chief Financial Officer | 4         | 5.3     |
| Head (HOD)              | 7         | 9.2     |
| Manager                 | 7         | 9.2     |
| Superintendent          | 5         | 6.6     |
| Coordinators            | 13        | 17.1    |
| Officers                | 7         | 9.2     |
| Administrator Clerk     | 3         | 3.9     |
| Secretary               | 8         | 10.5    |
| General Worker          | 10        | 13.2    |
| Drivers/Contract Worker | 9         | 11.8    |
| Total                   | 76        | 100.0   |

The least number of participants were administrative clerks and municipal managers who constitute 3.9%. The study also reveals that there were equal number of respondents who were Heads of Departments (HOD), Manager and Officers which constitute 9.2%. The highest numbers of respondents were coordinators with 17.1% followed by 13.2% of general workers. It was a hassle to get an appointment with individuals occupying senior positions such as Municipal Managers or to get a completed questionnaire from them, thus such an unsatisfactory response.

**Table 4: Qualifications**

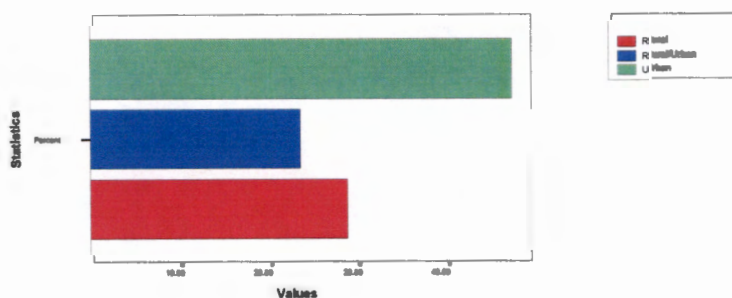
| Counter            | Frequency | Percent |
|--------------------|-----------|---------|
| Standard 8 or Less | 4         | 5.3     |
| Matric             | 8         | 10.5    |
| Diploma            | 8         | 10.5    |
| Bachelor Degree    | 28        | 36.8    |
| Honours Degree     | 16        | 21.1    |
| Masters Degree     | 10        | 13.2    |
| Doctorate Degree   | 2         | 2.6     |
| Total              | 76        | 100.0   |



Out of the total number of 76 respondents, the highest respondents at 36.8% had Bachelors' degree. The second highest number of respondents at 21.1% had Honours degrees. The lowest number of respondents at 2.6% had Doctoral degree, and the second lowest with 5.3% had Standard 8 and less.

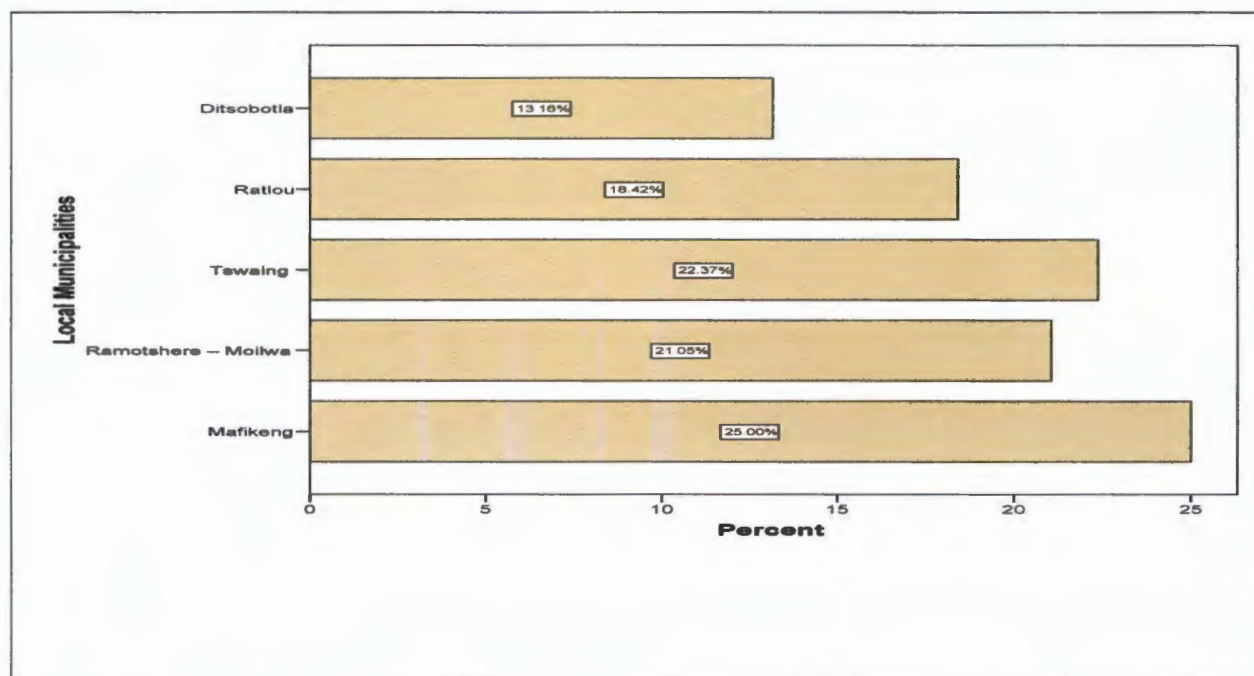
**Table 5: Residential area**

| Counter     | Frequency | Percent |
|-------------|-----------|---------|
| Rural       | 22        | 28.9    |
| Rural/Urban | 18        | 23.7    |
| Urban       | 36        | 47.4    |
| Total       | 76        | 100.0   |



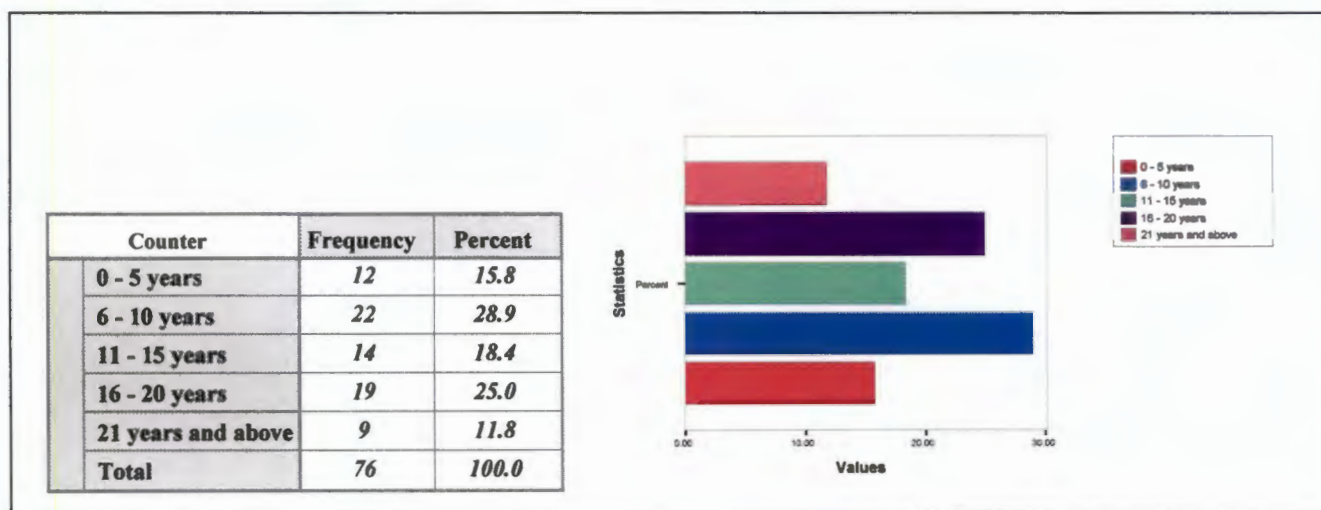
Most respondents, 47.4% reside in the urban areas. 28.9% of respondents who indicated their residential area are those from villages around the Ngaka Modiri Molema District Municipality.

**Figure 1: The response of local municipalities**



Most respondents, about 25% were from Mafikeng local municipality, while the least number of respondents were from Ditsobotla local municipality.

**Table 6: Number of years working in the municipality**

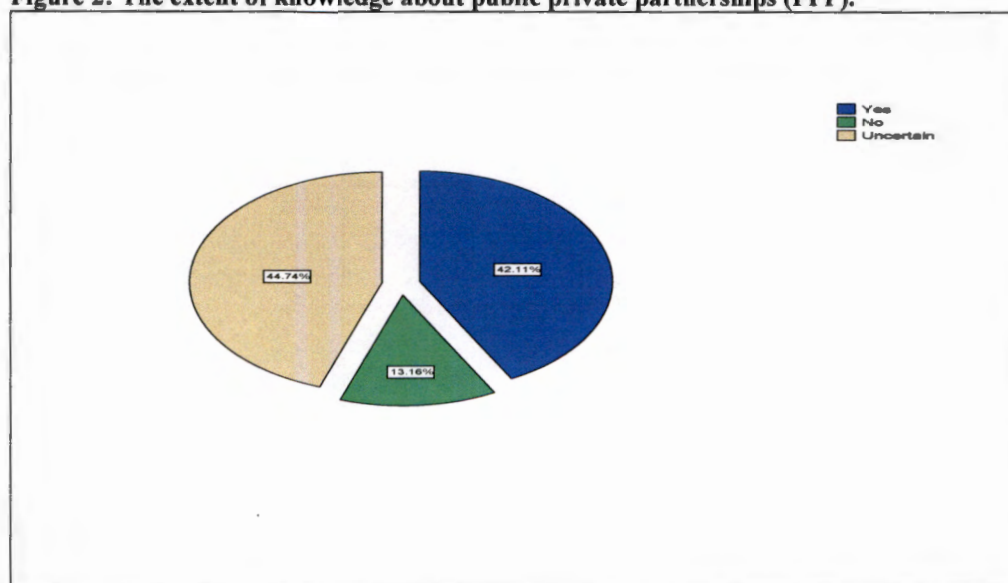


The highest number of respondents, 28.9% fall within a category of those employed for 6-10 years followed by the ones with 16-20 years in the municipality who make up 25%.

**Table 7: Understanding of the concept of Public Private Partnerships (PPPs)**

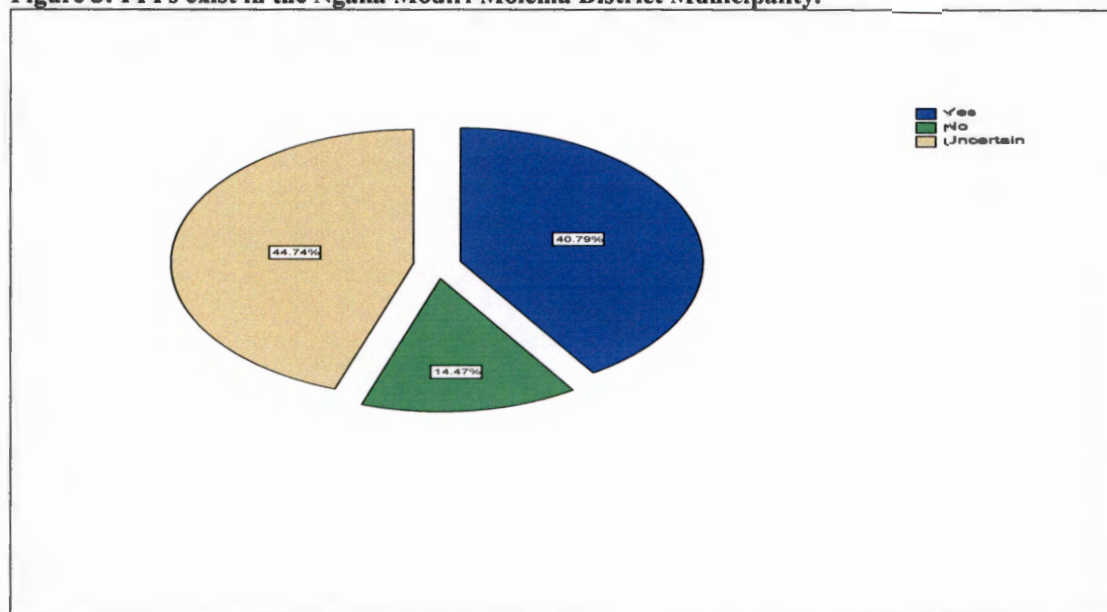
| Counter                                                                            | Yes   |       | No    |       | Uncertain |       | Total |      |
|------------------------------------------------------------------------------------|-------|-------|-------|-------|-----------|-------|-------|------|
|                                                                                    | Count | %     | Count | %     | Count     | %     | Count | %    |
| <b>I have knowledge about Public Private Partnerships (PPPs).</b>                  | 32    | 42.1% | 10    | 13.2% | 34        | 44.7% | 76    | 100% |
| <b>PPPs exist in the Central District/Dr. Modiri Molema District Municipality.</b> | 31    | 40.8% | 11    | 14.5% | 34        | 44.7% | 76    | 100% |

**Figure 2: The extent of knowledge about public private partnerships (PPP).**



44.7% of respondents indicated that they are uncertain about whether they know about the Public Private Partnerships (PPPs). 42.1% of the respondents were sure that they have knowledge about Public Private Partnerships (PPPs) and lastly there were 13.2% of respondents who indicated that they hardly know a thing about Private Public Partnerships (PPPs) (Table 7 and figure 2). From the informal interview conducted, which needed clarity on the uncertainty raised, it was realised that those individuals understood PPPs differently, not as the partnerships referred to in the text, thus the uncertainty.

**Figure 3: PPPs exist in the Ngaka Modiri Molema District Municipality.**

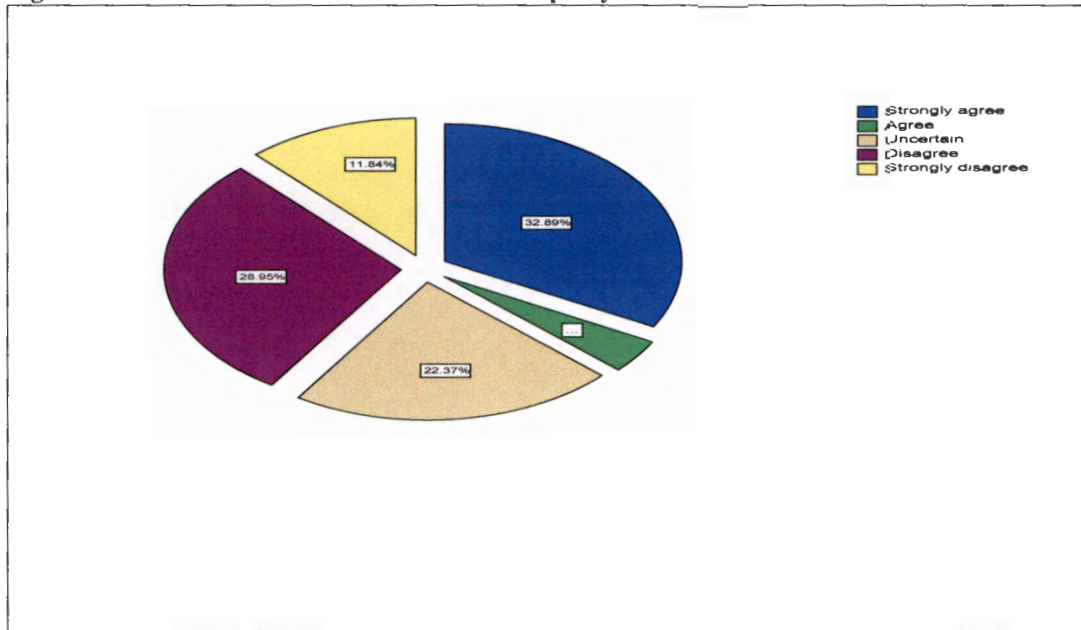


There is 40.8% of respondents who know that Public Private Partnership (PPP) initiatives do exist in the district municipality and they are in contrast to the 14.5% of respondents who said that the Public Private Partnerships (PPPs) do not exist in the district municipality. Most participants, 44.7% were uncertain about the existence of the Public Private Partnerships (PPPs) as shown in figure 3 above.

**Table 8: Municipalities can benefit from Private Partnerships (PPPs)**

| Counter                                                                    | Strongly agree |       | Agree |       | Uncertain |       | Disagree |       | Strongly disag |       | Total |        |
|----------------------------------------------------------------------------|----------------|-------|-------|-------|-----------|-------|----------|-------|----------------|-------|-------|--------|
|                                                                            | Count          | %     | Count | %     | Count     | %     | Count    | %     | Count          | %     | Count | %      |
| <b>Their existence will benefit the Municipality.</b>                      | 25             | 33%   | 3     | 3.9%  | 17        | 22.4% | 22       | 28.9% | 9              | 11.8% | 76    | 100.0% |
| <b>Their existence will benefit the community.</b>                         | 23             | 30.3% | 11    | 14.5% | 9         | 11.8% | 21       | 27.6% | 12             | 15.8% | 76    | 100.0% |
| <b>Monitoring systems are necessary to determine the progress of PPPs.</b> | 22             | 28.9% | 17    | 22.4% | 29        | 38.2% | 8        | 10.5% | 0              | 0     | 76    | 100.0% |

**Figure 4: Their existence will benefit the municipality**



The majority of respondents, 33% strongly agree that the existence of the public private partnerships will benefit the district municipality. This is opposed to the 29% of participants who disagree that the Public Private Partnerships will benefit the municipality. Only 22.4% respondents are uncertain whether the PPPs will advantage or disadvantage the district municipality. Only 12% respondents strongly disagreed that the PPPs will benefit the district municipality and lastly 3.9% of respondents agreed that the PPPs would benefit the district municipality (figure 4).

**Figure 5: Their existence will benefit the community**

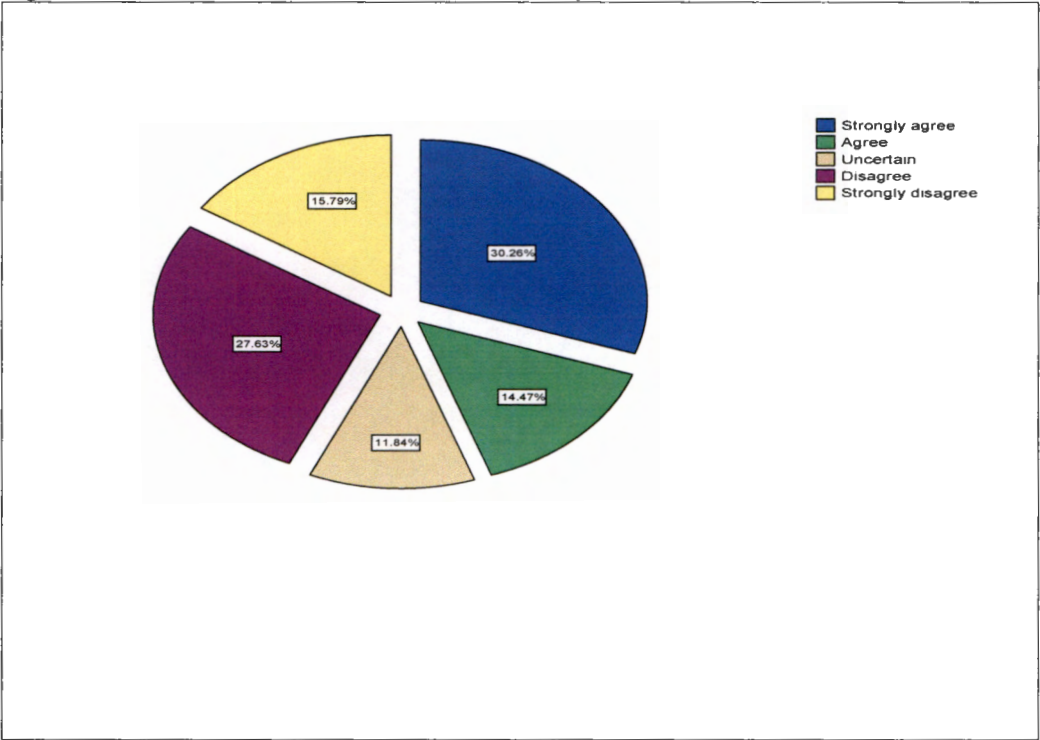
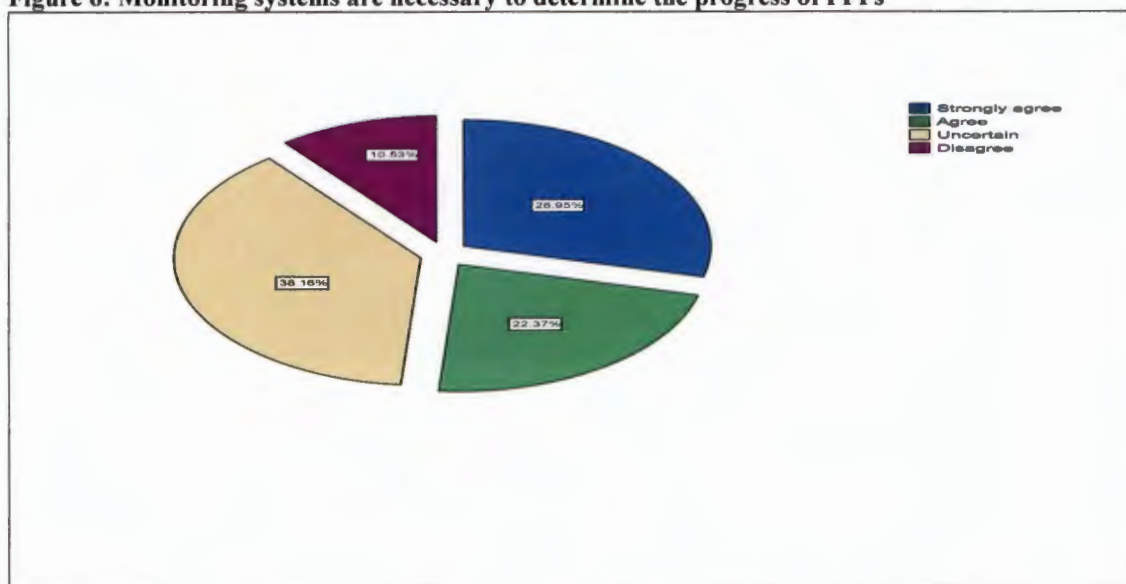


Figure 5 shows that 45% of respondents agree that the existence of the PPPs will benefit the community and opposing this is 43% of respondents who disagreed that the existence of the PPPs will benefit the community at large. Only 12% respondents is uncertain whether PPPs will benefit the community or not.

**Figure 6: Monitoring systems are necessary to determine the progress of PPPs**



The highest numbers of respondents, 51.3%, agree that monitoring systems are necessary to determine the progress of PPP initiatives undertaken. The 53% is constituted by those who agree and strongly agree. 38% of respondents are uncertain whether monitoring systems are necessary for progress determination. Only 11% disagrees that whatever monitoring systems put in place will not help in monitoring the progress made with regard to PPP as shown in figure 6 above.

**Table 9: The envisaged benefits of PPPs**

| Counter                        | Frequency | Percent |
|--------------------------------|-----------|---------|
| Prompt Service delivery        | 17        | 22.4    |
| Backlogs reduction             | 4         | 5.3     |
| Better services                | 18        | 23.7    |
| Positive Socio-economic impact | 12        | 15.8    |
| Accountability                 | 10        | 13.2    |
| Improved initiatives           | 9         | 11.8    |
| Better Infrastructures         | 6         | 7.9     |
| Total                          | 76        | 100.0   |

Table 9 above shows a number of benefits that can be derived from the partnership between the municipalities and the private sector. There are 22.4% of respondents, who agree that services will be delivered promptly to the community by the municipality

when PPPs are engaged. The high number of respondents of 23.7% said there will be improvements in service delivery. The minority, which constitute 5.3% and 7.9% of the sample studied, believe that there will be reduction of backlogs and better infrastructures will be provided.

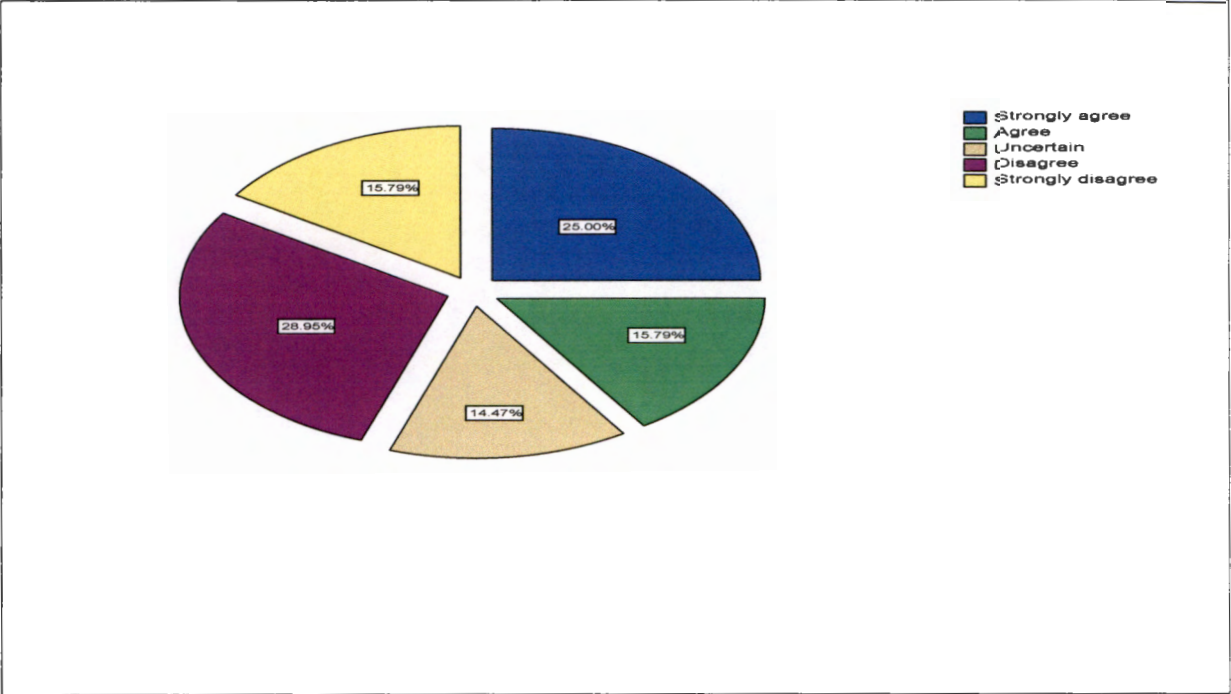
15.8% indicated that PPPs will have a positive socio-economic impact on communities. An interview conducted revealed that members of the community believed that there will be more jobs created though many may not be permanent thus they will benefit.

13.2% of respondents agreed that the PPPs will promote accountability of the municipalities to the public and their partners. 11.8% agreed that PPPs will also bring forth better or improved initiatives with regard to service delivery.

**Table 10: Socio-economic impact of PPPs on the poor**

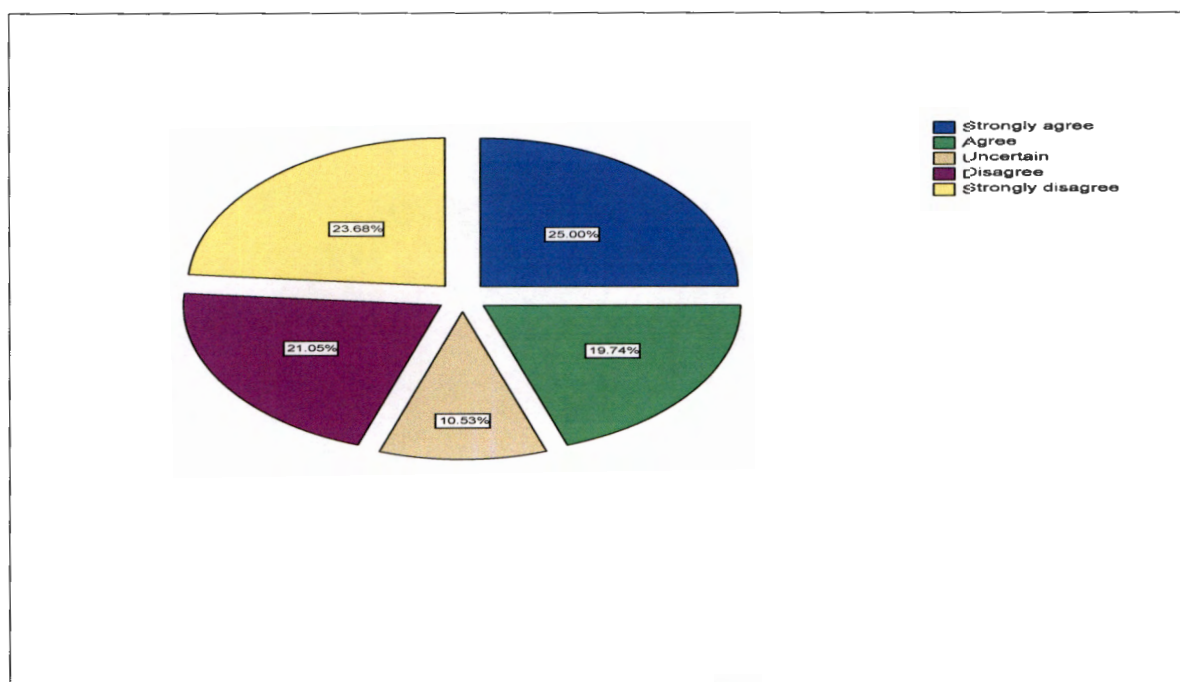
| Counter                                                                 | Strongly agree |     | Agree |     | Uncertain |     | Disagree |     | Strongly disagree |     | Total |      |
|-------------------------------------------------------------------------|----------------|-----|-------|-----|-----------|-----|----------|-----|-------------------|-----|-------|------|
|                                                                         | Count          | %   | Count | %   | Count     | %   | Count    | %   | Count             | %   | Count | %    |
| <b>PPPs promote social equity and economic empowerment.</b>             | 19             | 25% | 12    | 16% | 11        | 14% | 22       | 29% | 12                | 16% | 76    | 100% |
| <b>PPPs decrease the costs of services rendered to the communities.</b> | 19             | 25% | 15    | 20% | 8         | 11% | 16       | 21% | 18                | 24% | 76    | 100% |

Figure 7: PPPs promote social equity and economic empowerment.



About 41% respondents agree that PPPs will promote social equity and bring forth economic empowerment to community members. They are in contrary to the 45% who strongly disagree to that fact. There are 14% of respondents who were uncertain whether the PPPs promote the social equity and economic empowerment. Figure 7 depicts this.

**Figure 8: PPPs decrease the costs of services rendered to the communities**

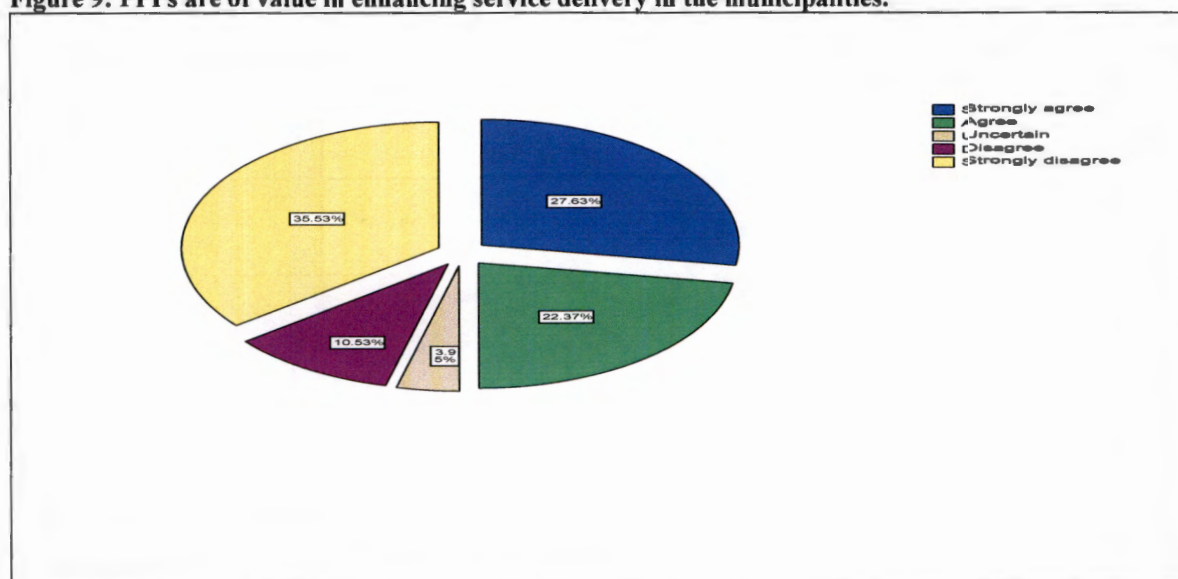


The data shows that there is an equal percentage of 45% of respondents who agree and those who disagree about whether costs of services rendered to the communities will decrease as a result of the municipality partnering with the private sector. About 10% of respondents were uncertain about the fact that PPPs will decrease the costs of services rendered to the communities (Table 10 and Figure 8)

**Table 11: Value and effect of the partnerships on service delivery**

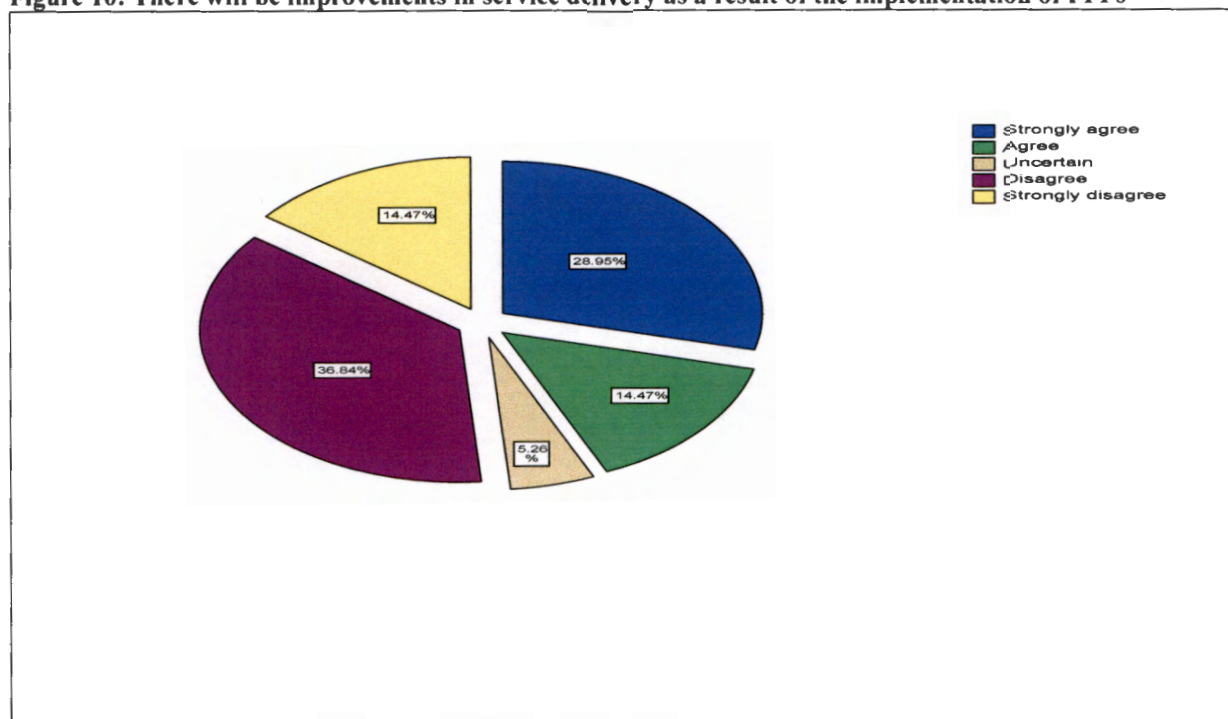
| Counter                                                                                   | Strongly agree | Agree | Uncertain | Disagree | Strongly disagree | Total  |
|-------------------------------------------------------------------------------------------|----------------|-------|-----------|----------|-------------------|--------|
| PPPs are of value in enhancing service delivery in the municipalities.                    | 27.6%          | 22.4% | 3.9%      | 10.5%    | 35.5%             | 100.0% |
| There will be improvements in service delivery as a result of the implementation of PPPs. | 28.9%          | 14.5% | 5.3%      | 36.8%    | 14.5%             | 100.0% |
| PPPs can achieve greater efficiency in the use of public resources.                       | 36.8%          |       | 15.8%     | 15.8%    | 31.6%             | 100.0% |
| PPPs will extend services to more people.                                                 | 22.4%          | 21.1% | 13.2%     | 35.5%    | 7.9%              | 100.0% |
| Management of PPPs has impact on its success.                                             | 31.6%          | 21.1% | 2.6%      | 21.1%    | 23.7%             | 100.0% |
| For sound management purposes, PPPs should have its own directorate.                      | 30.3%          | 15.8% | 17.1%     | 18.4%    | 18.4%             | 100.0% |

**Figure 9: PPPs are of value in enhancing service delivery in the municipalities.**



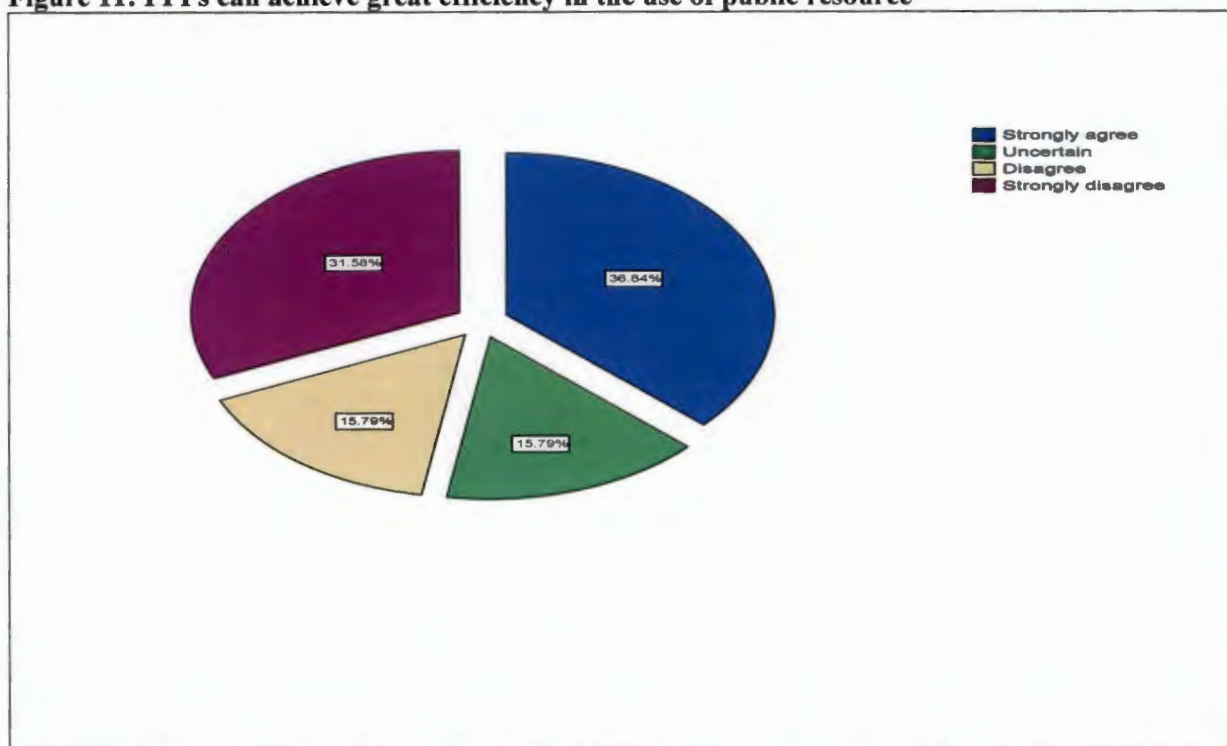
50% of respondents strongly agreed that PPPs are of value in enhancing service delivery in the municipalities. About 46% of participants, who strongly disagreed, believed that PPPs are not of any value in enhancing service delivery in the municipalities. Only 4% of participants were uncertain as they neither agreed nor disagreed. As shown in table 11 above.

**Figure 10: There will be improvements in service delivery as a result of the implementation of PPPs**



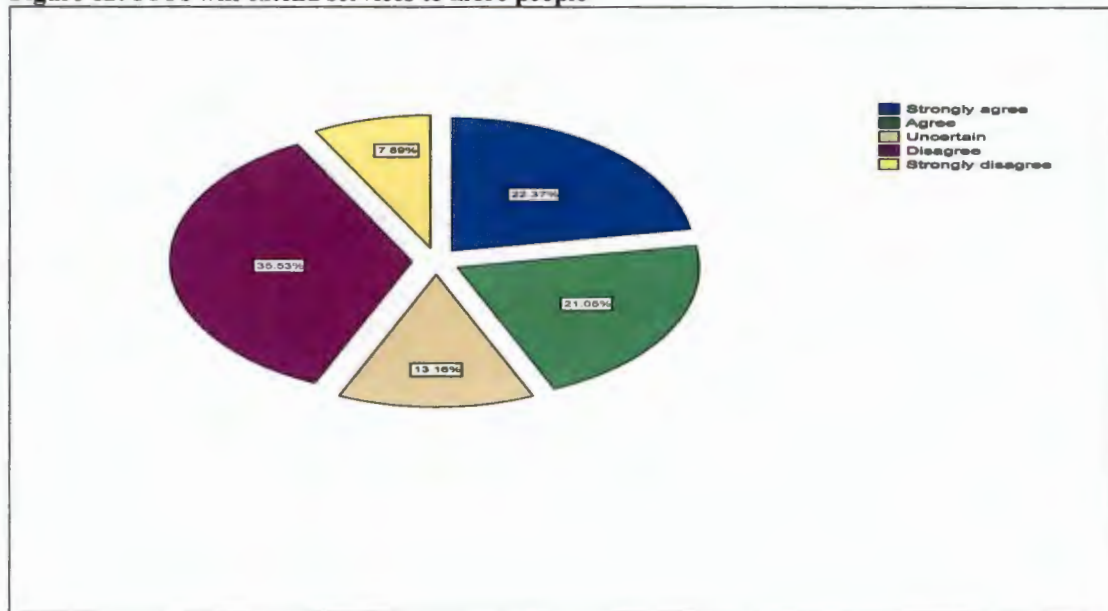
There are 43.4% of respondents who are convinced that there will be improvements in service delivery as a result of the implementation of the PPPs. Nevertheless, the majority 51.3% of participants are not convinced that there will be improvements in service delivery as a result of the implementation of the PPPs while 5.3% of the respondents were uncertain whether PPPs will bring improvements in service delivery (Table 11)

**Figure 11: PPPs can achieve great efficiency in the use of public resource**



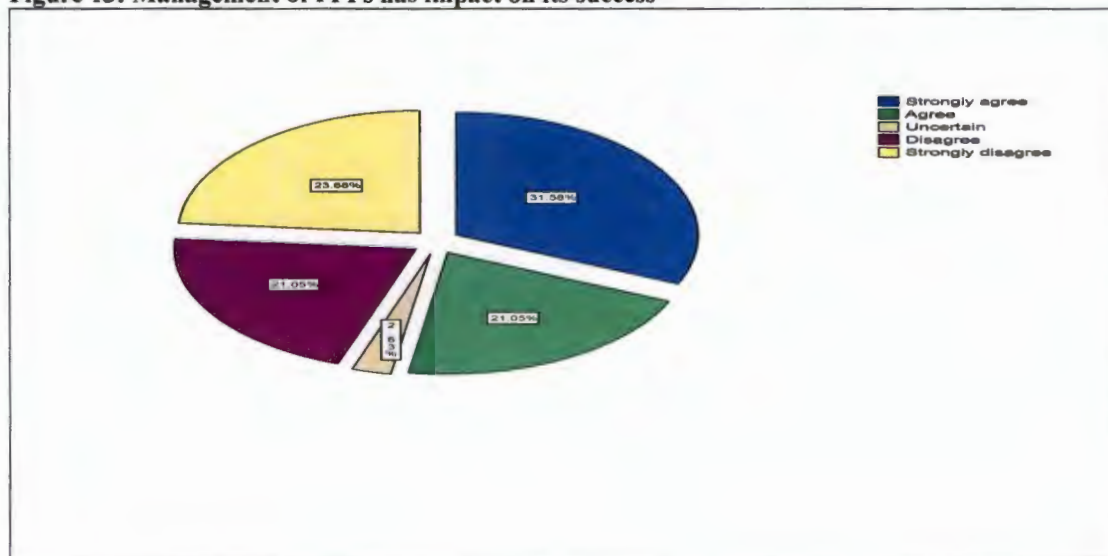
36.8% of respondent strongly agree that the municipality achieve greater efficiency in the use of public resources when implementing PPPs. On the other side, 47.4% of respondents strongly disagree that efficiency can be achieved through the implementation of PPPs. 15.8% of the respondents were uncertain in that regard. This is shown in figure 11 above.

**Figure 12: PPPs will extend services to more people**



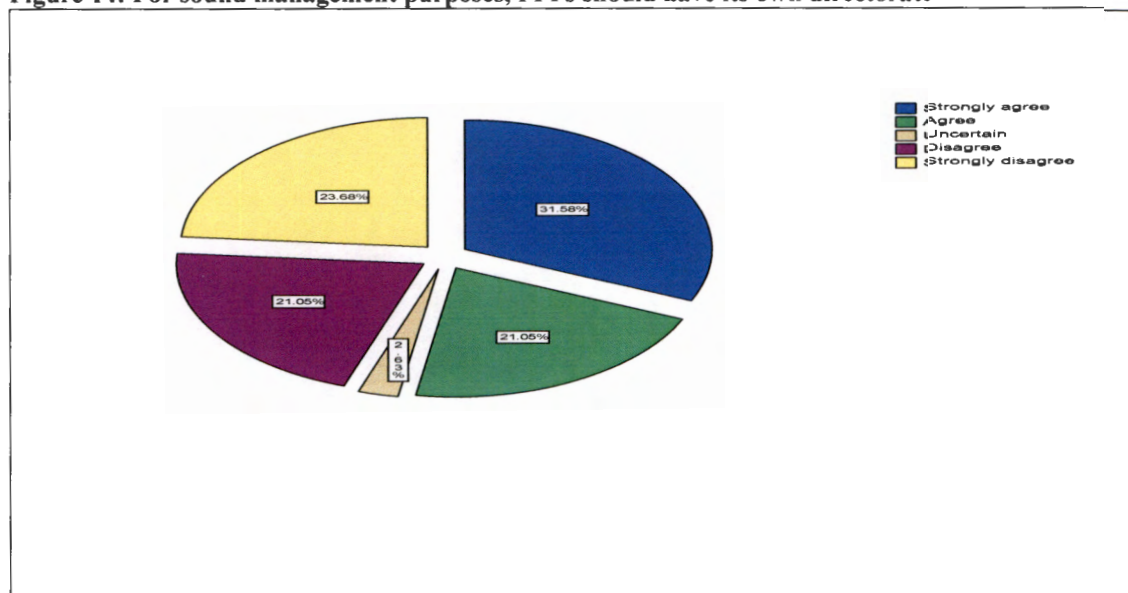
43% of the respondents strongly agree that PPPs will extend services to more people while an equal number of respondents strongly disagree. 13.2% were uncertain if more people will have services extended to them when PPP initiatives are engaged (Table 11 and Figure 12).

**Figure 13: Management of PPPs has impact on its success**



The majority of the respondents, 52.7% strongly agreed that sound management of PPPs has impact on its success while 44.8% of the respondents strongly disagreed. 2.6% of respondents on the other hand were uncertain if management of PPPs has impact on their success (Table 11).

**Figure 14: For sound management purposes, PPPs should have its own directorate**

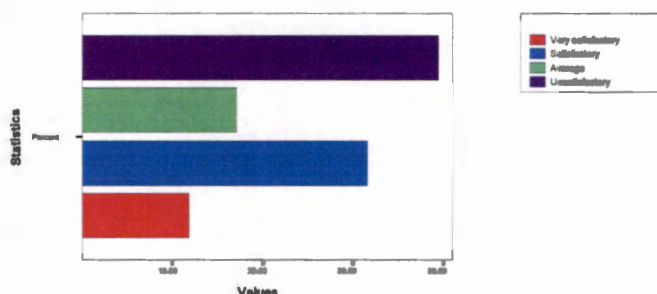


Most respondents, 56.1% strongly agreed that for sound management purposes, PPPs should have their own directorate while 36.8% of the respondents disagreed. 52.7% of respondents agreed that good management of PPPs has an impact on its success; this brings substance to the fact that there should be a directorate specifically for PPPs as articulated in the high percentage, 56.1% that agrees to that fact. 17.1% of respondents were uncertain about whether PPP should have its own directorate. This is reflected in table 11 above.

Table 12: The delivery of services by the municipality to the communities

The delivery of services by the municipality to the communities is

| Counter           | Frequency | Percent |
|-------------------|-----------|---------|
| Very satisfactory | 9         | 11.8    |
| Satisfactory      | 24        | 31.6    |
| Average           | 13        | 17.1    |
| Unsatisfactory    | 30        | 39.5    |
| Total             | 76        | 100.0   |



Out of the total number of participants, 39.5% were not satisfied with the delivery of services by the municipality to the communities. This was then followed by 43.4% of participants who were satisfied about the delivery of services. 17.1% of respondents agreed that the delivery of services by the municipality to the communities is average.

#### 4.4. Cross tabulations.

##### 4.4.1. Cross tabulation of gender adjacent to the age group.

Table 13 Gender v/s Age group

| Gender |       | What is your age group? |               |               |               |               |               |                    | Total  |
|--------|-------|-------------------------|---------------|---------------|---------------|---------------|---------------|--------------------|--------|
|        |       | Less than 20 years      | 21 - 25 years | 26 - 30 years | 31 - 35 years | 36 - 40 years | 41 - 45 years | More than 46 years |        |
| Male   | Count | 2                       | 6             | 6             | 6             | 2             | 3             | 10                 | 35     |
|        | %     | 2.6%                    | 7.9%          | 7.9%          | 7.9%          | 2.6%          | 3.9%          | 13.2%              | 46.1%  |
| Female | Count | 4                       | 5             | 6             | 10            | 4             | 7             | 5                  | 41     |
|        | %     | 5.3%                    | 6.6%          | 7.9%          | 13.2%         | 5.3%          | 9.2%          | 6.6%               | 53.9%  |
| Total  | Count | 6                       | 11            | 12            | 16            | 6             | 10            | 15                 | 76     |
|        | %     | 7.9%                    | 14.5%         | 15.8%         | 21.1%         | 7.9%          | 13.2%         | 19.7%              | 100.0% |

In the male category, most number of respondents was in the age category of 46 years and more. The lowest was in the less than 20 years and between 36 and 40 years old category, with 2.6% each. This constitutes 46.1% of the entire sample. On the other hand, in the female category, most respondents were between the ages of 31 and 35 years with 21.1% while the lowest response rate were in the less than 20 years and between 36 and 40 years old with 5.3% each. On average, most respondents were between the 31 and 35

years old with 21.1% response rate. While the lowest response rate were in the less than 20 years and between 36 and 40 years old with 7.9% each. This shows that most respondents were females.

#### 4.4.2 Cross tabulation of gender adjacent to rank

Table 14 Gender v/s Rank

| Gender |       | What is your job status/ rank? |                         |            |         |                |              |          |             |           |                |                          | Total  |
|--------|-------|--------------------------------|-------------------------|------------|---------|----------------|--------------|----------|-------------|-----------|----------------|--------------------------|--------|
|        |       | Municipal Manager              | Chief Financial Officer | Head (HOD) | Manager | Superintendent | Coordinators | Officers | Admin Clerk | Secretary | General Worker | Drivers/ Contract Worker |        |
| Male   | Count | 2                              | 4                       | 5          | 2       | 3              | 2            | 3        | 1           | 3         | 7              | 3                        | 35     |
|        | %     | 5.7%                           | 11.4%                   | 14.3%      | 5.7%    | 8.6%           | 5.7%         | 8.6%     | 2.9%        | 8.6%      | 20.0%          | 8.6%                     | 100.0% |
| Female | Count | 1                              | 0                       | 2          | 5       | 2              | 11           | 4        | 2           | 5         | 3              | 6                        | 41     |
|        | %     | 2.4%                           | .0%                     | 4.9%       | 12.2%   | 4.9%           | 26.8%        | 9.8%     | 4.9%        | 12.2%     | 7.3%           | 14.6%                    | 100.0% |
| Total  | Count | 3                              | 4                       | 7          | 7       | 5              | 13           | 7        | 3           | 8         | 10             | 9                        | 76     |
|        | %     | 3.9%                           | 5.3%                    | 9.2%       | 9.2%    | 6.6%           | 17.1%        | 9.2%     | 3.9%        | 10.5%     | 13.2%          | 11.8%                    | 100.0% |

With regard to the male category, most respondents were general workers with 20% and the lowest were administration clerks with 2.9%. With regard to female category most respondents were coordinators with 17.1% and the lowest municipal manager with 2.4%. In general, the women dominated with 53.9% as shown table 14.

#### 4.4.3 Cross tabulation of gender adjacent to qualification.

Table 15 Gender v/s qualification

| Gender |       |  | What is your highest qualification? |        |         |                 |                |                |                  | Total  |
|--------|-------|--|-------------------------------------|--------|---------|-----------------|----------------|----------------|------------------|--------|
|        |       |  | Standard 8 or Less                  | Matric | Diploma | Bachelor Degree | Honours Degree | Masters Degree | Doctorate Degree |        |
| Male   | Count |  |                                     | 2      | 6       | 13              | 5              | 7              | 2                | 35     |
|        | %     |  |                                     | 2.6%   | 7.9%    | 17.1%           | 6.6%           | 9.2%           | 2.6%             | 46.1%  |
| Female | Count |  | 4                                   | 6      | 2       | 15              | 11             | 3              |                  | 41     |
|        | %     |  | 5.3%                                | 7.9%   | 2.6%    | 19.7%           | 14.5%          | 3.9%           |                  | 53.9%  |
| Total  | Count |  | 4                                   | 8      | 8       | 28              | 16             | 10             | 2                | 76     |
|        | %     |  | 5.3%                                | 10.5%  | 10.5%   | 36.8%           | 21.1%          | 13.2%          | 2.6%             | 100.0% |

The majority of respondents had bachelor's degrees with 19.7% being females and 17.1% males. The minority of females, 2.6% had diplomas, while 2.6% of males had matric and doctorate degree. On the average, the majority of respondents, about 36.8% had

bachelor's degrees while very few, 2.6% had doctorate degree. As shown in table 15 above. In general, this indicates that most respondents were learned, had no difficulty in understanding the questions and can easily understand PPP when explained to what it is.

#### 4.4.4 Cross tabulation of gender adjacent to for how long have the respondent been working in this municipality.

**Table 16 Gender v/s Period of service**

| Gender |            |            | For how long have you been working in this municipality? |              |               |               |                    | Total  |
|--------|------------|------------|----------------------------------------------------------|--------------|---------------|---------------|--------------------|--------|
|        |            |            | 0 - 5 years                                              | 6 - 10 years | 11 - 15 years | 16 - 20 years | 21 years and above |        |
| Male   | Count      |            | 5                                                        | 11           | 5             | 10            | 4                  | 35     |
|        |            | % of Total | 6.6%                                                     | 14.5%        | 6.6%          | 13.2%         | 5.3%               | 46.1%  |
|        | Count      |            | 7                                                        | 11           | 9             | 9             | 5                  | 41     |
|        |            | % of Total | 9.2%                                                     | 14.5%        | 11.8%         | 11.8%         | 6.6%               | 53.9%  |
| Total  | Count      |            | 12                                                       | 22           | 14            | 19            | 9                  | 76     |
|        | % of Total |            | 15.8%                                                    | 28.9%        | 18.4%         | 25.0%         | 11.8%              | 100.0% |

With regard to both males and females, an equal percentage of 14.5% shows that they have been working in the municipality for a of duration between 6 and 10 years, while about 5.3% of males has been working in the municipality for 21 years and more. It is evident that more females, about 6.6% have been employed in the municipality for 21 years and more. On aggregate the majority of respondents both males and females, 28.9% have been working there for duration between 6 and 10 years, while the minority of respondents 11.8% has been working in the municipality for 21 years and more. As depicted from table 16 above. The longer period of service by municipal workers will enable an establishment of a PPP unit that will have individuals with the knowledge of how municipalities work.

#### 4.4.5 Cross tabulation of Ranks/ Job Title adjacent to for how long have the respondent been working in this municipality.

Table 17 Ranks/ Job Title v/s Period of services

| Ranks/Job Title         |            | For how long have you been working in this municipality? |              |               |               |                    | Total  |
|-------------------------|------------|----------------------------------------------------------|--------------|---------------|---------------|--------------------|--------|
|                         |            | 0 - 5 years                                              | 6 - 10 years | 11 - 15 years | 16 - 20 years | 21 years and above |        |
| Municipal Manager       | Count      | 0                                                        | 1            | 1             | 1             | 0                  | 3      |
|                         | % of Total | .0%                                                      | 1.3%         | 1.3%          | 1.3%          | .0%                | 3.9%   |
| Chief Financial Officer | Count      | 1                                                        | 2            | 0             | 1             | 0                  | 4      |
|                         | % of Total | 1.3%                                                     | 2.6%         | .0%           | 1.3%          | .0%                | 5.3%   |
| Head (HOD)              | Count      | 0                                                        | 2            | 1             | 4             | 0                  | 7      |
|                         | % of Total | .0%                                                      | 2.6%         | 1.3%          | 5.3%          | .0%                | 9.2%   |
| Manager                 | Count      | 0                                                        | 1            | 0             | 6             | 0                  | 7      |
|                         | % of Total | .0%                                                      | 1.3%         | .0%           | 7.9%          | .0%                | 9.2%   |
| Superintendent          | Count      | 0                                                        | 2            | 0             | 3             | 0                  | 5      |
|                         | % of Total | .0%                                                      | 2.6%         | .0%           | 3.9%          | .0%                | 6.6%   |
| Coordinators            | Count      | 1                                                        | 6            | 0             | 0             | 6                  | 13     |
|                         | % of Total | 1.3%                                                     | 7.9%         | .0%           | .0%           | 7.9%               | 17.1%  |
| Officers                | Count      | 1                                                        | 1            | 4             | 0             | 1                  | 7      |
|                         | % of Total | 1.3%                                                     | 1.3%         | 5.3%          | .0%           | 1.3%               | 9.2%   |
| Administrator Clerk     | Count      | 1                                                        | 0            | 2             | 0             | 0                  | 3      |
|                         | % of Total | 1.3%                                                     | .0%          | 2.6%          | .0%           | .0%                | 3.9%   |
| Secretary               | Count      | 4                                                        | 1            | 2             | 1             | 0                  | 8      |
|                         | % of Total | 5.3%                                                     | 1.3%         | 2.6%          | 1.3%          | .0%                | 10.5%  |
| General Worker          | Count      | 4                                                        | 2            | 3             | 0             | 1                  | 10     |
|                         | % of Total | 5.3%                                                     | 2.6%         | 3.9%          | .0%           | 1.3%               | 13.2%  |
| Drivers/Contract Worker | Count      | 0                                                        | 4            | 1             | 3             | 1                  | 9      |
|                         | % of Total | .0%                                                      | 5.3%         | 1.3%          | 3.9%          | 1.3%               | 11.8%  |
| Total                   | Count      | 12                                                       | 22           | 14            | 19            | 9                  | 76     |
|                         | % of Total | 15.8%                                                    | 28.9%        | 18.4%         | 25.0%         | 11.8%              | 100.0% |

The majority of respondents 28.9% have been working at the municipality for duration between 6 and 10 years, while the minority of respondents 11.8% has been working there for 21 years and more. Most respondents, 17.1% were coordinators at the municipality, whereas 3.9% were municipal managers and administration clerks as depicted earlier in table 14.

#### 4.4.6 Cross tabulation of Ranks/ Job Title adjacent to highest qualification

Table 18 Ranks/ Job Title v/s Qualification

| Ranks/Job Title          |       | What is your highest qualification? |        |         |                 |                |                |                  | Total |
|--------------------------|-------|-------------------------------------|--------|---------|-----------------|----------------|----------------|------------------|-------|
|                          |       | Standard 8 or Less                  | Matric | Diploma | Bachelor Degree | Honours Degree | Masters Degree | Doctorate Degree |       |
| Municipal Manager        | Count | 0                                   | 0      | 0       | 0               | 0              | 3              | 0                | 3     |
|                          | %     | .0%                                 | .0%    | .0%     | .0%             | .0%            | 3.9%           | .0%              | 3.9%  |
| Chief Financial Officer  | Count | 0                                   | 0      | 2       | 0               | 0              | 1              | 1                | 4     |
|                          | %     | .0%                                 | .0%    | 2.6%    | .0%             | .0%            | 1.3%           | 1.3%             | 5.3%  |
| Head (HOD)               | Count | 0                                   | 1      | 0       | 0               | 5              | 1              | 0                | 7     |
|                          | %     | .0%                                 | 1.3%   | .0%     | .0%             | 6.6%           | 1.3%           | .0%              | 9.2%  |
| Manager                  | Count | 0                                   | 0      | 0       | 5               | 2              | 0              | 0                | 7     |
|                          | %     | .0%                                 | .0%    | .0%     | 6.6%            | 2.6%           | .0%            | .0%              | 9.2%  |
| Superintendent           | Count | 0                                   | 0      | 0       | 1               | 0              | 3              | 1                | 5     |
|                          | %     | .0%                                 | .0%    | .0%     | 1.3%            | .0%            | 3.9%           | 1.3%             | 6.6%  |
| Coordinators             | Count | 1                                   | 5      | 0       | 7               | 0              | 0              | 0                | 13    |
|                          | %     | 1.3%                                | 6.6%   | .0%     | 9.2%            | .0%            | .0%            | .0%              | 17.1% |
| Officers                 | Count | 0                                   | 0      | 0       | 5               | 2              | 0              | 0                | 7     |
|                          | %     | .0%                                 | .0%    | .0%     | 6.6%            | 2.6%           | .0%            | .0%              | 9.2%  |
| Administrator Clerk      | Count | 1                                   | 0      | 1       | 0               | 1              | 0              | 0                | 3     |
|                          | %     | 1.3%                                | .0%    | 1.3%    | .0%             | 1.3%           | .0%            | .0%              | 3.9%  |
| Secretary                | Count | 2                                   | 0      | 5       | 0               | 1              | 0              | 0                | 8     |
|                          | %     | 2.6%                                | .0%    | 6.6%    | .0%             | 1.3%           | .0%            | .0%              | 10.5% |
| General Worker           | Count | 0                                   | 0      | 0       | 7               | 3              | 0              | 0                | 10    |
|                          | %     | .0%                                 | .0%    | .0%     | 9.2%            | 3.9%           | .0%            | .0%              | 13.2% |
| Drivers/ Contract Worker | Count | 0                                   | 2      | 0       | 3               | 2              | 2              | 0                | 9     |
|                          | %     | .0%                                 | 2.6%   | .0%     | 3.9%            | 2.6%           | 2.6%           | .0%              | 11.8% |
| Total                    | Count | 4                                   | 8      | 8       | 28              | 16             | 10             | 2                | 76    |
|                          | %     | 5.3%                                | 10.5%  | 10.5%   | 36.8%           | 21.1%          | 13.2%          | 2.6%             | 100%  |

17.1% of respondents were coordinators, while 3.9% were municipal managers and administration clerks. On the other hand, the majority 36.8% of respondents had bachelor's degrees, whereas 5.3% did not matriculate as shown in table 15.

**Figure 15: Residential area by gender**

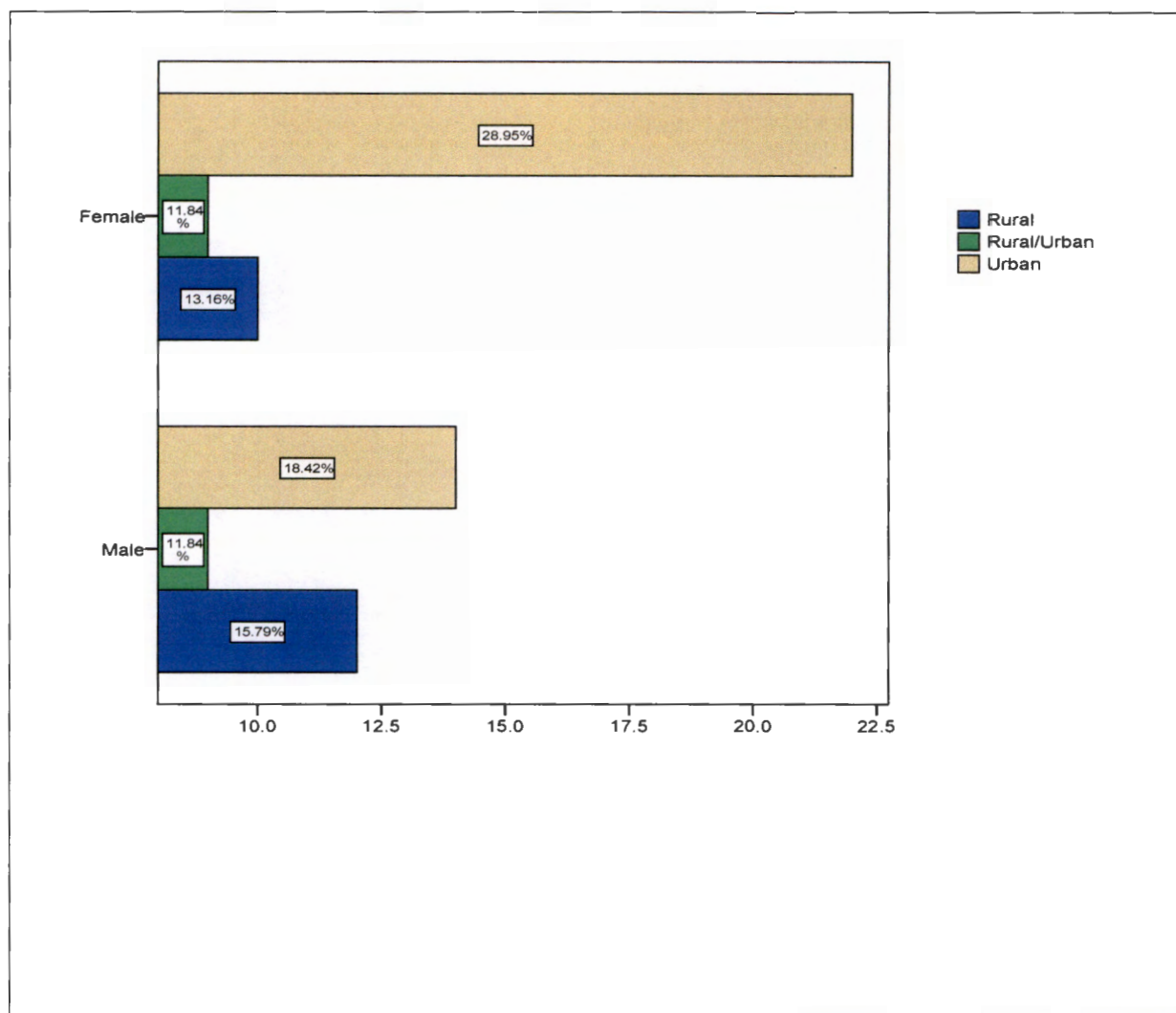


**Figure 15**

28.9% of respondents were females who resided in urban areas, while 11.8% males resided in rural/urban areas. There were more males, 15.8% who resided in rural areas as compared to 13.2% of females.

#### 4.4.8 Cross tabulation of Age group adjacent to how long the respondent has been working in the municipality

Table 18 Age v/s Period of service

| Age Group          |       | For how long have you been working in this municipality? |              |               |               |                    | Total  |
|--------------------|-------|----------------------------------------------------------|--------------|---------------|---------------|--------------------|--------|
|                    |       | 0 - 5 years                                              | 6 - 10 years | 11 - 15 years | 16 - 20 years | 21 years and above |        |
| Less than 20 years | Count | 1                                                        | 4            | 0             | 0             | 1                  | 6      |
|                    | %     | 1.3%                                                     | 5.3%         | .0%           | .0%           | 1.3%               | 7.9%   |
| 21 - 25 years      | Count | 3                                                        | 2            | 4             | 2             | 0                  | 11     |
|                    | %     | 3.9%                                                     | 2.6%         | 5.3%          | 2.6%          | .0%                | 14.5%  |
| 26 - 30 years      | Count | 4                                                        | 3            | 4             | 0             | 1                  | 12     |
|                    | %     | 5.3%                                                     | 3.9%         | 5.3%          | .0%           | 1.3%               | 15.8%  |
| 31 - 35 years      | Count | 1                                                        | 3            | 2             | 7             | 3                  | 16     |
|                    | %     | 1.3%                                                     | 3.9%         | 2.6%          | 9.2%          | 3.9%               | 21.1%  |
| 36 - 40 years      | Count | 0                                                        | 0            | 1             | 1             | 4                  | 6      |
|                    | %     | .0%                                                      | .0%          | 1.3%          | 1.3%          | 5.3%               | 7.9%   |
| 41 - 45 years      | Count | 3                                                        | 5            | 0             | 2             | 0                  | 10     |
|                    | %     | 3.9%                                                     | 6.6%         | .0%           | 2.6%          | .0%                | 13.2%  |
| More than 46 years | Count | 0                                                        | 5            | 3             | 7             | 0                  | 15     |
|                    | %     | .0%                                                      | 6.6%         | 3.9%          | 9.2%          | .0%                | 19.7%  |
| Total              | Count | 12                                                       | 22           | 14            | 19            | 9                  | 76     |
|                    | %     | 15.8%                                                    | 28.9%        | 18.4%         | 25.0%         | 11.8%              | 100.0% |

21.1% of respondents were between the ages of 31 and 35 years, while the lowest number of respondents, about 7.9% was less than 20 years of age and between 36 and 40 years of age. 28.9% have been working at the municipality for the duration between 6 and 10 years, while the minority has been working there for 21 years and more. The municipality has mostly older people who have been in the employ of the municipality for a longer period.

#### **4.5. Report back on objectives**

The following discussion gives a report back on the objectives of the study

**i. Objective 1: To explore the concept of Public Private Partnerships and review existing literature on the concept.**

Literature was reviewed so as to obtain an insight on the subject, Public Private Partnerships. Although there are limited articles/writings on the subject, there was enough information gathered to allow extensive exploration of PPPs. On the study undertaken, findings revealed that majority of the respondents (44.7%) are uncertain about whether they know about the Private Public Partnerships (PPPs) as shown in table 7. Respondents had a bleak idea about PPPs thus indicating that they were uncertain. 33% of respondents strongly agree that the existence of the private public partnership (PPP) will benefit the district municipality shown in table 8.

**ii. Objective 2: To investigate the nature and effect of the partnerships on service delivery.**

Literature has shown that PPPs may speed up delivery of services, as it was the case in Nelspruit, Mpumalanga (Refer to page 28). 50% of the respondents strongly agreed that the PPPs are of value in enhancing service delivery in the municipalities as compared to the 46% that disagreed as shown in table 11.

**iii. Objective 3. To reflect on the socio-economic impact of Public Private Partnerships on the poor.**

About 40% of respondents agree that the existence of the PPPs will benefit the community, shown in table 8. Table 10 substantiate this fact by showing that 41% of respondents agree that PPPs will promote social equity and economic empowerment thus benefiting the poor. This clearly shows that PPPs can have a positive socio-economic impact on the poor when engaged.

**iv. Objective 4: To explore the value of Public Private Partnership initiatives to municipalities.**

36.9% of respondents strongly agree that the existence of the PPP will benefit the district municipality as shown in table 8. Table 9 shows the envisaged benefits that the Municipalities may derive from PPPs.

**v. Objective 5: To investigate understanding of Public Private Partnerships within the Ngaka Modiri Molema District Municipality.**

Most participants, 44.7% are uncertain about the existence of the Private Public Partnerships in the Ngaka Modiri Molema District Municipality. As shown in table 7 above. This shows the need to engage PPPs in the municipality and further enlighten municipal workers about its importance.

**vi. Objective 6: To recommend forms of Public-Private Partnerships for the Ngaka Modiri Molema District Municipality.**

There is a variety of forms of PPP that the municipality can choose from (refer to page 19). 41% of respondents strongly agree that the PPPs can benefit the municipality by rendering better services to the public thus can recommend to the municipality that it engage any form of PPP depending on the project/service to be rendered.

## 4.6 Conclusion

In this chapter it was revealed that the majority of respondents were females, and the most number of respondents ranged between the ages of 31 – 35 years old. Most of these respondents were coordinators, had bachelors' degree and resided in urban areas. The highest number respondents have been working in that local municipality for the period of 6-10 years. Most respondents still think that there is not enough work done with regard to Public Private Partnership initiatives, although they do not have substantive knowledge about these partnerships, they support the idea of partnerships between the municipality and the private sector.

Many respondents strongly agreed that the existence of the Private Public Partnership initiatives will benefit the district municipality, local municipalities and the community at large. The benefits may include prompt service delivery and job creation to a great extent for community members. It has also been found that monitoring systems need to be in place so as to monitor and measure progress. PPPs will bring better services; promote social equity and economic empowerment. The cross tabulation was used to zoom into variables, the results were quite interesting and hypothesis testing was also engaged to test for significance. The following chapter gives an overall summary, research findings, recommendations and conclusion of the study.

## **CHAPTER 5: SUMMARY, FINDINGS, RECOMMENDATIONS AND CONCLUSION**

### **5.1. Introduction**

This chapter deals with the summary and findings of the study with the view of making specific recommendations and conclusions for the benefit of the planners who will need to use these results. It is in this chapter that the summary of the whole study, findings, recommendations and the conclusion will be presented.

### **5.2 Summary of the study**

The first chapter of the study introduced and gave a background of the study. It further outlined the statement of the problem, aim and objectives and why the study was undertaken, i.e. the significance of the study. The background highlighted when these partnerships should be considered and why they should be considered.

Chapter two reviewed the literature on the Public Private Partnerships, what they are, their advantages and disadvantages. The benefits and challenges that may be faced by municipalities when engaging in these partnerships were also elaborated upon.

The third chapter on the other looked into the research design and methodology of the study. Both qualitative and quantitative methods were used in this study. An empirical investigation was explained which outlined a questionnaire and informal/unstructured interview as research tools to collect data. Closed ended questions were used in the questionnaire and these questionnaires were hand delivered to respondents.

The fourth chapter gave a presentation, analysis and interpretation of data collected from the questionnaires distributed. Tables and graphs were used to present the data. A brief discussion which explains the graphs is given in this chapter.

### **5.3 Research findings**

It is evident that there are various factors that impact on PPP initiatives such as the management style of the departments within local municipalities and implementation. If government could apprehend that municipal workers are not the only ones blameworthy for desired performance, then they will be on familiar terms with the fact that conducting performance measurement requires a clear framework for continuing assistance and standpoint development.

The study has revealed that community members have grown weary of the municipality and are not happy about service delivery thus having no faith in whether these partnerships will give desired results. Municipalities have not delivered services to communities at a satisfactory rate resulting in communities losing trust. Although that may be the case, it is evident that community members opt for these partnerships noting that their sound management may ultimately bring desired service delivery. Members of the community residing in rural and urban areas around the district municipality shared their dissatisfactions with regard to service delivery and agreed that more needs to be done. The respondents clearly indicated that the engagement of PPPs can benefit both the municipality and the community. Reduction of backlogs with regard to service delivery, improved infrastructure and prompt service delivery were highlighted as such benefits.

Sound management of Public Private Partnerships (PPPs) include proper planning, implementation, reviewing and developing performance monitoring systems. This together with accountability will ensure success in the engagement of PPPSs.

### **5.4 Recommendations**

From the findings, it is recommended that:

- Public Private Partnerships should not be haphazardly implemented particularly where core functions of municipalities such as provision of electricity and water

are examined. They should be developed within the broader framework of Integrated Development Plans (IDP) of the municipality.

- A number of PPP options were reviewed, with the view of identifying those that will be suitable to the Ngaka Modiri Molema District Municipality. The recommended options therefore are:
  - i. Concession contract where the municipality will give the overall responsibility for the services it contracts to the private entity, including operation, maintenance and management as well as capital investment necessary for the expansion of services. All fixed assets will however remain the property of the municipality but are entrusted to the contractor (private sector) for the duration of the concession contract and must be returned in a specified condition at the end of the concession period.
  - ii. Build-Operate-Transfer (BOT) is another form of PPP that is recommended for the Ngaka Modiri Molema District Municipality. The private sector in this case will finance, build and operate a new facility according to the standard set by the municipality. Once completed, the private partner will transfer ownership of the facility to the municipality which will then lease the facility back to the private partner under a long term lease. The municipality can opt for this form for facilities that require substantial financing such as drinking water and waste water treatment plants, roads and waste disposal stations.
- Appropriate skills training and development of individuals employed by the municipality must be provided on the concept and strategic implantation of plans with regard to Public Private Partnerships.
- There is a need to create awareness programmes on PPPs. These may include educational training, workshops on PPPs and their importance.

## **5.5 Conclusion**

The provision and delivery of basic services is both the constitutional and local government obligation. To a greater extent, Public Private Partnerships are integral towards effective, efficient and prompt service delivery within municipalities. These partnerships should be established to help municipalities to address service delivery backlogs. This has been extensively substantiated in the literature review although results from the survey are not in full agreement to that. The challenge however, remains to be how to structure and put up strategies and partnerships in place to jointly alleviate and effectively address the backlog and even the extension of services.

Any public private partnership should be based on making government work better for the interest of its customers, the public.

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## APPENDIX A: QUESTIONNAIRE

NORTH WEST UNIVERSITY (MAFIKENG CAMPUS)  
FACULTY OF COMMERCE AND ADMINISTRATION  
MMABATHO

2735

14 February 2008

Dear Respondent

I am an MBA (Master of Business Administration) student in the Faculty of Commerce and Administration at the North West University, Mafikeng Campus. This questionnaire is distributed in order to gather information about the value of Public Private Partnership initiatives in the Ngaka Modiri Molema District Municipality.

The information you provide will be of great importance to the study and will be treated with utmost confidentiality. You do not have to provide your name on the questionnaire.

Thank you in anticipation of your cooperation.

|                     |   |               |       |
|---------------------|---|---------------|-------|
| Student name        | : | Ms V.R Monedi | _____ |
| Research supervisor | : | Mr L.M Masilo | _____ |

**TOPIC: An evaluation of the value of Public Private Partnership (PPP) initiatives  
with reference to Ngaka Modiri Molema District Municipality.**

Kindly assist in the completion of this study by furnishing the information in the questionnaire. Your honest response will contribute to addressing the problems encountered by you and/or the Municipality. This will be treated with the utmost confidentiality.

Please read the statements carefully and mark with a cross (X) in the appropriate block.

**SECTION A**

**1. Biographical details**

**1.1 Gender**

|        |  |
|--------|--|
| Male   |  |
| Female |  |

**1.2 Age group**

|                    |  |
|--------------------|--|
| Less than 20 years |  |
| 21 – 25 years      |  |
| 26 – 30 years      |  |
| 31 – 35 years      |  |
| 36 – 40 years      |  |
| 41 – 45 years      |  |
| More than 46 years |  |

### 1.3 Job status/ rank

|                         |  |
|-------------------------|--|
| Municipal Manager       |  |
| Chief Financial Officer |  |
| Head (HOD)              |  |
| Manager                 |  |
| Superintendent          |  |
| Coordinator             |  |
| Officer                 |  |
| Administrator Clerk     |  |
| Secretary               |  |
| General Worker          |  |
| Cleaner                 |  |
| Drivers/Contract Worker |  |

### 1.4 Highest qualification

|                    |  |
|--------------------|--|
| Standard 8 or Less |  |
| Matric             |  |
| Diploma            |  |
| Bachelor Degree    |  |
| Honours Degree     |  |
| Masters Degree     |  |
| Doctorate Degree   |  |

### 1.5 Residential area

|             |  |
|-------------|--|
| Rural       |  |
| Rural/Urban |  |
| Urban       |  |

### 1.6 Your local municipality

|                                        |  |
|----------------------------------------|--|
| Mafikeng Local Municipality            |  |
| Ramotshere – Moilwa Local Municipality |  |
| Tswaing Local Municipality             |  |
| Ratlou Local Municipality              |  |
| Ditsobotla Local Municipality          |  |

### 1.7 Number of years employed in the municipality

|                    |  |
|--------------------|--|
| 0 – 5 years        |  |
| 6 – 10 years       |  |
| 11 – 15 years      |  |
| 16 – 20 years      |  |
| 21 years and above |  |

## SECTION B

### 2. Understanding of the concept of Public Private Partnerships (PPPs).

|                                                                | Yes | No | Uncertain |
|----------------------------------------------------------------|-----|----|-----------|
| 2.1 I have knowledge about Public Private Partnerships (PPPs). |     |    |           |
| 2.2 PPPs exist in your municipality.                           |     |    |           |

|                                                                         | Strongly agree | Agree | Uncertain | Disagree | Strongly disagree |
|-------------------------------------------------------------------------|----------------|-------|-----------|----------|-------------------|
| 2.3 Their existence will benefit the Municipality.                      |                |       |           |          |                   |
| 2.4 Their existence will benefit the community.                         |                |       |           |          |                   |
| 2.5 Monitoring systems are necessary to determine the progress of PPPs. |                |       |           |          |                   |

2.6 The following are the envisaged benefits of PPPs

|                                |  |
|--------------------------------|--|
| Prompt service delivery        |  |
| Backlog reduction              |  |
| Better services                |  |
| Positive socio-economic impact |  |
| Accountability                 |  |
| Improved initiatives           |  |
| Better infrastructures         |  |
| Others specify.....            |  |

## SECTION C

### 3. Socio-economic impact of PPPs on the poor.

|                                                                      | Strongly<br>agree | Agree | Uncertain | Disagree | Strongly<br>disagree |
|----------------------------------------------------------------------|-------------------|-------|-----------|----------|----------------------|
| 3.1 PPPs promote social equity and economic empowerment.             |                   |       |           |          |                      |
| 3.2 PPPs decrease the costs of services rendered to the communities. |                   |       |           |          |                      |

## SECTION D

### 4. Value and effect of the partnerships on service delivery

|                                                                                               | Strongly agree | Agree | Uncertain | Disagree | Strongly disagree |
|-----------------------------------------------------------------------------------------------|----------------|-------|-----------|----------|-------------------|
| 4.1 PPPs are of value in enhancing service delivery in the municipalities.                    |                |       |           |          |                   |
| 4.2 There will be improvements in service delivery as a result of the implementation of PPPs. |                |       |           |          |                   |
| 4.3 PPPs can achieve greater efficiency in the use of public resources.                       |                |       |           |          |                   |
| 4.4 PPPs will extend services to more people.                                                 |                |       |           |          |                   |
| 4.5 Management of PPPs has impact on its success.                                             |                |       |           |          |                   |
| 4.6 For sound management purposes, PPPs should have its own directorate.                      |                |       |           |          |                   |

4.7. The delivery of services by the municipality to the communities is:

|                   |  |
|-------------------|--|
| Very satisfactory |  |
| Satisfactory      |  |
| Average           |  |
| Unsatisfactory    |  |

**Thank you.**