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Change Processes in the Greater Johannesburg Metropolitan Council from 1995 to 1999

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A research report submitted to the Faculty of Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Management (in the field of Public and Development Management).

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ABSTRACT

During the past decade Johannesburg has been going through a process of change in the areas of organisational and service restructuring for improved service delivery and sustainable development. The purpose of the study was to look at what have been the key change drivers in that process from 1995 to 1999 and assess what lessons could be drawn from the experience in conceptualising a national strategic framework for local government transformations. One key finding of the study is that the financial crisis that the council experienced from 1997 created bases for external pressure from communities and national government which ultimately forced the council to think and act on change. However, the study found that a power-bloc comprising few administrators and key figures from the ANC component of council continued to drive and manage the change process

DECLARATION

I declare that this report is my own, unaided work. It is submitted in partial fulfilment or the requirements of the degree of Master of Management (in the field of Public and Development Management) in the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in other University.

Tebogo Issac Sekele

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CHAPTER 1
INTRODUCTION

1.1. Background

Since the early 1990's South Africa has been hard at work to transform local government into integrated, legitimate and democratic institutions that would effectively and efficiently deliver services and bring about development to local citizens. This process of transformation was divided into three phases, namely; pre-interim, interim and final. The first phase was characterised by local level initiatives where key local roleplayers started to engage with local authorities (who were largely discredited) in an attempt to find interim solutions to local governance. These happened in an environment where local authorities, especially Black Local Authorities, had virtually collapsed, a new wave of political change was sweeping the country with the unbarring of political movements and where there was not proper legislative framework with any coherent national programme to transform local government. Negotiations at Johannesburg became the key highlight and focal point of this phase.

It was these negotiations that set the basis for the crafting of the Local Government Transformation Act of 1993. This legislation made provisions for the establishment of newly integrated, nonracial and democratic local government structures for the first time in the entire history of this country. It ushered in what officially came to be called an interim phase with transitional local authorities established after 1995/96 elections. This is the phase where the country is at the moment.

The final phase was to come with the development of a final policy framework that would provide a vision for transformation of local government with subsequent statutes and other interventions that would lead to a new local government system after the 2000 municipal elections. Under the leadership of the Department of Constitutional Development and in consultation with other key stakeholders, the White Paper policy on Local Government was developed. This policy process was preceded by the finalisation of the new Constitution, which laid basis for the fundamental transformation of local government.

The Constitution clearly positioned local government within an intergovernmental relations system, defined its status, rights, powers, roles and responsibilities and set out principles and the process for the transformation of local government.

Informed by the Constitution, the White Paper articulated a vision where local government would become better organised structures for improved service delivery to local citizens. The White Paper proposed a wholesale change in various aspects of local government. These included proposals to establish new governance structures, new municipal boundaries, new administrative structures, and new service delivery strategies. In addition, the White Paper further defined the developmental role of local government. Under the theme "Developmental Local Government" the White Paper sees local government as an agent to play a developmental role beyond the traditional trading of services.

The key theme running through these phases of transformation has been to find ways and means to effect change in local government so that municipalities are transformed into legitimate agencies which can effectively and efficiently deliver services, bring about sustainable development and improve the lives of local citizens.

The question, however, is how this change can be brought about. The pre-interim phase could only create negotiation forums to negotiate the process of change. The interim phase only deracialised local government and introduce experimental structures of governance. Many municipalities remain structurally and operationally the same as before. The White Paper suggests that in order to bring about this desired change, there is a need to create policy and legislative frameworks referred to above, introduce support mechanisms including funding and capacity building programmes, and introduce systems or tools to change the way the municipalities do business. The funding support mechanisms include the Equitable Share of Nationally Raised Revenue, the Consolidated Municipal Infrastructure Programme, Masakhane and Project Viability.

These mechanisms were meant to improve the financial health of municipalities. Capacity building programmes included the establishment of the Local Government Training Board (soon to be called Local Government Sector Training Authority) and the recently established Local Government Transformation Programme (LGTP) which is meant to mobilise funding and direct it towards supporting capacity building projects. The systems and tools for change include Integrated Development Plans and Performance Management.

It would therefore appear that national government has a change vision for local government. It would want municipalities to change into more stable and financially secure entities that would be citizen responsive, improve service delivery and bring about development more effectively and efficiently. To achieve this, government believes a set of national interventions in the form of policies and legislation, supported by concomitant programmes, are necessary to drive change in local government. In its vision for change, government envisages that municipal boundaries and political structures will be determined nationally. But in order to bring about internal change, government seems to move from the premise that if proper planning systems are introduced, municipalities will be able to plan and prioritize better and allocate resources properly, if performance management systems are introduced, municipalities will objectively measure and improve their own performance, and if mechanisms are introduced to ensure responsiveness to pressure from the community and the public, municipalities will be forced to change the way they work. In addition, government hopes that having noticed poor performance, municipalities will be forced to change organisational structures and explore alternative service strategies, including municipal service partnerships. In this regard, national government is currently developing a policy and legislative framework for municipalities in engaging with municipal service partnership ventures. This is how government seems to visualise the change process in local government.

Clearly, to bring about change in a municipality, as in any other organisation is a function of complex variables. The Greater Johannesburg Transitional Metropolitan Council is one municipality that has gone through major changes in the past decade.

This began with the signing of the Soweto Accord that led to the establishment of the Witwatersrand Chamber, moved through the establishment of Local Government Negotiating Forums and a Transitional Metropolitan Council, and has ended with the Egoli 2002 Plan which seeks to introduce a newly configured organisational structure for the Metropolitan government with a new vision for service delivery.

Without committing oneself to the merits and demerits of the change process in Johannesburg, it can safely be assumed that the process has been about improving governance and service delivery to local communities. Now the question is; how has this change come about, what has driven and facilitated change processes, and what lessons can be drawn from this experience to help realise the transformation of local government as articulated in the White Paper.

1.2. THE RESEARCH PROBLEM

Currently there are debates on what can or should be done to turn municipalities around. The government has articulated its vision of how change will happen in local government. This study tested government's assumptions about local government transformation looking at the change process in the Greater Johannesburg Metropolitan Council. It focussed on what factors made Johannesburg begin to think about change and act on change imperatives, what factors drove and facilitated the change process, what lessons can be drawn (as opposed to government's predictions) from this experience, and to what extent this can assist in conceptualising the overall transformation and change programme for local government.

The study has assessed the extent to which change in Johannesburg was brought about by external factors, including community pressures, national policy and legislative requirements and other interventions from other spheres of government (as government seems to assume), as opposed to internal factors including strong leadership, internal capacity to make strategic choices, or financial crises that the city has been experiencing in recent years. In summary, the study is about models for effecting change and transformation in local government. It is about the key levers that drove change in the Johannesburg, relative to government's assumptions about what will most effectively drive change in local government more broadly.

Specifically, the study sought to examine the following:

1. Generally what are the areas of local government that government wanted changed and why.

2. In respect of organisational structures and service delivery what did government want changed and what was their vision for how these would change.

3. What policy assumptions has government made about how change can be effected.

4. What national interventions (policy, legislation, programmes) have been introduced, and what effect have these had on the Johannesburg's change process during the period under the study.

5. What change happened in Johannesburg (i.e. institutional, administrative and with respect to service delivery?)

6. What have been the key factors and triggers of change?

7. What have been the key actors and their role in the change process?

8. What has been the effect of each of the factors?

9. At what point did various factors or actors assume prominence and/or reinforce each other to trigger and bring about change?.

10. What are the lessons to draw out of this experience for bringing about change in local government?

The study looked at the change process as it affects organisational restructuring and service delivery strategies of the Greater Johannesburg Transitional Metropolitan Council. It looked at what made the Council to change from certain institutional, administrative and service delivery options to others over the last five year period. In order to limit the research to make for a more manageable study, two phases of the change process have been selected out of for careful scrutiny. These will be the 1995-97 period and the 1998-1999 period. 1995-1996 saw the introduction of the newly democratic Greater Johannesburg Transitional Metropolitan Council. 1998-1999 saw a dire financial crisis leading ultimately to the introduction of a radical institutional reform plan for local government in the city.

1.3. RESEARCH METHODS

The study looked at the assumptions about change in local government using Johannesburg as a case study. It was therefore a study about Johannesburg itself although the study looked at what lessons could be drawn to inform change and transformation programme for local government.

The research moved from the premise that an understanding of how change came about in Johannesburg would be crucial to inform policy development and implementation strategies for local government transformation. For example, a new Performance Management System soon to be introduced rests on the assumption that municipalities will be forced to change for the better through creating pressures from communities and the general public, will be forced to explore new ways of service delivery through lessons from performance reviews, and will be encouraged to change through incentives and 'best practices' guidelines. The Performance Management System clearly subscribes to the view that says if sufficient pressure is created with added incentives and sanctions, municipalities will be forced to change. It therefore places high premium on external factors to effect change in local government. In reality though, not all municipalities are likely to respond to external pressures in the same way. By testing in one case study what exactly has propelled change, we can learn a lot about whether the change drivers currently being introduced at a national level will be adequate to realise the desired system of local government or not.

Johannesburg was chosen because it is considered to be leading in the change process and because it represents a complex variety of change factors in an institution within a relatively short period of time. It was therefore seen as an ideal case to look at the change process and test assumptions underpinning the philosophy of the local government transformation programme. The city was also chosen because of the convenience it offers for the manageability of the study. The researcher lives in Johannesburg and works in Pretoria. He also works in an environment that made it easy to access data on local government, and he has been able to build good networks with people involved in the change process in Johannesburg. It was therefore easy to have access to interviewees and for the collation of data necessary for the study.

The study was undertaken chiefly through interviews with various stakeholders. It primarily focussed on interviews with officials from the Department of Constitutional Development, Councillors and officials from Greater Johannesburg Metropolitan Council, and consultants who have assisted change at both a national level and in the case study area.

Primary literature in the form of minutes, policy documents, internal discussion documents etc, will anchor the study. Secondary literature on change management in large organisations and on change processes in Johannesburg was consulted.

1.4. LIMITATIONS OF THE RESEARCH

The study did not evaluate the policy options adopted by the city but rather focussed on the process. That is, the study did not evaluate the unicity model of governance nor did it critique the Igoli 2002 plan adopted by the Council.

The study was conducted over a two-month period. During the January month, data was gathered by interviewing relevant roleplayers. The data was then analysed and the report written over the February month for final submission. Although the study looked at two historical moments, the brief period within which the study was undertaken, given that Johannesburg change is a dynamic and ongoing process, may mean that interpretations would be invalidated by subsequent developments.

1.5. CHAPTER OUTLINE

1. Introduction (context of local government reform in South Africa, purpose of the study, research problem, research methods).

2. Literature review (focusing on organisational change theories from secondary literature, and documents and books on local government reform in general and Johannesburg in particular).

3. History of the Johannesburg and broader local government change processes.

4. Financial crisis (focusing on the roots and nature of the crisis and its impact on the change process).

5. National and Provincial Interventions (focusing on national initiatives and interventions and their impact on the change process).

6. External community pressures (focusing on the nature of the external pressures and their impact on the change process).

7. Leadership (focusing on the theories of leaderships and how they explain its impact on the change process).

8. Discussions, conclusions and recommendations (present an analysis and a summary of findings with recommendations).

CHAPTER 2

THEORETICAL FRAMEWORKS

This section is what would normally be called a literature review. The author opts to title it as above because it will be a review of literature only to the extent that it deals with theoretical frameworks for purposes of the study. Otherwise a review of all the literature is integrated throughout the body of the report. In fact, each of the content chapters contains an extensive review of literature. The author thought it could be handled that way as it would provide a better flow and structure to the report.

Various theories have been posited to explain how change comes about in organisations. The first asserts that organisations change is as a result of environmental factors. That is, because organisations operate within particular conditions, change in these conditions forces organisations to change in order to adapt and be responsive to new challenges. That is,

"One distinct theoretical approach posits that changes in environmental conditions shape organisational change over time - the scale of change is directly related to contingent environmental demands" (Ben-Elia, 1996, p. 10).

This approach considers organisational change as a consequence of outside factors. It means without external forces there cannot be change in organisations. That is

" There is a clear assumption that the energy needs to come from outside the mass of the organisations, usually from the top management, sometimes from outsiders such as shareholders or the government"(Binney et al., 1997, p. 33).

Environmental, external or outside factors refers to political developments, socio-economic conditions, customers' or clients' pressures or preferences, and so on. In the local government context, this could refer to community pressures, changing fiscal situations, new policy and legislative frameworks, and so forth.

The limitation of this approach is that it does not explain why similar organisations in the same environment would not change the same way. It also assumes that organisations function like machines that would not operate until something is done on them.

That is, it presents organisations as undynamic entities that simply present themselves to the whims of the environmental factors. This is not always true because, as Binney argues,

"Organisations do not just respond to natural forces, they are made up of people who make choices and consciously decide what future they want for themselves"(Binney et al., 1997, p. 34).

In assessing the impact of policy guidelines of British experts on Szekesfehervar which was twinned with Chorley (England) in 1989, Barlow (1997), concluded that it was not easy for policies to change the municipality because policies were too complex, brought too much change which exceeded the capacity of local government, and challenged organisational culture and vested political interests. He therefore insists that for "outside policy" to work, there has to be dialogue and ownership by the targeted structures, implying that change is as much a function of internal dynamics as external stimuli.

The second theory asserts that organisational change can be influenced by environmental factors but external pressures are not the major driving factor of change. Change is rather a consequence of rational, strategic and conscious choices that organisations make in view of the changing environment within which they operate. That is,

"Organisational reorientation and change are not just a result of external forces or the interpretation of these external forces but also an outcome of volition. Organisations can select their environmental domains, restraining these restricting environmental forces or bypassing them," (Ben-Elia, 1996, p. 11).

The question, however, is do organisations always have that choice and how much choice do they have.

It has also been argued that organisations change because of lessons learned from experimental or exploration exercises with various strategies. This approach contends that organisations go through planned change where various options are explored and lessons are used to guide change.

That is

"Very often, strategic reorientation's result from a gradual process of change adoptions, exploration and testing by organisational subsystems which blend gradually into cohesive patterns"(Ben Elia, 1996, p. 7).

The approach, however assumes that organisations always have time and choice to explore various options before having to change. It also does not explain why in certain instances organisations would choose certain options that ignore or go against lessons learned. The reality is that organisations do not just take lessons and apply them in their environments uncritically. They always interrogate the value of the lessons for application in their specific environments.

The fourth theory contends that leadership drives change in organization. That is if an organisation has strong leadership with innovative capabilities, it tends to prevail over environmental factors. Moreover it tends to act proactively to preempt environmental pressures.

Do any of these theories explain the change process in the Greater Johannesburg Transitional Metropolitan Council ? Various commentators have argued differently on this issue. John Spiropoulos (1997) has argued that the Johannesburg Metropolitan Council has been an agent of its own transformation. That is, the change process was driven from within. He asserts that:

"In any local government, there are organisational dynamics, there are personalities, there are power blocks, there is control of resources and so on. This indicates to me that the agency for transformation is the local authority itself." (Spiropoulos, 1997, p7)

On the other hand Swilling (1997) contends that during the pre-interim phase, change was driven by community structures that got represented on the Witwatersrand Chamber. He however argues that during the interim phase, change in Johannesburg Council was driven by external forces in the form of African National Congress and the Provincial government. He believes that had the change process been left to the all inclusive Chamber, the transformation process would have yielded a better product than what is there now. That is,

"If left themselves, Johannesburg's over the years could have pulled the city through. But provincial-level politicians have repeatedly intervened to mess things up"(Swilling, 1997, p. 39).

In turn, Fihla (1998) has retorted that it is not necessarily true that the provincial African National Congress and its government have been driving change in Johannesburg during the interim phase as Swilling contends. He argues that the decision, for example, to establish the Committee of Ten was taken by the leadership of the Council in conjunction with the MEC of Local Government in Gauteng. He goes further to assert that the establishment of the Committee of Ten was precipitated by the financial and management crisis the Council and its Substructures were facing.

Richard Tomlinson (1998), while recognising the role and creativity of the Chamber and Negotiating Forum, argues that there was a need for a legislative framework to formalise and guide the transformation process. That is,

"The local forums, the Chamber included, were on their own unable to substantively change fundamental aspects of the apartheid urban system. But in 1992-93 those negotiating the Interim constitution realised that national framework was needed to guide the local transition via the local forums" (Tomlison,1998, p. 6).

Benner (1994) also concurs that legislation was needed to do away with old structures and give legal force to new structures. There was therefore a role for national legislation in the early stages of change process in Johannesburg other commentators have however argued that the Local Government Transition Act was just a formalisation of the framework agreed to in the Chamber.

All the propositions above simply indicate that various factors and actors played various roles to trigger change at various stages of the change process in Johannesburg. It is not difficult to discern that during the pre-interim phase, the changing political environment made it possible for the then leadership of the Council to relent to the external pressure and thereby allow community structures to drive the changes process It is also clear that however creative those local level negotiations could have been, there was a need for national interventions to guide and reinforce the change process. The interim phase presents a complex picture. Clearly there was a role for local political leadership, legitimacy of the Council, the provincial interventions, environmental factors in the form of financial crisis, paradigm shift within the ruling party on service delivery strategies, new administrative leadership, existence of national policy and legislative frameworks on local government.

These factors played a role in the change process during the interim phase. The question is to what extent did each of them contribute towards change, and in what proportion. There are a number of interesting questions and permutations that may emerge here. For example, is the Committee of Ten a local political leadership initiative or a provincial one. Is the new service delivery strategy a product of Municipal Services policy document.

Partnership policy document from national government, or has the document simply endorsed the ideas from the local leadership, reflecting a more general paradigm shift within the ruling party. Similarly, is the new service delivery strategy a product of the new City Manager or was he part of the grand plan by the local leadership. An examination of all of these factors will provide useful insight into what the levers of change are and how these interface to bring about change in the Greater Johannesburg Transitional Metropolitan Council. An understanding of these should provide useful pointers to policy makers involved in local government transformation.

CHAPTER 3

THE HISTORY OF LOCAL GOVERNMENT IN JOHANNESBURG

Dating back to the pre-apartheid era, developments in Johannesburg have always influenced the shape of cities and governance in South Africa. As this study will show, Johannesburg continues to frame policy on local government to date. It has always served as a crucible of local government policy discourse. Parnell (2000) cites Wooldridge as asserting that:

" ... the city is the laboratory in which post apartheid local government transition was devised (Parnell et al.; 2000, p94).

It is indeed tempting to almost assert that the history of Johannesburg is the history of local government in South Africa.

JOHANNESBURG DURING THE PRE-APARTHEID ERA

Before the 1880's, Johannesburg was a small town populated largely by White people. However, the discovery of gold in 1886 saw Black people flocking to the town in search of employment opportunities in the then mushrooming mining industry. During this period, there was no plan to deal with the unanticipated influx of Black people. People could stay anywhere including hostels for mineworkers. With the growth of the mining industry, the job market began to diversify and Black people found employment in the service and manufacturing industries (Urban Foundation, 1980). Black people began to spread all over and could stay in White areas as domestic servants while the municipality built iron shelters for them in various parts of the town. (Urban Foundation, 1980).

With time, the municipality began to create what came to be called "Kaffir Locations". The first was Klipspruit, South West of Johannesburg. These areas were the first Black spots as they were exclusively populated by Black people. The first kind of governance for those areas was in the form of the "Superintendent of Locations". This was a key official in the White Johannesburg municipality assigned with the responsibility to manage the affairs of these locations or settlements. (Urban Foundations 1980).

With the growth of these locations, the then government established the Stallard Commission in 1922 to investigate governance related issues. The recommendations of this Commission led to the passing of the Native (Urban Areas) Act of 1923. The Act provided for the establishment of the Native Advisory Boards in 1925. These Boards were essentially consultative structures and had no executive powers. They comprised members appointed by the Johannesburg Council. (Urban Foundation, 1980).

At this time, there was still a sense of impermanence of Black people in the White areas. In 1946, the then government established the Fagan Commission. The Commission established that the residence of Black people could no longer be treated as a temporary phenomenon. It was therefore recommended that instead of hoping for the extinction of the 'Black race', government needed to find ways of regulating their people's movement.

THE APARTHEID BEGINNINGS

Before the Fagan Commission could be implemented, the National Party assumed power in 1948. Building on the recommendations of the Commission, the National Party government introduced a number of statutes to curb and control movement of Black people. These were underpinned by the philosophy of separate development for different races. These statutes and other measures marked the beginning of what universally came to be called Apartheid. The first piece of legislation passed by the Apartheid regime was the Group Areas Act of 1950. The Act saw most Black people pushed to the locations. Consequently the locations in the South West of Johannesburg grew in leaps and bounds. They began to earn the name 'townships'. Consequently these townships South West of Johannesburg came to collectively be known as South Western Townships or SOWETO. (Urban Foundation, 1980).

THE GOVERNANCE OF SOWETO 1960 - 1980

In line with the draconian Separate Development policy, the Apartheid regime passed the Urban Bantu Councils Act in 1961. The Act provided for the establishment of the Urban Bantu Councils for Black areas in the Urban peripheries. The first such Council, for Soweto was established in 1968.

Again, these Councils were appointed by the Johannesburg City Council. These Councils basically acted as agents of the Johannesburg City Council in Soweto. They had no original executive powers and could draw powers from the Johannesburg City Council. In attempt to get residents to pay for services and rates, the City Council gave the Soweto Urban Bantu Council the powers to raise taxes and service charges. This came at time when resistance politics were beginning to regain ground in the country. The Soweto Urban Bantu Council was one of the targets of the 1976 Soweto uprisings as they had just raised rental charges. As a result, the Council was forced to close down. Later, the regime established the Riekert Commission to further investigate governance of Bantu Affairs. The Commission recommended the repeal of the Urban Bantu Councils Act and subsequent disestablishment of the Bantu Councils. In 1977 the Community Councils Act was passed. The Act provided for the establishment of Community Councils for Black areas in urban peripheries. These were not substantially different from the urban Bantu Councils in terms of their structure, powers and functions. They were given delegated powers to raise revenue. However, in view of their inability to raise the required revenue in the face of pressure from community structures, the Community Councils provided lesser of a success.

"They never gained significant support and legitimacy from their support constituents". (Heymans et al., 1997, p. 3).

LOCAL GOVERNMENT IN THE 1980's

In the aftermath of the 1976 uprisings and due to the failure of the Community Councils, the Apartheid regime introduced a number legislative measures to tighten control over the Black urban areas. These came in the form of the infamous Koornhof Bills. One of the key Bills was the Black Local Authorities Bill. In spite of the serious objections by Community protest movements, the regime went ahead to pass these Bills.

The Black Local Authorities Act provided for the establishment of Black Local Authorities in Soweto and the rest of Black townships in the country. What was different about the Black Local Authorities was that they were established through municipal elections and their powers and functions were delegated by Provincial administrations. Following the 1982 elections, the BLAs were formed in various parts of the country. There were however major disruptions to the elections in many parts of the country as resistance movements saw these structures as illegitimate and demanded the overthrow of the state for profound change and transformation. They saw the BLAs as part of the Apartheid "groundplan" of separate development.

The BLAs therefore became unpopular and illegitimate at the outset. These community protest movements culminated in the formation of the United Democratic Front in 1983. The UDF was the first broad front of student, civic, religious, trade union movements against Apartheid since the banning of political movements like the African National Congress, Pan Africanist Congress and the South African Communist Party in the 1960's. Top on its agenda was the obliteration of the tri-cameral system government with BLAs as its primary targets. The first major onslaught on the BLAs was the rent boycotts launched in may parts of the then Pretoria - Witwatersrand - Vereeniging (PWV area). The demands included resignation of Councillors, scrapping areas and improvement of services. The boycotts were characterised by violence, which claimed the lives of many Councillors including the Mayor of Lekoa Town Council in 1984.

TOWARDS THE SOWETO ACCORD

The Black Local Authorities had limited tax base, were illegitimate and delivered poor services. Non payment of services compounded the problem. The BLAs therefore could not cope and in the face of major opposition from the civic movements were nearing collapse by the end of the 1980's. With this pressure on them, the three BLAs in Soweto began to negotiate with the Soweto Civic Association under the leadership Cyril Ramaphosa and Nthato Motlana making up the Soweto People's Delegation. The negotiations were later joined by Transvaal Provincial Administration (TPA) and the Johannesburg City Council.

The demands of the Civic Association included:

i) one city one tax base
ii) writing off of service arrears
iii) transfer of municipal houses
iv) upgrading of services
v) affordable service tariffs
vi) democratically elected local government

The negotiations which began in 1989 led to an agreement signed in September 1990. The agreement came to be called the "Soweto Accord". Some of the key elements of the agreement include:

i) writing off of the service areas amounting to R516,2 million then
ii) termination of the rent boycott
iii) establishment of a Forum to negotiate a new local government di' ensation guided by the principles of democracy and one city one tone base (Tomlinson, 1998).

THE CENTRAL WITS WATERSRAND METROPOLITAN CHAMBER

The Forum agreed to in the Soweto Accord was established in the form of the Central Witwatersrand Metropolitan Chamber. This was basically a Forum of key roleplayers to negotiate a new local government dispensation for Johannesburg and its constituent parts. The Chamber, established in April 1991, comprised the Soweto Civic Association, other Civics from in and around Johannesburg, the Johannesburg City Council and 10 other Councils from Constituent parts of the city. Business organisations and Development agencies joined later on an observer status.

The charnber sought to:

i) investigate and formulate non-racial, democratic Metropolitan and local government structures

ii) formulate development frameworks

iii) attend to local government finance issues

iv) agree on interim governance arrangements (Benner; 1994)

In order to systematically attend to these issues, the Chamber created a bureaucracy with 6 working groups and a number of Subcommittees. The Groups established were;

i) Constitutional Development Group

ii) Institutional Development Group

iii) Social development Group

iv) Economic development Group

v) Physical Development Group

vi) Financial Group

The full structure of the Chamber is attached.

A lot of work was done in these working groups. The working group drew a lot from a network of NGO activists who were primarily supporting the civic delegations. During the negotiations, the Constitutional working group observed that the issues of local government structures, powers and functions required a national policy or legislative framework. As Benner observes:

"The Constitutional working group developed a series of guiding principles for the interim dispensation and started developing for the interim Metropolitan Authority. Without the statutory authority, the proposal for a Metropolitan authority could not be enforced" (Benner: 1994, p26).

Consequently a national Local Government Negotiating Forum was established. The Forum, using, the model of the Metro Chamber, developed an interim legislation, the Local Government Transition Act in 1993 to provide the required framework.

THE LGTA AND THE PRE-INTERIM PHASE

The Chamber structure, debates and the proposed process for managing transition at a local level, served as a blueprint for the Local Government Transition Act.

That is:

"The Chamber initiated the idea of a phased transition that was eventually adopted in the Local Government Transition Act "(Benner, 1994, p. 25).

The Act required all Councils to establish local negotiating forums to negotiate interim arrangements for local governance. It required the Forum to be made of 50/50 statutory and nonstatutory components. It also outlined the phased process of transition. The process was made up of:

i) Pre-interim phase - local forums to negotiate change;
ii) Interim phase - establishment of structures elected after 1995 municipal elections;
iii) Final phase - establishment of structures after the finalisation of the constitution and national policy outlining future vision of local government

The Chamber accordingly, changed and became the Greater Johannesburg Local Negotiating Forum. The Forum was established for political parties to:

"... negotiate locally appropriate solutions consistent with the principles of non-racialism, democracy, accountability and one tax base. The task was to establish a new local government structure during the pre-interim phase". (Tomlinson, 1998; p. 6).

The Forum established 6 working committees. There were:

i) Boundary committee
ii) Structure and composition committee
iii) Powers and functions committee

iv) Administrative reorganisation committee

v) Capital and operating Finances

vi) Projects and urban infrastructure Committees

The parties in the Forum negotiated boundaries without agreement. It became clear at that time that the demarcation was a politically loaded issue. Those is power favoured minimal change if no retention of the status quo, while the non-statutory forces demanded radical change guided by the principles of redistribution and integration of the city. The debate ensued until the matter was taken to arbitration. The arbitration ruled in favour of a Metro with 7 Metropolitan Substructures.

Following the arbitration, the Substructures were promulgated in Proclamation 24 by the Gauteng Provincial Administration on 1 December 1994. The Proclamation also required the Metro to develop management plans within 6 months. The Metro had to submit plans on how they were going to amalgamate the administrations of the former 13 Councils across the Metro. That is:

"Each MSS had to prepare and submit detailed management plans to the Greater Johannesburg Metropolitan Council that addressed their newly agreed powers and functions and provided the necessary organisational structure, budgets, institutional and administrative requirements and implementation programme". (Tomlinson, 1998, p. 7).

In terms of the Proclamation, all the powers were vested in the Metro which had to share them with the Substructures. The result was that Councillors at the Metro Substructures did not have powers and functions and they could not function. That is:

"The potential for conflictual relations was a real threat: 140 new appointed MSS Councillors were eager to exercise powers as soon as possible. Another pressure was that staff uncertainty could only be resolved when the allocation of powers and functions were resolved. The staff of the dissolved administration were anxious to find out whom they worked for (Padayachee, 1996, 341).

Due to this climate of uncertainty, staff got confused, anxious and demoralised. In view of these, the Metro established the Joint Negotiating Committee to attend to the complex task of dividing powers and functions between the Metro and the Substructures. The was indeed a complex exercise and as Padayachee notes:

"The first task of the Joint Negotiating Forum (Committee) was to make sense of Schedule 2. This involved defining each power - which was not a simple task. The debate went something like: Where does "bulk" water supply stop and local water supplies begin? Is this a logical point to split water functions between the TMC and MSS organisations? Does the logical "political" cut off point? When is planning Metropolitan and when isn't it? When does "coordination become "interference? (Padayachee: 1996 p 342).

While finalising the powers and functions, the issue of the boundaries resurfaced early in 1995. This was because the MEC responsible for local government in Gauteng had raised some disquiet about the sustainability of the 7 Metro Substructures as well as the implications that could have on the intended redistribution of resources to the poor. The Gauteng Demarcation Board was divided over the issue as they were preparing a submission to the Premier. The matter was finally left to the Special Electoral Court. In June 1995, the court ruled in favour of the Metro with four Substructures. This option had already gained support within the ANC circles. Subsequently, the Provincial government issued Proclamation 42 to establish the Metro with 4 Substructures on 1 September 1995. A related Proclamation 35 setting out powers and functions for the Metro and the Substructures was issued at about the same time. As one respondent highlighted :

"The proclamations did not help the situation. The provisions of the latest proclamation went against the progress that the Joint Negotiating Forum had made. It vaguely gave the Metro concurrent powers and functions with the Substructures. This threw the process of clarifying powers in complete disarray. It did not assist stabilise the Metro, It paralysed -- the administration, created inertia, disillusionment and demoralisation among staff. The culture of corruption and loss of discipline crept in". (Interview, Fihla)

The other one emphasised:

"The provincial leadership completely undermined the work done by the Joint Negotiating Forum and threw the city into the state of fragmentation and disunity ever since the Soweto Accord" (Interview, Moloi)

The proclamation was not clear and this did not resolve the issue about the division of powers and functions. However the leadership decided to hold the issue over until after the local government elections.

THE ESTABLISHMENT OF THE CURRENT METRO

The elections took place on 1 November 1995. The ANC won elections with two thirds majorities except for the Eastern Substructures. All in all the Metro had 270 Councillors with 50 at the central Metro (Tomlinson, 1998). Soon after the elections, the Metro continued on the work of integrating the administration of the erstwhile 13 councils. This was done through a clustering process. As one respondent observed:

"This was essentially a cut and paste exercise" (Interview, Wooldridge).

The process involved identifying critical focus areas and ordering structures in line therewith. The process created new posts especially at a senior level. A new three layered hierarchy of management was created with positions like Chief Executive Officers, Strategic Executives and Executive officers. This led to:

i) duplication of posts;
ii) creation of a top-heavy structure;
iii) high personnel costs; and
iv) resignation of senior personnel (Tomlinson: 1998).

The administrative reorganisation of the Metro, which started in 1994, made the Council to be internally focused rather than focusing on service delivery. As one respondent observed:

"The organisation got internally focused because a lot of time was spent on planning and coordination meetings. This made delivery to suffer and the service backlog increase" (Interview, Fihla)

The one respondent added:

"We spent a good two years focusing on the internal operations of the municipality. This inadvertently made us forget about people's needs and the bigger implications thereof" (Interview, Moloi)

THE JOHANNESBURG METRO FROM 1997

By October 1997, it was becoming clear that the Metro was in deep financial crisis. The council had a deficit projected at R2 billion by the end of 1997/8, and could not pay their creditors, including Eskom which was owned about R300 million (Tomlinson: 1998). The details about the crisis will be addressed later.

Given the magnitude of the financial crisis, the MEC responsible for local government issued a Proclamation in October 1997. This followed a series of interactions with key roleplayers. This will be explored in detail in the following chapters. The proclamation which came to be known as the October Notice required the Metro to establish a Committee of Ten to address various financial, institutional and service delivery difficulties that led to the crisis. The Committee of Ten was made up of key Councillors from the Metro and its Substructures. The Committee was further beefed up by consultants.

By the time the Committee was established, the Metro had already formed the Chairperson's Forum. The Forum had already started a process of Organisational Review precipitated by intractable institutional problems besetting the Council at that time. The review was undertaken by a team of consultants from PriceWaterhouse (Fihla: 1997). Given the similarity in the brief of both Organisational Review and the Committee of Ten, the latter with a bigger political clout, took over the review project. At that point it was clear that the political leadership had lost confidence in the management of Council. As the respondent notes:

"During this phase there was serious tension between political and the administrative leadership due to the crisis. The political leadership had lost confidence in the administration as they were reportedly unable to pick up the financial crisis and inform the leadership in advance"(Interview, Moloi).

Another Proclamation was issued in April 1993. The Proclamation sought to extend the Committee to 15 members. The idea was to include members from other political parties.

The organisational review report that went through various stages revealed that:

1) the staff establishment shot up (29000 to 48000) with considerable increase in personnel costs;

2) the newly created posts caused major duplications and turf battles largely attributable concurrent division of powers;

3) the administration structure was top-heavy;

the Metro experienced a high turnover of skilled managers due to uncertainties cause by the transition period.

5) there was lack of management capacity;

6) the organisation was internally focused for a long-time during transition and the seriously affected service delivery;

7) most of new posts were created without due regard to functions involved;

8) there was general decline in discipline;

9) an amalgamation of administrations was not done effectively as different people were still governed by different sets of conditions of employment; and

10) the Council had conflated roles of regulator/operator as well as core and non-core services.

On the basis of these, the report proposed a complete reorganisation of the Metro. It made proposals on the political structures of the Metro, organisational restructuring and restructuring of municipal services.

In the main, it proposed that a unicity model be established, the Council cut down on staff, a single administration be established, an evaluation of service delivery strategies be undertaken with a view to reduce Council involvement with non-core services.

During August 1998, the Committee of 15 convened a workshop at Shangri - LA to discuss the recommendations of the organisational review. The workshop, which saw the management reasserting themselves, agreed on the broad principles and strategy for change. In order to implement the recommendations, the council established Transformation Lekgotla which is a section 60 committee. In effect, the Lekgotla replaced the Committee of 15 whose term ended in November 1998. The Transformation Lekgotla has Councillor Kenny Fihla as its Chairperson. In January, the Lekgotla appointed the City Manager to implement the recommendations. The City Manager, Ketso Gordhan immediately consulted various roleplayers and convened "Bite the Bullet" workshop early in January to finalise a change programme with plans. The workshop led to what is today called Igoli 2002.

The Lekgotla was meant to:

i) Coordinate the substructural finance and budget;
ii) Direct organisational transformation and design;
iii) Oversee the issues leading up year 2000;
iv) Coordinate and initiate infrastructure and service delivery;
v) Provide a communication facility; and
vi) Drive planning and urbanisation.

Igoli 2002 is essentially a plan that seeks to deal with restructuring of political and administrative structures of Council as well as finance improve management and service delivery for the city. The plan proposes the establishment of a unicity governance structure, establishment of a single and lean administration with the creation of utilities, agencies, corporatised entities, various service and privatisation asserts. It also has a package of initiatives to reduce Council deficit and stabilise its finances. This is the plan has caused major conflicts between the Metro and Municipal Unions, SAMWU and IMATU. The Metro has started to implement certain elements of the plan while much is to happen soon after the next local government elections.

The purpose of the study is to investigate what have been the key levers of the change process in the Metro from 1995 - 1999. The background above presents a bit of a murky picture. There appears to have been a role for financial crisis, interventions from other spheres, community pressure and leadership. The next chapters will therefore go into each of these factors in detail and finally provide an analysis with clear propositions. It will however be the contention of the study that at the various points financial crisis created the need to change, external pressure forced council to change, interventions from other spheres forced and facilitated change while strong elements within the leadership drove the change process, masked as Council process.

The study will also reveal important lessons from the change process for national government in its endeavour to bring about change in local government.

CHAPTER 4

THE FINANCIAL CRISIS

Much has been said about the financial crisis as a key lever of change in the Johannesburg Metro. Indeed finance is the lifeblood of any organisation and if there are indications that there are problems in that regard, it would be inevitable that the organisation will shake up. As one respondent observes.

"Finances are usually the last indicator of the organisational crisis. Immediately you are there, it gets you to behave dramatically".(Interview, Momoniat)

But can the significance of the financial crisis on its own be elevated to the thing that changed Johannesburg? An assertion in the affirmative would need to explain why there has not been similar changes in many other municipalities that are going through major financial crisis. It would be useful to first look at the financial crisis and do an analysis of this as lever for change.

ROOTS OF THE FINANCIAL CRISIS

By the time the current Metro was established, it inherited huge debts from the previous Council. In 1999, the debt stood at R721 million (Igoli 2002: GJMC). The larger part of the debt is accounted for by wasteful expenditure or investment in the acquisition of assets few years before the new Council took over. This include the building of the Johannesburg stadium. The new Council was therefore seated with the debt and had to service it at huge costs for infrastructure development and service delivery.

When the new Metro was established, it inherited a staff establishment of 29 000 people spread across the 13 erstwhile Local Councils. In an attempt to reorganise the administration, the city leadership leaned more towards creating posts that would attract progressives who ultimately came from the NGO's, civic and "progressive" political movements at that time. This saw the staff establishment shooting up from 29 000 to 48 000. Even though the organisational review report demystified these figures as exaggerated, the number of posts went up in real terms.

To compound the problem, these posts were largely at a senior management level with added benefits. The Metro basically created three new layers of management. This was done without regard to cost implications for the Council. Consequently, this shot up the personnel costs. Added to this was the absence of a proper payroll system. This was largely because the Council had not succeeded to develop common set of conditions of employment for different people. This therefore made it impossible for the Council to budget properly for personnel costs. In the absence of this, personnel costs shot up dramatically.

The Council operated a single balance budgeting system and the General Account for revenue for the entire Metro. This meant that the Council's financial management was centralised. It means that the centre managed finances while the substructures could spend. This led to lack of financial accountability at the substructure level. Consequently the substructure could spend and if they exceed the limit, the Council could just make internal adjustments and move funds around to the visible areas deficiencies. This brought untold chaos to Council funds as there were no control systems and accountability. An attempt to decentralise budget controls in 1997 did not help matters. it fragmented the system and compromised the ideals of redistribution.

The Metro also did not have a proper credit control system and measures. By 1998, the Council was owed something in the region of R2 billion with R7.90 million owned in the Southern Substructure. (Tomlinson: 1998). More than the unwillingness of residents to pay, the Council simply did not have a proper billing system. They also did not have the political will to enforce credit control measures, especially in the South, even after the national government issued guidelines on credit control in 1998. Moreover, there was a loss as some electricity and water could not be accounted for. This has largely been blamed on fraud and pirate connection by communities.

Further, the Council continued to budget on the basis of 100% payment levels. This was a problem, because that was unfortunately not the true reflection of the situation. Therefore the Council budgeting style inevitably led the Council to settle with a deficit year in year out because the reality was that there was about 92% payment levels on averages.

The Sandton rates boycott threw spanner in the works. The Eastern Metro increased rates from 2,65 cents to 6,45 cents. This was an increase of about 300% (Parnell et a., 2000). The ratepayers protested bitterly and during this period the council incurred major losses.

The Council also went on an ambitious capital investment programme at the beginning. Understandably this was a new Council trying to respond to infrastructure backlogs, especially in the previously disadvantaged areas. However this was done without due regard to Council's financial position. The 1996/97 capital budget was about R1.7 billion. However due to financial problems the budget was reduced to R500 million.

The Council's equitable share has also been on a constant decline. Since 1995. In terms of government policy the primary consideration for the allocation of the equitable share has been the sufficiency of the tax base in various jurisdictions. On an understanding that Johannesburg has a good tax base, their share has been dwindling steadily. The figures provided are:

YEAR	AMOUNT
1994/5	R185 million
1995/6	R92 million
1996/7	R48 million
1998/9	R34 million

Parnell et al., 2000

Due to its inability to pay creditors, the Metro's credit rating went down dramatically. They could no longer secure loans from domestic financial institutions. In view of this, the Council attempted to secure a loan from Sumitomo Bank in Japan. This was a foreign loan and thus was refused by the Department of Finance (Tomlinson: 1998). The Department of Finance does not allow local government to secure foreign loans unless consent is given by the Minister. (This is due to the Department's view that this may affect the credit rating of the country in international financial markets. By this time the Council had started to incure expenditure in anticipation of the granting of the loan. When the Department of Finance turn the loan down, the Council was thrown into deep trouble. As one respondent noted.

"At this time they had not fully comprehended the extent of the crisis. This was skillfully hidden from them by responsible officers. It was only until one expert visiting us in the Department began to ask serious questions when I had a meeting with the Finance Director at the Greater Johannesburg Metropolitan Council. Following investigation it became clear that the city was seriously in the red"(Interview, Momoniat)

By the middle of 1997 it was revealed that the city:

i) was experiencing a negat: , cash flow of R130 million a month;
ii) could not pay creditors including Eskom (R300 million);
iii) projected a deficit of R2 billion by the end of 1997/8;
iv) had depleted its cash reserves;
v) could not raise loans

The stark reality of the city going down was facing the political leadership in their face. Something drastic had to be done. The Council began to make approaches to the Department of Finance. It was at this point that the foreign loan issue was raised. Moreover, the Council leadership requested the Minist:y of Finance to increase their equitable share. In both cases, the Department refused.

"It was only in September that some members of the administration approached some members of the leadership of Council to consider drastic measures aimed at salvaging the city. Few members of the leadership thus approached the Department of Finance and the Department of Local Government in Gauteng. Consequently, the Minister of Finance called a meeting with the Minister of Provincial Affairs and Constitutional Development and the MEC responsible for Local Government. It was this meeting that resolved that a Proclamation be issued to establish a structure above Council to address the financial crisis facing the city"(Interview, Moloi)

The picture that is emerging from above is one where different factors and actors are involved. It is clear however that the financial crisis got everybody thinking about change in 1997. It also appears that had it not been for the financial crisis the actors involved would not have thought about change.

As one respondent confirmed:

"Had it not been for the financial crisis, there could not have been an action to remedy the situation. We would not be where we are now" (Interview, Momoniat).

The other respondent added:

"Even though initially we were fighting the Department of Finance, I am glad that the loan (Sumitomo) was finally not granted because we would otherwise not have realised the extent of the crisis and acted on it" (Interview, Fihla).

Another respondent asserted:

"The financial crisis gave a push to Johannesburg for change to take place". (Interview, Heymans)

The other respondent explained:

"A lot of things were going wrong around here and we had to use the financial crisis to initiate. Had it not been for the crisis, we would not have addressed these issues" (Interview, Moloi).

The above statements sound the same but do not necessarily carry the same meaning. The first one suggests that the crisis got the Metro leadership to begin thinking about change. The second one suggests that what got the Metro thinking about change was not so much the financial position of the Council but the response of the Department of Finance when asked to assist. This is significant because even though it relates to the crisis, the issue was far more about the pressure from national. The third and fourth statements seem to suggest that the added an impetus and created opportunities for change. This is important because it highlights the crisis as a facilitator of change then only as a cause.

These differences of opinions among the interviewees are important if the role of the financial crisis in the change in process is to be understood. An official at the Department of Finance would worry about the financial position of municipality and thus sees it as a cause for change. On the other hand the Councillor in a municipality would worry about the political image and implications the financial crisis may cause for the Council. Therefore attitudes of the national Ministers would be a cause for change than simply the financial position. The view of the senior official is even more interesting because it suggests that the crisis was long coming and that it was just a matter of when it would come to enable change. It was therefore not a cause for change but an opportunity for change.

The financial crisis has various elements to it. One is the financial position, two is the implications thereof. It would therefore seem that to the Council leadership, the issue was not so much the state of finances but the implications that would have for the Council. The local ANC leadership in the Council in particular was worried about the perception of national leadership as well as the reaction of media and business but in particular the communities, especially from the disadvantaged areas.

As one responded noted:

"We were under extreme pressure from national as they refused us a loan as well as an increase on the IGGs. On the other hand there was extreme pressure from poor communities as had to cut the capital budget from R1,7 billion to only R500 million. There was pressure on Councillors they had to go and explain these cuts to their wards" (Interview, Fihla).

It would therefore be argued that the financial crisis made the Metro leadership vulnerable and susceptible to external pressures. It was only after the Finance Department became firm with the leadership that they began act drastically. Therefore it is not so much that the leadership was acting to improve the finances of the city per se but it was an action to respond to external pressures. Therefore the financial situation of the city on its own did not bring about change but created basis for external pressure to bear on Council leadership which is the one that finally acted to bring about change.

As the study will show later, it is the ANC leadership of the Council that initiated the process that culminated into the October Notice, contrary to popular belief. It is also important to note that to management of Council, the crisis offered opportunities for change.

However, the study will argue later that even though the Council was under extreme pressure, it is them who acted to bring about change. Equally, it is true that the financial crisis, especially its implications do cause organisations to act. However the course of the action, notwithstanding, will by and large be determined by the leadership. The city of Philadelphia in the US went through a similar crisis in the early 1990's. In spite of pressure from the Federal government and the Business lobby, the Council went on to take own decisions in dealing with the crisis. Incidentally, they also went the route of corporatisation of municipal services. (Adams: 1991).

CHAPTER 5
NATIONAL AND PROVINCIAL INTERVENTIONS

At the Institute for Local Government (INLOGOV) Conference in 1996, the then Chairperson of the Portfolio Committee on Constitutional Affairs, Mr Pravin Gordhan said:

"One of the challenges that we face is how do you merge local options, local choices, local plans with national directions, national policies and national orientations". (Gordhan, 1996, p. 6).

Put differently:

"How can we create openings for local choice without undermining a national direction, national policy, a national framework within which we prefer to work. We need to strike a balance between local autonomy on the one hand and at this point in our situation, a push coming preferably from national government to say, this is the new orientation that we need to take in local government". (Gordhan, 1996, p.3-4).

Gordhan was going to the heart of the debates about local government within an intergovernmental relations system. He was dealing with the question of the nature and extent of national and provincial influence over local government. This conference happened soon after the new Constitution was adopted by Parliament.

Soon after Gordhan, Boraine who was then a senior official in the Department of Provincial Affairs and Constitutional Development retorted:

"Local government as sphere is clearly protected from unwarranted or unnecessary or unreasonable interference by other spheres of government. There is an insulation tape between local government and other spheres of government". (Boraine, 1996, p. 8).

Boraine (1996) further made reference to a number of other provisions in the new Constitution which set out a framework and checks and balances to manage the relations between the three spheres of government.

Four years after that conference, the debate about the status of local government versus other spheres rages on. Many municipalities still feel that they are treated like junior partners by national and provincial governments due to perceived want on interference by national and provincial government in local government affairs.

In the context of Johannesburg, there is a perception that the city's change process has been driven by national and provincial government. This chapter will attempt to look at the role and impact of national and provincial initiatives on the change process from 1995. It would be useful to first look at the intergovernment of relations framework as set out in the Constitution. The Chapter will go further to look at this framework in the context of Johannesburg's change process. An analysis of the impact government initiatives will be provided at the end.

INTERGOVERNMENTAL RELATIONS FRAMEWORK

The chapter will draw largely from the constitution. The chapters dealing with cooperative governance, local government, national and provincial competencies or powers and functions are particularly relevant for our purpose. In terms of the cooperative governance framework, each sphere of government has its own powers and functions but can only exercise those in respect and cooperation with others in a single state. These powers and functions will be elaborated below.

NATIONAL GOVERNMENT

In terms of the Constitution, broadly speaking national government has the responsibility to develop policy and legislation, monitor and support the implementation thereof. In respect of local government policy and legislation, the Departments of Finance and Provincial and Local Government will be the lead departments nationally.

In brief, these Departments have so far respectively developed policies such as the following for our purposes:

i) White Paper on Local Government
ii) Equitable share of national revenue
iii) General acceptable accounting practices
iv) Municipal Service Partnerships Policy framework

The Departments also passed the following laws:

i) The Local Government Transition Act
ii) Municipal Structures Act
iii) Municipal Demarcation Act
iv) *Treasury Control Act*

The Municipal Systems Bill that inter alia deals with IDP's and Performance Management Systems is underway.

For monitoring purposes, the Department of Provincial and Local Government initiated a Project Viability programme. The aim of the programme is to monitor and support municipalities on finance matters. The programme has established Municipal Support Programmes (MSPs) in the provinces.

In terms of supporting municipalities, the Department of Provincial and Local Government runs a Consolidated Municipal Infrastructure Programme. This is a grant programme supported by the national Treasury. For this financial year, there is an amount to the tune of R795 million allocated for the programme. Municipalities apply for funds and those with severe infrastructure backlogs accompanied by low tax base are prioritised.

The Department of Provincial and Local Government also has a capacity building programme. The main brief of the programme is to mobilise funds and support capacity building efforts.

This, it does through the Local Government Training Board and the Local Government Transformation Programme. This is a recent initiative launched in 1999 to create a central pool of funds from the donor community and support capacity building programmes geared towards implementing the White Paper.

PROVINCIAL GOVERNMENT

In terms of the Constitution, the Provincial governments have the responsibility to develop subordinate policy and legislation to give effect to nationally agreed frameworks. In respect of local government, Provincial governments have a monitoring and oversight role. They have the responsibility, in terms of Section 139 of the Constitution to initiate interventions when municipalities fail to perform executive functions.

LOCAL GOVERNMENT

In terms of the Constitution, local government is a sphere on its own right. For the first time it derives its origin from the Constitution. It powers and functions are, broadly speaking, stipulated in the Constitution. The Constitution gives the municipalities the right to govern on own initiative and exercise powers subject to national legislation.

NATIONAL FRAMEWORK AND JOHANNESBURG

This framework is important in understanding the role or impact of national and provincial government in the change process of the Greater Johannesburg Metropolitan Council.

What this framework does, is that it portrays national government as setting out broad policy and legislative frameworks on political and regulatory aspects of local government transformation while leaving the provinces to give uniformity in respect of their peculiar conditions and allow local government to innovate and give practical meaning to the change process.

When the new Council assumed power in 1995, the LGTA was in place together with the Proclamation 24 that established the Council. Although these did not resolve all the challenges facing the council at a time, they created an initial legal framework from which the Council could operate. In this sense, national and provincial facilitated the change process in the Council's early days.

However, given difficulties bequeathed to Council by the inadequacies of the Provincial Proclamations, the Council leadership took the problems head on. In particular, the lack of clarity on powers and functions saw the leadership of Council initiating processes and structures to encourage city-wide planning and coordination. Structures like Mayor's Forum, the Chairperson's Forum, Management Committee (CEO's) were established. The Chairperson's Forum provided leadership on critical Metro wide issues. Whether they made correct decisions or not is another issue. There is however an acceptance that many of Councillors, especially those from the political movements were inexperienced and did not have adequate understanding of issues.

As one respondent noted:

"Like any other municipality in the country, we had difficulties at the beginning of transition because the movement had not developed a clear policy framework and many of us were new in this field. This therefore posed serious challenges to us as we had to make decisions about the issues affecting the lives of people out there. We wanted too much to soon" (Interview, Fihla).

Another respondent added:

"When the new Greater Johannesburg Metropolitan Council was formed, you had young political leadership with not much experience. As a result, they made a lot of unwise investments" (Interview, Momoniat).

Be that as it may, the Council leadership on its own grappled with very difficult issues of transition. They had to deal with fragmented billing, personnel, and organisational systems from the old order.

Fully supported by their new cadre of management leadership recruited from the NGO and Civic movement Sectors, the political leadership had to bite the bullet in what became an important learning process between 1995 and 1997.

When the financial crisis deepened in 1997, the ANC component of the Council approached the Department of Finance. However the Department refused to grant them funds as well as the foreign loan. In this instance, the national government executed its oversight responsibility.

It was this response that made the Council leadership realise the seriousness of the situation. Few members of management and the ANC component informally discussed the situation with the Ministers of Finance, Provincial Affairs and Constitutional Development and the MEC for local government in the Gauteng Province. Considering the implications of such an important city going down, the MEC was requested to issue a proclamation. Again here, the Province was using its supervisory power to effect change in the Metro. However, contrary to popular belief, this was not a provincially imposed initiative but a collective effort with key elements of the ANC component of the Council.

That is:

"The crisis confronting the city was addressed by the Council's leadership, working in cooperation with the Gauteng MEC: Local Government. In October 1997, it was agreed that a unified, Metropolitan-wide initiative was necessary to strategically focus on the critical problems facing the city. As a result, Committee of Ten (and later the Committee of fifteen) was established (GJMC, 1999, p. 5).

Actually, the proclamation was written by a small informal Committee of politicians and officials. The official concerned would not want to be quoted on this one given its sensitivity.

Soon after the proclamation was issued, the process was left to the Council leadership to handle. The Committee of Ten/Fifteen was basically Councillors from the Metro and its Substructures.

The Province had provided legislative framework to facilitate the change process. It was not about the Province running the change process. Other commentators have gone as for as suggesting that the control of the city was taken over by the Department of Finance and Gauteng government between 1997 and 1998 (Parnell et al., 2000).

Following the early reports of the Organisational Review Process, the Council began to look at options for the future of the Metro. At this time, the White Paper process was in motion on the basis of their experiences, the Metro greatly influenced the policy process to an extent that other commentators argue that the White Paper was written with Johannesburg in mind.

When the White Paper was finalised and subsequently the Municipal Structures Act and the Demarcation Act, the Council began to use these as frameworks informing their plans. At this point therefore the national policy and legislation came to facilitate change process in Johannesburg.

It would therefore be argued that the national and provincial spheres of government simply created policy and legislative frameworks for the leadership of Council to drive the change process. They facilitated change rather than driving it. It is however true that using its oversight role the Department of Finance forced the leadership to act on the change process. In this regard, therefore, the national government triggered change the change process. In other words the national and provincial government, in the normal course of events, created necessary frameworks to facilitate change. However, in view of the crisis the national and government forced the leadership to think and act on change. Again, the financial crisis made the Council leadership to be vulnerable to these pressures which ultimately made them act.

CHAPTER 6
EXTERNAL PUBLIC PRESSURE

The extent to which an organisation can change because of pressures from external forces is a subject widely dealt with in the literature on organisational theory. This chapter seeks to look at the extent to which the change process in the Johannesburg Metro was brought by external pressures. In particular, the chapter will look at the impact of pressures from communities and their structures, Business and media between 1995 and 1999. To this end, the chapter will first look at the government's assumptions about change process, theories of the impact of the impact of external pressures on organisational change, locate these in the context of the change process in Johannesburg.

At the beginning of the transition process, there was little theorisation about exactly how change could be effected in local government. All what was here was an outline of a broad political process of local government transformation. That is, the pre-interim, interim and final phase. It also appears as though government then was to rely on its oversight role using legislation and other interventions like capacity building. These were elements of a mundane strategy that did not have a clear theory to put coherence to it.

Some respondents confirmed.

"It is indeed true that in the early days there was little theorisation about how change could be brought about. Government's major concern was to develop national policy and regulatory frameworks to free local government from old and archaic rules that would hamper their ability to deliver. Government was concerned with the capacity of local government to deliver. It was for this reason that capacity building and support was the talk of the day. Programmes such as the EMIP, (now CMIP) training and capacity building emerged out of this understanding"(Interview, Olver)

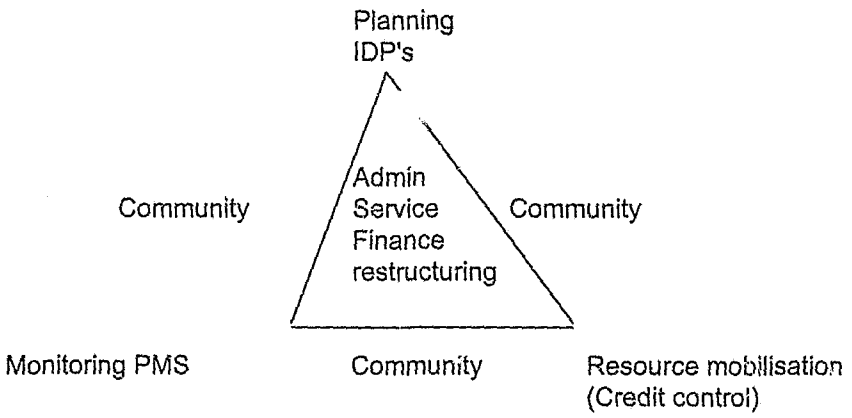
It should, however, be noted that it has always been the view of government that local government should work with local stakeholders. This was hardly surprising because the new local government incumbents were largely drawn from community structures and that the elections happened at a time when the notion of governance was gaining wide currency in the country. However, communities were seen largely cooperative terms. It was a case of getting local authorities working with communities with an assumption that they will always cooperate and that would legitimise local government programmes, promote collective ownership and thus ensure sustainability.

It is only recently that government is beginning to give some kind of structure to the strategy of bringing about change in local government. The key elements of that structure emerged from the process of conceptualising the implementation of the White Paper. In a document entitled "A Support Framework For Implementing The Local Government White Paper: Concept document", government was beginning to grapple with developing an understanding of what do various elements of the White Paper mean for each other in a single and coherent strategy for driving change in local government.

In a sense, the paper sought to suggest that government would develop legislation to deal with broad normative aspects of local government. This would include demarcation, structures and powers and functions. Further, government would develop a policy or legislative framework to support the notion of Developmental Local Government. Developmental local government was seen as resting on the development of integrated Development Plans (IDP's) and Performance Management System (PMS). Both of these were seen as essential instruments to bring about the change in the internal workings local government. More significantly, the document saw community participation as key to making these instruments bring about change. It is also important to note that the document saw the building of strong political leadership as key (Department of Constitutional Development: 1998).

After the passage of the Municipal Demarcation Act and Municipal Structures Act, the Department of Provincial and Local Government began to work on the Municipal System Bill. This is a Bill that is seen as a Developmental Local Government Bill for it contains key elements on which the notion rests.

In presenting the Bill, the then Head of Local Government at the Department of Provincial and Local Government would present the diagram below:



This is an important diagram. It suggests that the government sees IDP's and Performance Management as instruments to bring about change. However, more significantly it sees community participation as essential to create pressures for change throughout. In other words through involving communities in the planning process, in setting indicators, monitoring thereof and obliging municipalities to report to them, would empower them and thus create pressures for change. Through this pressure, municipalities will be forced to review and restructure their organisations, services and improve financial management. It is therefore clear that government places high premium on community pressure as a change agent.

This approach falls squarely within the classical theories on the impact of external pressure on organisations. In particular, the pluralist theory that proposes that outside forces create a power balance which enable them to influence decisions in organisations (Stoker: 1991). The elitist theory presents a different proposition. It proposes that in spite of the pressures, organisations can still resist change as they can select who to interact with and that outside groups are often fragmented and do not have resources (Stoker: 1991).

However, Stoker (1991) argues that these are archaic theories that can explain organisational change before the 1970's. Stoker goes on to look at various groupings that local government interests with at a local level. These are:

1) Cause groups - groups formed for a particular cause (e.g environmental groups)

2) Community groups - groups formed to pursue general community interests (e.g civics)

3) Producer/Economic groups - groups formed to protect special sector interests (e.g trade unions and Business organisations)

4) Voluntary groups - groups formed to work with local government in delivering particular services (e.g NGO's)

According to Stoker (1991) the pluralist/elitist theories only explains the interaction between the first three groups and local government. They do not explain the relationship local authorities have with the voluntary movements. He sees the voluntary movements as a phenomenon on the increase. That is

"The enhanced role for local government reflects the devastating impact of deindustrialisation on key localities but also the recognition of the limited ability of the nation state to any longer effectively manage economic matters without distinctive international and local impact. The implications for the future of welfare involve an increased financial constraints on local government spending, shifting responsibilities within the state, and an enhanced role for non-state providers including the profit seeking private sector, not for profits and voluntary organisations" (Stoker, 1991, p. 5).

This is what has come to be called 'urban regime theory' where it is argued that local government joins hands with other local actors to bring about delivery. This is an important understanding of how local government operates lately in line with the governance discourse. However this is not the only relation local government has at local level. There are other interest groups who engage with local authorities in somewhat oppositional fashion.

Johannesburg is a big city with a broad variety of organisational formations and interest groups with a stake in local government. Therefore the Metro has relationships with these groups in their different shades. These are:

GROUP	ORGANISATIONS
Voluntary	Homeless People's Federation, JAFTA, JISWA, PLANACT, etc.
Community	SANCO, SANFED etc
Producer/Economic	SAMWU, IMATU and Property companies

The city has related to these group differently. Those in the voluntary sector work with local government to deliver services. However the Council has had battles with community structures and trade unions at various points during the transition phase.

When the new Council was established there was great hope to previously disadvantage communities. They though they elected new political leadership that understand their conditions better. However between 1994 and 1996 there was no improvement in services as the Council was internally focused and absorbed into internal transformation issues. The communities raised concerns through their word representatives. However, there was never an open confrontation with Council.

When the financial crisis set in 1997, the Council reduced budget for capital programmes from R1,7 billion to just over R560 million. They went on to raise rates charges by over 300% in the Eastern side of the city. Both of these actions brought pressure on the Council.

The Councillors were under pressure from their wards especially in the South while residents from affluent suburbs boycotted payment of rates. The Council was quite sympathetic to the pressure from residents in the previously disadvantaged areas. They however stood firm against SANFED that represented the affluent suburbs. The Council however felt the pressure of media during this period. The Council went on to win the Constitutional judgement on split decision after SANFED filed papers 1999. Business, on the other hand, was moving from the city centre. In many ways this was seen as a vote of no confidence in the Council.

Even though they won the case, the Council was under pressure from angles.

As one respondent pointed out:

"We were under extreme pressure from national leadership, media and business. But the pressure point that proved important and key was the one coming from monthly ward meetings and ANC branch meetings. We were determined to engage SANFED as we thought their actions had racial undertones and sought to undermine transformation. I must admit however that we were probably excessive in our quest to achieve cross-subsidisation"(Interview, Fihla).

It is therefore clear that external pressure had a major impact on the change process especially after 1997. However not any kind of pressure because the Council, although worried, resisted pressure from wealthy suburbs. The ANC dominated Council got more worried by what one may call "own" constituencies. In a sense this confirms government's assumptions that if communities are actively involved in municipal affairs they will apply pressure which could force change. It also seems to confirm the pluralist assumptions that outsider forces create the necessary power balance with the result that change happens. The elitist theory seems to hold as well because the Council could choose whom to listen to. In this case they opted to listen to the pressure from disadvantaged communities what this points to is that there is relationship between where the pressure comes from and party politics. Again it could be argued that the financial crisis opened the Council up to external pressure.

However the pressure from communities and structures represented by the majority party impacted more on the leadership and this forced them to act. It is however the leadership that made decisions. That is, the ANC as a majority party, was concerned by pressure from the constituency it largely represents. So it could well be that the Party leadership in the Council felt their interests and positions were threatened due to unhappiness of own constituencies.

CHAPTER 7
LEADERSHIP

The last three chapters .n to suggest the centrality of leadership in change processes. The chapter will attempt to take a closer examination at the question of leadership. It will seek to understand what is considered good leadership, what makes leaders to lead and try to apply these in the context of the change process in the Greater Johannesburg Metropolitan Council. To this end, the chapter will briefly look at the theories of leadership and asses to what extent would they explain the impact leadership on the change process in Johannesburg.

The importance of leadership in organisations is traceable to the classical writings of Marxist theories on the restructuring of the State. Instrumental Marxists saw the State as an important instrument that could be used in the interest of the class that controls it. It is for this reason in many revolutions in the world, especially in the Third World, the liberation movements would target the seizure state power as of primary importance.

That is:

"Sustainable people-oriented development required the exercise of state power to transform the inherited economic and political economic institutions in favour of the disinherited". (Seidman, 1994, p. 146). Even in established democracies, Political Parties context elections in order to take control of the State. They do this to place their own leadership in the belief that it would bring about changes.

However in many cases, leadership ends up not living up to expectations. Giving an account of why the leadership of former liberation movements in the Third World ends up not succeeding in driving the change process for delivery, Seidman (1994) argues that the leadership get overwhelmed by the realities of state bureaucracy and the trappings of power that make them become the bureaucratic bourgeoisie (Seidman, et al., 1994).

Using the above analogy, this chapter would like to argue that Political Parties fought for elections in 1995 to place own people in leadership positions in order for their own people to transform the council for improved service delivery and development to previously disadvantaged areas. The Metropolitan government has gone through major changes from 1995 and the questions is to what extent can this changes be attributed to local leadership, and how should this leadership be understood in the context of the Metro and what are the factors that enabled it to fail or succeed in driving the change process.

How leaders make change happen in organisations has been a subject of extensive research in organisational theory. A number of theories have been posited in this regard. The first argues that leaders use their authority and knowledge or information to exert power and thus influence change. The second contends that leaders use different leadership styles to influence change. They can be democratic or autocratic in their style. The third asserts the role of personality traits in influencing change. The traits include vision, intelligence and creativity. Wallace defines a visionary as a leader who "will be able to envision possible change and plan for them, better than most managers (Wallace, et al., 1996, p. 48). The last contends that the ability of a leader to lead is a function of complex contingent factors including the relationship with the group s\he leads, the position or power he/she has, the environment and the nature of the task involved.

These theories are important in understanding leadership questions in the Johannesburg change process. In particular, the contingency theory which seems to suggest that the extent to which leaders succeed in using their power, abilities and styles to affect change depends in part, on a whole range of factors in 2 any given environment.

Ben-Elia argues that in organisations that are going through change, the leadership tends to succeed in driving change when it has gone through a process of learning, when they have developed strategic capacities and capabilities. He takes strategic capacity as personality trails like vision, creativity and so forth while strategic capabilities refer to the internal capacity of senior management. He argues that the organisations are able to cope with environmental pressures depending on the strength of their strategic capacities and capabilities as well as learning.

On the other hand, Barlow (1997) in seeking to understand how the leadership of a Hungarian local authority twinned with another from England, managed the change process, found that it was easy for them to when they had:

i) knowledge of facts;
ii) strong administrative leadership;
iii) clear legal frameworks; and
iv) mature political culture

Using the theories above, it could therefore be argued that between 1995-97, the Council leadership had difficulties in managing the change process because:

i) the task of transforming a local authority was not clearly defined. This was earlier confirmed by one of the respondent from the Metro;

ii) the lack of experience and political maturity. Again this was earlier confirmed by a number of respondents.

iii) the lack of knowledge of facts. It has been suggested that officials inherited from the old order hoarded information about council finances from the leadership.

iv) inexperienced administrative leadership. Soon after elections, the council appointed a new cadre of management, especially in the Substructures.

v) the legal framework was there but did not provide adequate clarity for Council. A clear example was the continued debate on powers and functions.

But this is not to suggest that the leadership was hopeless or a dismal failure. In spite of these difficulties, the Council took initiatives but the above factors constrained them severely. And this largely accounts for the inability of Council's leadership to sort out financial, administrative problems and improve service delivery during that period.

However, from 1997, when the financial crisis was deepening, the leadership was under severe pressure from national leadership, communities, business and media fraternity. In the face of these pressures the leadership was able to cope and continued to steer the change process because:

i) the leadership had learned lessons from the previous two years, gained some experience and developed strategic capabilities;

ii) information and facts about the council had been revealed. The Department of Finance had developed the Generally acceptable Accounting Practices which obliged officials to uniform Council;

iii) the legislative framework was in place, especially the Municipal Structures Act;

iv) the administrative leadership had also gained some experience and grown stronger; and

v) the task of transforming local authorities and become clearer with the White Paper in place and associated policies.

It must be noted however that one important factor that appears to have assisted the Johannesburg leadership, was the fact that many Councillors have strong background in civic and Community Structures accompanied by good qualifications in various fields that blended together to enable them deal with huge challenges they faced. Second, it should be noted that it may not be correct to assume that the Council Leadership was acting unison on all the issues. Not even the ANC component was. The change process in the Metro was in may ways a result of complex politics within the ANC component of Council both at a political and administrative level. By Council leadership, the study refers to few figures who dominated at various points from the ANC and who developed alliances with certain administrative leaders with ANC connections. One clear example was when few of these worked together to get the province intervene during the period of the financial crisis.

CHAPTER 8

DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

DISCUSSION

It is clear that during the pre-interim phase, especially under the reign of the Apartheid regime, there was no clear vision for local government. Initially, change was left to local actors as various local stakeholders sought to find solutions to governance issues. In formed by those processes, especially the Johannesburg experience, the government passed the Local Government Transitional Act in 1993 to formalise the negotiations and provide an overall process for local government transformation. As the White Paper acknowledges, the pre-interim phase sought to deal with immediate problems of local *governance more than providing a thoroughgoing transformation framework.* It was responding to political imperatives of that time, including changing political representation in local government, integrating municipalities across racially informed boundaries in line with one city one tax base slogan, amalgamating municipal administration and changing composition reprioritising budgets to meet immediate infrastructure and service backlogs in previously disadvantaged areas.

These were changes in form rather than content. This was hardly surprising as the changes happened at a time when there was little theorisation on local government policy even in the ANC which controls a majority of municipalities in the country. There was no comprehensive strategy that outlined what needed to be changed and how it would be done. These are the issues the White Paper on Local Government was expected to address. Reading the White Paper, it is clear that government sought to outline a broad *framework for transforming local government. It basically sought to change:*

(1) Municipal boundaries to bring about integration of the cities and towns and ensure sustainability of municipalities;

(2) Institutional systems to clarify the nature of municipalities, their roles, powers and functions;

(3) Political systems to provide for democratic representation in local government and clarify how power should be the exercised;

(4) Administrative systems to provide for more service delivery oriented administrations that are more efficient and effective; and

(5) Municipal finance to improve revenue base for municipalities as well as management thereof and thereby ensure financial viability.

In other words, the White Paper has a vision to transform municipalities into financially viable, spatially and economically integrated entities with clear powers and functions and that are democratic with administrations totally geared towards improved service delivery. To an extent, the White Paper, informed by the constitutional frameworks, also dealt with questions of how this change was to be brought about. The above issues were to be addressed by way of national legislation, systems and support mechanisms. To change the boundaries, institutional and political systems, government passed the Municipal Demarcation and Municipal Structures Acts of 1998 respectively while they are busy developing the Municipal Systems Bill to transform administrative systems and service delivery. In anticipation of the Bill, government has started to develop planning and performance management systems as well as municipal service partnerships guidelines to transform municipal administrations. In particular, government seems to think that with planning and performance management, communities will be empowered and thereby apply pressure for municipalities to change.

Government also has programmes to support and build capacity of municipalities. These include Equitable Share, Consolidated Municipal Infrastructure Programme (CMIP), Project Viability and several other capacity building initiatives.

Therefore it seems that government assumes that legislation, systems that empower communities and support mechanisms will ensure the desired change in local government. The question however is the extent to which these assumptions hold in the Johannesburg situation.

The Greater Johannesburg Metropolitan Council has gone through major changes in the past 4 years, especially in the areas of administrative reorganisation and service delivery strategies. As Tomlinson (1998) argues, the Metro has gone through a cyclical process of decentralisation and recentralisation. They have now recentralised political and administrative systems for improved service delivery in line with their pathfinding iGoli 2002 plan.

But what has been driving the change process in the Metro. As alluded to earlier, there are various theoretical approaches to the question. The first suggest that change in organisations is product of external factors. In the case of Johannesburg, these would be community pressure, varied national and provincial interventions, media and so forth. The second would contend that change is a result of internal factors. Again, in the Johannesburg case, these would be the financial crisis and internal leadership.

An examination of about the change process in Johannesburg seems to suggest that all the factors or actors played a role although to varying degrees and at different points in the process. The LGTA had set out a framework for changing institutional and political systems when the Council was formed in 1995. Further the Gauteng province issued proclamations to elaborate national legislation. However, these statutes provide broad frameworks not to mention the problems created by the Proclamations. It was the leadership of Council that had to give content and effect to these frameworks. During this period, there was no apparent financial crisis and not much community pressure. It has been argued that little community pressure, especially in previously disadvantaged areas, was due to sudden disengagement by the structures soon after the new government assumed power in the hope that it represented them and would deliver. After investigating the issue in Johannesburg, CASE found that

" Communities have a passive and expectant attitude to development and delivery. Residents were waiting for government to furnish resources and establish the mechanics of local level development"(CASE; 1998, p. 17).

Therefore during 1995/7, with the legislative frameworks in place, notwithstanding, no apparent financial crisis, minimal community pressure, the Council grappled with institutional transformation issues with little success due to the absence of clear local government policy and strategy and inexperienced leadership.

It could therefore be argued that with basic legislative frameworks, the national and provincial governments reinforced the leadership by creating an environment for change. In other words, during this period national and provincial government created a framework for change while the leadership managed and drove change.

The financial crisis started to show by the middle of 1997. At this time, there was minimal service delivery as the Council was consumed into internal issues for two years. The community pressure thus began to surface especially from the previously disadvantaged areas. This was also the time when the city's equitable share from national government was on a decline. The Council started to interact with the Department of Finance for assistance. This was a therefore the period when internal and external factors were beginning to impact on the Council. The leadership, at this point, had not fully comprehended the extent of the crisis and dismissed the Department of Finance and the little pressure that beginning to show. In other words, up to this point, the leadership continued to drive the change process and were hopeful that the crisis was a passing phase and the solution would be found sooner. In a sense therefore the leadership was able to ward off the external pressure.

From the late 1997, the leadership began to realise the full extent of the crisis and its implications. There was increased pressure from communities, especially those from the northern suburbs. The leadership in the national Departments were also beginning to be concerned. A small group of ANC aligned leaders from the Council and administration also started to be concerned. Due to these concerns about community pressure and that from the national leadership, resulting from the crisis, this small group of local leaders looked at the crisis as an opportunity to bring about a more change. They then took the initiative to mobilise for national and provincial intervention. The intervention came in the form a provincial proclamation to establish the Committees of 10 and 15 respectively.

During this period, therefore, it appears there was a relationship between the size of the crisis, the nature of the pressure, the political interest of the leadership and the change process. The pressure from the ANC constituencies and national leadership was mounting as a result of the financial situation of the Council, and the ANC leadership in the Council was getting worried about the future of the city and the implications that could have for their standing in the Party.. It was on these bases that the leadership acted on change.

Therefore the change was brought by a combination of internal and external factors. That is, the financial crisis forced the Council to cut the capital budget and increase rates inordinately in the suburb thus causing the community which in turn forced them to seek assistance from the national government which refused.

The national government used its oversight role to force the Council to think about change. Therefore the financial crisis created basis for pressure which forced the leadership to act and bring about change. In addition, the national and provincial government facilitated change through Proclamations. It is however important to note that it was pressure from the constituencies of the majority Party that made them to act for change. The refusal of the local leadership to change from the suburbs and earlier response from the Department of Finance confirms that the view that organisations do not just change in the face of pressure but make decisions on the basis of rational choices. In this case, the leadership of the Council had realised the extent of the crisis and its implications on the Council and thus made decisions. This also confirms the elitist theory's assumptions that even if there is external pressure, the organisations select who to listen to and determine the cause of action.

After the Transformation Lekgotla was established in 1998, the space was created for the Council leadership to continue the change process. Those who formed the small group were further entrenched as part of the central core of the Lekgotla leadership. At this point, the White Paper, the Municipal Service Partnerships Policy Framework, the Municipal Demarcation and Structures Acts were in place. These facilitated the change process by setting out a clear vision for change and provided the Lekgotla with legal basis for their change strategy. The iGoli 2002 is predicated on new policy and legislation.

The study has therefore shown that organisations operate in an environment with external forces that impact on them positively or negatively (Ben-Elia, 1996). However, the extent to which they do depends on various internal dynamics (Binney,1997) including the nature and size of the problems the organisation has, perceptions of the external pressure by leadership, the implications of the problems on the survival of the organisation and the strength of the leadership. The study has also shown that change is brought by acts of personalities (Spiropolous,1997) acting as change agents within leadership not the whole lot. The study has also shown that the leadership copes better with change when they have gone through the process of learning, when they know facts, when they developed strategic capacities and political maturity and when national legislative frameworks are clear (Ben-Elia,1996 and Barlow,1997).

CONCLUSION

In summary, the study has attempted to make sense of the change process in the Greater Johannesburg Metropolitan Council from 1995 to 1999. The study sought to understand what factors or levers have been during change process in the period under review. From an analysis of interview material, council documents and literature, the study found that four factors had particular roles of various points in the process. These are - the financial crisis, National and Provincial interventions, pressure from interest groups and Council leadership.

The study found that during the period 1995 – 1997 the financial crisis had not surfaced, there was minimal pressure on the Council, national and provincial government notwithstanding developed legislative frameworks to facilitate the change process. The leadership of Council did their bit to drive the change process but were hamstrung by objective factors like availability of information, lack of experience (especially the former non-statutory component) lack of legislative clarity and lack of understanding of the task involved in transforming local government.

The study further found that 1997-1999 was a crunch period for the Council. It was the period when the financial crisis set with pressures from national government, communities, business and media.

The study however argues that the financial did not on its own drive change but attitudes of national government and pressure from disadvantaged communities arising out of the crisis forced the leadership to think about change. In other words, the crisis created conditions where the council became more susceptible to external pressures for change. The study has however found that even in these difficult circumstances, the leadership of Council played a proactive role in bringing about change. They are the ones who requested provincial intervention. After the proclamation, they took over the process of dealing with the crisis themselves through the Committee of Ten/Fifteen.

The leadership was assisted by the fact that they had learned, gained experience, the challenge was clear and the legislative was in place. It is therefore the conclusion of the study that various factors contributed to the change process. The financial crisis opened the council up to external pressure, which forced change on Councils. However few figures in the political and administrative leadership of Council have been driving the change process, especially after 1997. National and provincial legislature frameworks facilitated the change process.

RECOMMENDATIONS

The Johannesburg change process holds important lessons for the national strategy on local government transformation. Firstly, there is a need to focus on developing strong political and administration leadership especially in the areas of leadership, financial management, planning, change management, strategic management, conflict management and organisational design. It is clear that if the council had these skills then they would have been able to deal with the challenges they face. As Bernstein insists:

"A new urbanisation policy requires political leadership of the highest order. The challenges that face the cities are essentially political in origin. Leadership is required that has vision, courage and ability

- to see all the linkages in our present development crisis

- to develop, articulate, and market the comprehensive package of policies that will comprise the new urbanisation strategy.

- to move decisively and take the necessary bold steps;

- to establish faith in the process necessary to sustain commitment and achieve results; and

- to take risks ... build alliances across ideological barriers". (Bernstein,: 1991, p. 330-331)

Secondly, is the issue of community participation. It is clear from the study that community pressure is vital in bringing about change. It is pleasing therefore that the Department of Provincial and Local Government is contemplating legislation (Municipal Systems Bill) that seeks to institutionalise community participation. The Bill sees participation of communities in planning, setting key performance indicators and monitoring as key to force change. This is true. But it is equally true that the Council appeared to have acted on pressure from the disadvantaged areas represented largely by the Majority Party. Further, the Council seem to have acted when the crisis was threatening the existence of Councils. It is therefore possible that Councils may ignore pressure on issues they feel are not serious enough and on pressure coming from constituencies not sufficiently represented in Council. There is therefore a need to device mechanisms that would give all pressure groups equal weighting, and that would force Council to disclose reasons for failure to act on concerns raised across the board. Participation through the wards seem to have been important pressure points. It is therefore important to device mechanisms to encourage community participation through wards and possibly attach more significance to them.

Thirdly, linked to the ward participation, is the need to explore recall mechanisms that would make sure communities have some control over their representatives. This is important because it could keep Councillors on their toes. And this may significantly tilt the balance of force in favour of communities and thus improve accountability. The study has revealed that the councillors from the disadvantaged felt that lack of delivery put their positions at risk. The pressure would have been felt even more if there were some recall mechanisms in place.

Fourthly, there is a need to strengthen monitoring mechanisms and systems for local government. This is even more so at a provincial level. Had it not been the accidental discovery of the financial crisis, the Metro would have closed shop by now. The Gauteng Department of Local Government, like other provinces has not been consistent and systematic in their monitoring role. They should have been the first to know about the crisis. A mechanism should also be found to oblige councillors to know about the state of Council finances. At the moment government has made it obligatory for officials to regularly report financial status of councils. There has to be reprocity in this regard.

Fifthly, the national and provincial legislation must be enabling and unambiguous to municipalities. The Council did not have to battle with the Proclamation which, in fact was meant to help them. It is also important that national government create an environment for a demand driven legislation. At this moment the legislation is a bit supply driven. The government needs to have a mechanism that will enable to know difficulties municipalities are faced with and on demand, develop legislation tailored to address problems in time.

Lastly, it is important that government tightens financial controls and stand firm on "bail outs" under no circumstance should councils be bailed out for this will force them to change. This is the position endorsed by the ANC (ANC: 1997).

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APPENDIX A: LIST OF PEOPLE INTERVIEWED

1.	Chris Heymans, 20 January2000	-	Consultant/Researcher for the White Paper on local government.
2.	Kenny Fihla, 25 January 2000	-	Chairperson, Transformation Lekgotla
3.	Dominique Wooldridge, 25 January 2000	-	Researcher for the White Paper and former consult with the Metro.
4.	Pascal Moloi, 1 February 2000	-	Manager, Transformation Programme, at the Metro
5.	Roland Hunter, 1 February 2000	-	Chief Finance Officer at the Metro
6.	Ismail Momoniat, 26 January 2000	-	Chief Director, IGR Department of Finance
7.	Prince Hamnca, 1 February 2000	-	Editor, Metro matters, Star newspaper
8.	Xolani Xundu, 27 January 2000	-	Local Government journalist, Business Day
9.	Chippy Olver, 9 February 2000	-	Former Deputy Director-General, Department of Provincial and Local Government
10.	Elroy Africa, 28 January 2000	-	Director, Department of Provincial and Local Government

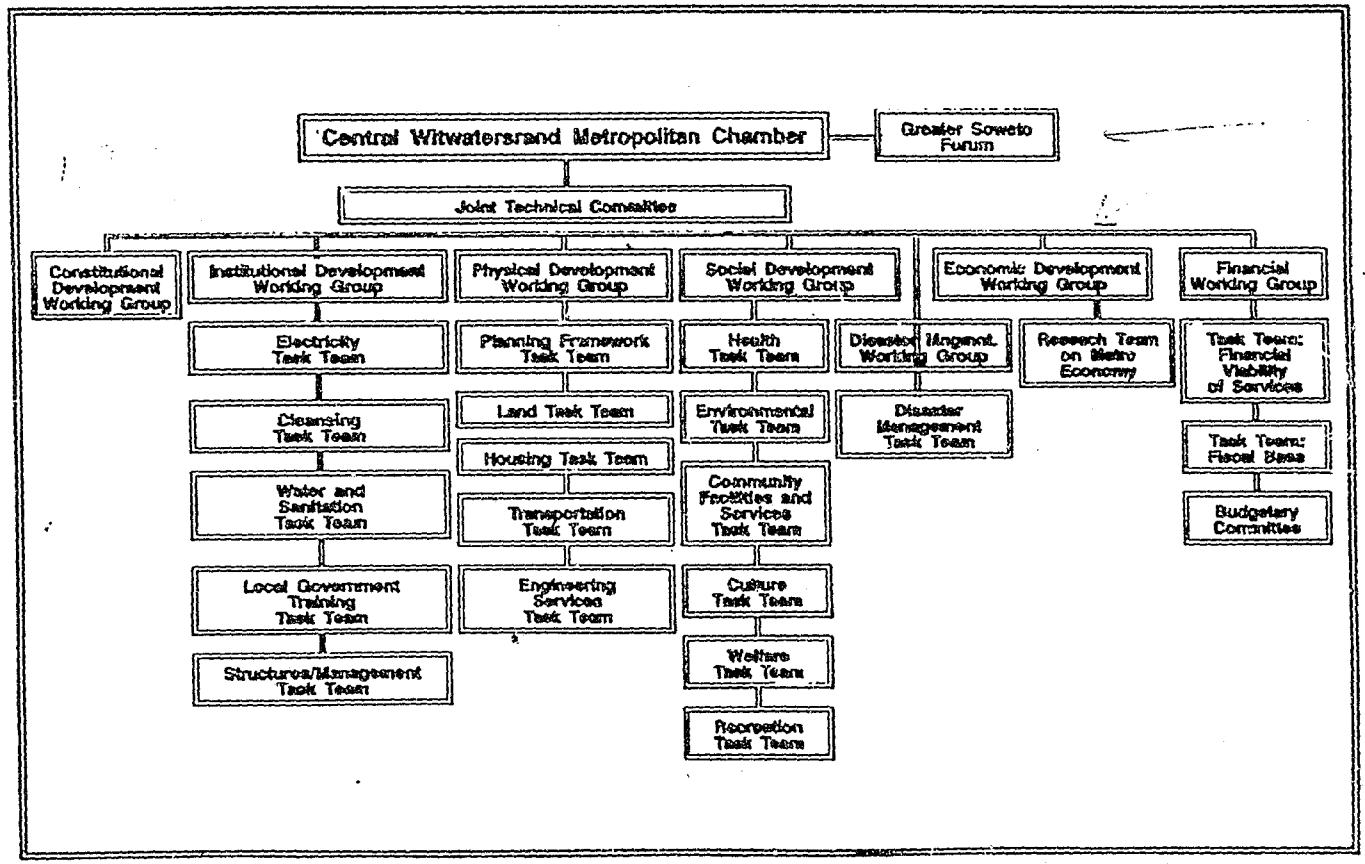
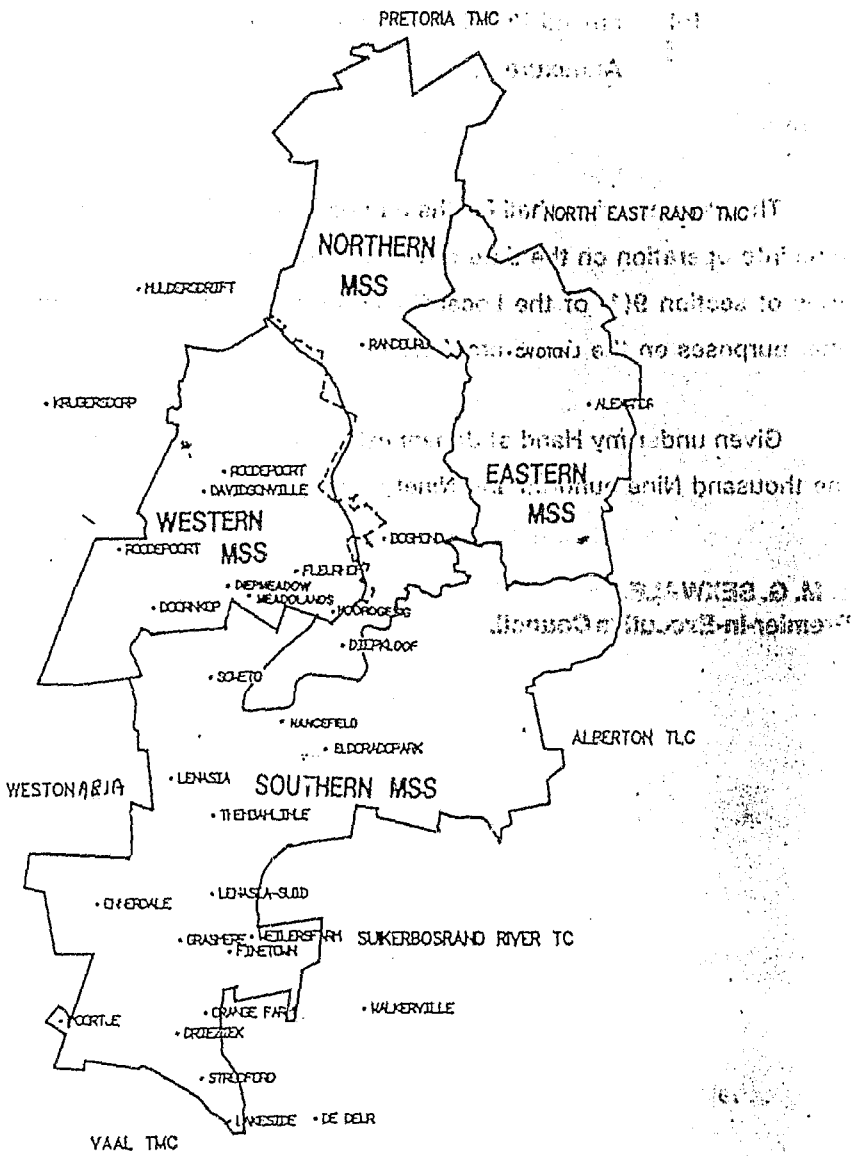


Figure 4: The Organisational Structure of the Metropolitan Chamber

Source: SWILLING — OVERVIEW OF THE CHAMBER

ANNEXURE A

1. Greater Johannesburg Transitional Metropolitan Council: Delimination of area of jurisdiction: Outer boundaries:-



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